CITY OF REDLANDS

CITY COUNCIL
FINANCING AUTHORITY
A G E N D A S
JANUARY 21, 2025

MARIO SAUCEDO
Mayor

MARC SHAW
Mayor Pro Tempore

PAUL T. BARICH
Council Member

EDDIE TEJEDA
Council Member

DENISE DAVIS
Council Member
***
JEANNE DONALDSON
City Clerk

PHILLIP DOOLITTLE
City Treasurer

CHARLES M. DUGGAN JR.
City Manager

YVETTE M. ABICH GARCIA
City Attorney

5:00 p.m. Open Public Meeting, Public Comment (Closed Session)
6:00 p.m. Open Session (Public Meeting)
* * *
City Council Chambers
Civic Center, 35 Cajon Street, Redlands, California

A G E N D A

The following information comprises the agenda for the regular meetings of the City Council of the City of Redlands and the Redlands Financing Authority of the City of Redlands at the times noted below in the City Council Chambers, Civic Center, 35 Cajon Street, Redlands, California, on:

TUESDAY, JANUARY 21, 2025

To join via Zoom on a computer, laptop, or smart device
Please visit www.zoom.us, click on Join a Meeting
Enter the Meeting ID **896 2789 8341**, then run the Zoom launcher
To join via Zoom with audio only (cell phone or landline):
Dial **1-877-853-5247**
Enter the Meeting ID **896 2789 8341**

Should the City lose connectivity on Zoom, we will halt the meeting until it can be restored. To check on the status of remote connectivity in the event of an outage, go to the City's website at www.cityofredlands.org or to the City's Facebook page at @CityofRedlands or the Instagram page at @CityofRedlands_CityHall.

In the event the City cannot reestablish Zoom connectivity in a reasonable amount of time, the mayor will adjourn the meeting to a future date.

***PLEASE NOTE**:* Anyone desiring to speak on an agendized item at this meeting may do so during the consideration of that item. Due to time constraints and the number of persons who may wish to give oral testimony, public comments will be limited to three (3) minutes.

- **To provide comment while participating from Council Chambers:**
  - Although it is not required, speakers are encouraged to submit a "Speaker Sign Up Sheet" before the meeting is convened. Forms are available in the Office of the City Clerk or in Council Chambers.
  - After the meeting has convened, you may place the speaker form in the basket at the table along the north wall of the Chambers. Please do not disturb the City Clerk while the meeting is in progress.

- **To provide comment through Zoom (on a computer, laptop, or smart device)**:
  - Click the "Raise Hand" button and the moderator will unmute you when it is your turn to speak

- **To provide comment via audio only (cell phone or landline)**:
  - Dial *9 to "Raise Hand". The moderator will identify you by your area code and last 3 numbers of your telephone number when it is your turn to speak.



PLEASE SILENCE CELL PHONES, PAGERS AND OTHER ELECTRONIC COMMUNICATION DEVICES UPON ENTERING THE CHAMBERS

5:00 P.M.

A. **Call City Council Meeting to Order**

B. **Public Comment**
(Any person wishing to provide public comment on a closed session matter may do so at this time.)

C. **Recess City Council Meeting to a Closed Session**

1. Conference with real property negotiators - Government Code §54956.8
(Assistant City Manager Boatman)

Property:	APNs: 0173-231-23-0000 and 0173-231-26-0000 (England Grove)
Agency Negotiators:	Charles M. Duggan, City Manager; Christopher Boatman, Assistant City Manager
Negotiating Party:	Johanna Crooker, ACIP Director of Forward Planning - Entitlements, Southern California; Meritage Homes of California, Inc.
Under Negotiation:	Terms of payment and price of possible land purchase by City.

2. Conference with legal counsel: Existing Litigation - Government Code §54956.9(d)(1)(City Attorney Garcia)
Two Cases:

   a. Miller & Associates, LLC v. City of Redlands, San Bernardino Superior Court, Case No. CIVSB2203755
   b. Price v. City of Redlands, San Bernardino Superior Court, Case No. CIVSB2218802

6:00 P.M.

D. **Reconvene City Council Meeting**

E. ***Invocation by Mayor Pro Tem Shaw***
Pledge of Allegiance by Lugonia Elementary School Students
(In keeping with long-standing traditions of legislative invocations, this City Council meeting may include a brief invocation. Such invocations are not intended to proselytize or advance any one, or to disparage any other, faith or belief. Neither the City nor the City Council endorses any particular religious belief or form of invocation.)

F. **Closed Session Report**
(No reportable action taken in closed session unless otherwise announced by the City Attorney at this time.)

G. **Public Comment - City Council**
(At this time, the City Council will provide an opportunity for the public to address them on any subject, within the jurisdiction of the City Council, which is not already scheduled on this agenda. However, any matter that requires action will be referred to staff for a report and possible action at a subsequent meeting. Comments will be limited to three {3} minutes.)

H. **Consent Calendar**

(The following routine items have been recommended for approval and will be acted upon simultaneously unless separate discussion and/or action is requested by a Councilmember or a member of the audience.)

1. Approve the regular meeting minutes December 17, 2024 (City Clerk Donaldson)

2. Approve recommendation for the reappointments of Greg Weissman and Justine Guidry and the appointment of Bridget Lawlor to the Historic and Scenic Preservation Commission (Mayor Saucedo and Mayor Pro Tem Shaw)

3. Approve City Council Liaison assignments to the City's Boards, Commissions, Committees and Outside Agencies (Mayor Saucedo)

4. Adopt Resolution No. 8655 to determine that the criteria contained in Government Code Section 65583.4 have been met, pertaining to a one-year extension of time to complete the rezoning actions that will implement the City's 6th Cycle Housing Element and the Regional Housing Needs Assessment allocation (City Planner/Planning Manager Foote)

5. Adopt Resolution No. 8654 declaring weeds to be a public nuisance and setting February 4, 2025, as the public hearing for objections to the proposed weed abatement (Fire Chief Sessler)

6. Adopt Resolution No. 8656 acknowledging acceptance of a report for completed state-mandated fire and life safety inspections by the City of Redlands Fire Department in compliance with SB 1205 and California Health and Safety Code Section 13146.4 (Fire Chief Sessler)

7. Approve the Public Works Contract with Metrocell Construction Inc. for Guardrail Installations for an amount not-to-exceed $174,600; and determine that the project is exempt from environmental review pursuant to Section 15304 of the State's guidelines implementing the California Environmental Quality Act (Facilities and Community Services Director Crocker)

8. Adopt Resolution No. 8649 - Annual Report of Development Impact Fees for the Year Ended June 30, 2024, and Adoption of Findings (Management Services/Finance Director Garcia)

9. Receive and file the Annual Reports for Community Facility District (CFD) No. 2001-1 and Community Facility District (CFD) No. 2003-1 pursuant to Local Agency Special Tax and Bond Accountability Act (SB 165) (Management Services/Finance Director Garcia)

10. Approve an Intergovernmental Purchase of Dell Workstations in the amount of $99,794.13 (Management Services/Finance Director Garcia)

11. Approve the property lease agreement with the South Coast Air Quality Management District and determine that this action is exempt from environmental review pursuant to Section 15601(b)(3) of the State's guidelines implementing the California Environmental Quality Act (Municipal Utilities and Engineering Director Harris)

12. Approve a Professional Services Agreement with Public Sector Personnel Consultants Inc. for Citywide Classification and Compensation Study Services for an amount not-to-exceed $192,000; and approve an additional appropriation in the same amount (Human Resources/Risk Management Director Meteau)

Recycled Paper

I. **Communications**

1. Presentation and acceptance of the Fiscal Year 2024 City of Redlands Annual Comprehensive Financial Report, and the Independent Accountants' Report on Applying Agreed-Upon Procedures Related to the Article XIII-B Appropriations Limit Calculation (Management Services/Finance Director Garcia)

2. Discussion and possible action relating to the designation of Voting Delegates to represent the City at the 2025 Regional Conference of the Southern California Association of Governments (SCAG) and General Assembly (Mayor Saucedo)

3. Annual Report of the Parks and Recreation Commission by Chair Douglas Gonzales and Commissioner Roy Cencirulo (Facilities and Community Services Director Crocker)

4. Annual Report of the Airport Advisory Board by Chair Jason Golembeski (Facilities and Community Services Director Crocker)

J. **New Business**

1. Consideration of the process to select new members to the City's Planning Commission; authorize the formation of, and appointments to an ad hoc subcommittee of the City Council to interview Planning Commission candidates; and direct staff to prepare an ordinance formalizing the selection process for City Council consideration at a future meeting (Assistant City Manager Boatman)

2. Consideration of a Purchase and Sale Agreement with Meritage Homes of California, Inc. for the acquisition of Assessor Parcel Numbers 0173-231-23-0000 and 0173-231-26-0000 for $100,000 and an additional appropriation in the same amount and determination that approval of the agreement is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act (Assistant City Manager Boatman)

3. Consideration of Amendment No. 1 to an Operations and Maintenance Agreement with San Bernardino County Transportation Authority and the University of Redlands (Assistant City Manager Boatman)

4. Consideration of an unsolicited offer of donation of property identified as Assessor's Parcel No. 0170-302-07 000 (Assistant City Manager Boatman)

5. Introduction of Ordinance No. 2975 to amend Title 13 (Public Services) relating to water, sewer and solid waste charges and payments, and consideration of Resolution No. 8647 revising the Policy on Residential Water Service Discontinuation and Rescinding Resolution No. 8048 (Management Services/Finance Director Garcia)

6. Introduction of Ordinance No. 2974 amending Section 2.48.040 of Chapter 2.48 of the Redlands Municipal Code relating to the Traffic and Parking Commission (Municipal Utilities and Engineering Director Harris)

7. Introduction of Ordinance No. 2978, establishing an exhaustion of administrative remedies procedure for challenges to fees, charges, and assessments, and consideration of Resolution No. 8657, amending the utility rate protest submission and tabulation procedure (Municipal Utilities and Engineering Director Harris)

8. Consideration of the twelve (12) year sole source Wastewater Treatment Plant Membrane Bioreactor filter preventive maintenance and replacement Agreement with Zenon Environmental Corporation with $219,578 annual payments, for a total value of $2,634,939, and determination that this action is exempt from environmental review pursuant to Section 15061(b)(3) of the state's guidelines implementing the California Environmental Quality Act (Municipal Utilities and Engineering Director Harris)

K. **Individual Council Member Announcements and/or Reports on Activities**
(No collective discussion or action.)

L. **Adjournment**
The next regular meeting of the City Council will be held on February 4, 2025.

M. **Redlands Financing Authority**

1. Call regular meeting of the Board of Directors of the Redlands Financing Authority to order

2. **Public Comment - Redlands Financing Authority**
(At this time, the Redlands Financing Authority will provide an opportunity for the public to address them on any subject, within its jurisdiction, which is not already scheduled on this agenda. However, any matter that requires action will be referred to staff for a report and possible action at a subsequent meeting. Comments will be limited to three {3} minutes.)

3. Approve the regular meeting minutes of September 17, 2024 (Secretary Donaldson)

4. Adjourn Redlands Financing Authority meeting
The next Redlands Financing Authority meeting will be held on May 20, 2025.

Recycled Paper

If you challenge any proposed development entitlement listed on this agenda in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at or prior to this public hearing.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact Goutam Dobey, of the Municipal Utilities and Engineering Department at (909) 798-7584 ext 2. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

(28 CFR 35.102-35.104 ADA Title II)

Any writings or documents distributed to a majority of the City Council regarding an open session agenda item less than 72 hours before this meeting are available for public inspection at the City Clerk's Office or at the dais of the City Clerk once the open session meeting begins.

Staff reports or other written documentation relating to items referred to on the agenda are available at the A. K. Smiley Public Library, 125 West Vine Street, Redlands, California, and on the City's website referenced below.

Regular meetings are televised live on Redlands TV Channel 3 (Spectrum) and Channel 35 (Frontier) and re-broadcast at 7:00 P.M. the following Wednesday, Friday and Sunday; and at 9:00 A.M. Thursday, Saturday and Monday. Meetings are also streamed live and archived for later viewing on demand on the City's website at www.cityofredlands.org. Agendas, staff reports and minutes of the City Council of the City of Redlands are available online at: www.cityofredlands.org.

City Council/Financing Authority Meeting **H. 1.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Approve the regular meeting minutes December 17, 2024 (City Clerk Donaldson)

MOTION:

I move to approve the regular meeting minutes of December 17, 2024.

Attachments

Meeting minutes of December 17, 2024

MINUTES

Regular meeting of the City Council of the City of Redlands held in the Council Chambers, Civic Center, 35 Cajon Street, on December 17, 2024 at 5:00 P.M.

Present:	Eddie Tejeda, Mayor Paul Barich, Mayor Pro Tempore Denise Davis, Council Member Mario Saucedo, Council Member
Absent:	Jenna Guzman-Lowery, Council Member
Staff:	Charles M. Duggan, Jr., City Manager; Yvette M. Abich Garcia, City Attorney; Jeanne Donaldson, City Clerk; Phillip Doolittle, City Treasurer; Janice McConnell, Assistant City Manager; Chris Boatman, Assistant City Manager; Carl Baker, Public Information Officer; Danielle Garcia, Management Services/Finance Director; Brian Desatnik, Development Services Director; John Harris, Municipal Utilities and Engineering Director; Rich Sessler, Fire Chief; Rachel Tolber, Police Chief; Tabitha Crocker, Facilities and Community Services Director; Robert Meteau, HR/Risk Management Director

Mayor Tejeda called the meeting to order and explained that comments could be presented in-person, via Zoom, via cell phone or landline. He offered the public an opportunity to provide comment on any item on the agenda for the closed session.

PUBLIC COMMENT

None forthcoming

CLOSED SESSION

Conference with legal counsel - Anticipated litigation pursuant to Government Code Sections 54956.9(d)(2) and (e)(3):

A point has been reached where, in the opinion of the legislative body of the local agency, and on the advice of its legal counsel based on existing facts and circumstances, there is a significant exposure to litigation against the local agency, based on the local agency's receipt of communication dated November 25, 2024, from Jonathan Shardlow, legal counsel for Prologis, Inc. to City Attorney Yvette Abich Garcia threatening litigation (copy available for public inspection in City Clerk's Office)

City Attorney Garcia announced this item was pulled from the Closed Session Agenda.

Conference with legal counsel: Existing Litigation - Government Code §54956.9(d)(1)(City Attorney Garcia)
One Case:
a. Miller & Associates, LLC v. City of Redlands, San Bernardino Superior Court, Case No. CIVSB2203755

Conference with real property negotiators - Government Code §54956.8
(Assistant City Manager Boatman)

Property:	APN: 0171-191-30-0000
Agency Negotiators:	Charles M. Duggan, City Manager; Christopher Boatman, Assistant City Manager
Negotiating Party:	Steve Stockton, President, Redlands Historical Museum Association
Under Negotiation:	Terms of possible lease with City.

RECONVENE CITY COUNCIL MEETING

The meeting reconvened at 6:00 P.M. with an invocation by Mayor Pro Tem Barich. The Pledge of Allegiance to the American flag was conducted by the Student Council of Smiley Elementary School.

CLOSED SESSION REPORT

City Attorney Garcia announced the following: Council Member Guzman-Lowery was absent from Closed Session, Mayor Tejeda recused himself from Item C-1, and Ms. Garcia declared no reportable action was taken during the closed session.

PRESENTATIONS

Mayor Tejeda introduced Barry Johansson, who sang musical selections in celebration of the holidays. Mr. Johansson is the Executive Director of the Freedom Philharmonic.

ELECTION CERTIFICATION - OATHS - CITY COUNCIL REORGANIZATION

Resolution No. 8638 Election Results Certification

City Clerk Donaldson presented Resolution No. 8638, reciting the facts of the general municipal election held on Tuesday, November 5, 2024, declaring the following results:

Member of the City Council District 2	Votes
Eddie Tejeda	2,661
Jennifer Maravillas	1,893

Member of the City Council District 4	Votes
Jenna Guzman-Lowery	2,673
Jesus Cisneros	937
Marc R. Shaw	3,047

City Clerk	Votes
Jeanne Donaldson	26,113

City Treasurer	Votes
Phillip Doolitte	18,770
John Paul Maier	8,730

On motion of Mayor Pro Tempore Paul Barich, seconded by Council Member Denise Davis, the City Council unanimously approved, by roll call vote, Resolution No. 8638 reciting the facts of the General Municipal Election held on Tuesday, November 5, 2024, declaring the results and such other matters as provided by law, declaring that Eddie Tejeda was elected as a Member of the City Council District 2; Marc R. Shaw was elected as a Member of the City Council District 4; Jeanne Donaldson was elected as the City Clerk; and Phillip Doolittle was elected as the City Treasurer.

Vote: 4 - 0 Passed

Administration of Oaths

Mayor Tejeda administered the oath of office to City Clerk Jeanne Donaldson. City Clerk Donaldson administered the oath of office and presented certificates of election to newly elected Council Members Eddie Tejeda and Marc Shaw and newly elected City Treasurer Phillip Doolittle.

Resolution No. 8508 Selection of Mayor and Mayor Pro Tempore

Mayor Tejeda opened the discussion relating to Resolution No. 8508, establishing the process for the selection of the mayor and mayor pro tempore and their respective terms of office and repealing Resolution No. 8414. On December 20, 2022, the City Council reviewed potential changes to the selection process by which the council selects the mayor and mayor pro tempore and adopted Resolution No. 8414 to provide for a seniority-based rotating schedule beginning December 2024 and continuing thereafter, every even numbered year. On January 17, 2023, the City Council adopted Ordinance No. 2953 amending Chapter 2.02 of the Redlands Municipal Code relating to the selection process. Resolution No. 8508 would eliminate the rotation system and states that the City Council shall meet after each general municipal election, choose one of its members as mayor, and one of its members as mayor pro tempore, for a two-year term of office.

Council Member Davis stated her reasons for supporting the rotation methodology, pointing out it was designed to be fair, equitable and allow each district representative an opportunity to be Mayor. She said this was a move forward for the City, and she was worried that repealing the rotation method was a betrayal of the public's trust and would undermine the democratic process that was established two years ago.

As public comment, twenty-nine people urged the Council to give the rotation method a chance, highlighting the fact that there was no data to prompt the reversal of the current resolution. Speakers raised several topics, including, the value of providing each district equal and fair representation, Council Member Davis's strong qualifications to be mayor, the need for

transparency, and the timing and motivation behind bringing this matter before the Council again. Many said there was an appearance that the proposed resolution attempted to reduce the power of a woman leader, diminish the LGBTQ community and target Council Member Davis specifically.

Fifteen people supported having council members select the mayor and mayor pro tempore among themselves, stating this method was based on merit, not on seniority. At least four speakers suggested the Council consider electing the mayor at-large, so that every voter was given an opportunity to determine who represents the city as mayor.

Mayor Tejeda preferred selecting the mayor and mayor pro tempore positions using historical methodology. Council Member Saucedo also favored the system whereby council members determined who would fill the leadership roles, as this was based on competency, not on seniority. Mayor Pro Tem Barich added that serving as the mayor required an extra time commitment. Council Members were grateful to every single speaker and to those who provided written comments, as well.

On motion of Council Member Tejeda, seconded by Council Member Mario Saucedo, the City Council approved, by roll call vote, Resolution No. 8508 establishing the process for the selection of the Mayor and Mayor Pro Tempore and their respective terms of office and repealing Resolution No. 8414.

Vote: 4 - 1 Passed
NAY: Council Member Denise Davis

Selection of Mayor and Mayor Pro Tempore

City Clerk Donaldson conducted the elections of the Mayor and Mayor Pro Tem for a term of two years, announcing that nominations do not require a second. She called for nominations for the office of Mayor. Council Member Barich nominated Denise Davis. Council Member Tejeda nominated Mario Saucedo. There being no further nominations, a roll call vote was taken:

VOTE: Nominee Denise Davis - Vote Failed 2-3
Ayes: Paul Barich, Denise Davis
Nays: Eddie Tejeda, Mario Saucedo, Marc Shaw

VOTE: Nominee Mario Saucedo - Vote Passed 4-1 - Mario Saucedo was declared the new Mayor
Ayes: Eddie Tejeda, Paul Barich, Mario Saucedo, Marc Shaw
Nays: Denise Davis

Ms. Donaldson called for nominations for the office of Mayor Pro Tem for a term of two years. Council Member Paul Barich nominated Marc Shaw. There being no further nominations, Marc Shaw was declared the new Mayor Pro Tem.

PRESENT:
Mario Saucedo, Mayor
Marc Shaw, Mayor Pro Tem
Eddie Tejeda, Council Member
Paul Barich, Council Member
Denise Davis, Council Member

Brief comments were provided by Mayor Saucedo and Mayor Pro Tem Shaw. A ten-minute recess was called at 8:40 P.M. and the meeting reconvened at 8:50 P.M.

PUBLIC COMMENT

SBVWCD Representative - Newly elected Mark Falcone introduced himself as the Division 2 Board Member of the San Bernardino Valley Water Conservation Board. He looked forward to working with the City and Council Members.

Christmas Parade Event Organizers - Michael Paisner raised concerns about the actions of the Kiwanis Club and wondered whether they discriminated against one of the Christmas Parade entrants, "The Neighborhood Gays".

No to High Rises - Gregory Brittain reminded the Council that the voters had twice rejected ballot measures pushing for higher densities and higher building heights, and he urged the Council to honor the will of the voters.

CONSENT CALENDAR

Minutes

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously approved the regular meeting minutes of December 3, 2024.

Vote: 5 - 0 Passed

Cultural Arts Commission Appointments

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously reappointed, by roll call vote, Margo Mullen to serve a second four-year term on the Cultural Arts Commission ending January 6, 2029; and reappointed Edie Punt to serve her first full four-year term on the Cultural Arts Commission ending January 6, 2029.

Vote: 5 - 0 Passed

Traffic and Parking Commission Appointments

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously reappointed, by roll call vote, Andrew Hoder to serve his first full four-year term on the Traffic and Parking Commission ending December 20, 2028; appointed Patrick Taylor to serve a four-year term on the Traffic and Parking Commission ending December 20, 2028, and appointed Donivan Fox to serve the remainder of a four-year term on the Traffic and Parking Commission ending December 20, 2025.

Vote: 5 - 0 Passed

Library Board of Trustees Appointment

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously reappointed, by roll call vote, William Hardy Jr. to serve a three-year term on the Library Board of Trustees ending January 1, 2028.

Vote: 5 - 0 Passed

Accept Grant Award SB County Homeless Services

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously determined, by roll call vote, that acceptance of the Homeless, Housing, Assistance, and Prevention 4 (HHAP-4) grant and the award of a Homeless Resource Services Agreement with Step Up on Second Street, Inc. for case management services are exempt from environmental review pursuant to Sections 15061(b)(3) of the State's Guidelines implementing the California Environmental Quality Act; accepted the Homeless, Housing, Assistance, and Prevention 4 (HHAP4) grant in the amount of $300,000 for case management services at the Project Home Key site; approved a Homeless Resource Services Agreement for the provision of case management services with Step Up on Second Street, Inc., in an amount not-to-exceed $300,000; and approved the additional appropriation in the amount of $300,000 as described in the staff report.

Vote: 5 - 0 Passed

First Amendment with Dyett & Bhatia, Urban and Regional Planners

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously determined, by roll call vote, that approval of the First Amendment to the Professional Services Agreement with Dyett & Bhatia Urban and Regional Planners is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act; and approved the First Amendment to the sole source Professional Services Agreement with Dyett & Bhatia, Urban and Regional Planners, to include an additional Scope of Services, an increase to the Agreement by $21,600 from $129,800 to a total aggregate amount not-to-exceed $151,400, to extend the agreement term to December 31, 2025.

Vote: 5 - 0 Passed

EnviroMINE, Inc. Agreement for Annual Site Inspections and Related Services

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously approve the Agreement with EnviroMINE, Inc., for an initial term of three (3) years with an option to extend for two additional one-year terms for an annual amount of $24,500 and an aggregate amount not to exceed $122,500 over a five-year period for the provision of professional services for sand and gravel annual site inspections and related services associated with the Surface Mining and Reclamation Act of 1975 (SMARA).

Vote: 5 - 0 Passed

Resolution No. 8646 Designating City's Authorized Agents

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously approved, by roll call vote, Resolution No. 8646, designating the City's Authorized Agents for cost recovery purposes through the California Governor's Office of Emergency Services (CalOES) and Federal Emergency Management Agency (FEMA) for any damages and emergency work that may occur during a natural or man-made disaster.

Vote: 5 - 0 Passed

Mobile Office Purchase

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously approved, by roll call vote, the purchase of a mobile office from Mobile Modular for the California Street Landfill at a cost of $117,550.24, for a new updated office space to ensure that staff assigned to the Landfill Division have efficient resources to provide essential landfill compliance.

Vote: 5 - 0 Passed

General Architecture Design Services Agreement

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously determined, by roll call vote, that approval of a Professional Services Agreement with Higginson Architects Inc. for general architecture design services is exempt from the California Environmental Quality Act pursuant to Section 15061(b)(3) of the CEQA Guidelines; and approved the Professional Services Agreement with Higginson Architects Inc. for general architecture design services for an amount not to exceed $100,000.

Vote: 5 - 0 Passed

Contribution to Redlands 4th of July Committee

Facilities and Community Services Department Director Crocker introduced a request from the Redlands 4th of July Committee for a $30,000 contribution from the City for the 2025 Fourth of July Celebration. She explained that in order to approve the contribution, the Council must determine that the financial support serves a public benefit. As background, the City Council approved a $30,000 contribution in 2024 for the fireworks display. However, due to technical issues with the display, including the grand finale, the pyrotechnics contractor provided a $15,000 credit, reducing the Committee’s financial need to $15,000. As the City disburses payment only after the event, the Redlands 4th of July Committee will receive a $15,000 payment for the 2024 event.

For the 2025 Fourth of July celebration, the Committee is requesting a $30,000 financial contribution to secure the fireworks display. This contribution will represent only a portion of the total event cost. Committee Chair and event organizer Tim Murone clarified that the contribution

request was a deposit to hold the date and was due to the vendor in January 2025.

On motion of Council Member Eddie Tejeda, seconded by Council Member Paul Barich, the City Council unanimously approved, by roll call vote, a $30,000 contribution for the 2025 Fourth of July Celebration to the Redlands 4th of July Committee and determined that the financial support serves a public benefit; and approved the additional appropriation in the amount of $30,000.

Vote: 5 - 0 Passed

Resolution No. 8650 Salary Schedule

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously approved, by roll call vote, the City Council unanimously approved, by roll call vote, Resolution No. 8650 establishing a Salary Schedule and Compensation Plan for City Employees and rescinding Resolution No. 8624. Resolution No. 8650 incorporates position changes in the City Manager's Office, Human Resources Department and the Library. Additionally, salary adjustments have been made to certain part-time classifications in order to maintain compliance with minimum wage requirements.

Vote: 5-0 Passed

Payment for enQuesta Utility Database for Customer Management

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously approved, by roll call vote, payment of the invoice to Systems & Software, Inc. (“S&S”), providers of the City’s utility billing software, in an amount of $203,771 for annual software maintenance and support for the calendar year 2025.

Vote: 5-0 Passed

PO Modification JCI Jones Chemical Inc.

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously determined, by roll call vote, that approval of a $75,000 JCI Jones Chemical, Inc. purchase order modification is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act; and approved a $75,000 JCI Jones Chemical, Inc. purchase order modification to operate and maintain water utility production, treatment, and distribution systems.

Vote: 5-0 Passed

Resolution No. 8644 Establishing Contractor List

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously determined, by roll call vote, that approval of Resolution No. 8644 is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act; and adopted Resolution No. 8644 establishing a contractor list pursuant to the Uniform Public Construction Cost Accounting Act.

Vote: 5-0 Passed

Amending Agreement California St / Redlands Blvd Intersection Widening Project

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously determined, by roll call vote, that approval of the Third Amendment to the Professional Services Agreement with CASC Engineering and Consulting, Inc. for the California Street and Redlands Boulevard Intersection Widening Project is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act; and approved the Third Amendment to the Professional Services Agreement with CASC Engineering and Consulting, Inc. for the California Street and Redlands Boulevard Intersection Widening Project to extend the time for completion to December 31, 2025.

Vote: 5-0 Passed

Purchase Chemical Fume Hoods with Cabinets and Sample Refrigerator

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously determined, by roll call vote, that purchasing four (4) laboratory fume hoods with cabinets and one (1) sample refrigerator is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act; and approved the purchase four laboratory fume hoods with cabinets and one sample refrigerator from Thomas Scientific, LLC for a total purchase price of $85,673.25.

Vote: 5-0 Passed

Installation Traffic Signal at Church St/San Bernardino Ave Intersection

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously determined, by roll call vote, that approval of a Professional Services Agreement with AGA Engineers, Inc. to engineer and provide construction support services for the installation of a new traffic signal at the Church Street/San Bernardino Avenue intersection is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act; and approved the Professional Services Agreement with AGA Engineers, Inc. for an amount not-to-exceed

$115,000.

Vote: 5-0 Passed

Accept Grant Award FY 2023 Homeland Security Grant Program

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously accepted, by roll call vote, the grant award from the FY 2023 Homeland Security Grant Program; and approved an additional appropriation of $23,962 to the Police Department.

Vote: 5-0 Passed

NEW BUSINESS

Redlands Historical Museum Association for MOR Lease Agreement

Assistant City Manager Boatman reviewed a Lease Agreement with the Redlands Historical Museum Association (RHMA) for the Museum of Redlands (MOR) property located at 1 North Center Street, for a not to exceed amount of $36,000. Since 2021, in recognition of the community benefit of the MOR, the City Council has contributed to the fundraising for the project. At their April 19, 2022 meeting, the City Council approved a midyear grant agreement with RHMA for $1 million toward the construction of the museum. On May 7, 2024, the City Council agreed to provide RHMA a loan of $1 million from the City to RHMA with interest at 4% to be repaid in 2 years. At that same meeting, the City Council also agreed to a promissory note with RHMA, advancing $2 million at zero interest to RHMA. This grant will be repaid by a $2 million grant from the state of California to the city of Redlands, which the state has committed to send to the city upon the conclusion of the construction.

The construction of MOR is scheduled to be substantially completed by the end of 2024. The RHMA is desirous of turning the building over to the City as soon as possible. In a spirit of cooperation, RHMA and the City have agreed to conclude a lease arrangement for a limited period (2 – 6 months) in 2025 until the transfer agreement can be finalized and adopted.

The proposed lease agreement between the RHMA (Landlord) and the City of Redlands (Tenant) establishes a short-term arrangement to facilitate the City's use and operation of the property. The lease is intended to provide the City access to the property for museum-related activities, administrative setup, and cultural promotions, while allowing the City to assume operational costs prior to the anticipated donation of the property. Key summary points of the lease include: 1) Term: Four months starting February 4, 2025, with a two-month extension option. Lease terminates automatically upon transfer of the Premises to Tenant; 2) Rent: $6,000 per month, plus Tenant is responsible for utilities and janitorial services. Landlord covers property maintenance and landscaping; 3) Use: Museum exhibit staging, artifact storage, office setup, cultural promotions, and Landlord-approved activities.

As public comment, MOR President Steve Stockton was pleased to act as cheerleader for the Museum and expressed his enthusiasm to bring this 25-year journey to the next phase and transfer ownership to the City. Dennis Bell was concerned about the Council's spending priorities, and he questioned how the City was planning and budgeting for these future

expenses.

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously determined, by roll call vote, that approval of the lease agreement with the Redlands Historical Museum Association is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act; and approved the lease agreement with the Redlands Historical Museum Association.

Vote: 5-0 Passed

Master Construction Management Services Agreement State Street City Hall

Assistant City Manager Boatman presented a Sole Source Procurement Waiver and Professional Services Agreement with Tilden-Coil Constructors, Inc., for Master Construction Management Services for State Street City Hall for an amount not to exceed $1,363,358. With the development of the new City Hall Facility, staff has determined a Master Construction Management Services is necessary for this facility improvement project. This approach has been successful with the City's Police Department Safety Hall Facility development. The pre-construction evaluation of the design and master construction management services will provide expertise for the City, lowering potential costs associated with change orders, and other unexpected challenges that occur during major construction projects. To avoid delays and reduce liability for the City, staff is recommending waiving the competitive procurement process and contracting directly with Tilden Coil Constructors, Inc. for these services. Staff negotiated a reasonable fee to provide these services, similar to services being provided for the City's Safety Hall project. The agreement total is in the amount of $1,363,358, which includes $50,000 for pre-construction phase services, $813,358 for general conditions (project site support services), and a construction management fee based on 5% of the project construction budget. Many public agencies are beginning to use a method referred to as construction management/ multiple prime delivery to better manage large projects and mitigate risk. Construction Management Multi-Prime, as it is commonly referred to, is a project delivery method in which the professional contractor/ construction manager ("CM") serves as a consultant on a project from inception to completion. The City also enters into separate construction contracts directly with subcontractors who are managed by the CM.

As public comment, Dennis Bell said the City was spending a lot of money on a building that was supposed to be in good shape when the City originally purchased it.

On motion of Council Member Eddie Tejeda, seconded by Council Member Paul Barich, the City Council unanimously determined, by roll call vote, that approval of a Professional Services Agreement with Tilden-Coil Constructors, Inc., for Master Construction Management Services for State Street City Hall is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act; approved to waive competitive procurement procedures to contract directly with Tilden-Coil Constructors, Inc., for Master Construction Management Services for State Street City Hall; approved the Professional Services Agreement with Tilden-Coil Constructors, Inc. for Master Construction Management Services for State Street City Hall in the amount not to exceed $1,363,358; and approved an additional appropriation of $1,363,358.

Vote: 5-0 Passed

Unarmed On-Site Security Services at Step-Up In Redlands Facility

Assistant City Manager Boatman described the Professional Services Agreement with TK Security, Inc., for the provision of unarmed, on-site security services at the Step-Up In Redlands Project Home Key facility. Project Home Key facility, known as Step Up In Redlands, currently houses 120 people and provides supportive services such as mental health counseling and medical services. The original grant agreement included Step Up on Second, a nonprofit partner, to provide case management and property management services, which are still being provided at the site. With the City of Redlands being a partner in the State Project Home Key grant, the City is committed to providing safety to the residents at the housing site. The City has agreed to provide an onsite security presence at the facility, up to 24 hours daily, to assist in maintaining the desired atmosphere and activities at the facility. After the initial period, the City will reassess the need for full-time onsite security. Additionally, staff may reassess the times a security guard is necessary and adjust the schedule as needed during the term of the agreement.

On motion of Council Member Eddie Tejeda, seconded by Mayor Pro Tempore Marc Shaw, the City Council unanimously approved, by roll call vote, the Professional Services Agreement with TK Security, Inc., for the provision of unarmed, on-site security services at the Step-Up In Redlands Project Home Key facility, in an amount not-to-exceed $196,560 for the initial term of one year, with the option to extend by two additional one-year terms for a total amount not-to-exceed $589,680.

Vote: 5-0 Passed

Encampment Resolution Funding Program (ERF-3)

Assistant City Manager Boatman summarized the California Department of Housing and Community Development (HCD) Encampment Resolution Funding Program (ERF-3) grant award in the amount of $5,341,800. In January 2024, Governor Gavin Newsom announced a significant $300 million initiative aimed at addressing homelessness by assisting individuals living in encampments to transition into safe and stable housing. As part of this initiative, Redlands received over $5.3 million through the Encampment Resolution Fund (ERF-3) grant. These funds will focus on addressing homelessness and creating sustainable pathways to housing within Redlands. The program will specifically target approximately 100 homeless individuals currently residing in encampments along major transportation corridors, including the Interstate 10 and 210 freeways, Highway 38, and the Santa Ana River basin. Services offered under this program include street outreach, shelter provision, housing navigation, rapid rehousing, permanent housing placements, and temporary accommodations through hotel vouchers.

The majority of the grant funds will be allocated to local nonprofit organizations, which will act as subcontractors to deliver critical services aligned with the program's goals. This approach leverages the expertise of community-based organizations to ensure efficient and effective service delivery. Upon the City Council's formal acceptance of the grant, staff will prepare detailed agreements with these subcontractors for future Council approval. In addition to funding service delivery, a portion of the grant will be used to bolster the City's Homeless

Solutions Division by hiring dedicated personnel,

On motion of Council Member Eddie Tejeda, seconded by Council Member Paul Barich, the City Council unanimously accepted, by roll call vote, the award of $5,341,800; authorized the City Manager or his designee to execute the grant agreement and related program documents; authorized the additional appropriation of $5,341,800 as shown in the staff report; and approved the limited-term positions as described in the staff report for the Homeless Solutions Division with a term for each not-to-exceed two years.

Vote: 5-0 Passed

2025-2026 CDBG Program Proposed Project Listings

Development Services Director Desatnik presented staff's recommendation for FY 2025-2026 Community Development Block Grant Program (CDBG) proposed project listing. Requested funding distributions included:

1) Sylvan Park Rehabilitation Project - City of Redlands Restroom Replacement & ADA Sidewalk Improvements $265,386.16
2) Family Service Association of Redlands Housing and Food Assistance $9,340
3) Boys & Girls Club of Greater Redlands - Riverside Family Strengthening $9,340
4) YMCA of the East Valley Legal Aid Services $9,340
5) Partners Against Violence Supportive Services for Victims of Violence $9,340
6) Girls on the Run Youth Services $9,340

On motion of Council Member Eddie Tejeda, seconded by Mayor Pro Tempore Marc Shaw, the City Council unanimously directed staff, by roll call vote, to prepare the 2025-2026 Community Development Block Grant Program Cooperating City of Recommended Projects Form and submit to the County of San Bernardino Community Development and Housing Division, based on staff's funding requests as listed in the staff report. The requests were based on an evaluation and analysis of all the applications submitted, received, and deemed eligible for the 2025-2026 Community Development Block Grant (CDBG) Program Year beginning on July 1, 2025.

Vote: 5-0 Passed

Resolution No. 8643 Mixed-Use Development Measure 'U' Exemption

Development Services Director Desatnik provided background on Resolution No. 8643 determining that a proposed mixed-use development on an approximately 3.15-acre site located at the northeast corner of Stuart Avenue and Eureka Street is exempt from Measure 'U'. On November 12, 2024, the Planning Commission reviewed the application and unanimously recommended that the City Council determine that the proposed project qualifies for exemption from Measure 'U.' Measure U, by its own provisions, recognizes that certain types of development or projects may be determined to be exempt from those provisions of the Redlands General Plan established by Measure U, including five “Special Categories of Development” specifically listed in the measure. Among the Special Categories of Development, Measure U provides a specific exemption that states, “Development directly related to proposed Metrolink stations in the City of Redlands, including one at the University

of Redlands."

On motion of Council Member Paul Barich, seconded by Council Member Eddie Tejeda, the City Council unanimously approved, by roll call vote, Resolution No. 8643 finding that the proposed mixed-use project on an approximately 3.15-acre site located at the northeast corner of Stuart Avenue and Eureka Street, near the Downtown Redlands train station is exempt from Measure 'U'.

Vote: 5-0 Passed

Agreement for EOC Audiovisual System

Fire Chief Sessler introduced a Professional Services Agreement with Activu Corporation for an amount not to exceed $257,779, for the purchase and installation of an audiovisual system for the City's Emergency Operations Center (EOC) as part of the grant-funded EOC Renovation Project. The grant is designed to enhance emergency management and preparedness by supporting flexible, sustainable, secure, strategically located, and fully interoperable EOCs, with a focus on addressing identified deficiencies and needs. Key renovations include optimizing the space for improved functionality, upgrading workspaces, IT/computer systems, and audiovisual equipment, and addressing facility enhancements. Priorities include replacing the EOC's aging rooftop HVAC units and roofing, as well as upgrading the audiovisual system.

On motion of Mayor Pro Tempore Marc Shaw, seconded by Council Member Eddie Tejeda, the City Council unanimously approved, by roll call vote, the Professional Services Agreement with Activu Corporation for an amount not to exceed $257,779, for the purchase and installation of an audiovisual system for the City's Emergency Operations Center (EOC) as part of the grant-funded EOC Renovation Project.

Vote: 5-0 Passed

Contract Award 2023 CIP Water Pipeline and Highline Replacement Project

Municipal Utilities and Engineering Director Harris highlighted the details of a $12,058,362.99 construction contract with MCC Pipeline, Inc. for construction of the 2023 CIP Water Pipeline and Highline Replacement Project, Project No. 501063. (Project). The Project) will replace approximately seven miles of aging and deteriorated water pipelines. Each year, a portion of revenues generated through water utility rates is used to replace aging water pipelines throughout the City. These pipelines are selected based on maintenance history, inspection records, and coordination with future paving improvements. The Project also includes replacing approximately two miles of a large diameter water transmission line known as the "Highline" from Fifth Avenue/Crafton Avenue to Reservoir Road/I-10. The Highline distributes water from the Henry Tate water treatment plant to the Fifth Avenue and Country Club water reservoirs. The Highline is approximately seven miles long and was constructed in the 1950s using unlined steel pipe with an anticipated service life of fifty years. Due to its age and condition, the pipe has reached the end of its useful life and the City has already replaced approximately five miles of the Highline. Director Harris pointed out there is funding available in the Water Fund's unassigned fund balance sufficient to cover this expense.

On motion of Council Member Eddie Tejeda, seconded by Council Member Paul Barich, the City Council unanimously determined, by roll call vote, that approval of a construction contract and construction of the 2023 CIP Water Pipeline and Highline Replacement Project, Project No. 501063 are categorically exempt from environmental review pursuant to Sections 15302 and 15303 of the State's guidelines implementing the California Environmental Quality Act; approved an additional appropriation in the amount of $3,058,363; approved the 2023 CIP Water Pipeline and Highline Replacement Project plans and specifications; and approved a construction contract with MCC Pipeline, Inc.

Vote: 5-0 Passed

Resolution No. 8645 California St & Redlands Blvd Intersection Widening Project IS/MND

Municipal Utilities and Engineering Director Harris detailed the need for Resolution No. 8645 to adopt a Mitigated Negative Declaration and Mitigation Monitoring/Reporting Program prepared for the proposed California Street and Redlands Boulevard Intersection Widening Project in accordance with Section 15074 of the California Environmental Quality Act Guidelines.

On motion of Council Member Eddie Tejeda, seconded by Council Member Paul Barich, the City Council unanimously approved, by roll call vote, Resolution No. 8645 to adopt a Mitigated Negative Declaration and Mitigation Monitoring/Reporting Program prepared for the proposed California Street and Redlands Boulevard Intersection Widening Project in accordance with Section 15074 of the California Environmental Quality Act Guidelines.

Vote: 5-0 Passed

COUNCIL MEMBER ANNOUNCEMENTS AND ACTIVITIES

Council Member Davis represented the City at the Chamber of Commerce Rise & Shine meeting, participated in the Christmas parade, and enjoyed the Omnitrans Gala held at the Mitten Building.

ADJOURNMENT

There being no further action required the meeting adjourned at 9:35 P.M. The next regular meeting of the City of Redlands City Council will be held on January 21, 2025.

City Council/Financing Authority Meeting **H. 2.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Approve recommendation for the reappointments of Greg Weissman and Justine Guidry and the appointment of Bridget Lawlor to the Historic and Scenic Preservation Commission (Mayor Saucedo and Mayor Pro Tem Shaw)

MOTION:

1. I move to reappoint Greg Weissman, and Justine Guidry to each serve another four-year term on the Historic and Scenic Preservation Commission ending January 18, 2029; and

2. I move to appoint Bridget Lawlor to serve a four-year term on the Historic and Scenic Preservation Commission ending January 18, 2029.

RECOMMENDATION:

It is recommended by Mayor Pro Tem Shaw that the City Council consider this appointment to the Historic and Scenic Preservation Commission. Pursuant to the Redlands Municipal Code, appointments to this commission are made by the Mayor and approved by the City Council. However, Mayor Saucedo has expressed his desire to rotate recommendations for commission/board appointments among the City Council Members; therefore, Mayor Pro Tem Shaw has been delegated authority by Mayor Saucedo to make the recommendation for this appointment.

DISCUSSION:

Commissioners Rose-Marie Raumin, Greg Weissman, and Justine Guirdy's terms on the Historic and Scenic Preservation Commission expire on January 18, 2025. Two commissioners are seeking re-appointment and are in good standing with the commission. Commissioner Rose-Marie Raumin has decided to resign from the commission at the end of her term. A public notice requesting

interested residents to submit an application to the Historic and Scenic Preservation Commission was issued in October. The public notice was aired on Redlands TV and posted on the community bulletin board at the A. K. Smiley Public Library. The local newspapers also received distribution of the public notice. Three new applications were received.

The Historic and Scenic Preservation Commission consists of seven members as follows:

- Rose-Marie Raumin (Resigned)
- Greg Weissman (term expires 1/18/25)
- Justine Guidry (term expires 1/18/25)
- Kurt Heidelberg
- Nathan Gonzales (permanent member)
- Dr. Lauren Weiss Bricker
- Steven Holm

ALTERNATIVES:

The City Council may choose not to support the recommendation and direct staff to seek further applications for consideration.

SUBMITTED BY:
Janice McConnell, Assistant City Manager

REVIEWED BY:
Charles M. Duggan Jr., City Manager

PREPARED BY:
Jennifer Macias, Management Analyst

Attachments

Applications
Public Notice

Received by the City Manager's Office 12.3.24

CITY OF REDLANDS
COMMISSION APPLICATION FORM

(Please note that this form is a public record that may be subject to disclosure upon request.)

COMMISSION\BOARD APPLIED FOR

Historic and Scenic Preservation

Name Bridget Lawlor, Ph.D.

Address [redacted] Redlands, CA 92373

Telephone (Work) [redacted] (Cell / Home) _____

Email [redacted]

Occupation Preservation Director

Reasons for desiring to serve – relevant experience and qualifications:

I've lived in Redlands almost my entire life. I see a lot changing and I want to ensure the choices that are being made consider the historic resources of the city.

I've worked in preservation for almost 10 years and oversaw the Historical Commission for Riverside County as the Historic Preservation Officer. I am now Preservation Director for Pasadena Heritage doing advocacy and education work around preservation.

Signature Bridget Lawlor **Date** 12/3/2024

** If appointed, please be advised that all City commissioners and committee/board members must complete mandatory harassment prevention training consistent with the requirements of Assembly Bill No. 1825. (Resolution No. 7206 adopted July 26, 2012)*

Two References: (Please do not include Councilmembers or City Staff)

(1) Phalana Tiller
Former colleague
The Drucker Insitute
Telephone [redacted]

(2) Dan Lewis
Former professor at Claremont Graduate
Curator at the Huntington Library
Telephone [redacted]

Return Application to: Office of the City Council, C/O Office of the City Manager
300 E. State Street, Suite 690, Redlands, CA 92373
OR by email to RedlandsOCM@cityofredlands.org

You will be notified of appointments by the City Council. Your application will be retained for one year. PLEASE NOTE: Planning Commissioners and Historic & Scenic Preservation Commissioners are required to file Statements of Economic Interest in accordance with California State Law.

Address Verified - AE

CITY OF REDLANDS
COMMISSION APPLICATION FORM

(Please note that this form is a public record that may be subject to disclosure upon request.)

City Manager's Office

COMMISSION\BOARD APPLIED FOR

Historic & Scenic Preservation Commission

DEC 12 2024

Name James A Ferguson

Address [redacted] Redlands CA 92373 Received

Telephone (Work) _____ (Cell / Home) [redacted]

Email [redacted]

Occupation retired Redlands business owner, CA State Parks volunteer, Peace Corps remote business consulting

Reasons for desiring to serve – relevant experience and qualifications:
High interest & background in promoting & preserving community natural & cultural resources.

Prior owner retail bus 36 yrs Redls based w/ 10 IE branches. Prop developer '04-'08. Hosted Redlands Conservancy fundraiser '24. Director Mt S Jacinto Nat Hist Assoc promote State Park interests '23-'24. Director Arrowhead CrUnion '07-'10. Organizer/ExecComm Rdls Bond measure for 2nd HiSchool '93. NatlParks concession mgr (Ystone, Shendoah) '22. Rdls Chambr 36 yrs.

Signature _____ **Date** Dec 12, '24

** If appointed, please be advised that all City commissioners and committee/board members must complete mandatory harassment prevention training consistent with the requirements of Assembly Bill No. 1825. (Resolution No. 7206 adopted July 26, 2012)*

Two References: (Please do not include Councilmembers or City Staff)

(1) Paul Lechuga
Redlands CA
[redacted]
Telephone [redacted]

(2) Darrel Olson
Redlands CA
[redacted]
Telephone [redacted]

Return Application to: **Office of the City Council, C/O Office of the City Manager**
300 E. State Street, Suite 690, Redlands, CA 92373
OR by email to RedlandsOCM@cityofredlands.org

You will be notified of appointments by the City Council. Your application will be retained for one year. PLEASE NOTE: Planning Commissioners and Historic & Scenic Preservation Commissioners are required to file Statements of Economic Interest in accordance with California State Law.

✓address Verified (AE)

Received by the City
Manger's Office 12.2.24

CITY OF REDLANDS
COMMISSION APPLICATION FORM

(Please note that this form is a public record that may be subject to disclosure upon request.)

COMMISSION\BOARD APPLIED FOR

HISTORIC AND SCENIC PRESERVATION COMMISSION

Name Richard Bullock

Address [redacted]

Telephone (Work) [redacted] (Cell / Home) 909-919-0501

Email [redacted]

Occupation _____

Reasons for desiring to serve – relevant experience and qualifications:

I've been employed as a public school teacher for almost twenty years. The first ten years as a history teacher. I have a deep passion for history, and preserving it in a way our community would be proud of now, and for years to come. Service to others has been a constant theme in my life. I served in the Marine Corps, teacher, coach, and help run a summer youth program at Camp Pendleton. I hope for the opportunity to serve the city of Redlands as well.

Signature Richard Bullock **Date** 12/2/2024

**** If appointed, please be advised that all City commissioners and committee/board members must complete mandatory harassment prevention training consistent with the requirements of Assembly Bill No. 1825. (Resolution No. 7206 adopted July 26, 2012)***

Two References: (Please do not include Councilmembers or City Staff)

(1) Keith Freeman

[redacted]

Telephone [redacted]

(2) Isabel Cortez

[redacted]

Telephone [redacted]

Return Application to: Office of the City Council, C/O Office of the City Manager
300 E. State Street, Suite 690, Redlands, CA 92373
OR by email to RedlandsOCM@cityofredlands.org

You will be notified of appointments by the City Council. Your application will be retained for one year. PLEASE NOTE: Planning Commissioners and Historic & Scenic Preservation Commissioners are required to file Statements of Economic Interest in accordance with California State Law.

address verified - AE

City of
REDLANDS
Incorporated 1888
35 Cajon Street, Redlands, CA 92373
909-798-7510
www.ci.redlands.ca.us

PUBLIC NOTICE

NOTICE IS HEREBY GIVEN that the City Council of the City of Redlands encourages residents to apply for a position on the following commission:

HISTORIC AND SCENIC PRESERVATION COMMISSION

The Historic and Scenic Preservation Commission promotes public interest in and understanding of historical and scenic properties and their preservation.

The Historic and Scenic Preservation Commission meets on the first Thursday of each month at 6:00 p.m. Residents interested in applying for the non-salaried position on this commission may request application forms from the City Clerk, City Hall, 35 Cajon Street, Suite 4, or by phone 798-7510 or from the City's website www.cityofredlands.org

Applications will be accepted until November 18, 2024.

Jennifer Macias, Management Analyst
Office of the City Manager
City of Redlands, California

10/28/24

City Council/Financing Authority Meeting **H. 3.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Approve City Council Liaison assignments to the City's Boards, Commissions, Committees and Outside Agencies (Mayor Saucedo)

MOTION:

I move to approve the City Council liaison assignments to the City's boards, commissions, committees and outside agencies as recommended by Mayor Saucedo.

RECOMMENDATION:

It is recommended by Mayor Saucedo that the City Council consider the liaison assignments as represented in the attached table titled “2025 City of Redlands Commissions/Boards/Committees.”

DISCUSSION:

Subsequent to the City's General Municipal Election and reorganization of the City Council, it is necessary to coordinate new Council liaison assignments to the City's boards, commissions, committees and outside agencies. Mayor Saucedo has reviewed the list and has provided his recommendation for the new liaison assignments, which are reflected in the attached table for the Council's consideration.

SUBMITTED BY:
Janice McConnell, Assistant City Manager

REVIEWED BY:
Charles M. Duggan, Jr., City Manager

PREPARED BY:
Jennifer Macias, Management Analyst

Attachments

2025 City of Redlands Commissions/Boards/Committees

2025 CITY OF REDLANDS COMMISSIONS/BOARDS/COMMITTEES

Commissions and Committees created by Ordinance or Resolution of the City of Redlands - *These are City sponsored and staffed committees that are appointed by the Council and subject to the Brown Act*

COMMISSION/BOARD	MEETING TIME	MEETING MONTHS	STAFF LIAISON	COUNCIL LIAISON	
				PRIMARY	ALTERNATE
Airport Advisory Board	3rd Thursday 6 p.m.	Monthly	Adarian (AJ) Lawson 557-8520 (Facilities and Community Services)	Shaw	Barich
Citrus Preservation Commission	2nd Tuesday 4 p.m.	Monthly	Tricia Swope 335-4701 (Facilities and Community Services)	Shaw	Davis
Cultural Arts Commission	2nd Monday 4 p.m.	Jan / Mar / May/ Jul / Sept / Nov	Tricia Swope 335-4701 (Facilities and Community Services)	Davis	Tejeda
Disaster Council	4th Monday 4:00 p.m.	Jan / Apr / Jul / Oct	Esther Martinez 307-7313 (Fire Department)	Saucedo	Shaw
Historic and Scenic Preservation Commission	1st Thursday 6 p.m.	Monthly	Brian Foote, 798-7562 (Development Services)	Barich	Davis
Human Relations Commission	2nd Monday 6:30 p.m.	Jan / Mar / May Jul / Sept / Nov	Sarah Redinger; 798-7514 (Human Resources)	Saucedo	Shaw
Library Board	2nd Tuesday 5 p.m.	Monthly	Don McCue, 798-7565 (Library)	Barich	Shaw
Measure T	TBD	As Needed	Danielle Garcia 798-7507 (Management Services)		
Municipal Utilities/Public Works Commission	1st Monday 4 p.m.	Feb / Apr / Jun Aug / Oct / Dec	Sara White, 798-7527 (Municipal Utilities and Engineering)	Saucedo	Tejeda

COMMISSION/BOARD	MEETING TIME	MEETING MONTHS	STAFF LIAISON	COUNCIL LIAISON	
				PRIMARY	ALTERNATE
Parks & Recreation Advisory Commission	2nd Thursday 4 p.m.	Monthly	Don Craw 798-7304 (Facilities and Community Services)	Tejeda	Barich
Planning Commission	2nd & 4th Tuesday 4 p.m.	Monthly	Brian Desatnik, 798-7598 (Development Services)	Tejeda	Shaw
Street Tree Committee	4th Thursday 5:30 p.m.	Feb / Apr / Jun Aug / Oct / Dec	Erik Reeves 798-7570 (Facilities and Community Services)	Tejeda	Davis
Traffic & Parking Commission	4th Thursday 6 p.m.	Jan / Mar / May Jul / Sept / Nov	Johana Silva 798-7582 Sergeant Jeremy Floyd ((Municipal Utilities and Engineering, and PD)	Shaw	Barich
Utilities Advisory Committee	As needed on biannual basis	As needed	Sara White, 798-7527 (Municipal Utilities and Engineering)	n/a	n/a

Regionally significant boards and commissions - *These positions may require staff coordination and technical support for specific policy areas where we are working with regional partners and stakeholders.*

COMMISSION/BOARD	MEETING TIME / LOCATION	LIAISON	ALTERNATE
OMNITRANS BoardSecretary@omnitrans.org	1st Wednesday; 8:00 a.m 1700 W. Fifth Street, San Bernardino	Davis	Saucedo
SBCTA aizard@gosbcta.com	1st Wednesday; 9:00 a.m. (after Omnitrans) 1170 W. Third Street, San Bernardino	Saucedo	Barich
League of California Cities, Legislative Task Force	3rd Wednesday every other month 10:00 a.m. Ontario City Hall	Davis	Barich (None Required)
Southern California Association of Governments (SCAG)	1st Thursday; 9:00 a.m. 818 W. 7th Street, 12th Floor - LA	This is an elected position among the cities of Loma Linda, Redlands, Colton, and Grand Terrace. City Council will select voting delegates for the annual conference among themselves at a city council meeting.	
CONFIRE Board of Directors	As Needed	Shaw	Davis
Santa Ana River Wash Committee bmiller@sbvwcd.org	As Needed SB Water Conservation District 1630 W. Redlands Blvd., Ste A Redlands, CA 92373	Saucedo	Tejeda
Water Policy Advisory Commission	As Needed 380 E Vanderbilt Way San Bernardino	Saucedo	Tejeda
San Bernardino County Solid Waste Advisory Task Force (SWAT)	April and October and As Needed	Davis	Shaw

Council appointments to community organizations - *These positions require little or no staff support but could generate Council announcements and communications during the agenda.*

ORGANIZATION	MEETING TIME / LOCATION	LIAISON	ALTERNATE
Redlands Chamber of Commerce	3rd Wednesday; 8:00 a.m. Ayres Hotel – 1015 W. Colton Ave	Davis	Shaw
Redlands Service Club Council	1st Thursday; 10:00 a.m. City Hall, 35 Cajon Street, Suite 200	Saucedo	Tejeda
Redlands Conservancy	as needed	Barich	Shaw
Inland Empire Economic Partnership	Quarterly All Divisions Meeting 7:30-9:00a.m. - CSUSB	Saucedo	Tejeda
Interagency Council on Homelessness	4th Wednesday; 9:00 a.m. 850 E. Foothill Blvd, Rialto	Davis	Barich

City Council/Financing Authority Meeting **H. 4.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Adopt Resolution No. 8655 to determine that the criteria contained in Government Code Section 65583.4 have been met, pertaining to a one-year extension of time to complete the rezoning actions that will implement the City's 6th Cycle Housing Element and the Regional Housing Needs Assessment allocation (City Planner/Planning Manager Foote)

MOTION(S):

If the City Council determines that staff's recommendation is appropriate, the following motion is provided:

I move that the City Council adopt Resolution No. 8655 to determine that the criteria contained in Government Code Section 65583.4 have been met and provide for a one-year extension to complete the required Housing Element rezoning actions.

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No. 8655 to determine that the criteria contained in Government Code Section 65583.4 have been met and provide for a one-year extension to the statutory deadline of February 12, 2025, to complete the 2021-2029 Housing Element's required Regional Housing Needs Assessment rezoning actions.

DISCUSSION:

Background: The Housing Element is one of the required elements of the General Plan, pursuant to State law. When the City of Redlands (City) began the 6th Cycle Housing Element Update in May 2020 (and proceeding through 2020 – 2021), Government Code Section 66583 et seq. was used as the guiding State law for preparing Housing Element updates. Government Code Section

65583.4 in its entirety was not a part of State law at that time.

Senate Bill (SB) 197 of 2022 was approved by the Governor on June 30, 2022, and became effective on that date. Among the various amendments to State law, it created Gov. Code Section 65583.4 which modified some of the deadlines pertaining to Housing Element implementation.

Housing Element Adoption & Certification: The City adopted its 2021-2029 Housing Element (also known as the 6th Cycle Housing Element Update) on February 1, 2022. The California Department of Housing & Community Development (HCD) subsequently required further revisions, and the City adopted its revised 2021-2029 Housing Element on October 4, 2022. On October 7, 2022, HCD issued a letter to the City and found the document to be "in full compliance with State Housing Element Law (Article 10.6 of the Gov. Code)." The Housing Element includes several implementation programs, and one of the key programs is the Regional Housing Needs Assessment (RHNA) Rezoning action.

Rezoning Actions: Table 5-2 in the Housing Element lists the required implementation programs. Program number 1.1-1 is for the RHNA Rezoning for 23 parcels within Redlands. Program 1.1-1 states,

> "Within three years of Housing Element adoption, rezone land to provide adequate capacity for at least 4,219 units on suitable sites.
> - 1,898 very low- and low-income units;
> - 782 moderate income units;
> - 1,538 above-moderate income units.
>
> The rezoning program would rezone a minimum of 119 acres and provide for 30 du/ac with a minimum density of 20 du/ac for lower-income sites. Each site will be able to accommodate a minimum of 16 units. The City will incorporate a replacement housing provision for any sites with existing residential use and will permit multifamily uses without discretionary action. This program shall comply with all applicable provisions of Government Code section 65583.2 ."

The goal to complete the rezoning action for the 23 parcels in Redlands is three (3) years from the date of Housing Element adoption (which would be October 4, 2025, if based on the statutory requirements of Gov. Code Section 65583(c)(1)(A) in effect at the time of adoption). However, HCD is using the deadline of February 12, 2025, based on Gov. Code Section 65583.4(a), which did not exist at the time that the City adopted its Housing Element and supersedes Gov. Code Section 65583.

Gov. Code Section 65583.4(a) states,

"(a) Notwithstanding subparagraph (A) of paragraph (1) of subdivision (c) of Section 65583, subdivision (c) of Section 65583.2, and subparagraph (C) of paragraph (4) of

subdivision (e) of Section 65588, a local government shall have **three years and 120 days** from the statutory deadline in Section 65588 for adoption of the housing element to complete any rezonings required by subparagraph (A) of paragraph (1) of subdivision (c) of Section 65583 and subdivision (c) of Section 65583.2 if all of the following apply:

(1) The statutory deadline in Section 65588 for adoption of the sixth revision of the housing element was in the 2021 calendar year.

(2) The local government failed to adopt a sixth revision of the housing element that the department had found to be in substantial compliance with this article within 120 days of the statutory deadline in Section 65588 for adoption of the housing element.

(3) The local government adopts a sixth revision of the housing element and the department finds the adopted element to be in substantial compliance with this article within one year of the statutory deadline established pursuant to Section 65888 for adoption of the housing element ."

While City staff believe that the Housing Element that was first adopted on February 1, 2022, was indeed in "substantial compliance" with applicable State law, HCD has not responded to City staff's multiple emails requesting clarification and concurrence. HCD has only responded with a deadline identified as February 12, 2025 (which is based on Gov. Code Section 65583.4). As noted above, HCD did not deem the Housing Element to be "in full compliance" with State law until October 7, 2022.

Therefore, calculating the deadline as provided in Gov. Code Section 65583.4 for three years and 120 days from the Southern California Association of Governments (SCAG) region's deadline (October 15, 2021) results in a City deadline of February 12, 2025. This is approximately eight months sooner than City staff's original calculation of October 4, 2025 (based on an older code section, Gov. Code Section 65583(c)(1)(A), that was in effect on February 1, 2022, the date that the City originally adopted its Housing Element).

Progress Report: Although the rezoning work has been proceeding in a timely manner through 2024, beginning the environmental review portion (as required by the California Environmental Quality Act) was delayed by approximately six months or more due to uncertainties with State funding of the Regional Early Action Planning (REAP) 2.0 Grant Program. REAP 2.0 is specifically aimed at helping local jurisdictions implement housing programs (which includes Housing Element rezoning actions and related environmental review, among other housing programs).

The Development Services Department hired a consultant in late 2023 who has now completed an Administrative Draft Subsequent Environmental Impact Report (Subsequent EIR). Staff anticipates circulating the Draft Subsequent EIR in early 2025, with public hearings before the Planning Commission and the City Council in the 1st and 2nd quarters of 2025. Staff anticipates that the rezoning

actions for the 23 subject properties will be completed by mid-2025. While this timeline would have met the originally anticipated deadline of October 2025 (per Gov. Code Section 65583(c)(1)(A)), it will not meet the revised deadline of February 12, 2025 (per Gov. Code Section 65583.4(a)).

The delay of at least six months was the result of funding uncertainties through other agencies, namely the Southern California Association of Goverments (SCAG) as well as the San Bernardino County Transportation Authority (SBCTA), which in turn were waiting for State funding from HCD. State HCD regulations would award REAP 2.0 grant funds primarily through regional governments such as SCAG and SBCTA. However, in 2023 and through 2024, the State Legislature cut REAP 2.0 funding due to budgetary uncertainties. The precise facts and circumstances as they pertain to the City are listed in the recitals contained in the attached Resolution.

In summary, the City lost significant time beginning its own RHNA Rezoning work while waiting for potential State REAP 2.0 grant funding that has never materialized through all of 2023 and 2024.

Extension of Time: Government Code Section 65583.4(b)(1) provides for a one-year extension to the deadline in Section 65583.4(a) for completing necessary Housing Element rezoning actions if the following criteria are met:

a. Existing land with existing zoning and density designations are sufficient to accommodate at least 75 percent of the units for low-income and very low-income households; and

b. Any of the following circumstances exist:

    i. The local government has been unable to complete the rezoning because of the action or inaction beyond the control of the local government of any other state, federal, or local agency.
    ii. The local government is unable to complete the rezoning because of infrastructure deficiencies due to fiscal or regulatory constraints.
    iii. The local government must undertake a major revision to its general plan in order to accommodate the housing-related policies of a sustainable communities strategy or an alternative planning strategy adopted pursuant to Section 65080.

The City can meet criterion ‘a’ above. The City presently has sufficient private properties that currently have existing zoning designations and densities that can accommodate at least 75.0% of the City’s RHNA units for Low- and Very Low-income households. A minimum of 1,187 units must be able to be accommodated to achieve 75% (calculated by 967 Very Low + 615 Low = 1,582 total units and 75% is equal to 1,186.5). According to the adopted Housing Element (Appendix B – Housing Sites Inventory List), the “Realistic Capacity (Current Zoning)” listed for the existing parcels not needing to be rezoned can

accommodate a total of 1,195 lower-income units (or 75.5% of the required 1,582 units). Therefore, the City exceeds the threshold of 75.0% of sites that do not need to be re-zoned in order to accommodate the required number of 1,187 units.

Staff believes the City can also meet criterion ‘b’ above. The City was unable to complete the rezoning prior to the statutory deadline because of the action or inaction beyond the control of the City of a state, federal, or local agency. Specifically, in 2023, the Development Services Department was actively seeking State grant funding through the REAP 2.0 Grant Program for eligible housing programs, which is awarded only through SCAG and SBCTA, to reimburse the City’s anticipated costs to prepare the EIR as required by the State-mandated RHNA Rezoning actions. The City’s Subsequent EIR for the RHNA rezoning would be considered an eligible expense and would qualify for REAP 2.0 funding (through a grant typically administered by SBCTA). The Development Services Department was delayed by more than six months beginning work on the Subsequent EIR while waiting for responses from SCAG and SBCTA regarding the REAP 2.0 grant funding. The REAP 2.0 program funding was then suspended and delayed in 2023 by more than one year when the Governor and State Legislature amended the State budget. REAP 2.0 funding was recently reinstated in June 2024, although funds are still unavailable to SBCTA and the City at the present time. Therefore, staff believes criterion ‘b’ above can be satisfied.

If the City Council determines that the above criteria are met and authorizes a one-year extension to make the new deadline February 12, 2026, then staff will prepare a written report to the Department of Housing & Community Development as required by Government Code Section 65583.4(b)(2).

ALTERNATIVES:

No alternatives are offered at this time. Exceeding the statutory deadline of February 12, 2025 (established in Government Code Section 65583.4) without an authorized extension could ultimately result in the California Department of Housing & Community Development taking steps to penalize the City, including but not limited to de-certification of the City’s adopted Housing Element.

STRATEGIC PLAN:

This item is related to Objective D-2 pertaining to the implementation of the City’s affordable housing programs.

SUBMITTED BY:
Brian Desatnik, Development Services Director

RECOMMENDED BY:
Charles M. Duggan Jr., City Manager

REVIEWED BY:
Yvette M. Abich Garcia, City Attorney
Janice McConnell, Assistant City Manager
Christopher Boatman, Assistant City Manager
Danielle Garcia, Management Services/Finance Director

PREPARED BY:
Brian Foote, City Planner/Planning Manager

Fiscal Impact

Fiscal Year:	24-25
Revenue Generating:	No
Appropriation Required Y/N:	No

Discussion:

No fiscal impact is associated with this request.

Attachments

Attachment A: Resolution No. 8655

RESOLUTION NO. 8655

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDLANDS DETERMINING THE CRITERIA CONTAINED IN GOVERNMENT CODE SECTION 65583.4(b) HAVE BEEN MET AND PROVIDING FOR A ONE-YEAR EXTENSION TO THE DEADLINE FOR COMPLETING REQUIRED 6th CYCLE HOUSING ELEMENT REZONING ACTIONS.

WHEREAS, California Government Code Sections 65580-65589.9 require cities to prepare a Housing Element as a component of each city's General Plan and to revise it regularly on a schedule set forth in the law; and,

WHEREAS, on February 1, 2022, the City Council adopted Resolution No. 8292 approving the 2021-2029 Housing Element (also known as the 6th Cycle 2021-2029 Housing Element), and the California Department of Housing & Community Development subsequently requested further revisions to the document; and,

WHEREAS, on October 4, 2022, the City Council adopted Resolution No. 8392 approving the revised 2021-2029 Housing Element incorporating changes as directed by the Department of Housing & Community Development; and,

WHEREAS, on October 7, 2022, the California Department of Housing & Community Development approved and certified the City's adopted 2021-2029 Housing Element; and,

WHEREAS, the adopted 2021-2029 Housing Element is in full compliance with the requirements of applicable State Housing Element Law (Article 10.6 of the Gov. Code); and,

WHEREAS, Government Code Section 65583(c)(1)(A) provided for up to three years from the date of adoption (October 4, 2022) to complete any necessary rezoning actions to accommodate the required number of dwelling units allocated by the Regional Housing Needs Assessment; and,

WHEREAS, Government Code Section 65583.4(a) supersedes Government Code Section 65583(c)(1)(A) and provides for three years and 120 days from the statutory deadline in Section 65588 for adoption of the housing element (which was October 15, 2021, for the Southern California Association of Governments region) to complete any necessary rezoning actions to accommodate the required number of dwelling units allocated by the Regional Housing Needs Assessment (RHNA) thereby resulting in a deadline of February 12, 2025, to complete the rezoning actions; and,

WHEREAS, the City of Redlands is now in the process of preparing and circulating a Subsequent Environmental Impact Report (Subsequent Draft EIR) to conduct the necessary environmental review, in accordance with the California Environmental Quality Act (CEQA), for the proposed rezoning of 23 parcels to accommodate number of dwelling units and density required by the RHNA including for low- and very low-income households; and,

WHEREAS, completion of the environmental review process for the Subsequent Environmental Impact Report (Subsequent Draft EIR), including multiple public hearings for the mandatory rezoning actions, will result in the City exceeding the deadline of February 12, 2025, imposed by Government Code Section 65583.4(a); and,

WHEREAS, Government Code Section 65583.4(b)(1) provides for a one-year extension to the deadline in Section 65583.4(a) for completing necessary Housing Element rezoning actions if the following criteria are met:

a) Existing land with existing zoning and density designations are sufficient to accommodate at least 75 percent of the units for low-income and very low-income households; and

b) Any of the following circumstances exist:
   i. The local government has been unable to complete the rezoning because of the action or inaction beyond the control of the local government of any other state, federal, or local agency.
   ii. The local government is unable to complete the rezoning because of infrastructure deficiencies due to fiscal or regulatory constraints.
   iii. The local government must undertake a major revision to its general plan in order to accommodate the housing-related policies of a sustainable communities strategy or an alternative planning strategy adopted pursuant to Section 65080.

WHEREAS, the City of Redlands has sufficient existing land (i.e., privately-owned parcels) that currently have existing zoning designations and densities that can accommodate at least 75.0% of the City's RHNA units for Low- and Very Low-income households, where a minimum of 1,187 units must be accommodated (967 Very Low + 615 Low = 1,582 total and 75% is equal to 1,186.5), and the "Realistic Capacity (Current Zoning)" for all parcels not needing said rezoning can accommodate a total of 1,195 lower-income units (or 75.5% of 1,582 units); and,

WHEREAS, under the maximum developable capacity for all the parcels not needing rezoning (if all parcels were developed at the maximum allowable base density of 30 units per acre), the City of Redlands has sufficient existing land that can accommodate a total of 1,827 lower-income units (or more than 100% of the required number of 1,582 lower-income units); and,

WHEREAS, the City of Redlands has been unable to complete the rezoning prior to the deadline because of the action or inaction beyond the control of the City of Redlands of a state, federal, or local agency. The following facts and circumstances are related to the action or inaction of other governmental agencies beyond the control of the City of Redlands:

a) In December 2022, the City inquired with the San Bernardino County Transportation Authority (SBCTA) regarding the availability of REAP 2.0 grant funding, which is the only method to receive REAP regional grant funds (through the regional councils of government) from the State. SBCTA added the Redlands rezoning EIR to their list of projects contained in SBCTA's grant application to SCAG.
b) SCAG in turn receives REAP 2.0 funds from the Department of Housing & Community Development, either through SCAG or from HCD directly (subject to authorization by the

State Legislature and approval by the Governor). SBCTA applied for REAP 2.0 funds specifically to support housing program implementation efforts of the local governments within SBCTA's jurisdiction, including the City of Redlands.

c) In January 2023, SBCTA's application for REAP 2.0 funds was placed on hold by SCAG, due to SCAG not having a firm date on when REAP 2.0 funds would be available from the State. SBCTA advised the City that there was no known timeline when the REAP 2.0 funding would become available.
d) SBCTA also prepared a separate grant application to apply directly to HCD asking for the State-allocated REAP 2.0 funding.
e) SBCTA had earmarked anticipated REAP 2.0 funds for its local agencies, including the City of Redlands, to accelerate implementation of local Housing Elements (including required rezoning actions and related environmental review, among other housing-related programs).
f) In August 2023, SBCTA advised the City's Development Services Department staff that SCAG would not have an agreement or MOU ready for SBCTA's execution until January 2024, as well as SCAG was now requiring SBCTA to re-procure housing consultants to follow SCAG's additional procurement regulations (thereby causing further delay in potential REAP 2.0 funding).
g) In 2023, after having been delayed more than six months due to uncertainties about receiving REAP 2.0 funding, the City of Redlands chose to proceed with selecting a consultant and preparing a self-funded Subsequent Environmental Impact Report so that required rezoning actions and environmental review would be completed in a timely manner prior to the State's deadline.
h) Provision of REAP 2.0 grant funds to regional and local agencies has been delayed for almost two years (through 2023 and 2024) because of budget cuts and changes by the State, as well as delays by SCAG in executing a REAP 2.0 grant agreement with SBCTA.
i) California's FY 2024-25 State budget was approved in June 2024 and restored much of the original REAP 2.0 program funding, however, cut $30 million statewide (or a 6% reduction), and funding remains unavailable to the City of Redlands at the present time.
j) Development Services Department staff has sent written correspondence to the Department of Housing & Community Development inquiring about the possibility of an extension to the deadline for RHNA rezoning actions (dependent on the completion of the Draft Subsequent EIR in compliance with and required by the California Environmental Quality Act), and the City has not yet received any response for more than one month.

WHEREAS, if REAP 2.0 grant funding had been made available and provided earlier as expected (and relied upon by the City and SBCTA), the City of Redlands would have been able to hire a consultant earlier in 2023 and begin the EIR work earlier, and therefore would have otherwise been able to complete rezoning actions earlier prior to the new statutory deadline of February 12, 2025 (as modified by Senate Bill 197 of 2022); and,

WHEREAS, the Development Services Department has diligently caused to be prepared an administrative draft of the Draft Subsequent EIR as of October 2024, expects to circulate the Draft EIR document for public review and comment beginning in January 2025, and expects to hold public hearings on the rezoning actions in the 1st and 2nd quarters of 2025. All rezoning actions and related environmental review are expected to be completed by mid-2025; and,

WHEREAS, Government Code Section 65583.4(b) requires the legislative body to hold a public hearing to determine if the applicable circumstances of Gov. Code Section 65583.4(b)(1) exist; and,

WHEREAS, on January 21, 2025, the City Council held a public hearing as required by Government Code Section 65583.4(b), and considered the staff report, oral report, the testimony and any written evidence submitted by staff or the general public.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF REDLANDS AS FOLLOWS:

SECTION 1. CALIFORNIA ENVIRONMENTAL QUALITY ACT. Adoption of this resolution is exempt from environmental review in accordance with Sections 15061(b)(3) and 15378(b)(5) of the California Environmental Quality Act Guidelines. Pursuant to Section 15378(b)(5), this resolution is an organizational or administrative activity of the City that will not result in direct or indirect physical changes in the environment, and therefore not a project. Additionally, pursuant to CEQA Guidelines Section 15061(b)(3), adoption of this resolution is exempt from CEQA review because there is no possibility that the action may have a significant effect on the environment.

SECTION 2. ELIGIBILITY FOR ONE-YEAR EXTENSION. The City Council hereby determines that the applicable criteria contained in Government Code Section 65583.4(b)(1) are met, for the facts and reasons listed in the above recitals, thereby entitling the City to receive the one-year extension to the deadline for completing Housing Element rezoning actions. The new deadline shall be February 12, 2026.

SECTION 3. WRITTEN REPORT. The City Council hereby directs staff to prepare and submit a written report, this resolution, findings, and other required information to the California Department of Housing & Community Development as required by Government Code Section 65583.4(b)(2).

SECTION 4. EFFECTIVE DATE. This Resolution shall become effective upon adoption.

ADOPTED, SIGNED AND APPROVED this 21st day of January, 2025.

_____
Mario Saucedo, Mayor

ATTEST:

_____
Jeanne Donaldson, City Clerk

I, Jeanne Donaldson, City Clerk of the City of Redlands, do hereby certify that the foregoing Resolution was duly adopted by the City Council at a regular meeting thereof held on the 21st day of January, 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Jeanne Donaldson, City Clerk

City Council/Financing Authority Meeting **H. 5.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Adopt Resolution No. 8654 declaring weeds to be a public nuisance and setting February 4, 2025, as the public hearing for objections to the proposed weed abatement (Fire Chief Sessler)

MOTION(S):

If the City Council determines that staff's recommendation is appropriate, the following motion is provided:

I move to adopt Resolution No. 8654.

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No. 8654 declaring weeds to be a public nuisance and setting February 4, 2025, as the public hearing for objections to the proposed weed abatement.

DISCUSSION:

Resolution No. 8654 establishes a weed abatement procedure as outlined in Government Code Section 39501. This Code Section authorizes the City's legislative body to compel the owner, lessee, or occupant of buildings, grounds or lots within the city, to remove dirt, rubbish, weeds, and rank growths from buildings, or grounds and adjacent sidewalks. Resolution No. 8654 also requires the City Council to declare weeds to be a public nuisance on known properties, offers notice to property owners, and establishes an opportunity for property owners or occupants to be heard as to why said weeds should not be abated.

ALTERNATIVES:

The Council may choose not to approve Resolution No. 8654.

STRATEGIC PLAN:

Priority B - Public Health & Safety

SUBMITTED BY:
Rich Sessler, Fire Chief

RECOMMENDED BY:
Charles M. Duggan Jr., City Manager

REVIEWED BY:
Yvette M. Abich Garcia, City Attorney
Janice McConnell, Assistant City Manager
Danielle Garcia, Management Services/Finance Director

PREPARED BY:
Bruni Reyes, Management Analyst

Fiscal Impact

Fiscal Year:	2024-2025
Revenue Generating:	N
Appropriation Required Y/N:	N

Discussion:

There is no cost associated with the adoption of Resolution. 8654 declaring weeds a public nuisance.

Attachments

Resolution 8654
Attachment A

RESOLUTION NO. 8654

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDLANDS DECLARING WEEDS A PUBLIC NUISANCE AND INITIATING ABATEMENT PROCEEDINGS

Section 1. The City Council elects to proceed under Government Code Sections 39501 and 39502, and Section 39560 et seq., to declare a public nuisance and abate all weeds growing upon streets, sidewalks, and private property in the City. In this resolution and in all subsequent proceedings, the term "weeds" means that, when mature, bear wingy or downy seeds that will attain such a large growth as to become a fire menace when dry, or that are otherwise noxious or dangerous, and includes sagebrush, chaparral, poison oak and poison ivy, when the conditions of growth are such as to constitute a menace to the public health, dry grass, stubble, brush, litter and all other flammable material that endangers the public safety by creating a fire hazard.

Section 2. The City Council declares as a public nuisance all weeds growing upon the streets, sidewalks, and private property in the City.

Section 3. The streets referred in Section 2 are described in Exhibit "A" attached hereto and made part hereof by this reference.

Section 4. The properties upon which, or in front of which, the nuisance declared in Section 2 exist are described in Exhibit "A" attached hereto and made part hereof by this reference. The City Council finds and declares that weeds on or in front of parcels specified in Exhibit "A" are seasonal and recurrent in nature. In accordance with Governmental Code Section 39562.1, the seasonal and recurrent nuisances shall be abated under Government Code Sections 39510 through and including 39588, and upon the second and subsequent occurrence in same calendar year, no further hearings will be held and notice shall be by mailing a post card as provided in Government Code Section 39562.1.

Section 5. The Fire Chief, or his authorized designee, is the person designated to perform the duties imposed by Government Code Sections 39560 through 39588 upon the Fire Marshal, and all references in these proceedings to Fire Marshal means that person.

Section 6. February 4, 2025, at 6:00 pm, or as soon thereafter as the matter may be heard, at 35 Cajon St., Redlands, California, is fixed as the time and place for hearing all objections to the proposed removal of weeds.

Section 7. The Fire Marshal shall prepare notices as follows: The heading of the notice shall be "Notice to destroy weeds" in letters not less than one inch in height. The notice shall be substantially in the following form:

NOTICE TO DESTROY WEEDS

Notice is given that on January 21, 2025, the City Council of the City of Redlands passed a resolution declaring that noxious or dangerous weeds were growing upon or in front of the property on this street, and more particularly described in the resolution, and that they constitute a public nuisance that must be abated by the removal of the weeds. Otherwise, they will be removed and the nuisance abated by the City and the cost of removal assessed upon the land from on or in front of which the weeds and will constitute a lien upon such land until paid. Reference is made to the resolution for further particulars. A copy of the resolution is on file in the office of the City Clerk. All property owners having any objections to the proposed removal of the weeds, are notified to attend a meeting of the City Council of the City of Redlands to be held at 35 Cajon Street, Redlands, California, on February 4, 2025, at 6:00 pm, or as soon thereafter as the matter may be heard, when their objections will be heard and given due consideration.

Date: January 21, 2025

_____
Fire Marshal
City of Redlands

Section 8. In addition to posting, the City Clerk shall mail written notice of the proposed abatement to all persons owning property described in Section 4 of this resolution. Then notice shall be mailed to each person to whom the property is assessed as shown on the last equalized assessment roll. The City Clerk shall mail the notice at least Five (5) days before the time set for hearing. The notice shall be in the form described above that is posted on the property, except that the notice shall be signed by the City Clerk and the notice need not contain the heading in one-inch letters.

ADOPTED, SIGNED AND APPROVED ON this 21st day of January 2025.

Mario Saucedo, Mayor

ATTEST:

Jeanne Donaldson, City Clerk

EXHIBIT "A"

[See Attached]

Spring 2025 Weed Abatement Nuisance Declaration List	
Accessor Parcel Number	Approximate Street Address
0167-171-13-0000	W. Lugonia Ave. & 210 Freeway
0167-171-13-0000	1200 W Lugonia Ave.
0167-171-15-0000	W. Lugonia Ave. & Tennessee St.
0167-171-16-0000	W. Lugonia Ave. & Tennessee St.
0167-221-10-0000	515 E. Lugonia Ave.
0167-221-15-0000	540 E. Pennsylvania Ave.
0167-221-16-0000	542 E. Pennsylvania Ave.
0167-221-17-0000	517 E. Lugonia Ave.
0170-221-50-0000	334 N. Grove St
0170-241-32-0000	843 E. Citrus Ave
0172-013-76-0000	1265 Brookside Ave.
0174-154-01-0000	1320 Ford Street
0174-181-02-0000	1670 E. Citrus Ave.
0174-181-07-0000	24 S La Salle St.
0174-211-20-0000	1720 6th Ave.
0174-281-13-0000	Reservoir Road & Wabash Ave.
0174-631-59-0000	320 Kelisa Cir.
0174-631-60-0000	1423 Patricia Dr.
0174-631-61-0000	1383 Patricia Dr.
0174-631-61-0000	1383 Patricia Dr.
0174-681-04-0000	1744 Camelot Dr.
0175-191-35-0000	1084 W Sunset Dr.
0175-191-35-0000	1092 W Sunset Dr.
0175-191-43-0000	1086 W Sunset Dr.
0175-271-17-0000	1627 Alessandro Rd
0175-371-18-0000	1325 Arroyo Crest
0175-422-11-0000	1530 Smiley Heights Dr
0176-041-21-0000	Interstate 10 & Wabash Ave.
0176-052-15-0000	724 W Sunset Dr.
0176-074-33-0000	150 W Mariposa Dr.
0176-111-10-0000	625 W Sunset Dr.
0176-111-11-0000	855 W Sunset Dr.
0176-111-12-0000	857 W Sunset Dr.
0176-121-02-0000	551 Manzanita Rd.
0176-141-01-0000	1746 Fairmont Dr.
0176-141-02-0000	1748 Fairmont Dr.

0176-141-02-0000	1753 Fairmont Dr.
0176-141-03-0000	1750 Fairmont Dr.
0176-141-04-0000	1752 Fairmont Dr.
0176-141-04-0000	1755 Fairmont Dr.
0176-141-07-0000	1754 Fairmont Dr.
0176-153-13-0000	101 E Sunset Dr. S
0176-172-07-0000	101 1/2 E Sunset Dr. S
0176-461-09-0000	551 W Sunset Dr.
0176-461-10-0000	549 W Sunset Dr.
0176-471-17-0000	1744 Fairmont Dr.
0292-032-38-0000	2405 W. Lugonia Ave.
0292-062-18-0000	1617 Orange Tree Lane.
0292-062-19-0000	1619 Orange Tree Lane.
0292-062-21-0000	1621 Orange Tree Lane.
0292-153-22-0000	1910 W Park Ave.
0292-165-10-0000	11036 Iowa St.
0292-167-02-0000	11017 Iowa St.
0292-251-20-0000	27475 W Lugonia Ave
0292-441-08-0000	1239 Indiana Ct
0292-481-93-0000	78 Alabama St.
0292-481-94-0000	80 Alabama St.
0293-083-01-0000	Barton Rd. & Ladera St.
0293-083-02-0000	Barton Rd. & Ladera St.
0293-083-02-0000	Barton Rd. & Ladera St.
0293-083-02-0000	Barton Rd. & Ladera St.
0293-151-08-0000	11820 San Timoteo Canyon Rd.
0293-151-13-0000	11738 San Timoteo Canyon Rd.
0293-161-05-0000	11978 San Timoteo Canyon Rd.
0293-161-51-0000	27103 Beaumont Ave.
0294-081-14-0000	13170 San Timoteo Canyon Rd.
0294-081-15-0000	13180 San Timoteo Canyon Rd.
0294-081-16-0000	13188 San Timoteo Canyon Rd.
0294-081-28-0000	13510 San Timoteo Canyon Rd.
0294-081-34-0000	13308 San Timoteo Canyon Rd.
0294-081-35-0000	13310 San Timoteo Canyon Rd.
0294-081-37-0000	13314 San Timoteo Canyon Rd.
0294-081-41-0000	13316 San Timoteo Canyon Rd.

0294-133-34-0000	522 Elder Rd.
0294-133-45-0000	2020 Vinton Way
0299-213-12-0000	Reservoir Road & Wabash Ave.
0299-213-13-0000	Reservoir Road & Wabash Ave.
0299-213-14-0000	Reservoir Road & Wabash Ave.
0299-213-21-0000	Reservoir Road & Wabash Ave.
0300-012-11-0000	12261 Wabash Ave.
0300-022-01-0000	31031 E Outer Highway 10
0300-061-04-0000	31071 E. Sunset Dr N.
0300-071-14-0000	30934 E. Sunset Dr. S.
0300-171-21-0000	31396 Alta Vista Dr.
0300-241-17-0000	31286 Freya Dr
0300-241-19-0000	13083 South Ln.
0300-241-37-0000	13081 South Ln.
0300-241-38-0000	31507 Highview Dr.
0300-261-03-0000	31060 Bedford Dr.
0300-412-10-0000	12570 Sunset Ct.
0300-521-05-0000	805 La Solana Drive
0300-621-06-0000	820 Panorama Point Dr.
121-226-129-0000	810 E. Pennsylvania Ave.
121-237-108-0000	1003 Crystal Ct.
121-237-109-0000	1009 Crystal Ct.
121-237-110-0000	1019 Crystal Ct.
121-237-111-0000	1029 Crystal Ct.
121-237-112-0000	1039 Crystal Ct.
121-237-113-0000	1049 Crystal Ct.
121-237-114-0000	1050 Crystal Ct.
121-237-115-0000	1040 Crystal Ct.
121-237-116-0000	1030 Crystal Ct.
121-237-117-0000	1020 Crystal Ct.
121-237-118-0000	1010 Crystal Ct.
121-237-119-0000	1004 Crystal Ct.
121-237-120-0000	1010 E. Lugonia Ave.
121-237-120-0000	1002 Crystal Ct.

Note: For this list, vacant parcels with no formally assigned street address for the site are approximated, based on nearby addresses of developed parcels. All notices and compliance documents are mailed to the property owner's address on-file with the County Assessor's Office.

City Council/Financing Authority Meeting **H. 6.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Adopt Resolution No. 8656 acknowledging acceptance of a report for completed state-mandated fire and life safety inspections by the City of Redlands Fire Department in compliance with SB 1205 and California Health and Safety Code Section 13146.4 (Fire Chief Sessler)

MOTION(S):

If the City Council determines that staff's recommendation is appropriate, the following motion is provided:

I move to adopt Resolution No. 8656.

RECOMMENDATION:

Staff recommends that the City Council adopt Resolution No. 8656 acknowledging receipt of a report documenting the completion of annual inspections for specific occupancies in compliance with SB 1205 and as required by California Health and Safety Code Section 13146.4.

DISCUSSION:

California Heath and Safety Code Section 13146.4 requires all fire departments that provide fire services to report annually to their administering authority on their compliance with Health and Safety Code Sections 13146.2 and 13146.3.

These sections require annual inspections of specific occupancy types including: public or private schools (used by more than six persons for educational purposes through the 12th grade), hotels and motels, as well as multifamily apartment buildings (three units or more) for compliance with the fire safety standards. The purpose of these annual fire and life safety inspections is to mitigate known hazards, reduce risk to the community, and ensure reasonable

compliance with the California Fire Code. The date range for this annual report period is the 2024 calendar year.

Section 13146.2 mandates that the local fire department inspect all hotels and motels annually. The Redlands Fire Department inspected 100% of the 17 hotels and motels identified in the City's jurisdiction.

Section 13146.2 also mandates that the local fire department inspect all apartment buildings, except inside individual dwelling units. The code defines an apartment building as three or more attached units and excludes all duplex-style buildings. The Redlands Fire Department inspected 100% of the 254 apartment locations with three attached units or greater identified in the City's jurisdiction.

Section 13146.3 also mandates that the local fire department inspect all public and private schools annually. The Redlands Fire Department inspected 100% of 40 public and private school locations identified within the City's jurisdiction.

The responsibility of conducting the required inspections falls to the Community Risk Reduction Division of the Fire Department as overseen by the Fire Marshal. In conducting these inspections, the Community Risk Reduction Division staff review compliance with such items as fire sprinkler and fire alarm maintenance, safe exiting, fire extinguisher maintenance, conducting fire drills, and safe storage of combustibles. Redlands Fire completed 100% of the 311 mandated annual inspections during the 2024 calendar year as required by the California Health and Safety Code.

ALTERNATIVES:

The City Council may choose not to adopt Resolution 8656 and instead provide alternative direction to staff.

STRATEGIC PLAN:

Priority B - Public Health & Safety

SUBMITTED BY:
Rich Sessler, Fire Chief

RECOMMENDED BY:
Charles M. Duggan Jr., City Manager

REVIEWED BY:
Yvette M. Abich Garcia, City Attorney
Janice McConnell, Assistant City Manager
Danielle Garcia, Management Services/Finance Director

PREPARED BY:
Bruni Reyes, Management Analyst

Fiscal Impact

Fiscal Year: 2023-2024
Revenue Generating: N
Appropriation Required Y/N: N
Discussion:

There are no fiscal impacts with the adoption of Resolution No. 8656 or the filing and receiving of this report.

Attachments

HS 13146.4 Report
Resolution 8656

EXHIBIT "A"

City of
REDLANDS
Incorporated 1888
FIRE DEPARTMENT
City of Redlands
35 Cajon Street, Suite 12, Redlands, CA 92373
909-798-7601
fireprevention@cityofredlands.org
COMMUNITY RISK
REDUCTION DIVISION

December 9, 2024

Subject: 2024 Report of Compliance with California Health and Safety Code Section 13146.4: State-Mandated Annual Fire Inspections

Honorable Mayor and City Council Members,

Background

Health and Safety Code sections 13146.2 and 13146.3 require all fire departments or fire districts, including the Redlands Fire Department, that provide fire protection services to perform annual inspections in every building used as a public or private school, hotel, motel, and apartment, occupancies for compliance with building standards.

Health and Safety Code section 13146.4 requires all fire departments, or fire districts, including the Redlands Fire Department, that provide fire protection services to report annually to its administering authority on its compliance with Sections 13146.2 and 13146.3 at the time of its annual budget review or at another time as determined by the administering authority.

Discussion

The following table provides a summary of the sites identified in the City's jurisdiction by occupancy type that required a state mandated fire inspection and the associated number of completed inspections in calendar year 2024.

Occupancy Type	Number of Identified Sites	Number of Sites Inspected
Hotels and Motels	17	17
K-12 Schools	40	40
Apartments (+3 Units)	254	254

Conclusion

Redlands Fire Department completed 100% of the mandated annual inspections identified in the City's jurisdiction during the 2024 calendar year as required by the California Health and Safety Code.

Vince Anderson | Fire Marshal

RESOLUTION NO. 8656

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDLANDS ACKNOWLEDGING RECEIPT OF A REPORT PREPARED BY THE FIRE CHIEF OF THE REDLANDS FIRE DEPARTMENT REGARDING THE INSPECTION OF CERTAIN OCCUPANCIES PURSUANT TO SECTION 13146 OF THE CALIFORNIA HEALTH AND SAFETY CODE

WHEREAS, State of California Senate Bill No. 1205 added Section 13146.4 to the California Health and Safety Code; and,

WHEREAS, Health and Safety Code Sections 13146.2 and 13146.3 require all fire departments or fire districts, including the Redlands Fire Department, that provide fire protection services to perform annual inspections in every building used as a public or private school, hotel, motel, and apartment occupancies for compliance with building standards, as provided; and

WHEREAS, Health and Safety Code Section 13146.4 requires all fire departments, or fire districts, including the Redlands Fire Department, that provide fire protection services to report annually to its administering authority on its compliance with Sections 13146.2 and 13146.3 at the time of its annual budget review or at another time as determined by the administering authority; and

WHEREAS, Section 13146.2 mandates that the local fire department inspect all hotels and motels annually. RFD inspected 100% of the 17 hotels and motels identified in the City's jurisdiction; and

WHEREAS, Section 13146.2 also mandates that the local fire department inspect all apartment buildings, except inside individual dwelling units. Code defines an apartment building as three or more attached units and excludes all duplex-style buildings. RFD inspected 100% of the 254 apartment locations with three attached units or greater identified in the City's jurisdiction; and,

WHEREAS Section 13146.3 also mandates that the local fire department inspect all public and private schools annually. RFD inspected 100% of 40 public and private school locations identified in the City's jurisdiction; and,

WHEREAS, the City Council of the Redlands intends this Resolution to fulfill the requirements of the Health and Safety Code regarding acknowledgment of receipt of the 2024 compliance report (Exhibit "A").

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF REDLANDS AS FOLLOWS:

Section 1. That the City Council of the City of Redlands acknowledges receipt of the 2024 compliance report prepared by the Redlands Fire Department pursuant to Health and Safety Code sections 13146.2, 13146.3, and 13146.4.

ADOPTED, SIGNED AND APPROVED this 21st day of January, 2025.

_____
Mario Saucedo, Mayor

ATTEST:

_____
Jeanne Donaldson, City Clerk

I, Jeanne Donaldson, City Clerk of the City of Redlands, hereby certify that the foregoing resolution was duly adopted by the City Council at a regular meeting thereof held on the 21st day of January, 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Jeanne Donaldson, City Clerk

City Council/Financing Authority Meeting **H. 7.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Approve the Public Works Contract with Metrocell Construction Inc. for Guardrail Installations for an amount not-to-exceed $174,600; and determine that the project is exempt from environmental review pursuant to Section 15304 of the State's guidelines implementing the California Environmental Quality Act (Facilities and Community Services Director Crocker)

MOTION(S):

If the City Council determines that staff's recommendations are appropriate, the following motions are provided:

1. I move that the City Council determine that the project is categorically exempt from environmental review in accordance with Section 15304 of the State's guidelines implementing the California Environmental Quality Act; and
2. I move to approve Public Works Contract with Metrocell Construction, Inc.

RECOMMENDATION:

Staff recommends that the City Council approve an Agreement with Metrocell Construction, Inc., for the installation of guardrails at various locations for an amount not to exceed $174,600. Staff further recommends that City Council determine that the project is categorically exempt from environmental review in accordance with Section 15304 of the State's guidelines implementing the California Environmental Quality Act.

DISCUSSION:

The City of Redlands Streets Division oversees approximately 314 lane miles of city streets. Public safety on the city's roadways is a paramount priority, particularly in areas where streets immediately abut storm drain channels and dangerous road shoulder conditions. Many of these areas are currently protected by guardrail systems and, unfortunately, many of these guardrails have suffered damage over the years and are now out of compliance with federal safety guidelines. This project aims to address these issues by replacing the guardrails in the poorest conditions, within the City's purview. The four locations listed have been identified as either irreparably damaged or deficient in compliance:

- Industrial Park Drive & Alabama Street
- Kansas Street & Park Street
- Grove Street & Sylvan Boulevard
- Tennessee & the I-10 Freeway

To ensure compliance with federal safety standards, the City retained the services of a qualified civil engineer to design and develop updated guardrail plans and specifications. Following the completion of these designs, City staff initiated a competitive bidding process in accordance with the City of Redlands' purchasing guidelines.

On October 21, 2024, a solicitation for bids was advertised, inviting contractors to submit proposals for labor and materials required for this project. The bid opening was conducted on November 7, 2024, during which the City Clerk's office received and publicly opened two bids. Staff evaluated the bids for conformance with the City's purchasing ordinance, and verified the total price as shown in the table below:

BIDDER	BID AMOUNT
Metrocell Construction, Ontario, CA	$174,600
Gentry General Engineering, Colton, CA	$182,498

After a thorough review, staff evaluated each bid and identified Metrocell Construction, Inc., as the contractor submitting the lowest responsive and responsible bid. Accordingly, staff is seeking approval to award Metrocell Construction, Inc, a Public Works Contract to execute the project.

This project is exempt from environmental review pursuant to Section 15304 of the State's guidelines implementing the California Environmental Quality Act (CEQA), as it involves minor alterations to land, including grading, gardening, and landscaping, that do not involve the removal of healthy, mature, scenic trees.

ALTERNATIVES:

The City Council may elect not to award an Agreement with Metrocell Construction, Inc., and provide alternative direction to staff.

STRATEGIC PLAN:

Priority B - Public Health and Safety

SUBMITTED BY:
Tabitha Crocker, Facilities and Community Services Department Director

RECOMMENDED BY:
Charles M. Duggan Jr., City Manager

REVIEWED BY:
Yvette M. Abich Garcia, City Attorney
Janice McConnell, Assistant City Manager
Christopher Boatman, Assistant City Manager
Danielle Garcia, Management Services/Finance Director

PREPARED BY:
Kathleen Giorgianni, Senior Administrative Assistant

Fiscal Impact

Fiscal Year:	2024-2025
Revenue Generating:	No
Appropriation Required Y/N:	No
Amount:	$174,600
Budgeted Y/N:	Yes
Account No.:	101304

Discussion:

Sufficient funding for the agreement is included in the Street Division (101304) budget for Fiscal Year 2024-25 as approved by City Council.

Attachments

Metrocell Agreement
Guardrail Installation Plans
A. City Clerk Report

PUBLIC WORK CONSTRUCTION CONTRACT

This Public Work Construction contract ("Contract") is made and entered into this 21st day of January, 2025, by and between the City of Redlands, a municipal corporation, organized and existing under the laws of the State of California (hereinafter "City"), and (hereinafter "Contractor"). City and Contractor are sometimes individually referred to herein as a "Party" and, together, as the "Parties."

In consideration of the mutual promises contained herein, the City and Contractor agree as follows:

1. **SCOPE OF WORK:** Contractor shall furnish all materials and will perform all of the work for the following: Provide labor and materials to install guardrail systems at Industrial Park Drive & Alabama Street, Kansas Street & Park Street, Grove Street & Sylvan Boulevard, and Tennessee & the I10 Freeway, complete all items as required by the Contract Documents (as herein defined) and Specifications for City's (the "Work").

2. **CONTRACT SUM:** City shall pay Contractor the sum of one hundred seventy-four thousand, six hundred dollars ($174,600.) as consideration for its performance of the Work in accordance with the terms and conditions set forth in the Contract Documents. Pursuant to Public Contract Code Section 22300, Contractor has the option to deposit securities with an escrow agent as a substitute for retention of earnings required to be withheld by City pursuant to an escrow agreement as set forth in Public Contract Code section 22300.

3. **TIME FOR COMPLETION:** The Work shall be completed within (30) calendar days from and after the date of City's issuance of a Notice to Proceed to Contractor.

4. **LIQUIDATED DAMAGES:** Contractor's failure to complete the Work within the time allowed will result in damages being sustained by City. Such damages are, and will continue to be, impracticable and extremely difficult to determine. Accordingly, Contractor shall pay to City, or have withheld from monies due to Contractor, the sum of five hundred dollars ($500) for each consecutive calendar day in excess of the specified time for completion of the Work. Execution of this Contract shall constitute agreement by City and Contractor that dollar ($) per day is the estimated damage to City caused by the failure of Contractor to complete the work within the allowed time. Such sum is liquidated damages and shall not be construed as a penalty and may be deducted from payments due Contractor if such delay occurs.

5. **CONTRACT DOCUMENTS:** This Contract incorporates by reference the following: Notice Inviting Bids, Instructions to Bidders, Contractor's Proposal, Bid Bond, Agreement, Performance Bond, Labor and Material Bond, Plans, General Conditions, Special Provisions and Specifications, and any addenda thereto (collectively, the "Contract Documents").

6. **ATTORNEYS' FEES:** In the event any action is commenced to enforce or interpret the terms or conditions of this Contract, or the Contract Documents, the prevailing Party in such action, in addition to any costs and other relief, shall be entitled to recover its reasonable attorneys' fees, including fees for use of in-house counsel by a Party.

7. **RESOLUTION OF CONSTRUCTION CLAIMS:** Claims by Contractor in the amount of three hundred seventy-five thousand dollars ($375,000) or less shall be made by Contractor and processed by the City pursuant to the provisions of Part 3, Chapter 1, Article 1.5 of the Public Contract Code (commencing with Section 20104). All claims shall be in writing and include the documents

necessary to substantiate the claim. Nothing in subdivision (a) of Public Contract Code Section 20104.2 shall extend the time limit or supersede the notice requirements provided in this case from filing claims by Contractor.

8. **ELIGIBILITY OF CONTRACTOR/SUBCONTRACTOR:** Contractor and all of its subcontractors shall abide by California Public Contract Code, Section 6109, and California Labor Code Sections 1777.1 and/or 1777.7, and certify that they are not debarred and are eligible to work on this project.

9. **ASSIGNMENT OF AGREEMENT:** No assignment by a Party of any rights or interests under this Contract shall be binding on another Party without the written consent of the Party sought to be bound.

10. **SUCCESSORS AND ASSIGNS:** City and Contractor each binds itself and their respective successors and assigns in respect to all covenants, agreements, and obligations contained in the Contract Documents.

11. **SEVERABILITY:** Any provision or part of the Contract Documents held to be void or unenforceable under any law or regulation shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon City and Contractor.

IN WITNESS WHEREOF, the Parties hereto have executed this Contract the day and year first written above.

CITY OF REDLANDS

(SEAL)

By:_____
Mario Saucedo, Mayor

ATTEST:

_____
Jeanne Donaldson, City Clerk

(SEAL)

Metrocell Construction, Inc.
Name of Contractor

By: _____
Signature of Authorized Agent

_____
Title

_____
Signature of Authorized Agent (if necessary)

_____
Title

_____
Contractor's License No.

WORKER'S COMPENSATION INSURANCE CERTIFICATION

Description of Contract: City of Redlands
Facilities & Community Services Department
FCS10162024KG
Guardrail Installation

Every employer, except the State, shall secure the payment of compensation in one or more of the following ways:

a. By being insured against liability to pay compensation by one or more insurers duly authorized to write compensation insurance in this State.
b. By securing from the Director of Industrial Relations, a certificate of consent to self-insure, either as an individual employer, or as one employer in a group of employers, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his or her employees.

CHECK ONE

_____I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work and activities required or permitted under this Agreement. (Labor Code §1861).

_____I affirm that at all times, in performing the work and activities required or permitted under this Agreement, I shall not employ any person in any manner such that I become subject to the workers' compensation laws of California. However, at any time, if I employ any person such that I become subject to the workers' compensation laws of California, immediately I shall provide the City with a certificate of consent to self-insure, or a certification of workers' compensation insurance.

I certify under penalty of perjury under the laws of the State of California that the information and representations made in this certificate are true and correct.

Dated this _____ day of _____, 2025.

Metrocell Construction, Inc.
(Contractor)

_____
(Signature)

_____
(Official Title)

(SEAL)

(Labor Code Section 1861 provides that the above certificate must be signed and filed by the Contractor with the Owner prior to performing the work of the contract.)

FAITHFUL PERFORMANCE BOND

Whereas, the City of Redlands ("City"), State of California, and Metrocell Construcion, Inc. (hereinafter designated as "Principal") have entered into an agreement dated January 21, 2025 ("Agreement") whereby Principal agrees to install and complete certain public improvements (the "Work"), which said Agreement is identified as **FCS10162024KG - Guardrail Installation** and is hereby referred to and made a part hereof; and

Whereas, said Principal is required under the terms of the Agreement to furnish a bond for the faithful performance of the Work, now, therefore, we, the Principal and, Metrocell Construction, Inc., as Surety, are held and firmly bound unto the City in the penal sum of one hundred seventy-four thousand, six hundred dollars ($174,600) lawful money of the United States, for the payment of which sum we bind ourselves, and our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bounded Principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the Agreement and any alteration thereof made as therein provided, on his or its part, to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall faithfully fulfill the one-year guarantee of all materials and workmanship, and shall defend, indemnify and save harmless the City and its elected officials, officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As a part of the obligation secured hereby and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City in successfully enforcing such obligations, all to be taxed as costs and included in the judgment rendered.

As a condition precedent to the satisfactory completion of the Work, the above obligation shall hold good for a period of one (1) year or longer if required by the Agreement after the acceptance of the work by the City, during which time if the Principal shall fail to make full, complete, and satisfactory repair and replacements and totally protect the City from loss or damage made evident during this period from the date of completion of the Work, and resulting from or caused by defective materials or faulty workmanship, the above obligation in penal sum thereof shall remain in full force and effect. The obligations of Surety hereunder shall continue so long as any obligation of the Principal remains.

Whenever the Principal shall be, and is declared by the City to be, in default under the Agreement, the City having performed the City obligations thereunder, the Surety shall promptly remedy the default, or shall promptly, at the City's option:

1. Complete the Work in accordance with its terms and conditions; or

2. Obtain a bid or bids for completing the Work in accordance with its terms and conditions, and upon determination by Surety of the lowest responsive and responsible bidder, arrange for a contract between such bidder and the City, and make available as work progresses sufficient funds to pay the cost of completion of the Work less the balance of the Agreement price,

but not exceeding, including other costs and damages for which Surety may be liable hereunder, the amount set forth above. The term "balance of the Agreement price," as used in this paragraph, shall mean the total amount payable to the Principal by the City under the Agreement and any modifications thereto, less the amount previously properly paid by the City to the Principal.

Surety expressly agrees that the City may reject any contractor or subcontractor which may be proposed by Surety in fulfillment of its obligations in the event of default by the Principal.

Surety shall not utilize the Principal in completing the Work nor shall Surety accept a bid from the Principal for completion of the Work if the City, when declaring the Principal in default, notifies Surety of the City's objection to the Principal's further participation in the completion of the Work.

No right of action shall accrue on the bond to or for the use of any person or corporation other than the City named herein or the successors or assigns of the City. Any suit under this bond must be instituted within the applicable statute of limitations period.

The said Surety, for value received, hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement or to the work to be performed thereunder or the Specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the Agreement or to the work or to the specifications.

No final settlement between the City and the Principal shall abridge the right of any beneficiary hereunder whose claim may be unsatisfied.

The Principal and Surety agree that if the City is required to engage the services of any attorney in connection with the enforcement of this bond, each shall pay the City's reasonable attorneys' fees incurred, with or without suit, in addition to the above sum.

In witness whereof, this instrument has been duly executed by the Principal and Surety above named, on _____, 2025.

(SEAL)	(SEAL)
_____	_____
(Contractor)	(Surety)
_____	BY: _____
(Signature)	(Signature)
	Address: _____
	_____
(Seal and Notarial Acknowledgment of Surety)	Telephone ( )_____

LABOR AND MATERIAL BOND

Whereas, the City Council of the City of Redlands, State of California, and Metrocell Construction, Inc. (hereinafter designated as "Principal") have entered into an agreement (the "Agreement") whereby Principal agrees to install and complete certain designated public improvements (the "Work"), which said agreement, dated January 21, 2025, and identified as **FCS10162024KG - Guardrail Installation** is hereby referred to and made a part hereof; and

Whereas, under the terms of the Agreement, Principal is required before commencing the performance of the Work, to file a good and sufficient Labor and Material bond with the City of Redlands to secure the claims to which reference is made in Title 3 (commencing with Section 9550) of Part 6 of Division 4 of the Civil Code of the State of California.

Now, therefore, said Principal and the undersigned as corporate surety, are held firmly bound unto the City and all contractors, subcontractors, laborers, material men and other persons employed in the performance of the Agreement and referred to in the aforesaid Code of Civil Procedure in the sum of one hundred seventy-four thousand, six hundred dollars ($174,600.) for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that said surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by the City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall insure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 3 (commencing with Section 9550) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

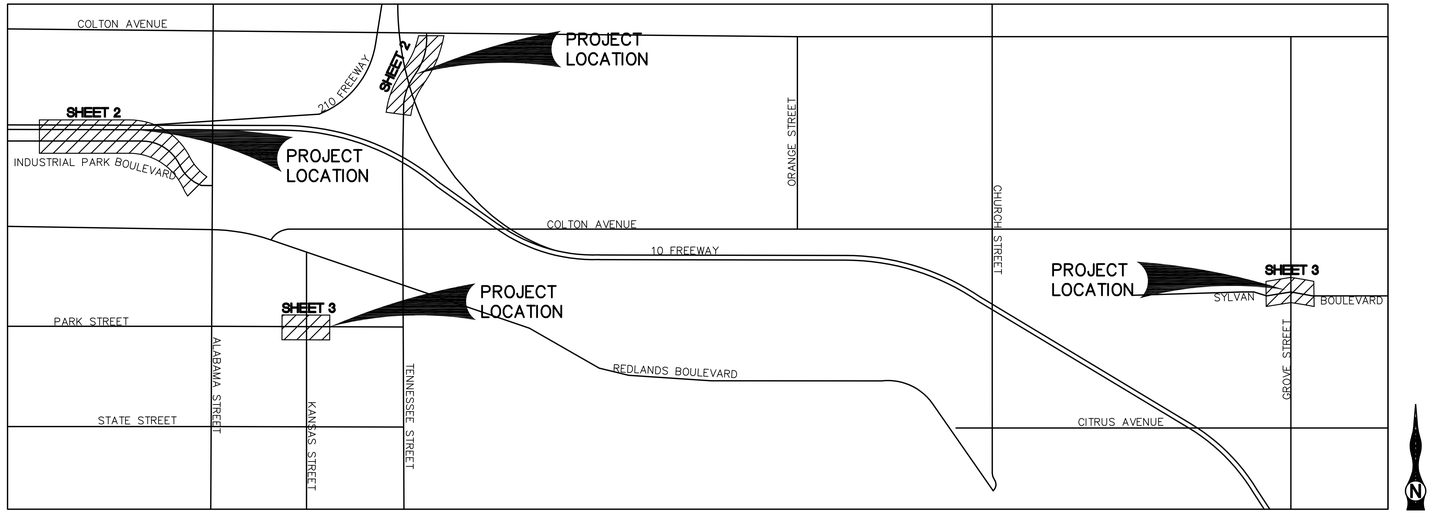
Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition.

In witness whereof, this instrument has been duly executed by the Principal and surety above named, on _____, 2025.

(SEAL)	(SEAL)
_____	_____
(Contractor)	(Surety)
_____	BY: _____
(Signature)	(Signature)
	Address:_____
(Seal and Notarial Acknowledgement of Surety)	_____
	Telephone: ( )_____

CITY OF REDLANDS
GUARDRAIL INSTALLATION AT VARIOUS LOCATIONS



VICINITY MAP:
N.T.S.

CONSTRUCTION NOTES:

		QUANTITIES:
(1)	PROTECT IN PLACE	NA
(2)	REMOVE AND DISPOSE OF EXISTING GUARDRAIL SYSTEM INCLUDING POSTS.	390–LF
(3)	INSTALL NEW MIDWEST GUARDRAIL SYSTEM (MGS) ON 6"X8" WOOD POSTS WITH WOOD BLOCKS PER CALTRANS STD PLAN A77N1 AND A77L1, H=31" AT 6.25 O.C, LAYOUT PER PLAN.	395–LF
(4)	INSTALL NEW MIDWEST GUARDRAIL SYSTEM (MGS) ON W6X9 STEEL POSTS WITH WOOD BLOCKS PER CALTRANS STD PLAN A77N2 AND REVISED STD PLAN A77L2, WITH CULVERT CONNECTION PER FHWA FLH STD 617–38, LAYOUT PER PLAN.	26–LF
(5)	CONSTRUCT END ANCHOR ASSEMBLY TYPE SFT–M PER CALTRANS STD PLAN A77S1 WITH END CAP (TYPE A) PER CALTRANS STD PLAN A77M1 AND WITH REFLECTIVE TAPE	12–EA
(6)	INSTALL NEW MIDWEST GUARDRAIL SYSTEM (MGS) ON 6"X8" WOOD POSTS WITH WOOD BLOCKS PER CALTRANS STD PLAN A77N1 AND STD PLAN A77L1, H=31", LONG SPAN PER FHWA FLH STD 617–37 LAYOUT PER PLAN.	32–LF
(7)	INSTALL NEW DELINEARTORS WITH FLEXIBLE POSTS PER CALTRANS STD. PLAN A73C CLASS 1, TYPE E AT 25' O.C. PER CALTRANS STD PLAN A77N4	10–EA
(8)	INSTALL MINOR CONCRETE VEGITATION CONTROL PER CALTRANS STD. PLAN A77N5A, LAYOUT PER PLAN	1210–SF

GENERAL NOTES:

1. ALL WORK SHALL CONFORM TO THE "STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION (GREENBOOK)," LATEST EDITION INCLUDING THE LATEST SUPPLEMENTAL THERETO, THE "STANDARD PLANS FOR PUBLIC WORKS CONSTRUCTION," LATEST EDITION INCLUDING THE LATEST SUPPLEMENTAL AMENDMENTS THERETO, AND THE "CITY OF REDLANDS MUNICIPAL UTILITIES AND ENGINEERING DEPARTMENT STANDARD SPECIFICATIONS AND DETAIL DRAWINGS", LATEST EDITION INCLUDING THE LATEST SUPPLEMENTAL AMENDMENTS THERETO, ALL WORK SHALL BE COMPLETED TO THE SATISFACTION OF THE ENGINEER OR APPOINTED REPRESENTATIVE.
2. THE APPROXIMATE LOCATIONS OF KNOWN EXISTING UNDERGROUND UTILITIES ARE SHOWN ON THIS PLAN. THE UTILITIES ARE PLOTTED FROM RECORD AND FIELD DATA. THE ENGINEER ASSUMES NO LIABILITY AS TO THE EXACT LOCATIONS OF SAID LINES WHETHER SHOWN OR NOT SHOWN ON THE PLANS. THE CONTRACTOR IS TO NOTIFY ALL UTILITY COMPANIES PRIOR TO WORK OR EXCAVATION TO DETERMINE THE EXACT LOCATIONS OF UNDERGROUND LINES.
3. SECTION 4216/4217 OF THE GOVERNMENT CODE REQUIRES A DIG ALERT IDENTIFICATION NUMBER BE ISSUED BEFORE THE "ENCROACHMENT PERMIT" WILL BE VALID. CALL UNDERGROUND SERVICE ALERT AT 811 OR (TOLL FREE) AT 1–800–422–4133, TWO WORKING DAYS BEFORE YOU DIG.

LEGEND:

- PROPOSED GUARDRAIL
- EXISTING FIRE HYDRANT
- EXISTING EDGE OF PAVEMENT
- EXISTING TREE
- EXISTING SHRUB
- EXISTING PALM TREE
- EXISTING STREET SIGN
- EXISTING STREET LIGHT
- EXISTING LIGHT POLE
- EXISTING MANHOLE
- R/W — RIGHT–OF–WAY
- ℄ — EXISTING IMPROVEMENT/SURVEY CENTERLINE
- EXISTING CURB AND GUTTER
- EXISTING CURB OR AC BERM
- EXISTING SIDEWALK OR DRIVEWAY
- EXISTING CHAIN LINK FENCE
- EXISTING WROUGHT IRON OR WOOD FENCE

ENGINEER'S NOTICE TO CONTRACTOR:

THE EXISTENCE AND APPROXIMATE LOCATION OF ANY UNDERGROUND UTILITIES OR SUBSTRUCTURES SHOWN ON THESE PLANS WERE OBTAINED BY A SEARCH OF AVAILABLE RECORDS. THESE LOCATIONS ARE APPROXIMATE AND SHALL BE CONFIRMED IN THE FIELD BY THE CONTRACTOR SO THAT ANY NECESSARY ADJUSTMENTS CAN BE MADE TO THE PROPOSED IMPROVEMENTS. TO THE BEST OF OUR KNOWLEDGE, AT THE LOCATIONS ON THE PLANS THAT SHOW UTILITIES, THERE ARE NO OTHER EXISTING UTILITIES OR STRUCTURES EXCEPT AS SHOWN ON THOSE PLANS. THE ENGINEER ASSUMES NO LIABILITY AS TO THE EXACT LOCATION OF SAID LINES NOR FOR UTILITY LINES WHOSE LOCATIONS ARE NOT SHOWN. THE CONTRACTOR SHALL BE RESPONSIBLE FOR NOTIFYING ALL UTILITY COMPANIES PRIOR TO WORKING ON EXCAVATION TO DETERMINE THE EXACT LOCATION OF ALL LINES AFFECTING THIS WORK, WHETHER OR NOT SHOWN HEREON, AND FOR ANY DAMAGE OR PROTECTION OF THESE LINES.

THE CONTRACTOR SHALL CALL IN A LOCATION REQUEST TO UNDERGROUND SERVICE ALERT (U.S.A) PHONE 811 TWO WORKING DAYS PRIOR TO DIGGING. NO CONSTRUCTION PERMIT INVOLVING UNDERGROUND FACILITIES, ISSUED BY ANY OF THE VARIOUS PUBLIC WORKS DEPARTMENTS, SHALL BE VALID UNLESS THE APPLICANT HAS AN INQUIRY IDENTIFICATION NUMBER ISSUED BY U.S.A.

SHEET INDEX

SHEET NO.	DESCRIPTION
	CIVIL DRAWINGS
1	TITLE SHEET
2	PLAN VIEW FOR TENNESSEE STREET AND INDUSTRIAL PARK AVENUE
3	PLAN VIEW FOR KANSAS STREET/PARK AVENUE AND GROVE STREET/SYLVAN BOULEVARD
4	STANDARD PLANS
5	STANDARD PLANS
6	STANDARD PLANS

Underground Service Alert
SECTION 4216/4217 OF THE GOVERNMENT CODE REQUIRES A DIG ALERT IDENTIFICATION NUMBER BE ISSUED BEFORE A PERMIT TO EXCAVATE WILL BE VALID FOR YOUR DIG ALERT I.D. NUMBER CALL UNDERGROUND SERVICE ALERT TOLL FREE 1–800–227–2600 TWO WORKING DAYS BEFORE YOU DIG

REV.	REVISION DESCRIPTION	DATE	ENGR.	CITY	DATE

REGISTERED PROFESSIONAL ENGINEER — TERRY M. RENNER — No.69984 — Exp.9–30–26 — CIVIL — STATE OF CALIFORNIA

TKE ENGINEERING, INC.
2305 CHICAGO AVENUE
RIVERSIDE, CA 92507
(951) 680–0440
FAX (951) 680–0490

10–03–24
TERRY M. RENNER R.C.E. No. 69984

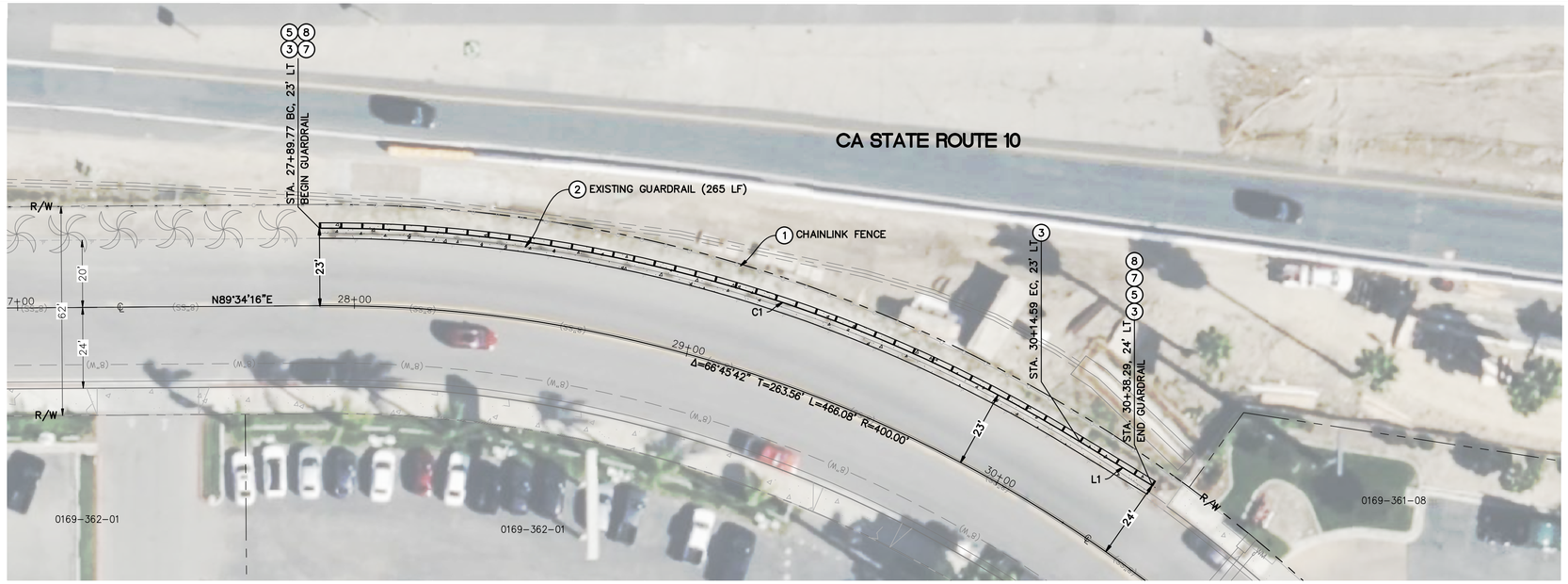
GUARDRAIL INSTALLATION AT VARIOUS LOCATIONS

SHOULD CONSTRUCTION OF THE REQUIRED IMPROVEMENTS NOT COMMENCE WITHIN TWO YEARS OF THE DATE OF APPROVAL SHOWN HEREON AND CARRIED FORTH IN A DILIGENT MANNER, THE CITY ENGINEER MAY REQUIRE REVISIONS TO THE PLANS TO BRING THEM INTO CONFORMANCE WITH CONDITIONS AND STANDARDS IN EFFECT.

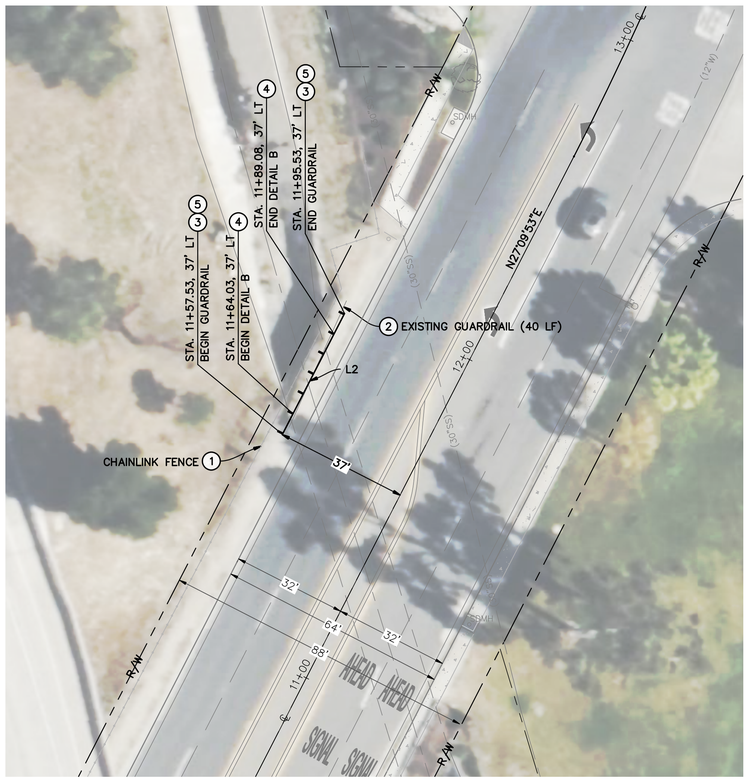
CITY OF REDLANDS
GUARDRAIL IMPROVEMENTS

DRAWN BY:	GUARDRAIL DESIGN AT VARIOUS LOCATIONS TITLE SHEET	SCALE: 1" = 20'
DESIGNED BY: TMR		DATE: JUN 2024
CHECKED BY: TMR	APPROVED BY: DATE: GOUTAM K. DOBEY, CITY ENGINEER R.C.E. No. 75646	DRAWING NO.: 1 / 6

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INDUSTRIAL PARK AVENUE

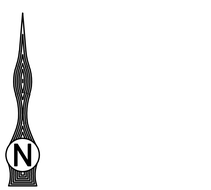


TENNESSEE STREET

CONSTRUCTION NOTES:

1. PROTECT IN PLACE
2. REMOVE AND DISPOSE OF EXISTING GUARDRAIL SYSTEM INCLUDING POSTS.
3. INSTALL NEW MIDWEST GUARDRAIL SYSTEM (MGS) ON 6"X8" WOOD POSTS WITH WOOD BLOCKS PER CALTRANS STD PLAN A77N1 AND A77L1, H=31" AT 6.25 O.C, LAYOUT PER PLAN.
4. INSTALL NEW MIDWEST GUARDRAIL SYSTEM (MGS) ON W6X9 STEEL POSTS WITH WOOD BLOCKS PER CALTRANS STD PLAN A77N2 AND REVISED STD PLAN A77L2, WITH CULVERT CONNECTION PER FHWA FLH STD 617-38, LAYOUT PER PLAN.
5. CONSTRUCT END ANCHOR ASSEMBLY TYPE SFT-M PER CALTRANS STD PLAN A77S1 WITH END CAP (TYPE A) PER CALTRANS STD PLAN A77M1 AND WITH REFLECTIVE TAPE
6. INSTALL NEW MIDWEST GUARDRAIL SYSTEM (MGS) ON 6"X8" WOOD POSTS WITH WOOD BLOCKS PER CALTRANS STD PLAN A77N1 AND STD PLAN A77L1, H=31", LONG SPAN PER FHWA FLH STD 617-37 LAYOUT PER PLAN.
7. INSTALL NEW DELINEARTORS WITH FLEXIBLE POSTS PER CALTRANS STD. PLAN A73C, CLASS 1, TYPE E AT 25' O.C. PER CALTRANS STD PLAN A77N4
8. INSTALL MINOR CONCRETE VEGITATION CONTROL PER CALTRANS STD. PLAN A77N5A, LAYOUT PER PLAN

CURVE & LINE TABLE			
LINE/CURVE	LENGTH	BEARING/DELTA	RADIUS
L1	25.00	S56°20'18"E	–
C1	238	31°58'21"	420.00'
L2	38.00'	N27°09'53"E	–



Underground Service Alert

SECTION 4216/4217 OF THE GOVERNMENT CODE REQUIRES A DIG ALERT IDENTIFICATION NUMBER BE ISSUED BEFORE A PERMIT TO EXCAVATE WILL BE VALID FOR YOUR DIG ALERT I.D. NUMBER CALL UNDERGROUND SERVICE ALERT TOLL FREE 1-800-227-2600 TWO WORKING DAYS BEFORE YOU DIG

REV.	REVISION DESCRIPTION	DATE	ENGR.	CITY	DATE

REGISTERED PROFESSIONAL ENGINEER — TERRY M. RENNER — No.69984 Exp.9-30-26 — CIVIL — STATE OF CALIFORNIA

TKE ENGINEERING, INC.
2305 CHICAGO AVENUE
RIVERSIDE, CA 92507
(951) 680-0440
FAX (951) 680-0490
10-03-24
TERRY M. RENNER R.C.E. No. 69984

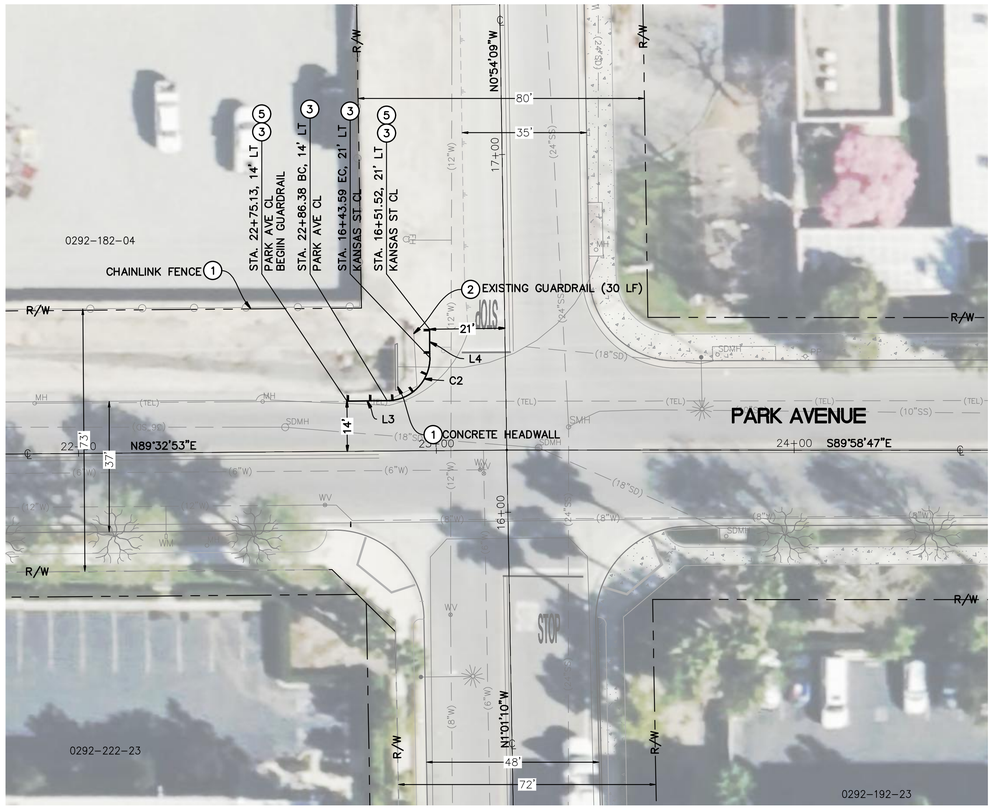
GUARDRAIL INSTALLATION AT VARIOUS LOCATIONS

SHOULD CONSTRUCTION OF THE REQUIRED IMPROVEMENTS NOT COMMENCE WITHIN TWO YEARS OF THE DATE OF APPROVAL SHOWN HEREON AND CARRIED FORTH IN A DILIGENT MANNER, THE CITY ENGINEER MAY REQUIRE REVISIONS TO THE PLANS TO BRING THEM INTO CONFORMANCE WITH CONDITIONS AND STANDARDS IN EFFECT.

CITY OF REDLANDS
GUARDRAIL IMPROVEMENTS

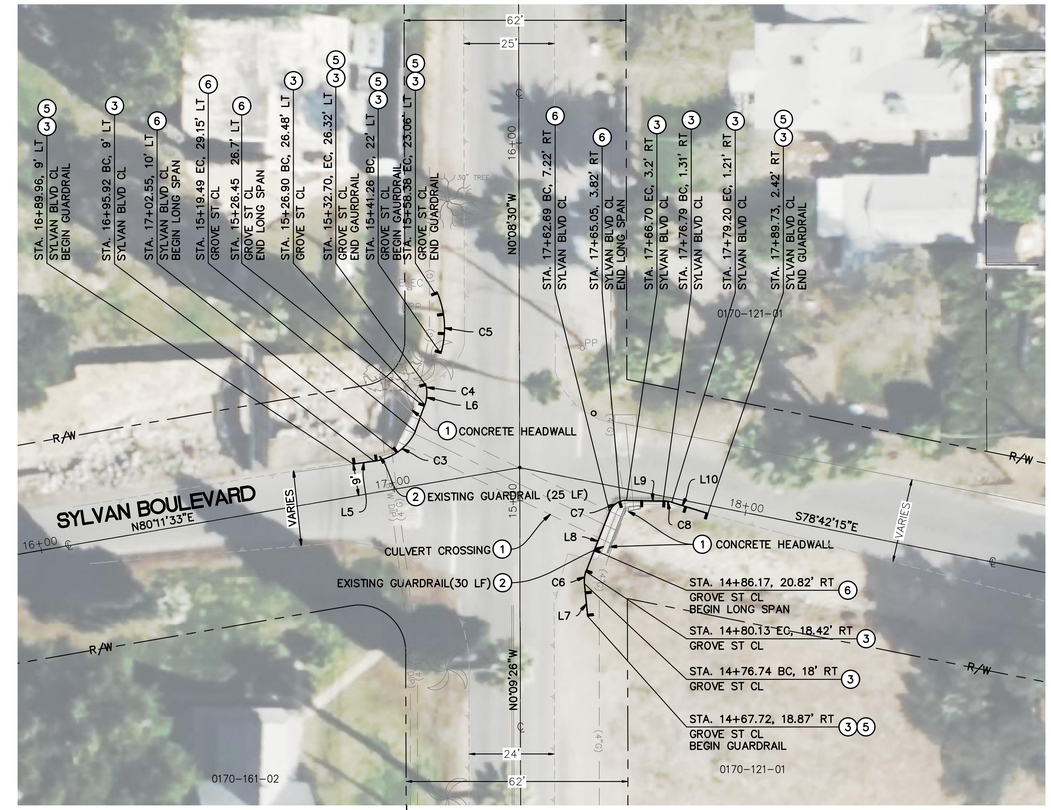
DRAWN BY:	PLAN VIEW TENNESSEE STREET AND INDUSTRIAL PARK AVENUE	SCALE: 1" = 20'
DESIGNED BY: TMR		DATE: JUN 2024
CHECKED BY: TMR	APPROVED BY: DATE: GOUTAM K. DOBEY, CITY ENGINEER R.C.E. No. 75646	DRAWING NO.: 2 / 6

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KANSAS STREET

CURVE & LINE TABLE			
LINE/CURVE	LENGTH	BEARING/DELTA	RADIUS
L3	11.26'	N89°32'53"E	–
L4	7.89'	N00°35'13"W	–
C2	18.82'	89°50'14"	12.00'



GROVE STREET

CURVE & LINE TABLE			
LINE/CURVE	LENGTH	BEARING/DELTA	RADIUS
L5	5.96'	N82°02'23"E	–
L6	7.89'	N19°32'25"E	–
C3	14.76'	56°23'25"	15.00'
C4	6.00'	33°57'05"	10.00'
C5	17.5'	40°07'	25.00'

CURVE & LINE TABLE			
LINE/CURVE	LENGTH	BEARING/DELTA	RADIUS
L7	9.06'	N5°33'21"W	–
L8	17.61'	N21°34'48"E	–
L9	10.40'	S89°10'33"E	–
L10	10.58'	S72°59'29"E	–
C6	3.79'	27°08'09"	8.00'
C7	6.04'	69°14'40"	5.00'
C8	2.28'	16°20'03"	8.00'

CONSTRUCTION NOTES:

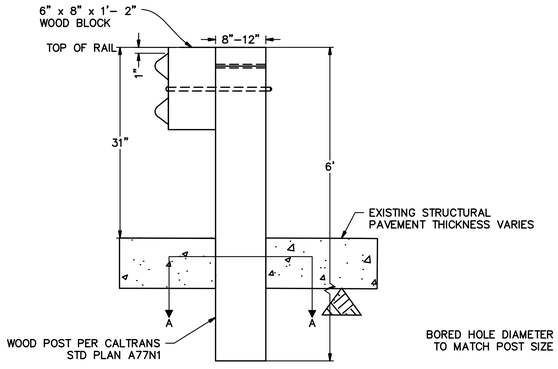
(1) PROTECT IN PLACE

(2) REMOVE AND DISPOSE OF EXISTING GUARDRAIL SYSTEM INCLUDING POSTS.

(3) INSTALL NEW MIDWEST GUARDRAIL SYSTEM (MGS) ON 6"X8" WOOD POSTS WITH WOOD BLOCKS PER CALTRANS STD PLAN A77N1 AND A77L1, H=31" AT 6.25 O.C, LAYOUT PER PLAN.

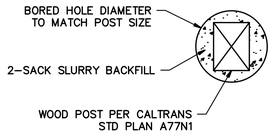
(5) CONSTRUCT END ANCHOR ASSEMBLY TYPE SFT-M PER CALTRANS STD PLAN A77S1 WITH END CAP (TYPE A) PER CALTRANS STD PLAN A77M1 AND WITH REFLECTIVE TAPE

(6) INSTALL NEW MIDWEST GUARDRAIL SYSTEM (MGS) ON 6"X8" WOOD POSTS WITH WOOD BLOCKS PER CALTRANS STD PLAN A77N1 AND STD PLAN A77L1, H=31", LONG SPAN PER FHWA FLH STD 617-37 LAYOUT PER PLAN.



DETAIL NOTES:

1. USE THIS DETAIL WHEN THE POST ARE TO BE EMBEDDED INTO STRUCTURAL PAVEMENT.
2. CONTRACTOR SHALL BORE 8"-12" DIA HOLE IN STRUCTURAL PAVEMENT AND POUND IN NEW WOOD POST.
3. WHERE CONTRACTOR IS TO REMOVE EXISTING POST FROM STRUCTURAL PAVEMENT HOLES SHALL BE FILLED WITH 2-SACK SLURRY.
4. CONTRACTOR TO VERIFY POST LOCATION IN FIELD PRIOR TO INSTALLATION.



SECTION A-A

MODIFIED DETAIL FOR TYPICAL ROADWAY INSTALLATION

N

GRAPHIC SCALE

20 0 10 20 40 80

(IN FEET)
1 INCH = 20 FEET

Underground Service Alert

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REV.	REVISION DESCRIPTION	DATE	ENGR.	CITY	DATE

REGISTERED PROFESSIONAL ENGINEER TERRY M. RENNER No.69984 Exp.9-30-26 CIVIL STATE OF CALIFORNIA

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10-03-24
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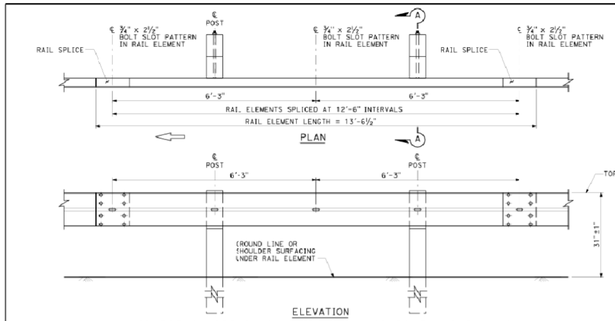
GUARDRAIL INSTALLATION AT VARIOUS LOCATIONS

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CITY OF REDLANDS
GUARDRAIL IMPROVEMENTS

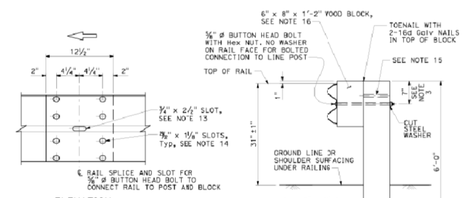
DRAWN BY:	PLAN VIEW GROVE STREET / SYLVAN BOULEVARD KANSAS STREET / PARK AVENUE	SCALE: 1" = 20'
DESIGNED BY: TMR		DATE: JUN 2024
CHECKED BY: TMR	APPROVED BY: DATE: GOUTAM K. DOBEY, CITY ENGINEER R.C.E. No. 75646	DRAWING NO.: 3/6

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ELEVATION

MIDWEST GUARDRAIL SYSTEM WITH WOOD POST AND BLOCKS



ELEVATION

RAIL ELEMENT SPLICE DETAIL

a) Connect the overlapped end of the rail elements with ⅝" ø x 1¼" button head oval shoulder splice bolts inserted into the ⅞" x 1⅛" slots and bolted together with ⅝" ø recessed hex nuts. Recess of hex nut points toward rail element. A total of 8 bolts and nuts are to be used at each rail splice connection.

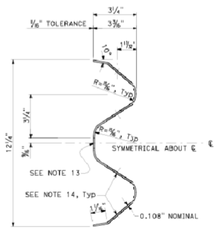
b) The ends of the rail elements are to be overlapped in the direction of traffic (see details).

c) Where end cap is to be attached to the end of a rail element, a total of 4 of the above described splice bolts and nuts are to be used.

SECTION A-A

TYPICAL WOOD LINE POST INSTALLATION

See Note 4



SECTION THRU RAIL ELEMENT

NOTES:

1. For details of steel post installations, see Standard Plan A77L2.
2. For details of standard hardware used to construct MGS, see Standard Plan A77M1.
3. For details of wood posts and wood blocks used to construct MGS, see Standard Plan A77N1.
4. For additional installation details, see Standard Plan A77N3.
5. MGS post spacing to be 6'-3" center to center, except as otherwise noted.
6. For MGS typical layouts, see the A77P, A77Q and A77R series of Standard Plans.
7. If railing is connected to terminal system end treatment, use 31" height terminal system end treatment.
8. For MGS end anchor details, see Standard Plans A77S1 and A77T2.
9. For details of MGS transition to bridge railing, see Standard Plan A77U4.
10. For additional details of MGS connection to bridge railing, see Standard Plans A77U1, A77U2 and A77V1.
11. For MGS connection details to abutments and walls, see Standard Plans A77U3A and A77U3B.
12. For typical MGS delineation and dike positioning details, see Standard Plan A77N4.
13. Slotted hole for bolted connection of rail element to block ard post.
14. Slotted holes for splice bolts to overlap ends of rail element.
15. Additional hole in uppermost portion of line post is for potential future adjustments of railing height. See Standard Plan A77N1.
16. 6" x 12" x 1'-2" block must be used with 6" Type A dike.
17. Install posts in soil.

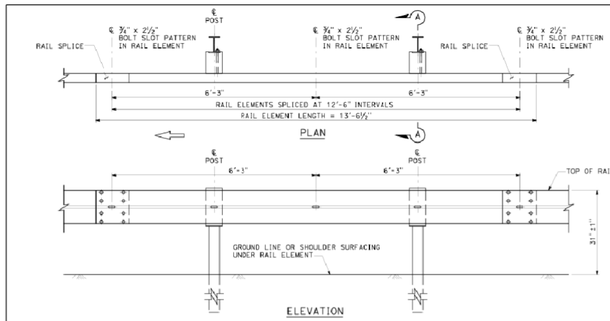
STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

MIDWEST GUARDRAIL SYSTEM STANDARD RAILING SECTION (WOOD POST WITH WOOD BLOCK)

NO SCALE

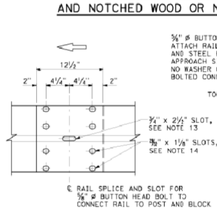
A77L1

2023 STANDARD PLAN A77L1



ELEVATION

MIDWEST GUARDRAIL SYSTEM WITH STEEL POSTS AND NOTCHED WOOD OR NOTCHED RECYCLED PLASTIC BLOCKS



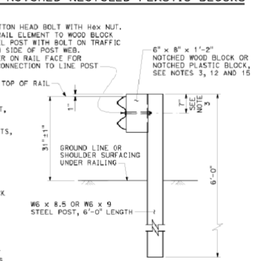
ELEVATION

RAIL ELEMENT SPLICE DETAIL

a) Connect the overlapped end of the rail elements with ⅝" ø x 1¼" button head oval shoulder splice bolts inserted into the ⅞" x 1⅛" slots and bolted together with ⅝" ø recessed hex nuts. Recess of hex nut points toward rail element. A total of 8 bolts and nuts are to be used at each rail splice connection.

b) The ends of the rail elements are to be overlapped in the direction of traffic (see details).

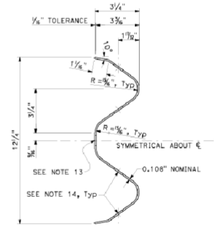
c) Where end cap is to be attached to the end of a rail element, a total of 4 of the above described splice bolts and nuts are to be used.



SECTION A-A

TYPICAL STEEL LINE POST INSTALLATION

See Note 4



SECTION THRU RAIL ELEMENT

NOTES:

1. For details of wood post installations, see Standard Plan A77L1.
2. For details of standard hardware used to construct MGS, see Standard Plan A77M1.
3. For details of steel posts and notched wood blocks used to construct MGS, see Standard Plan A77N2.
4. For additional installation details, see Standard Plan A77N3.
5. MGS post spacing to be 6'-3" center to center, except as otherwise noted.
6. For MGS typical layouts, see the A77P, A77Q and A77R series of Standard Plans.
7. If railing is connected to terminal system end treatment, use 31" height terminal system end treatment.
8. For MGS end anchor details, see Standard Plans A77S1 and A77T2.
9. For details of MGS transition to bridge railing, see Standard Plan A77U4.
10. For additional details of MGS connection to bridge railings, see Standard Plans A77U1, A77U2 and A77V1.
11. For dike positioning and MGS delineation details, see Standard Plan A77N4.
12. Notched face of block faces steel post.
13. Slotted hole for bolted connection of rail element to block and post.
14. Slotted holes for splice bolts to overlap ends of rail element.
15. 6" x 12" x 1'-2" block must be used with 6" Type A dike.
16. Install posts in soil.

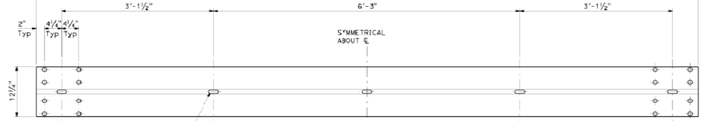
STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

MIDWEST GUARDRAIL SYSTEM STANDARD RAILING SECTION (STEEL POST WITH NOTCHED WOOD OR NOTCHED RECYCLED PLASTIC BLOCK)

NO SCALE

A77L2

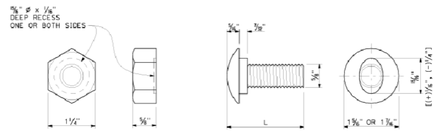
2023 STANDARD PLAN A77L2



TYPICAL RAIL ELEMENT

NOTE:

1. Slotted holes for splice bolts to overlap ends of rail element.

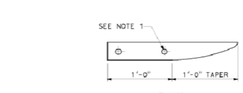


⅝" ø RECESS NUT

⅝" ø BUTTON HEAD BOLT

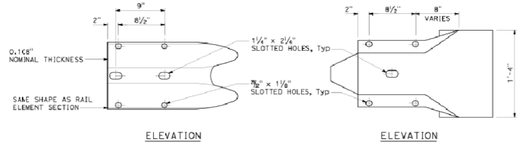
BUTTON HEAD BOLT	
L	THREAD LENGTH
1½"	FULL THREAD LENGTH
2"	FULL THREAD LENGTH
10"	4" Min THREAD LENGTH
18"	4" Min THREAD LENGTH
20"	4" Min THREAD LENGTH
22"	4" Min THREAD LENGTH
26"	4" Min THREAD LENGTH
36"	4" Min THREAD LENGTH
** 2¾"	2" Min THREAD LENGTH
** 19"	4" Min THREAD LENGTH

** For nested rail applications



P-AN

PLAN



ELEVATION

END CAP (TYPE A)

ELEVATION

END CAP (TYPE B)

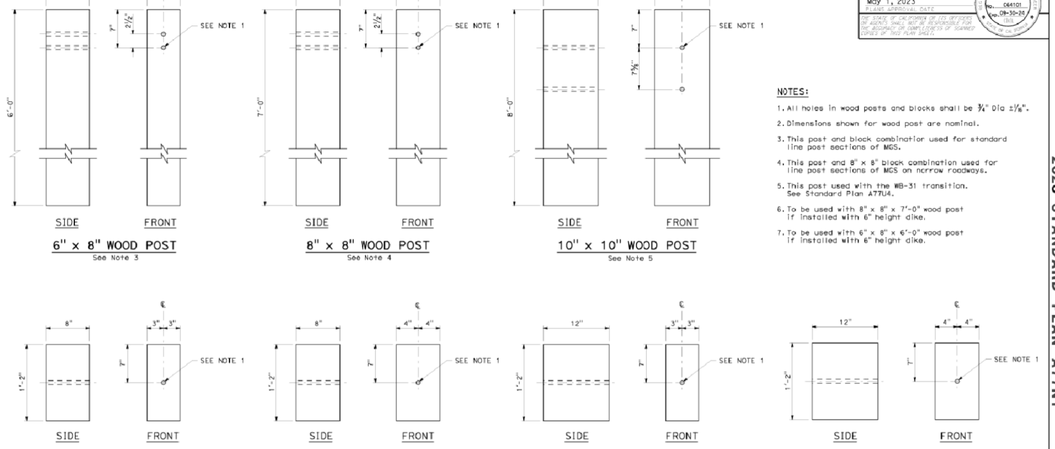
STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

MIDWEST GUARDRAIL SYSTEM STANDARD HARDWARE

NO SCALE

A77M1

2023 STANDARD PLAN A77M1



NOTES:

1. All holes in wood posts and blocks shall be ¾" Dia ±⅛".
2. Dimensions shown for wood post are nominal.
3. This post and block combination used for standard line post sections of MGS.
4. This post and 8" x 8" block combination used for line post sections of MGS on narrow roadways.
5. This post used with the WB-31 transition. See Standard Plan A77L4.
6. To be used with 8" x 8" x 7'-0" wood post if installed with 6" height dike.
7. To be used with 6" x 8" x 6'-0" wood post if installed with 6" height dike.

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

MIDWEST GUARDRAIL SYSTEM WOOD POST AND WOOD BLOCK DETAILS

NO SCALE

A77N1

2023 STANDARD PLAN A77N1

S:\CADD\113-17 Guard Rail Design\Plan Set\113-17_04SP.dwg Oct 03, 2024 - 8:27am

Underground Service Alert

SECTION 4216/4217 OF THE GOVERNMENT CODE REQUIRES A DIG ALERT IDENTIFICATION NUMBER BE ISSUED BEFORE A PERMIT TO EXCAVATE WILL BE VALID FOR YOUR DIG ALERT I.D. NUMBER CALL UNDERGROUND SERVICE ALERT TOLL FREE 1-800-227-2600 TWO WORKING DAYS BEFORE YOU DIG

REV.	REVISION DESCRIPTION	DATE	ENGR.	CITY	DATE

REGISTERED PROFESSIONAL ENGINEER TERRY M. RENNER No.69984 Exp.9-30-26 CIVIL STATE OF CALIFORNIA

TKE ENGINEERING, INC.
2305 CHICAGO AVENUE
RIVERSIDE, CA 92507
(951) 680-0440
FAX (951) 680-0490
10-03-24
TERRY M. RENNER R.C.E. No. 69984

GUARDRAIL INSTALLATION AT VARIOUS LOCATIONS

SHOULD CONSTRUCTION OF THE REQUIRED IMPROVEMENTS NOT COMMENCE WITHIN TWO YEARS OF THE DATE OF APPROVAL SHOWN HEREON AND CARRIED FORTH IN A DILIGENT MANNER, THE CITY ENGINEER MAY REQUIRE REVISIONS TO THE PLANS TO BRING THEM INTO CONFORMANCE WITH CONDITIONS AND STANDARDS IN EFFECT.

CITY OF REDLANDS

GUARDRAIL IMPROVEMENTS

STANDARD PLANS

DRAWN BY:

DESIGNED BY: TMR

CHECKED BY: TMR

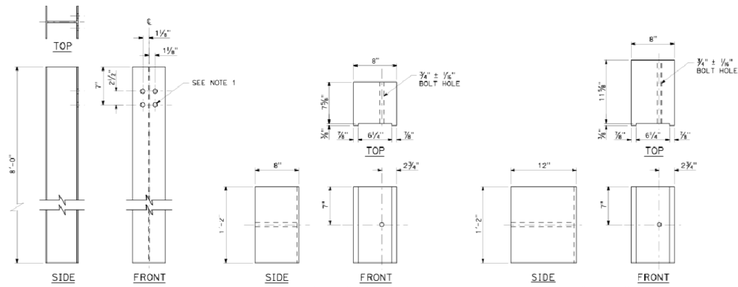
APPROVED BY: DATE:

GOUTAM K. DOBEY, CITY ENGINEER R.C.E. No. 75646

SCALE: 1" = 20'

DATE: JUN 2024

DRAWING NO.: 4/6



NOTES:

1. All holes in steel post shall be ⅝" ø maximum.
2. Dimensions shown for wood block are nominal.
3. Notched face of block faces steel post.
4. 6'-0" length posts to be used for typical roadway installation. See Standard Plan A77N3.
5. The standard block on W8 x 6.5 or W6 x 9 steel post separates the metal beam guardrail element 8" from the post. The "2" block is an option to the 8" block.
6. This post to be used for line post sections of MGS on narrow roadways. Post longer than 6' must be labeled on post web with 2" letters using black acrylic paint.
7. 6" x 12" notched wood block and 8" x 12" notched wood block must be used with 6" Type A dike.
8. 8" x 8" or 8" x 12" notched wood or plastic blocks are used with W6 x 15 steel post.

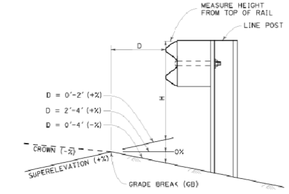
STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

MIDWEST GUARDRAIL SYSTEM
STEEL POST AND
NOTCHED WOOD BLOCK DETAILS

NO SCALE

A77N2

2023 STANDARD PLAN A77N2

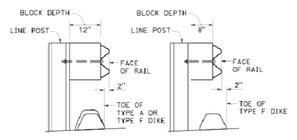


D = DISTANCE, GB TO FACE OF RAIL
H = HEIGHT AT FACE OF RAIL FROM EXTENDED LINE, BASED ON D
H = 31" ±1" FOR MGS
H = 32" ±1" FOR THRIE BEAM (NOT SHOWN)

MEASURE HEIGHT DETAIL AT GRADE BREAK (GB)

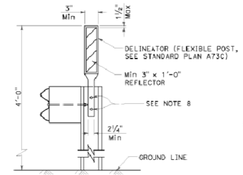
NOTES:

1. Details shown on this sheet apply to w-beam guardrail and thrie beam.
2. Dike must be placed in the standard position unless otherwise shown. For curb and dike details, see Standard Plans A87A and A87B.
3. See Standard Plans for dike type and placement within and near terminal systems.
4. See Standard Plan A77S1 for dike placement near SFT-M end anchor.
5. The maximum height of the dike or curb shall be 6" for MGS with 12" blocks.
6. When shown on plans, front toe of dike may extend up to 7" in front of rail face when used with 12" blocks.
7. Do not install marker on the trailing end of a guardrail run.
8. Use ⅛" - 20 self-tapping screws in 0.22" ø holes or ¼" bolts in ⅜" ø holes for steel post, or use 16d galv nails for wood post.
9. When guardrail end treatment is placed in a flared or offset configuration, always use at least one delineator at location shown. See project plans for other placement of guardrail delineation.
10. When installing MGS with dike in areas requiring snow removal or frequently plowed areas, use 12" blocks.
11. Do not place mountable dike under guardrail.

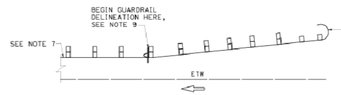


GUARDRAIL DIKE POSITIONING

Standard position for new or existing dike or curb, see Notes 2 through 6



GUARDRAIL DELINEATION



NARKER PLACEMENT GUARDRAIL DELINEATION

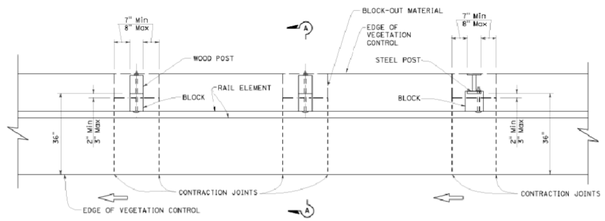
STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

MIDWEST GUARDRAIL SYSTEM
TYPICAL RAILING DELINEATION
AND DIKE POSITIONING DETAILS

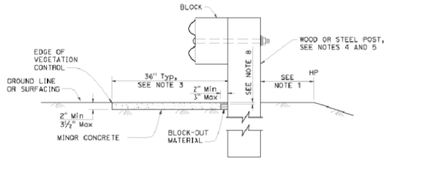
NO SCALE

A77N4

2023 STANDARD PLAN A77N4



PLAN



SECTION A-A

Without Existing Dike

NOTES:

1. Use the details on this sheet when the length from the back of post to the hinge point is less than 18". Use the details on Standard Plan A77N5 when the length from the back of the post to the hinge point is greater than 18".
2. Construct vegetation control flush with the back edge of post.
3. Where paved shoulder is constructed within 36" in front of the post, construct vegetation control to the edge of paved shoulder.
4. For wood post sizes, see Standard Plan A77N1.
5. For steel post sizes, see Standard Plan A77N2.
6. For details not shown, see Standard Plans A77L1 and A77L2.
7. Vegetation control must slope to drain water.
8. Concrete over block-out material depth, construct ⅜" Min to ⅝" Max.
9. This plan for vegetation control installation only.

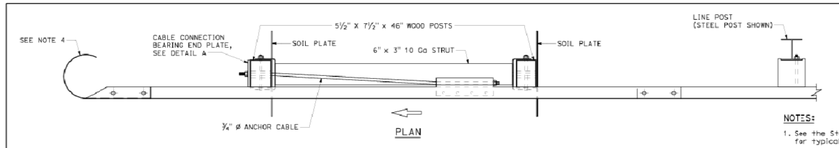
STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

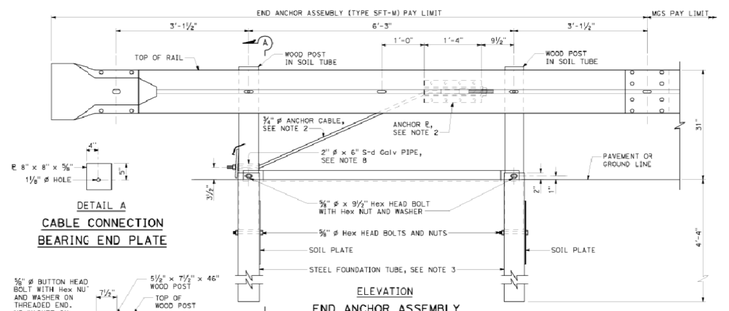
MINOR CONCRETE VEGETATION CONTROL
GUARDRAIL SYSTEM
NARROW VEGETATION CONTROL INSTALLATION

NO SCALE

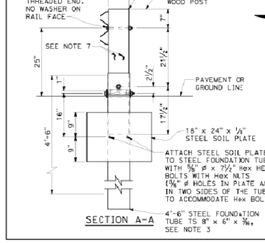
A77N5A

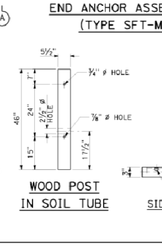
2023 STANDARD PLAN A77N5A

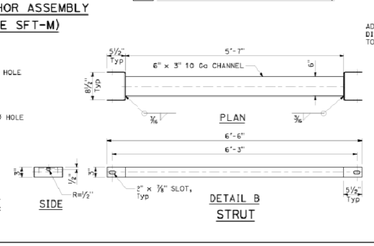


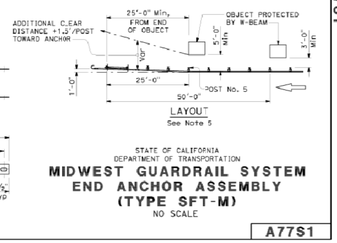


ELEVATION
END ANCHOR ASSEMBLY
(TYPE SFT-M)









NOTES:

1. See the Standard Plans A77P, A77Q and A77R series for typical use of End Anchor Assembly (Type SFT-M).
2. For details of the anchor plate and ¾" ø cable, see Standard Plan A77S3.
3. A 6'-0" length steel foundation tube, TS 8" x 6" x ⅜", without a soil plate, may be furnished and installed in place of the 4'-6" length steel foundation tube and soil plate shown. Minimum embedment of the 6'-0" length tube shall be 5'-9". A ⅝" ø Hex head bolt and nut shall be installed in the hole in the 6'-0" length tube to keep the wood post from dropping into the tube.
4. Place End Cap Type B when pedestrians, bicycles or traffic is within contact of the trailing end of the exposed element, Rail element may be cut 1" past the end of the post. Clean, treat and remove sharp edges.
5. Increased clear distance behind the rail is required from 56' prior to the last post of the End Anchor Assembly (Type SFT-M). Beginning at 60' upstream of the last post of the End Anchor Assembly, the required clear distance increases to 5' at post No. 5 from post No. 5 to the last post of the End Anchor Assembly, the required clear distance increases at a rate of 1.5' for each post.
6. Dike with a maximum height of 4" may be placed under or in front of the End Anchor Assembly (Type SFT-M). If the anchor posts are in conflict with the 4" high dike, the last 25' of rail may be tapered back a maximum of 1'-0" to allow the dike to maintain alignment.
7. Secure End Plate with two 16D nails to maintain alignment.
8. 2" ø Standard Galvanized Pipe or 2½" ø Galvanized Pipe.
9. See Standard Plan A77R1 for placing SFT-M when there is a fixed object within 50'-0" of the end anchor and the distance behind the post is less than 3'-0".

STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

MIDWEST GUARDRAIL SYSTEM
END ANCHOR ASSEMBLY
(TYPE SFT-M)

NO SCALE

A77S1

2023 STANDARD PLAN A77S1

Underground Service Alert

SECTION 4216/4217 OF THE GOVERNMENT CODE REQUIRES A DIG ALERT IDENTIFICATION NUMBER BE ISSUED BEFORE A PERMIT TO EXCAVATE WILL BE VALID. FOR YOUR DIG ALERT I.D. NUMBER CALL UNDERGROUND SERVICE ALERT TOLL FREE 1-800-227-2600 TWO WORKING DAYS BEFORE YOU DIG

REV.	REVISION DESCRIPTION	DATE	ENGR.	CITY	DATE

REGISTERED PROFESSIONAL ENGINEER — TERRY M. RENNER — No.69984 Exp.9-30-26 — CIVIL — STATE OF CALIFORNIA

TKE ENGINEERING, INC.
2305 CHICAGO AVENUE
RIVERSIDE, CA 92507
(951) 680-0440
FAX (951) 680-0490

10-03-24
TERRY M. RENNER R.C.E. No. 69984

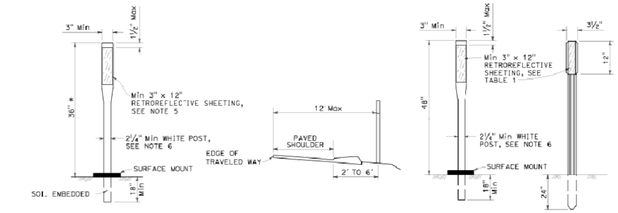
GUARDRAIL INSTALLATION
AT
VARIOUS LOCATIONS

SHOULD CONSTRUCTION OF THE REQUIRED IMPROVEMENTS NOT COMMENCE WITHIN TWO YEARS OF THE DATE OF APPROVAL SHOWN HEREON AND CARRIED FORTH IN A DILIGENT MANNER, THE CITY ENGINEER MAY REQUIRE REVISIONS TO THE PLANS TO BRING THEM INTO CONFORMANCE WITH CONDITIONS AND STANDARDS IN EFFECT.

CITY OF REDLANDS
GUARDRAIL IMPROVEMENTS

DRAWN BY:	STANDARD PLANS	SCALE: 1" = 20'
DESIGNED BY: TMR		DATE: JUN 2024
CHECKED BY: TMR	APPROVED BY: DATE: GOUTAM K. DOBEY, CITY ENGINEER R.C.E. No. 75646	DRAWING NO.: 5 / 6

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* 36" Min where speeds are 40 miles/h or less.

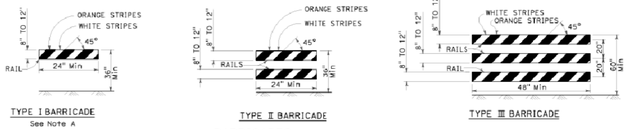
DELINEATOR POSITIONING

CLASS 1 FLEXIBLE POST

CLASS 2 METAL POST See Note 4

CHANNELIZERS

DELINEATORS



TYPE I BARRICADE See Note A

TYPE II BARRICADE

TYPE III BARRICADE

BARRICADES (See Note 3)

Only face of rails shown. Barricade construction materials and supports as specified in the specifications.

TABLE 2 - BARRICADES

BARRICADE	TYPE I	TYPE II	TYPE III
WIDTH OF RAIL	8" Min - 12" Max *	8" Min - 12" Max *	8" Min - 12" Max *
LENGTH OF RAIL	24" Min	24" Min	48" Min
WIDTH OF STRIPES * *	6"	6"	6"
HEIGHT	36" Min	36" Min	60" Min
NUMBER OF RETROREFLECTIVE RAIL FACES	2 (ONE EACH DIRECTION)	4 (TWO EACH DIRECTION)	3 IF FACING TRAFFIC IN ONE DIRECTION 6 IF FACING TRAFFIC IN TWO DIRECTION

* For the wooden option dimensions are nominal lumber dimensions.

* * For rails less than 36" long, 4" wide stripes shall be used.

NOTE A:

Barricades to have a minimum of 270 square inches of retroreflective area facing traffic when used on freeways, expressways, and other high speed highways.

TABLE 1- DELINEATORS

TYPE	RETROREFLECTIVE SHEETING	
	FRONT	BACK
E	WHITE	WHITE (SEE NOTE 1)
F	WHITE	NONE
G	YELLOW	NONE
J	RED	NONE

NOTES:

1. The retroreflective sheeting used on the back of delineator shall be a minimum size of 3" x 3".
2. The type of delineator to be installed will be designated on the plans.
3. All barricade stripes shall be retroreflective and sloped downward in the direction of the opened traffic lane.
4. See Standard Plan A73B for Metal Post Details.
5. Unless shown otherwise on the plans, or as directed by the Engineer, the color of the retroreflective sheeting for permanent channelizers shall conform to the color of the pavement markings it supplements.
6. Except, Class 1 (Flexible Post) temporary delineators and temporary channelizers in work zones shall be orange post with white retroreflective sheeting.

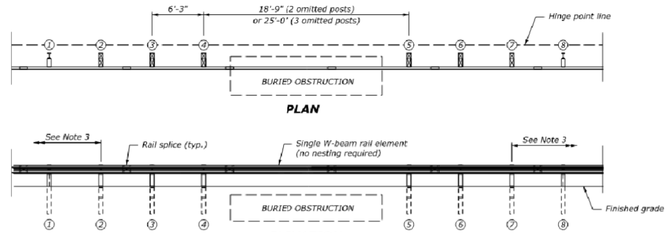
STATE OF CALIFORNIA
DEPARTMENT OF TRANSPORTATION

DELINEATORS, CHANNELIZERS AND BARRICADES

NO SCALE

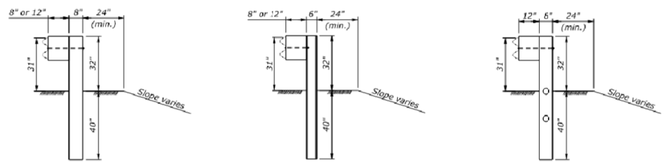
A73C

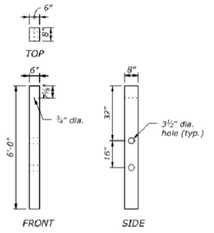
2023 STANDARD PLAN A73C

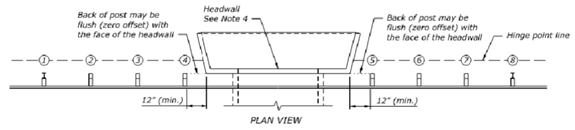


NOTE:

1. Posts ① and ⑧ may be wood or steel.
2. Use wood posts for CRT posts.
3. The minimum length of guardrail, including the end terminals, upstream and downstream of posts ② and ⑦ is 62.5-feet.
4. In locations where the culvert headwall extends above the finished grade to act as a vertical roadway curb, the maximum height of the culvert headwall above the finished grade is 2-inches.
5. See Standard 617-31 or 617-32 for other assembly details.







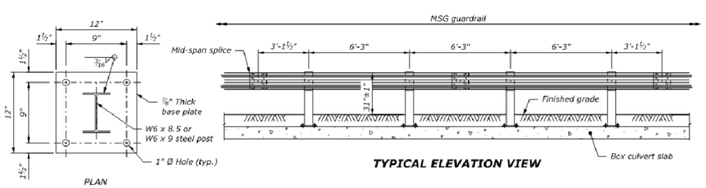
NO SCALE

U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
OFFICE OF FEDERAL LANDS HIGHWAY

FLH STANDARD

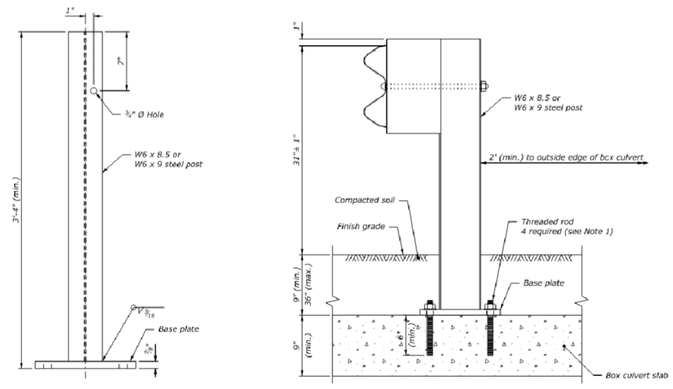
MGS W-BEAM GUARDRAIL LONG-SPAN SYSTEM

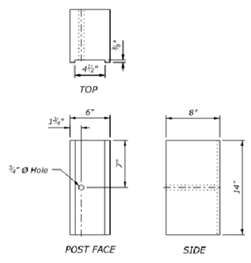
STANDARD APPROVED FOR USE 7/2022 — REVISED: — STANDARD 617-37



NOTE:

1. Attach guardrail post to box culvert with ⅞-inch diameter high-strength threaded rods 8½-inch in length with resin-bonded anchors. Use carbon steel rods with a minimum strength of 125 ksi and a minimum yield strength of 105 ksi. Rods, nuts, and washers have an electroplated zinc coating.
2. Wood blocks are shown. Blocks of an approved alternative may be used.
3. See Standard 617-32 for other details.





U.S. DEPARTMENT OF TRANSPORTATION
FEDERAL HIGHWAY ADMINISTRATION
OFFICE OF FEDERAL LANDS HIGHWAY

FLH STANDARD

MGS W-BEAM GUARDRAIL STEEL POSTS ATTACHED TO BOX CULVERT

STANDARD APPROVED FOR USE 7/2022 — REVISED: — STANDARD 617-38

NO SCALE

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Underground Service Alert

SECTION 4216/4217 OF THE GOVERNMENT CODE REQUIRES A DIG ALERT IDENTIFICATION NUMBER BE ISSUED BEFORE A PERMIT TO EXCAVATE WILL BE VALID FOR YOUR DIG ALERT I.D. NUMBER CALL UNDERGROUND SERVICE ALERT TOLL FREE 1-800-227-2600 TWO WORKING DAYS BEFORE YOU DIG

REV.	REVISION DESCRIPTION	DATE	ENGR.	CITY	DATE

REGISTERED PROFESSIONAL ENGINEER — TERRY M. RENNER — No.69984 Exp.9-30-26 — CIVIL — STATE OF CALIFORNIA

TKE ENGINEERING, INC.
2305 CHICAGO AVENUE
RIVERSIDE, CA 92507
(951) 680-0440
FAX (951) 680-0490

TERRY M. RENNER R.C.E. No. 69984 — 10-03-24

GUARDRAIL INSTALLATION AT VARIOUS LOCATIONS

SHOULD CONSTRUCTION OF THE REQUIRED IMPROVEMENTS NOT COMMENCE WITHIN TWO YEARS OF THE DATE OF APPROVAL SHOWN HEREON AND CARRIED FORTH IN A DILIGENT MANNER, THE CITY ENGINEER MAY REQUIRE REVISIONS TO THE PLANS TO BRING THEM INTO CONFORMANCE WITH CONDITIONS AND STANDARDS IN EFFECT.

CITY OF REDLANDS
GUARDRAIL IMPROVEMENTS

STANDARD PLANS

DRAWN BY:
DESIGNED BY: TMR
CHECKED BY: TMR
APPROVED BY: GOUTAM K. DOBEY, CITY ENGINEER — DATE: — R.C.E. No. 75646

SCALE: 1" = 20'
DATE: JUN 2024
DRAWING NO.: 6 / 6

CITY OF REDLANDS
OFFICE OF THE CITY CLERK
BID OPENING REPORT

The following bids were opened on the **7th day of November, 2024 at 11:30a.m.** on behalf of the Facilities and Community Services Department for **Guardrail Installation. No. FCS10162024KG**. The bid amounts have not been checked and are subject to correction after the bids have been completely reviewed.

No.	Plan Holder's Name	Bid Signed	Bid Bond	Addenda Acknowledged (None)	Total Bid Amount
1	Metrocell Construction, Ontario, CA	Yes	Yes	N/A	$174,600.00
2	Gentry General Engineering, Colton, CA	Yes	Yes	N/A	$182,498.00

Jeanne Donaldson, City Clerk
City of Redlands, California

Emailed: Councilmembers,
City Manager, PIO, Press
Department Head: Tabitha Crocker
Staff: Kathleen Giorgianni; Mike Foster

City Council/Financing Authority Meeting **H. 8.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Adopt Resolution No. 8649 - Annual Report of Development Impact Fees for the Year Ended June 30, 2024, and Adoption of Findings (Management Services/Finance Director Garcia)

MOTION(S):

If the City Council determines that staff's recommendation is appropriate, the following motion is provided:

I move to adopt Resolution No. 8649.

RECOMMENDATION:

Staff recommends the City Council adopt Resolution No. 8649 approving the Annual Report of Development Impact Fees for the year ended June 30, 2024, and the findings contained therein.

DISCUSSION:

Government Code Section 66006 requires municipalities imposing impact fees to prepare an annual report that summarizes the revenues and interest income earned and the expenditures made for each category of development impact fees during a given fiscal year. This report was filed with the City Clerk's Office and available for public review on December 2, 2024. The report must provide the beginning and ending balances of the fiscal year, the amount of fees collected by the City, interest income and any other income earned, a description of how the fees were expended during the subject fiscal year, and any refunds or allocations pursuant to Government Code Section 66001(f). If fees are unexpended or uncommitted for a period of five or more years, the report must include a finding identifying the purpose of the fee and the anticipated improvements to be financed by the fee. If such findings are not made, State law requires that the City refund the unused fees being held.

As of June 30, 2023, outstanding loans in the Public Facilities Fund totaled $7,690,541 owed to the General Fund, and $16,091 owed to the Water Fund. These loans were made when impact fee revenues were insufficient to cover the General Government Facilities category 60% share of debt service on the 2003 Lease Revenue Refunding COPs. Interest was set at the annual average rate earned in the Local Area Investment Fund (LAIF). On May 7, 2024, the Council adopted Resolution No. 8584 authorizing the forgiveness of the Interfund Loan between the Public Facilities Fund and the General Fund. The forgiveness of this portion of the loan is based on the concept of timeliness. Impact fees collected currently are designed to be expended on projects and facilities that relate to current development. A total of $7,690,541 in advances payable from the Public Facilities Fund (251) to the General Fund (101) was eliminated. The repayment of the remaining advances payable within the Public Facilities Fund (251), $16,091 owed to the Water Fund, was made during FY 2023-2024 and the loan is now completely repaid.

ALTERNATIVES:

Not Applicable

STRATEGIC PLAN:

Not Applicable

SUBMITTED BY:
Danielle Garcia, Management Services/Finance Director

RECOMMENDED BY:
Charles M. Duggan, Jr., City Manager

REVIEWED BY:
Yvette M. Abich Garcia, City Attorney
Janice McConnell, Assistant City Manager

Fiscal Impact

Fiscal Year: FY 2023-24

Discussion:

None. All required findings are included in the report.

Attachments

Resolution No. 8649 DIF Annual Report 2023-24
AB 1600 Annual Report FY 2023-24
Public Facilities Summary of Cash Transactions FY 2023-24
Resolution No. 7951 Development Impact Fees Rescinding 7907

RESOLUTION NO. 8649

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDLANDS APPROVING THE CITY'S ANNUAL DEVELOPMENT IMPACT FEE REPORT AND MAKING CERTAIN FINDINGS WITH RESPECT THERETO

WHEREAS, Government Code Section 66006 requires local agencies that impose development impact fees upon development projects to deposit such fees in separate capital facilities accounts to avoid commingling of such fees with other revenues and funds of the local agency, and to expend those fees only for the purposes collected; and

WHEREAS, for each separate capital facility account or fund established, the local agency shall, within 180 days after the last day of each fiscal year, make available to the public the following information for the fiscal year:

A. A brief description of the fee;
B. The amount of the fee;
C. The beginning and ending fund balance of the account;
D. The amount of the fees collected and the interest earned;
E. The identification of the improvements on which the fees were expended, including the percentage of the cost of the public improvements funded with fees;
F. The identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, and the public improvement remains incomplete.
    a. An identification of each public improvement identified in a previous report and whether construction began on the approximate date noted in the previous report.
    b. For a project identified for which construction did not commence by the approximate date provided in the previous report, the reason for the delay and a revised approximate date that the local agency will commence construction.
G. A description of each interfund transfer or loan, and the date of such loan, the repayment date, and the interest rate;
H. The amount of refunds of fees, if any made pursuant to Government Code Section 66001; and

WHEREAS, Government Code Section 66001 requires local agencies, for the fifth fiscal year following the first deposit of fees into an account or fund, and every five years thereafter, to make certain findings with respect to that portion of the account or fund remaining unexpended, whether committed or uncommitted; and

WHEREAS, the annual report reflecting the balance in each capital improvement fee account, the fee, interest, income, and the amount of expenditure upon public improvements, and the amount of refunds made for the fiscal year, if any, has been available for public review as required by law;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF REDLANDS AS FOLLOWS:

Section1. The City Council hereby approves the Annual Report of Development Impact Fees for the year ended June 30, 2024.

Section 2. The City Council finds and determines that with respect to development impact fees remaining unexpended or uncommitted in their respective accounts, for five (5) or more years after deposit of the fee, as follows:

A. New development in the City will continue to generate additional demands on public facilities throughout the City, and will contribute to the impact upon existing public facilities.

B. There is reasonable relationship between the fees' uses and the types of development for which the fees are charged, as these reasonable relationships are described in more detail in the City's Development Impact Fee studies and improvement master plans.

C. There is a reasonable relationship between the need for the public facility and the type of development project upon which the fee is imposed.

D. The fees expected to be generated by new development will not exceed the costs for construction of the public facilities identified in the City's improvement master plans and as set forth in the Developer Impact Fee study.

E. That the Annual Report identifies all sources and amounts of funding anticipated to complete financing for any incomplete improvements.

F. That the Annual Report designates, wherever possible, the approximate dates on which fees are expected to be deposited for the financing of any incomplete improvements.

ADOPTED, SIGNED AND APPROVED this 21st day of January, 2025.

_____
Mario Saucedo, Mayor

ATTEST:

_____
Jeanne Donaldson, City Clerk

I, Jeanne Donaldson, City Clerk of the City of Redlands, hereby certify that the foregoing resolution was duly adopted by the City Council at a regular meeting thereof held on the 21st day of January, 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Jeanne Donaldson, City Clerk

December 17, 2024
The Honorable Mayor, Members of the City Council, and Residents of Redlands
Redlands, CA 92373

Subject: Annual Report of Development Impact Fees

Dear Mayor, Members of the City Council, and Residents of Redlands,

Pursuant to the Mitigation Fee Act (the “Act”) (Government Code section 66000 et seq.), and specifically section 66006 of the Act, the following report on the receipt, use, and retention of development impact fees for Fiscal Year 2023-2024 is hereby presented to the City Council for review and approval. Development impact fees are charged by local governments to defray all or a portion of the cost of public facilities related to new development being constructed within the City. The legal requirements for enactment of a Development Impact Fee program are set forth in Government Code §§ 66000- 66025 (the "Mitigation Fee Act"), the bulk of which was adopted as 1987’s Assembly Bill 1600 and thus commonly referred to as “AB 1600 requirements”.

In the City of Redlands, development impact fees may be collected at the time of issuance of a certificate of occupancy or date of final inspection, as permitted by Government Code section 66000 et seq., for the purpose of mitigating the impacts caused by new development on the City’s infrastructure. Fees are used to finance the acquisition, construction, and improvement of public facilities related to new development projects. A separate funding structure has been established to account for the impact of new development on each of the following types of public facilities: Open Space, Parks, Public Facilities (including police, fire, community center, library, and general government facilities), Transportation, Water, Non-Potable Water, Solid Waste, and Sewer.

Impact fees collected and spent during Fiscal Year 2023-24 were set by Resolution No. 7951 as approved by the City Council on April 2, 2019, which rescinded Resolution No. 7907. The amount of corresponding fee types, currently established by Resolution No. 7951, is attached hereto. Government Code Section 66006 requires local agencies to submit annual and five-year reports detailing the status of development impact fees, summarizing the revenues, interest income, and expenditures for each category of funds. This report was filed with the City Clerk’s Office and A. K. Smiley Public Library and was available for public review on December 2, 2024.

Respectfully submitted,

Management Services / Finance Staff
City Manager’s Office

(227) Open Space Fund – Redlands Municipal Code Chapter 3.32 establishes an Open Space and Park Development Impact Fee. Twenty-five percent (25%) of this fee is deposited into an Open Space Fund to be used solely for the purpose of acquisition, improvement, preservation, and expansion of open space areas within the City in accordance with the provisions of the recreation, open space, and conservation element of the City's General Plan. The General plan specifies the policy to preserve open space land in order to protect the visual character of the City, provide for public outdoor recreation, conserve natural resources, support groundwater recharge, and otherwise preserve open space areas. In the General Plan, specific open space areas in the Planning Area include the "Emerald Necklace" concept, San Timoteo Canyon, the Santa Ana Wash, and Live Oak Canyon. California Govt. Code 65301(a) requires general plan planning areas to include all land within a city or county's limits, and territory outside its boundaries "which in its judgment bears relation to its planning." Redlands' Planning Area encompasses 46 square miles, including all land within the Redlands city limits, the area within the City's Sphere of Influence (SOI), and an unincorporated island known as the "Donut Hole" that is located in the northwestern portion of the city. Fee amounts are set by Resolution No. 7951.

The following table shows the balances, receipts, and expenditures of the Open Space Fund for the current and last five fiscal years:

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	505,631	1,508,088	1,622,321	1,746,567	2,156,054	2,261,887
Receipts	1,003,881[1]	185,482	126,661	419,086[2]	107,615	310,386
Expenditures	(1,424)	(71,249)	(2,416)	(9,599)	(1,782)	(4,063)
Ending Balance	1,508,088	1,622,321	1,746,567	2,156,054	2,261,887	2,568,209

[1]Includes non-DIF revenue of $785,000 deposit of land sale proceeds designated by the City Council for the acquisition of open space and received from the sale of the City's Mullin grove property.

[2]Receipts also include a GASB 31 Adjustment.

Receipts include fees of $203,170 and investment income of $107,216.

Expenditures include $4,063 in administrative charges.

Over the last ten years, monies collected in the Open Space Fund, along with grant monies, have been spent on the restoration and acquisition of open space within San Timoteo Canyon, including the San Timoteo Creek Habitat Enhancement Project, the Thompson Property, the Allen property, the Mistretta property and most recently, the Hudson property.

The current cash balance exceeds the cumulative fee collection over the past five years by $880,804, when adjusting for the $785,000 deposit of land sale proceeds as detailed above[1]. As a result, the City must make "findings" in accordance with the requirements of Government Code Section 66006.

Findings:

Fees deposited into an Open Space Fund are to be used solely for the purpose of acquisition, improvement, preservation, and expansion of open space areas within the City in accordance with the provisions of the recreation, open space, and conservation element of the City's General Plan. Because development impact fee revenue fluctuates and is difficult to forecast, there is no estimate for anticipated funding sources or amounts to complete the projects listed below. Monies collected into the Open Space Fund, including the existing excess cash, are expected to be used in accordance with the General Plan for the following projects over the next 5 years:

1. **Open Space/Citrus Acquisition –** the City is committed to retaining and improving the maximum feasible amount of open space property for recreational opportunities, conservation, agricultural uses, and resource protection. In terms of agricultural open space, one of the City's goals is to increase the City's acreage of citrus groves to an approximate target of 200 acres. As of FY 2024, the city owns 184 acres.
2. **Emerald Necklace –** the Emerald Necklace is a conceptual framework for a series of green open spaces and park areas surrounding the city approximately 45 miles in length, joined together with a special scenic road and trail system. The City has identified gaps in the Emerald Necklace and is working collaboratively to prioritize land acquisition or other resource preservation strategies in those areas. Several sites and properties have been purchased under this framework. Additionally, as suitable properties become available for acquisition, the City will evaluate opportunities to purchase the same.
3. **Scenic Routes and Trails –** The City has several project priorities: develop a linear parkway/recreational corridor centered along San Timoteo Creek and extending throughout the canyon, coordinate with San Bernardino County and the Santa Ana River Conservancy on implementing the objectives of the Santa Ana River Trail Parkway and Open Space Plan, and to complete the Emerald Necklace system of scenic routes and trails, including the Zanja Trail, Santa Ana River Trail, San Timoteo Trail, and other trails linking parks, regional trails, and open space areas.

No refunds of fees are required, and none have been made during Fiscal Year 2023-2024.

(250) Park Development Fund – Park development impact fees are levied for the purpose of acquiring and developing land for parks. The fees are established per the Redlands Municipal Code as noted above for Open Space. Fee amounts are set by Resolution No. 7951. Seventy-five percent (75%) of the Open Space and Parks fees are deposited into the Park Development Fund. The General Plan sets the policy on park development as one aimed towards creating and maintaining a high-quality, diversified park system that enhances Redlands' unique attributes. The General Plan prescribes the parkland standard of 5 acres per 1,000 residents.

The following table shows the balances, receipts, and expenditures of the Park Development Fund for the current and last five fiscal years:

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	708,482	477,392	609,313	878,329	2,042,124	2,035,257
Receipts	1,020,460[(1)]	454,596	382,923	1,408,479	315,063	732,233
Expenditures	(1,251,551)	(322,674)	(113,907)	(244,684)	(321,930)	(118,485)
Ending Balance	477,392	609,313	878,329	2,042,124	2,035,257	2,649,005

[(1)] Includes miscellaneous revenues/transfers of $635,613 that were received from Nevada Palmetto Grove sales proceeds and community donations of $38,723 to fund the construction of the Skate Park.

Impact fee revenue in this category consists of $641,425 in fees and $90,808 in investment income.

Disbursements totaled $118,485, including a payment of $66,882 in principal, $35,312 in interest, and $3,463 in fiscal agent fees associated with the State I-Bank loan for the Sports Park. In addition to this loan repayment for the Sports Park, there was also $12,828 in administrative charges.

No refunds of fees, because of the cumulative cash balance in the Park Development fund, are required, and none have been made during Fiscal Year 2023-2024.

(251) Public Facilities Development Fund - Public Facilities Development Fees have been established per Redlands Municipal Code Chapter 3.60 with the purpose and intent of implementing the Redlands General Plan to ensure that public facilities and related improvements which satisfy City standards are sufficient and keep pace with needs that arise as new development occurs within the City. Fee amounts are set by Resolution No. 7951. Fees are collected from applicants for development projects to construct, improve, and maintain public facilities as identified in the City's Development Impact Fee Justification Study, dated January 9, 2017.

Police Facilities

The purpose of this fee is to provide a revenue source that will provide funds to acquire vehicles, equipment, and facilities that will mitigate the impacts of new residential and non-residential development on the City's Police resources. A complete listing of proposed facilities is contained within the City's Development Impact Fee Justification Study, dated January 9, 2017.

The following table shows the balances, receipts, and expenditures of the Police Facilities Fee for the current and last five fiscal years:

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	428,533	440,922	464,906	471,706	493,582	499,550
Receipts	12,641	24,474	6,939	22,322	6,090	8,185
Expenditures	(253)	(489)	(139)	(446)	(122)	(164)
Ending Balance	440,922	464,906	471,706	493,582	499,550	507,572

Receipts consist of $8,185 in fees. Disbursements include $164 in administrative charges.

The current cash balance exceeds the cumulative fee collection over the past five years by $435,105. As a result, the City must make a "finding" in accordance with the requirements of Government Code Section 66006.

Findings:

Fees deposited into the Public Facilities Fund – Police Facilities category are to be used solely for costs related to police facilities, vehicles, and equipment. The largest cost, by far, will be the development of a new safety hall facility. The current buildings that house police staff are outdated and in a state of significant disrepair, no longer meeting the functional or safety standards required for effective operations. As a result, plans have been underway to conceptualize and fund a new Safety Hall. In spring 2022, the City acquired a property at 1625 West Redlands Boulevard to retrofit into a new safety hall facility. The total project to convert this building into a new police facility is estimated to cost somewhere between $60 and 85 million dollars, including construction, commissioning, and furnishing. Impact fees will be used to help fund the retrofit project once it commences and their expenditure will reflect a portion of new development's share in the cost of the new facility. The City anticipates drawing down the balance of cash in this fee category in total once capital expenditures start on this project. A timeline for project construction/completion will be established sometime in early 2025.

No refunds are required, and none have been made during Fiscal Year 2023-2024.

Fire Facilities

The purpose of this fee is to establish a revenue source that will provide funds to construct various Fire facilities and acquire equipment and vehicles that will mitigate the impacts of new residential and non-residential development on the City's Fire facilities. A complete listing of proposed facilities is contained within the City's Development Impact Fee Justification Study, dated January 9, 2017.

The following table shows the balances, receipts, and expenditures, including loan activity, of the Fire Facilities Fee for the current and last five fiscal years:

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	69,271	315,622	399,928	463,557	862,051	973,267
Receipts	251,379	196,707	140,752	427,545	113,486	156,782
Expenditures	(5,028)	(112,401)	(77,123)	(29,051)	(2,270)	(3,136)
Ending Balance	315,622	399,928	463,557	862,051	973,267	1,126,882

Receipts consist of $156,782 in fees.

Disbursements include $3,136 in administrative charges.

No refunds are required, and none have been made during Fiscal Year 2023-2024.

Library Facilities

The library facility impact fees were established to provide a revenue source that will generate funds to acquire various library collection items and remodel/refurbish existing facilities that will mitigate the impacts of new residential development on the City's Library facilities. Planned uses from the proceeds of these fees include the expansion of library collection items as well as the remodeling and refurbishment of existing facilities. Collection items include, but are not limited to, books, periodicals, newspapers, DVDs, e-books, etc.

Previously, impact fees collected for Library Facilities were also used to make contributions towards the annual debt service of the 2003 Lease Revenue Refunding Certificates of Participation (COP). The 2003 COPs refunded prior COPs that were used to finance major improvements to the Library's facilities. The past fees collected were earmarked to pay debt service on these bonds, which matured in Fiscal Year 2017-2018 and are now designated to repay outstanding loans from the General Fund, as well as loans that were provided by the Storm Drain Construction, and Water funds. Those loans were incurred during those fiscal years when library impact fee revenues were insufficient to meet the debt service requirements. As explained in further detail below, these loans have either been forgiven or repaid in full as of the close of Fiscal Year 2023-2024.

The following table shows the balances, receipts, and expenditures, including loan activity, of the Library Facilities Fee for the current and last five fiscal years:

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	-	-	-	-	-	-
Receipts	26,890	42,926	33,427	133,379	25,616	56,431
Expenditures	(26,890)	(42,926)	(33,427)	(133,379)	(25,616)	(17,881)
Ending Balance	-	-	-	-	-	38,551

Receipts consist of $56,431 in fees.

Disbursements include $1,129 in administrative costs as well as $661 in interest expense on its share of inter-fund loans noted above and $16,091 repaid on the outstanding loan from Water Fund. This payment repays in full the loan from the Water Fund to the Library Facilities category of the Public Facilities Fund.

As of June 30, 2023, outstanding loans within the Library Facilities category total $3,727,937, with $3,711,847 owed to the General Fund, and $16,091 owed to the Water Fund. These loans were made when impact fee revenues were insufficient to cover the General Government Facilities category 60% share of debt service on the 2003 Lease Revenue Refunding COPs. Interest was set at the annual average rate earned in the Local Area Investment Fund (LAIF). On May 7, 2024, the Council adopted Resolution No. 8584 authorizing the forgiveness of the Interfund Loan between the Public Facilities

Fund and the General Fund. The forgiveness of this portion of the loan is based on the concept of timeliness. Impact fees collected currently are designed to be expended on projects and facilities that relate to current development. A total of $7,690,541 in advances payable from the Public Facilities Fund (251) to the General Fund (101) was eliminated. The repayment of the remaining advances payable within the Public Facilities Fund (251), $16,091 owed to the Water Fund, was made during FY 2023-2024 and the loan is now completely repaid.

No refunds of fees are required, and none have been made during Fiscal Year 2023-2024.

General Government Facilities

Impact fees for General Government Facilities were first established with the completion of the impact fee study performed in Fiscal Year 2006-2007 and implemented in August 2007, and the most recent fee justification study is the City's Development Impact Fee Justification Study dated January 9, 2017. The purpose of this fee is to establish a revenue source that will provide funds to purchase and install additional IT hardware and construct a government center/safety hall building and public parking facility that will mitigate the impacts of new residential and non-residential development on the City's general government facilities.

The following table shows the balances, receipts, and expenditures, including loan activity, of the General Government Facilities Fee for the current and last five fiscal years:

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	-	535	-	-	-	-
Receipts	299,241	233,858	159,044	511,327	138,580	186,527
Expenditures	(299,241)	(234,392)	(159,044)	(511,327)	(138,580)	(3,731)
Ending Balance	-	-	-	-	-	182,797

Receipts consist of $186,527 in fees.

Disbursements include $3,731 in administrative charges.

As of June 30, 2023, the outstanding loans within the General Government Facilities category totaled $3,978,694 owed to the General Fund, These loans were made when impact fee revenues were insufficient to cover the General Government Facilities category 60% share of debt service on the 2003 Lease Revenue Refunding COPs. Interest was set at the annual average rate earned in the Local Area Investment Fund (LAIF). On May 7, 2024, the Council adopted Resolution No. 8584 authorizing the forgiveness of the Interfund Loan between the Public Facilities Funs and the General Fund. The forgiveness of this portion of the loan is based on the concept of timeliness. Impact fees collected currently are designed to be expended on projects and facilities that relate to current development. As well, the nature of the original expenditures, including the construction of a fire station and public parking, seem to be reasonable expenditures of the General Fund. A total of $7,690,541 in advances

payable from the Public Facilities Fund (251) was eliminated. This is the sum of the amounts owed from the Library Facilities category as well as the General Government Facilities category ($3,711,847 and $3,978,694, respectively) to the General Fund.

No refunds of fees are required, and none have been made during Fiscal Year 2023-2024.

Community Center Facilities

Community Center Facilities impact fees were established in Fiscal Year 2014-2015 and are collected using a replacement cost per capita for the City's existing community centers as the basis for the fees. The fees charged to future residential development are set at a level needed to maintain the existing level of service as the City grows. The purpose of these fees is to collect the proportion of new development's share in the cost of adding community center space while maintaining the current ratio of community center asset value to population. The most recent fee justification study is the City's Development Impact Fee Justification Study, dated January 9, 2017, which contains details of proposed community center facilities.

The following table shows the balances, receipts, and expenditures of the Community Center Facilities Fee for the current and last five fiscal years:

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	68,208	68,208	68,208	68,208	68,208	68,208
Receipts	-	-	0	-	-	1,151
Expenditures	-	-	0	-	-	(23)
Ending Balance	68,208	68,208	68,208	68,208	68,208	69,336

Receipts consist of $1,151 in fees.

Disbursements include $23 in administrative charges.

The current cash balance exceeds the cumulative fee collection over the past five years by $69,336. As a result, the City must make a "finding" in accordance with the requirements of Government Code Section 66006.

Findings:

Fees deposited into the Public Facilities Fund – Community Center Facilities category are to be used solely for the purpose of costs related to adding community center space to maintain the current ratio of community center asset value to population.

The largest cost, by far, will involve the construction of a new community center. The cost estimate developed in 2016 to complete the construction of a new community center was $7,488,046 according to the most recent fee justification study - the City's Development Impact Fee Justification Study, dated January 9, 2017. Timelines for completing this project are difficult to estimate due mainly to the significant costs and the unpredictability of the timing of adequate impact fee revenue.

No refunds are required, and none have been made during Fiscal Year 2023-2024.

Transportation Fees

During Fiscal Year 2023-2024, Resolution No. 7951 prescribed methodologies and amounts of Transportation fees. Impact fees in this category are intended to fund transportation improvements, including the following components: interchange improvements, railroad crossing improvements, improvements to regional arterials, and improvements to local streets. The first three components are intended to satisfy the requirement, pursuant to Measure I (2010-2041) and the San Bernardino County Transportation Authority (SBCTA) Congestion Management Plan, that the City assess new development for its fair share of the cost of those improvements. The local street component is based on data provided by the City that represents the full cost of local street improvement projects needed entirely to serve future development. Allocations are established based on a weighted average for each improvement type based on cost. The City's Development Impact Fee Study, dated January 9, 2017, estimated transportation improvement costs in each component category and allocated them according to the tables below.

Resolution No. 7701, DIF Study Jan. 2017		
Fund 252 -	Regional Arterial	43%
Fund 252 -	RR Crossings	1%
Fund 252 -	Local Streets	16%
Fund 253 -	Signals	4%
Fund 254 -	Interchanges	36%

These development impact fees are utilized in conjunction with revenue generated under the Measure "I" half-cent sales tax to fund regional transportation projects. These fees establish a revenue source that will provide funds to construct various transportation projects that will mitigate the impacts of new development on the City's circulation system. The uses to which the fees are to be put include the funding of new roadways within the City limits.

(252) Arterial Street Construction Fund – This fund includes development fees, as discussed above, for both the regional (SBCTA) and local transportation development fees which, in concert with the Regional Measure "I" sales tax revenue, when needed, are used to construct transportation improvements. Both development impact fees and Measure "I" funds are required to construct the transportation improvement projects. A complete listing of proposed facilities is contained within the City's Development Impact Fee Justification Study, dated January 9, 2017.

The following table shows the balances, receipts, and expenditures of the Arterial Street Construction Fund for the current and last five fiscal years:

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	3,141,989	3,721,696	3,954,816	3,928,436	4,444,102	4,639,255
Receipts	592,243	597,315	398,827	528,723	343,623	544,198
Expenditures	(12,536)	(364,193)	(425,207)	(13,058)	(148,469)	(170,463)
Ending Balance	3,721,696	3,954,816	3,928,436	4,444,102	4,639,255	5,035,393

Impact fee revenue in this category consists of $317,961 in fees and $226,237 in investment income.

Disbursements consist of $130,908 for construction in progress, as it relates to the management, procurement support, and construction support for the California Street and Redlands Boulevard Widening Project. Another $33,196 was also spent on preliminary & final engineering, drawings and environmental technical studies for the same project. Lastly, the fund was charged $6,359 in administrative charges.

The current cash balance exceeds the cumulative fee collection over the past five years by $2,719,783. As a result, the City must make "findings" in accordance with the requirements of Government Code Section 66006.

Findings:

Monies collected into the Arterial Street Construction Fund, including the existing excess cash, are based on a detailed breakdown of citywide transportation projects needed to mitigate the impacts of new development through the year 2035. These projects have been approved by the City Council for construction under this program, as a part of Resolution No. 7951 and the Development Impact Fee Study dated January 9, 2017. The project list includes improvements to regional and local arterials with a total estimated cost allocated to new development of $17,801,728.

A complete listing of proposed facilities is contained within the City's Development Impact Fee Justification Study, dated January 9, 2017.

Below is a partial listing from that study.

- Alabama Street from the northerly City limit to Palmetto Avenue
  - Estimated Cost - $10,653,000
  - New Development Fair Share – 23.1%
- Orange Street from Lugonia Avenue to Interstate 10 freeway
  - Estimated Cost - $2,960,000
  - New Development Fair Share – 23.1%
- San Bernardino Avenue from Church Street to Wabash Avenue
  - Estimated Cost - $2,744,000
  - New Development Fair Share – 23.1%

- Ford Street from 5th Avenue to Interstate 10 freeway
    - Estimated Cost - $2,058,000
    - New Development Fair Share – 23.1%

Because development impact fee revenue fluctuates and is difficult to forecast, there is no estimate for the date on which the project will be completed. At this time, no other sources of revenue are projected.

No refunds of fees are required, and none have been made during Fiscal Year 2023-2024.

(253) Traffic Signals Fund – This fund includes seven percent of the transportation development impact fees collected and is for the purpose of constructing traffic signals and signal improvements.

The following table shows the balances, receipts, and expenditures of the Traffic Signals Fund for the current and last five fiscal years:

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	1,223,302	1,283,765	1,382,585	1,444,989	1,449,748	1,287,694
Receipts	72,366	99,412	62,910	40,123	119,945	102,184
Expenditures	(11,903)	(591)	(507)	(35,363)	(282,000)	(268,091)
Ending Balance	1,283,765	1,382,585	1,444,989	1,449,748	1,287,694	1,121,787

Impact fee revenue in this category consists of $19,474 in fees, $10,901 in developer deposits and $71,809 in investment income.

Disbursements consist of $389 in administrative charges and $267,702 for the construction of the University Street and Brockton Avenue traffic signal installation.

The current cash balance exceeds the cumulative fee collection over the past five years by $937,298. As a result, the City must make “findings” in accordance with the requirements of Government Code Section 66006.

Findings:

Monies collected into the Traffic Signals Fund, including the existing excess cash, are based on a detailed breakdown of citywide transportation projects needed to mitigate the impacts of new development through the year 2035. These projects have been approved by the City Council for construction under this program, as a part of Resolution No. 7701 and the Development Impact Fee Study dated January 9, 2017. A complete listing of proposed facilities is contained within the City’s Development Impact Fee Justification Study, dated January 9, 2017.

Below is a partial listing from that study.

- Texas Street and Pioneer Avenue
  - Estimated Cost - $350,000
  - New Development Fair Share – 32.32%
- Intelligent Traffic Management System
  - Estimated Cost - $5,400,000
  - New Development Fair Share – 23.1%
- Automated Fire/Police Emergency Vehicle Preemption System
  - Estimated Cost - $150,000
  - New Development Fair Share – 32.32%

Because development impact fee revenue fluctuates and is difficult to forecast, there is no estimate for the date on which the project will be completed. At this time, no other sources of revenue are projected.

No refunds of fees are required, and none have been made during Fiscal Year 2023-2024.

(254) Freeway Interchange Fund – As discussed above, thirty-six percent of the transportation fees collected are to meet the City's responsibility for the construction of major freeway interchange improvements on I-10 and one freeway interchange on the I-210 freeway. These projects are funded through the collection of multi-jurisdictional development fees and the collection of regional Measure "I" revenue, under the 2010-2040 Measure "I" voter-approved half-cent sales tax transportation program.

The I-10/University Street Interchange project has been completed as of the close of calendar year 2022 (Fiscal Year 2022-2023). The San Bernardino County Transportation Authority (SBCTA) and the City, in coordination with Caltrans District 8, completed widening on the I-10 westbound on-ramp and I-10 eastbound off-ramp at University Street, as well as restriping on University Street from Citrus Avenue to Central Avenue. The project is intended to reduce congestion, improve safety, and improve traffic operations along University Street between Citrus Avenue and Central Avenue. The project includes new traffic signals at the I-10 eastbound off-ramp at University Street and the I-10 westbound on-ramp at University Street and street improvements within the project limits including drainage improvements, pavement construction, and landscaping replacement. The last expenditure was made in Fiscal Year 2023-2024, to close out all accounting of costs associated with this project.

In addition to the University I-10 Interchange project, on February 16, 2016, the City entered into a memorandum of understanding (MOU) to commence the alternative Interstate 10 – Alabama Street Interchange project. The project is designed to improve Interstate 10 at the Alabama Street Interchange between Orange Tree Lane and Industrial Park Avenue, with on and off-ramp widening,

the addition of turning lanes, new pavement, and striping. As part of the MOU, funding responsibilities for the development of the estimated $10.96 million Project were delineated for the parties involved. Per SBCTA's 10-Year Delivery Plan and SBCTA's Development Mitigation Nexus Study, the City, SBCTA, and County of San Bernardino have funding responsibilities for the Project. Specifically, SBCTA has 49.5% of the Public Share of funding responsibilities (~$5.26m) for the Project, and the City and County share the remaining 50.5% (~$5.70m) Development Share, with City responsible for 34.9% ~ ($1.99m) and County 65.1% (~$3.71m). In November 2016, City Council approved a Development Mitigation Cooperative Agreement with the County in order to memorialize the financial responsibilities between the City and County for their shared Development Share responsibilities.

In mid to late 2019, SBCTA approached City and County about cost increases identified during the design of the Project. The total project cost has risen from the original estimate of $10.96 million to a new estimate of $15.15 million, a rise of $4.19 million. With this new estimate, City costs for the Project have risen from $1,990,065 million to $2,506,921, an increase of ~$516,856. SBCTA has completed the construction of the project, which began in January 2022 and finished in December 2022 (Fiscal Year 2022-2023). The last expenditure was made Fiscal Year 2023-2024, to close out all accounting of costs associated with this project.

The following table shows the balances, receipts, and expenditures of the Freeway Interchange Fund for the current and last five fiscal years:

	2018-2019	**2019-2020**	**2020-2021**	**2021-2022**	**2022-2023**	**2023-2024**
Beg. Balance	2,766,083	2,941,748	3,815,420	3,046,266	1,618,566	2,055,393
Receipts	559,907	1,293,437	243,103	479,165	2,948,193	734,240
Expenditures	(384,243)	(419,765)	(1,012,257)	(1,906,865)	(2,511,366)	(548,936)
Ending Balance	2,941,748	3,815,420	3,046,266	1,618,566	2,055,393	2,240,697

Impact fee revenue in this category consists of $188,628 in fees, reimbursement from the County of San Bernardino of $449,374 for a share of the portion of construction costs related to the I-10 Alabama Street Interchange Project, and $96,238 in investment income.

Disbursements consist of $3,773 in administrative charges. Expenses also included $14,664 that was disbursed in connection with the City's cooperative cost-sharing agreement for project management services associated with the I-10 Alabama Street Interchange Project. Capital expenditures were also made from this account in the amount of $465,583 for the I-10 Alabama Street Interchange Project and $64,916 in construction related to the I-10 University Offramp Improvement Project.

During Fiscal Year 2023-2024, the current cash balance exceeds the cumulative fee collection over the past five years by $841,930. As a result, the City must make "findings" in accordance with the requirements of Government Code Section 66006.

Findings:

Monies collected into the Freeway Interchanges Fund, including the existing excess cash, are based on a detailed breakdown of citywide transportation projects needed to mitigate the impacts of new development through the year 2035. These projects have been approved by the City Council for construction under this program, as a part of Resolution No. 7951 and the Development Impact Fee Study dated January 9, 2017. The project list includes local signal projects with a total estimated cost allocated to new development of $14,668,387. A complete listing of proposed facilities is contained within the City's Development Impact Fee Justification Study, dated January 9, 2017.

Below is a partial listing from that study.

- I-10 at Mountain View:
  - Estimated Cost - $53,214,296
  - New Development Fair Share – $784,485 (3.9%)
- I-10 at California
  - Estimated Cost - $46,562,380
  - New Development Fair Share – $3,249,495 (14.6%)
- I-10 at Wabash
  - Estimated Cost - $41,822,810
  - New Development Fair Share – $1,871,571 (12.5%)
- I-10 at Live Oak
  - Estimated Cost - $19,478,974
  - New Development Fair Share – $72,072 (1%)
- I-10 at 5th Street
  - Estimated Cost - $8,364,562
  - New Development Fair Share – $51,643 (1.4%)

Because development impact fee revenue fluctuates and is difficult to forecast, there is no estimate for the date on which the project will be completed. At this time, no other sources of revenue are projected.

No refunds of fees are required, and none have been made during Fiscal Year 2023-2024.

(405) Storm Drain Fund – New development generates additional stormwater runoff by increasing the amount of land that is not penetrable to precipitation. Consequently, new development generates the need for, and benefits from, expanded storm drain facilities. Storm Drain Development Fees have been established per Redlands Municipal Code Chapter 3.56. This chapter establishes the methods of financing the construction of the required storm drain facilities. Fees are established by Resolution No. 7951.

The following table shows the balances, receipts, and expenditures of the Storm Drain Fund for the current and last five fiscal years:

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	1,832,238	1,985,305	1,975,112	2,118,971	2,405,945	2,545,321
Receipts	206,098	227,799	151,397	299,402	206,750	263,236
Expenditures	(53,032)	(237,992)	(7,538)	(12,428)	(67,373)	(43,634)
Ending Balance	1,985,305	1,975,112	2,118,971	2,405,945	2,545,321	2,764,922

Impact fee revenue in this category consists of $139,469 in fees and $123,767 in investment income.

Disbursements consist of $8,601 in administrative costs and $35,033 in professional engineering services to prepare a study that will analyze pre-development and post-development localized stormwater runoff generated on the Redlands Country Club (RCC) property and residential neighborhoods adjacent to the golf course. The goal of this project is to accurately assess RCC and City runoff control and conveyance obligations. The project will also provide planning-level runoff mitigation strategies for potential construction projects.

During Fiscal Year 2023-2024, the current cash balance exceeds the cumulative fee collection over the past five years by $1,861,141. As a result, the City must make "findings" in accordance with the requirements of Government Code Section 66006.

Findings:

New development generates additional stormwater runoff by increasing the amount of land that is not penetrable to precipitation. Consequently, new development generates the need for, and benefits from, expanded storm drain facilities. Fees are to be used on the costs associated with the construction of regional and local facilities, based on the amount of estimated costs allocable to new development and new service population.

In 2014, the City adopted a Drainage Master Plan. The outlines scope and priority of various projects. Timelines for completing these projects are difficult to estimate due mainly to each project's significant costs and the unpredictability of the timing of adequate impact fee revenue.

The project list includes local and regional projects in terms of the City's share, with a total estimated cost allocated to new development of $10,724,400.

1. **Reservoir Canyon –** The Reservoir Canyon Channel is the second largest watershed area tributary to downtown. The total costs to fund new and upgrade existing storm drain facilities that would mitigate the flooding potential specific to this watershed have been estimated at $16,510,000; new Development Fair Share – 27%.
2. **Downtown Watershed** – The Downtown watershed consists of the local drainage systems in the downtown area. The total costs to fund new and upgrade existing storm drain

facilities that would mitigate the flooding potential specific to this watershed have been estimated at $10,210,000; new Development Fair Share – 27%.

3. **Redlands Opal Basin** – This project addresses the Mission Zanja watershed (the largest watershed tributary) and consists of the construction of a retention basin and is one of two major facilities needed to protect the City during a 100-year storm event. When completed, the facility will retain up to 825 acre-feet of water. Additional funds to complete the $15 million project will come from the Storm Drain Fund and other sources as they become available; new Development Fair Share – 27%.

Because development impact fee revenue fluctuates and is difficult to forecast, there is no estimate for the date on which the project will be completed. At this time, no other sources of revenue are projected.

No refunds of fees are required, and none have been made during Fiscal Year 2023-2024.

(508) Water Source Acquisition Fund - The Water Source Acquisition Fund is established per Redlands Municipal Code Chapter 13.40.020 to implement the Redlands General Plan and finance the acquisition of approved water stock and water rights to assist the City in maintaining an adequate supply of water to meet the needs of development requiring water service from the City. Water Source Acquisition charges are established per Section 13.40.040 of the Redlands Municipal Code. Fee amounts are set by Resolution No. 7951.

The City is reexamining the intent and amount of this development impact fee. The City originally intended this fee to be used for purchasing water shares and water rights from individual shareholders and mutual water companies. However, as California's water rights system has become increasingly complex, acquiring "water rights" is now primarily a state-level action and has effectively ceased at the local level. As such, the City is currently restructuring this impact fee category and its corresponding fee amount to support the pre-purchase of State Water Project water to be recharged into the groundwater basin for future use. A nexus study is currently being developed that will analyze new development's share of such costs and the City will adjust the fee accordingly.

The following table shows the balances, receipts, and expenditures of the Water Source Acquisition Fund for the current and last five fiscal years:

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	258,120	753,768	898,102	943,636	1,444,054	1,488,235
Receipts	495,649	144,333	45,534	500,418	44,181	494,818
Expenditures	-	-	-	-	-	-
Ending Balance	753,768	898,102	943,363	1,444,054	1,488,235	1,983,054

Receipts include $423,727 in fees and $71,091 in investment income.

There were no disbursements for fiscal year 2023-2024.

During Fiscal Year 2023-2024, the current cash balance exceeds the cumulative fee collection over the past five years by $842,851. As a result, the City must make "findings" in accordance with the requirements of Government Code Section 66006.

Findings:

The Water Source Acquisition Fund is intended to provide funds for the purchase of approved water stocks and rights, as set forth in the Redlands Municipal Code. As the City expands its housing stock and non-residential development, it is critical that the City plan on acquiring supplies sufficient, not just to serve development needs, but also to meet its annual groundwater recharge/replenishment requirements, which are affected by new development.

Most recently, this fund was used to repay the Water Fund (501) for an intra-fund loan. The intra-fund loan from the Water Fund (501) was for the purpose of purchasing 2,000 shares of Bear Valley Mutual Water Company Stock for $300,000, which was originally authorized as part of an agreement approved by the City Council on March 1, 2011. The cost to purchase water stock in Fund 508 is allocated in proportion to the benefit for new and existing users.

To date, the City's 2022 Water Systems Master Plan has identified that, as service areas and demands grow, the City may need an additional five to six (5-6) million gallons daily of supply capacity to meet the peak hour demand in 2045. Plans to develop a strategy for water rights purchase is in development and the City anticipates adopting a plan of action during fiscal year 2025. To this end, the following sources for water rights and stocks have been identified.

- West Redlands Water Company
- Redlands Water Company
- Crafton Water Company
- Redlands Heights Water Company
- Lugonia Water Company
- South Mountain Water Company
- Bear Valley Mutual Water Company

The City is actively exploring options related to the prepurchase of State Water Project water to recharge the groundwater basin for future use. Currently a nexus study is under development to ascertain the appropriate share of this cost to new development.

No refunds of fees are required, and none have been made during Fiscal Year 2023-2024.

(509) Water Capital Improvement Fund – The Water Capital Improvement Fund is established per Redlands Municipal Code Chapter 3.48 to implement the Redlands General Plan and finance the construction of water capital facilities and improvements to provide new capacity required to serve new development requiring water service from the city. This chapter establishes the methods of collecting fees for financing the construction of the water facilities. Fee amounts are set by Resolution No. 7951.

The following table shows the balances, receipts, and expenditures of the Water Capital Improvement Fund for the current and last five fiscal years:

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	-	-	-	-	-	-
Receipts	2,191,906	1,132,991	772,122	1,624,228	574,653	1,518,682
Expenditures	(2,191,906)	(1,132,991)	(772,122)	(1,624,228)	(574,693)	(1,518,682)
Ending Balance	-	-	-	-	-	-

Receipts include $1,518,682 in fees.

Disbursements include payment to the Water Fund (501) in the amount of $1,518,682. This represents a 55% share of the Water Fund's capital improvement plan spending; the Water Fund provides the remaining 45%.

No refunds of fees are required, and none have been made during Fiscal Year 2023-2024.

(519) Solid Waste Capital Improvement Fund - The Solid Waste Capital Improvement Fund is established per the Redlands Municipal Code Chapter 3.70 to implement the Redlands General Plan and finance the cost of solid waste capital facilities and equipment to provide added capacity required to serve new development requiring solid waste service from the city. Included are landfill, material recovery and transfer station facilities, solid waste collection equipment, transfer equipment, and other capital facilities equipment. Fee amounts are set by Resolution No. 7951.

The following table shows the balances, receipts, and expenditures of the Solid Waste Capital Improvement Fund for the current and last five fiscal years:

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	4,259,811	4,556,559	4,452,524	5,157,797	4,352,597	4,691,907
Receipts	446,896	453,305	163,410	284,311	339,309	422,826
Expenditures	(150,148)	(557,340)	(15,477)	(1,089,511)	-	(1,131,774)
Ending Balance	4,556,559	4,452,524	4,600,457	4,352,597	4,691,907	3,982,958

Receipts include $197,199 in fees and $225,627 in investment income.

Disbursements include $1,131,774 for the purchase of three (3) residential automated side loaders (solid waste collection vehicles used on residential routes). These new vehicles expand the number of routes driven by solid waste collections in order to support the growth in residential development over the past several years.

The current cash balance exceeds the cumulative fee collection over the past five years by $2,514,263. As a result, the City must make "findings" in accordance with the requirements of Government Code Section 66006.

Findings:

Monies collected into the Solid Waste Capital Improvements Fund, including the existing excess cash, are expected to be used for the developer-paid portion of major capital improvements. The project list includes capital improvement projects as well as capital equipment replacement, with a total estimated cost allocated to new development of approximately $2,660,000.

1. **Phase V landfill expansion** (FY 2025) –costs estimated at approximately $8 million. New Development Fair Share – 20% ($1,600,000).
2. **Expansion of the landfill gas recovery & flare systems** (FY 2025-2028) – these projects are necessary to provide extraction and collection on landfill expansion areas as well as capital improvement to the existing systems in order to maintain regulatory compliance with State and Federal requirements. Estimated costs depend on the scope of the project and are estimated at $1,500,000 to $2,000,000 for construction and engineering. New Development Fair Share – 20% per project ($300,000 - $400,000).
3. **Landfill operation heavy equipment** (ongoing) the projected expense for capital replacement of landfill equipment ranges from $1.5 to 2.3 million dollars and covers off-road vehicles such as Loaders, Scrapers and Compactors as well as on-road vehicles such as Fuel Trucks and Water Trucks. New Development Fair Share – 20% per project ($300,000 - $460,000).

The estimated time for completion of these projects and purchases is FY 2025 - 2028 for the landfill operation heavy equipment and the landfill gas recovery & flare systems. The completion of the Phase V landfill expansion is dependent on the rate at which the current phase is filled, but estimates indicate it may start as early as FY 2024, but it is more likely that the project will be started in FY 2025 and completed in FY 2026.

No refunds of fees are required, and none have been made during Fiscal Year 2023-2024.

(529) Sewer Capital Improvement Fund - The Sewer Capital Improvement Fund is established per Redlands Municipal Code Chapter 3.44 to implement the Redlands General Plan and finance the construction of wastewater capital facilities to provide added capacity required to serve new development requiring sewer service from the City. Included are wastewater treatment plant facilities, sewer trunk lines sized larger than the eight-inch local collection mains and appurtenances used to serve property frontage, and other capital facilities and appurtenances. Fee amounts are set by Resolution No. 7951.

The following table shows the balances, receipts, and expenditures of the Sewer Capital Improvement Fund for the current and last five fiscal years:

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	2,846,876	5,041,145	6,115,482	-	1,594,334	1,829,742
Receipts	2,395,041	1,275,108	845,212	1,650,192	568,884	1,591,696
Expenditures	(200,771)	(200,771)	(6,960,694)	(55,858)	(333,475)	(200,771)
Ending Balance	5,041,145	6,115,482	-	1,594,334	1,829,742	3,220,667

Receipts include $1,509,590 in fees and $82,106 in investment income.

Disbursements include a payment to the Wastewater Debt Service Fund (521) in the amount of $200,771. This represents a 55% share of that fund's debt service, with the Water Operating Fund picking up the other 45% share of debt service. This debt financed the construction of advanced wastewater treatment facilities at the City's existing Wastewater Treatment Plant. The note carries an annual interest rate of 2.5 percent. The note matures in November 2025.

No refunds of fees are required, and none have been made during Fiscal Year 2023-2024.

(532) Nonpotable Capital Improvement Fund - The Nonpotable Capital Improvement Fund is established per the Redlands Municipal Code Chapter 3.53 to implement the Redlands General Plan and finance the construction of nonpotable capital facilities to provide added capacity required to serve new development requiring nonpotable water service from the City. Included are mains and appurtenances used to serve property frontage, and other capital facilities and appurtenances. Fee amounts are set by Resolution No. 7951.

The following table shows the balances, receipts, and expenditures of the Nonpotable Capital Improvement Fund for the current and last five fiscal years:

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Beg. Balance	1,150,025	1,254,427	1,331,477	1,536,923	1,514,107	1,298,730
Receipts	104,402	77,050	205,446	30,445	128,615	201,951
Expenditures	-	-	-	(53,262)	(343,992)	(257,664)
Ending Balance	1,254,427	1,331,477	1,536,923	1,514,107	1,298,730	1,243,017

Receipts include $139,006 in fees and $62,945 in investment income.

Disbursements include $257,664 expended on the design and preparation of plans and specifications for two recycled water reservoirs to be constructed at the City's Wastewater Treatment Plant. The intent is to engineer two 1.5-million-gallon recycled water reservoirs at the Plant to store water for more beneficial use. The estimated timeline for completion for both reservoirs is the end of calendar year 2026.

The current cash balance exceeds the cumulative fee collection over the past five years by $759,621. As a result, the City must make "findings" in accordance with the requirements of Government Code Section 66006.

Findings:

Monies collected into the Nonpotable Capital Improvements Fund, including the existing excess cash, are expected to be used for several projects that will enhance and expand the nonpotable water distribution system pressure zones. Specifically, major projects under evaluation include:

1. Construction of a nonpotable reservoir, booster station and pipeline needed to operate Pressure Zones 1350 and 1570. These two pressure zones are the City's two lowest and, as such, are particularly sensitive to increases in demand from new growth and development. Cost estimates for the project total $4.8 million.

Because development impact fee revenue fluctuates and is difficult to forecast, there is no estimate for the date on which the project will be completed. At this time, no other sources of revenue are projected.

No refunds of fees are required, and none have been made during Fiscal Year 2023-2024.

City of Redlands
Public Facilities Development Fees
Cash Transactions for Fiscal Year 2024
Prepared 9/25/24

DESCRIPTION	Police Facilities	Fire Facilities	Library Facilities	Gen Gov't Facilities	Comm Ctr Facilities	TOTAL
Beginning Cash Balance (July 1)	$ 499,550.45	$ 969,499.67	$ 0.00	$ 0.00	$ 68,208.42	$ 1,537,258.54
Impact Fee Receipts	8,184.98	156,782.31	56,431.22	186,527.43	1,151.34	409,077.28
Misc. Receipts	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Expenditures**	-	(3,736.11)	-	-	-	(3,736.11)
Interest on Loans	-	-	(661.00)	-	-	(661.00)
2% Admin Charge	(163.70)	(3,135.65)	(1,128.62)	(3,730.55)	(23.03)	(8,181.55)
Debt Service - COPs	-	-	-	-	-	-
Debt Service - Fire	-	-	-	-	-	-
Loan from (repayment to):						
- General Fund (101)	-	-	-	-	-	-
- General Fund (101) Int	-	-	-	-	-	-
- Open Space Fund (227)	-	-	-			-
- Park/Open Space Dev Fund (250)	-	-	-			-
- Storm Drain Const Fund (405)	-	-	-	-	-	-
- Storm Drain Const Fund (405) Int			-			-
- Water Fund (501)	-	-	(16,752.00)	-	-	(16,752.00)
- Water Fund (501) Int	-	-	661.00	-	-	661.00
Ending Cash Balance (June 30)	$ 507,571.73	$ 1,119,410.22	$ 38,550.60	$ 182,796.88	$ 69,336.73	$ 1,917,666.16
Liabilities & Equity:						
Loans Payable	-	-	-	-	-	-
Fund Balance	507,571.73	1,119,410.22	38,550.60	182,796.88	69,336.73	1,917,666.16
Total Liabilities & Equity	$ 507,571.73	$ 1,119,410.22	$ 38,550.60	$ 182,796.88	$ 69,336.73	$ 1,917,666.16

** = excludes accounts payable

Notes: 1. Although the Public Facilities Development Fund is accounted for as a special revenue fund, each fee must be accounted for separately (Government Code Section 66001 et seq, commonly known as "AB 1600").

2. The fees collected for Fire Facilities, Library and City Yard were previously committed toward one-half of the annual debt service requirements of the 2003 Lease Revenue Refunding Certificates of Participation which refunded the 1993 Refunding of the 1986/87 Projects Certificates of Participation. Annual debt service on this one-half portion was charged to each of the three fees based upon an allocated share of the original proceeds used for acquisition and construction activities. The General Fund was responsible for the other half of the total annual debt service requirements. The debt was fully defeased in FY 2018-19. Loan amounts from the General Fund, Water and Storm Drain Funds remain outstanding.

3. When fees collected for these three categories of public facilities were not sufficient to cover their share of the annual debt service, the General Fund made loans to each category as necessary. These loans are governed by Resolution No. 7354, the City's interfund loan policy.

4. In FY 2010-11, for one-time only, Council authorized loans from other specific funds to cover, as necessary, the public facilities share of debt service. These loans, with interest at the annual LAIF rate, are to be repaid in proportion to the loan balances, **before** repayment to the General Fund. Actual loans required were as follows: General Fund,$300,753; Open Space, $130,000: Park/Open Space Dev, $130,000; Storm Drain, $100,000; Water, $150.000.

RESOLUTION NO. 7951

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDLANDS ESTABLISHING DEVELOPMENT IMPACT FEES FOR ACCESSORY DWELLING UNITS WITH RESPECT TO SEWER, WATER, SOLID WASTE, ACQUISITION OF WATER STOCK AND WATER RIGHTS, OPEN SPACE AND PARKS, TRANSPORTATION, AND PUBLIC FACILITIES, RESTATING SUCH DEVELOPMENT IMPACT FEES FOR ALL OTHER TYPES OF DEVELOPMENT, AND RESCINDING RESOLUTION NO. 7907

WHEREAS, Chapters 3.32, 3.44, 3.48, 3.54, 3.56, 3.60, 3.70 and 13.40 of the Redlands Municipal Code establish, respectively, Open Space and Parks, Sewer Capital Improvement, Water Capital Improvement, Transportation Improvements, Storm Drain Facilities, Public Facilities Fees, Solid Waste Improvement, and the Acquisition of Water Stock And Water Rights, to implement the City's General Plan to ensure that public facilities improvements which meet City standards are available concurrent with the need caused for such facilities by new development in the City; and

WHEREAS, it is now the desire of the City Council of the City of Redlands ("this City Council") to establish development impact fees for Accessory Dwelling Units; and

WHEREAS, on August 31, 2018, DTA, formally known as David Taussig and Associates, prepared a study in accordance with Government code section 66000 et seq. for the City recommending the amounts of development impact fees which may be imposed for Accessory Dwelling Units; and

WHEREAS, the development impact fee provisions of the Redlands Municipal Code provide that the specific amounts of fees shall be established by resolution of this City Council; and

WHEREAS, by purposes of efficiency, it is further the desire of this City Council to establish the development impact fees for Accessory Dwelling Units and restate the development impact fees for all other categories of development within this one resolution;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Redlands as follows:

Section 1. The Open Space and Parks Fee is hereby established in the following amounts:

	Residential Development	Fee per dwelling unit
1.	Accessory Dwelling Unit (more than 700 sq. ft.)	$2,454.85
	Accessory Dwelling Unit (less than or equal to 700 sq. ft.)	$1,841.14
2.	Single Family	$3,959.94
3.	Multi-Family	$3,624.62
4.	Transit Oriented	$2,454.85

Section 2. The Library Fee is hereby established in the following amounts:

	Residential Development	Fee per dwelling unit
1.	Accessory Dwelling Unit (more than 700 sq. ft.)	$164.02

	Accessory Dwelling Unit (less than or equal to 700 sq. ft.)	$123.01
2.	Single Family	$264.58
3.	Multi-Family	$242.18
4.	Transit Oriented	$164.02

Section 3. The Storm Drain Facilities Fee is hereby established in the following amounts:

	Residential	Fee per dwelling unit
1.	Single Family	$700.00
2.	Multi-Family	$343.00
3.	Transit Oriented	$343.00

	Non-Residential	Fee per 1,000 square feet of building area
1.	Retail	$170.00
2.	Commercial	$170.00
3.	Food Service and Entertainment	$170.00
4.	Office	$170.00
5.	Warehousing – Standard	$150.00
6.	Warehousing – High Cube	$150.00
7.	Manufacturing and Assembly	$150.00
8.	Industrial/Other	$150.00
9.	Institutional and Health Care	$150.00

	Non-Residential	Fee per room (single guest room or suite)
1.	Hotel / Motel	$170.00

Section 4. The Public Facilities Fee is hereby established in the following amounts:

	Residential Development	Fee per dwelling unit
1.	Accessory Dwelling Unit (more than 700 sq. ft.)	$425.55
	Accessory Dwelling Unit (less than or equal to 700 sq. ft.)	$319.16
2.	Single Family	$686.45
3.	Multi-Family	$628.33
4.	Transit Oriented	$425.55

	Non-Residential	Fee per 1,000 square feet of building area
1.	Retail	$197.03
2.	Commercial	$83.13
3.	Food Service and Entertainment	$1,068.13
4.	Office	$852.83
5.	Warehousing – Standard	$266.06
6.	Warehousing – High Cube	$44.83

7.	Manufacturing and Assembly	$230.16
8.	Industrial/Other	$217.54
9.	Institutional and Health Care	$ 439.10

	Non-Residential	Fee per room (single guest room or suite)
1.	Hotel / Motel	$198.70

Section 5. The Fire Protection Facilities Fee is hereby established in the following amounts:

	Residential Development	Fee per dwelling unit
1.	Accessory Dwelling Unit (more than 700 sq. ft.)	$357.74
	Accessory Dwelling Unit (less than or equal to 700 sq. ft.)	$268.31
2.	Single Family	$577.08
3.	Multi-Family	$528.21
4.	Transit Oriented	$357.74

	Non-Residential	Fee per 1,000 square feet of building area
1.	Retail	$165.64
2.	Commercial	$69.89
3.	Food Service and Entertainment	$897.94
4.	Office	$716.94
5.	Warehousing – Standard	$223.67
6.	Warehousing – High Cube	$37.69
7.	Manufacturing and Assembly	$193.49
8.	Industrial/Other	$182.88
9.	Institutional and Health Care	$369.14

	Non-Residential	Fee per room (single guest room or suite)
1.	Hotel / Motel	$167.04

Section 6. The Police Facilities Fee is hereby established in the following amounts:

	Residential Development	Fee per dwelling unit
1.	Accessory Dwelling Unit (more than 700 sq. ft.)	$18.67
	Accessory Dwelling Unit (less than or equal to 700 sq. ft.)	$14.00
2.	Single Family	$30.11
3.	Multi-Family	$27.56
4.	Transit Oriented	$18.66

	Non-Residential	Fee per 1,000 square feet of building area
1.	Retail	$8.64
2.	Commercial	$3.65
3.	Food Service and Entertainment	$46.85
4.	Office	$37.40

5.	Warehousing – Standard	$11.67
6.	Warehousing – High Cube	$1.97
7.	Manufacturing and Assembly	$10.09
8.	Industrial/Other	$9.54
9.	Institutional and Health Care	$19.26

	Non-Residential	Fee per room (single guest room or suite)
1.	Hotel / Motel	$8.71

Section 7. The Transportation System Improvements Fee is hereby established in the following amounts:

	Residential Development	Fee per dwelling unit
1.	Accessory Dwelling Unit (more than 700 sq. ft.)	$937.54
	Accessory Dwelling Unit (less than or equal to 700 sq. ft.)	$703.16
2.	Single Family	$1,512.36
3.	Multi-Family	$1,048.32
4.	Transit Oriented	$1,074.63

	Non-Residential	Fee per 1,000 square feet of building area
1.	Retail	$3,438.17
2.	Commercial	$3,331.11
3.	Food Service and Entertainment	$6,977.94
4.	Office	$2,007.94
5.	Warehousing – Standard	$709.44
6.	Warehousing – High Cube	$262.62
7.	Manufacturing and Assembly	$388.46
8.	Industrial/Other	$1,271.14
9.	Institutional and Health Care	$3,009.17

	Non-Residential	Fee per room (single guest room or suite)
1.	Hotel / Motel	$1,049.11

In lieu of using the San Bernardino County Congestion Management Program manual, the transportation system improvements fee for a non-residential project may be determined, at the discretion of the Municipal Utilities and Engineering Director, by use of an approved engineering traffic study to establish a more precise number of trips generated by that specific non-residential project to determine Transportation fees at the fee rate of $334.29 per trip which is the same per trip rate used in the establishment of the specific transportation rates listed above.

Section 8. The Sewer Capital Improvement Fee is hereby established in the following amounts

	Residential	Fee per dwelling unit
1.	Accessory Dwelling Unit (more than 700 sq. ft.)	$824.65
	Accessory Dwelling Unit (less than or equal to 700 sq. ft.)	$618.49

2.	Single Family	$3,130.00
3.	Multi-Family	$2,295.00
4.	Building Permit issued prior To November 1, 1961	$366.00
5.	Senior Restricted dwelling unit	$1,774.00

	Non-Residential	Fee per 100 gallons per day estimated flow
1.	Retail/Commercial	$1,482.00

Note, the Sewer Capital Improvement Fee shall not be applicable to any accessory dwelling unit created within the existing space of a single family residence or accessory structure, including but not limited to, a studio, pool house, or other similar structure.

Section 9. The Water Capital Improvement Fee is hereby established in the following amounts

	Residential	Fee per dwelling unit
1.	Accessory Dwelling Unit (more than 700 sq. ft.)	$1,146.08
	Accessory Dwelling Unit (less than or equal to 700 sq. ft.)	$859.56
2.	Single Family (more than 1 acre)	$9,431.00
	Single Family (more than 21,000 sq. ft.)	$6,896.00
	Single Family (11,000 - 21,000 sq. ft.)	$5,623.00
	Single Family (less than 11,000 sq. ft.)	$4,350.00
3.	Multi-Family	$2,181.00
4.	Senior Restricted dwelling unit	$1,096.00

	Non-Residential	Fee per 100 cubic ft. per month estimated demand
1.	Retail/Commercial	$188.00

Note, the Water Capital Improvement Fee shall not be applicable to any accessory dwelling unit created within the existing space of a single family residence or accessory structure, including but not limited to, a studio, pool house, or other similar structure.

Section 10. The Solid Waste Capital Improvement Fee is hereby established in the following amounts

	Residential	Fee per dwelling unit
1.	Accessory Dwelling Unit (more than 700 sq. ft.)	$325.00
	Accessory Dwelling Unit (less than or equal to 700 sq. ft.)	$325.00
2.	Single Family	$650.00
3.	Multi-Family	$325.00

	Non-Residential	Fee PPD estimated waste stream
1.	Retail/Commercial	$52.00

Section 11. The Acquisition of Water Stocks and Water Rights Fee is hereby established in the following amounts

	Residential	Fee per dwelling unit
1.	Accessory Dwelling Unit (more than 700 sq. ft.)	$206.29
	Accessory Dwelling Unit (less than or equal to 700 sq. ft.)	$154.72
2.	Single Family (more than 1 acre)	$1,701.00
	Single Family (more than 21,000 sq. ft.)	$1,242.00
	Single Family (11,000 - 21,000 sq. ft.)	$1,023.00
	Single Family (less than 11,000 sq. ft.)	$783.00
3.	Multi-Family	$397.00
4.	Senior Restricted dwelling unit	$167.00

	Non-Residential	Fee per 100 cubic ft. per month estimated demand
1.	Retail/Commercial	$33.00

Note, the Water Stocks and Water Rights Fee shall not be applicable to any accessory dwelling unit created within the existing space of a single family residence or accessory structure, including but not limited to, a studio, pool house, or other similar structure.

Section 12. Notwithstanding any other section of this resolution, the development impact fees for Accessory Dwelling Units established herein shall take effect thirty (30) days after the effective date of City of Redlands Ordinance No. 2880.

Section 13. This resolution shall take effect on April 2, 2019.

ADOPTED, SIGNED AND APPROVED this 2nd day of April, 2019.

Paul W. Foster, Mayor

ATTEST:

Jeanne Donaldson, City Clerk

I, Jeanne Donaldson, City Clerk of the City of Redlands, hereby certify that the foregoing Resolution was duly adopted by the City Council at a regular meeting thereof, held on the 2nd day of April, 2019, by the following vote:

AYES:	Councilmembers Barich, Tejeda, Momberger, Davis; Mayor Foster
NOES:	None
ABSTAIN:	None
ABSENT:	None

Jeanne Donaldson, City Clerk

City Council/Financing Authority Meeting **H. 9.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Receive and file the Annual Reports for Community Facility District (CFD) No. 2001-1 and Community Facility District (CFD) No. 2003-1 pursuant to Local Agency Special Tax and Bond Accountability Act (SB 165) (Management Services/Finance Director Garcia)

MOTION(S):

If the City Council determines that staff's recommendation is appropriate, the following motion is provided:

I move to receive and file the annual reports for CFD 2001-1 and CFD 2003-1 pursuant to the Local Agency Special Tax and Bond Accountability Act (SB 165)

RECOMMENDATION:

Not applicable.

DISCUSSION:

Government Code Section 53411 requires that on or after January 1, 2001, any local bond measure that is subject to voter approval that would provide for the sale of bonds by a local agency, provide accountability measures that include the issuance of an annual report from the chief fiscal officer to the governing body of the local agency. This report should include a description of the purpose of the bond, the amount of funds collected and expended, and the status of the authorized project. The reports cover the period from July 1, 2023, through June 30, 2024.

ALTERNATIVES:

Not applicable.

STRATEGIC PLAN:

Not applicable.

SUBMITTED BY:
Danielle Garcia, Management Services/Finance Director

RECOMMENDED BY:
Charles M. Duggan Jr., City Manager

REVIEWED BY:
Janice McConnell, Assistant City Manager

PREPARED BY:
Valerie Abrego, Management Analyst

Fiscal Impact

Fiscal Year: 2024

Discussion:

There is no fiscal impact associated with the motion to receive and file this report.

Attachments

SB165 2001-1 Annual Report 2024

SB165 2003-1 Annual Report 2024

CITY OF REDLANDS
COMMUNITY FACILITIES DISTRICT NO. 2001-1
(NORTHWEST DEVELOPMENT PROJECT)
SPECIAL TAX BONDS, SERIES 2001

ANNUAL REPORT

The purpose of this report is to comply with the provisions of the Local Agency Special Tax and Bond Accountability Act (the "Act"). The Act provides that any local special tax measure that is subject to voter approval on or after January 1, 2001, that would provide for the imposition of a special tax by a local agency shall require the chief fiscal officer of the levying local agency to file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain both of the following:

- The amount of funds collected and expended.
- The status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1 and Article 1.5, Section 53410.

The City of Redlands issued $9,255,000 in Community Facilities District No. 2001-1 Special Tax Bonds in September 2001. The bonds were issued to finance the acquisition and construction of certain public facilities including streets, storm drain, traffic signals, potable water facilities, non-potable water facilities and sewer facilities required for the development of the property in the district.

Separate accounts have been established with a third party trustee to administer the receipt and subsequent disbursement of the bond proceeds as the City accepts completed improvements. A summary sheet showing the receipt of funds as well as all subsequent disbursements made during the reporting period (from July 1, 2023 to June 30, 2024) is attached as a part of this report. All of the facilities to be funded by CFD No. 2001-1 bond proceeds have been completed.

CITY OF REDLANDS CFD NO. 2001-1
NORTHWEST DEVELOPMENT PROJECT
SB165 FUND SUMMARY

Fund	Beginning Balance as of 7/1/23	Funds Received (7/1/23 through 6/30/24)	Funds Expended (7/1/23 through 6/30/24)	Ending Balance as of 6/30/24
Administrative Expense Fund	$62,004	$23,003	($16,701)	$68,306
Bond Fund	$56	$719,908	($719,964)	$0
Costs of Issuance Fund	$0	$0	$0	$0
Escrow Fund	$0	$0	$0	$0
Improvement Fund	$0	$0	$0	$0
Rebate Fund	$0	$0	$0	$0
Redemption Fund	$0	$0	$0	$0
Reserve Fund	$741,432	$37	($37)	$741,432
Special Tax Fund	$679,751	$764,406	($742,889)	$701,269
Grand Total	$1,483,243	$1,507,355	($1,479,591)	$1,511,007

CITY OF REDLANDS
COMMUNITY FACILITIES DISTRICT NO. 2003-1
(REDLANDS BUSINESS CENTER)
SPECIAL TAX BONDS, SERIES 2004

ANNUAL REPORT

The purpose of this report is to comply with the provisions of the Local Agency Special Tax and Bond Accountability Act (the "Act"). The Act provides that any local special tax measure that is subject to voter approval on or after January 1, 2001, that would provide for the imposition of a special tax by a local agency shall require the chief fiscal officer of the levying local agency to file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain both of the following:

- The amount of funds collected and expended.
- The status of any project required or authorized to be funded as identified in subdivision (a) of Section 50075.1 and Article 1.5, Section 53410.

The City of Redlands issued $9,545,000 in Community Facilities District No. 2003-1 Special Tax Bonds in March 2004. The bonds were issued to finance the acquisition and construction of certain street improvements, sewers, storm drains, water distribution facilities, and other public improvements to be owned and operated by the City of benefit to the property in the district.

Separate accounts have been established with a third party trustee to administer the receipt and subsequent disbursement of the bond proceeds as the City accepts completed improvements. A summary sheet showing the receipt of funds as well as all subsequent disbursements made during the reporting period (from July 1, 2023 to June 30, 2024) is attached as a part of this report. All of the facilities to be funded by CFD No. 2003-1 bond proceeds have been completed.

CITY OF REDLANDS CFD NO. 2003-1
REDLANDS BUSINESS CENTER
SB165 FUND SUMMARY

Fund	Beginning Balance as of 7/1/23	Funds Received (7/1/23 through 6/30/24)	Funds Expended (7/1/23 through 6/30/24)	Ending Balance as of 6/30/24
Administrative Expense Fund	$65,213	$20,504	($15,220)	$70,496
Bond Fund	$1,048	$777,838	($777,793)	$1,093
Costs of Issuance Fund	$0	$0	$0	$0
Escrow Fund	$0	$0	$0	$0
Improvement Fund	$0	$0	$0	$0
Reserve Fund	$915,421	$46	($46)	$915,421
Special Tax Fund	$635,160	$804,470	($798,293)	$641,337
Grand Total	$1,616,841	$1,602,857	($1,591,351)	$1,628,348

City Council/Financing Authority Meeting **H. 10.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Approve an Intergovernmental Purchase of Dell Workstations in the amount of $99,794.13 (Management Services/Finance Director Garcia)

MOTION(S):

If the City Council determines that staff's recommendation is appropriate, the following motion is provided:

I move to approve the intergovernmental purchase of Dell Workstations in the amount of $99,794.13.

RECOMMENDATION:

Staff recommends that the City Council approve the intergovernmental purchase of Dell Workstations in the amount of $99,794.13.

DISCUSSION:

As part of the city's ongoing technology refresh plan, the Division of Innovation and Technology has assessed its current computer inventory and identified computers that are beyond the lifecycle of support. Many of the older computer fleet are starting to experience hardware failures. With the purchase of these new computers there will be added benefits including:

- Increased performance: The computers will have additional RAM as well as solid state storage to ensure faster processing.
- Warranty and Support: The workstations come with Dell's warranty and comprehensive support services.
- Scalability: The new workstations will be equipped to handle current and future software requirements, ensuring the City can continue to use the technology for years to come.

Staff followed the City's procurement guidelines by examining and selecting an existing competitively-bid cooperative contract agreement with the National Association of State Procurement Officials (NASPO) ValuePoint. NASPO is a non-profit association made up of the directors of the central purchasing offices of the 50 states, District of Columbia and territories of the United States. By utilizing the NASPO ValuePoint cooperative purchasing, the City is able to benefit from the combined purchasing power of more than 50,000 government, education, and nonprofit organizations. These cooperative contract programs enable the City to take advantage of preferred pricing and administrative efficiencies. Based on staff's assessment, the new computers proposed for purchase are recommended to be sourced through this cooperative purchasing agreement.

ALTERNATIVES:

City Council may choose to reject, modify or table the proposed purchase.

STRATEGIC PLAN:

N/A

SUBMITTED BY:
Danielle Garcia, Management Services/Finance Director

RECOMMENDED BY:
Charles M. Duggan Jr., City Manager

REVIEWED BY:
Janice McConnell, Assistant City Manager
Danielle Garcia, Management Services/Finance Director
Dana Abramovitz-Daniel, Procurement Manager

PREPARED BY:
Eric Owens, Information Technology Manager

Fiscal Impact

Fiscal Year:	2025
Revenue Generating:	No
Appropriation Required Y/N:	No
Amount:	99,794.13

Budgeted Y/N: Yes
Account No.: 604900
Discussion:
Funding for this purchase is included in the IT Division's budget for FY 2025

Attachments

Dell Quote
Intergovernmental Request Form
State Participating Addendum
NASPO Master Agreement
Portfolio NASPO Value Point

Your quote is ready for purchase.

Complete the purchase of your personalized quote through our secure online checkout before the quote expires on **Jan. 16, 2025**.

You can download a copy of this quote during checkout.

Place your order

Quote No.	**3000184269859.1**	Sales Rep	Tyler Day
Total	**$99,794.13**	Phone	1(800) 456-3355, 6177135
Customer #	1264342	Email	Tyler_Day@Dell.com
Quoted On	Dec. 17, 2024	**Billing To**	ACCOUNTS PAYABLE CITY OF REDLANDS P O BOX 3005 REDLANDS, CA 92373-1505
Expires by	Jan. 16, 2025		
Contract Name	Dell NASPO Computer Equipment PA - California		
Contract Code	C000001115143		
Customer Agreement #	23026 / 7-23-70-55-01		
Deal ID	28631257		

Message from your Sales Rep

Please use the Order button to securely place the order with your preferred payment method online. You may contact your Dell sales team if you have any questions. Thank you for shopping with Dell.

Regards,
Tyler Day

Additional Comments

DELL BUSINESS CREDIT: ^ If your purchase qualifies for a promotional offer, the promotion will automatically be applied to this quote and will be reflected in your monthly statement. NO INTEREST IF PAID IN FULL WITHIN 90 DAYS: Available at time of purchase on (1) qualifying XPS, Latitude, OptiPlex, Precision, Vostro, Inspiron, G-Series, Alienware $699 or more, (2) Dell monitors $199 or more and (3)PowerEdge, PowerVault and Dell Networking, when using Dell Business Credit on November 28, 2022 through December 8, 2022. Minimum purchase amount may be required. Minimum monthly payments are required but may not pay your purchase in full by the end of the promotional period due to purchase amount, promotion length, additional purchases or allocation of payments in excess of the minimum payment. Promotional offer is valid only when account remains in good standing. Accrued Finance Charges will be billed from the transaction posting date, if the purchase balance is not paid in full within 90 days. RESTRICTIONS: Assumes product is available. Any promotional offer is limited-time and intended for qualified customers. Offers, including those at Dell.com may vary, are subject to credit approval and may be changed without notice. PROMOTION DOES NOT INCLUDE printer cables, toner, warranty or any peripheral items. Refurbished and/or used purchases do not qualify for promotions. Promotional financing is made available to Dell Direct customers only and is not combinable with other Dell, DFS or other vendor offers.

Dell Marketing LP. U.S. only. Dell Marketing LP. is located at One Dell Way, Mail Stop 8129, Round Rock, TX 78682

Shipping Group

Shipping To

RECEIVING DEPT
CITY OF REDLANDS
1270 W PARK AVE
PERSONNEL DEPT
REDLANDS, CA 92373-8112
(714) 798-7525

Shipping Method

Standard Delivery

Product	Unit Price	Quantity	Subtotal
OptiPlex Small Form Factor (Plus 7020)	**$846.00**	**109**	**$92,214.00**

Subtotal:	**$92,214.00**
Shipping:	**$0.00**
Non-Taxable Amount:	**$5,584.07**
Taxable Amount:	**$86,629.93**
Estimated Tax:	**$7,580.13**
Total:	**$99,794.13**



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Shipping Group Details

Shipping To

RECEIVING DEPT
CITY OF REDLANDS
1270 W PARK AVE
PERSONNEL DEPT
REDLANDS, CA 92373-8112
(714) 798-7525

Shipping Method

Standard Delivery

	Unit Price	Quantity	Subtotal
OptiPlex Small Form Factor (Plus 7020)	**$846.00**	**109**	**$92,214.00**

Estimated delivery if purchased today:
Dec. 30, 2024
Contract # C000001115143
Customer Agreement # 23026 / 7-23-70-55-01

Description	SKU	Unit Price	Quantity	Subtotal
OptiPlex Small Form Factor Plus 7020 XCTO	210-BKWN	-	109	-
Intel Core i7 processor 14700 vPro (33 MB cache, 20 cores, 28 threads, up to 5.4 GHz Turbo, 65W)	338-CNCK	-	109	-
Windows 11 Pro, English, Brazilian Portuguese PT-BR, French, Spanish	619-ARSB	-	109	-
Activate Your Microsoft 365 For A 30 Day Trial	658-BCSB	-	109	-
16 GB: 1 x 16 GB, DDR5	370-BBPY	-	109	-
M.2 2230 512GB PCIe NVMe SSD Class 25	400-BPKD	-	109	-
M.2 22x30 Thermal Pad	412-AAQT	-	109	-
M2X3.5 Screw for SSD/DDPE	773-BBBC	-	109	-
NO RAID	817-BBBN	-	109	-
Intel Integrated Graphics	490-BBFG	-	109	-
OptiPlex SFF Plus with 260W Bronze Power Supply	329-BJWJ	-	109	-
System Power Cord (Philipine/TH/US)	450-AAOJ	-	109	-
DVD+/-RW Bezel	325-BDSH	-	109	-
8x DVD+/-RW/RAM 9.5mm Slimline Optical Disk Drive	429-ABFH	-	109	-
CyberLink Media Essentials for Windows	430-XYIX	-	109	-
No Media Card Reader	379-BBHM	-	109	-
Intel(R) AX211 Wi-Fi 6E 2x2 and Bluetooth	555-BHDU	-	109	-
External Antenna	555-BHDW	-	109	-
Wireless Driver, Intel Wi-Fi 6E AX211 2x2 and Bluetooth wireless card	555-BKJK	-	109	-
No Additional Video Ports	492-BCKH	-	109	-
Dell Pro Wireless Keyboard and Mouse - KM5221W - English - Black	580-AJJG	-	109	-
Mouse included with Keyboard	570-AADI	-	109	-
No Cover Selected	325-BCZQ	-	109	-
Dell Additional Software	634-CHFP	-	109	-
ENERGY STAR Qualified	387-BBLW	-	109	-
SERI Guide (ENG/FR/Multi)	340-AGIK	-	109	-

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Watch Dog SRV	379-BFMR	-	109	-
Quick Start Guide, OptiPlex SFF Plus	340-DMJC	-	109	-
Trusted Platform Module (Discrete TPM Enabled)	329-BBJL	-	109	-
Shipping Material	340-CQYR	-	109	-
Shipping Label	389-BBUU	-	109	-
Regulatory Label for OptiPlex SFF Plus PSU DAO	389-FFZD	-	109	-
Intel® Rapid Storage Technology Driver	658-BFSK	-	109	-
Intel Core i7 Processor Label	340-CUEQ	-	109	-
Desktop BTO Standard shipment	800-BBIO	-	109	-
No Additional Add In Cards	382-BBHX	-	109	-
No Additional Network Card Selected (Integrated NIC included)	555-BBJO	-	109	-
Custom Configuration	817-BBBB	-	109	-
EPEAT 2018 Registered (Silver)	379-BDTO	-	109	-
Internal Speaker	520-AARD	-	109	-
No vPro® support	631-BBQQ	-	109	-
Dell Limited Hardware Warranty Plus Service	812-3886	-	109	-
ProSupport: 7x24 Technical Support, 3 Years	812-3894	-	109	-
ProSupport: Next Business Day Onsite 3 Years	812-3908	-	109	-
Thank you choosing Dell ProSupport. For tech support, visit //support.dell.com/ProSupport	989-3449	-	109	-

Subtotal:	**$92,214.00**
Shipping:	**$0.00**
Estimated Tax:	**$7,580.13**
Total:	**$99,794.13**

Dell Marketing LP. U.S. only. Dell Marketing LP. is located at One Dell Way, Mail Stop 8129, Round Rock, TX 78682

Important Notes

Terms of Sale

This Quote will, if Customer issues a purchase order for the quoted items that is accepted by Supplier, constitute a contract between the entity issuing this Quote ("Supplier") and the entity to whom this Quote was issued ("Customer"). Unless otherwise stated herein, pricing is valid for thirty days from the date of this Quote. All product, pricing and other information is based on the latest information available and is subject to change. Supplier reserves the right to cancel this Quote and Customer purchase orders arising from pricing errors. Taxes and/or freight charges listed on this Quote are only estimates. The final amounts shall be stated on the relevant invoice. Additional freight charges will be applied if Customer requests expedited shipping. Please indicate any tax exemption status on your purchase order and send your tax exemption certificate to Tax_Department@dell.com or ARSalesTax@emc.com, as applicable.

Governing Terms: This Quote is subject to: (a) a separate written agreement between Customer or Customer's affiliate and Supplier or a Supplier´s affiliate to the extent that it expressly applies to the products and/or services in this Quote or, to the extent there is no such agreement, to the applicable set of Dell's Terms of Sale (available at www.dell.com/terms or www.dell.com/oemterms), or for cloud/as-a-Service offerings, the applicable cloud terms of service (identified on the Offer Specific Terms referenced below); and (b) the terms referenced herein (collectively, the "Governing Terms"). Different Governing Terms may apply to different products and services on this Quote. The Governing Terms apply to the exclusion of all terms and conditions incorporated in or referred to in any documentation submitted by Customer to Supplier.

Supplier Software Licenses and Services Descriptions: Customer's use of any Supplier software is subject to the license terms accompanying the software, or in the absence of accompanying terms, the applicable terms posted on www.Dell.com/eula. Descriptions and terms for Supplier-branded standard services are stated at www.dell.com/servicecontracts/global or for certain infrastructure products at www.dellemc.com/en-us/customer-services/product-warranty-and-service-descriptions.htm.

Offer-Specific, Third Party and Program Specific Terms: Customer's use of third-party software is subject to the license terms that accompany the software. Certain Supplier-branded and third-party products and services listed on this Quote are subject to additional, specific terms stated on www.dell.com/offeringspecificterms ("Offer Specific Terms").

In case of Resale only: Should Customer procure any products or services for resale, whether on standalone basis or as part of a solution, Customer shall include the applicable software license terms, services terms, and/or offer-specific terms in a written agreement with the end-user and provide written evidence of doing so upon receipt of request from Supplier.

In case of Financing only: If Customer intends to enter into a financing arrangement ("Financing Agreement") for the products and/or services on this Quote with Dell Financial Services LLC or other funding source pre-approved by Supplier ("FS"), Customer may issue its purchase order to Supplier or to FS. If issued to FS, Supplier will fulfill and invoice FS upon confirmation that: (a) FS intends to enter into a Financing Agreement with Customer for this order; and (b) FS agrees to procure these items from Supplier. Notwithstanding the Financing Agreement, Customer's use (and Customer's resale of and the end-user's use) of these items in the order is subject to the applicable governing agreement between Customer and Supplier, except that title shall transfer from Supplier to FS instead of to Customer. If FS notifies Supplier after shipment that Customer is no longer pursuing a Financing Agreement for these items, or if Customer fails to enter into such Financing Agreement within 120 days after shipment by Supplier, Customer shall promptly pay the Supplier invoice amounts directly to Supplier.

Customer represents that this transaction does not involve: (a) use of U.S. Government funds; (b) use by or resale to the U.S. Government; or (c) maintenance and support of the product(s) listed in this document within classified spaces. Customer further represents that this transaction does not require Supplier's compliance with any statute, regulation or information technology standard applicable to a U.S. Government procurement.

For certain products shipped to end users in California, a State Environmental Fee will be applied to Customer's invoice. Supplier encourages customers to dispose of electronic equipment properly.

Electronically linked terms and descriptions are available in hard copy upon request.

^DELL BUSINESS CREDIT (DBC): Offered to business customers by WebBank, who determines qualifications for and terms of credit. Taxes, shipping and other charges are extra and vary. The Total Minimum Payment Due is the greater of either $20 or 3% of the New Balance shown on the statement rounded up to the next dollar, plus all past due amounts. Dell and the Dell logo are trademarks of Dell Inc.

Intergovernmental/ Piggyback Contract Use Request

(Attach to PR form)

The Management Services-DoIT Department requests the purchase of the following item(s) from:

Original Contracting Entity: Minnesota National Association of State Procurement Officials (NASPO)
Contract#: C000001115143 Minnesota NASPO ValuePoint Master Agreement #23026 California Participating Addendum Number 7-23-70-55-01
Contract Term: February 1, 2024 through June 30, 2025
Method of original contract award: ☑ Competitive ☐ Non-Competitive, based on: ☐ Preferred source ☐ Sole ☐ Single source ☐ Emergency ☐ Other:
Does the original contract contain language contemplating contract extension to additional users? ☑ Yes ☐ No

Please attach: vendor agreement to sale to the City AND Entity agreement/contract language allowing Piggyback

Description of Product/Service intend to acquire	Unit Price	Total
OptiPlex Small Form Factor (Plus 7020) Qty. 109	$ 846.00	$ 92,214.00
Non-Taxable	$ 5,584.07	
Taxable	$ 86,629.93	
Tax	$ 7,580.13	
	Grand Total	$ 99,794.13

Vendor:	Dell Technologies
Contact:	Tyler Day
Address 1:	One Dell Way
Address 2:	Mail Stop 8129
City/State/Zip:	Round Rock, TX 78682
Telephone:	800 456-3355
Fax:	
Web/E-Mail:	Tyler_Day@Dell.com

Delivery/Service Location	
Contact:	Eric Owens
Telephone:	909 355-4775
Department:	Management Services
Address 1:	35 Cajon St Suite 30
Address 2:	Redlands CA 92373
Additional Comments	

Purchasing Agent Approval: _____ Date: _____

City Manager Approval: _____ Date: _____

STATE OF CALIFORNIA
PARTICIPATING ADDENDUM NUMBER 7-23-70-55-01

Computer Equipment, Peripherals & Related Services
Minnesota NASPO ValuePoint Master Agreement Number 23026
Dell Marketing L.P. (Contractor)

This Participating Addendum Number 7-23-70-55-01 is entered into between the State of California, Department of General Services (hereafter referred to as "State" or "DGS") and Dell Marketing L.P. (hereafter referred to as "Contractor") under the lead state of Minnesota NASPO ValuePoint Master Agreement Number 23026.

1. SCOPE

A. This Participating Addendum covers the purchase of computer equipment (desktops, laptops, tablets, servers, and storage, including related peripherals & services) under the Minnesota NASPO ValuePoint Master Agreement. The Minnesota NASPO ValuePoint Master Agreement is hereby incorporated by reference. Product/service categories included under this Participating Addendum are identified in Section 5 (Available Products and Services).

B. This Participating Addendum is available for use by California state agencies and local governments. A local government is defined as any city, county, city and county, district, or other local governmental body, school district or corporation empowered to expend public funds. The State Agency Listing (https://www.ca.gov/agenciesall/) provides a comprehensive list of state agencies.

C. Each local government is to make its own determination whether this Participating Addendum and the Minnesota NASPO ValuePoint Master Agreement are consistent with its procurement policies and regulations.

2. TERM

A. The term of this Participating Addendum shall begin February 1, 2024, or upon signature approval by the State whichever occurs later, and will end June 30, 2025, or upon termination by the State, whichever occurs first.

B. Lead state amendments to extend the NASPO ValuePoint Master Agreement term date are not automatically incorporated into this Participating Addendum. Extension(s) to the term of this Participating Addendum will be through a written amendment upon mutual agreement between the State and the Contractor.

C. Order placement and execution shall be on or before the expiration of this Participating Addendum. However, delivery of products or completion of services may be up to 120 days after the Participating Addendum expiration date.

3. TERMS AND CONDITIONS/INCORPORATION OF DOCUMENTS

A. Terms and conditions listed below are hereby incorporated by reference and made a part of this Participating Addendum as if attached herein and shall apply to the purchase of goods or services made under this Participating Addendum.

1) General Provisions – Information Technology (GSPD-401IT) effective 6/21/2022

B. Terms can be viewed on the DGS Procurement Division website (https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/Required-Language-for-Solicitations-and-Contracts).

4. ORDER OF PRECEDENCE

A. In the event of any inconsistency between the articles, attachments, or provisions which constitute this agreement, the following descending order of precedence shall apply:

1) California Participating Addendum Number 7-23-70-55-01
2) Minnesota NASPO ValuePoint Master Agreement Number 23026

5. AVAILABLE PRODUCTS AND SERVICES

A. The following product and service offerings from the Minnesota NASPO ValuePoint Master Agreement Number 23026 are allowed under this Participating Addendum:

1) Band 1, Personal Computing Devices – Windows Operating Systems: Desktops, Laptops, Tablets
2) Band 2, Personal Computing Devices – Non-Windows Operating Systems: Desktops, Laptops, Tablets
3) Band 3, Servers and Storage

6. RESTRICTIONS/DISALLOWED PRODUCTS AND SERVICES

A. Configuration limits: The dollar limits identified below are based on a SINGLE computer/system configuration. This is NOT a restriction on the purchase of multiple configurations (e.g., an entity could purchase 10 laptops at $15,000 each, for a total purchase price of $150,000).

ITEM	CONFIGURATION
Band 1	$15,000
Band 2	$15,000
Band 3	$1,000,000
Peripherals	$10,000
Services	Addressed in the customer specific Purchase Orders

B. Services must be related to the procurement of equipment.

C. The following restrictions apply to state agency purchases under this Participating Addendum:

1) Product and service categories that are available on mandatory California statewide contracts cannot be purchased from this Participating Addendum by state agencies without an exemption. State agencies are responsible for obtaining a mandatory statewide contract exemption from DGS prior to issuing a purchase order.

2) Service-only purchases are disallowed. (Exception: Equipment maintenance service purchases are allowed).

3) Services that fall within the definition of "public works" as defined in Public Contract Code section 1101 and Labor Code section 1720 are disallowed under this Participating Addendum and must be procured by alternate means. This restriction is not applicable to local governments.

4) Leasing/rental is not allowed.

5) Professional services are not allowed.

6) Cloud services are not allowed.

7. PRICING

A. Contractor's pricing is outlined in the Minnesota NASPO ValuePoint Master Agreement Number 23026.

B. Contractor shall notify the State Contract Administrator of any amendments and pricing adjustments approved and executed by the state of Minnesota.

8. AUTHORIZED RESELLERS

A. Contractor may use State-approved Authorized Resellers under this Participating Addendum for sales and service functions as defined herein.

1) Authorized Resellers must accept purchase orders and accept payment from ordering agencies for products and services offered under this Participating Addendum.

2) Authorized Resellers are responsible for sending a copy of all purchase orders and invoices to the Contractor for compliance with quarterly usage reporting and administrative fee requirements.

3) All purchase documents to Authorized Resellers shall reference the Participating Addendum Number and Contractor Name.

B. Contractor shall be responsible for successful performance and compliance with all requirements in accordance with the terms and conditions under this Participating Addendum, even if work is performed by Authorized Resellers. All State policies, guidelines, and requirements shall apply to Authorized Resellers.

C. Contractor will be the sole point of contact with regard to Participating Addendum contractual matters, reporting, and administrative fee requirements.

D. Subject to the approval of the State, Authorized Resellers may be added on a quarterly basis during the term of the Participating Addendum. Contractors shall notify the State in writing of any deleted Authorized Resellers or changes to current Authorized Resellers' information at any time.

E. Contractor will be required to submit Authorized Reseller requests, in a format specified by the State, to the State Contract Administrator for approval.

F. State-approved Authorized Resellers will be posted on the State's Cal eProcure website.

9. SUBCONTRACTORS

A. Nothing contained in this Participating Addendum or otherwise, shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve Contractor of its responsibilities and obligations hereunder. Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor.

B. Contractor shall perform the work contemplated with resources available within its own organization and no portion of the work shall be subcontracted except for subcontractors listed on the Bidder Declaration (GSPD-05-105) provided to ordering agencies at the time an order is quoted.

C. As the prime Contractor, Contractor is responsible for reports and fees required by the terms and conditions of the NASPO ValuePoint Master Agreement and Participating Addendum.

D. Any subcontract in excess of $25,000, entered into as a result of this Participating Addendum, shall contain all the provisions stipulated in this Participating Addendum to be applicable to subcontractors.

10. ORDERING AGENCY RESPONSIBILITIES

A. State agency and local government use of this Participating Addendum is optional.

B. State agencies and local governments must follow the ordering procedures outlined within the User Instructions guide, administered by the State Contract Administrator, to execute orders against this Participating Addendum. User Instructions are posted on the State's Cal eProcure website.

C. All purchase orders executed under this Participating Addendum shall include the Participating Addendum Number 7-23-70-55-01.

11. STATE AGENCY BUY RECYCLED CAMPAIGN (SABRC)

A. State agencies are required to report purchases made within the eleven product categories in the California Department of Resources Recycling and Recovery's State Agency Buy Recycled Campaign (SABRC) per Public Contract Code sections 12200-12217.

B. Contractor will be required to complete and return a Postconsumer Recycled-Content Certification form (https://calrecycle.ca.gov/buyrecycled/stateagency/vendored/form74guide/) upon request by the state agency.

12. DELIVERY

A. Delivery shall occur within 30 days after receipt of order, or as negotiated between ordering agency and Contractor and included in the purchase order, or as otherwise stipulated in the NASPO ValuePoint Master Agreement.

B. Free On Board (F.O.B.) Destination, freight prepaid by the Contractor, to the ordering agency's receiving point.

13. INVOICING AND PAYMENT

A. Payment will be made in accordance with IT General Provisions Paragraph 30 (Required Payment Date).

B. Invoices shall be sent to the address identified in the ordering agency's purchase order. The Participating Addendum Number and ordering agency purchase order number shall appear on each invoice for all purchases placed under this Participating Addendum.

C. Contractor does not accept the State of California credit card (CAL-Card) for payment of invoices.

14. USAGE REPORTING

A. Contractor shall submit usage reports on a quarterly basis to the State Contract Administrator for all California entity purchases using the report template attached hereto as Attachment A. The report is due even when there is no activity.

B. The State Contract Administrator reserves the right to modify Attachment A and require Contractor to provide additional order information during the course of this Participating Addendum.

C. The report shall be an Excel spreadsheet transmitted electronically to the DGS Cooperatives mailbox (PDCooperatives@dgs.ca.gov).

D. Any report that does not follow the required format or that excludes information will be deemed incomplete. Contractor will be responsible for submitting corrected reports within five (5) business days of the date of written notification from the State.

E. Tax must not be included in the report, even if it is on the purchase order.

F. Reports are due for each quarter as follows:

Reporting Period	Due Date
January 1 to March 31	April 30
April 1 to June 30	July 31
July 1 to September 30	October 31
October 1 to December 31	January 31

G. Failure to meet reporting requirements and submit the reports on a timely basis shall constitute grounds for suspension of this Participating Addendum.

H. Time extensions may be approved only if all due reports have been submitted to the State.

15. ADMINISTRATIVE FEE

A. Contractor is required to remit to DGS an administrative fee amount equal to 1.25% of the sales for the quarterly reporting period less freight, taxes, returned products and credits. (For example, if the net sales for the reporting quarter totals $100,000.00, the incentive fee due to DGS would be $1,250.00.)

B. The administrative fee shall not be included as an adjustment to Contractor's NASPO ValuePoint Master Agreement pricing.

C. The administrative fee shall not be invoiced or charged to the ordering agency.

D. Payment of the administrative fee is due irrespective of payment status from ordering agencies.

E. Payment may be made in the form of an electronic payment using the LPA Payment Portal website (https://www.dgs.ca.gov/PD/Services/Page-Content/Procurement-Division-Services-List-Folder/Access-LPA-Payment-Portal) or by submitting a check payable to the State of California, Department of General Services.

F. Administrative fee payments made by check must include the Participating Addendum Number on the check and be submitted to the following address:

Department of General Services
Procurement Division
Attn: MAPS Payment Processing
707 Third Street, 2nd Floor
West Sacramento, CA 95605

G. Administrative fee payments are due for each quarter as follows:

Reporting Period	Due Date
January 1 to March 31	April 30
April 1 to June 30	July 31
July 1 to September 30	October 31
October 1 to December 31	January 31

H. Failure to meet administrative fee requirements and submit fees on a timely basis shall constitute grounds for suspension of this Participating Addendum.

16. CONTRACT MANAGEMENT

A. The primary Contractor Contract Manager for this Participating Addendum shall be as follows:

Contractor	Contract Manager
Name:	Ashley Salinas
Phone:	(512) 542-1237
Fax:	n/a
Email	A.Salinas@dell.com
Address:	Dell Marketing L.P. Attn: Ashley Salinas One Dell Way Round Rock, TX 78682

B. The State Contract Administrator for this Participating Addendum shall be as follows:

State	Contract Administrator
Name:	Katelynne Leisenring
Phone:	(279) 946-8129
Email	katelynne.leisenring@dgs.ca.gov
Address:	State of California Department of General Services Procurement Division 707 Third Street, 2nd Floor, MS 2-202 West Sacramento, CA 95605

C. Should the contact information for either party change, the party will provide written notice with updated information no later than ten (10) business days after the change.

17. TERMINATION OF AGREEMENT

The State may terminate this Participating Addendum at any time upon 30 days prior written notice to the Contractor. Upon termination or other expiration of this Participating Addendum, each party will assist the other party in orderly termination of the Participating Addendum and the transfer of all assets, tangible, and intangible, as may facilitate the orderly, non-disrupted business continuation of each party. This provision shall not relieve the Contractor of the obligation to perform under any purchase order or other similar ordering document executed prior to the termination becoming effective.

18. AMENDMENT

No amendment or variation of the terms of this Participating Addendum shall be valid unless made in writing, signed by the parties, and approved as required. No oral understanding or agreement not incorporated in the Participating Addendum is binding on any of the parties.

19. NEWS RELEASES

Unless otherwise exempted, news releases, endorsements, advertising, and social media content pertaining to this Participating Addendum shall not be made without prior written approval from the State.

20. EXECUTIVE ORDER N-6-22 – RUSSIA SANCTIONS

On March 4, 2022, Governor Gavin Newsom issued Executive Order N-6-22 (the EO) regarding Economic Sanctions against Russia and Russian entities and individuals. "Economic Sanctions" refers to sanctions imposed by the U.S. government in response to Russia's actions in Ukraine, as well as any sanctions imposed under state law. The EO directs state agencies to terminate contracts with, and to refrain from entering any new contracts with, individuals or entities that are determined to be a target of Economic Sanctions. Accordingly, should the State determine Contractor is a target of Economic Sanctions or is conducting prohibited transactions with sanctioned individuals or entities, that shall be grounds for termination of this Participating Addendum. The State shall provide Contractor advance written notice of such termination, allowing Contractor at least thirty (30) calendar days to provide a written response. Termination shall be at the sole discretion of the State.

21. AGREEMENT

A. This Participating Addendum and the Master Agreement together with its exhibits and/or amendments, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations, or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Participating Addendum and the Master Agreement, together with its exhibits and/or amendments, shall not be added to or incorporated into this Participating Addendum or the Master Agreement and its exhibits and/or amendments, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Participating Addendum and the Master Agreement and its exhibits and/or amendments shall prevail and govern in the case of any such inconsistent or additional terms.

B. By signing this Participating Addendum, Contractor agrees to offer the same products/services available on the Minnesota NASPO ValuePoint Master Agreement Number 23026, at prices equal to or lower than the prices on that agreement.

IN WITNESS WHEREOF, the parties have executed this Participating Addendum as of the date of execution by both parties below.

STATE OF CALIFORNIA		**CONTRACTOR**	
Department of General Services		Dell Marketing L.P.	
Agency Name		*Contractor Name*	
Julie Matthews Digitally signed by Julie Matthews Date: 2024.01.23 13:54:09 -08'00'	1/23/2024	Katherine Castillo	01/22/2024
Authorized Signature	*Date Signed*	*Authorized Signature*	*Date Signed*
Julie Matthews, MAU2 Supervisor		Katherine Castillo- Paralegal Advisor	
Printed Name/Title of Person Signing		*Printed Name/Title of Person Signing*	
707 Third Street West Sacramento, CA 95605		One Dell Way Round Rock, TX 78682	
Address		*Address*	

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ASSIGNMENT OF NASPO MASTER AGREEMENT 23004

This Assignment Agreement is by and among the State of Minnesota, acting through its Commissioner of Administration (State), Dell Inc., One Dell Way, Round Rock, TX 78682 (Original Contractor), and Dell Marketing L.P., One Dell Way, Mailstop RR1-33 Legal, Round Rock, TX 78682 (Assigned Contractor).

WHEREAS, the State has an agreement with the Original Contractor identified as Contract 23004, effective July 14, 2023, through June 30, 2025 (Contract), to provide Computer Equipment, Peripherals & Related Services; and

WHEREAS, the Original Contractor wishes to assign all its interests in the Contract to the Assigned Contractor; and

WHEREAS, the assignment provision of the Contract provides assignment of the agreement only upon written consent of the State.

NOW, THEREFORE, it is agreed by the parties to amend the Contract as follows:

1. The Assigned Contractor is assigned Contract 23026 to accommodate participating addenda under the Master Agreement.

2. This Assignment Agreement will become effective upon its approval and execution by the parties and approval of the appropriate State officials, pursuant to Minn. Stat. § 16C.05, subd. 2.

3. The State hereby approves the request of the Original Contractor to assign the Assigned Contractor all its interests, rights, and responsibilities, duties, and other provisions set forth in the Contract, which is attached and incorporated as Exhibit A, provided the Original Contractor and the Assigned Contractor agree to all provisions set forth in this Assignment Agreement.

4. Representations and Warranties:

    a. The Original Contractor represents and warrants to the State that it is not in default of any of its obligations under the Contract.

    b. The Assigned Contractor represents and warrants to the State that: (i) as of the effective date of this Assignment Agreement, the Assigned Contractor will have received sufficient information, right to technology, and key personnel sufficient to properly perform the duties, responsibilities, obligations, and all other provisions assigned to it, and (ii) the Assigned Contractor is ready, willing, and able to perform all of the duties, obligations, and responsibilities of the Contract.

    c. The representations and warranties set forth in this Section 4 are for the sole benefit of the State and its permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other person or entity (including the Original Contractor and the Assigned Contractor) any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Assignment Agreement.

5. The Assigned Contractor accepts assignment of all of the provisions of the Contract.

6. Any and all amounts due to the Original Contractor by a Participating Entity for goods or services provided by the Original Contractor prior to July 14, 2023, under the Contract will be paid to the Original Contractor by the Participating Entity. Any and all amounts due under the Contract on or after July 14, 2023, will be paid to the Assigned Contractor by the Participating Entity and the Original Contractor.

7. When applicable, payment for remaining work and travel expenses from the Contract will be paid at the rates set in the Contract. The amount to be paid to the Assigned Contractor will not exceed the Contract's total costs, minus the

total payments made to the Original Contractor.

8. If applicable, the Assigned Contractor will provide proof of insurance with the coverage and in the amounts called for in the original solicitation document, attached herein.

9. If applicable, the Assigned Contractor will provide a copy of its Affirmative Action Certification as approved by the Minnesota Department of Human Rights.

10. If applicable, the Assigned Contractor will provide a copy of its Equal Pay Certification as approved by the Minnesota Department of Human Rights.

This Assignment Agreement is effective upon the date that the final required signatures are obtained.

IN WITNESS WHEREOF, the parties have caused this Assignment Agreement to be duly executed intending to be bound thereby.

1. ORIGINAL CONTRACTOR

Dell Inc.

The Original Contract Vendor certifies that the appropriate person(s) have executed this document on behalf of the Contract Vendor as required by applicable articles, bylaws, resolutions, or ordinances.

By: DocuSigned by: Christopher Alan Garcia
Signature ECE99192885E4FE...

Christopher Alan Garcia
Printed Name

Title: Asst. Corp Secretary & SVP Legal

Date: 9/7/2023

By: _____

Title: _____

Date: _____

2. ASSIGNED CONTRACTOR

Dell Marketing L.P.

The Assigned Contract Vendor certifies that the appropriate person(s) have executed the Contract on behalf of the Contract Vendor as required by applicable articles, bylaws, resolutions, or ordinances.

By: DocuSigned by: Katherine Castillo
Signature 8DEF23302D0B4B8...

Katherine Castillo
Printed Name

Title: ParaLegal Advisor

Date: 9/7/2023

By: _____

Title: _____

Date: _____

3. OFFICE OF STATE PROCUREMENT

In accordance with Minn. Stat. §16C.03, Subd. 3.

By: DocuSigned by: Elizabeth M. Randa
Signature 742DE739C8ED492...

Elizabeth M. Randa
Printed Name

Title: Acquisition Management Specialist

Date: 9/7/2023

4. COMMISSIONER OF ADMINISTRATION

Or delegated representative.

By: DocuSigned by: Andy Doran
Signature 68D02A26D7604BA...

Andy Doran
Printed Name

Title: IT Acquisitions Supervisor

Date: 9/7/2023

DocuSign Envelope ID: F019BE07-AEF0-4A14-B979-8BB85953FE52

EXHIBIT A: CONTRACT

Attached and incorporated into Exhibit A is the following document(s):

- NASPO Master Agreement 23004.

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NASPO ValuePoint Master Agreement No.: 23004

This Contract is between the State of Minnesota, acting through its Commissioner of Administration ("Lead State") and Dell Inc., whose designated business address is One Dell Way, Round Rock, TX 78682 ("Contractor"). State and Contractor may be referred to jointly as "Parties."

Recitals

1. The State of Minnesota, Department of Administration, Office of State Procurement, on behalf of the State of Minnesota and NASPO ValuePoint Cooperative Procurement Program ("NASPO ValuePoint") issued a solicitation to establish Minnesota NASPO ValuePoint Master Agreement(s) ("Contract") with qualified manufacturers for Computer Equipment (Desktops, Laptops, Tablets, Servers, and Storage, including related Peripherals & Services);

2. Contractor provided a response to the Solicitation indicating its interest in and ability to provide the goods or services requested in the Solicitation; and

3. Subsequent to an evaluation in accordance with the terms of the Solicitation and negotiation, the Parties desire to enter into a contract; and

4. All authorized governmental entities in any state or participating US Territory are welcome to use the resulting Master Agreement through NASPO ValuePoint with the approval of the State Chief Procurement Official. Upon final award of the overarching Master Agreement, Contractors are able to sign Participating Addendums (PA) at the option of Participating States. Participating States reserve the right to add state specific terms and conditions and modify the scope of the contract in their Participating Addendum as allowed by the Master Agreement.

Accordingly, the Parties agree as follows:

Contract

1. **Term of Contract**

a. Effective date. July 1, 2023, or the date the Lead State obtains all required signatures under Minn. Stat. § 16C.05, subd. 2, whichever is later.

b. Expiration date. June 30, 2025. This Master Agreement may be extended for up to an additional 36 months, in increments as determined by the Lead State, through a duly executed amendment.

c. If, in the judgment of the Lead State, a follow-on, competitive procurement will be unavoidably delayed beyond the planned date of execution of the follow-on master agreement, this Master Agreement may be extended for a reasonable period of time, not to exceed six months. This subsection shall not be deemed to limit the authority of a Lead State under its state law otherwise to negotiate contract extensions.

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2. **Representations and Warranties**

a. Under Minn. Stat. §§ 15.061 and 16C.03, subd. 3, and other applicable law the Lead State is empowered to engage such assistance as deemed necessary.

b. Contractor warrants that it is duly qualified and shall perform its obligations under this Master Agreement in accordance with the commercially reasonable standards of care, skill, and diligence in Contractor's industry, trade, or profession, and in accordance with the specifications set forth in this Master Agreement, to the satisfaction of the Lead State.

c. Contractor warrants that it possesses the legal authority to enter into this Master Agreement and that it has taken all actions required by its procedures, by-laws, and applicable laws to exercise that authority, and to lawfully authorize its undersigned signatory to execute this Master Agreement, or any part thereof, and to bind Contractor to its terms.

3. **Awarded Band(s)**

The solicitation included three product Bands: Band 1, Personal Computing Devices – Windows Operating Systems: Desktops, Laptops, Tablets; and Band 2, Personal Computing Devices – Non-Windows Operating Systems: Desktops, Laptops, Tablets; and Band 3, Servers and Storage. The Contractor is awarded the following Band(s):

Band 1, Personal Computer Devices – Windows Operating Systems
Band 2, Personal Computer Devices - Non-Windows Operating Systems
Band 3, Servers and Storage

4. **Configuration Dollar Limits**

The following configuration limits apply to the Master Agreement. Participating Entities may define their configuration limits in their Participating Addendum. The Participating Entity's Chief Procurement Official may increase or decrease the configuration limits, as defined in their Participating Addendum. The Participating Entity will determine with the Contractor how to approve these modifications to the Product and Service Schedule.

The dollar limits identified below are based on a SINGLE computer/system configuration. This is NOT a restriction on the purchase of multiple configurations (e.g., an entity could purchase 10 laptops at $15,000 each, for a total purchase price of $150,000).

ITEM	CONFIGURATION
Band One	$15,000
Band Two	$15,000
Band Three	$1,000,000
Peripherals	$10,000
Services	Addressed in the Participating Addendum

5. **Restrictions**

The following restrictions apply to the Master Agreement. A Participating Entity may set further restrictions of products in their Participating Addendum. The Participating Entity will determine with the Contractor how to approve these modifications to the Entity's Product and Service Schedule.

a. Software

1. Software is restricted to operating systems and commercial off-the-shelf (COTS) software and is subject to equipment configuration limits.

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2. Any software purchased must be related to the procurement of equipment.

3. Software must be pre-loaded or provided as an electronic link with the initial purchase of equipment, except for the exceptions allowed under Paragraph 5.a.4.

4. Software such as middleware which is not always installed on the equipment, but is related to storage and server equipment (Band 3) purchased, is allowed and may be procured after the initial purchase of equipment.

b. General Services

1. Services must be related to the procurement of equipment.

2. Service limits will be addressed by each State.

3. Wireless phone and internet service is not allowed.

4. Managed Print Services are not allowed.

c. Cloud Services

1. Cloud Services are restricted to Services that function as operating systems and software needed to support or configure hardware purchased under the scope of the contract and is subject to equipment configuration limits.

2. Any Cloud Service purchased must be related to the procurement of equipment.

d. Third-Party Products

1. Third-Party Products can be offered only in the Bands they have been awarded. All third-party products must meet the definition(s) of the Band(s) in which they are being offered.

2. Products manufactured by another Contractor holding a Minnesota NASPO ValuePoint Master Agreement for Computer Equipment cannot be offered unless approved by the Lead State.

e. Additional Product/Services

1. Hardware and software required to solely support wide area network (WAN) operation and management are not allowed.

2. Lease/Rentals of equipment may be allowed and will be addressed by each State.

3. Cellular Phone Equipment is not allowed.

4. EPEAT Bronze requirement may be waived, on a State case-by-case basis, if approved by the State's Chief Procurement Officer. EPEAT Bronze requirement does not currently apply to storage.

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6. **Authorized Representative**

a. Master Agreement Administrator. The Master Agreement Administrator designated by NASPO ValuePoint and the State of Minnesota, Department of Administration is Elizabeth Randa, Acquisition Management Specialist.

Elizabeth Randa, Acquisition Management Specialist
Department of Administration
Office of State Procurement
112 Administration Building
50 Sherburne Avenue
St. Paul, MN 55155
E-mail: elizabeth.randa@state.mn.us
Phone: 651.201.3122

b. Contractor's Authorized Representative. The Contractor's Authorized Representative is Ashley Salinas, SLED Contract Program Manager.

Ashley Salinas, SLED Contract Program Manager
Dell Inc.
One Dell Way
Round Rock, TX 78682
A.Salinas@dell.com
Phone: 512.542.1237

If the Contractor's Authorized Representative changes at any time during this Contract, the Contractor must immediately notify the Lead State.

7. **Notices**

If one party is required to give notice to the other under the Master Agreement, such notice shall be in writing and shall be effective upon receipt. Delivery may be by certified United States mail or by hand, in which case a signed receipt shall be obtained. An email shall constitute sufficient notice, provided the receipt of the transmission is confirmed by the receiving party. Either party must notify the other of a change in address for notification purposes. All notices to the Lead State shall be addressed to the Master Agreement Administrator.

8. **Exhibits**

The following Exhibits are attached and incorporated into this Contract. In the event of a conflict between the terms of this Contract and its Exhibits, or between Exhibits, the order of precedence is first the Contract, and then in the following order:

Exhibit A: NASPO ValuePoint Terms and Conditions
Exhibit B: Minnesota Terms and Conditions
Exhibit C: Requirement
Exhibit D: Price Schedule
Exhibit E: Contractor Terms and Conditions

9. **Survival of Terms:**

The following clauses survive the expiration or cancellation of this Master Agreement: Indemnification; State Audits; Government Data Practices and Intellectual Property; Publicity and Endorsement; Governing Law, Jurisdiction, and Venue; and Data Disclosure. Any other Contract term that states it shall survive, shall survive.

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10. **Entire Agreement**

This Contract and any written addenda thereto constitute the entire agreement of the parties to the Master Agreement.

1. Contractor

The Contractor certifies that the appropriate person(s) have executed the Contract on behalf of the Contractor as required by applicable articles, bylaws, resolutions, or ordinances.

Print name: Katherine Castillo

Signature: DocuSigned by: Katherine Castillo 8DEF23302D0B4B8...

Title: ParaLegal Advisor Date: 7/14/2023

2. State Agency

With delegated authority

Print name: Elizabeth M. Randa

Signature: DocuSigned by: Elizabeth M. Randa 742DE739C8ED492...

Title: Acquisition Management Specialist Date: 7/14/2023

3. Commissioner of Administration

As delegated to The Office of State Procurement

Print name: Andy Doran

Signature: DocuSigned by: Andy Doran 68D02A26D7604BA...

Title: IT Acquisitions Supervisor Date: 7/14/2023

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Exhibit A: NASPO ValuePoint Master Agreement Terms and Conditions

1. **Conflict of Terms/Order of Precedence.**

a. Any order placed under this Master Agreement shall consist of the following documents:

1. A Participating Entity's Participating Addendum ("PA");

2. Minnesota NASPO ValuePoint Master Agreement, as negotiated, including all exhibits;

3. A Purchase Order issued against a PA (terms and conditions set forth in a Purchase Order will not be deemed to modify, diminish, or otherwise derogate the terms and conditions set forth in a Participating Addendum or Minnesota NASPO ValuePoint Master Agreement).

b. These documents shall be read to be consistent and complementary. Any conflict among these documents shall be resolved by giving priority to these documents in the order listed above. Contractor terms and conditions that apply to this Master Agreement are only those that are expressly accepted by the Lead State and must be in writing and attached to this Master Agreement as an Exhibit or Attachment.

c. Contractor terms and conditions may be incorporated if expressly accepted by the Lead State and attached to the Master Agreement as an Exhibit or Attachment, or by written reference (including reference to information contained in a URL or referenced policy). A written reference, including by URL or policy, is incorporated into the Master Agreement only if the Master Agreement expressly identifies that reference. URL's must be explicitly referenced to be incorporated into the Master Agreement. URL's contained within the URL's that are explicitly referenced are not incorporated into the Master Agreement. Any Contractor term or condition incorporated by URL or written reference applies to this Master Agreement only to the extent such term or condition is not prohibited by applicable law. Any change to information contained in a URL or referenced policy will not affect any financial obligation, place any additional material obligation on an ordering entity, or materially diminish an ordering entity's ability to use the product or service.

d. A written Master Agreement (which may include the contents of the RFP and selected portions of Contractor's response incorporated therein by reference) will constitute the entire agreement of the parties to the Master Agreement. No other terms and conditions shall apply, including terms and conditions listed in the Contractor's response to the RFP, or terms listed or referenced on the Contractor's website not otherwise incorporated into the Master Agreement, in the Contractor quotation/sales order, or in similar documents subsequently provided by the Contractor.

e. Additional Agreement with NASPO. Upon request by NASPO ValuePoint, awarded Contractor shall enter into a direct contractual relationship with NASPO ValuePoint related to Contractor's obligations to NASPO ValuePoint under the terms of the Master Agreement, the terms of which shall be the same or similar (and not less favorable) than the terms set forth in the Master Agreement.

2. **Definitions.**

a. **Acceptance** is defined by the applicable commercial code, except Acceptance shall not occur before the completion of delivery in accordance with the Order, installation if required, and a reasonable time for inspection of the Product.

b. **Accessory** means a product that enhances the user experience but does not extend the functionality of the computer (e.g. mouse pad or monitor stand). For the purposes of this Contract, accessories are considered peripherals.

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c. **_____ as a Service (_aaS)** refers to any good provided in a subscription-based model that is defined in the industry as "_____ as a Service". Examples are "Software as a Service", "Infrastructure as a Service", and "Storage as a Service", and shall follow the NIST definitions of those services. ____ as a Service are permitted only when they meet the restrictions found in Paragraph 5.c, above.

d. **Band** means a category of products. There are three product bands which may be awarded through this Contract. Each product band includes related peripherals and services.

e. **Components** are the parts that make up a computer configuration.

f. **Contractor** means the person or entity delivering Products or performing services under the terms and conditions set forth in this Master Agreement.

g. **Configuration** means the combination of hardware and software components that make up the total functioning system.

h. **Customer** (see Purchasing Entity).

i. **Desktop** means a personal computer intended for regular use at a single location. A desktop computer typically comes in several units connected together during installation: (1) the processor, 2) display monitor, and 3) input devices usually a keyboard and a mouse. Desktops, including desktop virtualization endpoints such as zero and thin clients, are included in Bands 1 and 2 of this Contract.

j. **Embedded Software** means one or more software applications which permanently reside on a computing device.

k. **Energy Star®** is a voluntary energy efficiency program sponsored by the U.S. Environmental Protection Agency. The Energy Star program makes it easy to identify energy efficient computers by labeling products that deliver the same or better performance as comparable models while using less energy and saving money. For additional information on the Energy Star program, including product specifications and a list of qualifying products, visit the Energy Star website at http://www.energystar.gov.

l. **EPEAT** is a type-1 ecolabel for identifying and purchasing sustainable IT products. EPEAT-registered products must meet sustainability criteria detailed in voluntary consensus-based standards that are free and publicly available on the Green Electronics Council's website at www.greenelectronicscouncil.org. Products are classified as Bronze, Silver, or Gold based on meeting criteria that address the life cycle of the products. Product life cycle includes material extraction, hazardous substance reduction, end-of-life management, packaging, and corporate sustainability. Only products listed as Active in the online EPEAT Registry are considered to meet the EPEAT criteria.

m. **FOB Destination** means that shipping charges are included in the price of the item and the shipped item becomes the legal property and responsibility of the receiver when it reaches its destination unless there is acceptance testing required.

n. **FOB Inside Delivery** means that shipping charges are included in the price of the item, and that the shipped item becomes the legal property and responsibility of the receiver when it reaches the inside delivery point, which is beyond the front door or loading dock. FOB Inside Delivery is a special shipping arrangement that may include additional fees payable by the Purchasing Entity. FOB Inside Delivery must be annotated on the Purchasing Entity ordering document.

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o. **Intellectual Property** means any and all patents, copyrights, service marks, trademarks, trade secrets, trade names, patentable inventions, or other similar proprietary rights, in tangible or intangible form, and all rights, title, and interest therein.

p. **Laptop** means a personal computer for mobile use. A laptop includes a display, keyboard, point device such as a touchpad, and speakers in a single unit. A laptop can be used away from an outlet using a rechargeable battery. Laptops include notebooks, ultrabooks, netbooks, Zero and thin client devices, and computers with mobile operating systems. Laptops are included in Bands 1 and 2 of this Contract.

q. **Lead State** means the State centrally administering any resulting Master Agreement(s).

r. **Mandatory Requirement** is a requirement that the failure to meet results in the rejection of the responder's proposal unless all responders are unable to meet the mandatory requirement. The terms "must" and "shall" identify a mandatory requirement. Any objection to a mandatory requirement should be identified by responders in the Question and Answer period.

s. **Manufacturer** means a company that, as one of its primary business functions, designs, assembles, owns the trademark/patent for, and markets branded computer equipment.

t. **Master Agreement** means the underlying agreement executed by and between the Lead State, acting on behalf of NASPO ValuePoint, and the Contractor.

u. **Middleware** means the software "glue" that helps programs and databases (which may be on different computers) work together. The most basic function of middleware is to enable communication between different pieces of software.

v. **NASPO ValuePoint** is a division of the National Association of State Procurement Officials ("NASPO"), a 501(c)(3) limited liability company. NASPO ValuePoint facilitates administration of the NASPO cooperative group contracting consortium of state chief procurement officials for the benefit of state departments, institutions, agencies, and political subdivisions and other eligible entities (i.e., colleges, school districts, counties, cities, some nonprofit organizations, etc.) for all states, the District of Columbia, and territories of the United States. NASPO ValuePoint is identified in the Master Agreement as the recipient of reports and may perform contract administration functions relating to collecting and receiving reports as well as other contract administration functions as assigned by the Lead State.

w. **Option** means an item of equipment or a feature that may be chosen as an addition to or replacement for standard equipment and features.

x. **Order or Purchase Order** means any purchase order, sales order, contract or other method used by a Purchasing Entity to order the Products.

y. **Participating Addendum** means a bilateral agreement executed by a Contractor and a Participating Entity incorporating this Master Agreement and any other additional Participating Entity specific language or other requirements, e.g. ordering procedures specific to the Participating Entity, other terms and conditions.

z. **Participating Entity** means a state (as well as the District of Columbia and U.S territories), city, county, district, other political subdivision of a State, or a nonprofit organization under the laws of some states properly authorized to enter into a Participating Addendum, that has executed a Participating Addendum.

aa. **Participating State** means a state that has executed a Participating Addendum.

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bb. **Partner** means a company, authorized by the Contractor and approved by the Participating Entity, to provide marketing, support, or other authorized contract services on behalf of the Contractor in accordance with the terms and conditions of the Contractor's Master Agreement. A Partner may include, but is not limited to, an agent, subcontractor, fulfillment partner, channel partner, business partner, servicing subcontractor, etc.

cc. **Peripherals** means any hardware product that can be attached to, added within, or networked with personal computers, servers, or storage. Peripherals extend the functionality of a computer without modifying the core components of the system.

dd. **Per Transaction Multiple Unit Discount** means a contractual volume discount based on dollars in a single purchase order or combination of purchase orders submitted at one time by a Participating Entity or multiple entities conducting a cooperative purchase.

ee. **Premium Savings Package(s) (PSP)** are deeply discounted standard configurations available to Purchasing Entities using the Master Agreement. NASPO ValuePoint reserves the right to expand and modify the PSP throughout the life of the contract. For more information see: https://www.naspovaluepoint.org/portfolio/57/.

ff. **Product** means any equipment, software (including embedded software), documentation, service, or other deliverable supplied or created by the Contractor pursuant to this Master Agreement. The term Products, supplies and services, and products and services are used interchangeably in these terms and conditions.

gg. **Purchasing Entity** means a state (including the District of Columbia and U.S. territories), city, county, district, other political subdivision of a state, other public entities domestic or foreign, and nonprofit organizations under the laws of some states if authorized by a Participating Addendum, that issues a Purchase Order under the terms of the Master Agreement, or any Participating Addendum thereto, and becomes financially committed to the purchase.

hh. **Ruggedized** means equipment specifically designed to operate reliably in harsh usage environments and conditions, such as strong vibrations, extreme temperatures, and wet or dusty conditions. Ruggedized equipment may be proposed under the band that most closely fits the equipment being proposed.

ii. **Server** means computer hardware dedicated to run one or more services or applications (as a host) to serve the needs of the users of other computers on a network. Servers may be either physical or virtual. Servers, including server appliances, are included in Band 3 of this Contract. Server appliances have their hardware and software preconfigured by the manufacturer, and include embedded networking components such as those found in blade chassis systems.

jj. **Services** are broadly classified as installation or de-installation, maintenance, support, training, migration, and optimization of products offered or supplied under the Master Agreement. These classifications of services may include, but are not limited to: warranty services, maintenance, installation, de-installation, factory integration (software or hardware components), asset management, recycling or disposal, training and certification, pre-implementation design, disaster recovery planning and support, service desk or helpdesk, imaging, and any other directly related technical support service required for the effective operation of a product offered or supplied. Contractors may offer limited professional services related ONLY to the equipment and configuration of the equipment purchased through the resulting contracts.

EACH PARTICIPATING ENTITY WILL DETERMINE RESTRICTIONS AND NEGOTIATE TERMS FOR SERVICES THROUGH THEIR PARTICIPATING ADDENDUM.

kk. **Software** means, for the purposes of this Contract, commercial operating off the shelf machine-readable object code instructions including microcode, firmware, and operating system software that meet the restrictions specified

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in Paragraph 5.a. “Software” applies to all parts of software and documentation, including new releases, updates, and modifications of software.

ll. **Storage** means hardware or a virtual appliance with the ability to store large amounts of data. Storage, including SAN switching necessary for the proper functioning of storage equipment, is included in Band 3 of this Contract

mm. **Storage Area Network (SAN)** is a high-speed special-purpose network (or subnetwork) that interconnects different kinds of data storage devices with associated data servers on behalf of a larger network of users.

nn. **Tablet** means a mobile computer that provides a touchscreen that acts as the primary means of control. Tablets, including notebooks, ultrabooks, and netbooks with touchscreen capabilities, are included in Bands 1 and 2 of this Contract.

oo. **Takeback Program** means the Contractor’s process for accepting the return of equipment or other products at the end of the product’s life.

pp. **Thin Client** is a lightweight computer that has been optimized for establishing a remote connection with a server-based computing environment.

qq. **Third Party Product** is a good sold by the Contractor that is manufactured by another company. Third Party Products are intended to enhance or supplement a Contractor’s own product line, and are not intended to represent more than a third of any Contractor’s total sales under this Master Agreement.

rr. **Upgrade** means the replacement of existing software, hardware, or hardware component with a newer version.

ss. **Warranty** means the Manufacturer’s general warranty tied to the product at the time of purchase.

tt. **Wide Area Network (WAN)** is a data network that serves users across a broad geographic area and often uses transmission devices provided by common carriers.

3. **Term of the Master Agreement.**

a. The initial term of this Master Agreement is for 2 years. This Master Agreement may be extended beyond the original contract period for 36 additional months at the Lead State’s discretion and by mutual agreement and upon review of requirements of Participating Entities, current market conditions, and Contractor performance.

b. The Master Agreement may be extended for a reasonable period of time if in the judgment of the Lead State a follow-on, competitive procurement will be unavoidably delayed (despite good faith efforts) beyond the planned date of execution of the follow-on master agreement. This subsection shall not be deemed to limit the authority of a Lead State under its state law otherwise to negotiate contract extensions.

4. **Amendments.**

The terms of this Master Agreement shall not be waived, altered, modified, supplemented or amended in any manner whatsoever without a written amendment to the Master Agreement executed by the Contractor and Lead State as required by law. Master Agreement amendments will be negotiated by the Lead State with the Contractor whenever necessary to address changes in the terms and conditions, costs, timetable, or increased or decreased scope of work.

5. **Participants and Scope.**

a. Canadian Participation. Subject to the approval of Contractor, any Canadian provincial government or provincially funded entity in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador,

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Nova Scotia, Ontario, Prince Edward Island, Quebec, or Saskatchewan, and territorial government or territorial government funded entity in the Northwest Territories, Nunavut, or Yukon, including municipalities, universities, community colleges, school boards, health authorities, housing authorities, agencies, boards, commissions, and crown corporations, may be eligible to use Contractor's Master Agreement. Canadian Participation. Subject to the approval of the Contractor, any Canadian provincial government or provincially funded entity in Ontario, Quebec, Nova Scotia, New Brunswick, Manitoba, British Columbia, Prince Edward Island, Saskatchewan, Alberta, Northwest Territories, Nunavut, Yukon, and Newfoundland and Labrador, including municipalities, universities, community colleges, school boards, health authorities, housing authorities, agencies, boards, commissions, and crown corporations, may be eligible to use Contractor's Master Agreement.

b. Contractor may not deliver Products under this Master Agreement until a Participating Addendum acceptable to the Participating Entity and Contractor is executed. The NASPO ValuePoint Master Agreement Terms and Conditions are applicable to any Order by a Participating Entity (and other Purchasing Entities covered by their Participating Addendum), except to the extent altered, modified, supplemented or amended by a Participating Addendum. By way of illustration and not limitation, this authority may apply to unique delivery and invoicing requirements, confidentiality requirements, defaults on Orders, governing law and venue relating to Orders by a Participating Entity, indemnification, and insurance requirements. Statutory or constitutional requirements relating to availability of funds may require specific language in some Participating Addenda in order to comply with applicable law. The expectation is that these alterations, modifications, supplements, or amendments will be addressed in the Participating Addendum or, with the consent of the Purchasing Entity and Contractor, may be included in the ordering document (e.g. purchase order or contract) used by the Purchasing Entity to place the Order.

c. Use of specific NASPO ValuePoint Master Agreements by state agencies, political subdivisions and other Participating Entities (including cooperatives) authorized by individual state's statutes to use state contracts are subject to the approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the respective State Chief Procurement Official.

d. Obligations under this Master Agreement are limited to those Participating Entities who have signed a Participating Addendum and Purchasing Entities within the scope of those Participating Addenda. States or other entities permitted to participate may use an informal competitive process to determine which Master Agreements to participate in through execution of a Participating Addendum. Financial obligations of Participating Entities who are states are limited to the orders placed by the departments or other state agencies and institutions having available funds. Participating Entities who are states incur no financial obligations on behalf of other Purchasing Entities. Contractor shall email a fully executed PDF copy of each Participating Addendum to PA@naspovaluepoint.org to support documentation of participation and posting in appropriate data bases.

e. NASPO and NASPO ValuePoint are not parties to the Master Agreement.

f. Participating Addenda shall not be construed to amend the following provisions in this Master Agreement between the Lead State and Contractor that prescribe NASPO ValuePoint requirements: Term of the Master Agreement; Amendments; Participants and Scope; Administrative Fee; NASPO ValuePoint Summary and Detailed Usage Reports; NASPO ValuePoint Cooperative Program Marketing and Performance Review; Right to Publish; Price and Rate Guarantee Period; and Individual Customers. Any such language shall be void and of no effect.

g. Participating Entities who are not states may under some circumstances sign their own Participating Addendum, subject to the consent to participation by the Chief Procurement Official of the state where the Participating Entity is located. Coordinate requests for such participation through NASPO ValuePoint. Any permission to participate through execution of a Participating Addendum is not a determination that procurement authority exists in the Participating Entity; they must ensure that they have the requisite procurement authority to execute a Participating Addendum.

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h. Resale. "Resale" means any payment in exchange for transfer of tangible goods, software, or assignment of the right to services. Subject to any specific conditions included in the Master Agreement, or as explicitly permitted in a Participating Addendum, Purchasing Entities may not resell Products (the definition of which includes services that are deliverables). Absent any such condition or explicit permission, this limitation does not prohibit: payments by employees of a Purchasing Entity for Products; sales of Products to the general public as surplus property; and fees associated with inventory transactions with other governmental or nonprofit entities and consistent with a Purchasing Entity's laws and regulations. Any sale or transfer permitted by this subsection must be consistent with license rights granted for use of intellectual property.

6. **Individual Customers.**

Except to the extent modified by a Participating Addendum, each Purchasing Entity shall follow the terms and conditions of the Master Agreement and applicable Participating Addendum and will have the same rights and responsibilities for their purchases as the Lead State has in the Master Agreement, including but not limited to, any indemnity or right to recover any costs as such right is defined in the Master Agreement and applicable Participating Addendum for their purchases. Each Purchasing Entity will be responsible for its own charges, fees, and liabilities. The Contractor will apply the charges and invoice each Purchasing Entity individually.

7. **Independent Contractor.**

The Contractor is an independent contractor. Contractor shall have no authorization, express or implied, to bind the Lead State, Participating States, other Participating Entities, or Purchasing Entities to any agreements, settlements, liability or understanding whatsoever, and agrees not to hold itself out as an agent except as expressly set forth herein or as expressly agreed in any Participating Addendum.

8. **Contracting Personnel.**

Contractor must provide adequate contracting personnel to assist states with the completing and processing Participating Addenda. It is preferred that each Contractor be able to provide each Participating Entity with a primary contact person for that Participating Entity.

9. **Changes in Contractor Representation.**

The Contractor must notify the Lead State of changes in the Contractor's key administrative personnel managing the Master Agreement in writing within 10 calendar days of the change. The Lead State reserves the right to approve changes in key personnel, as identified in the Contractor's proposal. Such approval shall not be unreasonably withheld. The Contractor agrees to propose replacement key personnel having substantially equal or better education, training, and experience as was possessed by the key person proposed and evaluated in the Contractor's proposal.

10. **Contractor Verification.**

The Contractor is responsible for delivering products or performing services under the terms and conditions set forth in the Master Agreement. The Contractor must ensure partners utilized in the performance of this contract adhere to all the terms and conditions. The term Partner will be utilized in naming the relationship a Contractor has with another company to market and sell under the contract. Participating Entities will have final determination/approval if a Partner may be approved for that state in the role identified by the Contractor.

11. **Contractor Performance Meeting.**

An annual performance meeting may be held each year with the NASPO ValuePoint Sourcing Team. Historically performance meetings have been held in Minnesota, but the Lead State may hold the meetings in person or virtually at the Lead State's discretion.

All contractors that are invited to participate must send their Primary Account Representative, unless an exception is granted in writing by the Lead State. It is possible that not all contractors will be invited to participate in a performance meeting.

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12. **Laws and Regulations.**
Any and all Products offered and furnished shall comply fully with all applicable Federal, State, and local laws and regulations, including Minn. Stat. § 181.59 prohibiting discrimination and business registration requirements of the Office of the Minnesota Secretary of State. To the extent any purchase is subject to Federal Acquisition Regulations, as may be required by the terms of a federal grant, a Participating Entity and Contractor may include in their Participating Addendum terms that reflect such a requirement.

13. **Price and Rate Guarantee Period.**
All minimum discounts and rates must be guaranteed for the initial term of the Master Agreement. Following the initial Master Agreement period, any request for minimum discount or rate adjustment must be for a guarantee period as offered by the Contractor, and must be made at least 30 days prior to the effective date. Requests for minimum discount or rate adjustment must include sufficient documentation supporting the request. Any adjustment or amendment to the Master Agreement shall not be effective unless approved by the Lead State. No retroactive adjustments to minimum discounts or rates will be allowed.

14. **Premium Savings Package Program.**
The Lead State reserves the right to create a Premium Savings Package Program (PSP) as outlined in the Definitions, Paragraph 2.ee of Exhibit A. Participation by Contractor is voluntary. The details and commitments of the PSP will be detailed as a part of any request for Contractor to participate.

15. **Services.**
Participating Entities must explicitly allow services in their Participating Addenda for the approved services to be allowed under that Participating Addendum. The Participating Addendum by each Participating Entity will address service agreement terms and related travel.

16. **Ordering.**

a. Master Agreement and purchase order numbers shall be clearly shown on all acknowledgments, packing slips, invoices, and on all correspondence.

b. Purchasing Entities may define entity or project-specific requirements and informally compete the requirement among companies having a Master Agreement on an “as needed” basis. This procedure may also be used when requirements are aggregated or other firm commitments may be made to achieve reductions in pricing. This procedure may be modified in Participating Addenda and adapted to the Purchasing Entity’s rules and policies. The Purchasing Entity may in its sole discretion determine which Master Agreement Contractors should be solicited for a quote. The Purchasing Entity may select the quote that it considers most advantageous, cost and other factors considered.

c. Each Purchasing Entity will identify and utilize its own appropriate purchasing procedure and documentation. Contractor is expected to become familiar with the Purchasing Entities’ rules, policies, and procedures regarding the ordering of supplies or services contemplated by this Master Agreement.

d. Contractor shall not begin work without a valid Purchase Order or other appropriate commitment document under the law of the Purchasing Entity.

e. Orders may be placed consistent with the terms of this Master Agreement during the term of the Master Agreement.

f. All Orders pursuant to this Master Agreement, at a minimum, shall include:

1. The service description or supplies being delivered;

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2. The place and requested time of delivery;

3. A billing address;

4. The name, phone number, and address of the Purchasing Entity representative;

5. The price per hour or other pricing elements consistent with this Master Agreement and the contractor's proposal;

6. A ceiling amount of the order for services being ordered;

7. The Master Agreement identifier; and

8. Statement of Work, when applicable.

g. All communications concerning administration of Orders placed shall be furnished solely to the authorized purchasing agent within the Purchasing Entity's purchasing office, or to such other individual identified in writing in the Order.

h. Orders must be placed pursuant to this Master Agreement prior to the termination date thereof, but may have a delivery date or performance period up to 120 days past the then-current termination date of this Master Agreement. Contractor is reminded that financial obligations of Purchasing Entities payable after the current applicable fiscal year are contingent upon agency funds for that purpose being appropriated, budgeted, and otherwise made available.

i. Notwithstanding the expiration, cancellation or termination of this Master Agreement, Contractor agrees to perform in accordance with the terms of any Orders then outstanding at the time of such expiration or termination. Contractor shall not honor any Orders placed after the expiration, cancellation or termination of this Master Agreement, or otherwise inconsistent with its terms. Orders from any separate indefinite quantity, task orders, or other form of indefinite delivery order arrangement priced against this Master Agreement may not be placed after the expiration or termination of this Master Agreement, notwithstanding the term of any such indefinite delivery order agreement.

17. **Trade-In.**

Any trade-in programs offered during the life of the Master Agreement must be approved by the Lead State. Participating Entities must explicitly allow trade-in programs in their Participating Addenda for the approved programs to be allowed under that Participating Addendum. Trade-in value shall not decrease the discounts offered through the Master Agreement.

18. **Shipping and Delivery.**

a. The prices are the delivered price to any Purchasing Entity for standard 3-5 day shipping. If an order is requested with expedited shipping, the Contractor must provide a firm "not to exceed" price for the expedited shipping on the quote. All deliveries shall be FOB Destination, freight pre-paid, with all transportation and handling charges paid by the Contractor. Responsibility and liability for loss or damage shall remain the Contractor's until final inspection and acceptance when responsibility shall pass to the Purchasing Entity except as to latent defects, fraud and Contractor's warranty obligations. Any order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an Order to be shipped without transportation charges that is back ordered shall be shipped without charge.

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b. Specific delivery instructions, including FOB Inside Delivery, will be noted on the order form or Purchase Order. Any damage to the building interior, scratched walls, damage to the freight elevator, etc., will be the responsibility of the Contractor. If damage does occur, it is the responsibility of the Contractor to promptly notify the Purchasing Entity placing the Order.

c. All products must be delivered in the manufacturer's standard package. Costs shall include all packing and crating charges. Cases shall be of durable construction, good condition, properly labeled and suitable in every respect for storage and handling of contents. Each shipment shall be marked with the Purchasing Entity's Purchase Order number and other information sufficient for the Purchasing Entity to properly identify the shipment as outlined in the Participating Addendum of the Purchasing Entity.

19. **Inspection and Acceptance.**

a. Where the Master Agreement, a Participating Addendum, or an Order does not otherwise specify a process for inspection and Acceptance, this section governs. This section is not intended to limit rights and remedies under the applicable commercial code.

b. Acceptance. Purchasing Entity shall determine whether all Products and Services delivered meet the Contractor's published specifications. No payment shall be made for any Products or Services until the Purchasing Entity has accepted the Products or Services. The Purchasing Entity will make every effort to notify the Contractor within thirty (30) calendar days following delivery of non-acceptance of a Product or completion of Service. In the event that the Contractor has not been notified within 30 calendar days from delivery of Product or completion of Service, the Product and Services will be deemed accepted on the 31st day after delivery of Product or completion of Services. Failure to reject upon receipt, however, does not relieve the Contractor of liability for latent or hidden material defects. Acceptance of such goods may be revoked in accordance with the provisions of the applicable commercial code, and the Contractor is liable for any resulting expense incurred by the Purchasing Entity related to the preparation and shipping of Product rejected and returned, or for which Acceptance is revoked. The warranty period shall begin upon Acceptance. If the parties agree to acceptance testing, the terms of subsection (c), below, apply.

c. Acceptance Testing. The Purchasing Entity and the Contractor shall determine if Acceptance Testing is applicable and required for the purchase. "Acceptance Testing" means the process for ascertaining that the Product meets the standard of performance prior to Acceptance by the Purchasing Entity.

1. The Acceptance Testing period shall be thirty (30) calendar days starting from the day after the Product is delivered or, if installed, the day after the Product is installed and Contractor certifies that the Product is ready for Acceptance Testing. If the Product does not meet the standard of performance during the initial period of Acceptance Testing, Purchasing Entity may, at its discretion, continue Acceptance Testing on a day-to-day basis until the standard of performance is met. Upon rejection, the Contractor will have fifteen (15) calendar days to cure the standard of performance issue(s). If after the cure period, the Product still has not met the standard of performance, the Purchasing Entity may, at its option: (a) declare Contractor to be in breach and terminate the Order; (b) demand replacement Product from Contractor at no additional cost to Purchasing Entity; or, (c) continue the cure period for an additional time period agreed upon by the Purchasing Entity and the Contractor.

2. No Product shall be deemed Accepted and no charges shall be paid until the standard of performance is met. Products that do not meet specifications may be rejected. Failure to reject upon receipt, however, does not relieve the Contractor of liability for material (nonconformity that substantially impairs value) latent or hidden defects subsequently revealed when goods are put to use. Acceptance of such goods may be revoked in accordance with the provisions of the applicable commercial code, and the Contractor is liable for any resulting expense incurred by the Purchasing Entity related to the preparation and shipping of Product rejected and returned, or for which Acceptance is revoked. The warranty period shall begin upon Acceptance.

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d. If any services do not conform to contract requirements, the Purchasing Entity may require the Contractor to perform the services again in conformity with contract requirements, at no increase in Order amount. When defects cannot be corrected by re-performance, the Purchasing Entity may require the Contractor to take necessary action to ensure that future performance conforms to contract requirements; and reduce the contract price to reflect the reduced value of services performed.

20. **Title of Product.**

a. Definitions. For purposes of this section, the following terms are defined as follows:

1. “Deliverables” means any reports, analyses, scripts, code, or other work results that Contractor delivers to Purchasing Entity within the framework of fulfilling Contractor’s obligations to Purchasing Entity.

2. "Equipment” means Contractor-branded hardware products.

3. “Proprietary Rights” means all patents, copyrights, trademarks, trade secrets, and other intellectual property rights of a party.

b. Upon Acceptance by the Purchasing Entity, Contractor shall convey to Purchasing Entity title to the Equipment free and clear of all liens, encumbrances, or other security interests. Purchasing Entity’s rights to use the software delivered by Contractor are governed by the terms of the applicable end-user license agreement. Unless different terms have been agreed between the parties, the terms posted on www.dell.com/eula (the “EULA”) shall apply. Contractor’s EULA must be made available to Purchasing Entities for review prior to negotiating a Participating Addendum or the issuance of an Order and shall meet or exceed the terms set forth in this Master Agreement. Unless expressly otherwise agreed, microcode, firmware or operating system software required to enable the Equipment with which it is shipped to perform its basic or enhanced functions, is licensed for use solely on such Equipment.

c. Contractor grants Purchasing Entity a non-exclusive, non-transferable, irrevocable license to use (without the right to sublicense) the Deliverables provided by Contractor for Purchasing Entity’s internal business and governmental purposes, only and solely in accordance with the applicable service specification and subject to this Master Agreement. The grant of this license is subject to Purchasing Entity’s compliance with the terms of this Master Agreement and Purchasing Entity’s payment of applicable amounts due. Such license shall be perpetual unless granted pursuant to the purchase of a subscription, in which case the license shall be for the term of the subscription. Purchasing Entity may authorize its service providers to use the Deliverables, but solely on Purchasing Entity’s behalf, solely for Purchasing Entity’s internal business or governmental purposes, and Purchasing Entity shall be responsible for service provider’s compliance with these restrictions. This section shall not affect a Purchasing Entity’s right to transfer ownership of a product, and transfer, if permitted by Contractor or its licensors, licenses associated with such product, to another individual or entity as part of the Purchasing Entity’s surplus program or sale of used products to employees or former employees.

d. Contractor reserves for itself all Proprietary Rights that it has not expressly granted to Purchasing Entity herein. The license granted in this clause 20(c) does not apply to: (i) Equipment; (ii) Contractor-branded generally available software; or (ii) items licensed or otherwise provided under a separate agreement. Contractor is not limited in developing, using, or marketing services or products that are similar to the Deliverables or Professional Services provided hereunder, any service, specification, or, subject to Contractor’s confidentiality obligations to Purchasing Entity, in using the Deliverables or performing similar Professional Services for any other projects. Notwithstanding the previous, Contractor’s use of Deliverables created specifically for and paid for by a Purchasing Entity is subject to Purchasing Entity approval.

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e. Any and all licensing, maintenance, cloud services, or order specific agreements referenced within the terms and conditions of this Master Agreement are agreed to only to the extent that the terms do not conflict with the terms of the Participating Addendum or the terms of the Master Agreement as incorporated into the Participating Addendum, and to the extent the terms are not in conflict with the Participating Entity's applicable laws. In the event of a conflict in the terms and conditions, the conflict shall be resolved as detailed in the Order of Precedence defined herein. Notwithstanding the foregoing, licensing, maintenance, cloud services agreements, or order specific agreements may be further negotiated by the Contractor or, if applicable, the Licensor, and the potential Purchasing Entity, provided the contractual documents are duly executed in writing.

f. If (i) Contractor is or becomes aware of any infringement claim made against a third-party branded product offered by Contractor through this Master Agreement, (ii) the third-party branded product is determined to infringe upon the intellectual property rights of another third party, and (iii) such infringement is not remedied by the third party so that the product is no longer infringing, Contractor shall immediately cease offering the product under this Master Agreement and notify the Lead State, NASPO, Participating Entities, and purchasers of the product.

21. **Warranty.**

The Contractor must ensure warranty service and maintenance for all equipment, including third party products provided. The Contractor must facilitate the Manufacturer or Publisher warranty and maintenance of third party products furnished through the Master Agreement. The Contractor shall provide the warranty service and maintenance for equipment and all peripherals on the Master Agreement.

22. **System Failure or Damage.**

In the event of system failure or damage caused by the Contractor or its Product, the Contractor shall use reasonable efforts to restore or assist in restoring the system to operational capacity. The Contractor shall be responsible under this provision to the extent a 'system' is defined at the time of the Order; otherwise the rights of the Purchasing Entity shall be governed by the Warranty.

23. **Payment.**

Payment after Acceptance is normally made within 30 days following the date the entire order is delivered or the date a correct invoice is received, whichever is later. After 45 days the Contractor may assess overdue account charges up to a maximum rate of one percent per month on the outstanding balance, unless a different late payment amount is specified in a Participating Addendum, Order, or otherwise prescribed by applicable law.

Payments will be remitted by mail or electronically. Payments may be made via a State or political subdivision "Purchasing Card" with no additional charge.

Prices are exclusive of taxes, duties, and fees, unless otherwise quoted. If a withholding tax is required by law, the tax will be added and identified on the applicable invoice. All applicable taxes, duties, and fees must be identified on the quote.

24. **Leasing or Alternative Financing Methods.**

Lease purchase and term leases are allowable only for Purchasing Entities whose rules and regulations permit leasing of software. Individual Purchasing Entities may enter into a lease agreement for the products covered in this Master Agreement, if they have the legal authority to enter into these types of agreements without going through a competitive process and if the applicable PAs permit leasing. No lease agreements will be reviewed or evaluated as part of the RFP evaluation process.

25. **Contract Provisions for Orders Utilizing Federal Funds.**

Pursuant to Appendix II to 2 Code of Federal Regulations (CFR) Part 200, Contract Provisions for Non-Federal Entity Contracts Under Federal Awards, Orders funded with federal funds may have additional contractual requirements or certifications that must be satisfied at the time the Order is placed or upon delivery. These federal requirements may be

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proposed by Participating Entities in Participating Addenda and Purchasing Entities for incorporation in Orders placed under this Master Agreement.

26. **Self Audit.**
The Contractor must conduct at a minimum a quarterly self-audit, unless approved by the Lead State. The audit will sample a minimum of one tenth of one percent (.001) of orders with a maximum of 100 audits per quarter conducted. For example: Up to 1,000 sales = 1 audit; 10,000 sales = 10 audits; Up to 100,000 sales = 100 audits. This will be a random sample of orders and invoices and must include documentation of pricing. Summary findings must be reported to Lead State with actions to correct documented findings.

27. **Assignment/Subcontracts.**

a. Contractor shall not assign, sell or otherwise transfer all or any part of this Master Agreement without prior written consent from the Lead State, such consent not to be unreasonably withheld.

b. The Lead State, or Participating Entity, shall not assign, delegate or otherwise transfer all or any part of this Master Agreement without prior written consent from Contractor, except for assignment or delegation to a Participating Entity State agency or eligible Purchasing Entity. The Lead State reserves the right to assign any rights or duties, including written assignment of contract administration duties to NASPO ValuePoint and other third parties.

28. **Insurance.**

a. Contractor shall, during the term of this Master Agreement, maintain in full force and effect, the insurance described in this section. Contractor shall acquire such insurance from an insurance carrier or carriers legally authorized to conduct business in the Lead State and in each Participating Entity's state and having a rating of A-, Class VII or better, in the most recently published edition of A.M. Best's Insurance Reports. Failure to buy and maintain the required insurance may result in this Master Agreement's termination or, at a Participating Entity's option, result in termination of its Participating Addendum.

b. Coverage shall be written on an occurrence basis. The minimum acceptable limits shall be as indicated below:

1. Commercial General Liability covering premises operations, independent contractors, products and completed operations, blanket contractual liability, personal injury (including death), advertising liability, and property damage, with a limit of not less than $1 million per occurrence/$2 million general aggregate;

2. Contractor must comply with any applicable State Workers Compensation or Employers Liability Insurance requirements.

c. Contractor shall pay premiums on all insurance policies. Contractor will use reasonable efforts to give thirty (30) days prior written notice to State prior to cancellation or non-renewal of any of the policies providing such coverage; provided, however that Contractor shall not be obligated to provide such notice if, concurrently with such cancellation or non-renewal, Contractor obtains coverage from different insurer(s) meeting the requirements described herein.

d. Prior to commencement of performance, Contractor shall provide to the Participating Entity a certificate of insurance showing the Contractor's general liability insurance policy or other documentary evidence acceptable to the Lead State that (1) names the Participating Entity as an additional insured, (2) provides that written notice of cancellation shall be delivered in accordance with the policy provisions, and (3) provides that the Contractor's liability insurance policy shall be primary, with any liability insurance of any Participating Entity as secondary and noncontributory. Unless otherwise agreed in any Participating Addendum, other state Participating Entities' rights

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and Contractor's obligations are the same as those specified in the first sentence of this subsection except the endorsement is provided to the applicable state.

e. During the term of this Master Agreement, Contractor shall upon request provide to the Lead State and Participating Entities evidence of coverage that meets the requirements of this Section and the applicable Participating Addendum. Failure to provide evidence of coverage, within thirty (30) calendar days of receipt of request may, at the sole option of the Lead State, or any Participating Entity, result in this Master Agreement's termination or the termination of any Participating Addendum.

f. Coverage and limits shall not limit Contractor's liability and obligations under this Master Agreement, any Participating Addendum, or any Purchase Order.

29. **Administrative Fees.**

a. The Contractor shall pay to NASPO ValuePoint, or its assignee, a NASPO ValuePoint Administrative Fee of one-quarter of one percent (0.25% or 0.0025) no later than sixty (60) days following the end of each calendar quarter. The NASPO ValuePoint Administrative Fee shall be submitted quarterly and is based on all sales of products and services under the Master Agreement (less any charges for taxes or shipping). The NASPO ValuePoint Administrative Fee is not negotiable.

b. The NASPO ValuePoint Administrative Fee in this section shall be based on the gross amount of all sales (less any charges for taxes or shipping) at the adjusted prices (if any) in Participating Addenda.

c. Additionally, some states may require an additional fee be paid directly to the state only on purchases made by Purchasing Entities within that state. For all such requests, the fee level, payment method and schedule for such reports and payments will be incorporated into the Participating Addendum that is made a part of the Master Agreement. The Purchasing Entity may allow the Contractor to adjust the Master Agreement pricing to account for these additional fees for purchases made by Purchasing Entities within the jurisdiction of the Participating Entity. All such agreements shall not affect the NASPO ValuePoint Administrative Fee percentage or the prices paid by the Purchasing Entities outside the jurisdiction of the state requesting the additional fee.

30. **NASPO ValuePoint Reports**

a. Sales Data Reporting. In accordance with this section, Contractor shall report to NASPO ValuePoint all Orders under this Master Agreement for which Contractor has invoiced the ordering entity or individual, including Orders invoiced to Participating Entity or Purchasing Entity employees for personal use if such use is permitted by this Master Agreement and the applicable Participating Addendum ("Sales Data"). Timely and complete reporting of Sales Data is a material requirement of this Master Agreement. Reporting requirements, including those related to the format, contents, frequency, or delivery of reports, may be updated by NASPO ValuePoint with reasonable notice to Contractor and without amendment to this Master Agreement. NASPO ValuePoint shall have exclusive ownership of any media on which reports are submitted and shall have a perpetual, irrevocable, non-exclusive, royalty free, and transferable right to display, modify, copy, and otherwise use reports, data, and information provided under this section.

b. Summary Sales Data. "Summary Sales Data" is Sales Data reported as cumulative totals by state. Contractor shall, using the reporting tool or template provided by NASPO ValuePoint, report Summary Sales Data to NASPO ValuePoint for each calendar quarter no later than thirty (30) days following the end of the quarter. If Contractor has no reportable Sales Data for the quarter, Contractor shall submit a zero-sales report.

c. Detailed Sales Data. "Detailed Sales Data" is Sales Data that includes for each Order all information required by the Solicitation or by NASPO ValuePoint, including customer information, Order information, and line-item details.

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Contractor shall, using the reporting tool or template provided by NASPO ValuePoint, report Detailed Sales Data to NASPO ValuePoint for each calendar quarter no later than thirty (30) days following the end of the quarter. Detailed Sales Data shall be reported in the format provided in the Solicitation or provided by NASPO ValuePoint. The total sales volume of reported Detailed Sales Data shall be consistent with the total sales volume of reported Summary Sales Data.

d. Sales Data Crosswalks. Reserved.

e. Executive Summary. Contractor shall, upon request by NASPO ValuePoint, provide NASPO ValuePoint with an executive summary that includes but is not limited to a list of states with an active Participating Addendum, states with which Contractor is in negotiations, and any Participating Addendum roll-out or implementation activities and issues. NASPO ValuePoint and Contractor will determine the format and content of the executive summary.

31. **NASPO ValuePoint Cooperative Program Marketing, Training, and Performance Review.**

a. Contractor agrees to work cooperatively with NASPO ValuePoint personnel. Contractor agrees to present plans to NASPO ValuePoint for the education of Contractor's contract administrator(s) and sales/marketing workforce regarding the Master Agreement contract, including the competitive nature of NASPO ValuePoint procurements, the Master agreement and participating addendum process, and the manner in which qualifying entities can participate in the Master Agreement.

b. Contractor agrees, as Participating Addendums become executed, if requested by ValuePoint personnel to provide plans to launch the program within the Participating Entity. Plans will include time frames to launch the agreement and confirmation that the Contractor's website has been updated to properly reflect the contract offer as available in the Participating Entity.

c. Contractor agrees, absent anything to the contrary outlined in a Participating Addendum, to consider customer proposed terms and conditions, as deemed important to the customer, for possible inclusion into the customer agreement. Contractor will ensure that their sales force is aware of this contracting option.

d. Contractor agrees to participate in an annual contract performance review at a location selected by the Lead State and NASPO ValuePoint, which may include a discussion of marketing action plans, target strategies, marketing materials, as well as Contractor reporting and timeliness of payment of administration fees.

e. Contractor acknowledges that the NASPO ValuePoint logos may not be used by Contractor in sales and marketing until a logo use agreement is executed with NASPO ValuePoint.

f. The Lead State expects to evaluate the utilization of the Master Agreement at the annual performance review. Lead State may, in its discretion, cancel the Master Agreement pursuant to Paragraph 42 of Exhibit A, or not exercise an option to renew, when Contractor utilization does not warrant further administration of the Master Agreement. The Lead State may exercise its right to not renew the Master Agreement if contractor fails to record or report revenue for three consecutive quarters, upon 60-calendar day written notice to the Contractor. Cancellation based on nonuse or under-utilization will not occur sooner than two years after award of the Master Agreement. This subsection does not limit the discretionary right of either the Lead State or Contractor to cancel the Master Agreement pursuant to Paragraph 42 of Exhibit A or to terminate for default pursuant to Paragraph 44 of Exhibit A.

g. Contractor agrees to notify the Lead State and NASPO ValuePoint of any contractual most-favored-customer provisions in any Cooperative Purchasing Agreements that may affect the promotion of this Master Agreements or whose terms provide for adjustments to future rates or pricing based on rates, pricing in, or Orders from this master agreement. Upon request of the Lead State or NASPO ValuePoint, Contractor shall provide a copy of any such provisions. For the purposes of this paragraph, Cooperative Purchasing Agreement shall mean a cooperative

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purchasing program facilitating public procurement solicitations and agreements using a lead agency model. This does not include contracts with any federal agency or any federal contract.

32. **Right to Publish.**

Throughout the duration of this Master Agreement, Contractor must secure from the Lead State prior approval for the public release of information that pertains to the potential work or activities covered by the Master Agreement. This limitation does not preclude publication about the award of the Master Agreement or marketing activities consistent with any proposed and accepted marketing plan. The Contractor shall not make any representations of NASPO ValuePoint's opinion or position as to the quality or effectiveness of the services that are the subject of this Master Agreement without prior written consent. Failure to adhere to this requirement may result in termination of the Master Agreement for cause.

33. **Records Administration and Audit.**

a. The Contractor shall maintain books, records, documents, and other evidence pertaining to this Master Agreement and Orders placed by Purchasing Entities under it to the extent and in such detail as shall adequately reflect performance and administration of payments and fees. Contractor shall permit the Lead State, a Participating Entity, a Purchasing Entity, the federal government (including its grant awarding entities and the U.S. Comptroller General), and any other duly authorized agent of a governmental agency, to audit, inspect, examine, copy and transcribe Contractor's books, documents, papers and records directly pertinent to this Master Agreement or orders placed by a Purchasing Entity under it for the purpose of making audits, examinations, excerpts, and transcriptions. This right shall survive for a period of six (6) years following termination of this Agreement or final payment for any order placed by a Purchasing Entity against this Agreement, whichever is later, or such longer period as is required by the Purchasing Entity's state statutes, to assure compliance with the terms hereof or to evaluate performance hereunder.

b. Without limiting any other remedy available to any governmental entity, the Contractor shall reimburse the applicable Lead State, Participating Entity, or Purchasing Entity for any overpayments inconsistent with the terms of the Master Agreement or Orders or underpayment of fees found as a result of the examination of the Contractor's records.

c. The rights and obligations herein exist in addition to any quality assurance obligation in the Master Agreement requiring the Contractor to self-audit contract obligations and that permits the Lead State to review compliance with those obligations.

34. **Indemnification**

a. General Indemnity. Contractor shall indemnify, defend (to the extent permitted by a state's Attorney General), and hold harmless an Indemnified Party from any claims or causes of action, including attorney's fees, to the extent arising from Contractor's intentional, willful, or negligent acts or omissions; actions that give rise to strict liability; and actions arising from breach of contract or warranty.

"Indemnified Party" means NASPO, NASPO ValuePoint, the Lead State, Participating Entities, and Purchasing Entities, along with their officers and employees.

The indemnification obligations of this section do not apply in the event the claim or cause of action is the result of the Indemnified Party's sole negligence. This clause will not be construed to bar any legal remedies the Contractor may have for the Indemnified Party's failure to fulfill its obligation under this Contract.

b. Intellectual Property Indemnification.

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1. In the event of any such claim by any third party against the Indemnified Party that Products, Software, Services or Deliverables prepared, produced, or branded by Contractor and delivered pursuant to this Master Agreement infringe or misappropriate that third party's U.S. patent, copyright, trade secret, or other intellectual property rights ("Indemnified Claims"), the Indemnified Party shall promptly notify the Contractor. The Contractor, at its own expense, shall indemnify, defend to the extent permitted by the Indemnified Party's laws, and hold harmless the Indemnified Party against any loss, cost, expense, or liability (including legal fees) arising out of such a claim, whether or not such claim is successful against the Indemnified Party.

2. If Contractor receives prompt notice of such a claim that in the Contractor's opinion is likely to result in an adverse ruling, the Contractor shall at its option (1) obtain a right for the Indemnified Party to continue using such Products, Deliverables, or Software or allow Contractor to continue performing the Services; (2) modify such Products, Software, Services, or Deliverables to make them non-infringing without materially affecting their utility or functionality; (3) replace such Products, Software, Services, or Deliverables with a non-infringing equivalent; or (4) refund any pre-paid fees for the allegedly infringing Services that have not been performed or provide a reasonable depreciated or pro rata refund for the allegedly infringing Product, Deliverables, or Software.

3. Notwithstanding the foregoing, Contractor shall have no obligation under this Section for any claim resulting or arising from (1) modifications of the Products, Software, Services, or Deliverables that were not performed by, on behalf of, or at the direction of Contractor; (2) the combination, operation, or use of the Products, Software, Services, or Deliverables in connection with a third-party product, software or service (the combination of which causes the claimed infringement); or (3) Contractor's compliance with Indemnified Party's written specifications or directions, including the incorporation of any software or other materials or processes provided by or requested by Indemnified Party. Contractor's duty to indemnify and defend under this Section is contingent upon: (a) Contractor receiving prompt written notice of the third-party claim or action for which Contractor must indemnify Indemnified Party, (b) Contractor having the right to solely control the defense and resolution of such claim or action, unless the Indemnified Party's law requires approval for a third party to defend the Indemnified Party and such approval is not received, and (c) Indemnified Party's cooperation with Contractor in defending and resolving such claim or action. This Section states Indemnified Party's exclusive remedies for any third-party intellectual property claim or action and nothing in this Master Agreement or elsewhere will obligate Contractor to provide any greater indemnity to Indemnified Party.

35. **Limitations of Liability**

a. The Parties agree that neither Contractor nor the indemnified party shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages except any claim related to bodily injury or death; an unauthorized release or breach of not public data as set forth more fully in Minn. Ch. 13; or a claim or demand based on patent, copyright, or other intellectual property infringement.

b. Contractor's liability is limited to 2 times the amount paid by Purchasing Entity to Contractor during the 12 months preceding the date of the dispute concerning any products and services, or $5,000,000, whichever is greater. This limit on liability does not apply to claims for bodily injury or death or for intellectual property infringement.

c. Contractor's obligations under this section shall not extend to any combination of the Product with any other product, system or method, unless the Product, system or method is:

1. provided by the Contractor or the Contractor's subsidiaries or affiliates;

2. specified by the Contractor to work with the Product; or

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3. reasonably required, in order to use the Product in its intended manner, and the infringement could not have been avoided by substituting another reasonably available product, system or method capable of performing the same function; or

4. It would be reasonably expected to use the Product in combination with such product, system or method.

36. **License of Pre-Existing Intellectual Property.**
Intentionally deleted.

37. **Assignment of Antitrust Rights.**
Contractor irrevocably assigns to a Participating Entity who is a state any claim for relief or cause of action which the Contractor now has or which may accrue to the Contractor in the future by reason of any violation of state or federal antitrust laws (15 U.S.C. § 1-15 or a Participating Entity's state antitrust provisions), as now in effect and as may be amended from time to time, in connection with any goods or services provided in that state for the purpose of carrying out the Contractor's obligations under this Master Agreement or Participating Addendum, including, at the Participating Entity's option, the right to control any such litigation on such claim for relief or cause of action.

38. **Debarment.**
The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. This certification represents a recurring certification made at the time any Order is placed under this Master Agreement. If the Contractor cannot certify this statement, attach a written explanation for review by the Lead State.

39. **Governing Law and Venue.**

a. The construction and effect of the Master Agreement after award shall be governed by the law of the state serving as Lead State. The construction and effect of any Participating Addendum or Order against the Master Agreement shall be governed by and construed in accordance with the laws of the Participating Entity's or Purchasing Entity's State.

b. Venue for any claim, dispute or action concerning the terms of the Master Agreement shall be in the state serving as Lead State. Venue for any claim, dispute, or action concerning any Order placed against the Master Agreement or the effect of a Participating Addendum shall be in the Purchasing Entity's State.

c. If a claim is brought in a federal forum, then it must be brought and adjudicated solely and exclusively within the United States District Court for (in decreasing order of priority): the Lead State for claims relating to contract performance or administration if the Lead State is a party; a Participating State if a named party; the state where the Participating Entity or Purchasing Entity is located if either is a named party.

40. **Confidentiality, Non-Disclosure, and Injunctive Relief.**

a. Confidentiality. Contractor acknowledges that it and its employees or agents may, in the course of providing a Product under this Master Agreement, be exposed to or acquire information that is confidential to Purchasing Entity or Purchasing Entity's clients.

1. Any and all information of any form that is marked as confidential by one party (the "originating party") and is or would by its nature be deemed confidential obtained by the other party or its employees or agents (the "receiving party") in the performance of this Master Agreement, including, but not necessarily limited to (1) any Purchasing Entity's records, (2) personnel records, and (3) information concerning individuals, is confidential information of the originating party ("Confidential Information").

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2. Any reports or other documents or items (including software) that result from the use of the Confidential Information by the receiving party shall be treated in the same manner as the Confidential Information.

3. Confidential Information does not include information that (1) is or becomes (other than by disclosure by the receiving party) publicly known; (2) is furnished by the originating party to others without restrictions similar to those imposed by this Master Agreement; (3) is rightfully in the receiving party's possession without the obligation of nondisclosure prior to the time of its disclosure under this Master Agreement; (4) is obtained from a source other than the originating party without the obligation of confidentiality, (5) is disclosed with the written consent of the originating party or; (6) is independently developed by employees, agents or subcontractors of the receiving party who can be shown to have had no access to the Confidential Information.

b. Non-Disclosure. The receiving party shall hold Confidential Information in confidence, using at least the industry standard of confidentiality, and shall not copy, reproduce, sell, assign, license, market, transfer or otherwise dispose of, give, or disclose Confidential Information to third parties or use Confidential Information for any purposes whatsoever other than what is necessary to the performance of Orders placed under this Master Agreement.

1. Each party shall advise each of its employees and agents of their obligations to keep Confidential Information confidential. Contractor shall use commercially reasonable efforts to assist Purchasing Entity in identifying and preventing any unauthorized use or disclosure of any Confidential Information.

2. Without limiting the generality of the foregoing, the receiving party shall advise the originating party, and the applicable Participating Entity, and the Lead State if the originating party is a Purchasing Entity, and the Lead State if the originating party is a Participating Entity, immediately if the receiving party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Master Agreement, and the receiving party shall at its expense cooperate with advise the originating party in seeking injunctive or other equitable relief in the name of either party against any such person.

3. Except as directed by the originating party, the receiving party will not at any time during or after the term of this Master Agreement disclose, directly or indirectly, any Confidential Information to any person, except in accordance with this Master Agreement, and that upon termination of this Master Agreement or at the originating party's request, the receiving party shall turn over to the originating party all documents, papers, and other matter in the receiving party's possession that embody Confidential Information.

4. Notwithstanding the foregoing, Contractor may keep one copy of such Confidential Information necessary for quality assurance, audits and evidence of the performance of this Master Agreement, and Purchasing Entity may retain Confidential Information to the extent and for the duration required by applicable law.

c. Injunctive Relief. Each party acknowledges that the other party's breach of this section, including disclosure of any Confidential Information, will cause irreparable injury to originating party that is inadequately compensable in damages. Accordingly, the originating party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies that may be available. Contractor acknowledges and agrees that the covenants contained herein are necessary for the protection of the legitimate business interests of Purchasing Entity and are reasonable in scope and content.

d. Purchasing Entity Law. These provisions shall be applicable only to extent they are not in conflict with the applicable public disclosure laws of any Purchasing Entity.

e. The rights granted Purchasing Entities and Contractor obligations under this section shall also extend to the cooperative's Confidential Information, defined to include Participating Addenda, as well as Orders or transaction data relating to Orders under this Master Agreement that identify the entity/customer, Order dates, line item

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descriptions and volumes, and prices/rates. This provision does not apply to disclosure to the Lead State, a Participating State, or any governmental entity exercising an audit, inspection, or examination pursuant to Paragraph 33 of Exhibit A. To the extent permitted by law, Contractor shall notify the Lead State of the identity of any entity seeking access to the Confidential Information described in this subsection.

41. **Public Information.**
This Master Agreement and all related documents are subject to disclosure pursuant to the Lead State's public information laws.

42. **Cancellation.**
Unless otherwise set forth in this Master Agreement, this Master Agreement may be canceled by either party upon 60 days written notice prior to the effective date of the cancellation. Further, any Participating Entity may cancel its participation upon 30 days written notice, unless otherwise stated in the Participating Addendum. Cancellation may be in whole or in part. Any cancellation under this provision shall not affect the rights and obligations attending orders outstanding at the time of cancellation, including any right of a Purchasing Entity to indemnification by the Contractor, rights of payment for Products delivered and accepted, rights attending any warranty or default in performance in association with any Order, and requirements for records administration and audit. Cancellation of the Master Agreement due to Contractor default may be immediate as set forth in Paragraph 44 of Exhibit A.

43. **Force Majeure.**
Neither party to this Master Agreement shall be held responsible for delay or default caused by fire, riot, unusually severe weather, other acts of God, or war which are beyond that party's reasonable control. The Lead State may terminate this Master Agreement after determining such delay or default will reasonably prevent successful performance of the Master Agreement.

44. **Defaults and Remedies.**

a. The occurrence of any of the following events shall be an event of default under this Master Agreement:

1. Nonperformance of contractual requirements; or

2. A material breach of this Master Agreement; or

3. Any certification, representation or warranty by Contractor in response to the RFP or in this Master Agreement that proves to be untrue or materially misleading; or

4. Institution of proceedings under any bankruptcy, insolvency, court-ordered reorganization or similar law, by or against Contractor, or the appointment of a receiver or similar officer for Contractor or any of its property, which is not vacated or fully stayed within thirty (30) calendar days after the institution or occurrence thereof; or

5. Any default specified in another section of this Master Agreement.

b. Upon the occurrence of an event of default, except for material breach, the Lead State shall issue a written notice of default, identifying the nature of the default, and providing a period of 30 calendar days in which Contractor shall have an opportunity to cure the default. The Lead State shall not be required to provide advance written notice or a cure period and may immediately terminate this Master Agreement in whole or in part if the Lead State, in its sole discretion, determines that it is reasonably necessary to preserve public safety or prevent immediate public crisis. Time allowed for cure shall not diminish or eliminate Contractor's liability for damages, including liquidated damages to the extent provided for under this Master Agreement. The Lead State may immediately terminate this Master Agreement upon material breach of the Master Agreement by Contractor.

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c. If Contractor is afforded an opportunity to cure and fails to cure the default within the period specified in the written notice of default, Contractor shall be in breach of its obligations under this Master Agreement and the Lead State shall have the right to exercise any or all of the following remedies:

1. Exercise any remedy provided by law; and
2. Terminate this Master Agreement and any related contracts or portions thereof; and
3. Impose liquidated damages as provided in this Master Agreement; and
4. Suspend Contractor from being able to respond to future bid solicitations; and
5. Suspend Contractor's performance; and
6. Withhold payment until the default is remedied.

d. Unless otherwise specified in the Participating Addendum, in the event of a default under a Participating Addendum, a Participating Entity shall provide a written notice of default as described in this section and shall have all of the rights and remedies under this paragraph regarding its participation in the Master Agreement, in addition to those set forth in its Participating Addendum. Unless otherwise specified in a Purchase Order, a Purchasing Entity shall provide written notice of default as described in this section and have all of the rights and remedies under this paragraph and any applicable Participating Addendum with respect to an Order placed by the Purchasing Entity. Nothing in these Master Agreement Terms and Conditions shall be construed to limit the rights and remedies available to a Purchasing Entity under the applicable commercial code.

45. **Waiver of Breach.**

Failure of the Lead State, Participating Entity, or Purchasing Entity to declare a default or enforce any rights and remedies shall not operate as a waiver under this Master Agreement or Participating Addendum. Any waiver by the Lead State, Participating Entity, or Purchasing Entity must be in writing. Waiver by the Lead State or Participating Entity of any default, right or remedy under this Master Agreement or Participating Addendum, or by Purchasing Entity with respect to any Purchase Order, or breach of any terms or requirements of this Master Agreement, a Participating Addendum, or Purchase Order shall not be construed or operate as a waiver of any subsequent default or breach of such term or requirement, or of any other term or requirement under this Master Agreement, Participating Addendum, or Purchase Order.

46. **Notices.**

If one party is required to give notice to the other under the Master Agreement, such notice shall be in writing and shall be effective upon receipt. Delivery may be by certified United States mail or by hand, in which case a signed receipt shall be obtained. A facsimile or electronic transmission shall constitute sufficient notice, provided the receipt of the transmission is confirmed by the receiving party. Either party must notify the other of a change in address for notification purposes. All notices to the Lead State shall be addressed as follows:

Elizabeth Randa, Acquisition Management Specialist
112 Administration Bldg.
50 Sherburne Avenue
St. Paul, MN 55155
elizabeth.randa@state.mn.us

47. **No Waiver of Sovereign Immunity.**

In no event shall this Master Agreement, any Participating Addendum or any contract or any Purchase Order issued thereunder, or any act of the Lead State, a Participating Entity, or a Purchasing Entity be a waiver of any form of defense

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or immunity, whether sovereign immunity, governmental immunity, immunity based on the Eleventh Amendment to the Constitution of the United States or otherwise, from any claim or from the jurisdiction of any court.

This section applies to a claim brought against the Participating Entities who are states only to the extent Congress has appropriately abrogated the state's sovereign immunity and is not consent by the state to be sued in federal court. This section is also not a waiver by the state of any form of immunity, including but not limited to sovereign immunity and immunity based on the Eleventh Amendment to the Constitution of the United States.

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Exhibit B: Minnesota Terms and Conditions

1. **Change Requests.**

The Lead State reserves the right to request, during the term of the Master Agreement, changes to the products offered within the Band(s). Products introduced during the term of the Master Agreement shall go through a formal review process. The process for updating the products offered within a Band is outlined in Paragraph 2 of Exhibit B. The Contractor shall evaluate and recommend products for which agencies have an expressed need. The Lead State shall require the Contractor to provide a summary of its research of those products being recommended for inclusion in the Master Agreement as well as defining how adding the product will enhance the Master Agreement. The Lead State may request that products, other than those recommended, are added to the Master Agreement.

In the event that the Lead State desires to add new products and services that are not included in the original Master Agreement, the Lead State requires that independent manufacturers and resellers cooperate with the already established Contractor in order to meet the Lead State's requirements. Evidence of the need to add products or services should be demonstrated to the Lead State. The Master Agreement shall be modified via supplement or amendment. The Lead State will negotiate the inclusion of the products and services with the Contractor. No products or services will be added to the Master Agreement without the Lead State's prior approval.

2. **Product and Service Schedule (PSS).**

a. Creating the Product and Service Schedule (PSS). Contractor will use the attached sample PSS to create and maintain a complete listing of all products and services offered under the Master Agreement. The PSS must conform to the contracted minimum discounts. Contractor may create and maintain a separate PSS for a Participating Entity based on the requirements and restrictions of the Participating Entity.

Contractors are encouraged to provide remote learning bundles for K-12 Education. These bundles can be included in the response to the PSS.

b. Maintaining the PSS.

1. In General. Throughout the term of the Master Agreement, on a quarterly basis, Contractor may update the PSS to make model changes, add new products or services, or remove obsolete or discontinued products or services. Any updates to the PSS must conform to the Master Agreement requirements, including the scope of the Master Agreement and contracted minimum discounts.

2. Process. Contractor must provide notification to the Lead State of any changes to their PSS using the attached Action Request Form (ARF).

a) The Lead State does not need to approve Contractor's request to make model changes, add their own manufactured products, or remove discontinued or obsolete products or services, and Contractor does not need the Lead State's approval prior to posting an updated PSS.

b) The Lead State must approve Contractor's request to add new third party manufacturers to Contractor's PSS. If the proposed third-party manufacturer holds a NASPO Master Agreement for Computer Equipment, Contractor must obtain written authorization from that manufacturer. Contractor must have the Lead State's approval prior to posting the updated PSS.

c) Contractor must maintain a historic record of all past PSSs on their dedicated NASPO ValuePoint website.

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d) Pursuant to the audit provisions of the Master Agreement, upon the request of NASPO ValuePoint, the Lead State, or a Participating Entity, Contractor must provide an historic version of any Baseline Price List.

3. **Purchase Orders.**
There will be no minimum order requirements or charges to process an individual purchase order. The Participating Addendum number and the PO number must appear on all documents (e.g., invoices, packing slips, etc.). The Ordering Entity's purchase order constitutes a binding contract.

4. **Risk of Loss or Damage.**
The Purchasing Entity is relieved of all risks of loss or damage to the goods or equipment during periods of transportation, and installation by the Contractor and in the possession of the Contractor or their authorized agent.

5. **Payment Card Industry Data Security Standard and Cardholder Information Security.**
Contractor assures all of its Network Components, Applications, Servers, and Subcontractors (if any) comply with the Payment Card Industry Data Security Standard ("PCIDSS"). "Network Components" shall include, but are not limited to, Contractor's firewalls, switches, routers, wireless access points, network appliances, and other security appliances; "Applications" shall include, but are not limited to, all purchased and custom external (web) applications. "Servers" shall include, but are not limited to, all of Contractor's web, database, authentication, DNS, mail, proxy, and NTP servers. "Cardholder Data" shall mean any personally identifiable data associated with a cardholder, including, by way of example and without limitation, a cardholder's account number, expiration date, name, address, social security number, or telephone number.

Subcontractors (if any) must be responsible for the security of all Cardholder Data in its possession; and will only use Cardholder Data for assisting cardholders in completing a transaction, providing fraud control services, or for other uses specifically required by law. Contractor must have a business continuity program which conforms to PCIDSS to protect Cardholder Data in the event of a major disruption in its operations or in the event of any other disaster or system failure which may occur to operations; will continue to safeguard Cardholder Data in the event this Agreement terminates or expires; and ensure that a representative or agent of the payment card industry and a representative or agent of the Purchasing Entity shall be provided with full cooperation and access to conduct a thorough security review of Contractor's operations, systems, records, procedures, rules, and practices in the event of a security intrusion in order to validate compliance with PCIDSS.

6. **Foreign Outsourcing of Work.**
Upon request, the Contractor is required to provide information regarding the location of where services, data storage, and location of data processing under the Master Agreement will be performed.

7. **State Audits (Minn. Stat. § 16C.05, subd. 5).**
The books, records, documents, and accounting procedures and practices of the Contractor or other party, that are relevant to the Master Agreement or transaction are subject to examination by the contracting agency and either the Lead State's Legislative Auditor or State Auditor as appropriate for a minimum of six years after the end of the Master Agreement or transaction. The Lead State reserves the right to authorize delegate(s) to audit this Master Agreement and transactions.

8. **Certification of Nondiscrimination (in accordance with Minn. Stat. § 16C.053).**
If the value of this Contract, including all extensions, is $50,000 or more, Contractor certifies it does not engage in and has no present plans to engage in discrimination against Israel, or against persons or entities doing business in Israel, when making decisions related to the operation of the contractor's business. For purposes of this section, "discrimination" includes but is not limited to engaging in refusals to deal, terminating business activities, or other actions that are intended to limit commercial relations with Israel, or persons or entities doing business in Israel, when such actions are taken in a manner that in any way discriminates on the basis of nationality or national origin and is not based on a valid business reason.

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9. **Human Rights/Affirmative Action.**

The Lead State requires affirmative action compliance by its Contractors in accordance with Minn. Stat. § 363A.36 and Minn. R. 5000.3400 to 5000.3600.

a. Covered Contracts and Contractors. If the Contract exceeds $100,000 and the Contractor employed more than 40 full-time employees on a single working day during the previous 12 months in Minnesota or in the state where it has its principal place of business, then the Contractor must comply with the requirements of Minn. Stat. § 363A.36 and Minn. R. 5000.3400-5000.3600.

b. Minn. R. 5000.3400-5000.3600 implement Minn. Stat. § 363A.36. These rules include, but are not limited to, criteria for contents, approval, and implementation of affirmative action plans; procedures for issuing certificates of compliance and criteria for determining a contractor's compliance status; procedures for addressing deficiencies, sanctions, and notice and hearing; annual compliance reports; procedures for compliance review; and contract consequences for noncompliance. The specific criteria for approval or rejection of an affirmative action plan are contained in various provisions of Minn. R. 5000.3400 5000.3600 including, but not limited to, parts 5000.3420-5000.3500 and parts 5000.3552 5000.3559.

c. Disabled Workers. Minn. R. 5000.3550 provides the Contractor must comply with the following affirmative action requirements for disabled workers.

AFFIRMATIVE ACTION FOR DISABLED WORKERS

(a) The Contractor must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The Contractor agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

(b) The Contractor agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

(c) In the event of the Contractor's noncompliance with the requirements of this clause, actions for noncompliance may be taken in accordance with Minn. Stat. § 363A.36 and the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the Minnesota Human Rights Act.

(d) The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices in a form to be prescribed by the commissioner of the Minnesota Department of Human Rights. Such notices must state the Contractor's obligation under the law to take affirmative action to employ and advance in employment qualified disabled employees and applicants for employment, and the rights of applicants and employees.

(e) The Contractor must notify each labor union or representative of workers with which it has a collective bargaining agreement or other contract understanding, that the Contractor is bound by the terms of Minn. Stat. § 363A.36 of the Minnesota Human Rights Act and is committed to take affirmative action to employ and advance in employment physically and mentally disabled persons.

d. Consequences. The consequences of a Contractor's failure to implement its affirmative action plan or make a good faith effort to do so include, but are not limited to, suspension or revocation of a certificate of compliance by

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the commissioner, refusal by the commissioner to approve subsequent plans, and termination of all or part of the Contract by the commissioner or the State.

e. Certification. The Contractor hereby certifies that it is in compliance with the requirements of Minn. Stat. § 363A.36, subd. 1 and Minn. R. 5000.3400-5000.3600 and is aware of the consequences for noncompliance. It is agreed between the parties that Minn. Stat. 363.36 and Minn. R. 5000.3400 to 5000.3600 are incorporated into any contract between these parties based upon this specification or any modification of it. A copy of Minn. Stat. § 363A.36 and Minn. R. 5000.3400 to 5000.3600 are available upon request from the contracting agency.

10. **Equal Pay Certification.**

If required by Minn. Stat. §363A.44, the Contractor must have a current Equal Pay Certificate prior to Contract execution. If Contractor's Equal Pay Certificate expires during the term of this Contract, Contractor must promptly re-apply for an Equal Pay Certificate with the Minnesota Department of Human Rights and notify the State's Authorized Representative once the Contractor has received the renewed Equal Pay Certificate. If Contractor claims to be exempt, the Lead State may require Contractor to verify its exempt status.

11. **Americans with Disabilities Act (ADA).**

Products provided under the Master Agreement must comply with the requirements of the Americans with Disabilities Act (ADA). The Contractor's catalog and other marketing materials utilized to offer products under the Master Agreement must state when a product is not in compliance. If any descriptive marketing materials are silent as to these requirements, the Contractor agrees that the customer can assume the product meets or exceeds the ADA requirements.

12. **Nonvisual Access Standards.**

Pursuant to Minn. Stat. § 16C.145, the Contractor shall comply with the following nonvisual technology access standards:

a. That the effective interactive control and use of the technology, including the operating system applications programs, prompts, and format of the data presented, are readily achievable by nonvisual means;

b. That the nonvisual access technology must be compatible with information technology used by other individuals with whom the blind or visually impaired individual must interact;

c. That nonvisual access technology must be integrated into networks used to share communications among employees, program participants, and the public; and

d. That the nonvisual access technology must have the capability of providing equivalent access by nonvisual means to telecommunications or other interconnected network services used by persons who are not blind or visually impaired.

These standards do not require the installation of software or peripheral devices used for nonvisual access when the information technology is being used by individuals who are not blind or visually impaired.

13. **Accessibility Standards.**

Contractor acknowledges and is fully aware that the Lead State (Executive branch state agencies) has developed IT Accessibility Standard effective September 1, 2010. The standard entails, in part, the Web Content Accessibility Guidelines (WCAG) and Section 508 which can be viewed at: https://mn.gov/mnit/government/policies/accessibility/.

The Standards apply to web sites, software applications, electronic reports and output documentation, training delivered in electronic formats (including, but not limited to, documents, videos, and webinars), among others. As upgrades are made to the software, products, or subscriptions available through this Contract, the Contractor agrees to

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develop functionality which supports accessibility. If any issues arise due to nonconformance with the above-mentioned accessibility Standards, the Contractor agrees to provide alternative solutions upon request at no additional charge to the State.

When updates or upgrades are made to the products or services available through this Contract, the Contractor agrees to document how the changes will impact or improve the product's or service's accessibility and usability. This documentation, upon request, must be provided to the Lead State in advance of the change, occurring within an agreed upon timeframe sufficient for the state to review the changes and either approve them or request a remediation plan from the Contractor. Contractor warrants that its Products comply with the above-mentioned accessibility Standards and agrees to indemnify, defend, and hold harmless the Lead State against any claims related to non-compliance of Contractor's Product with the above-mentioned accessibility Standards. If agreed-upon updates fail to improve the product or service's accessibility or usability as planned, the failure to comply with this requirement may be cause for contract cancellation or for the Lead State to consider the Contractor in default.

14. **Conflict Minerals.**
Contractor agrees to provide information upon request regarding adherence to the Conflict Minerals section of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Section 1502).

See: http://beta.congress.gov/111/bills/hr4173/111hr4173enr.pdf#page=838
http://www.sec.gov/news/press/2012/2012-163.htm

15. **Hazardous Substances.**
To the extent that the goods to be supplied by the Contractor contain or may create hazardous substances, harmful physical agents or infectious agents as set forth in applicable state and federal laws and regulations, the Contractor must provide Material Safety Data Sheets regarding those substances. A copy must be included with each delivery.

16. **Copyrighted Material Waiver.**
The Lead State reserves the right to use, reproduce and publish proposals in any manner necessary for State agencies and local units of government to access the responses, including but not limited to photocopying, State Intranet/Internet postings, broadcast faxing, and direct mailing. In the event that the response contains copyrighted or trademarked materials, it is the responder's responsibility to obtain permission for the Lead State to reproduce and publish the information, regardless of whether the responder is the manufacturer or reseller of the products listed in the materials. By signing its response, the responder certifies that it has obtained all necessary approvals for the reproduction and distribution of the contents of its response and agrees to indemnify, protect, save and hold the Lead State, its representatives and employees harmless from any and all claims arising from the violation of this section and agrees to pay all legal fees incurred by the Lead State in the defense of any such action.

17. **Publicity.**
The Contractor shall make no representations of the State's opinion or position as to the quality or effectiveness of the products or services that are the subject of the Master Agreement without the prior written consent of the State's Assistant Director or designee of Office of State Procurement. Representations include any publicity, including but not limited to advertisements, notices, press releases, reports, signs, and similar public notices.

18. **Performance While Dispute is Pending.**
Notwithstanding the existence of a dispute, the parties shall continue without delay to carry out all of their responsibilities under the Master Agreement that are not affected by the dispute. If a party fails to continue without delay to perform its responsibilities under the Master Agreement, in the accomplishment of all undisputed work, any additional cost incurred by the other parties as a result of such failure to proceed shall be borne by the responsible party.

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19. **Organizational Conflicts of Interest.**
An organizational conflict of interest exists when, because of existing or planned activities or because of relationships with other persons:

a. the Contractor is unable or potentially unable to render impartial assistance or advice to the State;

b. the Contractor's objectivity in performing the work is or might be otherwise impaired; or

c. the Contractor has an unfair competitive advantage.

The Contractor agrees that if an organizational conflict of interest is discovered after award, an immediate and full disclosure in writing shall be made to the Assistant Director of the Lead State's Department of Administration's Office of State Procurement that shall include a description of the action the Contractor has taken or proposes to take to avoid or mitigate such conflicts. If an organizational conflict of interest is determined to exist, the Lead State may, at its discretion, cancel the Master Agreement. In the event the Contractor was aware of an organizational conflict of interest prior to the award of the Master Agreement and did not disclose the conflict to the Master Agreement Administrator, the Lead State may terminate the Master Agreement for default. The provisions of this clause shall be included in all subcontracts for work to be performed, and the terms "Contract," "Contractor," "Master Agreement", "Master Agreement Administrator" and "Contract Administrator" modified appropriately to preserve the State's rights.

20. **Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion**

a. Certification regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions. Instructions for certification:

1. By signing and submitting this proposal, the prospective lower tier participant [responder] is providing the certification set out below.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to whom this proposal [response] is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.

4. The terms covered transaction, debarred, suspended, ineligible lower tier covered transaction, participant, person, primary covered transaction, principal, proposal, and voluntarily excluded, as used in this clause, have the meaning set out in the Definitions and Coverages section of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this response that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction [subcontract equal to or exceeding $25,000] with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

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6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled, “Certification Regarding Debarment, Suspension, Ineligibility, and Voluntary Exclusion – Lower Tier Covered Transaction,” without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the list of parties excluded from federal procurement and nonprocurement programs.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and debarment.

b. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions.

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

21. **Government Data Practices.**

The Contractor and the Lead State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, (and where applicable, if the Lead State contracting party is part of the judicial branch, with the Rules of Public Access to Records of the Judicial Branch promulgated by the Minnesota Supreme Court as the same may be amended from time to time) as it applies to all data provided by the Lead State to the Contractor and all data provided to the Lead State by the Contractor. In addition, the Minnesota Government Data Practices Act applies to all data created, collected, received, stored, used, maintained, or disseminated by the Contractor in accordance with the Master Agreement that is private, nonpublic, protected nonpublic, or confidential as defined by the Minnesota Government Data Practices Act, Ch. 13 (and where applicable, that is not accessible to the public under the Rules of Public Access to Records of the Judicial Branch).

In the event the Contractor receives a request to release the data referred to in this article, the Contractor must immediately notify the Lead State. The Lead State will give the Contractor instructions concerning the release of the data to the requesting party before the data is released. The civil remedies of Minn. Stat. § 13.08, apply to the release of the data by either the Contractor or the Lead State.

The Contractor agrees to indemnify, save, and hold the Lead State, its agent and employees, harmless from all claims arising out of, resulting from, or in any manner attributable to any violation of any provision of the Minnesota

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Government Data Practices Act (and where applicable, the Rules of Public Access to Records of the Judicial Branch), including legal fees and disbursements paid or incurred to enforce this provision of the Master Agreement. In the event that the Contractor subcontracts any or all of the work to be performed under the Master Agreement, the Contractor shall retain responsibility under the terms of this article for such work.

22. **Survivability.**
Certain rights and duties of the Lead State and Contractor will survive the expiration or cancellation of the RFP and resulting Master Agreement. These rights and duties include but are not limited to paragraphs: Indemnification; Limitations of Liability; State Audits; Government Data Practices; Governing Law and Venue; Publicity; and Administrative Fees.

23. **Severability.**
If any provision of the Master Agreement, including items incorporated by reference, is found to be illegal, unenforceable, or void, then both the Lead State and the Contractor shall be relieved of all obligations arising under such provisions. If the remainder of the Master Agreement is capable of performance it shall not be affected by such declaration or finding and shall be fully performed.

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Exhibit C: Requirements

1. **Contractor Verification.**

Contractor must be a manufacturer of a Product in the Band(s) it is awarded a Master Agreement. "Re-branding" a product that is manufactured by another company does not meet this requirement. If the Contractor ceases production, sells or assigns their manufacturing to another vendor, or otherwise no longer manufactures a product during the life of the Master Agreement the Lead State reserves the right to terminate the Contractor's Master Agreement.

2. **Warranty and Maintenance.**

Contractor must ensure warranty service and maintenance for all equipment, including third party products provided. The Contractor must facilitate the Manufacturer or Publisher warranty and maintenance of third party products furnished through the Master Agreement. The Contractor shall provide the warranty service and maintenance for equipment and all peripherals on the Master Agreement.

3. **Website.**

Contractor must develop and maintain a URL to a web site specific to the awarded Master Agreement. Contractor's Master Agreement website must offer twenty-four (24) hours per day, seven (7) days per week availability, except for regularly scheduled maintenance times. The website must be separate from the Contractor's commercially available (i.e., public) on-line catalog and ordering systems. No other items or pricing may be shown on the website without written approval from the Lead State

a. Mandatory Specifications:

- Designated Baseline Price List(s) (e.g., MSRP, List, or Education)
- Product and Service Schedule (PSS)
- Product specifications, pricing, and configuration aids for the major product categories proposed that can be used to obtain an on-line quote,
- Service options and service agreements available on the contract. Please refer to Paragraph 5.
- Contact information for order placement, service concerns (warranty and maintenance), problem reporting, and billing concerns
- Sales representatives for participating entities
- Links to environmental certification, including but not limited to take-back/recycling programs, EPEAT, Energy Star, etc.

b. Desirable Specifications:

- Purchase order tracking
- Information on accessibility and accessible products
- Signed Master Agreement
- Online ordering capability with the ability to remember multiple ship to locations (if applicable to product)
- List of approved partners, if applicable

Within 30 calendar days of the notice of intent to award a Master Agreement, Contractor must provide a sample URL of the Master Agreement webpage to the Lead State for review and approval. The Lead State will review and determine acceptability of the website format and data. If the information is determined to be unacceptable or incorrect, the Contractor will have 15 calendar days to provide revisions to the Lead State. After the Lead State approves the website, Contractor may not make material changes to the website without notifying the Lead State through the ARF process and receiving written approval of the changes.

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4. **Environmental Certifications.**
Contractor must include environmental or supply chain responsibility certifications and registrations for products sold through this Contract on their website. Contractor must provide these certifications and registrations for specific products to Participating Entities upon request.

5. **EPEAT Registration.**
Contractor agrees that applicable products offered that have EPEAT Standards provided under the Master Agreement must have achieved a minimum EPEAT Bronze registration. This requirement does not apply to Band 3.

Contractor may propose the addition of a product that has not yet achieved a minimum EPEAT Bronze registration. The Lead State, in its sole discretion may require Contractor to provide the following documentation to support the addition of the proposed product:

- A letter from the Green Electronics Council (GEC) on GEC's letterhead confirming that the verification process is underway; or
- A copy of Contractor's GEC contract, Conformity Assurance Board (CAB) contract, and a letter from Contractor's CAB stating that the relevant product has been registered with the CAB and that verification is underway.

The Lead State reserves the right to reject the inclusion of such product, or if approved, require Contractor to remove the product at a later date if the product does not achieve a minimum EPEAT Bronze registration. The Contractor must remove any products that subsequently exit the verification process without achieving EPEAT Bronze or greater from the Master Agreement.

6. **Third-Party Products.**
Some products offered may be manufactured by a third party. Contractor, however, must provide or facilitate the warranty service and maintenance for all Third-Party Products on the Master Agreement either directly or pass-through from the manufacturer. Contractor may not offer products manufactured by another Contractor holding a Minnesota NASPO ValuePoint Master Agreement for Computer Equipment without approval from the Lead State. Warranty for third-party products must be provided by the Contractor. Warranty documents for products manufactured by a third party are preferred to be delivered to the Participating Entity with the products. Contractor can only offer Third-Party Products in a Band they have been awarded.

Third-Party Products are intended to enhance or supplement a Contractor's own product line, and are not intended to represent more than a third of Contractor's total sales under this Master Agreement. The Lead State may limit the sale of Third-Party Products through the Master Agreement during the life of the Master Agreement should Third-Party Product sales be determined to consistently exceed one third of the total sales under this Master Agreement. Such limitation may take the form of any action the Lead State so chooses, up to and including non-renewal or cancellation of the Master Agreement.

7. **Partner Utilization.**
If utilizing partners, the Contractor is responsible for the partners providing products and services, as well as warranty service and maintenance for equipment the partner provides. Participating Entities have the option of utilizing partners. Contractor must provide a Participating Entity a copy of its plan for partner utilization upon request. Contractor must make available a list of approved partners for each Participating Entity. Participating Entities must approve specific Partners as outlined within the relevant Participating Addendum, and only partners approved by the Participating Entity may be deployed. The Participating Entity will define the process to add and remove partners in their Participating Addendum.

8. **2019 National Defense Authorization Act, Section 889(f)(3).**
Under the 2019 National Defense Authorization Act, Section 889(f)(3), the US military is prohibited from purchasing video surveillance and telecommunications equipment from certain Chinese-owned technology firms. While US state are

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not subject to this act, there is increasing concern for the security of state data. Contractor certifies for the term of this Master Agreement that it is not subject to laws, rules, or policies potentially requiring disclosure of, or provision of access to, customer data to foreign governments or entities controlled by foreign governments, and that Contractor's Products do not contain, include, or utilize components or services supplied by any entity subject to the same. Contractor also certifies that its Products do not contain, include, or utilize any covered technology prohibited under Section 889 of the National Defense Authorization Act, as amended.

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Exhibit D: Pricing Schedule

Attached and incorporated into this Master Agreement as Exhibit D is the Price Schedule.

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Exhibit D: Price Schedule

NASPO ValuePoint Computer Equipment (2023-2028)
CONTROL SET

Master Agreement: 23004
Contractor Name: Dell Marketing, LP

Awarded Bands:

x Band 1: Personal Computing Devices (Windows)
x Band 2: Personal Computing Devices (Non-Windows)
x Band 3: Servers and Storage

Band	Category Code	Category Description	Discount off Baseline List
1	1B	Band 1 - Minimum Discount	18.0%
1	1T	Band 1 - Third Party Product Minimum Discount	5.5%
2	2B	Band 2 - Minimum Discount	18.0%
2	2T	Band 2 - Third Party Product Minimum Discount	5.5%
3	3B	Band 3 - Minimum Discount	18.0%
3	3T	Band 3 - Third Party Product Minimum Discount	5.5%
	S-1	Standalone Services	4.0%
	S-2	Warranty Services	4.0%
	S-3	Training and Other Professional Services	4.0%

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Exhibit D: Price Schedule

Discount Structure

Master Agreement: 23004
Contractor Name: Dell Marketing, LP
Baseline Price List: Posted on Contractor's dedicated NASPO ValuePoint website

Band 1: Personal Computer Equipment (Windows OS)

Band	Category Code	Category Description	Discount off Baseline List
1	**1B**	**Band 1 - Minimum Discount**	**18.0%**
1	1B-1	Desktops - Alienware, Inspiron, Vostro, XPS	0.5%
1	1B-2	Notebooks - Alienware, Inspiron, Vostro, XPS	2.5%
1	1B-3	Projectors/Monitors/Other Electronics	2.5%
1	1B-4	Displays	2.5%
1	1B-5	Imaging	2.5%
1	1B-6	Dell Branded - Printer accessories, parts, and toner	1.5%
1	1B-7	Spare Parts related to Band 1	0.5%
1	1B-8	Customer Kits	15.0%
1	1B-9	Ready to Ship configurations	4.0%
1	**1T**	**Band 1 - Third Party Product Minimum Discount**	**5.5%**
1	1T-1	Selected Third Party - Software and Peripherals	0.5%

Band 2: Personal Computer Equipment (Non-Windows OS)

Band	Category Code	Category Description	Discount off Baseline List
2	**2B**	**Band 2 - Minimum Discount**	**18.0%**
2	2B-1	Commercial Chromebooks	15.0%
2	2B-2	Consumer Chromebooks	15.0%
2	2B-3	Projectors/Monitors/Other Electronics	2.5%
2	2B-4	Displays	2.5%
2	2B-5	Imaging	2.5%
2	2B-6	Dell Branded - Printer accessories, parts, and toner	1.5%
2	2B-7	Spare Parts related to Band 2	0.5%
2	2B-8	Customer Kits	15.0%
2	2B-9	Ready to Ship configurations	4.0%
2	**2T**	**Band 2 - Third Party Product Minimum Discount**	**5.5%**
2	2T-1	Selected Third Party - Software and Peripherals (Non-discountable)	0.5%

Band 3: Servers and Storage

Band	Category Code	Category Description	Discount off Baseline List
3	**3B**	**Band 3 - Minimum Discount**	**18.0%**
3	3B-1	Spare Parts related to Band 3	0.5%
3	3B-2	Customer Kits	15.0%
3	**3T**	**Band 3 - Third Party Product Minimum Discount**	**5.5%**
3	3T-1	Selected Third Party - Software and Peripherals	0.5%

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Exhibit D: Price Schedule

Volume-Based Discounts

Master Agreement: 23004
Contractor Name: Dell Marketing, LP

Bands 1 & 2

1. Per Transaction Multiple Unit Discount(s)

Contractor provides a contractual volume discount program as follows based on dollars in a single purchase order or combination of purchase orders submitted at one time by a Purchasing Entity, or multiple entities conducting a cooperative purchase.

Min $ Single Transaction	Max $ Single Transaction	Per Transaction Multiple Unit Discount
$100,000.00	$199,999.99	1.0%
$200,000.00	$399,999.99	2.0%
$400,000.00	$599,999.99	4.0%
$600,000.00	$999,999.99	6.0%
$1,000,000.00	No Maximum	8.0%

Note: Per Transaction Multiple Unit Discount does not apply to Category Exceptions, 3rd party products, services, and special promotional offers

2. Cumulative Discount(s)

Contractor provides a cumulative volume discount as follows based on dollars resulting from the cumulative purchases by all purchases made by Purchasing Entities for the duration of the Master Agreement.

Threshold	Discount Level
Up to 2B	0.0%
$2B to $4B	1.0%
$4B to $6B	2.0%
$6B to $8B	3.0%
$8B to $10B	4.0%
Greater than $10B	5.0%

Note: Cumulative Discount does not apply to Category Exceptions, 3rd party products, services, and special promotional offers

3. Other Discount(s)

none

Band 3

1. Per Transaction Multiple Unit Discount(s)

Contractor provides a contractual volume discount program as follows based on dollars in a single purchase order or combination of purchase orders submitted at one time by a Purchasing Entity, or multiple entities conducting a cooperative purchase.

Min $ Single Transaction	Max $ Single Transaction	Per Transaction Multiple Unit Discount
$250,000.00	$499,999.99	1.0%
$500,000.00	$999,999.99	2.0%
$1,000,000.00	$1,499,999.99	4.0%
$1,500,000.00	$1,999,999.99	6.0%
$2,000,000.00	No Maximum	8.0%

Note: Per Transaction Multiple Unit Discount does not apply to Category Exceptions, 3rd party products, services, and special promotional offers.

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Exhibit D: Price Schedule

2. Cumulative Discount(s)

Contractor provides a cumulative volume discount as follows based on dollars resulting from the cumulative purchases by all purchases made by Purchasing Entities for the duration of the Master Agreement.

Column1	Discount Level
Up to 2B	0.0%
$2B to $4B	1.0%
$4B to $6B	2.0%
$6B to $8B	3.0%
$8B to $10B	4.0%
Greater than $10B	5.0%

Note: Cumulative Discount does not apply to Category Exceptions, 3rd party products, services, and special promotional offers.

3. Other Discount(s)

Additional discount(s) available.

none

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Exhibit D: Price Schedule

Master Agreement: 23004
Contractor Name: Dell Marketing, LP

Each Purchasing Entity will determine if and how services will be offered in the Participating

Travel for Services will be negotiated with each Participating Entity in the Participating Addendum.

All Awarded Bands		
Category Code	**Description of Service**	**Percent Discount**
S-1	Standalone Services	4.0%
S-2	Warranty Services	4.0%
S-3	Training and Other Professional Services	4.0%

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Exhibit D: Price Schedule

Master Agreement: 23004
Contractor Name: Dell Marketing, LP

All Awarded Bands

Optional: Lease Rates

Dell Financial Services (DFS') payment solutions offer flexible end-of term options designed to suit each entity's unique needs. Payment terms are generally from 24 through 60 months and are tailored to match the essential useful life of the equipment to the payment term. Payments can be billed monthly, quarterly, semi-annually or annually.

DFS payment solution rates are adjusted quarterly in accordance with a formula based on fluctuations in treasury notes. Our rates are a function of several factors including estimates of future residual values, prevailing interest rates, borrowing costs, general and administrative expenses, and solution structure. Once a payment schedule has commenced, the rate remains constant for the term of the schedule.

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Exhibit D: Price Schedule

Prompt Payment Discount

Master Agreement: 23004
Contractor Name: Dell Marketing, LP

All Awarded Bands

		in 30
		in 15, Net 30
		in 10, Net 30
X		Net 30
	Other (specify):	

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Exhibit E: Contractor Terms and Conditions

Attached by reference as Exhibit E are the following Contractor document(s):

- **Software Licenses.** Customer's rights to use the Software delivered by Supplier are governed by the terms of the applicable end-user license agreement. Unless different terms have been agreed between the parties, the terms posted on www.dell.com/eula (the "EULA") shall apply. Supplier will provide a hard copy of the applicable terms upon request. Unless expressly otherwise agreed, microcode, firmware or operating system software required to enable the Equipment with which it is shipped to perform its basic or enhanced functions, is licensed for use solely on such Equipment.

- **Dell Return Policy.** Customer may return Products to Supplier pursuant to the return policy at www.dell.com/returnspolicy.

- **Equipment Warranty.** Unless provided otherwise in a Schedule, additional terms governing the limited warranties for Equipment are found at https://www.dell.com/learn/us/en/uscorp1/terms-of-sale-commercial-and-public-sector-warranties?c=us&l=en&s=corp or in the applicable documentation or Product Notice for the specific Equipment.

- **Product- and Service-Specific Terms.** Scope and details of Services and Product-specific terms are specified in the applicable standard service description that is attached to or referred in a Schedule or Quote, or is made available through the then-current Supplier website for product- or service-specific terms, currently located at www.dell.com/offeringspecificterms. Such standard descriptions are from time to time referred to as "Service Description(s)", "Product Notices" or "Service Briefs." The version of the applicable document that is effective as of the date of the applicable Quote, shall be deemed incorporated into the Order. Scope and details of customized Professional Services not covered by such a standard description shall be documented in a mutually agreed Statement of Work ("SOW").

These Contractor terms and conditions are being provided for **informational purposes only**. They are intended to be negotiated by Contractor and a Participating Entity as part of a Participating Addendum, or by Contractor and a Purchasing Entity as part of an Order, and shall apply only as agreed to in writing by the parties. Unless such terms are expressly accepted in writing, terms in the following document(s) that derogate the application to a Purchasing Entity of a corresponding term in this Master Agreement or applicable Participating Addendum shall be deemed void.

Pulse →

Computer Equipment, Peripherals & Related Services (2023 - 2028)

Dell Marketing LP

Scope Pricing Download Model PA

This Master Agreement was assigned to Dell Marketing L.P., (Master Agreement #23026) from Dell Inc., (Master Agreement #23004). All contract documents, including Exhibit D: Price Schedules, reflect the original Master Agreement Number (MA #23004).

Awarded Bands:

- Band 1, Personal Computer Devices – Windows Operating Systems
- Band 2, Personal Computer Devices - Non-Windows Operating Systems
- Band 3, Servers and Storage

Participating Addenda

State Participating Addenda

Alaska
Arizona
Arkansas
California
Colorado
Connecticut
Delaware
Florida

Hawaii
Idaho
Iowa
Kansas
Kentucky
Louisiana
Maine
Minnesota
Missouri
Montana
Nebraska
Nevada
New Hampshire
New Jersey
New Mexico
North Dakota
Rhode Island
South Carolina
South Dakota
Tennessee
Utah
Washington
Wisconsin
Wyoming

How Local Public Entities and Other Eligible Entities Participate

Contractor Contact

Ashley Salinas
A.Salinas@Dell.com
512-720-6034
https://www.dell.com/en-us/lp/dt/naspo-computer?hve=learn+more

Awarded	Expiration	Renewal Limit

07/14/2023	06/30/2025	06/30/2028

Documents/Details

Master Agreement Documents +

Pricing Documents +

Product Documents +

Didn’t find what you need click here

DISCLAIMER: The documents on the NASPO ValuePoint website are for informational/ convenience purposes only. Official documents are maintained by the lead state (or participating entity in the case of participating addenda). In the event of any conflict between the documents on this site and those maintained by the lead state or participating entity, the official documents maintained by the lead state or participating entity govern.

Please note that some documents may be absent or incorrect. Please send all feedback and suggestions for improvement to our website team at webmaster@NASPOValuePoint.org

Thank you.

City Council/Financing Authority Meeting **H. 11.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Approve the property lease agreement with the South Coast Air Quality Management District and determine that this action is exempt from environmental review pursuant to Section 15601(b)(3) of the State's guidelines implementing the California Environmental Quality Act (Municipal Utilities and Engineering Director Harris)

MOTION(S):

If City Council determines the staff recommendation is appropriate, the following motions are provided:

1. I move that City Council determine that approval of a property lease agreement with the South Coast Air Quality Management District is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act; and,

2. I move that City Council approve the property lease agreement with the South Coast Air Quality Management District.

RECOMMENDATION:

Staff recommends that the City Council determine that approval of a property lease agreement with the South Coast Air Quality Management District is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act; and,

Staff recommends City Council approval of a property lease agreement with the South Coast Air Quality Management District.

DISCUSSION:

The City owns property located near 500 North Dearborn Street in Redlands, California comprising approximately 1,500 square feet of APNs 0170-302-06-0000 and 0170-302-18-0000, as more particularly described in Exhibit "A" of the attached Resolution ("the Property"). The City would like to lease the Property to the South Coast Air Quality Management District ("SCAQMD") so that the SCAQMD can use the Property for air quality monitoring.

In an effort to address the housing crisis throughout the state, the State Legislature revamped the Surplus Land Act ("SLA") in 2019 to strengthen the right of first refusal for affordable housing developers to bid on local agency-owned surplus land. The SLA requires public agencies to comply with certain procedures when disposing of real property. The California Department of Housing and Community Development ("HCD") has adopted guidelines to interpret the SLA. The SLA was recently amended by Assembly Bill 480 (Ting) and Senate Bill 229 (Umbert). These changes took effect January 1, 2024.

The SLA requires all local agencies to prioritize affordable housing, as well as parks and open space, when disposing of "surplus land." Before a local agency may dispose of land subject to the SLA, the land must be declared either "surplus land" or "exempt surplus land," as supported by written findings. For "surplus land," the City must go through a formal process to offer the land to qualifying entities and negotiate with responsive parties. However, the SLA contains exemptions for certain types of land ("exempt surplus land") where this formal process does not apply.

One such exemption is for real property that is transferred to another local, state, or federal agency for the receiving agency's use (Government Code Section 54221(f)(1)(D).). Here, this exemption fits because the City desires to lease the property to the SCAQMD, an air quality management district formed under California Health and Safety Code Section 40410 and a local agency under the SLA, so that the SCAQMD can use the Property for air quality monitoring. On September 3, 2024, the City Council adopted Resolution No. 8621 pursuant to the SLA, Government Code Section 54221 et seq., declaring the Property as exempt surplus land. Soon after, staff submitted the Resolution to HCD for review. On October 17, 2024, staff received HCD's concurrence.

The property lease agreement allows the SCAQMD to place and operate a small air quality monitoring trailer on a portion of the site. The agreement also allows minor associated improvements and site access for SCAQMD employees during typical working hours. The initial term of the agreement is ten (10) years, and the agreement may be extended once for an additional ten (10) years. The initial annual lease payment is $650. Each year thereafter, the lease payment

increases by three percent (3%) compounded each year.

Approval of this property lease agreement is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act since it can be seen with reasonable certainty that doing so will have no impact on the environment.

ALTERNATIVES:

City Council may deny the staff recommendation and provide alternate direction.

STRATEGIC PLAN:

N/A

SUBMITTED BY:
John R. Harris, Municipal Utilities and Engineering Director

RECOMMENDED BY:
Charles M. Duggan Jr., City Manager

REVIEWED BY:
Yvette M. Abich Garcia, City Attorney
Janice McConnell, Assistant City Manager
Danielle Garcia, Management Services/Finance Director
Paul Mariscal, Water Utility Manager

PREPARED BY:
John R. Harris, Municipal Utilities and Engineering Director

Fiscal Impact

Fiscal Year:	FY 24/25
Revenue Generating:	Y
Appropriation Required Y/N:	N

Discussion:

Approval of this property lease agreement will generate $650 in revenue beginning the first year. This annual lease payment will increase by three percent (3%) compounded each year thereafter.

Attachments

SCAQMD Lease Agreement
Conditional Use Permit
Resolution No. 8621

LEASE AGREEMENT

This Lease Agreement (this "Lease") is made and entered into this 21st day of January, 2025, (the "Effective Date") by and between the City of Redlands, a municipal corporation ("City"), and the South Coast Air Quality Management District ("Lessee"). City and Lessee are sometimes individually referred to herein as a "Party" and, together, as the "Parties."

PREAMBLE

A. City, for and in consideration of the rent to be paid by Lessee and for the covenants and provisions to be kept and performed by Lessee under this Lease, hereby leases to Lessee for Lessee's sole use, and Lessee agrees to lease from City an approximately 1,500 square foot portion (the "Site") of City's real property (the "Property") designated as Assessor's Parcel Nos. 0170-302-06-0000 and 0170-302-18-0000 and located in the City of Redlands. The Site and Property are more particularly described and depicted in Exhibit "A" attached hereto.

B. The Site is to be used by Lessee for the location of a portable air monitoring trailer and associated equipment, which will be used as an air monitoring station.

AGREEMENT

Section 1. Rent and Term. Lessee hereby agrees to lease the Site from City for the rent of Six Hundred Fifty Dollars ($650.00) per year, with the first rent payment payable within twenty (20) days of the Effective Date of this Lease. Rent shall be increased by three percent (3%) compounded, each year during the term of this Agreement. Thereafter, Lessee shall pay rent on or before the anniversary date of the Effective Date of this Agreement each year until the expiration or earlier termination of this Lease. The "Term" of this Lease shall be for ten (10) years beginning on the Effective Date of this Agreement with the option to extend the Initial term of this agreement for an additional ten (10) year term (the "Extended Term"), on the same terms and conditions by providing written notice to Lessee at least thirty (30) days prior to the expiration of the Initial Term. The Initial Term and the Extended Term are hereby collectively, referred to herein as the "Term" of this Agreement.

Section 2. Use of Site. Subject to the conditions set forth in the Conditional Use Permit attached hereto and incorporated herein by reference as Exhibit "B," during the Term of this Lease, the Site shall be used by Lessee for the purpose of placing a portable air monitoring trailer and air monitoring equipment on the Site, which shall be used as an air monitoring station. City hereby grants Lessee a license for ingress and egress to and from the Property and access to the Site, during normal business hours 7:00 am – 5:30 pm, on foot or by motor vehicle, including trucks, over or along a fifty-foot wide right of way extending from the nearest public right-of-way to the Site. In the event any public utility is unable to use the rights of way, City hereby agrees to grant an additional right of way either to Lessee or to the public utility at no cost to Lessee.

Section 3. "As Is" Condition. Lessee is leasing the Site in "AS IS" condition and City does not represent that the Site is suitable for Lessee's intended use. Lessee is responsible to undertake such due diligence as it deems necessary to determine the condition and suitability of the Site.

Section 4. Title and Quiet Possession. City represents and agrees that: (a) it is the owner of the Property; (b) it has the right to enter into this Lease; (c) the person signing this Lease has the authority to sign on behalf of City; and (d) Lessee is entitled to access to and use of the Site as provided herein throughout the Term of this Lease. Notwithstanding the foregoing, City may enter the Site and take such actions as are required to protect individuals or personal property from such substantial harm or damage, or to otherwise effectively carry out City's business. In connection with the City's entry, City will use reasonable efforts to minimize any disruption to Lessee's operations at the Property or use of the Site.

Section 5. Assignment. Lessee may not sublet all or any portion of the Site to any other party without the prior written consent of City.

Section 6. Notices. All notices hereunder must be in writing and shall be deemed validly given if sent by certified mail, return receipt requested or by commercial courier, provided the courier's regular business is delivery service and provided further that it guarantees delivery to the addressee by the end of the next business day following the courier's receipt from the sender, addressed as follows (or any other address that the Party to be notified may have designated to the sender by like notice):

Lessee:

Air Quality Management District
Atmospheric Measurements Manager
21865 Copley Drive
Diamond Bar, CA 91765-4178

City:

City of Redlands
Municipal Utilities & Engineering
Department
P.O. Box 3005
Redlands, CA 92373

Notice shall be effective upon actual receipt or refusal as shown on the receipt obtained pursuant to the foregoing.

Section 7. Improvements. Lessee may, at its sole expense, make any improvements on the Site as permitted by the CUP, as the CUP may be amended or renewed. Lessee may make substitutions, replacements, upgrades and modifications to its portable air monitoring trailer and equipment; provided, however, that such improvements remain within the physical parameters of the Site and do not violate the provisions of the CUP.

Section 8. Compliance with Laws. Lessee shall comply with all applicable Laws (as defined below) relating to Lessee's specific use of the Site and to Lessee's construction of improvements on the Site pursuant to the CUP. In addition, during the Term, City shall maintain the Property in compliance with all applicable laws, rules, regulations, ordinances, directives, covenants, easements, zoning and land use regulations, and restrictions of record, permits, building codes, now in effect or which may hereafter come into effect (collectively, "Laws").

Section 9. Interference. Lessee agrees to install air monitoring equipment of the type which will not interfere with any operations or equipment of City. In the event any after-installed Lessee's equipment causes such interference, and after City has notified Lessee in writing of such

interference, Lessee shall correct and eliminate the interference, including but not limited to, causing the removal of such equipment. The Parties acknowledge that there will not be an adequate remedy at law for noncompliance with the provisions of this Section and therefore, either Party shall have the right to equitable remedies, such as, without limitation, injunctive relief and specific performance. City shall have the right to allow other third party providers to install equipment on the Property (other than at the Site), provided that such new provider's use may not interfere with Lessee's operations at the Site.

Section 10. Utilities. City grants Lessee the right to obtain electrical and telephone service for the operation of Lessee's portable air monitoring trailer, and Lessee shall have the right to install, operate and maintain such utilities in the location designated in Exhibit "A" and pursuant to the CUP attached as Exhibit "B." Lessee shall pay for all utilities it uses at the Site. City will cooperate, to the extent allowed by law, with Lessee's efforts to obtain utilities from any location provided by City or the serving utility, provided, however, that City shall not incur any cost or expense therefore unless such costs are reimbursed therefore by Lessee.

Section 11. Termination.

A. Without limiting any of Lessee's termination rights granted elsewhere in this Lease, Lessee may terminate this Lease at any time upon thirty (30) days prior notice to City without further liability if: (i) Lessee does not obtain all permits, consents, licenses, non-disturbance agreements or other approvals (collectively, "Approvals") reasonably desired by Lessee or required from any governmental authority or any third party and related to or reasonably necessary to operate the air monitoring trailer and monitoring equipment, or any such Approvals are canceled, expire or are withdrawn or terminated; (ii) City violates or defaults on any of its obligations under this Lease or breaches any of its representations, warranties or covenants in this Lease; or (iii) Lessee, for any reason, in its sole discretion, determines that it will be unable to use the Site. Upon termination, all prepaid rent shall be retained by City.

B. If City, in its reasonable and sole discretion, determines that the use of the Site by Lessee is impairing or hindering City in its use of the Property so that continued use by Lessee is determined not to be in City's best interest, and City delivers to Lessee written notice of the impairment and provides Lessee a reasonable period, not to exceed forty-five (45) days from the date such notice is delivered, within which to cure said impairment, and such impairment or hindrance is not timely cured or Lessee informs City that it is unable to cure said impairment within such 45-day period, City may, without further liability, immediately terminate this Lease upon ten (10) days prior written notice to Lessee. Lessee shall be allowed to remove all of its personal property and return the Site to its pre-Lease condition.

C. Removal/Restoration. The portable air monitoring trailer and equipment installed on the Property by Lessee will be and remain Lessee's personal property and, at Lessee's option, may be removed by Lessee at any time during the Term. City agrees that no part of the portable air trailer or air monitoring equipment constructed, erected or placed on the Property by Lessee will become, or be considered as being affixed to or a part of, the Property, it being the specific intention of City that all improvements of every kind and nature constructed, erected or placed by Lessee on the Property will be and remain the property of Lessee and may be removed by Lessee at any time during the Term. Lessee shall restore the Property to its condition on the

Effective Date of this Lease, reasonable wear and tear and loss by casualty or other causes beyond Lessee's control excepted. At the City's discretion, Lessee may be responsible for the replacement of any trees, shrubs, or other vegetation removed for the placement of the portable air monitoring trailer and equipment installed on the Property by Lessee. Additionally at the City's discretion, Lessee shall remove from the Property any underground utilities installed as part of the portable air monitoring trailer and equipment installed.

Section 12. Default.

A. If either Party is in default under this Lease for a period of: (a) fifteen (15) days following receipt of notice of default from the non-defaulting Party with respect to a default which may be cured solely by the payment of money; or (b) thirty (30) days following receipt of notice of default from the non-defaulting Party with respect to a default which may not be cured solely by the payment of money, then, in either event, the non-defaulting Party may pursue any remedies available to it against the defaulting Party under applicable law, including, but not limited to, the right to terminate this Lease. If the non-monetary default may not reasonably be cured within a thirty (30) day period, this Lease may not be terminated if the defaulting Party commences action to cure the default within such thirty-day period and proceeds with due diligence to fully cure the default, and cures no later than ninety (90) days from the notice of default.

B. Upon a default, the non-defaulting Party may at its option (but without obligation to do so), perform the defaulting Party's duty or obligation on the defaulting Party's behalf, including but not limited to the obtaining of reasonably required insurance policies. The costs and expenses of any such performance by the non-defaulting Party shall be due and payable by the defaulting Party upon invoice therefore. In the event of a default by either Party with respect to a material provision of this Lease, without limiting the non-defaulting Party in the exercise of any right or remedy which the non-defaulting Party may have by reason of such default, the non-defaulting Party may terminate this Lease and/or pursue any remedy now or hereafter available to the non-defaulting Party under the Laws or judicial decisions of the state in which the Site is located; provided, however, City shall use reasonable efforts to mitigate its damages in connection with a default by Lessee. If Lessee so performs any of City's obligations hereunder, the full amount of the reasonable and actual cost and expense incurred by Lessee shall immediately be owed by City to Lessee, and City shall pay to Lessee upon demand the full undisputed amount thereof without interest. Notwithstanding the foregoing, if City does not pay Lessee the full undisputed amount within thirty (30) days of its receipt of an invoice setting forth the amount due from City, Lessee may offset the full undisputed amount.

Section 13. Indemnity. Each Party shall defend, indemnify and hold the other harmless against any claim of liability or loss from personal injury or property damage resulting from or arising out of the negligence or willful misconduct of the indemnifying Party, its employees, contractors or agents, except to the extent such claims or damages may be due to or caused by the negligence or willful misconduct of the other Party, or its employees, contractors or agents. Further, Lessee shall defend, and indemnify City against, all claims arising out of the installation, operation, use, maintenance, repair, removal or presence of Lessee's portable air monitoring trailer and air monitoring equipment. The obligations under this section shall survive the expiration or termination of this Lease.

Section 14. Hazardous Substances. Lessee shall not introduce or use any Hazardous Substance on the Site in violation of any applicable Law. City and Lessee shall each hold the other harmless and indemnify the other from, and assume all duties, responsibility and liability at its sole cost and expense, for all duties, responsibilities, and liability (for payment of penalties, sanctions, forfeitures, losses, costs, or damages) and for responding to any action, notice, claim, order, summons, citation, directive, litigation, investigation or proceeding which is in any way related to the indemnifying Party's failure to comply with any environmental or industrial hygiene Law, including without limitation any regulations, guidelines, standards or policies of any governmental authorities regulating or imposing standards of liability or standards of conduct with regard to any environmental or industrial hygiene concerns or conditions as may now or at any time hereafter be in effect, except to the extent such noncompliance is caused by the other Party. City shall hold harmless, indemnify and defend Lessee for all claims or losses, including all costs and expenses, relating to any environmental or industrial hygiene conditions arising out of or in any way related to the condition of the Property or activities conducted thereon, unless such environmental conditions are caused solely by Lessee, in which event Lessee shall hold harmless, indemnify and defend City for all costs and expenses, including reasonable attorneys' fees for said sole negligence of Lessee. The obligations under this section shall survive the expiration of termination of the Lease.

Section 15. Taxes. Lessee shall be responsible for any real and personal property taxes assessed directly upon the Site arising from its use of the portable air monitoring trailer on the Site. Lessee shall have the right, at its sole option and at its sole cost and expense, to appeal, challenge or seek modification of any tax assessment or billing for which Lessee is wholly or partly responsible for payment. In the event that as a result of any appeal or challenge by Lessee, there is a reduction, credit or repayment received by City for any taxes previously paid by Lessee, City agrees to promptly reimburse to Lessee the amount of said reduction, credit or repayment.

Section 16. Insurance.

A. Lessee shall procure and maintain commercial general liability insurance, with limits of not less than Two Million Dollars ($2,000,000) combined single limit per occurrence for bodily injury and property damage liability, with a certificate of insurance to be furnished to City prior to Lessee's occupancy of the Site. Lessee shall also procure and maintain owned, non-owned and hired vehicles with limits of not less than One Million Dollars ($1,000,000) combined single limit for bodily injury liability and property damage liability, with a certificate of insurance and endorsement to be furnished prior to Lessee's occupancy of the Site. City shall be named as an additional insured under the insurance policies required of Lessee, and such insurance shall be primary with respect to City and non-contributing to any insurance or self-insurance maintained by City as with respect to any liability from Lessee's negligence or intentional misconduct. Such policy shall provide that cancellation will not occur without at least thirty (30) days prior written notice to City. Lessee shall provide any new certificates of insurance with new limits of liability coverage within thirty (30) days of notice by City to Lessee. Notwithstanding anything to contrary, such limits may be satisfied by a combination of primary and umbrella policies. Lessee may satisfy this requirement by obtaining the appropriate endorsement to any master policy of liability insurance Lessee may maintain, or through its self insurance.

B. Workers' Compensation and Employer's Liability. Lessee shall procure and maintain Workers' Compensation and Employer's Liability insurance in accordance with statutory coverage limits throughout the Term of this Lease in accordance with the laws of the State of California, with an insurance carrier acceptable to City.

Section 17. Maintenance. Lessee shall be responsible for repairing and maintaining the portable air monitoring trailer and air monitoring equipment and any other improvements installed by Lessee at the Site in a proper operating and safe condition; provided, however, if any such repair or maintenance is required due to acts of City, its agents or employees, City shall reimburse Lessee for the reasonable costs incurred by Lessee to restore the damaged areas to the condition which existed immediately prior thereto. City will maintain and repair all other portions of the Property of which the Site is a part in a proper operating and reasonably safe condition and otherwise in compliance with applicable Law.

Section 18. Possessory Interest. In accordance with California Revenue and Tax Code Section 107.6, City hereby notifies Lessee that the interest created by this Lease may be subject to property taxation and Lessee may be subject to the payment of a property/possessory interest tax levied on such interest. Lessee shall be solely responsible for the payment of such taxes and shall defend, indemnify and hold City harmless from and against any and all claims or actions for payment (or nonpayment) of such taxes.

Section 19. Limitation of Liability. Except for indemnification pursuant to Section 13, neither Party shall be liable to the other, or any of their respective agents, representatives, employees for any lost revenue, lost profits, loss of technology, rights or services, incidental, punitive, indirect, special or consequential damages, loss of data, or interruption or loss of use of service, even if advised of the possibility of such damages, whether under theory of contract, tort (including negligence), strict liability or otherwise.

Section 20. Miscellaneous.

A. This Lease applies to and binds the successors and assigns of the Parties to this Lease;

B. This Lease shall be governed by and construed in accordance with the laws of the State of California;

C. This Lease (including the Exhibits) constitutes the entire agreement of the Parties as to the subject matter hereof, and supersedes all prior written and verbal agreements, representations, promises and understandings between the Parties. Any amendments to this Lease shall be in writing and executed by the Parties;

D. If any provision of this Lease is determined by a court of competent jurisdiction invalid or unenforceable, to the remainder of this Lease or the application of such provision to persons other than those as to whom it is held invalid or unenforceable will not be affected and each provision of this Lease will be valid and enforceable to the fullest extent

permitted by law unless such invalidity or unenforceability materially affects the purpose and reasons of the Parties for entering into this Lease; and

E. In the event any action is commenced to enforce or interpret any of the terms or conditions of this Lease the prevailing Party shall, in addition to costs and any other relief, be entitled to recovery of its reasonable attorneys' fees, including fees for the use of in-house counsel by a Party.

Section 21. Annual Termination. Notwithstanding anything to the contrary contained herein, provided Lessee is not in default hereunder beyond applicable notice and cure periods, Lessee shall have the right to terminate this Lease upon the annual anniversary of the Commencement Date provided that three (3) months prior notice is given to City.

Section 22. Destruction of Site. If the Site or Property is destroyed, or damaged so as to hinder Lessee's effective use of the Site, Lessee shall have the option to attempt to correct the damage, in which event City shall make available to Lessee within five (5) days a temporary site on the Property (or on other property owned or controlled by City) that is mutually agreeable to both City and Lessee and suitable for Lessee's use. Lessee may construct, operate, and maintain substitute air monitoring facilities thereon until the original portable air monitoring trailer is fully restored and operational on the Site. Rent shall abate in full during any time that Lessee is unable to operate the air monitoring equipment on the Property. Alternatively, Lessee may elect to terminate this Lease as of the date of the damage or destruction by so notifying City no more than thirty (30) days following the date of damage or destruction.

Section 23. Condemnation. If a condemning authority takes all or a portion of the Property, which taking renders the Site unsuitable for Lessee's use, then Lessee may terminate this Lease as of the date when possession is delivered to the condemning authority. In any condemnation proceeding each Party shall be entitled to make a claim against the condemning authority for just compensation. Sale of all or part of the Site to a purchaser with the power of eminent domain in the face of exercise of such power shall be treated as a taking by the condemning authority. In the event of such taking, City shall promptly reimburse Lessee any Rent prepaid by Lessee. Furthermore, City and Lessee shall each be entitled to pursue their own separate awards with respect to such taking, provided that no such award to Lessee shall reduce any award to City.

Section 24. Pre-Construction Testing. Lessee shall have the right (but not the obligation) at any time following the full execution of this Lease, to enter the Site for the purposes of making necessary inspections and engineering surveys (and soil tests where applicable) and other reasonably necessary tests (collectively, "Tests") to determine the suitability of various Site improvements related to operation and maintenance of the portable air monitoring trailer and equipment. During any Tests or pre-construction work, Lessee will have insurance as set forth in this Lease. Lessee will notify City of any proposed Test or pre-construction work and will coordinate the scheduling of the same with City. If Lessee determines that the Site is unsuitable for Lessee's contemplated use, then Lessee will notify City and this Lease will terminate.

Section 25. Survival. The provision of this Lease relating to indemnification from one Party to the other Party shall survive any termination or expiration of this Lease. Additionally, any provisions of this Lease which require performance subsequent to the termination or expiration of this Lease shall also survive such termination or expiration.

Section 26. Captions. The captions contained in this Lease are inserted for convenience only and are not intended to be part of the Lease. They shall not affect or be utilized in the construction or interpretation of this Lease.

[SIGNATURE PAGE FOLLOWS]

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

CITY OF REDLANDS:

By:_____
Eddie Tejeda, Mayor

ATTEST:

By:_____
Jeanne Donaldson, City Clerk

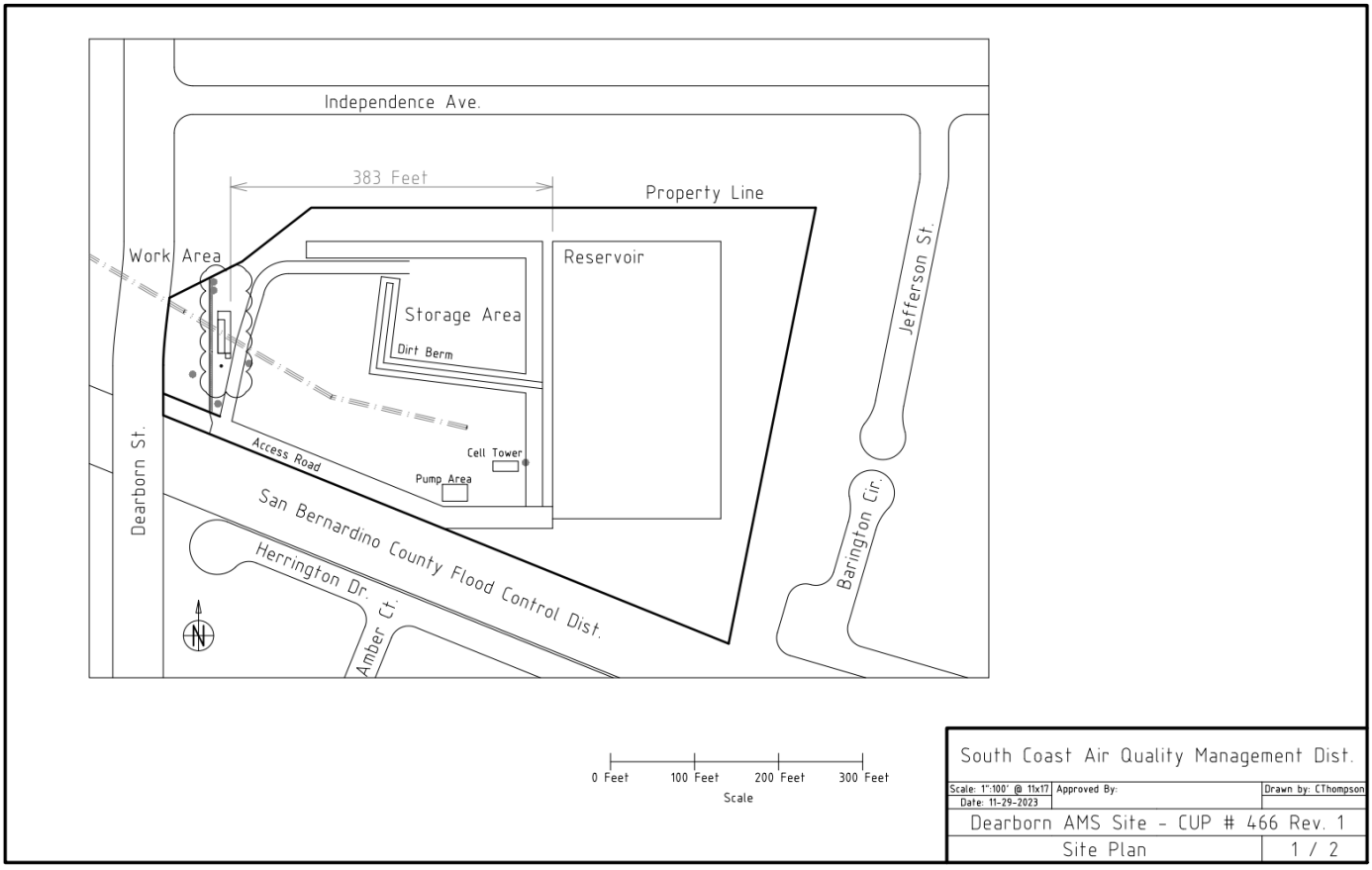
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT:

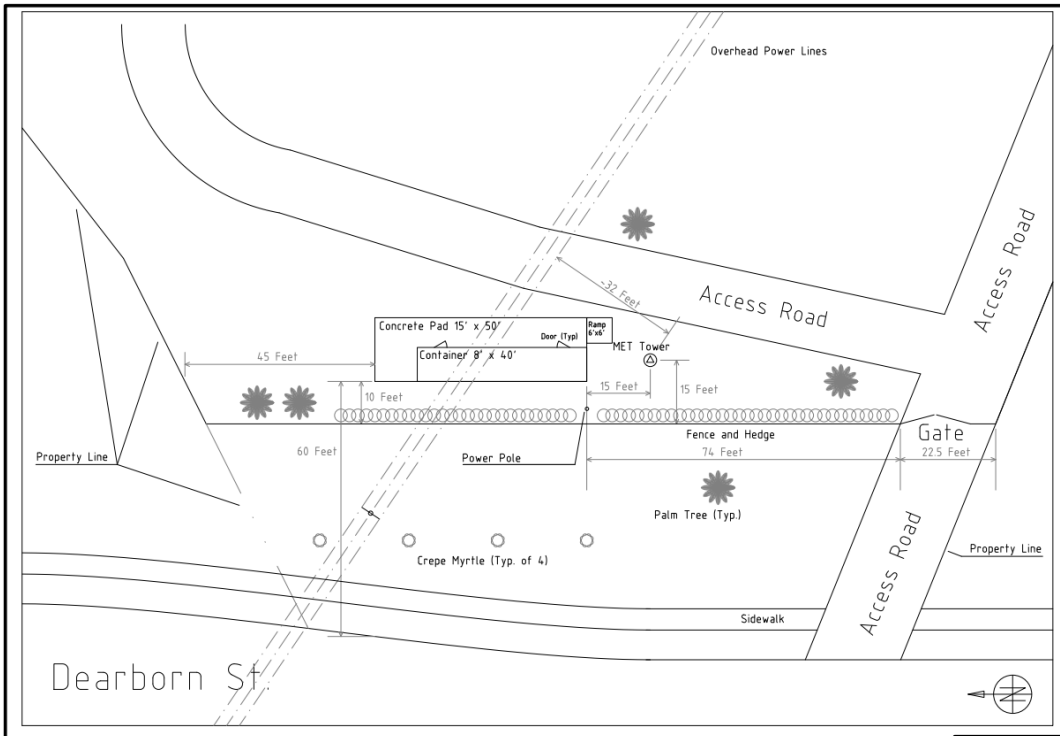
By:_____
Jason C. Low, Deputy Executive Officer,
Monitoring and Analysis Division

EXHIBIT A

LAND LEASE AGREEMENT
BETWEEN THE CITY OF REDLANDS AND SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

The Real Property situated in the City of Redlands, County of San Bernardino, State of California, as depicted in the attachment:





0 Feet 20 Feet 40 Feet 60 Feet

Scale

South Coast Air Quality Management Dist.

Scale: 1":20' @ 11x17 Date: 11-30-2023	Approved By:	Drawn by: CThompson

Dearborn AMS Site - CUP # 466 Rev. 1

Site Plan Detail 2 / 2

EXHIBIT B

LESSEE'S CONDITIONAL USE PERMIT

City of
REDLANDS
Incorporated 1888
DEVELOPMENT SERVICES DEPARTMENT
210 E. Citrus/P.O. Box 3005, Redlands, CA 92373
909-798-7555 ext. 2
bmatlock@cityofredlands.org

OSCAR ORCI
Development Services Director

ROBERT D. DALQUEST, AICP
Assistant Development Services Director

June 19, 2012

Carl Thompson
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Re: Conditional Use Permit for 500 North Dearborn Street

Dear Mr. Thompson:

Your application for Conditional Use Permit No. 446 (Revision No. 1) for the upgrade of an existing air quality monitoring station operated by the South Coast Air Quality Management District, consisting of the installation of a new 320 square foot prefabricated structure to house monitoring equipment, and the installation of a new thirty-five (35) foot tall meteorological tower within a lease area of 1,500 square feet in the City of Redlands' Dearborn Street Reservoir located at 500 North Dearborn Street was **approved** by the Planning Commission on June 12, 2012. Please be aware that this approval will be effective on June 22, 2012 due to the mandatory 10-day appeal period that must elapse.

Attached for your information is a list of the Conditions of Approval for this project. Please be advised that this approval will expire on June 22, 2014. During this time a building permit must be obtained to avoid this approval from becoming null and void. If for any reason a building permit is not obtained prior to the above expiration date, then an extension of twelve (12) months may be granted by the City Council. An application for an extension of time must be submitted to the Planning Department at least sixty (60) days prior to the expiration date.

If you have any questions regarding your project, please contact me at (909) 798-7555.

Sincerely,

Benjamin Matlock
Planning Intern
Development Services Department

DEVELOPMENT SERVICES DEPARTMENT

PLANNING DIVISION

CONDITIONS OF APPROVAL FOR

CONDITIONAL USE PERMIT NO. 446 (Revision No. 1)

Date of Preparation: June 19, 2012
Planning Commission Date: June 12, 2012
Applicant: South Coast Air Quality Management District
Location: 500 North Dearborn Street

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1. The issuance of any permits shall comply with all provisions of the Redlands Municipal Code.

2. No Certificate of Occupancy shall be granted until all conditions of approval have been satisfied.

3. This approval is for a Conditional Use Permit for the upgrade of an existing air quality monitoring station operated by the South Coast Air Quality Management District, which consists of the installation of a new 320 square foot prefabricated structure to house monitoring equipment, and the installation of a new thirty-five (35) foot tall meteorological tower within an existing lease area of 1,500 square feet in the City of Redlands' Dearborn Street Reservoir located at 500 North Dearborn Street in the O (Open Land) District.

4. The air monitoring station container shall be painted in an earth-tone color

5. The meteorological (MET) tower shall be a galvanized gray color.

6. The MET tower shall be maintained in good condition through-out the life of the facility.

7. The applicant shall be required to ensure that the exterior of the structures are kept free of graffiti and/or defacement of any kind.

8. Unless construction has commenced pursuant to a building permit, or a time extension is granted in accordance with Code, this approval shall expire two (2) years from the date of Planning Commission approval.

9. All plans submitted to the City shall reflect Planning Commission approval and any other changes required by the Commission and/or staff.

10. Any onsite utilities associated with the project shall be placed underground. Plans shall be submitted that detail the undergrounding of all on-site utilities,

subject to review and approval by the Community Development Director, prior to the issuance of building permits.

11. The project site shall be kept in a weed and dust free condition throughout all periods of development

12. Pursuant to Government Code Section 66020(d), certain fees, dedications, reservations or exactions imposed by the City as a condition of approval of this project are subject to a statutory ninety (90) day protest period. Please be advised that the ninety (90) day protest period for those fees, dedications, reservations and exactions which are subject to Government Code Section 66020(a) has commenced to run on the date this project was approved by the City.

13. The applicant for this permit, and its successors and assigns, shall defend, indemnify and hold harmless the City of Redlands, and its elected officials, officers, agents and employees, from and against any and all claims, actions, and proceedings to attack, set aside, void or annul the approval of this permit by the City, or brought against the City due to acts or omissions in any way connected to the applicant's project that is the subject of this permit. This indemnification shall include, but not be limited to, damages, fees, costs, liabilities, and expenses incurred in such actions or proceedings, including damages for the injury to property or persons, including death of a person, and any award of attorneys' fees. In the event any such action is commenced to attack, set aside, void or annul all, or any, provisions of this permit, or is commenced for any other reason against the City for acts or omissions relating to the applicant's project, within fourteen (14) City business days of the same, the applicant shall file with the City a performance bond or irrevocable letter of credit (together, the "Security") in a form and in an amount satisfactory to the City, to ensure applicant's performance of its defense and indemnity obligations under this condition. The failure of the applicant to provide the Security shall be deemed an express acknowledgement and agreement by the applicant that the City shall have the authority and right, without objection by the applicant, to revoke all entitlements granted for the Conditional Use Permit pursuant to this permit. The City shall have no liability to the applicant for the exercise of City's right to revoke this Conditional Use Permit.

14. The applicant shall work with planning staff in order to plant 15-gallon London Plane trees along the Northwestern and Southwestern corners of the Dearborn Reservoir in order to provide a landscape screen for the AQMD container within the lease area along Dearborn Street.

Approved by:

Oscar W. Orci
Development Services Director

RESOLUTION NO. 8621

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDLANDS PURSUANT TO GOVERNMENT CODE SECTION 54221 DECLARING THAT CERTAIN REAL PROPERTY (LOCATED NEAR 500 NORTH DEARBORN STREET, REDLANDS, CA COMPRISING APPROXIMATELY 1,500 SQUARE FEET OF APNS 0170-302-06-0000 AND 0170-302-18-0000) IS EXEMPT SURPLUS LAND, AND FINDING THAT SUCH DECLARATION IS EXEMPT FROM ENVIRONMENTAL REVIEW UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

WHEREAS, the City of Redlands (the "City") owns property located near 500 North Dearborn Street in Redlands, CA comprising approximately 1,500 square feet of APNs 0170-302-06-0000 and 0170-302-18-0000, as more particularly described in Exhibit A, attached hereto and incorporated herein by reference (the "Property"); and

WHEREAS, the City is the fee simple owner of that Property; and

WHEREAS, the Surplus Land Act, Government Code sections 54220 *et seq*. (the "Act") applies when a local agency disposes of "surplus land," which is defined in the Act as "land owned in fee simple by any local agency for which the local agency's governing body takes formal action in a regular public meeting declaring that the land is surplus and is not necessary for the agency's use." (Government Code section 54221(b)(1)); and

WHEREAS, the Act expressly does "not apply to the disposal of exempt surplus land." (Government Code section 54222.3.)

WHEREAS, under the Act, "exempt surplus land" includes land that a local agency is transferring to another local, state, or federal agency for the transferee agency's use. (Government Code section 54221(f)(1)(D)); and

WHEREAS, the Act requires local agencies such as the City to declare certain real property they own as either "surplus land" or "exempt surplus land," as supported by written findings, prior to any disposition of the real property; and

WHEREAS, the City desires to lease or otherwise transfer an interest in the Property to South Coast Air Quality Management District ("SCAQMD"), which is an air quality management district formed under California Health and Safety Code Section 40410 and is another local agency under the Act, and upon acquiring of the Property, SCAQMD intends to use the Property for air quality monitoring purposes; and

WHEREAS, none of the characteristics listed under Government Code section 54221(f)(2) apply to the Property; and

WHEREAS, the City Council has reviewed this Resolution and now desires to declare the Property as exempt surplus land under the Act, based on the findings and justifications contained in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF REDLANDS AS FOLLOWS:

SECTION 1: The above recitals are true and correct and are a substantive part of this Resolution and findings of the City Council.

SECTION 2: The City Council hereby declares that the Property is exempt from the Act as exempt surplus land pursuant to Government Code section 54221(f)(1)(D), based on the findings contained in this Resolution for the Property, namely that the City intends to lease the Property to the SCAQMD, another local agency, for the SCAQMD's use of the Property for air quality monitoring purposes, and none of the characteristics listed under Government Code Section 54221(f)(2) apply to the Property.

SECTION 3: This Resolution has been reviewed with respect to the applicability of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA"). City staff has determined that the designation of the Property as exempt surplus does not have the potential for creating a significant effect on the environment and is therefore exempt from further review under CEQA pursuant to State CEQA Guidelines Section 15060(c)(3), because it is not a project as defined by the CEQA Guidelines, Section 15378. Adoption of the Resolution, in and of itself, does not have the potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment.

SECTION 4: The City Manager or designee is hereby authorized and directed to send a copy of this Resolution to the California Department of Housing and Community Development in accordance with the requirements of Section 400(e) of the SLA Guidelines.

SECTION 5: If any section, subsection, paragraph, sentence, clause or phrase of this Resolution is declared by a court of competent jurisdiction to be unconstitutional or otherwise invalid, such decision shall not affect the validity of the remaining portions of this Resolution.

SECTION 6: The City Clerk shall certify to the adoption of this Resolution.

ADOPTED, SIGNED AND APPROVED this 3rd day of September, 2024.

Eddie Tejeda, Mayor

ATTEST:

Jeanne Donaldson, City Clerk

I, Jeanne Donaldson, City Clerk of the City of Redlands, do hereby certify that the foregoing Resolution was duly adopted by the City Council at a regular meeting thereof held on the 3rd day of September, 2024.

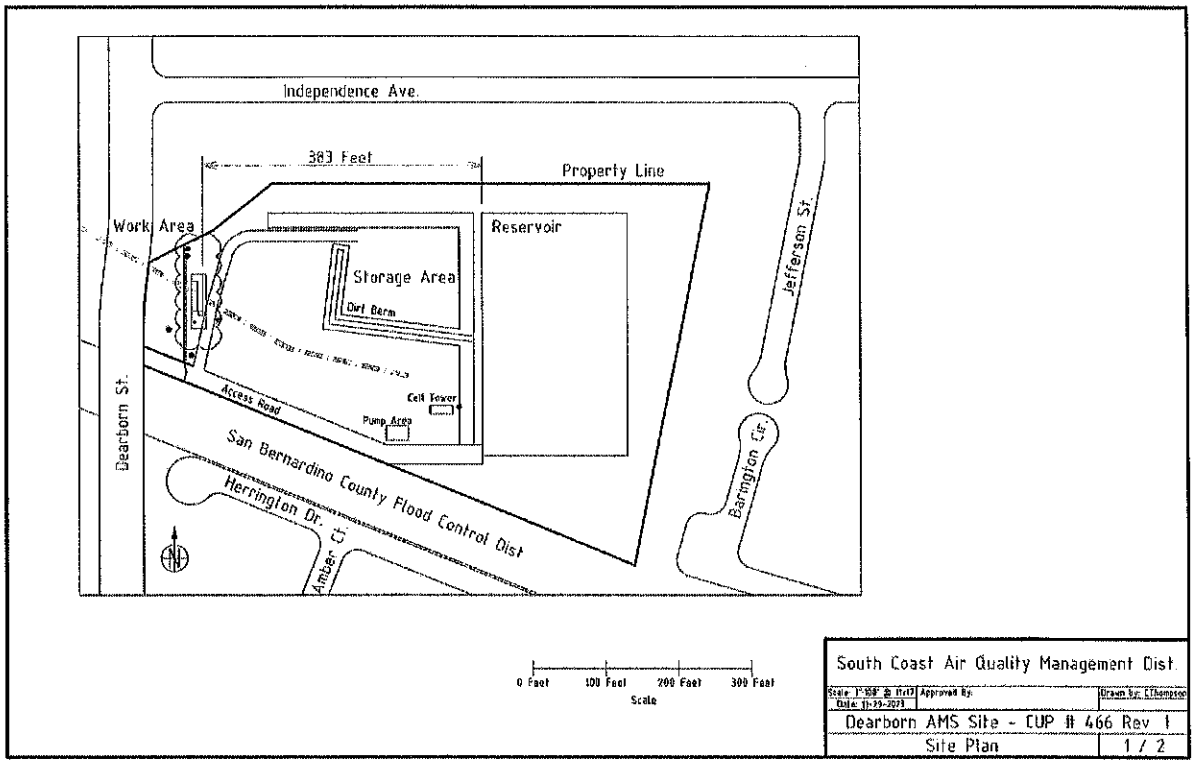
AYES:	Councilmembers Barich, Davis, Guzman-Lowery, Saucedo; Mayor Tejeda
NOES:	None
ABSENT:	None
ABSTAIN:	None

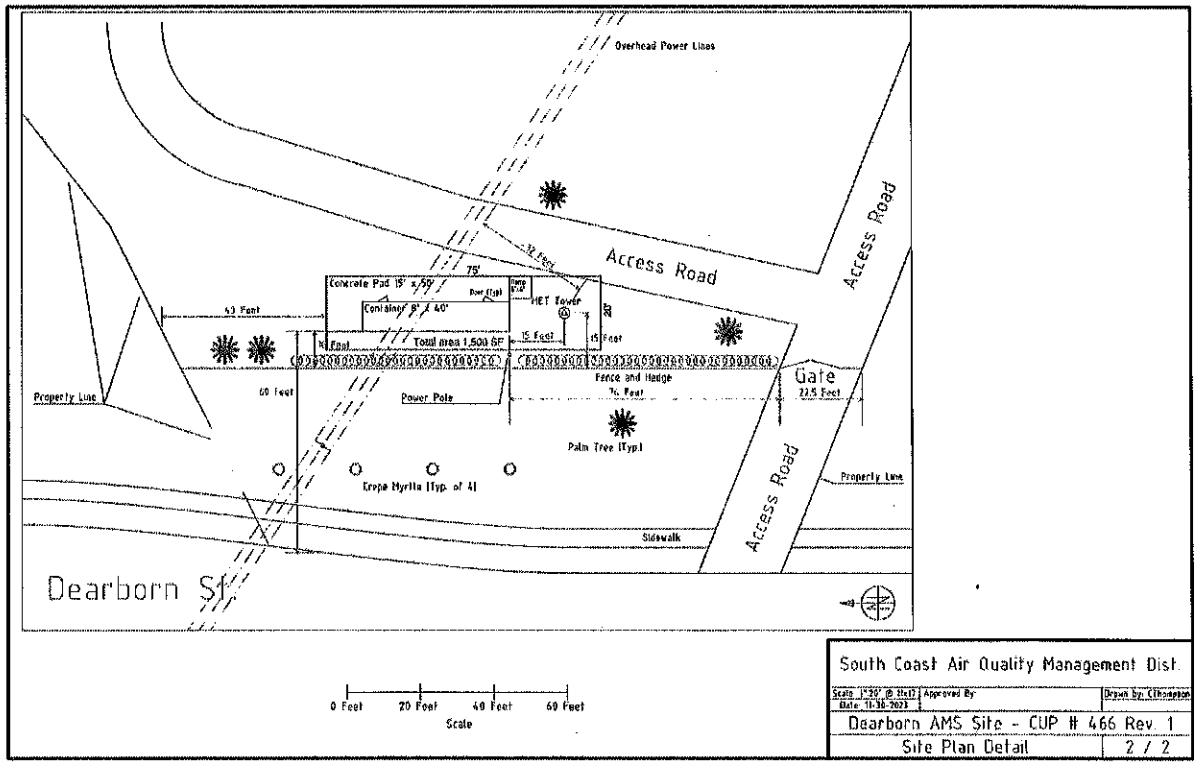
Jeanne Donaldson, City Clerk

EXHIBIT A

Description and Depiction of Property

The Property comprises an approximately 1,500 square foot portion of APNs 0170-302-06-000 and 0170-302-18-0000 as shown below within the boundaries labeled "Property Line" and more specifically within the bubbled callout near the west property boundary line.


Independence Ave.
383 Feet
Property Line
Work Area
Reservoir
Storage Area
Dirt Berm
Jefferson St.
Dearborn St.
Access Road
Cell Tower
Pump Area
San Bernardino County Flood Control Dist
Herrington Dr.
Amber
Barrington Cir.
0 Feet
100 Feet
200 Feet
300 Feet
Scale
South Coast Air Quality Management Dist.
Approved By:
Drawn by: CThompson
Dearborn AMS Site - CUP # 466 Rev. 1
Site Plan
1 / 2


Overhead Power Lines
Access Road
Access Road
Access Road
Concrete Pad 15' x 50'
Container 8' x 40'
MET Tower
Total area 1,500 SF
Fence and Hedge
Gate
22.5 Feet
Power Pole
Palm Tree (Typ.)
Crape Myrtle (Typ. of 4)
Property Line
Property Line
Sidewalk
Dearborn St.
0 Feet
20 Feet
40 Feet
60 Feet
Scale
South Coast Air Quality Management Dist.
Approved By:
Drawn by: CThompson
Dearborn AMS Site - CUP # 466 Rev. 1
Site Plan Detail
2 / 2

City Council/Financing Authority Meeting **H. 12.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Approve a Professional Services Agreement with Public Sector Personnel Consultants Inc. for Citywide Classification and Compensation Study Services for an amount not-to-exceed $192,000; and approve an additional appropriation in the same amount (Human Resources/Risk Management Director Meteau)

MOTION(S):

If the City Council determines that staff's recommendation is appropriate, the following motion is provided:

1. I move to approve a Professional Services Agreement with Public Sector Personnel Consultants Inc. for Citywide classification and compensation study services for an amount not-to-exceed $192,000.

2. I further move to approve an additional appropriation from the General Fund unassigned fund balance in the amount of $192,000.

RECOMMENDATION:

Staff recommends that the City Council approve a Professional Services Agreement with Public Sector Personnel Consultants Inc. for Citywide Classification and Compensation Study services for an amount of not to exceed $192,000; and an additional appropriation from the General Fund unassigned fund balance in the amount of $192,000.

DISCUSSION:

A thorough compensation and classification study will be conducted to assess and refine the existing classification structure for all full-time and part-time positions; make recommendations on appropriate updates; draft classification specifications to meet standards; conduct compensation and position analysis; assess operational efficiency to make recommendations to enhance the usage

of existing personnel; and report findings.

On September 26, 2024, the Purchasing Office issued a Request for Proposal (RFP) for Classification and Compensation Study Services. Nineteen (19) vendors were notified utilizing the City's online bid system and staff received proposals from the following six (6) firms:

1. Ewing Consulting, Inc.
2. Public Sector Personnel Consultants
3. Evergreen Solutions, LLC
4. MGT Impact Solutions, LLC
5. Gallagher
6. Salary.com

In accordance with Chapter 2.16.180 of the City's Municipal Code, a selection committee reviewed the proposals based on each firm's demonstrated competence and professional qualifications in accordance with specific evaluation criteria identified in the RFP. The committee selected Public Sector Personnel Consultants Inc. as the most qualified to conduct the City's classification and compensation study. Public Sector Personnel Consultants Inc. has successfully undertaken projects of similar scope and scale for municipalities. The firm’s methodology, proven expertise, professional qualifications, and strong references from recent studies and services provided to other municipal agencies make it the most qualified firm to conduct the City’s classification and compensation study.

ALTERNATIVES:

N/A

STRATEGIC PLAN:

N/A

SUBMITTED BY:
Robert Meteau, Director, Human Resources/Risk Management

RECOMMENDED BY:
Charles M. Duggan Jr., City Manager

REVIEWED BY:
Janice McConnell, Assistant City Manager
Danielle Garcia, Management Services/Finance Director
Dana Abramovitz-Daniel, Procurement Manager

PREPARED BY:
Kisha McDonald, Human Resources Manager

Fiscal Impact

Fiscal Year: 2024-25
Amount: 192,000
Budgeted Y/N: N
Discussion:

Funding for this item was not included in the FY 25-26 Biennial Budget. Staff is requesting an additional appropriation from the General Fund unassigned fund balance in the amount of $192,000.

Attachments

Public Sector Personnel Consultants
Additional Appropriation

AGREEMENT TO PERFORM PROFESSIONAL SERVICES

This agreement for the provision of a classification and compensation study ("Agreement") is made and entered in this 21st day of January 2025 ("Effective Date"), by and between the City of Redlands, a municipal corporation ("City") and Public Sector Personnel Consultants Inc. an Arizona Corporation ("Consultant"). City and Consultant are sometimes individually referred to herein as a "Party" and, together, as the "Parties." In consideration of the mutual promises contained herein, City and Consultant agree as follows:

ARTICLE 1 – ENGAGEMENT OF CONSULTANT

1.1 City hereby engages Consultant to provide classification and compensation services for City (the "Services").

1.2 The Services shall be performed by Consultant in a professional manner, and Consultant represents that it has the skill and the professional expertise necessary to provide the Services to City at a level of competency presently maintained by other practicing professional consultants in the industry providing like and similar types of Services.

ARTICLE 2 – SERVICES OF CONSULTANT

2.1 The Services that Consultant shall perform are more particularly described in Exhibit "A," titled "Scope of Services," which is attached hereto and incorporated herein by this reference.

2.2 Consultant shall comply with applicable federal, state and local laws and regulations in the performance of this Agreement including, but not limited to, any applicable State prevailing wage laws.

ARTICLE 3 – RESPONSIBILITIES OF CITY

3.1 City designates Robert J. Meteau, Jr., Director of Human Resources/Risk Management, as City's representative with respect to performance of the Services, and such person shall have the authority to transmit instructions, receive information, interpret and define City's policies and decisions with respect to performance of the Services.

ARTICLE 4 – PERFORMANCE OF SERVICES

4.1 Consultant shall perform and complete the Services in a prompt and diligent manner in accordance with the schedule set forth in Exhibit "B," titled "Project Schedule," which is attached hereto and incorporated herein by reference.

4.2 The term of this Agreement shall be for a period of one (1) year commencing as of the Effective Date, unless terminated earlier as provided herein.

4.3 If Consultant's Services include deliverable electronic visual presentation materials, such materials shall be delivered in a form, and made available to City, consistent with City Council-adopted policy for the same. It shall be the obligation of Consultant to obtain a copy of such policy from City staff.

ARTICLE 5 – PAYMENTS TO CONSULTANT

5.1 Total compensation for Consultant's performance of the Services shall not exceed the amount of One Hundred Ninety-Two Thousand Dollars ($192,000). City shall pay Consultant on a time and materials basis up to the not to exceed amount in accordance with Exhibit "C," titled ("Project Rates by Major Task") which is attached hereto and incorporated herein by reference.

5.2 Consultant shall submit monthly invoices to City describing the Services performed during the preceding month. Consultant's invoices shall include a brief description of the Services performed, the dates the Services were performed, the number of hours spent and by whom, and a description of reimbursable expenses related to the Services. City shall pay Consultant no later than thirty (30) days after receipt and approval by City of Consultant's invoice.

5.3 Any notice or other communication required, or which may be given, pursuant to this Agreement, shall be in writing. Any such notice shall be deemed delivered (i) on the date of delivery in person; (ii) five (5) days after deposit in first class registered mail, with return receipt requested; (iii) on the actual delivery date if deposited with an overnight courier; or (iv) on the date sent by facsimile or electronic mail transmission (including PDF), if confirmed with a copy sent contemporaneously by first class, certified, registered or express mail; in each case properly posted and fully prepaid to the appropriate address set forth below, or such other address as a Party may provide notice in accordance with this section:

CITY:

City Clerk
City of Redlands
35 Cajon Street
P.O. Box 3005 (mailing)
Redlands, CA 92373
jdonaldson@cityofredlands.org
Phone: (909) 798-7531

CONSULTANT:

Matthew Weatherly, President
Public Sector Personnel Consultants Inc.
2824 N. Power Rd. #113-486
Mesa, AZ 85215
matt@pspc.us
Phone: (888)522-7772

ARTICLE 6 – INSURANCE AND INDEMNIFICATION

6.1 The following insurance coverage required by this Agreement shall be maintained by Consultant for the duration of its performance of the Services. Consultant shall not perform any Services unless and until the required insurance listed below is obtained by Consultant. Consultant shall provide City with certificates of insurance and endorsements evidencing such insurance prior to commencement of the Services. Insurance policies shall include a

provision prohibiting cancellation or modification of the policy except upon thirty (30) days prior written notice to City.

A. Workers' Compensation and Employer's Liability insurance in the amount that meets statutory requirements with an insurance carrier acceptable to City, or certification to City that Consultant is self-insured or exempt from the workers' compensation laws of the State of California. Consultant shall execute and provide City with Exhibit "D ," titled "Workers' Compensation Insurance Certification," which is attached hereto and incorporated herein by this reference, prior to performance of the Services.

B. Comprehensive General Liability insurance with carriers acceptable to City in the minimum amount of One Million Dollars ($1,000,000) per occurrence and Two Million Dollars ($2,000,000) aggregate, for public liability, property damage and personal injury is required. City shall be named as an additional insured and such insurance shall be primary and non-contributing to any insurance or self-insurance maintained by City.

C. Consultant shall secure and maintain professional liability insurance throughout the term of this Agreement in the amount of One Million Dollars ($1,000,000) per claim made.

D. Business Auto Liability coverage, with minimum limits of One Million Dollars ($1,000,000) per occurrence, combined single limit bodily injury liability and property damage liability. This coverage shall include all Consultant owned vehicles used in connection with Consultant's provision of the Services, hired and non-owned vehicles, and employee non-ownership vehicles. City shall be named as an additional insured and such insurance shall be primary and non-contributing to any insurance or self-insurance maintained by City.

E. Consultant is expressly prohibited from assigning or subcontracting any of the Services without the prior written consent of City. In the event of mutual agreement by the Parties to assign or subcontract a portion of the Services, Consultant shall add such assignee or subcontractor as an additional insured to the insurance policies required hereby and provide City with the insurance endorsements prior to any Services being performed by the assignee or subcontractor.

6.2 Consultant shall defend, indemnify and hold harmless City and its elected and appointed officials, employees and agents from and against any and all claims, losses or liability, including attorneys' fees, arising from injury or death to persons or damage to property occasioned by any negligent act or omission by, or the willful misconduct of, Consultant, or its officers, employees and agents in performing the Services.

ARTICLE 7 – CONFLICTS OF INTEREST

7.1 Consultant covenants and represents that it does not have any investment or interest in any real property that may be the subject of this Agreement or any other source of income, interest in real property or investment that would be affected in any manner or degree by

the performance of Consultant's Services. Consultant further covenants and represents that in the performance of its duties hereunder, no person having any such interest shall perform any Services under this Agreement.

7.2 Consultant agrees it is not a designated employee within the meaning of the Political Reform Act because Consultant:

A. Does not make a governmental decision whether to:

(i) approve a rate, rule or regulation, or adopt or enforce a City law;
(ii) issue, deny, suspend or revoke any City permit, license, application, certification, approval, order or similar authorization or entitlement;
(iii) authorize City to enter into, modify or renew a contract;
(iv) grant City approval to a contract that requires City approval and to which City is a party, or to the specifications for such a contract;
(v) grant City approval to a plan, design, report, study or similar item;
(vi) adopt, or grant City approval of, policies, standards or guidelines for City or for any subdivision thereof.

B. Does not serve in a staff capacity with City and in that capacity, participate in making a governmental decision or otherwise perform the same or substantially the same duties for City that would otherwise be performed by an individual holding a position specified in City's Conflict of Interest Code under Government Code section 87302.

7.3 In the event City determines that Consultant must disclose its financial interests, Consultant shall complete and file a Fair Political Practices Commission Form 700, Statement of Economic Interests, with the City Clerk's office pursuant to the written instructions provided by the City Clerk.

ARTICLE 8 – GENERAL CONSIDERATIONS

8.1 In the event any action is commenced to enforce or interpret any of the terms or conditions of this Agreement the prevailing Party shall, in addition to any costs and other relief, be entitled to the recovery of its reasonable attorneys' fees, including fees for the use of in-house counsel by a Party.

8.2 Consultant shall not assign any of the Services, except with the prior written approval of City and in strict compliance with the terms and conditions of this Agreement. Any assignment or attempted assignment without such prior written consent may, in the sole discretion of City, result in City's immediate termination of this Agreement.

8.3 Consultant is for all purposes under this Agreement an independent contractor and shall perform the Services as an independent contractor. Neither City nor any its agents shall have control over the conduct of Consultant or Consultant's employees, except as herein set forth. Consultant shall supply all necessary tools and instrumentalities required to

perform the Services. Assigned personnel employed by Consultant are for its account only, and in no event shall Consultant or personnel retained by it be deemed to have been employed by City or engaged by City for the account of, or on behalf of City. Consultant shall have no authority, express or implied, to act on behalf of City in any capacity whatsoever as an agent, nor shall Consultant have any authority, express or implied, to bind City to any obligation.

8.4 This Agreement may be terminated by City, in its sole discretion, by providing not less than five (5) days prior written notice to Consultant of City's intent to terminate. If this Agreement is terminated by City, an adjustment to Consultant's compensation shall be made, but (1) no amount shall be allowed for anticipated profit or unperformed Services, and (2) any payment due Consultant at the time of termination may be adjusted to the extent of any additional costs to City occasioned by any default by Consultant. Upon receipt of a termination notice, Consultant shall immediately discontinue its provision of the Services and, within five (5) days of the date of the termination notice, deliver or otherwise make available to City, copies (in both hard copy and electronic form, where applicable) of project related data, design calculations, drawings, specifications, reports, estimates, summaries and such other information and materials as may have been accumulated by Consultant in performing the Services. Consultant shall be compensated on a pro-rata basis for Services completed up to the date of termination.

8.5 Consultant shall maintain books, ledgers, invoices, accounts and other records and documents evidencing costs and expenses related to the Services for a period of three (3) years, or for any longer period required by law, from the date of final payment to Consultant pursuant to this Agreement. Such books shall be available at reasonable times for examination by City at the office of Consultant.

8.6 This Agreement, including the Exhibits incorporated herein by reference, represents the entire agreement and understanding between the Parties as to the matters contained herein, and any prior negotiations, written proposals or verbal agreements relating to such matters are superseded by this Agreement. Except as otherwise provided for herein, any amendment to this Agreement shall be in writing, approved by City and signed by City and Consultant.

8.7 This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to its conflicts of laws provisions. The Parties agree that all actions or proceedings arising in connection with this Agreement shall be tried and litigated only in the state courts located in San Bernardino County, California, and the federal courts located in Riverside County, California.

8.8 If one or more of the sentences, clauses, paragraphs or sections contained in this Agreement is declared invalid, void or unenforceable by a court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall not affect, impair or invalidate the remaining sentences, clauses, paragraphs or sections contained herein, unless to do so would deprive a Party of a material benefit of its bargain under this Agreement.

IN WITNESS WHEREOF, duly authorized representatives of City and Consultant have signed in confirmation of this Agreement.

CITY OF REDLANDS	Public Sector Personnel Consultants Inc.
By: _____	By: _____
Mario Saucedo, Mayor	Matthew Weatherly, President

ATTEST:

_____
Jeanne Donaldson, City Clerk

EXHIBIT "A"

SCOPE OF SERVICES

EXECUTIVE SUMMARY OF SERVICES FOR THE CITY OF REDLANDS

Project Planning and Communication

1. Project planning and scheduling meetings with the City's Human Resources Staff, project designee(s)
2. Policy input and project direction meeting and briefing with Council, Human Resources and designee(s)
3. Project briefing presentation for all employees, Council, City officials, City's project leaders
4. Management and employee communication, progress reports throughout all project phases
5. Assistance with development and communication with a committee of employee representatives

Classification Project Tasks

6. Occupational familiarization by review of City's current class specifications and compensation plans
7. Organizational familiarization by review of City organization charts, budgets, and annual reports
8. Position Analysis Questionnaire (PAQ) customized for gathering City employee occupation data
9. Meetings to distribute and explain the PAQ and the project for all City officials and employees
10. Job interviews, desk audits / field observations with representatives of each class (flex options)
11. Recommended title modifications and reclassifications for consideration by department heads
12. Review of position classification recommendations with City's project staff and respective departments
13. Facilitation of employee participation and feedback process on any proposed classification changes
14. Preparation of updated or "track changes" class specifications for each included job classification

Compensation Surveys

15. Confirmation of survey cities to include in external total compensation comparisons
16. Identification of City occupations to utilize as survey benchmark job classifications
17. Solicitation of comparator employers and agencies for participation in external compensation surveys
18. Extraction of data from public employer compensation plans, questionnaires, reliable published surveys
19. Total compensation and benefits survey by bargaining unit for external competitiveness comparisons
20. Consolidation of data from all sources and calculation of prevailing rates for benchmark jobs
21. Computation of extent City's compensation offerings vary from external prevailing rates and practices
22. Review of competitiveness analysis with Human Resources, City Officials and City's project designees

Compensation Plan Development

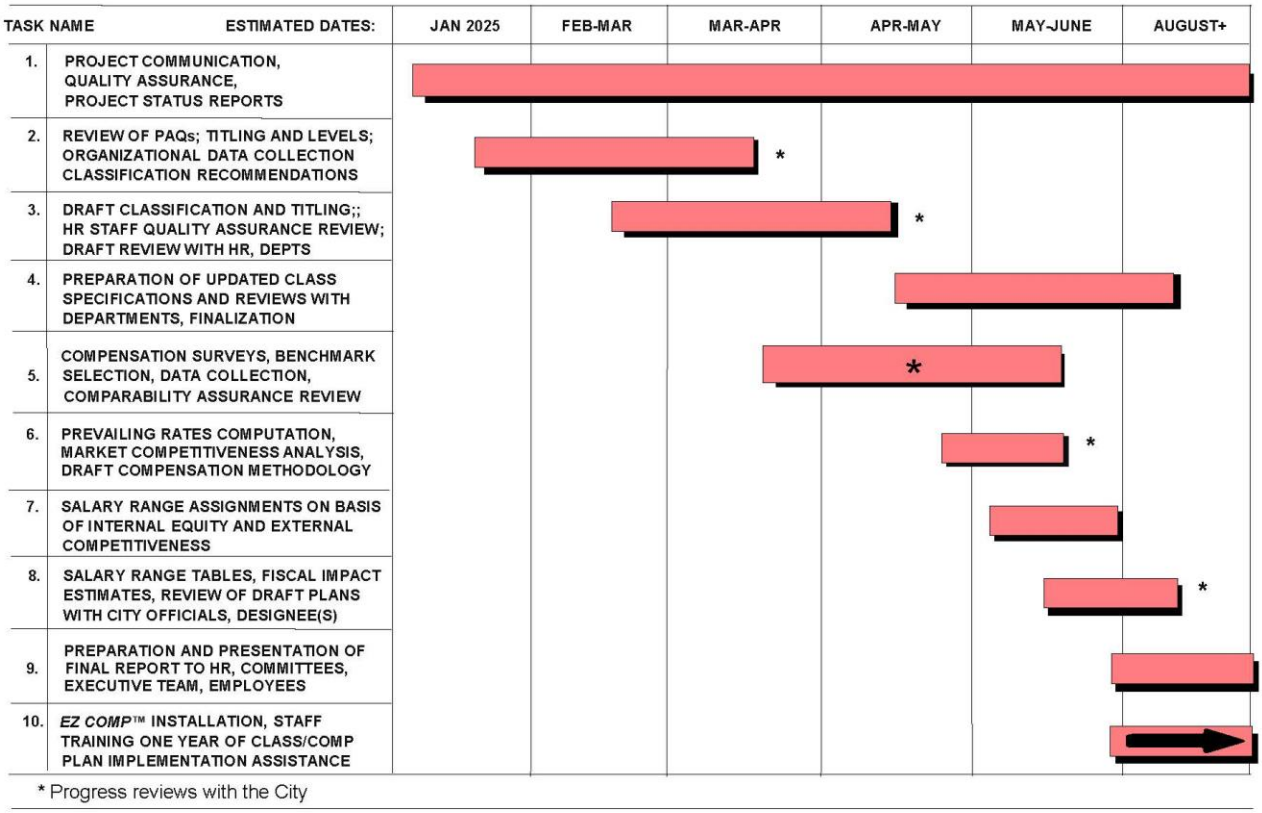
23. Construction of optional salary range structures for review and selection by City's project leaders
24. Assignment of job classes to salary ranges by internal equity and external competitiveness
25. Assistance with City Council identification of desired, affordable salary competitiveness policy
26. Fiscal impact estimates at various levels of external prevailing rates competitiveness policies
27. Review and critique of draft salary and implementation plans with Human Resources, project leaders

Communication of Results and Implementation Strategies

28. Preparation and presentation of final project reports for the City Council, staff, and City Officials
29. Development of a plan for the implementation of City's updated classification and compensation plan
30. Uploading of ***EZ COMP™*** program files on a Human Resources Department computer, staff training
31. Development and provision of process for ongoing plan maintenance and subsequent plan updates
32. Assistance with communicating the City's updated plans for all City officials and employees

EXHIBIT "B"
PROJECT SCHEDULE

TIMELINE ILLUSTRATION ASSUMING JANUARY 2025 START
(can be modified if market data is not desired until 2026)



* Timing of survey results can be adjusted to maximize recency / intended use

EXHIBIT "C"

PROJECT RATES BY MAJOR TASK

A. PROJECT COST ESTIMATE

We estimate that the project's total cost, including all fees for professional services and reimbursement for out-of-pocket expenses, ***will not exceed*** the indicated amounts.

Major Project Components

- Project Planning, Stakeholder Meetings, Project Briefing Meetings for Employees	***$ 7,000***
- Desk Audit Interviews (200)	***$ 25,000***
- Position Classification, Titling, Career Ladders, Job Families	***$ 15,000***
- Updated Classification Specifications (200)	***$ 15,000***
- Total Compensation Survey – Up to 15 Comparators	***$ 100,000***
- Reserve – Employee Communication, Stakeholder Meetings, Presentations	***$ 10,000***
- From Surveys, Compensation Plan, Draft Reviews, Final Presentations	***$ 20,000***
Base Cost:	***$ 192,000***

Standard Hourly Rate all Staff $150

B. FLEXIBLE WORK PLAN, NEGOTIABLE TOTAL COST, TERMS

Our work plan is flexible and total project cost negotiable, and we will discuss, modify, add or delete, any work task to increase the project's responsiveness to the City's needs and financial resources. We will provide the City with monthly invoices for the professional services provided and out-of-pocket expenses incurred during the month. We request that the City pay the invoices within thirty (30) days of their receipt.

EXHIBIT " D "

WORKERS' COMPENSATION INSURANCE CERTIFICATION

Every employer, except the State, shall secure the payment of compensation in one or more of the following ways:

(a) By being insured against liability to pay compensation by one or more insurers duly authorized to write compensation insurance in this State.

(b) By securing from the Director of Industrial Relations, a certificate of consent to self-insure, either as an individual employer, or as one employer in a group of employers, which may be given upon furnishing proof satisfactory to the Director of Industrial Relations of ability to self-insure and to pay any compensation that may become due to his or her employees.

CHECK ONE

_____I am aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code, and I will comply with such provisions before commencing the performance of the work and activities required or permitted under this Agreement. (Labor Code §1861).

_____I affirm that at all times, in performing the work and activities required or permitted under this Agreement, I shall not employ any person in any manner such that I become subject to the workers' compensation laws of California. However, at any time, if I employ any person such that I become subject to the workers' compensation laws of California, immediately I shall provide the City with a certificate of consent to self-insure, or a certification of workers' compensation insurance.

I certify under penalty of perjury under the laws of the State of California that the information and representations made in this certificate are true and correct.

PUBLIC SECTOR PERSONNEL CONSULTANTS INC.

By:_____ Date: _____
Mattew Weatherly, President

CITY OF REDLANDS
REQUEST FOR ADDITIONAL APPROPRIATION

DATE OF REQUEST: 01/21/2025

FINANCE USE ONLY
TRANSACTION NO:
ACCOUNTING PERIOD:

An additional appropriation is hereby requested as follows:

Department: Human Resources

EXPENDITURE APPROPRIATION INCREASE (if applicable)				
Account Description	**Orgkey**	**Object Code**	**Job Ledger (If applicable)**	**Amount**
Professional Services	101140	6106		192,000
				$ 192,000 -

REVENUE APPROPRIATION INCREASE (if applicable)				
Account Description	**Orgkey**	**Object Code**	**Job Ledger (If applicable)**	**Amount**
				$ -

JUSTIFICATION: Increase professional services to fund the Citywide Classification and Compensation Study

Requested By: _____
Department Head

Recommended By Finance Director:

Yes _____ No _____ Signed _____

Recommended: _____
City Manager

Comments: _____

Approved by City Council:

Date: _____

Signed: _____
City Clerk

City Council/Financing Authority Meeting **I. 1.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Presentation and acceptance of the Fiscal Year 2024 City of Redlands Annual Comprehensive Financial Report, and the Independent Accountants' Report on Applying Agreed-Upon Procedures Related to the Article XIII-B Appropriations Limit Calculation (Management Services/Finance Director Garcia)

MOTION(S):

I move to accept the City of Redlands Comprehensive Annual Financial Report and the Independent Accountants' Report on Applying Agreed-Upon Procedures Related to the Article XIII-B Appropriations Limit Calculation for the fiscal year ending June 30, 2024.

RECOMMENDATION:

N/A

DISCUSSION:

The Annual Comprehensive Financial Report (ACFR) communicates the City's financial condition and activity for the fiscal year ending June 30, 2024. It is an audited summary report of the financial position and transactions of the City for the fiscal year. The Pun Group LLP, a certified public accounting firm, audited these documents and has provided an unmodified opinion of the City's financial statements. An unmodified opinion communicates to users that the financial statements are fairly presented and that the information used in the report is consistent with generally accepted accounting principles. This is the best opinion that the City can receive from its auditors.

State statute and federal funding requirements stipulate the need for an annual audit to be conducted by independent certified public accountants. The Pun Group LLP was selected through a competitive selection process to perform

these services for the City. The audit engagement was also designed to meet the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-133, as well as the requirements of Statement on Auditing Standards 115 (SAS 115) and Statement on Auditing Standards 114 (SAS 114). Accounting and reporting requirements adopted by the Governmental Accounting Standards Board (GASB) for annual financial statements of state and local governments have been implemented as required.

Pursuant to GASB guidelines, the City's ACFR is divided into three sections: Introductory, Financial and Statistical. The Introductory section contains a Letter of Transmittal. This letter includes a brief overview of the City, economic outlook, operational controls, and major initiatives. It also includes the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for the prior fiscal year ended June 30, 2023. The GFOA's Certificate is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment. The City has consistently received this award for the last twenty-one years.

The ACFR presents the City's financial condition and activity in a transparent and structured manner, which is explained in more detail in the section for Management's Discussion and Analysis. The report also provides historical and comparative information that can be useful to City staff, elected officials, and external users such as debt rating agencies, businesses, other public agencies, and the City's residents. The 2024 Annual Comprehensive Financial Report and several prior year reports are available on the City's website at cityofredlands.org/ACFR.

Article XIII-B of the California Constitution places limits on the amount of revenue that can be spent by the state and each local government entity. It is the responsibility of the City to calculate the annual appropriations limit. The City's auditors are required to review and approve the appropriations calculation as part of their audit to the City. The auditor found no exceptions to the City's calculation of the appropriations limit. The Independent Accountants' Report on Agreed-Upon Procedures Applies to Appropriations Limit Worksheet is included as an attachment to this report.

ALTERNATIVES:

Not Applicable

STRATEGIC PLAN:

Not Applicable

SUBMITTED BY:
Danielle Garcia, Management Services/Finance Director

RECOMMENDED BY:
Charles M. Duggan, Jr., City Manager

REVIEWED BY:
Yvette M. Abich Garcia, City Attorney
Janice McConnell, Assistant City Manager

Fiscal Impact

Discussion:

There is no fiscal impact associated with the motion provided.

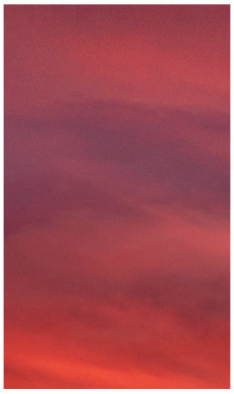
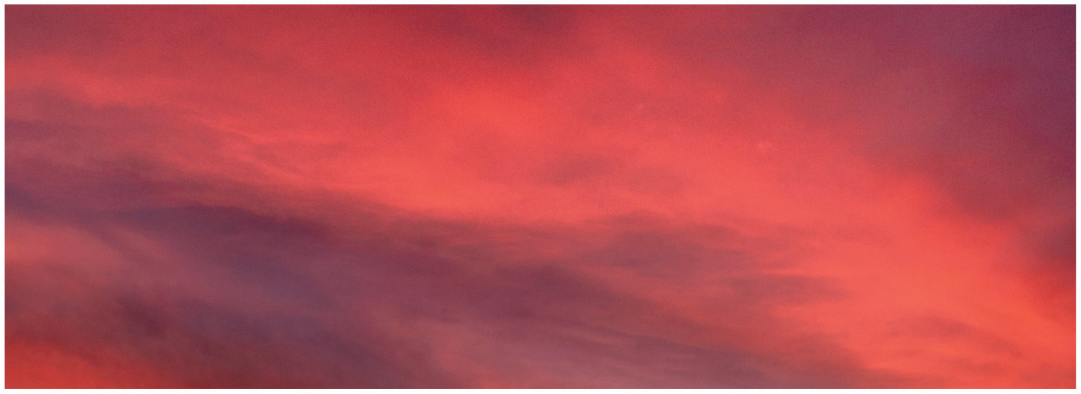
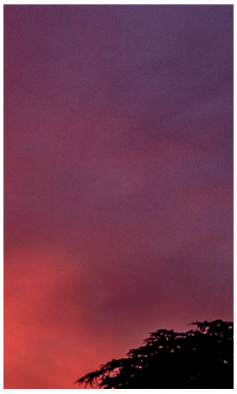
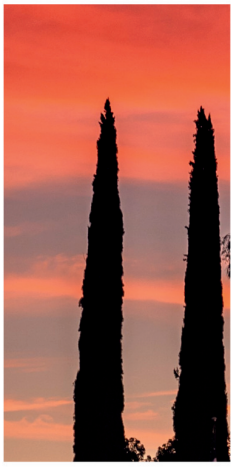
Attachments

FY 2024 Annual Comprehensive Financial Report

AU-C 260 Letter (Conclusion of the Audit)

Agreed-Upon Procedures Related to the Article XIII-B Appropriations Limit Calculation

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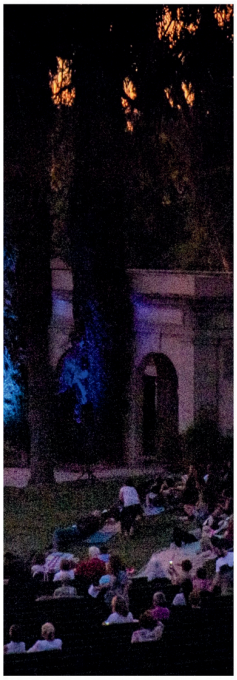





ANNUAL COMPREHENSIVE FINANCIAL REPORT

For Fiscal Year Ended June 30, 2024







CITY OF REDLANDS
CALIFORNIA

City of Redlands

Redlands, California

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

Prepared by
Management Services/Finance Department

City of Redlands
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

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City of Redlands
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

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MANAGEMENT SERVICES
DEPARTMENT
FINANCE DIVISION

City of
REDLANDS
Incorporated 1888
35 Cajon Street, Redlands, CA 92373

Danielle Garcia
Management Services/Finance
Director

James Garland
Assistant Finance Director

December 18, 2024

To the Members of the City Council and Citizens of the City of Redlands:

It is the policy of the City of Redlands to annually publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) and audited in accordance with auditing standards generally accepted in the United State of America by a firm of certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial statements of the City of Redlands (the City) for the Fiscal Year ended June 30, 2024.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with U.S. GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by The Pun Group, LLP, an independent firm of certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the Fiscal Year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified ("clean") opinion that the City's financial statements for the Fiscal Year ended June 30, 2024 were fairly presented in conformity with U.S. GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

U.S. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditor's report.

PROFILE OF THE CITY OF REDLANDS

The City of Redlands, incorporated in 1888, is located 63 miles east of Los Angeles, 110 miles north of San Diego, and 500 miles southeast of San Francisco. It lies within the San Bernardino Valley in the southwestern portion of San Bernardino County, covering an area of 36 square miles, within the heart of the Inland Empire. It serves a population of 72,692.

The City was incorporated under the general laws of the State of California and enjoys all the rights and privileges applicable to a General Law City. It is a municipal corporation governed by a five-member city council in which all policy-making and legislative authority is vested. The City Council is responsible, among other things for passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is the chief administrative officer of the City and as such is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing department heads. The Council is elected on a non-partisan basis. Council members serve four-year staggered terms, with elections occurring every two years. The mayor is currently elected by a majority vote of the Council. Adopted in 2017, Ordinance No. 2848, amended the Redlands Municipal Code to change the City's electoral system for City Council Members from at-large to by-district elections.

The City provides a full range of services, including police and fire protection, animal control, emergency medical aid, building safety regulation and inspection, street lighting, landscaping, sewer and water utilities, solid waste collection and disposal, land use planning and zoning, recreation and community services, maintenance and improvement of streets and related structures, traffic safety maintenance and improvement, and a full range of recreational and cultural programs for citizen participation, as well as being the home of the historic A. K. Smiley Public Library.

Budgets are adopted on a basis consistent with U.S. GAAP. While annual appropriated budgets are adopted for all departments within the general, special revenue, and capital project funds, the City operates on a biennial budget cycle to guide its financial planning and control.

Every two years, during the period from February through May, department heads prepare estimates of required appropriations for the upcoming two-year budget cycle. These estimates are compiled into a proposed operating budget, which includes a summary of projected expenditures, financial resources, and historical data from the preceding budget cycle. The City Manager's Recommended Budget is then presented either to the full City Council or to the Budget Subcommittee (comprised of two members of the City Council and the City Treasurer) at a public meeting noticed in accordance with the Brown Act. Following a series of two to three budget presentations during regular and special Council meetings, the biennial budget is formally adopted by the City Council at a regular meeting prior to June 30th of the second year in the current cycle.

The City Manager is legally authorized to transfer budgeted amounts between divisions and accounts within the same department. Transfer of appropriations between departments or funds and increased appropriations must be authorized by the City Council. Expenditures may not legally exceed budgeted appropriations within a fund. All appropriations shall lapse at the end of the fiscal year to the extent they have not been expended or lawfully encumbered, in which case they are automatically carried over into the following fiscal year as part of the biennial budget resolution of City Council.

The City maintains budgetary controls to ensure compliance with provisions embodied in the annual appropriated budget approved by the City Council. Activities of the general fund, special revenue funds, debt service funds, capital projects funds, enterprise funds and internal service funds are included in the annual budget. Formal budgets are not employed for debt service funds because debt indenture provisions specify payments. The permanent fund is not budgeted. The level of control (level at which expenditures may not exceed budget) is the fund level. The City also maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbered amounts are carried forward into the next fiscal year of a biennial budget by resolution of the City Council that is adopted at the same time the budget is adopted. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds, this comparison is presented as part of the required supplementary information in the accompanying financial statements. For governmental funds that have appropriated annual budgets, other than the general fund and major special revenue funds, this comparison is presented in the supplementary section of the accompanying financial statements.

ECONOMIC CONDITION AND OUTLOOK

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City operates.

Local economy. Throughout fiscal year 2024, economic indicators reflected a mixed performance, showcasing both growth and challenges. Property tax revenue experienced robust growth of 8% compared to the prior fiscal year, with nearly 1.7% of this increase attributed the annual adjustment for CPI. New residential and commercial construction contributed 1.7% to this growth, while prior-year property sales accounted for an additional 3%.

Conversely, sales tax revenue contracted by 2%, driven by a decline in consumer spending. While inflation has begun to cool, the prolonged period of elevated prices in recent years has left many Americans financially strained, contributing to reduced discretionary spending. Despite these challenges, the City's economic foundation remains strong, buoyed by continued development and a growing property tax base.

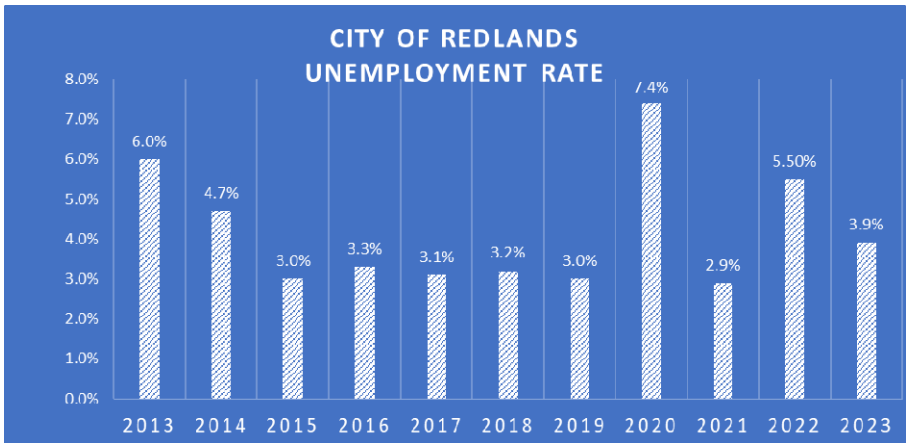
The City of Redlands' economy is based largely in the service and trade sectors (health care, retail trade, logistics, technology, and education). The region has a varied manufacturing and industrial base that has added to the relative stability of the unemployment rate over the years. Redlands' unemployment rate remains lower than its neighboring communities. Since 2002, the annual unemployment rate for the City has ranged from a low of 2.9% in 2021 to a high of 10.5% in 2010, which surpasses the 2020 pandemic-related peak of 7.4%.

Major industries within the City's boundaries or in proximity include computer software manufacturers, higher education institutions, light manufacturing, regional distribution centers and several financial and insurance institutions. Major employers in the City, or within the vicinity, include the Redlands Unified School District, Esri (Environmental Systems Research Institute), Redlands Community Hospital, Amazon Fulfillment Center, Beaver Medical Group, the City of Redlands, the University of Redlands, Burlington Coat Factory Distribution Center and Loma Linda University Behavioral Medical Center.

The City reviews a variety of indicators during the fiscal year as a part of the evaluation of the economic conditions impacting the City and to analyze trends and patterns therein.

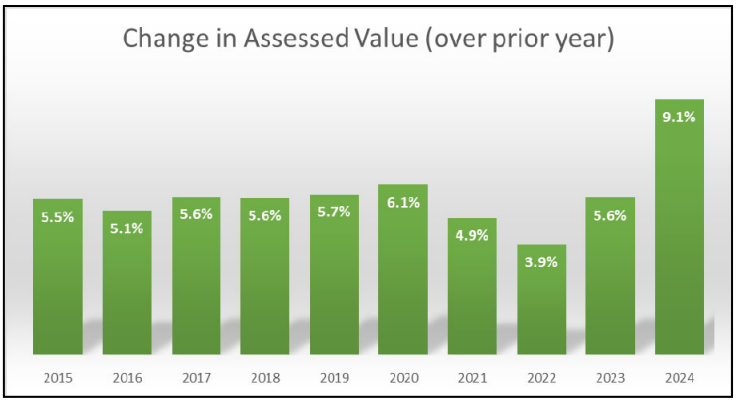
Unemployment Rate – The City's unemployment rate has experienced significant fluctuations over the past four years, reflecting broader regional and national trends. In 2020, unemployment reached its highest level since the Great Recession, driven by pandemic-induced economic disruptions. By 2021, the rate had recovered to a pre-pandemic low of 2.9%, a testament to the resilience of the City's labor market. However, in 2022, unemployment rose to 5.5% as labor force participation outpaced job creation. In 2023, this trend moderated, with unemployment declining to 3.6%, a near 2% improvement from the prior year, signaling that the economy successfully generated jobs to support the expanding workforce.

This recovery aligns with the Inland Empire's broader economic rebound, where industries such as logistics, healthcare, and professional services have driven job growth. Southern California as a whole has experienced steady hiring, with demand for skilled workers increasing in technology, education, and advanced manufacturing. Redlands has benefited from these regional trends, leveraging its diverse economic base and strategic location to foster job creation and economic stability.



Assessed Value – The City's assessed property values experienced remarkable growth in FY 2024, increasing by 9% over the prior fiscal year. This significant growth is attributable to a variety of factors that underscore the strength of the local real estate market. Nearly 1.7% of this increase resulted from new residential and commercial construction, while 3% was attributed to prior-year property sales at prices above assessed value. Another 1.7% of this growth stemmed from the standard 2% Consumer Price Index (CPI) adjustment allowed under California property tax law, further boosting the City's revenue base.

The sustained rise in assessed value highlights the appeal of Redlands as a destination for both residential and commercial investment. The City's strategic location within the Inland Empire, coupled with state legislation encouraging housing development, has supported ongoing construction and property transactions. This growth also reflects broader trends in Southern California, where rising demand for housing and commercial spaces continues to push property values higher despite challenges in the broader economy.



Housing Market - The local real estate market in Redlands demonstrated continued strength in FY 2024, with median home sale prices remaining well above pre-pandemic levels. Although increased borrowing costs from interest rate hikes beginning in May 2022 eventually slowed housing sales in September 2022, home prices remained resilient, with the median price increasing approximately 4% between 2022 and 2023. This sustained demand for housing, combined with favorable state legislation, has spurred ongoing residential development across the City, with several projects currently in the entitlement process.

Assessed property values in Redlands grew by nearly $1.1 billion in FY 2024, driven largely by prior-year transfers of ownership, which contributed 3% of the total increase, higher than the 2% average seen over the past decade. The assessed values for non-single-family residential (non-SFR) properties more than doubled as a result of these sales, reflecting strong demand for commercial and multifamily properties. These trends underscore the strength of Redlands' real estate market as a key component of its fiscal health.

Regional and national economic conditions continue to shape the City's outlook. While inflationary pressures have eased and unemployment remains low, rising interest rates pose potential challenges for the housing market in the medium term. However, Redlands' strengthening tax base, fueled by a robust real estate market and investments in multiuse and transit-oriented developments, positions the City to remain a key participant in the Inland Empire's long-term housing demand growth.

The budget for fiscal year 2024 was part of the City's first biennial budget adopted by the City Council, covering fiscal years 2023 & 2024. This biennial budget builds on the City's continuing recovery from the pandemic and the significant addition of Measure T sax revenue beginning in April 2021 while investing in enhancements to services, infrastructure and programs that address deferred maintenance, homelessness, and other community priorities. In the General Fund, City revenue from combined sales tax sources increased from roughly $17,510,000 in 2020 to $47,629,600 million in 2024 (an increase of 172%). Property tax has continued to perform well as home prices remain high and new development that has occurred in years passed is added to the tax rolls. During the same time frame from 2020 to 2024, the City's revenue from property tax grew from roughly $32,000,000 to approximately $41,700,000 (an increase of almost 30%).

In residential construction, the City has continued to expand its housing stock with several major projects. At the close of FY 2024, there were over 2,400 apartment units and 1,400 single-family dwelling units in various stages of planning, entitlement, and construction. These include:

- The Tennessee Village Project: A mixed-use development featuring 460 apartments (with 5% designated as very low-income units) and 18,000 sq. ft. of commercial space on Tennessee Street.
- Lugonia Village Project: A high-density residential development with 436 apartments, 56 condominium townhomes, and 19 single-family residences on 25 acres near Pennsylvania Avenue.
- The State Street Village Project: A transformative transit-oriented development to redevelop the former Redlands Mall site into a mixed-use district with up to 700 apartments/condominiums and 65,468 sq. ft. of retail and commercial space.

The uptick in residential projects has been supported by compliance with the Regional Housing Needs Allocation (RHNA) targets and favorable state legislation. These developments continue to meet the growing demand for housing in Redlands and contribute to the City's expanding tax base.

In terms of commercial growth, Redlands saw several new developments completed or underway, including:

- Packing House District Phase 2: Two commercial buildings on 3.9 acres for retail and restaurant uses.
- Redlands Railway District: Multiple retail and restaurant buildings, including a 7,968 sq. ft. multi-tenant structure and a 3,898 sq. ft. bank facility, alongside historic preservation projects.
- The MOD Packinghouse Food Hall: Adaptive reuse of a historic structure into a vibrant multi-tenant retail and dining destination.

These projects illustrate Redlands' strong commitment to mixed-use and transit-oriented developments, ensuring a balanced approach to housing and economic growth. The City remains poised to address the challenges of rising interest rates while continuing to attract residential and commercial investment.

Other notable business openings in fiscal year 2023-24 include the following:

- Sojo Industries, founded in 2021, expanded its operations to Redlands, California, in April 2024. Sojo Industries is an industrial automation company that utilizes robotics, mobility, and modularity to deliver efficient packaging and assembly solutions to the food and beverage industry.
- Finney's Crafthouse & Kitchen, a family-owned American tavern known for its globally inspired, made-from-scratch menu, expanded into the Inland Empire with the opening of its Redlands location on September 25, 2023.
- The Three Stags Irish Pub and Restaurant opened in November 2023 in downtown Redlands. They offer a warm and inviting atmosphere, serving traditional Irish food and live music.
- R Burgers Drive Thru opened in summer 2024. Located at 1280 Alabama Street, the establishment operates seven days a week from 5:00 AM to 11:00 PM.

- Zoom Room, a dog training, agility and obedience facility opened in March 2024. They offer a variety of classes, including obedience training, agility, puppy classes, and enrichment workshops, all using positive reinforcement methods.
- D-BAT Redlands, a premier baseball and softball training facility, opened in spring of 2024 and offers a range of training services, from developmental youth camps to private lessons.
- Cornerstone BBQ, a Texas-style barbeque fast-casual restaurant, opened in November 2023. This is the business' second location.
- Le Chat Noir Bookstore & Cat Lounge opened its doors in January 2024. This unique establishment combines a bookstore, café, and cat lounge, offering visitors the opportunity to enjoy coffee, browse books, and interact with adoptable cats. Since its opening, Le Chat Noir has facilitated the adoption of over 70 cats.

Successor Agency. The City of Redlands Redevelopment Agency – and all redevelopment agencies in California – were dissolved under AB1X 26 (and subsequently AB1484), effective as of February 1, 2012, and the City of Redlands, as "Successor Agency," assumed responsibilities for winding down the operations of the Successor Agency.

On September 8, 2015, the DOF approved the Successor Agency's Long-Range Property Management Plan (LRPMP). As of April 2019, the City has disposed of all remaining properties not specified for a governmental purpose in accordance with the LRPMP. In addition, all outstanding liabilities of the Successor Agency were satisfied as of the end of Fiscal Year 2023.

In order for the Successor Agency to dissolve, HSC Section 34187(b) requires the following:

A. All enforceable obligations have been retired or paid off;
B. All real property has been disposed of pursuant to HSC Section 34181 or 34191.4; and,
C. All outstanding litigation has been resolved

With all enforceable obligations paid in full, all land disposed of, and all litigation settled, there is no need for the Agency to continue to exist and the criteria to proceed with formally dissolving has been met. On June 10, 2024, the Countywide Oversight Board approved a resolution to formally dissolve the Successor Agency to the Redevelopment Agency of the City of Redlands. July 2, 2024, the state Department of Finance acknowledged the end of the Agency's existence. Final dissolution of the Successor Agency of the Former Redevelopment Agency of the City of Redlands took place in the fiscal year ended June 30, 2024.

Further discussion about the Successor Agency can be found in Note 17 of the Notes to the Basic Financial Statements.

Long-term financial outlook/planning. As the economy transitions into a post-pandemic phase, the City continues to experience stability bolstered by a diversified tax base, growing reserves, and a steady pipeline of residential and commercial developments. However, new economic dynamics, shaped by higher interest rates, evolving labor market conditions, and persistent inflation, will influence long-term financial planning. These factors, coupled with global and national economic trends, present both opportunities and challenges for maintaining fiscal resilience.

Provided the significant growth in assessed value seen in FY 2024 of 9%, growth in assessed property values remains a cornerstone of the City's fiscal health, providing consistent revenues despite broader economic uncertainties. However, with the Federal Reserve maintaining a higher interest rate environment, the housing market is likely to experience slower price appreciation and reduced transaction volumes in the coming years. Housing affordability and borrowing constraints may temper growth in property tax revenues, necessitating careful monitoring and prudent fiscal forecasting.

The City continues to benefit from a robust labor market, characterized by low unemployment and steady workforce expansion. However, labor market dynamics are shifting as employers compete for talent in a constrained labor pool, driving up wages. While this has supported consumer spending, a key piece of economic stability, it also imposes cost pressures on local businesses. The City's proactive approach to attracting diverse industries and supporting workforce development will play a critical role in sustaining economic growth.

Inflation has been a significant concern nationally, reaching levels not seen in decades. While there are signs of moderation due to monetary policy interventions, inflation remains elevated. Despite higher interest rates intended to temper economic activity, consumer spending and business investments have remained robust. This resilience suggests that the economy may avoid a severe downturn, aligning with projections of a "soft landing" where growth slows but does not contract sharply.

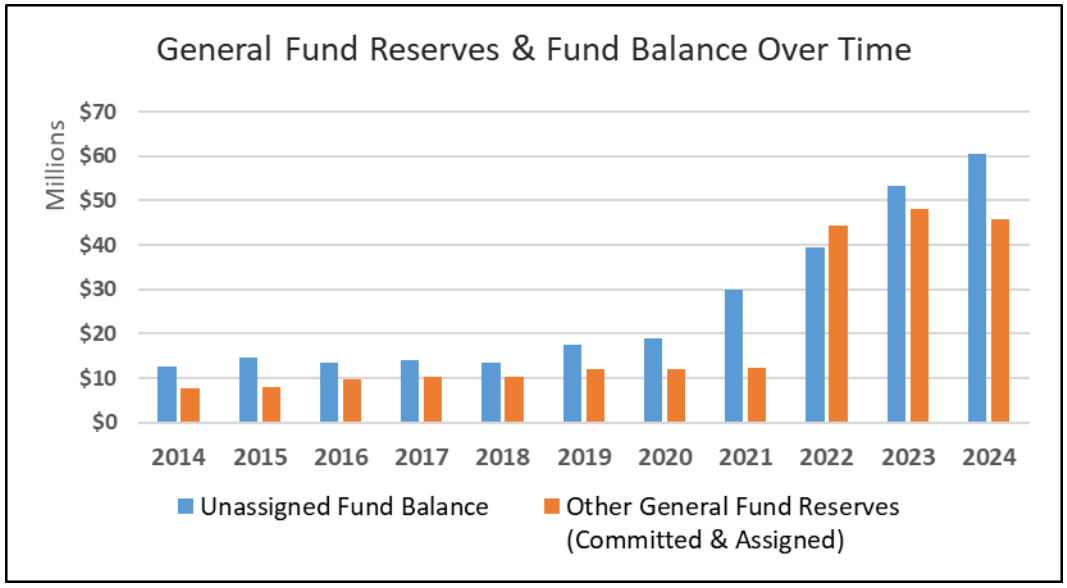
Global supply chain disruptions and geopolitical uncertainties have affected economic conditions locally and nationally. While these factors pose challenges, they also present opportunities for local businesses to adapt and innovate. The City's diverse economic base positions it to navigate these global headwinds more effectively, leveraging local strengths to maintain economic momentum.

Despite these challenges, the City is well-positioned for long-term financial sustainability. Key strengths include:

- Diversified Revenue Base: Continued growth in assessed property values and development activities have expanded the City's fiscal foundation.
- Business Resilience: New and expanding businesses provide a reliable source of tax revenue and employment opportunities.
- Infrastructure Investments: Strategic use of Measure T funding supports critical infrastructure and enhances the City's appeal to residents and businesses alike.
- Workforce Adaptability: Efforts to address labor market constraints and support workforce development strengthen the City's economic base.

The long-term financial outlook for the City reflects cautious optimism amid a complex and evolving economic landscape. While external factors such as inflation, interest rates, and global dynamics will continue to pose challenges, the City's fiscal management and strategic planning provide a foundation for resilience. By investing in infrastructure, supporting workforce growth, and fostering economic development, the City is prepared to navigate uncertainties and secure a sustainable future for its residents.

The graph below provides an at-a-glance view of the City’s ability to prioritize spending and facilitate investment in long-term capital needs. In fiscal year 2024, the City’s General Fund reserves for capital projects included: $994,000 for parking improvements in the downtown, roughly $6 million in parks, equipment, facilities, sidewalks and building capital, $24.6 million for future city facilities, $2.5 million for public safety/homelessness, and $2 million for unfunded mandates.



Notably, the ending unassigned fund balance for the General Fund was approximately $7.2 million higher than the prior year and roughly $21 million higher than FY 2022, increasing from $39.5 million in FY 2022 to $60.5 million in FY 2023. Further review of the General Fund is included within Management's Discussion and Analysis which follows the independent auditor's report.

Relevant Financial Policies

The City has adopted a set of financial policies based on best management practices and GFOA standards. These policies direct the administration of the budget, accounting practices, purchasing, debt, capital financing, investments, and capital assets. Central to the management of the budget and reserves are two policies: the Balanced Budget Policy – Ordinance No. 2660 (2007) and the Fund Balance Policy established by Resolution No. 7346 (2013). The Balanced Budget Policy requires that the City Council adopt a balanced budget on an annual basis wherein total financial sources meet or exceed the total financial requirements of the City, excluding one-time capital expenditures. This ensures a structural balance of revenues and expenditures and creates sustainability with regard to ongoing appropriations. The Fund Balance Policy provides that it is the policy of the City to assign a minimum of 45% of the General Fund's excess of Revenues over Expenses (the surplus – if any) each fiscal year for general fund assigned reserves in the categories of Capital Equipment, Building Purchases and/or Improvements, and Unfunded Mandates in equal proportion and 15% of that excess to the committee reserve for operating contingency. This policy has contributed to the City's ability to invest in capital replacement of aging infrastructure of parks and public buildings as well as funding adequate reserves to respond to natural disasters or other disruptions to the City's critical revenue streams.

In June 2018, the City Council adopted Resolution No. 7983 establishing the City's Debt Management Policy. Among other things, this policy establishes guidelines for the use of various categories of debt; creates procedures and policies that minimize the City's debt service and issuance costs; and provides for full and complete financial disclosure and reporting. The Policy was developed to improve the quality of decision-making, provide justification for how debt issuance is structured, identify goals, and to validate the City's commitment to strategic long-term financial planning. Maintaining compliance with the Policy should demonstrate to rating agencies and to capital markets that the City is well managed and will be able to meet its financial obligations on a timely basis.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement of Excellence in Financial Reporting to the City of Redlands for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023. This was the twenty first consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the annual comprehensive financial report was made possible by the dedicated service of the entire staff of the Finance division. Special recognition is due to Assistant Finance Director, James Garland; Finance Manager, Marie Datuin; Principal Accountant Denise Camarillo, Senior Accountants Jannette Mendoza and Justine Wickman, and Budget Analyst, Miriam Valtierra for their efforts in overseeing the compilation of the accounting data and interfacing with our auditors; and to the accounting firm of The Pun Group, LLP, and to the City Manager's Office. Credit is also due to City Manager Charles M. Duggan, Jr., Assistant City Manager Janice McConnell, and the Mayor and the City Council for their consistent support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Danielle Garcia
Management Services / Finance Director

City of Redlands

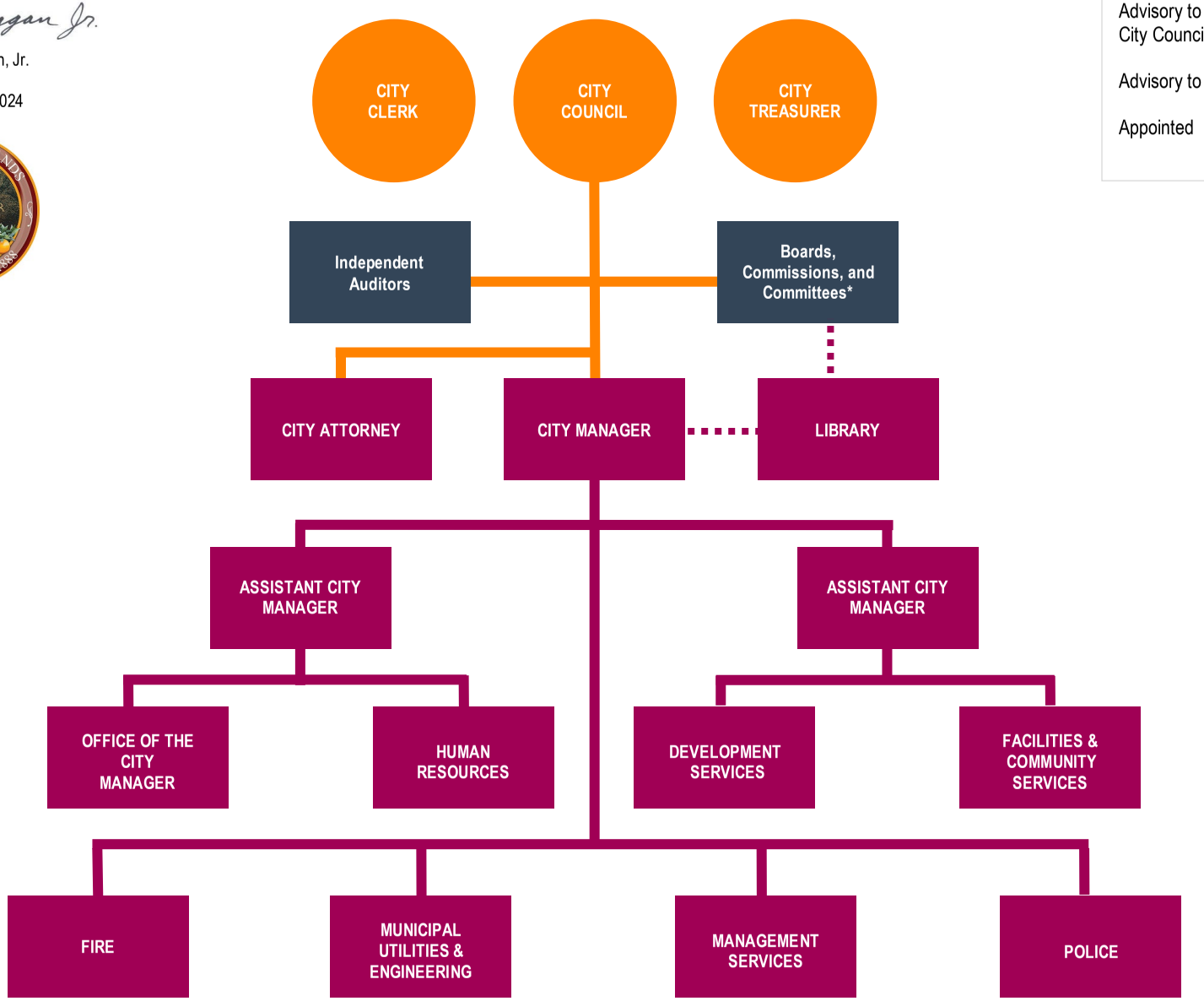
Principal Officers
as of June 30, 2024

City Council (Elected)	Eddie Tejeda, Mayor
	Paul T. Barich, Mayor Pro Tem
	Denise Davis, Councilmember
	Mario Saucedo, Councilmember
	Jenna Guzman-Lowery, Councilmember
City Manager	Charles M. Duggan, Jr.
Assistant City Manager	Janice McConnell
Assistant City Manager	Christopher Boatman
City Clerk (Elected)	Jeanne Donaldson
City Treasurer (Elected)	Phillip Doolittle
City Attorney	Yvette Abich Garcia
Development Services Director	Brian Desatnik
Fire Chief	Rich Sessler
Library Director	Donald McCue
Management Services/Finance Director	Danielle Garcia
Municipal Utilities & Engineering Director	John Harris
Facilities & Community Services Director	Tabitha Crocker
Police Chief	Rachel Tolber

City of Redlands, CA
Organizational Chart
Approved By:

Charles M. Duggan, Jr.
City Manager
Effective July 1, 2024





LEGEND

Elected:

Advisory to City Council:

Advisory to

Appointed

❖ There are fourteen advisory Boards/Commissions/Committees as follows: Airport Advisory Board, Citrus Preservation Commission, Cultural Arts Commission, Disaster Council, Historic & Scenic Preservation Commission, Human Relations Commission, Measure T Oversight Committee, Municipal Utilities & Public Works Commission, Parks & Recreation Advisory Board, Planning Commission, Library Board, Street Tree Committee, Traffic & Parking Commission, and the Utilities Advisory Committee.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Redlands
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

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THE PUN GROUP
ACCOUNTANTS & ADVISORS

200 E. Sandpointe Avenue, Suite 600
Santa Ana, California 92707

www.pungroup.cpa

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the City Council of the City of Redlands
Redlands, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Redlands, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedule of Changes in Net Pension Liability and Related Ratios, Schedules of Contributions – Pension Plans, and Schedule of Changes in Total OPEB Liability and Related Ratios, as listed in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Fund Financial Statements and Budgetary Comparison Schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Fund Financial Statements and Budgetary Comparison Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 18, 2024, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

The Pun Group, LLP

Santa Ana, California
December 18, 2024

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The information contained in the Management's Discussion and Analysis (MD&A) introduces the basic financial statements and provides an analytical overview of the City of Redlands (the "City") financial activities and performance for the fiscal year ended June 30, 2024. Please read the MD&A in conjunction with the transmittal letter and financial statements identified in the accompanying table of contents.

Using the Accompanying Financial Statements

This annual ACFR consists of a series of financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Also included in the accompanying report are fund financial statements. For governmental activities, the fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements* for non-major governmental funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the City government, reporting the City's operations in *more detail* than the government-wide statements.

    - The *governmental funds* statements tell how *general government* services like public safety were financed in the *short-term* as well as what remains for future spending.
    - *Proprietary fund* statements offer *short-* and *long-term* financial information about the activities the government operates like businesses, such as the water system.
    - *Fiduciary fund* statements provide information about fiduciary relationships – like the custodial funds of the City – in which the City acts solely as *agent* or *trustee* for the benefit of others, to whom the resources in question belong.

The financial statements also include *notes* that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that provides additional financial and budgetary information.

Figure A-1 summarizes the major features of the City's financial statements, including the portion of the City government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Figure A-1

Major Features of the City's Government-wide and Fund Financial Statements

		Fund Statements		
	Government-wide Statements	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire City government (except fiduciary funds) and the City's component units	The activities of the City that are not proprietary or fiduciary	Activities the City operates similar to private businesses	Instances in which the City is the trustee or agent for someone else's resources
Required financial statements	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures and changes in fund balances	• Statement of net position • Statement of revenues, expenses and changes in net position • Statement of cash flows	• Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset, deferred outflow of resources, deferred inflow of resources, and liability information	All assets and liabilities, both financial and capital, and short-term and long-term	Only assets and deferred outflows of resources expected to be used up and liabilities and deferred inflows of resources that come due during the year or soon thereafter; no capital assets or long-term debt included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of financial inflow and outflow information	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid	All revenues and expenses during the year, regardless of when cash is received or paid

Reporting the City as a Whole

The accompanying **government-wide financial statements** include two statements that present financial data for the City as a whole. One of the most important questions asked about the City's finances is, "Is the City, as a whole, better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and its changes. You can think of the City's net position – the difference between assets, deferred outflows of resources, deferred inflows of resources and liabilities – as one way to measure the City's financial health, or *financial position*. Over time, *increases and decreases* in the City's net position may be one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the City's property tax base and the condition of the City's roads, to assess the *overall health* of the City.

In the Statement of Net Position and the Statement of Activities, City services are divided into two kinds of activities:

- Governmental activities – Most of the City's basic services are reported here. Sales taxes, property taxes, state subventions, and other revenues finance most of these activities.
- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of the services accounted for in these funds.

Reporting the City's Most Significant Funds

The **fund financial statements** provide detailed information about the City's most significant funds – not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting administrative responsibilities for using certain taxes, grants or other money. The City's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

- *Governmental funds* – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *current financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *current-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship or differences between *governmental activities* (reported in the Statement of Net Position and the Statement of Activities) and *governmental funds* in a reconciliation on the page following the fund financial statements.

- *Proprietary funds* – When the City charges customers for the services it provides – whether to outside customers or to other units of the City – these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds (a component of proprietary funds) *are part of* the business-type activities we report in the government-wide statements but provide more detail and additional information for proprietary funds, such as statement of cash flows. The City's internal service funds (the other component of proprietary funds) reports activities that provide supplies and services internally to other City departments and programs.

Reporting the City's Fiduciary Responsibilities

The City is an agent for certain assets held for, and under the control of, other organizations and individuals. All of the City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Statement of Net Position

*The following is a **condensed Statement of Net Position** as of June 30, 2024 and June 30, 2023, which allows for analysis of the City's net position as a whole.*

Table 1

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Current and other Assets	$ 187,645,957	$ 171,147,279	$ 117,588,266	$ 118,298,267	$ 305,234,223	$ 289,445,546
Capital Assets	637,176,157	595,664,117	209,622,726	205,597,161	846,798,883	801,261,278
Total Assets	**824,822,114**	**766,811,396**	**327,210,992**	**323,895,428**	**1,152,033,106**	**1,090,706,824**
Deferred Outflows of Resources						
Pension & OPEB	**82,986,820**	**91,969,372**	**17,689,993**	**20,066,931**	**100,676,813**	**112,036,303**
Long-Term Liabilities Outstanding	265,587,300	268,208,274	94,590,929	94,801,822	360,178,229	363,010,096
Other Liabilities	22,887,043	20,507,492	8,200,221	8,489,325	31,087,264	28,996,817
Total Liabilities	**288,474,343**	**288,715,766**	**102,791,150**	**103,291,147**	**391,265,493**	**392,006,913**
Deferred Inflows of Resources						
Leases & Pension & OPEB	**61,402,646**	**54,513,053**	**18,168,957**	**15,230,825**	**79,571,603**	**69,743,878**
Net Position						
Net Investment in Capital Assets	629,390,358	590,288,015	196,064,177	190,475,232	825,454,535	780,763,247
Restricted	26,403,823	13,385,123	19,763,252	16,677,323	46,167,075	30,062,446
Unrestricted (Deficit)	(97,862,236)	(88,121,189)	8,113,449	18,287,832	(89,748,787)	(69,833,357)
Total Net Position	**$ 557,931,945**	**$ 515,551,949**	**$ 223,940,878**	**$ 225,440,387**	**$ 781,872,823**	**$ 740,992,336**

Net position over time may serve as a useful indicator of a government's financial position, however it may change dramatically year-to-year as a result of changes in accounting practices and assumptions. Table 1 shows that the net position of government-wide activities increased by approximately $40.9 million or 5.5%, from $740,992,336 in 2023 to $781,872,823 in 2024.

Governmental activities net position increased by 8.2%, from $515,551,949 at June 30, 2023 to $557,931,945 at June 30, 2024. The City's net position for business-type activities decreased by 0.7% from $225,440,387 in 2023 to $223,940,878 in 2024. For governmental activities, the increase of roughly $42.4 million in net position is mostly attributable to the change in total assets less the change in total liability of $52.3 million, combined with the total changes in deferred inflows and outflows related to leases, pension and OPEB. For the business type activities, the slight decrease in total net position of 0.7% (or $1.5 million) is attributable to an increase in total net assets of $3.8 million combined with changes in deferred outflows and deferred inflows of $5.3 million. Further detail on comparisons to the prior year is provided be

Statement of Net Position - Total Primary Government

- Again, this year, the largest portion of total assets consists of capital assets (e.g., land, infrastructure and equipment), totaling $847 million or 73.5% of total assets. These are detailed in Note 6 of the financial statements.
- Net investment in capital assets of approximately $825 million represents the City's investment in infrastructure and other capital assets, less accumulated depreciation and outstanding balances on borrowings used to construct or acquire those assets.
- Cash and investments comprised $270.9 million in the City treasury and $933,000 of cash and investments held with fiscal agents. These assets are detailed in Note 2 of the financial statements.
- Deferred outflow of resources related to pension and OPEB decreased notably by $11.4 million, roughly 10%. This change was primarily due to pension contributions made after the measurement date, the amortization of prior differences between expected and actual experience, and changes in assumptions. Deferred outflows related to OPEB were impacted by the recognition of prior changes in assumptions and differences in expected and actual experience.
- Receivables, totaling $24.1 million, consist of accounts, taxes, interest and leases receivable. While most receivables consist of taxes and accounts payable, it is noted here that leases receivable recognizes agreements with third parties for the right-to-use of City property that is leased for special purposes. More information on leases receivable is found in Note 3 to the financial statements.
- Noncurrent long-term liabilities totaled $344 million, approximately, and represent the City's obligations on debt, pensions, and other post-employment benefits. More information is presented in Notes 7 and 9-13 of the financial statements.
- Other liabilities increased by 7%, from $29 million to $31.1 million. Aside from fluctuations in several other accounts in this category, the main cause of this increase is related to a significant increase in accounts payable, accrued payroll and unearned revenue.
- Lease-related deferred inflows of resources decreased by $2.1 million for spaces and land leased out by the City. As well, deferred inflows related to pension & OPEB increased by a net amount $11.9 million, roughly 19%. These fluctuations are based on actuarial assumptions that are made during the measurement of each corresponding deferred inflow. More will be discussed regarding these categories below.
- Overall investment in capital assets, net of related debt, increased by $44.7 million, or 5.7%. This steady increase over the prior year is reflective of additions to right-of-way assets, higher amounts of construction in progress, and additions to infrastructure assets, machinery, equipment & vehicles and lease assets.
- Restricted net position, totaling $46.1 million, represents resources that are subject to restrictions on how they may be used. Some funds are restricted for the purposes of funding specific capital projects, funding specific debt service obligations, to hold in trust as an endowment, or for other specific uses.
- The unrestricted net position amount of -$89.8 million represents an unrestricted net position deficit, mainly resulting from the recognition of the net pension liability in fiscal year 2015, in accordance with GASB 68, and the recognition of total OPEB liability in fiscal year 2018, in accordance with GASB 75. Also, beginning in FY 2022, the City also recognized the deferred inflows related to leases in accordance with GASB 87. Additionally, starting in FY 2023, the City implemented GASB 96, which required the recognition of subscription liabilities and related intangible assets for subscription-based information technology arrangements. These accounting standards collectively contribute to the City's negative unrestricted net position. Additional details can be found in Note 11 for the net pension liability, in Note 12 for the total OPEB liability, in Note 3 for leases, and in Note 1- J for subscription-based IT arrangements.

Governmental Activities

- Receivables, totaling roughly $14.4 million, consist mainly of taxes receivable at $11.1 million, $2.2 million in accounts receivable, $677,000 in interest receivable and $376,600 in leases receivable. Recognition of leases receivable, in accordance with GASB 87 reflects the City's portion of property leased to others for their right-of-use of a particular underlying asset.
- The net position of governmental activities increased significantly by 8.2% (or $42.4 million), attributable to a variety of factors. Cash and other assets increased by $16.5 million, capital assets increased by $41.5 million. These increases were offset by deferred outflows related to pension & OPEB decreasing by roughly $9 million and by increases in deferred inflows related to leases, pension & OPEB of roughly $7 million.
- Deferred outflows of resources related to pensions and OPEB decreased by $9 million, or approximately 10%, in FY 2024. OPEB deferred outflows decreased by $6.1 million, primarily due to the amortization of prior-year changes in assumptions used to calculate the City's Total OPEB liability. Also, pension deferred outflows decreased by $2.9 million, or 5%, driven by investment underperformance, primarily with changes in assumptions also contributing to this difference. Additional details on these changes can be found in Notes 11 and 12 of the financial statements.
- This year, there was a net decrease of 0.1%, or $241,400 in total liabilities. While there were many areas within current and noncurrent liabilities that saw somewhat significant fluctuation, the increase in current liabilities of nearly $2.7 million was offset by a decrease in noncurrent liabilities of $2.9 million.
    - Decreases in OPEB liability were the largest contributor and were influenced by favorable experience variances, such as lower-than-anticipated healthcare costs and other demographic factors like plan elections and retirements. Changes in aggregate net pension liability were also significant, increasing by nearly $8 million. Key drivers include lower-than-expected investment returns from CalPERS, which did not meet the assumed 6.8% rate, resulting in higher unfunded liabilities. Additionally, the amortization of prior-year investment losses and interest on existing unfunded liabilities contributed to the increase. There are more details available in Notes 11 & 12 of the financial statements.
- Deferred inflows of resources related to pension decreased by $4.4 million. This reduction reflects the amortization of prior differences between projected and actual investment returns and changes in demographic and economic assumptions as part of the annual actuarial analysis performed by CalPERS. In contrast, OPEB deferred inflows increased by $13 million, or 30%, over the prior year. This increase is primarily due to changes in assumptions, including adjustments to the discount rate and updated healthcare cost trends, as well as differences between expected and actual experience for OPEB plan participants.

Business-Type Activities

- The net position of business-type activities decreased by 0.7%, or $1.5 million. This change is attributed to an increase in total assets of $3.3 million; a decrease in deferred outflows from pension and OPEB of $2.4 million; and a decrease in total liabilities of $500,000, and an increase in deferred inflows from leases, pension and OPEB of $3 million for a net increase of $1.5 million overall.
- Receivables, totaling $9.7 million, represent an increase of approximately $851,000 from the prior year. The majority of accounts receivable relate to the Water, Wastewater and Solid Waste unbilled customer accounts (totaling $9 million). Half of this increase is attributed to the recognition of roughly $433,000 in interest receivable. This represents unapportioned interest earned on the idle cash within each fund under business type activities.
- Total capital assets of $209.6 million represent 24.8% of total capital assets citywide.

Business-Type Activities (Continued)

- Deferred outflows of resources related to pension and OPEB decreased by $2.4 million, roughly 12%.
    - OPEB deferred outflows decreased by approximately $1.7 million, or 13%. This was primarily due to changes in assumptions, such as adjustments to healthcare cost trends and the discount rate, as well as differences between actual and expected experience in the plan's utilization and demographics.
    - Pension deferred outflows decreased by $706,000, or 9%. This change was driven by multiple factors including the City's pension contributions made after the measurement date of the actuarial report, updates to actuarial assumptions, differences between projected and actual investment earnings, and variances between expected and actual participant outcomes.
- This year, there was a decrease of roughly $500,000 in total liabilities.
    - In terms of noncurrent liabilities – there was an increase of roughly $1 million.
        - Two components of noncurrent liabilities had significant changes in opposite directions: the landfill closure liability increased by roughly $3.8 million due to inflationary construction cost projections and the total OPEB liability decreased by roughly $3.7 million due to favorable experience variances, such as lower-than-anticipated healthcare costs and other demographic factors like plan elections and retirements. Outside of these offsetting changes, aggregate net pension liability increased by roughly $1 million due to lower-than-expected investment returns from CalPERS, and the amortization of prior-year investment losses and interest on existing unfunded liabilities contributed to the increase.
- Deferred inflows of resources related to leases, pension and OPEB increased by nearly $3 million, roughly 19%.
    - Deferred inflows related to leases decreased by $270,000 as existing leases of land owned by the Water, Aviation and Cemetery Funds were paid by the current lessees.
    - Pension deferred inflows decreased by $409,000 to zero. As noted above under Governmental Activities, this reduction reflects the amortization of prior differences between projected and actual investment returns and changes in demographic and economic assumptions as part of the annual actuarial analysis performed by CalPERS.
    - These decreases were totally offset by an increase in deferred inflows related to OPEB of $3.6 million. These inflows reflect updated actuarial assumptions for healthcare costs, discount rates, and actual experience being less favorable than projected.

*The **Statement of Activities** reports increases and decreases in the net position. The following is a condensed Statement of Activities for the fiscal years ending June 30, 2024 and June 30, 2023:*

Table 2

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Program Revenues						
Charges for services:	$ 18,014,068	$ 17,451,819	$ 63,417,844	$ 63,283,866	$ 81,431,912	$ 80,735,685
Operating grants and contributions	14,227,777	5,158,328	114,117	385,895	14,341,894	5,544,223
Capital grants and contributions	38,207,775	53,471,990	3,867,244	4,010,635	42,075,019	57,482,625
General Revenues						
Property taxes	42,883,738	40,372,312	104,411	96,621	42,988,149	40,468,933
Sales taxes	47,629,644	48,632,853	-	-	47,629,644	48,632,853
Franchise taxes	4,471,469	4,487,821	-	-	4,471,469	4,487,821
Other taxes	2,676,553	3,109,696	-	-	2,676,553	3,109,696
Investment income (loss)	9,235,054	2,757,278	5,841,165	1,123,030	15,076,219	3,880,308
Intergovernmental (unrestricted)	852,762	572,685	-	-	852,762	572,685
Other	2,523,968	4,734,390	1,973,183	1,107,435	4,497,151	5,841,825
Total Revenues	**180,722,808**	**180,749,172**	**75,317,964**	**70,007,482**	**256,040,772**	**250,756,654**
Program Expenses						
General government	42,250,996	28,913,048	-	-	42,250,996	28,913,048
Public safety	70,359,582	48,272,159	-	-	70,359,582	48,272,159
Culture and recreation	9,900,700	9,123,333	-	-	9,900,700	9,123,333
Highway and streets	13,911,149	12,081,745	-	-	13,911,149	12,081,745
Library	4,068,345	3,557,350	-	-	4,068,345	3,557,350
Interest on Long-Term Debt	679,186	792,780	-	-	679,186	792,780
Water	-	-	30,614,235	26,729,160	30,614,235	26,729,160
Disposal	-	-	22,954,172	17,755,193	22,954,172	17,755,193
Sewer	-	-	16,143,743	13,554,178	16,143,743	13,554,178
Groves	-	-	1,507,349	1,880,763	1,507,349	1,880,763
NP Water	-	-	581,877	563,123	581,877	563,123
Cemetery	-	-	1,399,130	1,441,652	1,399,130	1,441,652
Aviation	-	-	789,821	819,188	789,821	819,188
Total Expenses	**141,169,958**	**102,740,415**	**73,990,327**	**62,743,257**	**215,160,285**	**165,483,672**
Change in Net Position Before Transfers	**39,552,850**	**78,008,757**	**1,327,637**	**7,264,225**	**40,880,487**	**85,272,982**
Transfers	2,827,146	2,742,192	(2,827,146)	(2,742,192)	-	-
Increase (Decrease) in Net Position	**42,379,996**	**80,750,949**	**(1,499,509)**	**4,522,033**	**40,880,487**	**85,272,982**
Beginning Net Position	515,551,949	434,611,881	225,440,387	220,865,136	740,992,336	655,477,017
Restatement of Net Position	-	189,119	-	53,218	-	242,337
Beginning Net Position, as Restated	515,551,949	434,801,000	225,440,387	220,918,354	740,992,336	655,719,354
Ending Net Position	**$ 557,931,945**	**$ 515,551,949**	**$ 223,940,878**	**$ 225,440,387**	**$ 781,872,823**	**$ 740,992,336**

Total Primary Government –

- Total Primary Government revenues for fiscal year 2024 decreased slightly by 2%, or roughly $5.3 million. This small decrease belies some significant changes from the previous year. There have been noteworthy fluctuations in both operating grants and contributions (an increase of nearly $9 million) as well as in capital grants and contributions (a decrease of $15.4 million).
- Property tax grew by 6%, or $2.5 million. This growth in revenue is attributed to higher taxable values driven by property transfers of ownership, the annual adjustment for inflation (CPI), and new construction within the City from prior years being enrolled by the County's Recorder.

- Investment income saw significant growth over the prior year of nearly $11.2 million due to a number of factors affecting financial markets that were particularly beneficial for the City's conservative investment policy.
- Total expenses for the City varied significantly in fiscal year 2024, increasing by nearly $49.7 million, or 30%, with the following Program areas that experienced the highest increases: general government, public safety, water, disposal (solid waste), and sewer. More detail on these fluctuations is presented below.
- Transfers between governmental activities and business-type activities decreased slightly by roughly $85,000, or 3%.

Governmental Activities

- Total Governmental Activity revenues for fiscal year 2024 decreased slightly by 0.01%. While this small overall change might seem insignificant, it conceals notable fluctuations among individual revenue categories. The largest driver of this variation was a $15.3 million decrease in capital grants and contributions compared to the prior fiscal year. This decrease reflects the unique circumstances of FY 2023, where an unusually high volume of infrastructure projects were completed simultaneously, resulting in a temporary surge in capital grant funding. In contrast, the FY 2024 amount represents a return to more typical levels of grant revenue, aligned with the City's ongoing pace of infrastructure additions. These fluctuations underscore the variable nature of capital funding tied to the timing of major project completions.
- Operating grants and contributions increased by just over $9 million in FY 2024. This increase is primarily attributable to a large pass-through grant the City received and administered on behalf of the University of Redlands, demonstrating the City's role as a key partner in securing and managing funding for local institutions. Additionally, the City was awarded an Encampment Resolution Fund grant of over $3 million, aimed at addressing and resolving homelessness encampments within the community. While these two grants account for the bulk of the increase, other fluctuations, including the completion of prior-year grant-funded projects, reduced the overall impact on operating grants and contributions. These dynamics reflect the variable nature of grant funding tied to the timing and lifecycle of specific projects.
- Investment Income revenue saw a very significant increase of 235%, or nearly $6.5 million, when compared to the prior year. Much of this is due to was due rising interest rates providing higher yields on the City's fixed-income investments, favorable reinvestment rates, and improved economic conditions post-pandemic also contributed to stable investment returns as compared to the previous year when there may have been lingering economic uncertainty.
- Sales Tax revenue contracted by 2%, driven by a decline in consumer spending. While inflation has begun to cool, the prolonged period of elevated prices in recent years has left many Americans financially strained, contributing to reduced discretionary spending. Despite these challenges, the City's economic base remains resilient, as its diverse industry group mix provides stability through fluctuations in individual sectors of the economy.
- Property taxes increased by 6.2% and were boosted by sales figures in 2022, which were very strong for a majority of the year until interest rate hikes began to have an effect on the market, most notably towards the end of the year for home prices and number of sales. That, coupled with new construction being added to the property tax rolls lead to a very strong increase in assessed values for the City.
- Other General Revenues decreased by roughly $2.2 million, and this is attributable to a prior-year cost recovery received from the San Bernardino Regional Transportation Authority (SBCTA) for cost sharing related to Interstate-10 / Alabama Street improvements of nearly $2.7 million. The reimbursement this year, which represents some of the final cost-sharing activity for this project, was roughly $450,000.
- Total expenses for Governmental Activities increased significantly in fiscal year 2024 by $38.4 million (or 37.4%). This was caused by a variety of factors and one-time fluctuations in spending, most notably grant-related spending, capital outlay and a significant grant transfer agreement with the University of Redlands. The following categories saw the largest fluctuations over the prior year:

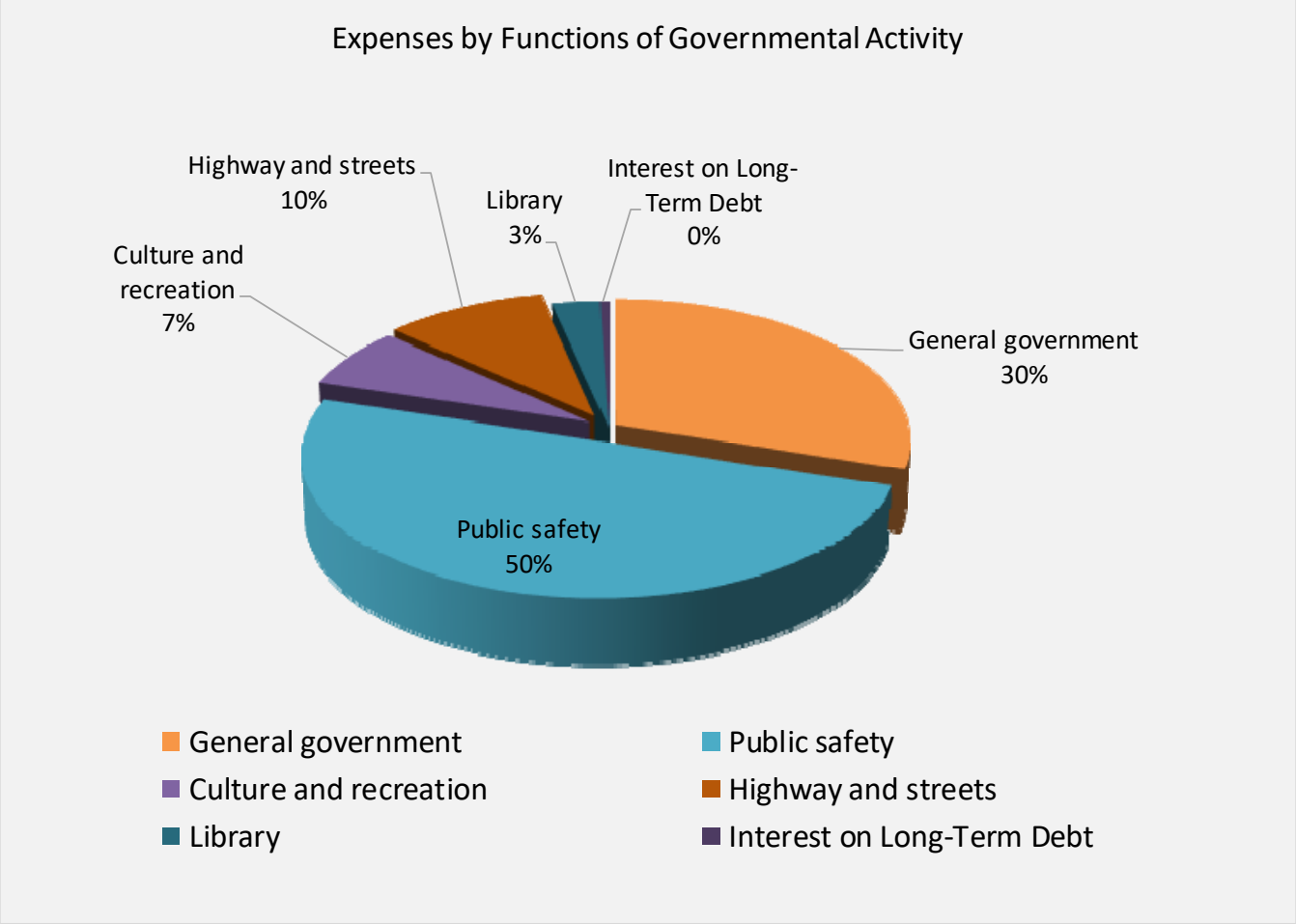
- General Government expenses increased by roughly $13.3 million (or 46.13%). The increase was due to several factors, including higher expenses for staff, including pension & OPEB (net of each other), but more significantly – an $8 million grant transfer agreement between the City of Redlands and the University of Redlands. There were also higher grant-funded expenses in the Governmental Grants Fund of $1.7 million addition as a result of the City's American Rescue Plan Act grant and its Encampment Resolution Funding grant.
- The Public Safety category saw a significant increase over the prior year as well. Spending in this category was up $22 million, or 45.8%. This variance can be understood in the context of a significant reduction in the prior year of expenses related to pensions of nearly $11.4 million. There were other factors, such as higher personnel expenses of nearly $4.5 million, as the City was able to fill vacancies that had persisted since the COVID-19 pandemic and ensuing job market challenges.
- Highways & streets also increased by $1.8 million, or 15%, which was due to a variety of factors, including higher depreciation over last year, increases in OPEB & pension expenses (net of each other), higher spending on special contractual and one-time capital projects.

Business-Type Activities

- Overall, the ending net position for the business-type activities decreased by $1.5 million, or 0.7%.
- Comparing fiscal year 2023 and fiscal year 2024, total revenues increased by $5.3 million overall, or 7.6%. The increase in revenues is almost exclusively due to the significant increase of $4.7 million in investment income earned in the current year. There is also additional revenue in the Water and Citrus funds contributing to these changes.
  - Operating grants and contributions, while comprising only 0.15% of total revenues for Business-Type Activities, decreased significantly by 70%, or roughly $270,000. This was due to the prior year draw down of grant funding for one-time projects from the Federal Aviation Administration and the State Water Resources Water and Wastewater Arrearages funding programs.
  - Charges for Service remained relatively consistent with the prior year, with a small increase of 0.21%, or $134,000.
  - Investment income revenue saw a very significant increase of 420%, or $4.7 million, when compared to the prior year. As noted above, much of this is due to was due rising interest rates providing higher yields on the City's fixed-income investments, favorable reinvestment rates, and improved economic conditions post-pandemic also contributed to stable investment returns as compared to the previous year when there may have been lingering economic uncertainty.
  - Other revenue saw an increase of $865,700, or roughly 78%. This increase was due to factors such as the one-time sale of water shares owned by the City (from South Maintain Water Company) as well as a large payment from San Bernardino Valley Municipal Water District to reimburse the City for water conservation rebates. There was also additional miscellaneous revenue in the groves fund of roughly $115,000, mostly related to the refund of revolving funds held with various packinghouses.
- Expenses increased overall from fiscal year 2023 levels by nearly $11.3 million, or 18%. The programs with the largest increase in expenses were the Solid Waste (Disposal), Wastewater (Sewer) funds. The largest decrease was in the Groves fund. Over the prior year:
  - In the Water Fund, expenses increased by nearly $3.9 million, or 14.5%. This increase was caused by higher expenses related to pensions, salaries and benefits of roughly $2 million and $1 million in added costs for professional services to support complex capital improvement projects, including the sludge press design for the water treatment plant and the redesign of the Joint Utilities Laboratory. There was also a significant increase in spending of $736,000 for water meters and fittings as the City makes strides to move all water meters to an automated metering infrastructure (AMI).

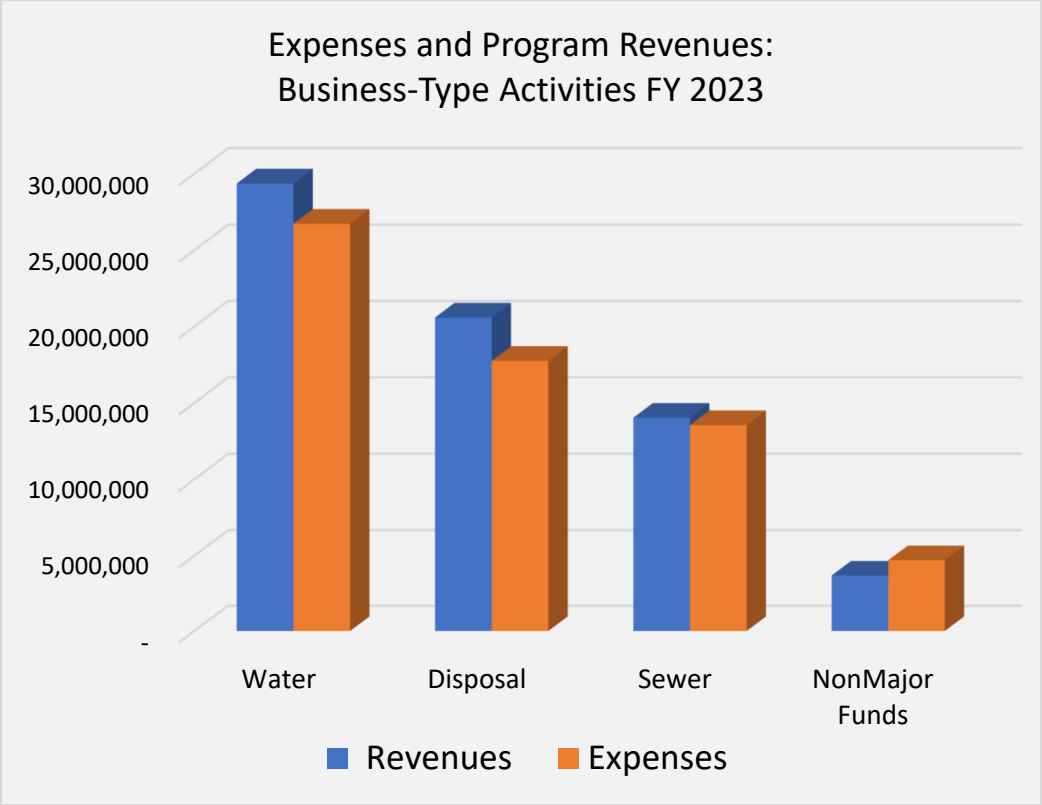
- In the Solid Waste (Disposal) Fund, expenses increased by $5.2 million or roughly 29%. This increase was mainly due to increases in pension, salaries and benefit expenses of $1.5 million; the recognition of a $3 million increase in closure/post closure expenses for the California Street Landfill; as well as other improvements of nearly $500,000 related to the Landfill Gas Extraction Well Installation Phases 2 & 3 and nearly $131,000 in expenses to rent a replacement D8 dozer for landfill compaction operations.
- In the Wastewater (Sewer) Fund, expenses increased by $2.6 million, also roughly 19%. These increases were due to higher costs for salaries & benefits (mainly due to pension expense recognition) of $1.5 million; chemical and lab supplies, higher costs for building and grounds maintenance and the purchase of machinery and equipment in the amount of $220,000, as well as increased depreciation in the current year of $221,000. There was also roughly $588,000 more in expenses for special contractual services. Most of these expenses related to the SCADA integration project as well as engineering services and field support for the City's wastewater treatment plant solids facility.
- In the Groves Fund, expenses fluctuated among the various categories. Spending decreased most in salary and benefits (by roughly $184,000) as well as for general and administrative expenses (by $249,000), particularly in special contractual services. This is mostly due to reduced farming costs. These decreased were partially offset by increases in other categories, notable an increase of $84,000 in parts and supplies. This is due to the added expense of extra care related to the Oriental Fruit Fly quarantine and the Huanglongbing Citrus quarantine.

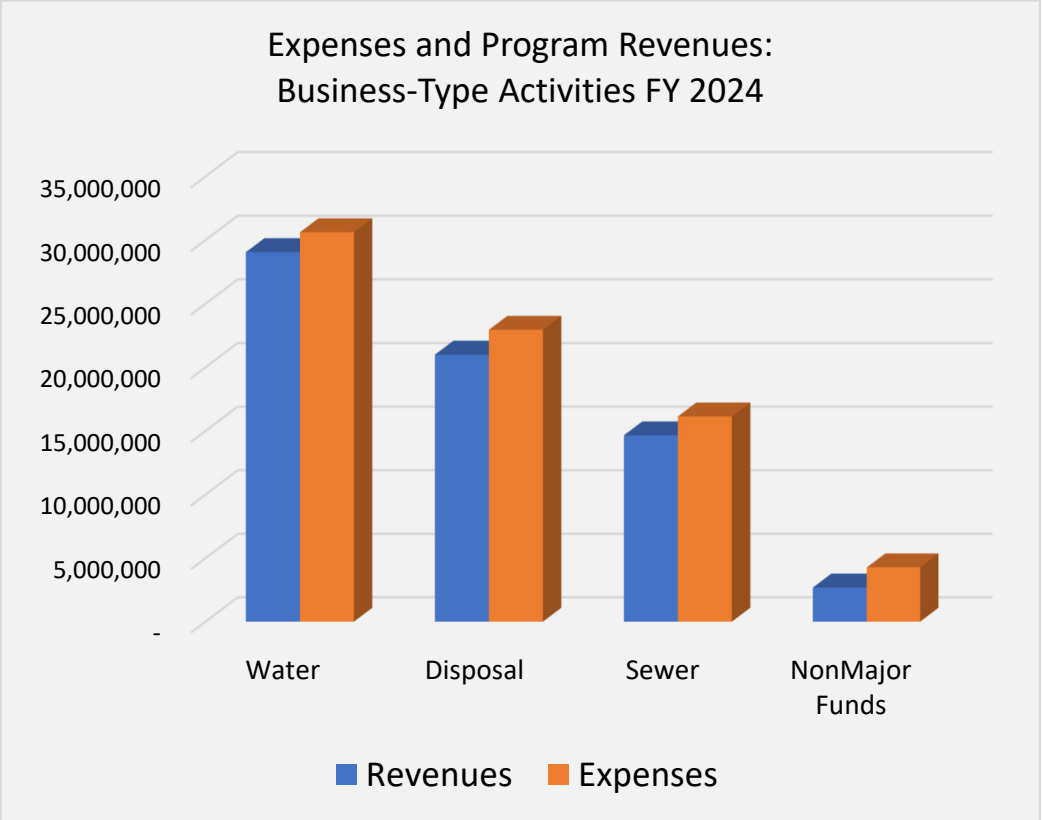
Expenses by Function of Governmental Activity



- Expenses overall for governmental activities totaled $141 million. This total represents the cumulative effect of increased pension costs, the recognition of OPEB, and deferred outflows and inflows related to both. Employee compensation is also reflected in this amount.
- Expenses for general government comprise 30% of total governmental activities, or $42.2 million. General government includes functions such as human resources, finance administration, engineering and City Council.
- Expenses for public safety represent 50% of total governmental activities in the amount of $70.4 million. The main operations within public safety are the Police and Fire Departments. These departments are service-centric. As such, personnel costs represent the majority of costs in these departments. The effect of salary increases, pension cost increases and the recognition of OPEB liability tend to have a larger impact proportionately for public safety activities.
- Expenses for highway and streets are 10% of all governmental activities, or $13.9 million. These expenses include spending on the City's Pavement Accelerated Rehabilitation Implementation Strategy (PARIS) program, operations, and maintenance as well as other capital repairs to road infrastructure.
- Culture and recreation, Library, and interest on long-term debt comprise 7%, 3%, and 0.5% of government activity respectively, or $9.9 million, $4 million, and $679,000.

Expenses and Program Revenues : Business Type Activities Fiscal Year Comparison

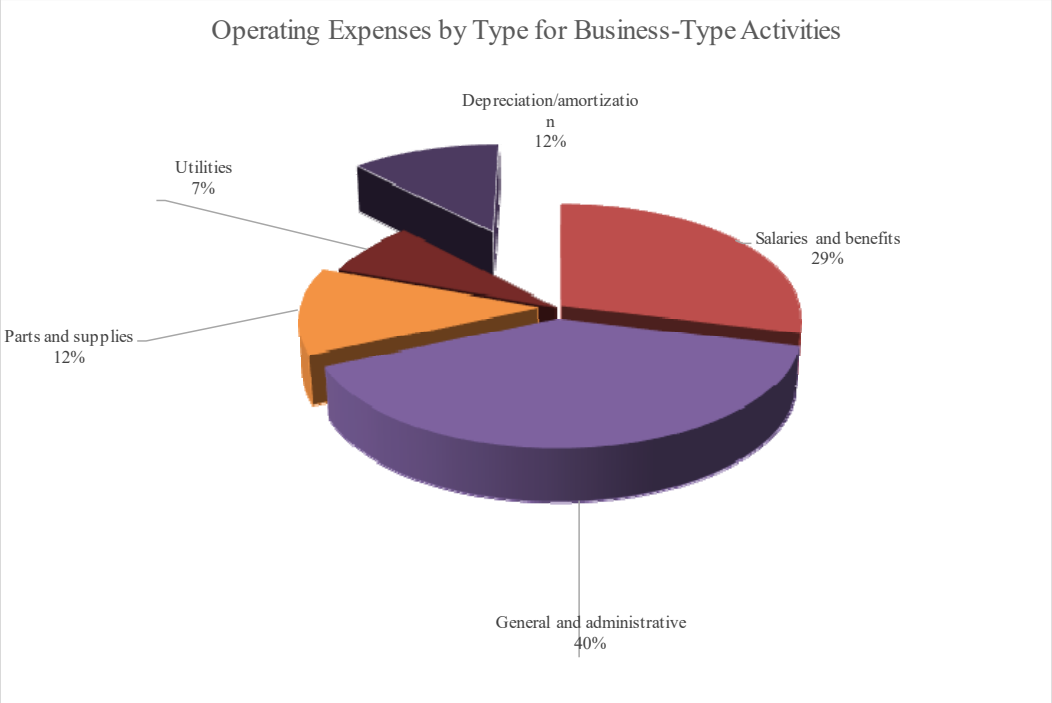




Major differences between revenues and expenses for business-type activities are show in the two charts above.

- Fiscal year 2024 saw a slight decrease in Water revenues of $310,000, or 1%, and an increase in expenses of $3.9 million, or 14.5%. Decreased revenues are the result the variation of billing cycles and the date the accruals are made for accounting purposes. While charges for water usage was down slightly by less then 1%, this was offset with higher revenue from frontage charges. Overall, revneue in this fund was stable compared to the prior year. Expenses did increase somewhat significantly this year. This is attributed to higher costs for pensions, salary, benefits, professional services related to complex capital projects and the water meter replacement program.
- For Solid Waste (Disposal) operations, there was a slight increase in revenues over fiscal year 2023 of $403,000, or almost 2% and an increase in expenses in the amount of $5.2 million, or nearly 30%. Decreased revenues are the result the variation of billing cycles and the date the accruals are made for accounting purposes. Higher expenses are largely due to a significant adjustment over the prior year to the expense recorded for the closure/post closure maintenance expense for the California Street Landfill. This year's expense was $3 million higher than the prior year because the annual inflation factor could not be used to calculate the annual expense, but rather a complete overhaul of the landfill's permit and closure/post-closure maintenance plan was required. Those plans were than analyzed to develop a new cost estimate, according to any changes. The resulting expense reflects the updated closure/post-closure plan. Other expenses related to pension, salary and benefits increased, as well as costs for capital improvements related to landfill gas extraction wells and the costs to rent a D8 dozer while the one in operation was repaired and ultimately replaced.
- In the Wastewater (Sewer) Fund, revenues increased by $625,600, or 4.5%, and expenses increased by $2.6 million, or 19%. The increase in revenues a function of the variation of billing cycles which impacts the amount of revenues accrued and reversed during the accounting cycle. Higher expenses reflect the change in pension, salary and benefit costs, higher depreciation costs, additional spending on parts and supplies as well as expenses for special contractual services. Most of these expenses related to the SCADA integration project as well as engineering services and field support for the City's wastewater treatment plant solids facility.
- Lastly, for nonmajor business-type funds,
  - The Groves Fund experienced a significant decrease in revenue by roughly $836,000, or 97%. This follows a prior year increase of roughly $818,000 (or 95%). The market for citrus fruit is notably unpredictable and this can cause the marketability of the City's citrus to vary substantialy from one year to the next.
  - The Hillside Memorial Cemetery had a 3.4% decrease in revenues of $39,250 due to slight variations in cemetery lot sales and internment services. There was a commensurate reduction in expenses as well ($42,500, or 4%).
  - The Aviation fund saw a large decrease in revenues of $93,700, or 69%. This was due prior year grant revenue that was one-time in nature. Expenses also decreased by roughly $29,000, or 4%. Most of these decreases were in general and administrative expenses.
  - The Non-Potable Water Fund experienced a decrease in revenues of 4.8%, or $31,000. The decrease in revenue is related to a decrease in charges for nonpotable water service. The City is actively working on a plan to enable more consumption of nonpotable water through transmission projects. Expenses were up slightly, by 2%, or $18,800.

Expenses by Type for Business-Type Activities



MAJOR FUNDS

As noted earlier, the City uses fund accounting to provide proper financial management of the City's resources and to demonstrate compliance with finance-related accounting standards and legal pronouncements.

Major Governmental Funds. The **General Fund** is the chief operating fund of the City. At the end of June 2024, the total fund balance reported for the General Fund was $111,176,689, an increase of $218,848 (0.2%) from the prior year ending fund balance of $110,957,841. While the change in ending fund balance is slight, there were some large variations between this year and the prior year that warrant discussion below.

As a measure of the General Fund's liquidity, it can be useful to compare the total fund balance to total fund expenditures. This measure indicates that the fund balance is approximately 98% of general fund expenditures (of $113 million), however, only $60,505,969 of the $111 million fund balance is unassigned. The unassigned fund balance of $60.5 million, together with the $9.7 million in fund balance committed to stabilization arrangement (contingencies), is the only portion of fund balance readily available for spending and represents 62% of general fund expenditures. Total general fund expenditures this year were $113.4 million, which is $20.9 million higher than the prior year amount of $92.5 million. Total general fund revenues were $122.6 million, or 5.5% higher than the prior year amount of $116.3 million.

Significant changes in revenues for the City's General Fund over the prior year are as follows:

- Property tax increased again by $3.2 million, or 8%. This significant increase is due to a few factors affecting the prior year's enrolled values. Since there is a lag between the time a property is assessed in value and the time when the taxes are collected from property owners, this year's revenue reflects assessed values in effect during calendar year 2022. In 2022, home prices and home sales reached a peak for most of the calendar year, until the cumulative effect of multiple interest rate hikes by the Federal Reserve began to cool this trend in the housing market. These factors lead to strong growth in the City's total assessed values, which grew by a factor of roughly 9.1% for the fiscal year. Different property use categories grew at different rates. Most of this growth (33%) is due to transfers of ownership, the CPI 2% growth factor (18%), and some new construction of both residential and non-residential properties (18.5%).

MAJOR FUNDS (Continued)

- Overall sales tax decreased by $1 million, or 2%, representing an elastic source of revenue that, unlike property taxes, is more responsive to current economic conditions without the same lag time. This slight decrease is a reflection of the inflationary pressures that consumers have faced and a reduction in spending of discretionary income as a result.
- Other taxes encompass possessory interest taxes, the City's hotel tax (referred to as the transient occupancy tax), and the mining tax. This year's revenues were nearly 14% lower than the prior year, roughly $433,000. Possessory interest and franchise fees were 31% and 12% lower this year, respectively. Decreases in possessory interest are likely due to the termination or non-renewal of leases of public property. Declines in transient occupancy tax revenue is likely caused by a variety of factors, including competition from short-term rentals, a reduction in available lodging due to the use of hotel vouchers. It could also reflect the reduction in discretionary consumer spending similar to sales tax revenues.
- Licenses and permits reflect an increase of $375,800 or 4.2%. This increase is due to an increased collection of business license revenue, offset by reductions in other categories. The vast majority of business license revenue is based on the gross receipts of a business. Healthy growth in this category is an indication of a strong local economy.
- Intergovernmental revenues increased by $326,700 or 72%, which is primarily the result of a very significant increase in Mutual Aid received in the current fiscal year. This year-to-year amount in this revenue category fluctuates according to wildfires and other extreme conditions where mutual aid assistance has been requested by other cities and fire departments and is then reimbursed after the fact.
- Charges for services decreased by $319,000, or 4.3% from prior year. While there are variations over and under in each revenue account, the largest decreases were in the categories of plan check, rental property inspections and application/filling fees.
- Earnings from investment income increased significantly from FY 2023, by $5.3 million. This dramatic increase was due to rising interest rates providing higher yields on the City's fixed-income investments, favorable reinvestment rates, and improved economic conditions post-pandemic also contributed to stable investment returns as compared to the previous year when there may have been lingering economic uncertainty.
- For Rents and leases, revenue decreased by $654,000, or 36%. This decrease reflects two major changes: the City's termination of its agreement with AYSO for the use of the Sports Park and the revenue associated with that agreement as well as the termination of leases (and, hence lease revenue) associated with businesses that formerly occupied 300 East State Street who have ended their leases with the City.
- Miscellaneous revenue decreased by roughly $280,000, or 12%. This decrease is attributed to a prior year one-time donation from the Friends of Prospect Park ($363,000) for lighting upgrades to the park, offset by various positive and negative fluctuations among several other revenues in this category.
- Transfers in increased in FY 2024 over the prior year by approximately $543,000, a 23% increase. This was due higher gas tax revenues collected, as well as higher levels of fixed asset transfers from the business-type activity funds.

The **Public Facilities Fund**, previously reported as a Major Fund, accounts for the collection and expenditure of development impact fees designated for constructing new and upgrading existing public facilities. As of June 30, 2023, this fund held advances payable to other funds totaling $7,706,632. Through a combination of City Council action to forgive the amounts owed to the General Fund and repayment made by the fund to satisfy the last remaining amount owed to the Water Fund, this balance has been reduced to $0.

The origin of this advance receivable involves a series of public improvements that were initially debt-financed and subsequently refinanced multiple times, with the final maturity date in 2017. As part of the refinancing, the General Fund assumed responsibility for servicing half of the debt, while the Public Facilities Fund was tasked with the other half. During years when the Public Facilities Fund's revenues were insufficient to meet its share of the debt service, the General Fund covered the shortfall, resulting in the accrual of an advance receivable from the Public Facilities Fund.

As the balance of this advance exceeded $7 million and repayment remained uncertain, the City Council determined that forgiving the loan was appropriate based on two critical factors:

- Timeliness: Development impact fees collected in the Public Facilities Fund should be directed toward projects and facilities tied to current development. In this case, the fees were being used to repay debt incurred for projects completed in the distant past.
- Nature of Projects Financed: The projects financed by the original borrowing—including the Corporate Yard, Fire Station 263, a public parking structure, and improvements to the A.K. Smiley Public Library—are legitimate obligations of the General Fund. The General Fund is designated to support general government services such as fire protection, public infrastructure, and library services, making it a more appropriate source for these expenses.

The fiscal impact of forgiving the interfund loan is primarily limited to adjustments in the assets and liabilities of the respective funds, rather than involving cash transactions or expenditures. Specifically, within the Public Facilities Fund, forgiveness eliminated advances payable totaling $7,706,632. The last remaining amount of $16,091 owed to the Water Fund was repaid with interest using revenues from the Public Facilities Fund, fully satisfying the Water Fund's advance receivable. Within the General Fund, forgiveness eliminated the advance receivable balance of $7,690,541, reducing it to $0. As a result of this action, the Public Facilities Fund no longer meets the criteria for reporting as a Major Fund.

The **Governmental Grants Fund** was established to account for the receipt and expenditure of grant monies received from various agencies for general government projects and purposes. This fund tracks the City's allocation of Coronavirus State & Local Fiscal Recovery Funds issued through the American Rescue Plan Act in the amount of $11,508,106, the largest federal grant the City has received to date. It also tracks several other noteworthy grant projects, including the City's Community Block Development Grant program, engineering grants for transportation projects and equipment and facility grants for the Police and Fire departments. It is also used to track all grants received in support of the Homelessness Solutions Team, including the Consumer Services and Housing Agency for the Encampment Resolution Funding Program (ERF-2-R) grant award in the amount of $4,529,069.

Major Enterprise Funds. The **Water Fund** has a total net position of $151 million at the end of the fiscal year, $22.8 million of which is unrestricted. The **Solid Waste (Disposal) Fund** has a total net position deficit of ($4.3 million) at the end of the fiscal year, which marks a $2.8 million reduction over the prior fiscal year; and its unrestricted net position is a deficit of ($21.4 million). This significant fluctuation is due to several factors: an increase in deferred inflows related to OPEB, which was partially offset by deferred inflows related to Pension being reduced to zero, as well as significant increases in the Fund's net investment in capital assets and the Fund's net position restricted for capital assets. The **Wastewater Fund** has a total net position of $55.8 million at the end of the fiscal year; $4 million of which is unrestricted. These funds account for the respective utility services provided by the City. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

GENERAL FUND BUDGET

Differences between the final budget and fiscal year 2024 activity in the General Fund can be briefly summarized as follows:

- Total Revenues – $10.3 million received in excess of budgeted amounts.
- General Government – spent $2.7 million less than the final amount appropriated in the budget (savings).
- Public Safety – spent $2.8 million less than the final amount appropriated in the budget (savings).
- Culture and Recreation – spent $91,300 less than the final amount appropriated in the budget (savings).
- Highways and Streets – spent $232,500 less than the final amount appropriated in the budget (savings).
- Library – spent roughly $5,000 less than budgeted.
- Transfers – there was a negative variance between the final budget amount and the amount expended of $1,091,617.
- Capital Outlay – there was a negative variance between the final budget and the amount expended of $2,142,700.
- Debt Service – in this category, there was savings of $1,280,430 when comparing the final budget to the actual amount expended during this fiscal year.

Deviations in major categories between the final budget of the General Fund and its actual operating results were as follows. (Note: budget savings are listed as positive figures.)

	Final Budget	Actual Amounts	+ (-) Variance
REVENUES			
Taxes	$ 94,194,186	$ 96,491,437	$ 2,297,251
License and permits	7,988,380	9,238,592	1,250,212
Fines and forfeitures	79,560	62,969	(16,591)
Intergovernmental	386,000	780,165	394,165
Charges for services	6,855,094	7,101,106	246,012
Investment income (loss)	5,800,100	5,647,723	(152,377)
Rents and leases	1,562,925	1,167,604	(395,321)
Miscellaneous	2,005,223	2,111,512	106,289
Transfers in	2,468,172	2,850,162	381,990
Inception of finance purchase agreement	-	3,668,445	3,668,445
Inception of lease liability	-	2,546,260	2,546,260
Total Revenues	121,339,640	131,665,975	10,326,335
EXPENDITURES*			
General Government	26,661,653	23,972,409	2,689,244
Public Safety	57,393,733	54,538,333	2,855,400
Culture & Recreation	8,027,856	7,936,523	91,333
Highways & Streets	5,029,000	4,796,525	232,475
Library	3,585,529	3,580,553	4,976
Transfers	16,983,070	18,074,687	(1,091,617)
Capital Outlay	12,362,454	14,505,154	(2,142,700)
Debt Service	5,323,373	4,042,943	1,280,430
Total Expenditures	$ 135,366,668	$ 131,447,127	$ 3,919,541
*Budget savings noted as positive figures			

There are some noteworthy variations between the final budget and the actual receipts recorded in Fiscal Year 2024 revenues. This year, taxes comprised 73% of total General Fund revenues. Actual revenues outperformed budget estimates by $10.3 million.

Some of this can be attributed to better-than-expected growth in property tax, as discussed earlier. Strong growth in property tax revenue has been seen over the last several years. The total assessed value of property in the City has increased significantly over the last 5 years, but this rate of growth is expected to decline in future years. The higher-than-anticipated revenues from property tax helped to offset underperforming sales tax receipts.

The other significant variation vis-à-vis budget is the inception of finance purchase agreement and the inception of lease liability in the amounts of $3.7 million and $2.5 million, respectively. In compliance with GASB Statement No. 87, the City recognizes lease agreements as part of its financial activities. This year, the inception of lease liability is reported under General Fund revenues to reflect the financial impact of new lease agreements for key operational assets, including:

- Police Patrol Vehicles: Essential for maintaining public safety and responding to emergencies.
- Public Works Vehicles: Critical for infrastructure maintenance and other city services.
- Fire Department Vehicles: Used for non-emergency tasks such as inspections, logistics, and administrative duties.
- 3 Type-1 Fire Engines: Used for emergency response.

The "inception of finance purchase agreement" and "inception of lease liability" represent the initial recognition of these finance purchase and lease agreements, respectively, which include the future lease payments that the City is obligated to make. These are offset by the City's right to use the vehicles during the lease term.

All revenue categories had positive variances, except for the categories of Fines & Forfeitures and Rents & Leases. While investment income had a slightly negative variance with the final budget, it represented a significant increase compared to the original budget of $200,000.

Licenses and permits performed better than expected by roughly $1.25 million, or 15.7%, above forecasts. This was mainly due to increased receipts from business licenses and building permits.

Intergovernmental revenue was higher than expected by approximately $394,000, or 102%. This is due mainly to the timing of mutual aid reimbursement revenues, as the reimbursement process can lag by 60 to 90 days after the City's request for reimbursement of the related funds. Higher-than-anticipated revenue from mandated cost reimbursement also contributed to this increase.

Charges for service were slightly higher by $246,000, or 3.6%. This revenue category covers numerous individual revenue objects. While many areas fluctuated between actual amount and the final budget amount, the largest variance was an increase in receipts from Building & Safety plan checks as well as city classes and programs.

Rents and leases were roughly $395,000 lower than budgeted amounts. These revenues include lease revenue from a six-story office building located at 300 East State Street in downtown Redlands. The decrease in the revenue from this building reflects the expiration and early move-out dates opted for by then-current tenants as the City prepares the building for occupancy by its administrative staff.

Transfers in were higher than budgeted by 15.5%. This can be attributed to higher funding received from the Gas Tax Fund and the Traffic Safety Fund. This is caused by more revenue than anticipated being collected in these funds, as both of them are cleared to zero at the end of the accounting cycle, transferring all of their revenue into other funds, with most of it going to the General Fund.

Miscellaneous revenues were up by $106,300, or 5.3%. This was mainly due to an increase in miscellaneous receipts from the transfer of late fees from the Enterprise Funds to the General Fund.

Total General Fund expenditures ended the year under budget by 2.9%, or $3.9 million. The vast majority of the unspent funds will be carried forward to the subsequent fiscal year (2025) for expenditure.

General Government expenditures ended the year under budget by 10.1%, or $2.7 million. Part of this is attributed to savings in the areas of retiree health insurance premiums, savings on costs associated with lower expenditures on professional services as well as salary savings across most departments.

Public Safety expenditures were under budget by $2.8 million, or 5%. Much of this savings is due to salary and overtime savings in the Police and Fire departments, as well as unspent funds for vehicle leases, services, supplies, equipment, and building improvements.

Culture and Recreation was under budget by roughly $91,300, or 1.1%, this was attributable to unspent funding on projects in the Parks division, as well as other fluctuations across multiple expenditure categories in Parks, Trees and Recreation & Senior Services divisions.

Highways and Streets expenditures were under budget by $232,500, or 4.6%. This savings was mainly a result of savings in the Streets Division in contractual and garage expenses, offset by some overspending in the Electrical Division.

Library expenditures were just under budget by less than $5,000, or 0.1% at year-end. The difference is due to minor, offsetting variations in several spending categories.

Capital outlay expenditures were over budget by $2.1 million, or 17.3% at year-end. This variance can be explained through the recording of construction in progress of roughly $2.27 million across the General Fund. This is an unbudgeted expense and represents capitalized costs for ongoing projects that have not yet been completed or transitioned to depreciable assets, reflecting investments in infrastructure and other long-term improvements.

Actual debt service expenditures were below budgeted levels, at a savings of 24%, or $1.3 million, under budget. This is due mainly to equipment & vehicle capital leases not being fulfilled by the manufacturer/suppliers by the end of the fiscal year. Most of these leases were for the Police Department, where roughly $1.1 million was budgeted to acquire patrol vehicle leases budgeted for in FY 2024. As noted above, almost all of these appropriations are carried over into the following fiscal year.

A total overall favorable variance between actual revenues & expenditures of $10.6 million resulted from a combination of stronger revenue performance in property tax combined with significant savings across departments. Savings on salaries & benefits, contractual services, and vehicle & equipment purchases resulted in the positive variance for the General Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2024, amounted to nearly $847 million (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings and improvements, machinery and equipment, vehicles, infrastructure, water rights, rights of way and construction in progress. It also includes the new category of lease assets and subscription assets in compliance with GASB Statements Nos. 87 and 96. The subscription asset category reflects the value of the City's right, as a part of a subscription-based information technology arrangement, to use the information technology as an asset over the life of its corresponding arrangement, in accordance with GASB Statement No. 96. Similarly, in accordance with GASB Statement No. 87, the lease asset category reflects the value of the City's right to use leased assets, such as vehicles or equipment, over the term of the lease agreement, representing a shift towards recognizing leases as both a right-to-use asset and a corresponding lease liability.

Major capital asset events for Governmental Activities during FY 2024 include the following:

Additions and deletions to machinery, equipment, and vehicles in governmental activities resulted in a net decrease of $986,000, 3.7%. This decrease reflects the auction and proper disposal of a larger number of vehicles and equipment than were acquired during the year. Over time, a backlog of aged vehicles had accumulated, and the City has made significant progress in addressing this by removing these assets from its records and ensuring proper disposal. Notably, many of the disposed assets included long-held police and fire department vehicles and equipment. During the year, the City also added key assets, including a donated vehicle and a new vector truck for the streets division, supporting essential services and operational efficiency.

Net additions to infrastructure assets in general government activities totaled nearly $10.5 million, or 3.8%. Roughly $8.7 million of these additions were the result of projects constructed by the City, including the 2022 Alley Paving Improvements and the 2022 and 2023 Pavement Management Program street resurfacing projects. Deletions in this category represent adjustments made when portions of existing infrastructure assets were replaced or reconstructed. Specifically, if an infrastructure asset was newly constructed, no deletions were recorded.

However, if an asset was completely reconstructed, the full cost of the original asset was removed from the records as a deletion. For assets where only a portion was removed and replaced, the corresponding percentage of the original asset's cost was recorded as a deletion in the accompanying schedules.

Construction in Progress values in general government activities increased significantly by $4.9 million, or 43%. This increase reflects the initiation and continuation of several large capital improvement projects and equipment purchases, including the Fire Station No. 262 Remodel Architectural and Construction Services, the Redlands Bowl Lighting, Speakers, Communication Outlets & Cabling Replacement, the purchase of three Type I Fire Engines, and the 2023 Alley Paving Improvement Project. Transfers and deletions in this category represent projects that were completed by June 30, 2024. Upon completion, these projects were reclassified into other asset categories, most commonly the infrastructure asset class, to reflect their transition from in-progress to capitalized assets.

Right-of-way assets increased by 8.8%, or $29.8 million. This increase was primarily due to several public development projects noted above under net additions to infrastructure assets, including the 2022 Alley Paving Improvements and the 2022 and 2023 Pavement Management Program street resurfacing projects. Right-of-way assets include land and infrastructure dedicated to public use, such as streets, sidewalks, and alleys, which play a crucial role in maintaining safe and efficient transportation networks. These assets reflect the City's commitment to improving local mobility and accessibility for residents and businesses.

Accumulated Depreciation increased by $6.6 million, or 4.2%. The City's measurement of accumulated depreciation is based on estimated useful lives by infrastructure asset type. Estimated useful lives were initially established using engineering standards, as well as discussions with City staff regarding the City's maintenance program for each asset type. The largest increases were in the categories of road system assets and building & improvements.

New categories have been introduced in the capital assets note as a result of the implementation of GASB Statements Nos. 87 and 96. These include lease assets, subscription assets, and accumulated amortization, which are being presented here to align with these updated reporting standards.

Lease assets represent the value of the City's right to use leased properties, vehicles, and equipment under long-term agreements in compliance with GASB Statement No. 87. These assets are recognized when the City enters into lease arrangements for essential services and operations. Overall, lease assets increased by roughly $3.1 million, or 240%, as a result of new lease agreements for public works and public safety vehicles.

Subscription assets represent the value of the City's right to use software and other technology under subscription-based information technology arrangements in compliance with GASB Statement No. 96. These assets are recognized when the City enters into agreements for IT services critical to operations and service delivery. Overall, subscription assets decreased by roughly $170,600, or 29%, as a result of expired subscriptions.

Accumulated amortization represents the portion of lease and subscription asset values that have been expensed over time as the City uses these assets. This measure reflects the wear and usage of intangible assets in compliance with GASB standards. Overall, accumulated amortization decreased by roughly $590,700, or 85.6%, as a result of newly added assets that have not yet undergone significant amortization or adjustments to prior accumulated balances due to asset reclassifications.

For business type activities, machinery, equipment and vehicle assets increased by roughly $872,000, or 3.62%, representing purchases of office, laboratory and sampling equipment as well as the purchase of three (3) front-loading solid waste collection vehicles.

Infrastructure assets increased by roughly $5 million, or 2.42%. The vast majority of this increase can be attributed to the reclassification of construction in progress from the completion of the 2022 Water Pipeline Replacement Project that replaced roughly 3 miles of water pipeline.

Construction in progress increased by $3.7 million, or 44%, as the result of the net effect of the completion the 2022 Water Pipeline Replacement, as well as the initiation and continuation of additional capital projects like the Recycled Water Reservoir design, the Tate raw water influent pipeline project, the SCADA Equipment upgrade project, the Water Facilities Generator design services project, the Automated Metering Infrastructure implementation project, and the Hinckley Treatment Plan Sludge Press Engineering project.

Accumulated depreciation increased by $7.9 million, or 4%, with the largest increases in the categories of Infrastructure and Building & Improvements. Lease Assets increased by $2.2 million, or 360% and this reflects new vehicle leases in the Water, Wastewater and Solid Waste divisions. Subscription Assets were reduced to zero as a result of the expiration of existing agreements. Accumulated amortization increased by $223,100 as a result of newly added assets that have not yet undergone significant amortization or adjustments to prior accumulated balances due to asset reclassifications.

Overall, for primary government the City's net capital assets increased significantly by $45.5 million for the fiscal year ended June 30, 2024, or 5.7% over prior year. This is slightly lower than the previous year's increase of 7.5%.

Capital assets for the governmental and business type activities are presented below to illustrate changes from the prior year:

	Governmental Activities		Business-Type Activities		Total		Inc./ (Dec.)
	2024	2023	2024	2023	2024	2023	% of Change
Land	$ 41,707,282	$ 40,956,320	$ 28,069,057	$ 28,069,057	$ 69,776,339	$ 69,025,377	1.1%
Buildings & Improvements	62,724,536	61,847,805	123,210,762	122,661,207	185,935,298	184,509,012	0.8%
Machinery/Equip./Vehicles	25,482,981	26,468,907	24,968,572	24,096,435	50,451,553	50,565,342	(0.2%)
Infrastructure	282,812,418	272,359,117	210,736,273	205,766,544	493,548,691	478,125,661	3.2%
Water Rights	408,125	408,125	9,792,995	9,884,095	10,201,120	10,292,220	(0.9%)
Right of Way	366,862,877	337,105,665	-	-	366,862,877	337,105,665	8.8%
Construction in Progress	16,307,905	11,404,751	12,194,230	8,463,598	28,502,135	19,868,349	43.5%
Accumulated Depreciation	(162,650,313)	(156,079,017)	(201,824,376)	(193,915,709)	(364,474,689)	(349,994,726)	4.1%
Lease Assets	4,377,917	1,288,724	2,854,808	621,090	7,232,725	1,909,814	278.7%
Subscription Assets	422,936	593,542	-	107,285	422,936	700,827	(39.7%)
Accumulated Amortization	(1,280,507)	(689,822)	(379,595)	(156,441)	(1,660,102)	(846,263)	96.2%
Total	**$ 637,176,157**	**$ 595,664,117**	**$ 209,622,726**	**$ 205,597,161**	**$ 846,798,883**	**$ 801,261,278**	**5.7%**

Internal Service Fund capital assets, net of accumulated depreciation, are included in Governmental Activities.

Additional information on the City's Capital Assets can be found in Note 6 of the section titled Notes to the Basic Financial Statements.

Long-Term Liabilities

Major long-term liability events during FY 2024 include the following:

- The Lease Liability category increased significantly by $3.8 million, or 283% as a result of the addition of 80 new leases for vehicles in Police, Fire, Building Maintenance, Streets, Parks, Engineering, Solid Waste, Cemetery, Water and Wastewater operations.
- Subscription Liability is recognized in accordance with GASB Statement No. 96, which requires that the City establish accounting methods for a right-to-use subscription asset representing its agreements for subscription-based information technology arrangements and a corresponding subscription liability for the same. This liability was reduced by 70%, or $130,400 due to the expiration of a technology agreement.
- Taxable pension bonds experienced a decrease of 3% as a result of annual debt service and no new additions were made to such debt.
- The Revenue Bond liability was fully eliminated during the fiscal year following the repayment of the Solid Waste Revenue Bonds, Series 2013A. This serial bond was secured by a pledge of revenues from the Solid Waste (Disposal) Fund to ensure repayment of the debt.
- Notes payable decreased by roughly $1.2 million, or 7%, as a result of repayments and no new additions to debt in this category.
- Claims payable had a very small reduction $92,400, or 0.6% due to minor variances in claims filed against the City, which can fluctuate significantly from year to year.
- Compensated absences increased by approximately $912,200, or 10%. This increase is attributed to a combination of higher employee leave accruals compared to leave usage during the fiscal year and a citywide wage increase, which elevated the valuation of accrued leave balances.

- The landfill closure liability increased significantly by $3.8 million due to a substantial adjustment in the plan for closure and post-closure maintenance of the California Street Landfill. This was higher than the prior year because a comprehensive overhaul of the landfill's permit and closure/post-closure maintenance plan was required, rather than relying on the annual inflation factor. The updated plans were thoroughly analyzed to incorporate changes and develop a revised cost estimate. The resulting amount reflects the updated closure and post-closure requirements, significantly influenced by increases in the Construction Cost Index and Consumer Price Index (CPI), which played a critical role in driving up projected costs.
- In FY 2023, the City experienced a $55 million (27%) reduction in Total OPEB Liability, primarily driven by updated actuarial assumptions and favorable experience variances. While the FY 2024 decrease is smaller, the $17 million reduction (11.6%) underscores continued favorable trends in actual experience, including lower healthcare costs and demographic shifts, albeit to a lesser extent than the prior year.
- The City's net pension liability (NPL) increased by $8.9 million, or 5.75%, during the fiscal year. This moderate increase follows a more dramatic rise of $68.3 million (79%) in the prior year. This increase was driven by CalPERS' investment underperformance, with actual returns falling below the assumed 6.8%, as well as the annual accrual of interest on the Unfunded Accrued Liability (UAL), the amortization of prior years' losses under CalPERS' smoothing methodology, and ongoing adjustments to actuarial assumptions such as salary scales and demographic factors.

Long-term liabilities for governmental and business type activities are presented below to illustrate changes from the prior year:

	Governmental Activities		Business-Type Activities		Total		Inc./ (Dec.)
	2024	2023	2024	2023	2024	2023	% of Change
Lease Liability	$ 2,941,545	$ 832,107	$ 2,249,119	$ 523,389	$ 5,190,664	$ 1,355,496	100.00%
Subscription Liability	55,044	185,429	-	-	55,044	185,429	100.00%
Taxable Pension Bonds	4,469,940	4,607,478	-	-	4,469,940	4,607,478	-2.99%
Revenue Bonds	-	-	-	1,660,000	-	1,660,000	-100.00%
Notes Payable	4,789,210	4,358,566	11,309,430	12,938,540	16,098,640	17,297,106	-6.93%
Claims Payable	15,433,473	15,525,893	-	-	15,433,473	15,525,893	-0.60%
Compensated Absences	8,638,503	7,925,416	1,264,298	1,065,169	9,902,801	8,990,585	10.15%
Landfill Closure Liability	-	-	15,418,260	11,606,913	15,418,260	11,606,913	32.84%
Total OPEB Liability	89,577,526	102,959,850	40,315,855	44,000,415	129,893,381	146,960,265	-11.61%
Net Pension Liability	139,682,059	131,813,535	24,033,967	23,007,396	163,716,026	154,820,931	5.75%
Total	**$265,587,300**	**$268,208,274**	**$ 94,590,929**	**$ 94,801,822**	**$360,178,229**	**$363,010,096**	-0.78%

Additional information on the City's long-term liabilities can be found in Note 7 and 9-13 of the Notes to the Basic Financial Statements.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be sent to the Management Services Department at ACFR@cityofredlands.org or to Management Services / Finance Director, 35 Cajon Street, Suite 222, Redlands, CA 92373. This financial report is also available in electronic format on the City's website at http://cityofredlands.org/finance/annualreport. Additional information intended for the business community is available on the Economic Development web page also located on the City's website listed above at http://www.cityofredlands.org/ED.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Redlands
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	$ 165,954,022	$ 104,921,112	$ 270,875,134
Accounts receivable, net	2,214,991	9,075,199	11,290,190
Taxes receivable	11,090,408	913	11,091,321
Interest receivable	676,973	433,083	1,110,056
Lease receivable - due within one year	376,633	227,499	604,132
Due from other governments	748,719	51,947	800,666
Prepaid items	996,279	15,585	1,011,864
Inventories	104,416	-	104,416
Total current assets	182,162,441	114,725,338	296,887,779
Noncurrent assets:			
Restricted cash and investments	237,153	696,278	933,431
Notes receivable	3,012,822	-	3,012,822
Lease receivable - due in more than one year	2,233,541	2,166,650	4,400,191
Capital assets:			
Non-depreciable	425,286,189	50,056,282	475,342,471
Depreciable, net	211,889,968	159,566,444	371,456,412
Total capital assets	637,176,157	209,622,726	846,798,883
Total noncurrent assets	642,659,673	212,485,654	855,145,327
Total assets	824,822,114	327,210,992	1,152,033,106
DEFERRED OUTFLOWS OF RESOURCES			
Related to OPEB	32,510,200	10,814,162	43,324,362
Related to pensions	50,476,620	6,875,831	57,352,451
Total deferred outflows of resources	82,986,820	17,689,993	100,676,813

See accompanying Notes to the Basic Financial Statements.

City of Redlands
Statement of Net Position (Continued)
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	7,199,760	3,671,398	10,871,158
Accrued payroll	4,374,348	1,146,104	5,520,452
Interest payable	119,128	58,338	177,466
Unearned revenue	7,967,968	329,047	8,297,015
Deposits payable	3,225,839	2,995,334	6,221,173
Compensated absences - due within one year	4,319,252	632,151	4,951,403
Claims payable - due within one year	7,716,737	-	7,716,737
Long-term debt - due within one year	1,282,467	2,172,232	3,454,699
Total current liabilities	36,205,499	11,004,604	47,210,103
Noncurrent liabilities:			
Compensated absences - due in more than one year	4,319,251	632,147	4,951,398
Claims payable - due in more than one year	7,716,736	-	7,716,736
Long-term debt - due in more than one year	10,973,272	11,386,317	22,359,589
Landfill closure liability	-	15,418,260	15,418,260
Total OPEB liability - due in more than one year	89,577,526	40,315,855	129,893,381
Aggregate net pension liability - due in more than one year	139,682,059	24,033,967	163,716,026
Total noncurrent liabilities	252,268,844	91,786,546	344,055,390
Total liabilities	288,474,343	102,791,150	391,265,493
DEFERRED INFLOWS OF RESOURCES			
Related to leases	2,446,319	2,265,187	4,711,506
Related to OPEB	57,592,310	15,903,770	73,496,080
Related to pensions	1,364,017	-	1,364,017
Total deferred inflows of resources	61,402,646	18,168,957	79,571,603
NET POSITION			
Net investment in capital assets	629,390,358	196,064,177	825,454,535
Restricted:			
Donations	635,580	-	635,580
PEG fees	697,864	-	697,864
Park and open space acquisition/improvement	5,217,214	-	5,217,214
Street reconstruction/improvement projects	7,978,438	-	7,978,438
Public facilities	1,928,937	-	1,928,937
Public safety	677,405	-	677,405
Police programs and equipment	2,020,886	-	2,020,886
Public art	9,867	-	9,867
Street reconstruction/improvement projects	3,780,874	-	3,780,874
Debt service	579,267	462,600	1,041,867
Capital projects	2,764,922	19,189,911	21,954,833
Endowment - non-expendable	-	110,741	110,741
Endowment - expendable	32,285	-	32,285
CFD assessment	80,284	-	80,284
Total restricted	26,403,823	19,763,252	46,167,075
Unrestricted (deficit)	(97,862,236)	8,113,449	(89,748,787)
Total net position	$ 557,931,945	$ 223,940,878	$ 781,872,823

See accompanying Notes to the Basic Financial Statements.

City of Redlands
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Program Revenues: Total
Primary government:					
Governmental activities:					
General government	$ 42,250,996	$ 16,010,783	$ 13,896,634	$ 187,679	$ 30,095,096
Public safety	70,359,582	965,128	296,798	164,967	1,426,893
Culture and recreation	9,900,700	641,939	34,345	641,425	1,317,709
Highway and streets	13,911,149	375,497	-	37,157,273	37,532,770
Library	4,068,345	20,721	-	56,431	77,152
Interest on long-term debt	679,186	-	-	-	-
Total governmental activities	141,169,958	18,014,068	14,227,777	38,207,775	70,449,620
Business-type activities:					
Water	30,614,235	27,009,859	30,595	2,014,529	29,054,983
Disposal	22,954,172	20,764,912	33,972	197,199	20,996,083
Wastewater	16,143,743	13,144,186	-	1,516,510	14,660,696
Groves	1,507,349	845,420	-	-	845,420
Non-Potable	581,877	553,827	-	139,006	692,833
Cemetery	1,399,130	947,465	-	-	947,465
Aviation	789,821	152,175	49,550	-	201,725
Total business-type activities	73,990,327	63,417,844	114,117	3,867,244	67,399,205
Total primary government	$ 215,160,285	$ 81,431,912	$ 14,341,894	$ 42,075,019	$ 137,848,825

See accompanying Notes to the Basic Financial Statements.

City of Redlands
Statement of Activities (Continued)
For the Year Ended June 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
Primary government:			
Governmental activities:			
General government	$ (12,155,900)	$ -	$ (12,155,900)
Public safety	(68,932,689)	-	(68,932,689)
Culture and recreation	(8,582,991)	-	(8,582,991)
Highway and streets	23,621,621	-	23,621,621
Library	(3,991,193)	-	(3,991,193)
Interest on long-term debt	(679,186)	-	(679,186)
Total governmental activities	(70,720,338)	-	(70,720,338)
Business-type activities:			
Water	-	(1,559,252)	(1,559,252)
Disposal	-	(1,958,089)	(1,958,089)
Wastewater	-	(1,483,047)	(1,483,047)
Groves	-	(661,929)	(661,929)
Non-Potable	-	110,956	110,956
Cemetery	-	(451,665)	(451,665)
Aviation	-	(588,096)	(588,096)
Total business-type activities	-	(6,591,122)	(6,591,122)
Total primary government	(70,720,338)	(6,591,122)	(77,311,460)
General Revenues and Transfers:			
General revenues:			
Taxes:			
Property taxes	42,883,738	104,411	42,988,149
Sales and use taxes	47,629,644	-	47,629,644
Franchise taxes	4,471,469	-	4,471,469
Other taxes	2,676,553	-	2,676,553
Total taxes	97,661,404	104,411	97,765,815
Investment income	9,235,054	5,841,165	15,076,219
Intergovernmental - unrestricted	852,762	-	852,762
Miscellaneous revenue	2,523,968	1,973,183	4,497,151
Transfers	2,827,146	(2,827,146)	-
Total general revenues and transfers	113,100,334	5,091,613	118,191,947
Change in net position	42,379,996	(1,499,509)	40,880,487
Net Position:			
Beginning of year	515,551,949	225,440,387	740,992,336
End of year	$ 557,931,945	$ 223,940,878	$ 781,872,823

See accompanying Notes to the Basic Financial Statements.

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FUND FINANCIAL STATEMENTS

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Governmental Funds Financial Statements

General Fund - This fund accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government which are not accounted for in the other funds. In Redlands, these services include general government, public safety, culture and recreation, highway and streets, and library.

Governmental Grants Special Revenue Fund - This fund accounts for the receipt and expenditure of grant monies received from various agencies for general government projects.

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City of Redlands
Balance Sheet
Governmental Funds
June 30, 2024

	Major Funds			
	General Fund	Governmental Grants Special Revenue Fund	Non-major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	$ 108,182,523	$ 6,541,368	$ 28,503,677	$ 143,227,568
Restricted cash and investments	-	-	237,153	237,153
Accounts receivable, net	1,399,943	-	13,290	1,413,233
Taxes receivable	10,091,348	-	999,060	11,090,408
Interest receivable	585,762	-	-	585,762
Lease receivable	2,610,174	-	-	2,610,174
Due from other governments	204,063	490,970	53,686	748,719
Prepaid items	501,110	248,438	14,681	764,229
Due from other funds	9,164	-	-	9,164
Notes receivable	3,012,822	-	-	3,012,822
Total assets	$ 126,596,909	$ 7,280,776	$ 29,821,547	$ 163,699,232
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 4,255,112	$ 456,658	$ 1,157,984	$ 5,869,754
Accrued payroll	3,140,038	34,660	284,825	3,459,523
Deposits payable	2,719,278	-	506,561	3,225,839
Unearned revenues	836,019	6,560,418	571,531	7,967,968
Due to other funds	-	-	9,164	9,164
Total liabilities	10,950,447	7,051,736	2,530,065	20,532,248
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	2,023,454	210,500	33,470	2,267,424
Deferred inflows related to leases	2,446,319	-	-	2,446,319
Total deferred inflows of resources	4,469,773	210,500	33,470	4,713,743
Fund Balances:				
Nonspendable	3,513,932	248,438	44,881	3,807,251
Restricted	1,333,444	-	25,046,165	26,379,609
Committed	12,232,036	-	-	12,232,036
Assigned	33,591,308	-	2,177,312	35,768,620
Unassigned (deficit)	60,505,969	(229,898)	(10,346)	60,265,725
Total fund balances	111,176,689	18,540	27,258,012	138,453,241
Total liabilities, deferred inflows of resources, and fund balances	$ 126,596,909	$ 7,280,776	$ 29,821,547	$ 163,699,232

See accompanying Notes to the Basic Financial Statements.

City of Redlands
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position
June 30, 2024

Total Fund Balances - Total Governmental Funds	$ 138,453,241
Amounts reported for Governmental Activities in the Statement of Net Position were different because:	
Unavailable revenues reported on the Governmental Fund Financial Statements resulting from activities in which revenues were earned but were not available are reclassified as revenues in the Government-Wide Financial Statements.	2,267,424
Capital Assets used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.	
Government-Wide Statement of Net Position	637,176,157
Less: capital assets reported in Internal Service Funds	(960,158)
Total capital assets	636,215,999
Long-term liabilities are not due and payable in the current period and therefore were not reported in the Governmental Funds Balance Sheet.	
Amount reported in Government-Wide Statement of Net Position	
Compensated absences - due within one year	(4,319,252)
Compensated absences - due in more than one year	(4,319,251)
Long-term debt - due within one year	(1,282,467)
Long-term debt - due in more than one year	(10,973,272)
Less: amount reported in Internal Service Funds:	
Compensated absences - due within one year	235,128
Compensated absences - due in more than one year	235,127
Long-term debt - due within one year	69,767
Long-term debt - due in more than one year	44,714
Total long-term liabilities	(20,309,506)
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds.	(119,128)
Aggregate net pension liability and total OPEB liability used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.	
Total OPEB liability	(89,577,526)
Net pension liability	(139,682,059)
Less: amount reported in Internal Service Funds:	
Total OPEB liability	7,566,136
Net pension liability	6,790,716
Total OPEB and Pension	(214,902,733)
Deferred outflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds	
Amount reported in Government-Wide Statement of Net Position	
Deferred outflows of resources related to OPEB	32,510,200
Deferred outflows of resources related to pensions	50,476,620
Less: amount reported in Internal Service Funds:	
Deferred outflows of resources related to OPEB	(2,497,511)
Deferred outflows of resources related to pensions	(1,942,742)
Total deferred outflows of resources	78,546,567
Deferred inflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.	
Amount reported in Government-Wide Statement of Net Position	
Deferred inflows of resources related to OPEB	(57,592,310)
Deferred inflows of resources related to pensions	(1,364,017)
Less: amount reported in Internal Service Funds:	
Deferred inflows of resources related to OPEB	4,682,033
Deferred inflows of resources related to pensions	-
Total deferred inflows of resources	(54,274,294)
Internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance, risk management, and information technology, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	(7,945,625)
Net Position of Governmental Activities	$ 557,931,945

See accompanying Notes to the Basic Financial Statements.

City of Redlands
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	Major Funds		Formerly Major Fund		
	General Fund	Governmental Grants Special Revenue Fund	Public Facilities Development Special Revenue Fund	Non-major Governmental Funds	Total Governmental Funds
REVENUES:					
Property taxes	$ 41,713,771	$ -		$ 1,169,967	$ 42,883,738
Sales and use taxes	47,629,644	-		-	47,629,644
Other taxes	2,676,553	-		-	2,676,553
Franchise fees	4,471,469	-		-	4,471,469
Licenses and permits	9,238,592	-		-	9,238,592
Fines and forfeitures	62,969	-		490,841	553,810
Intergovernmental	780,165	14,061,381		7,156,743	21,998,289
Charges for services	7,101,106	-		2,834,860	9,935,966
Investment income	5,647,723	1,118		1,267,444	6,916,285
Rents and leases	1,167,604	-		5,008	1,172,612
Miscellaneous	2,111,512	-		96,251	2,207,763
Total revenues	122,601,108	14,062,499		13,021,114	149,684,721
EXPENDITURES:					
Current:					
General government	23,972,409	12,008,843		971,270	36,952,522
Public safety	54,538,333	211,543		5,609,207	60,359,083
Culture and recreation	7,936,523	-		20,355	7,956,878
Highway and streets	4,796,525	-		1,716,779	6,513,304
Library	3,580,553	-		-	3,580,553
Capital outlay	14,505,154	683,003		8,705,928	23,894,085
Debt service:					
Principal	3,655,908	-		251,882	3,907,790
Interest and fiscal charges	387,035	-		243,428	630,463
Total expenditures	113,372,440	12,903,389		17,518,849	143,794,678
REVENUES OVER (UNDER) EXPENDITURES	9,228,668	1,159,110		(4,497,735)	5,890,043
OTHER FINANCING SOURCES (USES):					
Inception of finance purchase agreement	3,668,445	-		-	3,668,445
Inception of lease liability	2,546,260	-		-	2,546,260
Transfers in	2,850,162	405		20,210,190	23,060,757
Transfers out	(18,074,687)	(63,649)		(7,838,130)	(25,976,466)
Total other financing sources (uses)	(9,009,820)	(63,244)		12,372,060	3,298,996
NET CHANGE IN FUND BALANCES	218,848	1,095,866		7,874,325	9,189,039
FUND BALANCES (DEFICIT):					
Beginning of year, as previously reported	110,957,841	(1,077,326)	(6,161,839)	25,545,526	129,264,202
Change with financial reporting entity (major to non major fund)	-	-	6,161,839	(6,161,839)	-
Beginning of year, as restated (Note 20)	110,957,841	(1,077,326)	-	19,383,687	129,264,202
End of year	$ 111,176,689	$ 18,540	$ -	$ 27,258,012	$ 138,453,241

See accompanying Notes to the Basic Financial Statements.

City of Redlands
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2024

Total Fund Balances - Total Governmental Funds	$ 9,189,039
Amounts reported for Governmental Activities in the Statement of Net Position were different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities, the cost of those assets was allocated over their estimated useful lives as depreciation and amortization expenses. This is the amount of capital assets recorded in the current period (net of $361,933 added in internal service funds) ($105,936 of the governmental fund capital outlay balance were for repairs and maintenance expenditures).	23,894,085
In the Government-Wide Statement of Activities, donated assets are reported as a capital contribution.	30,109,488
Depreciation/amortization expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, depreciation/amortization expense, net of internal service funds of $550,385, was not reported as expenditures in the Governmental Funds.	(10,427,180)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, and donations) decreased net position.	(1,911,827)
Issuance of long-term liabilities provides current financial resources to governmental funds, but the issuance increased long-term liabilities in the Government-Wide Statement of Net Position.	
Lease liabilities	(2,546,260)
Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Principal payment of long-term debt (net of internal service funds principal payments of $137,492)	3,907,790
Amortization of accreted interest	(47,462)
Interest expense on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. This amount represented the changes in accrued interest from prior year.	4,332
Compensated absences expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. (net of $10,915 deducted in internal service funds).	(657,630)
Revenues in the Government-Wide Statement of Activities that do not provide current financial resources and are not reported as revenue in the governmental funds.	(111,623)
Certain pension expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	
Changes in pension related deferred outflows of resources	(2,814,648)
Changes in net pension liabilities	(7,271,505)
Changes in pension related deferred inflows of resources	4,323,676
Certain OPEB expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	
Changes in OPEB related deferred outflows of resources	(5,561,609)
Changes in total OPEB liabilities	12,262,219
Changes in OPEB related deferred inflows of resources	(12,036,267)
The internal service funds are used by management to charge the costs of certain activities, such as fleet maintenance, risk management, and information technology to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	5,743,823
Change in Net Position of Governmental Activities	$ 42,379,996

See accompanying Notes to the Basic Financial Statements.

Proprietary Funds Financial Statements

Water Fund - This fund is used to account for the activities of the City's water utility operations, projects, debt service costs, and impact fees of the City.

Disposal Fund - This fund is used to account for the activities of the City's refuse disposal collection operations, projects, debt service costs, and impact fees of the City.

Wastewater Fund - This fund is used to account for the activities of the City's wastewater utility operations, projects, debt service costs, and impact fees of the City.

Internal Service Funds - These funds are used to provide goods and services by one department or agency to other departments or agencies of the City on a cost reimbursement basis.

City of Redlands
Statement of Net Position
Proprietary Funds
June 30, 2024

	Major Funds		
	Water Fund	Disposal Fund	Wastewater Fund
ASSETS			
Current assets:			
Cash and investments	$ 55,445,535	$ 22,087,401	$ 19,220,772
Accounts receivable, net	4,146,726	2,844,219	1,837,350
Taxes receivable	-	810	-
Interest receivable	228,862	91,170	79,338
Lease receivable - due within one year	96,323	-	-
Due from other governments	-	-	-
Prepaid items	10,208	275	5,102
Inventories	-	-	-
Total current assets	59,927,654	25,023,875	21,142,562
Noncurrent assets:			
Restricted cash and investments	696,278	-	-
Lease receivable - due in more than one year	1,663,622	-	-
Advances to other funds	487,867	707,929	-
Capital assets:			
Non-depreciable	23,137,263	34,217	11,518,711
Depreciable, net	107,835,235	8,941,853	39,815,932
Total capital assets	130,972,498	8,976,070	51,334,643
Total noncurrent assets	133,820,265	9,683,999	51,334,643
Total assets	193,747,919	34,707,874	72,477,205
DEFERRED OUTFLOW OF RESOURCES			
Related to OPEB	5,055,117	3,347,072	1,998,651
Related to pensions	2,662,873	1,988,426	1,821,795
Total deferred outflow of resources	7,717,990	5,335,498	3,820,446

(Continued)

See accompanying Notes to the Basic Financial Statements.

City of Redlands
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2024

	Non-Major Enterprise Funds	Total	Governmental Activities Internal Service Funds
ASSETS			
Current assets:			
Cash and investments	$ 8,167,404	$ 104,921,112	$ 22,726,454
Accounts receivable, net	246,904	9,075,199	801,758
Taxes receivable	103	913	-
Interest receivable	33,713	433,083	91,211
Lease receivable - due within one year	131,176	227,499	-
Due from other governments	51,947	51,947	-
Prepaid items	-	15,585	232,050
Inventories	-	-	104,416
Total current assets	8,631,247	114,725,338	23,955,889
Noncurrent assets:			
Restricted cash and investments	-	696,278	-
Lease receivable - due in more than one year	503,028	2,166,650	-
Advances to other funds	-	1,195,796	-
Capital assets:			
Non-depreciable	15,366,091	50,056,282	-
Depreciable, net	2,973,424	159,566,444	960,158
Total capital assets	18,339,515	209,622,726	960,158
Total noncurrent assets	18,842,543	213,681,450	960,158
Total assets	27,473,790	328,406,788	24,916,047
DEFERRED OUTFLOW OF RESOURCES			
Related to OPEB	413,322	10,814,162	2,497,511
Related to pensions	402,737	6,875,831	1,942,742
Total deferred outflow of resources	816,059	17,689,993	4,440,253

(Continued)

See accompanying Notes to the Basic Financial Statements.

City of Redlands
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2024

	Major Funds		
	Water Fund	Disposal Fund	Wastewater Fund
LIABILITIES			
Current liabilities:			
Accounts payable	1,572,277	803,521	1,169,866
Accrued payroll	433,503	345,369	297,714
Interest payable	-	57,660	-
Deposits payable	1,560,817	28,755	5,705
Unearned revenue	-	313,175	-
Compensated absences - due within one year	288,267	154,515	166,984
Claims payable - due within one year	-	-	-
Long-term debt - due within one year	1,185,832	451,689	461,715
Total current liabilities	5,040,696	2,154,684	2,101,984
Noncurrent liabilities:			
Advances from other funds	-	-	-
Compensated absences - due in more than one year	288,266	154,515	166,983
Claims payable - due in more than one year	-	-	-
Long term debt - due in more than one year	6,916,655	4,002,963	363,808
Landfill closure	-	15,418,260	-
Total OPEB liability	20,671,204	9,913,592	8,537,898
Net pension liability	9,307,881	6,950,398	6,367,952
Total noncurrent liabilities	37,184,006	36,439,728	15,436,641
Total liabilities	42,224,702	38,594,412	17,538,625
DEFERRED INFLOWS OF RESOURCES			
Related to leases	1,645,026	-	-
Related to OPEB	6,436,221	5,795,839	2,893,814
Total deferred inflows of resources	8,081,247	5,795,839	2,893,814
NET POSITION			
Net investment in capital assets	122,870,011	4,521,418	50,509,120
Restricted:			
Debt service	462,600	-	-
Capital projects	5,000,000	12,595,507	1,296,116
Endowment - non-expendable	-	-	-
Total restricted	5,462,600	12,595,507	1,296,116
Unrestricted (deficit)	22,827,349	(21,463,804)	4,059,976
Total net position (deficit)	$ 151,159,960	$ (4,346,879)	$ 55,865,212

(Continued)

See accompanying Notes to the Basic Financial Statements.

City of Redlands
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2024

	Non-Major Enterprise Funds	Total	Governmental Activities Internal Service Funds
LIABILITIES			
Current liabilities:			
Accounts payable	125,734	3,671,398	1,330,006
Accrued payroll	69,518	1,146,104	914,825
Interest payable	678	58,338	-
Deposits payable	1,400,057	2,995,334	-
Unearned revenue	15,872	329,047	-
Compensated absences - due within one year	22,385	632,151	235,128
Claims payable - due within one year	-	-	7,716,737
Long-term debt - due within one year	72,996	2,172,232	69,767
Total current liabilities	1,707,240	11,004,604	10,266,463
Noncurrent liabilities:			
Advances from other funds	1,195,796	1,195,796	-
Compensated absences - due in more than one year	22,383	632,147	235,127
Claims payable - due in more than one year	-	-	7,716,736
Long term debt - due in more than one year	102,891	11,386,317	44,714
Landfill closure	-	15,418,260	-
Total OPEB liability	1,193,161	40,315,855	7,566,136
Net pension liability	1,407,736	24,033,967	6,790,716
Total noncurrent liabilities	3,921,967	92,982,342	22,353,429
Total liabilities	5,629,207	103,986,946	32,619,892
DEFERRED INFLOWS OF RESOURCES			
Related to leases	620,161	2,265,187	-
Related to OPEB	777,896	15,903,770	4,682,033
Total deferred inflows of resources	1,398,057	18,168,957	4,682,033
NET POSITION			
Net investment in capital assets	18,163,628	196,064,177	960,158
Restricted:			
Debt service	-	462,600	-
Capital projects	298,288	19,189,911	-
Endowment - non-expendable	110,741	110,741	-
Total restricted	409,029	19,763,252	-
Unrestricted (deficit)	2,689,928	8,113,449	(8,905,783)
Total net position (deficit)	$ 21,262,585	$ 223,940,878	$ (7,945,625)

(Concluded)

See accompanying Notes to the Basic Financial Statements.

City of Redlands
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Major Funds		
	Water Fund	Disposal Fund	Wastewater Fund
OPERATING REVENUES:			
Charges for services	$ 27,009,859	$ 20,764,912	$ 13,144,186
Miscellaneous operating revenue	1,200,621	33,626	23,375
Total operating revenues	28,210,480	20,798,538	13,167,561
OPERATING EXPENSES:			
Salaries and benefits	7,868,779	6,465,818	5,640,342
General and administrative	8,612,822	14,161,251	4,419,660
Parts and supplies	5,445,261	922,560	2,093,932
Utilities	3,757,345	248,853	1,299,768
Depreciation/amortization	4,736,405	1,007,198	2,686,237
Total operating expenses	30,420,612	22,805,680	16,139,939
OPERATING INCOME (LOSS)	(2,210,132)	(2,007,142)	(2,972,378)
NONOPERATING REVENUES (EXPENSES):			
Investment income	3,133,824	1,237,599	1,024,765
Interest expense	(193,623)	(148,492)	(3,804)
Property taxes	-	-	-
Operating grants	30,595	33,972	-
Total nonoperating revenues (expenses)	2,970,796	1,123,079	1,020,961
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	760,664	(884,063)	(1,951,417)
CAPITAL CONTRIBUTIONS AND TRANSFERS:			
Capital contributions	2,014,529	197,199	1,516,510
Transfers in	292,640	-	-
Transfers out	(884,047)	(2,138,586)	(245,846)
Total capital contributions and transfers	1,423,122	(1,941,387)	1,270,664
Changes in net position	2,183,786	(2,825,450)	(680,753)
NET POSITION (DEFICIT):			
Beginning of year	148,976,174	(1,521,429)	56,545,965
End of year	$ 151,159,960	$ (4,346,879)	$ 55,865,212

(Continued)

See accompanying Notes to the Basic Financial Statements.

City of Redlands
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

	Non-Major Enterprise Funds	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES:			
Charges for services	$ 2,498,887	$ 63,417,844	$ 21,294,014
Miscellaneous operating revenue	715,561	1,973,183	836,204
Total operating revenues	3,214,448	65,391,027	22,130,218
OPERATING EXPENSES:			
Salaries and benefits	1,167,612	21,142,551	5,888,024
General and administrative	2,158,995	29,352,728	10,270,294
Parts and supplies	379,911	8,841,664	6,220,901
Utilities	183,401	5,489,367	340,211
Depreciation/amortization	330,529	8,760,369	550,385
Total operating expenses	4,220,448	73,586,679	23,269,815
OPERATING INCOME (LOSS)	(1,006,000)	(8,195,652)	(1,139,597)
NONOPERATING REVENUES (EXPENSES):			
Investment income	444,977	5,841,165	1,146,158
Interest expense	(57,729)	(403,648)	(5,593)
Property taxes	104,411	104,411	-
Operating grants	49,550	114,117	-
Total nonoperating revenues (expenses)	541,209	5,656,045	1,140,565
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(464,791)	(2,539,607)	968
CAPITAL CONTRIBUTIONS AND TRANSFERS			
Capital contributions	139,006	3,867,244	-
Transfers in	406,357	698,997	6,151,403
Transfers out	(257,664)	(3,526,143)	(408,548)
Total capital contributions and transfers	287,699	1,040,098	5,742,855
Changes in net position	(177,092)	(1,499,509)	5,743,823
NET POSITION (DEFICIT):			
Beginning of year	21,439,677	225,440,387	(13,689,448)
End of year	$ 21,262,585	$ 223,940,878	$ (7,945,625)

(Concluded)

See accompanying Notes to the Basic Financial Statements.

City of Redlands
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Major Funds		
	Water Fund	Disposal Fund	Wastewater Fund
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 26,533,094	$ 20,840,564	$ 13,094,827
Cash payments to suppliers for goods and services	(19,277,147)	(11,192,196)	(7,306,208)
Cash payments to employees for services	(6,803,254)	(5,272,174)	(4,636,859)
Receipts from other operating activities	1,200,621	33,626	23,375
Net cash provided by (used in) operating activities	1,653,314	4,409,820	1,175,135
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating grants	30,595	33,972	-
Property taxes	35	(602)	-
Advances to other funds	142,136	29,684	-
Advances from other funds	-	-	-
Transfers from other funds	292,640	-	-
Transfers to other funds	(884,047)	(2,138,586)	(245,846)
Net cash provided by (used in) noncapital financing activities	(418,641)	(2,075,532)	(245,846)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(7,477,928)	(1,809,862)	(3,366,968)
Cash contributions received from developers	2,014,529	197,199	1,516,510
Inception of lease liability	1,307,582	184,995	349,282
Principal payment of long-term debt	(1,000,900)	(2,064,640)	(406,424)
Interest paid on debt	(193,623)	(182,393)	(3,803)
Net cash provided by (used in) capital and related financing activities	(5,350,340)	(3,674,701)	(1,911,403)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income (loss)	2,904,962	1,146,429	945,427
Net cash (used in) investing activities	2,904,962	1,146,429	945,427
Net change in cash and cash equivalents	(1,210,705)	(193,984)	(36,687)
CASH AND CASH EQUIVALENTS:			
Beginning of year	57,352,518	22,281,385	19,257,459
End of year	$ 56,141,813	$ 22,087,401	$ 19,220,772
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:			
Cash and cash investments	$ 55,445,535	$ 22,087,401	$ 19,220,772
Restricted cash and investments	696,278	-	-
Total cash and cash equivalents	$ 56,141,813	$ 22,087,401	$ 19,220,772

(Continued)

See accompanying Notes to the Basic Financial Statements.

City of Redlands
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

	Major Funds		
	Water Fund	Disposal Fund	Wastewater Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	$ (2,210,132)	$ (2,007,142)	$ (2,972,378)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:			
Depreciation	4,736,405	1,007,198	2,686,237
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	(368,488)	(103,426)	(48,937)
Prepaid items	(10,208)	(275)	(5,102)
Inventories	-	-	-
Lease receivable	93,575	-	-
Deferred outflows - OPEB related	641,724	655,093	294,123
Deferred outflows - pension related	389,226	184,927	74,161
Accounts payable	(1,451,511)	329,396	512,254
Accrued payroll	105,281	81,509	81,879
Deposits payable	(71,559)	263	(422)
Unearned revenue	(228)	178,815	-
Compensated absences	74,117	60,894	53,121
Claims payable	-	-	-
Landfill closure	-	3,811,347	-
Total OPEB liability	(1,414,871)	(1,444,348)	(648,483)
Net pension liability	45,890	355,076	614,425
Deferred inflows - lease related	(130,065)	-	-
Deferred inflows - OPEB related	1,388,801	1,417,733	636,533
Deferred inflows - pension related	(164,643)	(117,240)	(102,276)
Total adjustments	3,863,446	6,416,962	4,147,513
Net cash provided by (used in) operating activities	$ 1,653,314	$ 4,409,820	$ 1,175,135
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Contributed property, plant and equipment	$ -	$ 197,199	$ -
Total noncash capital and related financing activities	$ -	$ 197,199	$ -

See accompanying Notes to the Basic Financial Statements.

City of Redlands
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

	Non-major Funds	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 2,685,998	$ 63,154,483	$ 20,550,593
Cash payments to suppliers for goods and services	(2,845,620)	(40,621,171)	(16,972,070)
Cash payments to employees for services	(1,022,310)	(17,734,597)	(4,522,000)
Receipts from other operating activities	715,561	1,973,183	836,204
Net cash provided by (used in) operating activities	(466,371)	6,771,898	(107,273)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating grants	63,405	127,972	-
Property taxes	104,687	104,120	-
Advances to other funds	-	171,820	-
Advances from other funds	(155,729)	(155,729)	-
Transfers from other funds	406,357	698,997	6,151,403
Transfers to other funds	(257,664)	(3,526,143)	(408,548)
Net cash provided by (used in) noncapital financing activities	161,056	(2,578,963)	5,742,855
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(131,176)	(12,785,934)	(397,859)
Cash contributions received from developers	139,006	3,867,244	-
Inception of lease liability	122,163	1,964,022	55,274
Principal payment of long-term debt	(55,438)	(3,527,402)	(137,492)
Interest paid on debt	(58,250)	(438,069)	(5,593)
Net cash provided by (used in) capital and related financing activities	16,305	(10,920,139)	(485,670)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income (loss)	411,264	5,408,082	1,054,947
Net cash (used in) investing activities	411,264	5,408,082	1,054,947
Net change in cash and cash equivalents	122,254	(1,319,122)	6,204,859
CASH AND CASH EQUIVALENTS:			
Beginning of year	8,045,150	106,936,512	16,521,595
End of year	$ 8,167,404	$ 105,617,390	$ 22,726,454
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:			
Cash and cash investments	$ 8,167,404	$ 104,921,112	$ 22,726,454
Restricted cash and investments	-	696,278	-
Total cash and cash equivalents	$ 8,167,404	$ 105,617,390	$ 22,726,454

(Continued)

See accompanying Notes to the Basic Financial Statements.

City of Redlands
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

	Non-major Funds	Total	Governmental Activities Internal Service Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	$ (1,006,000)	$ (8,195,652)	$ (1,139,597)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:			
Depreciation	330,529	8,760,369	550,385
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	101,115	(419,736)	(743,421)
Prepaid items	-	(15,585)	(64,635)
Inventories	-	-	(10,162)
Lease receivable	136,053	229,628	-
Deferred outflows - OPEB related	80,215	1,671,155	508,031
Deferred outflows - pension related	57,469	705,783	98,264
Accounts payable	(123,313)	(733,174)	26,553
Accrued payroll	13,525	282,194	237,993
Deposits payable	79,429	7,711	-
Unearned revenue	10,000	188,587	-
Compensated absences	10,996	199,128	55,457
Claims payable	-	-	(92,420)
Landfill closure	-	3,811,347	-
Total OPEB liability	(176,858)	(3,684,560)	(1,120,105)
Net pension liability	11,180	1,026,571	597,019
Deferred inflows - lease related	(139,486)	(269,551)	-
Deferred inflows - OPEB related	173,600	3,616,667	1,099,466
Deferred inflows - pension related	(24,825)	(408,984)	(110,101)
Total adjustments	539,629	14,967,550	1,032,324
Net cash provided by (used in) operating activities	$ (466,371)	$ 6,771,898	$ (107,273)
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Contributed property, plant and equipment	$ 139,006	$ 336,205	$ -
Total noncash capital and related financing activities	$ 139,006	$ 336,205	$ -

See accompanying Notes to the Basic Financial Statements.

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Fiduciary Funds Financial Statements

Community Facility District Custodial Fund - This fund accounts for the collection and subsequent expenditure retained for various community facility districts.

RDA Successor Agency Private Purpose Trust Fund - This fund accounts for the assets and liabilities of the former redevelopment agency and is allocated revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated. The fund was closed due to the dissolution of the RDA Successor Agency during the year ended June 30, 2024.

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City of Redlands
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Community Facilities District Custodial Fund	RDA Successor Agency Private Purpose Trust Fund
ASSETS		
Cash and investments	$ 650	$ -
Restricted cash and investments with fiscal agent	3,139,368	-
Total assets	3,140,018	-
LIABILITIES		
Accounts payable	3,201	-
Total liabilities	3,201	-
NET POSITION		
Restricted for:		
Individuals, organizations, and other governments	3,136,817	-
Total net position	$ 3,136,817	$ -

See accompanying Notes to the Basic Financial Statements.

City of Redlands
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Community Facilities District Custodial Fund	RDA Successor Agency Private Purpose Trust Fund
ADDITIONS:		
Fee collections for other governments	$ 1,568,821	$ -
Investment income (loss)	127	(16,576)
Contribution from City	-	409,436
Total additions	1,568,948	392,860
DEDUCTIONS:		
Administration	26,065	23,284
Contractual services	3,201	-
Conduit debt payment - principal	965,000	-
Conduit debt payment - interest	532,756	-
Total deductions	1,527,022	23,284
Change in net position	41,926	369,576
NET POSITION (DEFICIT):		
Beginning of year	3,094,891	(369,576)
End of year	$ 3,136,817	$ -

See accompanying Notes to the Basic Financial Statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

City of Redlands
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For the Year Ended June 30, 2024

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Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Redlands, California (the "City") have been prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") as applied to governmental agencies. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting standards in the United States. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

The City is a municipal corporation governed by a five-member city council with the mayor elected by the council itself. The City was incorporated in 1888 under the general laws of the State of California and enjoys all the rights and privileges applicable to a General Law City. The City provides the following services: police; building inspection; parks and streets; water; disposal; sanitation; leisure services; planning and zoning; general administration services; aviation; and redevelopment.

Blended Component Units

The financial reporting entity consists of the primary government, the City, and its component units. Component units are legally separate entities for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government is accountable and their exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended component units, although legally separate entities, are, in substance part of the government's operation and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

Although the following are legally separate from the City, they have been "blended" as though they are part of the City because the component unit's governing body is substantially the same as the City's and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component units; and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

Redlands Public Improvement Corporation

The Redlands Public Improvement Corporation ("Corporation") was organized in June 1985 pursuant to the Nonprofit Public Benefit Corporation Law of the State of California, solely for the purpose of providing financial assistance to the City by acquiring, constructing, improving, developing and installing certain real and personal property together with appurtenances and appurtenant work for the use, benefit and enjoyment of the public. The corporation was formed at the request of the City and the directors receive no compensation. The corporation is presented as a governmental fund type.

Redlands Joint Powers Financing Authority (JPFA)

The Redlands Financing Authority ("Authority") was established May 1, 1999, pursuant to the Joint Exercise of Powers Laws of the State of California. The Authority was created by the former Redevelopment Agency and the City for the primary purpose of assisting the financing of capital improvements, working capital, liability and other insurance needs, or projects whenever there are significant public benefits. No separate annual financial statements are prepared for the Authority.

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Related Organizations

The City of Redlands' officials are also responsible for appointing members of the boards of other organizations, but the City of Redlands' accountability for these organizations does not extend beyond making the appointments. The board of the Friends of the A.K. Smiley Public Library and the Redlands Historical Museum Association are appointed by the City Council.

B. Basis of Presentation, Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

Government-Wide Financial Statements

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These financial statements are presented on an *"economic resources"* measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of U.S. GAAP.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Program revenues for the City are classified in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus (Continued)

The following interfund activities have been eliminated:

- Due to/from other funds
- Advance to/from other funds
- Due to City/from Fiduciary Funds
- Transfers in/out

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. An accompanying schedule is presented to reconcile and explain the differences in Net Position as presented in these statements to the Net Position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or *"current financial resources"* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days for all revenues.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in-lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the measurable and available criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions have been recognized as revenues when all applicable eligibility requirements have been met.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The City reports the following major governmental funds:

General Fund - This fund accounts for all revenues and expenditures used to finance the traditional services associated with a municipal government which are not accounted for in the other funds. In Redlands, these services include general government, public safety, culture and recreation, highway and streets, and library.

Governmental Grants Special Revenue Fund - This fund accounts for the receipt and expenditure of grant monies received from various agencies for general government projects.

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Fund Net Position, and a Statement of Cash Flows.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the Government-Wide Financial Statements. The City's internal service funds include funds which provide services directly to other City funds.

Proprietary funds are accounted for using the *"economic resources"* measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following major proprietary funds:

Water Fund - This fund is used to account for the activities of the City's water utility operations, projects, debt service costs, and impact fees of the City.

Disposal Fund - This fund is used to account for the activities of the City's refuse disposal collection operations, projects, debt service costs, and impact fees of the City.

Wastewater Fund - This fund is used to account for the activities of the City's wastewater utility operations, projects, debt service costs, and impact fees of the City.

Internal service fund balances and activities have been combined with governmental activities in the Government-Wide Financial Statements, and are comprised of the following funds:

General Liability Self-Insurance Fund - This fund is used to account for the City's self-insured general and automobile liability programs, which are provided to all City departments and funds.

Information Technology Fund - This fund is used to account for the general maintenance and service of all City computers and phone equipment provided to all City departments.

Workers' Compensation Self-Insurance Fund - This fund is used to account for the City's self-insured Workers' Compensation and General Safety Programs, which are provided to all City departments and funds.

Equipment Maintenance Fund - This fund is used to account for providing ongoing maintenance of all City vehicles and major equipment and to account for vehicle rental services to all City departments.

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

Utility Billing Fund - This fund is used to account for billing services costs provided for water, sewer, and solid waste.

Payroll Clearing Fund - This fund is used to account for the City's reoccurring payroll obligations.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent custodial funds and private purpose trust funds. Both custodial funds and the private purpose trust funds are accounted for on the full accrual basis of accounting.

Fiduciary fund types are accounted for according to the nature of the fund. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Private-purpose trust funds account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments (i.e. unclaimed property/escheat property). They are also used to account for various assessment districts for which the City acts as an agent for debt service activity, as the City is prohibited from levying additional taxes for these districts. Such funds include Community Facilities Districts, which do not have trust agreements with the City.

The City's private purpose trust fund is a fiduciary fund type used by the City to report assets, liabilities and activities of the Successor Agency to the Redevelopment Agency (Successor Agency) for the City of Redlands. Its results of operations are presented on the Statement of Changes of Fiduciary Net Position.

Successor Agency of the Redevelopment Agency for the City of Redlands

The Redevelopment Obligation Retirement Fund was created to serve as a custodian for the assets and to wind down the affairs of the RDA on February 1, 2012, pursuant to Assembly Bill x1 26. Its purpose is to expeditiously wind down the affairs of the dissolved Redevelopment Agency (RDA). The Successor Agency is a separate public entity from the City, subject to the direction of an oversight board. The City Council serves as the governing board of the Successor Agency. In general, the Successor Agency's assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, the Successor Agency will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former RDA until all enforceable obligations of the former RDA have been paid in full and all assets have been liquidated. Based upon the nature of the Successor Agency's custodial role, the Successor Agency has been included in the accompanying basic financial statements as a private purpose trust fund. In February 2015, the California Department of Finance (Finance) approved the City's revised Long-Range Property Management Plan (LRPMP), with the assets deemed for governmental use and future development.

C. Deferred Outflows and Inflows of Resources

The Statement of Net Position and Balance Sheet – Governmental Funds reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Deferred Outflows and Inflows of Resources (Continued)

Deferred Outflows of Resources represent a consumption of net assets that applies to future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

Deferred Inflows of Resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

D. Cash, Cash Equivalents and Investments

The City pools its available cash for investment purposes. The City considers pooled cash and investment amounts, with original maturities of three months or less, to be cash equivalents.

Investments are reported in the accompanying financial statements at fair value, except for certain investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year, and may result in negative investment income in the accompanying financial statements. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance, except for investment income associated with funds not legally required to receive pooled investment income which has been assigned to and recorded as revenue of the general fund, as provided by California Government Code Section 53647.

For purposes of the statement of cash flows, amounts reported as cash and cash equivalents, include amounts on deposit in the City pool and any short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

Certain disclosure requirements, if applicable, for deposits and investment risks in the following areas:

- Interest rate risk
- Credit risk
  - Overall
  - Custodial credit risk
  - Concentration of credit risk
- Foreign currency risk

In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

U.S. GAAP establishes a framework for measuring fair value, and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Cash, Cash Equivalents and Investments (Continued)

Level 2 – Inputs, other than quoted prices included in Level 1, which are observable for the assets or liabilities through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the assets or liabilities at the measurement date.

E. Restricted Cash and Investments

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt, for acquisition and construction of capital projects, and to meet bond indenture debt reserve requirements.

F. Receivables

Customer or trade receivables are reported as "accounts receivable" and are shown net of an allowance for uncollectible accounts based on historical and management estimates.

Noncurrent portions of long-term receivables (e.g., "notes receivable") due to governmental fund types are reported in their respective balance sheets despite their spending measurement focus. Recognition of governmental fund type revenues represented by noncurrent receivables are deferred until they become current receivables. Noncurrent portions of long-term notes receivable are offset by restricted fund balance in the special revenue funds.

G. Interfund Transactions

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds" (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the Governmental-Wide Financial Statements as "internal balances."

H. Inventories and prepaid items

Inventory, consisting of expendable supplies, is valued at first in first out basis. The cost of governmental funds inventory is recorded as expenditure at the time the individual inventory is consumed. Prepaid items are recorded at cost. Using the consumption method, prepaid items are recorded as expenditures over the period that service is provided. Reported inventory and prepaid items are equally offset by a fund balance reservation, which indicates that they do not constitute "available spendable resources" even though they are a component of current assets.

I. Leases

Lessee

The City has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements. The City recognizes lease liabilities with an initial, individual value of $25,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Leases (Continued)

Lessee (Continued)

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as right to use along with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor

The City is a lessor for leases of special purpose facilities, office and commercial space, and land. The City recognizes leases receivable and deferred inflows of resources in the financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Note 1 – Summary of Significant Accounting Policies (Continued)

J. Subscription-Based Information Technology Arrangements (SBITAs)

The City has a policy to recognize a SBITA liability and a right-to-use subscription asset (SBITA asset) in the government-wide financial statements with an initial, individual value of $25,000 or more with a subscription term greater than one year.

At the commencement of a subscription, when the subscription asset is placed into service, the SBITA liability is measured at the present value of payments expected to be made during the subscription term. Future subscription payments are discounted using the City's incremental borrowing rate and the City recognizes amortization of the discount on the subscription liability as interest expense in subsequent financial reporting periods.

SBITA assets are measured as the sum of the initial subscription liability, payments made to the SBITA vendor before the commencement of the lease term, and capitalizable implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized using the straight-line method over the subscription term.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the period during which the City has a noncancelable right to use the underlying IT asset. The subscription term also includes periods covered by an option to extend if it is reasonably certain to be exercised.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option years that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of a subscription and will remeasure any subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use subscription assets are reported along with other capital assets and subscription liabilities are reported with long-term debt on the statement of net position.

K. Capital Assets

Capital assets, which include land, rights of way, structures, equipment, and infrastructure assets, the right to use leased equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Such assets are recorded at historical cost (except for intangible right-to-use lease assets) or estimated historical cost if purchased or constructed. Donated assets are valued at the fair value of the assets on the date on which they were contributed. Donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. The City utilizes a capitalization threshold of $5,000 depending on asset type.

Major capital outlay for capital assets and improvements are capitalized as projects are constructed. For debt-financed capital assets, interest incurred during the construction phase is reflected in the capitalization value of the asset constructed, net of interest earned on the invested proceeds over the same period. Capital assets acquired through lease obligations are valued at the present value of future lease payments at the date acquired. Contributed capital assets are valued at their estimated acquisition value at the date of contribution.

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Capital Assets (Continued)

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements and in the fund financial statements of the proprietary funds.

Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The range of lives used for depreciation purposes for each capital asset class is as follows:

Asset Type	Years
Infrastructure	20-75
Buildings and improvement	10-40
Machinery, equipment, and vehicles	3-25
Lease and subscription assets	Contract term

L. Long-Term Debt

Government-Wide Financial Statements and Proprietary Fund Financial Statements

Long-term debt and other financial obligations are reported as liabilities in the appropriate funds. Bond premiums and discounts are deferred and amortized over the life of the bonds using straight line method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are expensed when incurred. Gains or losses on bond refunding are reported as either deferred outflows of resources or deferred inflows of resources and amortized over the term of the related debt.

Governmental Fund Financial Statements

The governmental fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position. Governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Compensated Absences

A total of 10 to 25 days of vacation and 12 days of sick leave per year may be accumulated by each employee. The City accrues a liability for compensated absences which meets the following criteria:

1) The City's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2) The obligation relates to rights that vest or accumulate. Payment of the compensation is probable.
3) The amount can be reasonably estimated.

Government-Wide Financial Statements

For governmental and business-type activities, compensated absences are recorded as expenses when earned.

Fund Financial Statements

For governmental funds, compensated absences are recorded as expenditures in the year paid. The General Fund is typically used to liquidate compensated absences. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund.

Note 1 – Summary of Significant Accounting Policies (Continued)

N. Claims and Judgments Payable

The short-term and long-term workers' compensation claims liability is reported in the Workers' Compensation Insurance Internal Service Fund. The short-term and long-term general claims liability is reported in the Comprehensive Liability Insurance Internal Service Fund. The short-term liability which will be liquidated with current financial resources is the amount of settlement reached, but unpaid, related to claims and judgments entered. Under the modified accrual basis, the following revenue sources are considered to be susceptible to accrual: property taxes, sales taxes, federal and state grants.

O. Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 11). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The General Fund and Internal Service Funds are typically used to liquidate the pension liability related to the City's governmental activities while the pension liability for Business-type activities is liquidated from the respective Enterprise Funds.

The following timeframes are used for pension reporting:

Valuation date	June 30, 2022
Measurement date	June 30, 2023
Measurement period	July 1, 2022 to June 30, 2023

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

P. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan, the assets of which are held in an irrevocable trust, and additions to/deductions from the OPEB plan's fiduciary net position have been determined by an independent actuary (Note 12). For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund and Internal Service Funds are typically used to liquidate the OPEB liability related to the City's governmental activities while the OPEB liability for Business-type activities is liquidated from the respective Enterprise Funds.

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Other Postemployment Benefits (OPEB) (Continued)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan, the assets of which are held in an irrevocable trust, and additions to/deductions from the OPEB plan's fiduciary net position have been determined by an independent actuary (Note 12). For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund and Internal Service Funds are typically used to liquidate the OPEB liability related to the City's governmental activities while the OPEB liability for Business-type activities is liquidated from the respective Enterprise Funds.

Generally accepted accounting principles require that the reported results must pertain to liability and fiduciary net position information within certain defined timeframes. For this report, the following timeframes are used:

Valuation date	June 30, 2023
Measurement date	June 30, 2023
Measurement period	July 1, 2022 to June 30, 2023

Q. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the governmental funds.

R. Fund Balances

In the Governmental Fund Financial Statements, fund balances are classified in the following categories:

Nonspendable – Items cannot be spent because they are not in spendable form, such as prepaid items and inventories, items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making (normally the governing body) and that remain binding unless removed in the same manner. The County Council is considered the highest authority for the City. A City Council resolution is required to have fund balance committed.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has not delegated the authority to assign fund balance to management.

Unassigned – This category is for any balances that have no restrictions placed upon them. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Note 1 – Summary of Significant Accounting Policies (Continued)

R. Fund Balances (Continued)

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted and unrestricted, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned and then unassigned fund balance.

Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Stabilization Arrangement

As described in Chapter 3.06 of the Municipal Code, the City has established a stabilization arrangement committing a minimum of 12 percent of the sum of the General Fund's operating expenses and operating transfers out. The balance at June 30, 2024, is $9,794,310 and is included in committed fund balance. These funds may be used only when the City is faced with an unforeseen or uncontrollable event which includes but is not limited to:

1) Local revenue shortfalls due to a major business closure or relocation.
2) Legislative or judicial mandates to provide new or expanded services or programs that, in total, cost the City $200,000 or more.
3) Natural and civil disasters such as earthquakes, fires, floods, riots and health epidemics.

S. Net Position

For the Government-Wide Financial Statements, net position is classified in the following categories:

Net Investment in Capital Assets component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by any debt outstanding and any deferred outflows/inflows of resources related to such borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is offset by unspent proceeds.

Restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Net Position (Continued)

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

T. Property Taxes

With the passage of Proposition 13 in 1978 (Article XIIIA, California State Constitution), property taxes are limited to one percent of market value, plus additional taxes for repayment of existing or subsequent voter- approved indebtedness. Under Article XIIIA, the market value of taxable property is subject to a maximum annual increase of two percent. Market value may be appraised at significantly more than two percent depending on other factors such as improvements, sale or change of ownership. The City receives a portion of the one percent general tax levy which is shared by several other local governments including the county and the school district. The City's share is based on a formula prescribed in Section 26912(b) of the Government Code. The county apportions property taxes to the City on a scheduled basis which generally adheres to the actual tax collection periods. The tax lien date is January 1 of each year and covers the ensuing fiscal year's tax returns. The tax levy date is from July 1 to June 30 of each year. The first installment becomes due on November 1 with penalties and interest accruing after December 10. The second installment is due no later than April 10.

U. Use of Accounting Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions, in some cases when applicable, that affect the amounts in the financial statements and the accompanying notes. Actual results could differ from the estimates.

V. Implementation of New GASB Pronouncements for the Year Ended June 30, 2024

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2024. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Implementation of this Statement had a moderate effect on the City's financial statements for the fiscal year ended June 30, 2024.

W. Upcoming Government Accounting Standards Implementations

The City is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Application of this statement is effective for the City's fiscal year ending June 30, 2025.

Note 1 – Summary of Significant Accounting Policies (Continued)

W. Upcoming Government Accounting Standards Implementations (Continued)

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. Application of this statement is effective for the City's fiscal year ending June 30, 2025.

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Application of this statement is effective for the City's fiscal year ending June 30, 2026.

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. Application of this statement is effective for the City's fiscal year ending June 30, 2026.

Note 2 – Cash and Investments

Cash and investments are presented in the accompanying financial statements at June 30, 2024, as follows:

	Government-Wide Statement of Net Position			Fiduciary Funds Statement of Net Position	Total
	Governmental Activities	Business-Type Activities	Total		
Cash and investments	$ 165,954,022	$ 104,921,112	$ 270,875,134	$ 650	$ 270,875,784
Cash and investments with fiscal agent	237,153	696,278	933,431	3,139,368	4,072,799
Total cash and investments	$ 166,191,175	$ 105,617,390	$ 271,808,565	$ 3,140,018	$ 274,948,583

Cash and investments at June 30, 2024, consisted of the following:

Cash:	
Cash on hand	$ 3,950
Deposits with financial institutions	46,847,550
Total cash	46,851,500
Investments:	
Investments	224,024,284
Investments held by bond trustee	4,072,799
Total investments	228,097,083
Total cash and investments	$ 274,948,583

Note 2 – Cash and Investments (Continued)

The City maintains a cash and investment pool for all funds. Certain restricted funds that are held and invested by independent outside custodians through contractual agreements are not pooled. These restricted funds include cash and investment held by trustees.

A. Demand Deposits

The carrying amounts of the City's demand deposits were $46,847,550 at June 30, 2024. Bank balances were $48,533,537 at that date, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The fair value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City's deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation ("FDIC"). The City, however, has not waived the collateralization requirements.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

B. Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy.

Authorized Investment Types	Authorized By Investment Policy	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer*
Local Agency Bonds	No	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	None	None
Banker's Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	15%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	30%
Repurchase Agreements	Yes	7 days	None	None
Reverse Repurchase Agreements	No	92 days	None	None
Medium-Term Notes	Yes	5 years	15%	15%
Mutual Funds	Yes	N/A	10%	10%
Money Market Mutual Funds	Yes	N/A	10%	10%
Mortgage Pass-Through Securities	No	5 years	None	None
County Pooled Investment Funds	No	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	$75 Million**	None
JPA Pools (other investment pools)	Yes	N/A	None	None

* Based on state law requirements or City investment policy requirements, whichever is more restrictive.

** Limit set by LAIF governing Board not California Government Code

In accordance with the City's investment policy, a maximum of 25% of the City's investment portfolio may be invested for more than 5 years, not to exceed 10 years.

Note 2 – Cash and Investments (Continued)

B. Investments Authorized by the California Government Code and the City's Investment Policy (Continued)

The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

C. Investments Authorized by Debt Agreements

Investments of debt proceeds held by fiscal agent are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by fiscal agent. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

Authorized Investment Types	Maximum Maturity	Maximum Percentage Allowed	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None	None
U.S. Agency Securities	5 years	None	None	None
Banker's Acceptances	180 days	40%	30%	30%
Commercial Paper	270 days	15%	15%	15%
Money Market Mutual Funds	N/A	None	None	None
Investment Contracts	30 years	None	None	None

D. Fair Value Measurement

At June 30, 2024, investments, excluding restricted cash and investments held by fiscal agent, are reported at fair value based on quoted market prices. The following table presents the fair value measurements of investments recognized in the accompanying Statement of Net Position measured at fair value on a recurring basis and the level within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2024:

Investments measured by fair value level:	Total at June 30, 2024	Level 1	Level 2
Federal Agency Securities	$ 96,918,822	$ -	$ 96,918,822
Corporate Bonds	26,165,462	-	26,165,462
Negotiable Certificates of Deposit	12,656,381	-	12,656,381
Municipal Bonds	9,444,718	-	9,444,718
U.S. Treasury Notes	6,636,590	6,636,590	-
Total investments by fair value level	151,821,973	$ 6,636,590	$ 145,185,383
Investments not subject to the fair value hierarchy:			
Local Agency Investment Fund	31,825,662		
California Asset Management Program	40,376,649		
Money market mutual funds	4,072,799		
Total investments not subject to the fair value hierarchy	76,275,110		
Total investments	$ 228,097,083		

Note 2 – Cash and Investments (Continued)

E. Risk Disclosure

Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Treasuries, U.S. Agencies, and Commercial Paper: quoted prices for identical securities in markets that are not active;
- Medium term notes: quoted prices for similar securities in active markets; and
- Asset-backed securities: recent appraisals of the asset value.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. Information about the sensitivity of the fair values of the City's investments (including investments held by fiscal agent) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	12 Months or less	13 to 24 Months	25 to 36 Months	37 to 48 Months	More than 48 Months	Total
Held by City:						
Federal Agency Securities	$ 25,423,051	$ 32,342,843	$ 31,254,488	$ 7,898,440	$ -	$ 96,918,822
Corporate Bonds	10,813,930	7,589,952	4,857,250	2,904,330	-	26,165,462
Negotiable Certificates of Deposit	4,137,745	3,527,617	2,808,290	2,182,730	-	12,656,381
Municipal Bonds	3,992,758	2,824,901	942,840	1,684,219	-	9,444,718
U.S. Treasury Notes	1,956,070	2,840,870	1,839,650	-	-	6,636,590
Local Agency Investment Fund	31,825,662	-	-	-	-	31,825,662
California Asset Management Program	40,376,649	-	-	-	-	40,376,649
Held by Trustees:						
Money Market Funds	4,072,799	-	-	-	-	4,072,799
Total investments	$122,598,664	$ 49,126,183	$ 41,702,518	$ 14,669,719	$ -	$ 228,097,083

Note 2 – Cash and Investments (Continued)

E. Risk Disclosure (Continued)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the City's investment policy, or debt agreements, and the actual Moody's rating as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating	AA+/ AA/AA-	A+/A/A-	AAA/AAAm	Not Rated
Held by City:						
Federal Agency Securities	$ 96,918,822	N/A	$ 34,105,317	$ -	$ 2,424,205	$ 60,389,300
Corporate Bonds	26,165,462	A	5,933,840	16,341,262	3,890,360	-
Negotiable Certificates of Deposit	12,656,381	N/A	-	-	-	12,656,381
Municipal Bonds	9,444,718	A	6,319,704	942,840	-	2,182,174
Held by Trustee:						
Money Market Funds	4,072,799		-	-	-	4,072,799
Total Rated Investments	149,258,182		$ 46,358,861	$ 17,284,102	$ 6,314,565	$ 79,300,654
Not rated:						
Local Agency Investment Fund	31,825,662	N/A				
California Asset Management Program	40,376,649	N/A				
Exempt from credit rating disclosure:						
U.S. Treasury Notes	6,636,590	N/A				
Total investments	$228,097,083					

Disclosure Relating to Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5 percent or more of total City investments are as follows:

Issuer	Investment Type	Reported Amount	Percentage of Portfolio
Federal Home Loan Bank	Federal Agency Securities	$ 57,645,844	25.27%
Federal Home Loan Mortgage Corporation	Federal Agency Securities	18,549,900	8.13%
Federal Farm Credit Bank	Federal Agency Securities	13,425,970	5.89%

Note 2 – Cash and Investments (Continued)

E. Risk Disclosure (Continued)

Disclosures Relating to Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2024, the City's deposits (bank balances) were collateralized under California Law.

F. Investment in State Investment Pool

The City is a participant in the Local Agency Investment Fund ("LAIF") which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments in LAIF at June 30, 2024 included a portion of pool funds invested in Structure Notes and Asset-Backed Securities:

Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2024, the City had $31,825,662 invested in LAIF, which had invested 3.00% of the pool investment funds in Structured Notes and Asset-Back Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where fair value is not readily available. The City valued its investments in LAIF as of June 30, 2024, by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value. The fair value of the City's position in the pool is the same as the value of the pool shares. The credit quality rating of LAIF is unrated as of June 30, 2024.

Note 2 – Cash and Investments (Continued)

G. California Asset Management Program

The City is a voluntary participant in the California Asset Management Program (CAMP). CAMP is an investment pool offered by the California Asset Management Trust (the Trust). The Trust is a joint powers authority and public agency created by the Declaration of Trust and established under the provisions of the California Joint Exercise of Powers Act for the purpose of exercising the common power of its Participants to invest funds. The investments are limited to investments permitted by California Government Code. The total amount invested by all public agencies in CAMP at June 30, 2024 was $20.0 billion, respectively. A board of five trustees who are officials or employees of public agencies has oversight responsibility for CAMP. The value of the pool shares in CAMP, which may be withdrawn at any time, is determined on an amortized cost basis, which is different from the fair value of the City's position in the pool. At June 30, 2024 the amortized cost approximates the City's cost.

Note 3 – Lease Receivable

A. Governmental Activities

The portion of the City's property is leased to others. Such property includes special purpose facilities, office and commercial space, and land. Lease receivable consists of agreements with other for the right-to-use of the underlying assets at various locations owned by the City. The terms of the arrangements range from 1 to 30 years. The calculated interest rates used vary depending on the length of the lease. For the fiscal year ended June 30, 2024, the City recognized $975,428 in lease revenue and $42,393 in interest revenue.

A summary of changes in lease receivable for the fiscal year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification: Due within One Year	Classification: Due in More Than One Year
Leases receivable	$ 4,445,199	$ 135,047	$ (1,970,072)	$ 2,610,174	$ 376,633	$ 2,233,541

As of June 30, 2024, the required payments for these leases, including interest, are:

Year Ending June 30,	Principal	Interest	Total
2025	$ 376,633	$ 34,331	$ 410,964
2026	477,479	29,939	507,418
2027	377,867	25,728	403,595
2028	204,064	22,493	226,557
2029	124,929	20,162	145,091
2030 - 2034	426,297	77,647	503,944
2035 - 2039	354,664	42,722	397,386
2040 - 2044	268,241	9,973	278,214
Total	$ 2,610,174	$ 262,995	$ 2,873,169

Note 3 – Lease Receivable (Continued)

A. Governmental Activities (Continued)

As of June 30, 2024, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

Year Ending June 30,	Amortization Schedule
2025	$ 396,100
2026	484,977
2027	381,459
2028	206,524
2029	128,781
2030 - 2034	413,812
2035 - 2039	274,398
2040 - 2044	160,268
Total	$ 2,446,319

B. Business-Type Activities

The portion of the City's property is leased to others. Such property includes special purpose facilities, office and commercial space, and land. Lease receivable consists of agreements with other for the right-to-use of the underlying assets at various locations owned by the City. The terms of the arrangements range from 2 to 30 years. The calculated interest rates used vary depending on the length of the lease. For the fiscal year ended June 30, 2024, the City recognized $269,551 in lease revenue and $43,981 in interest revenue.

A summary of changes in lease receivable for the fiscal year ended June 30, 2024 is as follows:

					Classification	
	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due within One Year	Due in More Than One Year
Leases receivable	$ 2,623,777	$ -	$ (229,628)	$ 2,394,149	$ 227,499	$ 2,166,650

As of June 30, 2024, the required payments for these leases, including interest, are:

Year Ending June 30,	Principal	Interest	Total
2025	$ 227,499	$ 40,580	$ 268,079
2026	216,649	37,180	253,829
2027	230,833	33,632	264,465
2028	236,592	29,925	266,517
2029	236,377	26,126	262,503
2030-2034	392,399	98,186	490,585
2035-2039	247,716	74,278	321,994
2040-2044	327,757	45,521	373,278
2045-2048	278,327	10,075	288,402
Total	$ 2,394,149	$ 395,503	$ 2,789,652

Note 3 – Lease Receivable (Continued)

B. Business-Type Activities (Continued)

As of June 30, 2024, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

Year Ending June 30,	Amortization Schedule
2025	$ 262,776
2026	242,451
2027	242,451
2028	242,451
2029	236,567
2030 - 2034	417,953
2035 - 2039	231,256
2040 - 2044	231,256
2045 - 2048	158,026
Total	$ 2,265,187

Note 4 – Loan Receivable

On March 5, 2024, the City entered into a loan agreement with the Museum of Redlands (the "Museum") in the amount of $1,000,000 to fund the completion of certain improvements associated with the proposed "Museum of Redlands". The loan bears an annual interest rate of 4% and repayment of the loan principal and interest accrued on the unpaid principal balance is due on or before March 5, 2026. On May 7, 2024, the City entered into a loan agreement with the Museum in the amount of $2,000,000 to fund the completion of certain improvements associated with the proposed "Museum of Redlands". The loan will be repaid through grant funding secured by the Museum from the State of California. The loan bears an annual interest rate of 0% and repayment of the loan principal is due upon receipt of the grant funding or before May 1, 2027. At June 30, 2024, the outstanding balance of the loan receivable was $3,012,822.

Note 5 – Interfund Receivables, Payables, and Transfers

A. Due To / From Other Funds

At June 30, 2024, the City reported a short term cash flow borrowing of $9,164 between the General Fund and the Transportation Development Act Special Revenue Fund to cover deficit cash positions.

B. Advance From / From Other Funds

As of June 30, 2024, advances to/from other funds were as follows:

Advances To	Advances From	Amount
Water Enterprise Fund	Cemetery Enterprise Fund	$ 487,867
Disposal Enterprise Fund	Aviation Enterprise Fund	707,929
	Total	$ 1,195,796

The Water Enterprise Fund and Disposal Enterprise Fund advanced the Cemetery and Aviation Enterprise Funds a total of $1,195,796 to provide funding for capital expenditures.

Note 5 – Interfund Receivables, Payables, and Transfers (Continued)

C. Transfers

Interfund transfers during the year ended June 30, 2024, consisted of the following:

Transfers In	Transfers Out	Amount	Purpose
General Fund	Governmental Grants Special Revenue Fund	$ 63,649	Program subsidy
General Fund	State Gas Tax Special Revenue Fund	1,980,462	Capital projects
General Fund	Traffic Safety Special Revenue Fund	155,962	Program subsidy
General Fund	Water Enterprise Fund	268,701	Program subsidy
General Fund	Water Enterprise Fund	212,934	Fixed Asset Transfer
General Fund	Disposal Enterprise Fund	67,102	Program subsidy
General Fund	Disposal Enterprise Fund	36,297	Program subsidy
General Fund	Wastewater Service Enterprise Fund	28,758	Program subsidy
General Fund	Equipment Maintenance Internal Service Fund	36,297	Fixed Asset Transfer
	Subtotal	2,850,162	
Governmental Grants Special Revenue Fund	General Fund	405	Program subsidy
Emergency Service Special Revenue Fund	General Fund	4,185,998	Program subsidy
Downtown Redlands Business Area Special Revenue Fund	General Fund	103,306	Program subsidy
Parking Authority Special Revenue Fund	General Fund	18,653	Program subsidy
Landscape Maintenance District Special Revenue Fund	General Fund	6,200	Program subsidy
Public Facilities Development Special Revenue Fund	General Fund	7,690,541	Forgiveness of advance
Safety Hall Replacement Capital Projects Fund	General Fund	257,547	Capital projects
Water Service Enterprise Fund	General Fund	34,976	Capital projects
Groves Enterprise Fund	General Fund	200,658	Capital projects
General Liability Self-Insurance Internal Service Fund	General Fund	5,576,403	Reserve funding
	Subtotal	18,074,687	
PARIS Special Revenue Fund	State Gas Tax Special Revenue Fund	1,837,555	Capital projects
PARIS Special Revenue Fund	Measure I Special Revenue Fund	3,733,391	Capital projects
PARIS Special Revenue Fund	Water Enterprise Fund	102,412	Capital projects
PARIS Special Revenue Fund	Disposal Enterprise Fund	1,885,248	Capital projects
PARIS Special Revenue Fund	Wastewater Service Enterprise Fund	17,088	Capital projects
	Subtotal	7,575,694	
Groves Enterprise Fund	CFD 2004-1 Assessment Special Revenue Fund	130,760	Capital projects
Groves Enterprise Fund	Disposal Enterprise Fund	74,939	Capital projects
	Subtotal	205,699	
General Liability Self-Insurance Internal Service Fund	Water Enterprise Fund	300,000	Reserve funding
General Liability Self-Insurance Internal Service Fund	Disposal Enterprise Fund	75,000	Reserve funding
General Liability Self-Insurance Internal Service Fund	Wastewater Service Fund	200,000	Reserve funding
	Subtotal	575,000	
Water Enterprise Fund	Non-Potable Water Enterprise Fund	257,664	Fixed asset transfer
General Debt Service Fund	Payroll Clearing Internal Service Fund	372,251	Debt service - pension bonds
	Total	$ 29,911,157	

Note 6 – Capital Assets

A. Governmental Activities

The summary of changes in governmental activities capital assets for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Additions	Deletions	Transfers/ Reclassifications	Balance June 30, 2024
Capital assets, not being depreciated:					
Land	$ 40,956,320	$ 750,962	$ -	$ -	$ 41,707,282
Water rights	408,125	-	-	-	408,125
Right of way	337,105,665	29,757,212	-	-	366,862,877
Construction in progress	11,404,751	8,062,518	-	(3,159,364)	16,307,905
Total capital assets, not being depreciated	389,874,861	38,570,692	-	(3,159,364)	425,286,189
Capital assets, being depreciated/amortized:					
Infrastructure	272,359,117	10,990,335	(3,202,795)	2,665,761	282,812,418
Building and improvements	61,847,805	492,919	-	383,812	62,724,536
Machinery, equipment and vehicles	26,468,907	1,258,293	(2,354,010)	109,791	25,482,981
Lease assets - buildings and improvements	53,177	-	-	-	53,177
Lease assets - machinery, equipment and vehicles	1,235,547	3,089,193	-	-	4,324,740
Subscription assets	593,542	-	(170,606)	-	422,936
Total capital assets, being depreciated/amortized	362,558,095	15,830,740	(5,727,411)	3,159,364	375,820,788
Accumulated depreciation/amortization:					
Infrastructure	(111,741,859)	(6,262,854)	1,290,968	-	(116,713,745)
Building and improvements	(24,247,751)	(2,349,967)	-	-	(26,597,718)
Machinery, equipment and vehicles	(20,089,407)	(1,603,453)	2,354,010	-	(19,338,850)
Lease assets - buildings and improvements	(17,726)	(8,863)	-	-	(26,589)
Lease assets - machinery, equipment and vehicles	(443,236)	(547,940)	-	-	(991,176)
Subscription assets	(228,860)	(204,488)	170,606	-	(262,742)
Total accumulated depreciation/amortization	(156,768,839)	(10,977,565)	3,815,584	-	(163,930,820)
Total capital assets, being depreciated/amortized, net	205,789,256	4,853,175	(1,911,827)	3,159,364	211,889,968
Total capital assets, net	$ 595,664,117	$ 43,423,867	$ (1,911,827)	$ -	$ 637,176,157

Depreciation and amortization expense were charged to the functions/programs of the governmental activities as follows:

General government	$ 874,649
Public safety	1,008,821
Culture and recreation	1,311,127
Highway and streets	7,232,583
Internal service funds	550,385
Total depreciation/amortization expense	$ 10,977,565

Note 6 – Capital Assets (Continued)

B. Business-Type Activities

The summary of changes in business-type activities capital assets for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Additions	Deletions	Transfers/ Reclassifications	Balance June 30, 2024
Capital assets, not being depreciated:					
Land	$ 28,069,057	$ -	$ -	$ -	$ 28,069,057
Water rights	9,884,095	-	(91,100)	-	9,792,995
Construction in progress	8,463,598	5,735,369	(7,500)	(1,997,237)	12,194,230
Total capital assets, not being depreciated	46,416,750	5,735,369	(98,600)	(1,997,237)	50,056,282
Capital assets, being depreciated/amortized:					
Infrastructure	205,766,544	3,040,084	(56,960)	1,986,605	210,736,273
Building and improvements	122,661,207	538,923	-	10,632	123,210,762
Machinery, equipment and vehicles	24,096,435	1,373,875	(501,738)	-	24,968,572
Lease assets - buildings and improvements	53,178	-	-	-	53,178
Lease assets - machinery, equipment and vehicles	567,912	2,233,718	-	-	2,801,630
Subscription assets	107,285	-	(107,285)	-	-
Total capital assets, being depreciated/amortized	353,252,561	7,186,600	(665,983)	1,997,237	361,770,415
Accumulated depreciation/amortization:					
Infrastructure	(93,902,934)	(3,594,944)	19,525	-	(97,478,353)
Buildings and improvements	(82,466,619)	(3,080,579)	-	-	(85,547,198)
Machinery, equipment and vehicles	(17,546,156)	(1,754,407)	501,738	-	(18,798,825)
Lease assets - buildings and improvements	(17,726)	(8,863)	-	-	(26,589)
Lease assets - machinery, equipment and vehicles	(82,740)	(270,266)	-	-	(353,006)
Subscription assets	(55,975)	(51,310)	107,285	-	-
Total accumulated depreciation/amortization	(194,072,150)	(8,760,369)	628,548	-	(202,203,971)
Total capital assets, being depreciated/amortized, net	159,180,411	(1,573,769)	(37,435)	1,997,237	159,566,444
Total capital assets, net	$ 205,597,161	$ 4,161,600	$ (136,035)	$ -	$ 209,622,726

Depreciation and amortization expense were charged to the funds of the business-type activities as follows:

Water Fund	$ 4,736,405
Disposal Fund	1,007,198
Wastewater Fund	2,686,237
Groves Fund	31,780
Non-Potable Water Fund	8,149
Cemetery Fund	67,515
Aviation Fund	223,085
Total depreciation/amortization expense	$ 8,760,369

Note 7 – Long-Term Liabilities

A. Governmental Activities

A summary of changes in the long-term liabilities of the governmental activities for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Debt Issued	Debt Retired	Balance June 30, 2024	Classification: Due within One Year	Classification: Due in More Than One Year
Governmental Activities:						
Public borrowings:						
Taxable Pension Funding Bonds	$ 4,770,000	$ -	$ (185,000)	$ 4,585,000	$ 200,000	$ 4,385,000
less: accreted interest	(162,522)	-	47,462	(115,060)	-	(115,060)
Total taxable pension funding bonds	4,607,478	-	(137,538)	4,469,940	200,000	4,269,940
Direct borrowings:						
Notes payable:						
I-Bank Sports Park	1,154,446	-	(66,882)	1,087,564	68,988	1,018,576
Finance Purchase Agreements	3,204,120	3,668,445	(3,170,919)	3,701,646	154,364	3,547,282
Total notes payable	4,358,566	3,668,445	(3,237,801)	4,789,210	223,352	4,565,858
Lease liability	832,107	2,601,534	(492,096)	2,941,545	804,071	2,137,474
Subscription liability	185,429	-	(130,385)	55,044	55,044	-
Total	$ 9,983,580	$ 6,269,979	$ (3,997,820)	$ 12,255,739	$ 1,282,467	$ 10,973,272

2007 Taxable Pension Funding Bonds

On August 1, 2007, the City issued $25,862,392 of 2007 Taxable Pension Funding Bonds to refund the City's obligation to PERS, reimburse the City for its payment of a portion of its fiscal year ended 2008 unfunded liability and pay the costs of issuance of the bonds. Interest is payable February 1 and August 1 of each year commencing on February 1, 2008. Interest rate is 5.233 percent with annual principal payments plus accreted value commencing February 1, 2008 through February 1, 2037. The amount outstanding at June 30, 2024, is $4,585,000.

The annual debt service requirements on 2007 Taxable Pension Funding Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 200,000	$ 207,455	$ 407,455
2026	215,000	207,455	422,455
2027	230,000	207,455	437,455
2028	250,000	207,455	457,455
2029	265,000	204,799	469,799
2030-2034	1,805,000	767,408	2,572,408
2035-2037	1,620,000	149,321	1,769,321
Subtotal	4,585,000	1,951,348	6,536,348
Less: accreted interest	(115,060)	-	(115,060)
Total	$ 4,469,940	$ 1,951,348	$ 6,421,288

Note 7 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

I-Bank Sports Park Note Payable

On December 1, 2006, the City entered into this agreement for the purpose of obtaining additional funds to complete the Sports Park project. The City has agreed to pay the amount over thirty years commencing on the date of the lease, which carries an annual interest rate of 3.15 percent with principal and interest payments due every six months starting August 1, 2007, and the final payment to be made on August 1, 2036. The City pledged the Community Center to obtain this loan with I-Bank. At June 30, 2024, the outstanding balance of the I-Bank Sports Park Lease Liability balance was $1,087,564.

The annual debt service requirements the I-Bank Sports Park Note Payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 68,988	$ 33,172	$ 102,160
2026	71,162	30,964	102,126
2027	73,403	28,687	102,090
2028	75,715	26,339	102,054
2029	78,100	23,916	102,016
2030-2034	428,991	80,486	509,477
2035-2037	291,205	13,949	305,154
Total	$ 1,087,564	$ 237,513	$ 1,325,077

Finance Purchase Agreements

The City has entered into various finance purchase agreements for various equipment purchases. These leases qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of future minimum lease payments as of the date of inception. The assets acquired under capital leases are classified as machinery, equipment and vehicles. The finance purchase agreements carry annual interest rates from 2.58 to 8.12 percent with principal and interest payments due bi-annually. The gross value of equipment acquired under finance purchase agreements at June 30, 2024, was $8,500,658, with an accumulated amortization of $4,799,012. The outstanding balance at June 30, 2024, is $3,701,646.

The annual debt service requirements of the finance purchase agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 154,364	$ 216,097	$ 370,461
2026	139,801	207,051	346,852
2027	115,507	199,445	314,952
2028	122,404	192,447	314,851
2029	129,732	185,119	314,851
2030-2034	774,893	799,360	1,574,253
2035-2039	1,036,349	537,906	1,574,255
2040-2044	1,228,596	188,235	1,416,831
Total	$ 3,701,646	$ 2,525,660	$ 6,227,306

Note 7 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Lease Liability

The City has entered into leases for building space and equipment use. The terms of the agreements range from 5 to 6 years. The calculated interest rates varied based on the length of the lease ranging from 0.38 to 0.85 percent. As of June 30, 2024, the capitalized right-to-use assets related to leases were $4,377,917 and the total lease liability was $2,941,545, of which $804,071 is reported as a current liability representing the amount due within the next fiscal year.

The annual debt service requirements of the lease liability are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 804,071	$ 58,151	$ 862,222
2026	627,856	44,018	671,874
2027	594,159	30,278	624,437
2028	551,626	16,533	568,159
2029	363,833	3,639	367,472
Total	$ 2,941,545	$ 152,619	$ 3,094,164

Subscription Liability

The City has entered into subscription-based information technology arrangements (SBITAs) for services related to cloud-based software applications, data storage and management services. Under the terms of these arrangements, the City does not take possession of the software at any time and the vendor provides ongoing services for the software's operation. The subscription periods vary, with initial non-cancellable terms ranging from 2 to 6 years. The calculated interest rates varied ranging from 2.92 percent to 3.01 percent, which is based on the length of the SBITA and date of the agreement.

As of June 30, 2024, the capitalized right-to-use assets related to SBITAs were $422,936 and the total subscription liability was $55,044, of which $55,044 is reported as a current liability representing the amount due within the next fiscal year.

The annual debt service requirements of the subscription liability are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 55,044	$ 1,657	$ 56,701

Note 7 – Long-Term Liabilities (Continued)

B. Business-Type Activities

A summary of changes in the long-term liabilities of the business-type activities for the year ended June 30, 2024, is as follows:

	Balance July 1, 2023	Debt Issued	Debt Retired	Balance June 30, 2024	Classification: Due within One Year	Classification: Due in More Than One Year
Business-Type Activities:						
Public borrowings:						
Bonds payable:						
Solid Waste Revenue Bonds, Series 2013A	$ 1,660,000	$ -	$ (1,660,000)	$ -	$ -	$ -
Total bonds payable	1,660,000	-	(1,660,000)	-	-	-
Direct borrowings:						
Notes payable						
California Recycled Water Project	703,585	-	(347,450)	356,135	356,135	-
Safe Drinking Water Project	1,282,305	-	(355,782)	926,523	364,156	562,367
Hinckley Water Treatment Plant Upgrade	6,246,664	-	(499,952)	5,746,712	512,536	5,234,176
I-Bank Solid Waste	2,041,318	-	(143,754)	1,897,564	148,081	1,749,483
I-Bank City Streets	2,263,095	-	(142,754)	2,120,341	147,378	1,972,963
Finance Purchase Agreements	401,555	-	(139,400)	262,155	143,631	118,524
Total notes payable	12,938,522	-	(1,629,092)	11,309,430	1,671,917	9,637,513
Lease liability	523,407	1,964,022	(238,310)	2,249,119	500,315	1,748,804
Total	$ 15,121,929	$ 1,964,022	$ (3,527,402)	$ 13,558,549	$ 2,172,232	$ 11,386,317

Solid Waste Revenue Bonds, Series 2013A

The $13,500,000 of Solid Waste Revenue Bonds, issue of 2013, Series A, consists of serial bonds with varying interest rates from 3 percent to 5 percent. Interest is payable semiannually on March 1 and September 1. Serial bonds mature semiannually September 1, 2014 through September 1, 2023. The revenues of the Disposal Fund are pledged as security toward the payment of this debt. The proceeds were used to finance a portion of the cost of acquisition and construction of street improvements within the City of Redlands. The bonds were paid in full as of June 30, 2024.

California Recycled Water Project Note Payable

On September 2, 2003, the City entered into a loan agreement with the California Water Resources Control Board in the amount of $7,918,234 to assist in financing the construction of advanced wastewater treatment facilities at the existing wastewater treatment plant. The note carries an annual interest rate of 2.5 percent with principal and interest payments due annually starting November 30, 2005 through November 30, 2024. The amount outstanding at June 30, 2024, was $356,135.

Note 7 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

California Recycled Water Project Note Payable (Continued)

The annual debt service requirements of the California Recycled Water Project Note Payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 356,135	$ 8,903	$ 365,038

Safe Drinking Water Project Note Payable

On January 30, 2004, the City entered into a loan agreement with the State of California, Department of Water Resources in the amount of $1,664,876 to assist in financing construction of a project which will enable the City to meet safe drinking water standards. As of June 30, 2006, the loan had been increased to $6,100,844. The note carries an annual interest rate of 2.34 percent with principal and interest payments due every six months starting January 1, 2006 through January 1, 2027. At June 30, 2024, the City has $926,523 in outstanding principal.

The annual debt service requirements of the Safe Drinking Water Project Note Payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 364,156	$ 19,563	$ 383,719
2026	372,727	10,992	383,719
2027	189,640	2,219	191,859
Total	$ 926,523	$ 32,774	$ 959,297

Hinckley Water Treatment Plant Upgrade Note Payable

On June 21, 2011, the City entered into an agreement with the Clean Water State Revolving Fund Control Board for construction of the Hinckley water treatment plant upgrade. The City may borrow up to $13,663,033 or the eligible costs of the project, whichever is less. The loan has an interest rate of 2.5017 percent with maturities through 2034. Principal and interest is due every six months starting January 1, 2011 through July 1, 2034. The outstanding balance at June 30, 2024, is $5,746,712.

The annual debt service requirements of the Hinckley Water Treatment Plant Upgrade Note Payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 512,536	$ 140,580	$ 653,116
2026	525,439	127,678	653,117
2027	538,666	114,450	653,116
2028	552,226	100,890	653,116
2029	566,127	86,989	653,116
2030-2034	3,051,718	213,862	3,265,580
Total	$ 5,746,712	$ 784,449	$ 6,531,161

Note 7 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

I-Bank Solid Waste Note Payable

On March 2, 2015, the City entered into an agreement for the purpose of obtaining additional funds to complete the Solid Waste project. The City has agreed to pay the amount over twenty years commencing on the date of the loan, which carries an annual interest rate of 3.01 percent with principal and interest payments due every six months starting August 1, 2015 through August 1, 2034. At June 30, 2024, the outstanding balance of the loan was $1,897,564.

The annual debt service requirements of the I-Bank Solid Waste Note Payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 148,081	$ 54,888	$ 202,969
2026	152,538	50,364	202,902
2027	157,129	45,703	202,832
2028	161,859	40,902	202,761
2029	166,731	35,957	202,688
2030-2034	912,024	100,237	1,012,261
2035	199,202	2,998	202,200
Total	$ 1,897,564	$ 331,049	$ 2,228,613

I-Bank City Streets Note Payable

On July 1, 2016, the City entered into an agreement for the purpose of obtaining funds for the City Streets project. The City has agreed to pay the amount over twenty years commencing on the date of the loan, which carries an annual interest rate of 3.24 percent with principal and interest payments due every six months starting August 1, 2017 through August 1, 2035. At June 30, 2024, the outstanding balance of the loan was $2,120,341.

The annual debt service requirements of the I-Bank City Streets Note Payable are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 147,378	$ 66,312	$ 213,690
2026	152,153	61,459	213,612
2027	157,083	56,450	213,533
2028	162,172	51,278	213,450
2029	167,427	45,938	213,365
2030-2034	922,105	143,343	1,065,448
2035-2036	412,023	13,456	425,479
Total	$ 2,120,341	$ 438,236	$ 2,558,577

Note 7 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

Finance Purchase Agreements

The City has entered into various finance purchase agreements for various equipment purchases. These lease qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. The finance purchase agreements carry annual interest rates from 2.99 to 3.35 percent with principal and interest payments due bi-annually. The asset acquired under the finance purchase agreement is classified as machinery, equipment and vehicles. The gross value of equipment acquired under finance purchase agreements at June 30, 2024, was $787,621, with an accumulated amortization of $525,466. The outstanding balance at June 30, 2024, is $262,155.

The annual debt service requirements of the Finance Purchase Agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 143,631	$ 7,999	$ 151,630
2026	118,524	3,544	122,068
Total	$ 262,155	$ 11,543	$ 273,698

Lease Liability

The City has entered into leases for building space and equipment use. The terms of the agreements range from 5 to 6 years. The calculated interest rates varied based on the length of the lease ranging from 0.38 to 0.85 percent. As of June 30, 2024, the capitalized right-to-use assets related to leases were $2,854,808 and the total lease liability was $2,249,119, of which $500,315 is reported as a current liability representing the amount due within the next fiscal year.

Principal and interest payments to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 500,315	$ 45,730	$ 546,045
2026	501,273	35,287	536,560
2027	501,667	24,285	525,952
2028	460,494	13,139	473,633
2029	285,370	3,075	288,445
Total	$ 2,249,119	$ 121,516	$ 2,370,635

Note 8 – Special Assessment Debt with No City Commitment

The special assessment bonds are secured by valid assessment liens upon certain lands within the special assessment district and are not direct liabilities of the City and, accordingly, are not included in the accompanying basic financial statements. The City has no obligation beyond the balances in the designated agency funds for any delinquent assessment district bond payments. If delinquencies occur beyond the amounts held in the reserve funds created from bond proceeds, the City has no duty to pay the delinquency out of any available funds of the City. Neither the faith, credit, nor taxing power of the City is pledged to the payment of the bonds. The City acts solely as an agent for those paying assessments and for the bondholders.

Note 8 – Special Assessment Debt with No City Commitment (Continued)

In September 2001, the City issued for and on behalf of the Community Facilities District No. 2001-1 (Northwest Development Project) $9,255,000 aggregate principal amount of 2001 Special Tax Bonds to finance the acquisition of certain public improvements with appurtenant work and incidental expenses within the District. The Bonds were issued pursuant to the Mello-Roos Community Facilities Act of 1982 and are payable from proceeds of annual special tax to be levied on the property within the District. Bonds maturing in the years 2002 to 2015 are serial bonds payable in annual installments of $170,000 to $355,000 while bonds maturing in the year 2026 in the amount of $2,535,000 are term bonds. The interest rates on the bonds range from 3.75% to 6.45%. The outstanding balance at June 30, 2024, was $1,960,000.

In February 2004, the City issued for and on behalf of the Community Facilities District No. 2003-1 (Redlands Business Center) $9,545,000 aggregate principal amount of 2004 Special Tax Bonds to finance the acquisition and construction of certain street improvements, sewers, storm drains, water distribution facilities, and other public improvements within the District. The Bonds were issued pursuant to the Mello-Roos Community Facilities Act of 1982 and are payable from proceeds of annual special tax to be levied on the property within the District. Bonds maturing in the years 2006 to 2021 are serial bonds payable in annual installments of $20,000 to $270,000, while bonds maturing in the year 2027 in the amount of $2,255,000 and bonds maturing in the year 2033 in the amount of $5,280,000 are term bonds. The interest rates on the bonds range from 2.50% to 5.90%. The outstanding balance at June 30, 2024, was $6,440,000.

Noncommittal debt amounts issued and outstanding at June 30, 2024 are as follows:

	Original Amount	Outstanding Balance June 30, 2024
CFD 2001-1 Special Tax Bonds (Northwest Development Project)	$ 9,255,000	$ 1,960,000
CFD 2003-1 Special Tax Bonds (Redlands Business Center)	9,545,000	6,440,000
Total	$ 18,800,000	$ 8,400,000

Note 9 – Compensated Absences

A. Governmental Activities

A summary of changes in the compensated absences balances for the governmental activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification: Due within One Year	Classification: Due in More Than One Year
Compensated absences	$ 7,925,416	$ 12,859,780	$ (12,146,693)	$ 8,638,503	$ 4,319,252	$ 4,319,251

Compensated absences in the governmental activities are obligations of the following funds:

Governmental Funds	$ 8,168,248
Liability Self-Insurance Internal Service Fund	6,136
Information Technology Internal Service Fund	196,698
Workers Compensation Self-Insurance Internal Service Fund	13,942
Equipment Maintenance Internal Service Fund	78,324
Utility Billing Internal Service Fund	175,155
Total	$ 8,638,503

Note 9 – Compensated Absences (Continued)

B. Business-Type Activities

A summary of changes in the compensated absences balances for the business-type activities for the year ended June 30, 2024 is as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Classification: Due within One Year	Classification: Due in More Than One Year
Compensated absences	$ 1,065,169	$ 3,590,933	$ (3,391,804)	$ 1,264,298	$ 632,151	$ 632,147

Compensated absences in the business-type activities are obligations of the following funds:

Water Fund	$ 576,533
Disposal Fund	309,030
Wastewater Fund	333,967
Groves Fund	2,087
Non-Potable Water Fund	1,165
Cemetery Fund	38,700
Aviation Fund	2,816
Total	$ 1,264,298

Note 10 – Solid Waste Landfill

State and federal laws and regulations require the City to provide financial assurance for closure and post closure costs of the California Street Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for fifteen years after closure. Although closure and post closure activities will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post closure costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The $15,418,260 reported as landfill closure and post closure liability at June 30, 2024, represents the cumulative amount reported to date based on the use of 69.45 percent of the total estimated capacity of the landfill including final covering. The City will recognize the remaining estimated costs of closure and post closure care of $6,782,825 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform closure and post closure activities in 2024 dollars. The City expects to close the landfill in the year 2042. Actual costs may differ due to inflation, changes in technology or changes in regulations.

The City is required by state and federal laws and regulations to maintain adequate funds to provide financial assurance for closure and post closure costs through one of a combination of alternative mechanisms. For closure costs, the City has established an enterprise fund mechanism with a separate fund, the California Street Landfill Closure fund, that is included within the Disposal Enterprise Fund. For post closure costs, the City has entered into a Pledge of Revenue Agreement with the California Integrated Waste Management Board. The City is in compliance with these requirements. At June 30, 2024, $12,595,507 is held for landfill closure. The City expects that future inflation costs will be paid from future annual operating revenues in the enterprise fund. Post closure costs are agreed to be covered by revenue from solid waste customer billings which is deposited directly into the Disposal enterprise fund.

Note 11 – Pension Plans

A. Summary

The City participates in the California Public Employees Retirement System (CalPERS), a pension plan available to all qualified employees. The Safety Plan is a cost-sharing multiple employer defined benefit pension plan. The Miscellaneous Plan is an agent multiple employer defined benefit pension plan. A summary of pension amounts for the City's plans at June 30, 2024, is presented below:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contribution made after measurement date:			
CalPERS Miscellaneous	$ 3,923,165	3,038,834	$ 6,961,999
CalPERS Safety	11,753,041	-	11,753,041
Total pension contribution made after measurement date	15,676,206	3,038,834	18,715,040
Projected earnings on pension plan investments in excess of actual earnings:			
CalPERS Miscellaneous	3,801,794	2,944,821	6,746,615
CalPERS Safety	14,869,263	-	14,869,263
Total projected earnings on pension plan investments in excess of actual earnings	18,671,057	2,944,821	21,615,878
Change in assumption			
CalPERS Miscellaneous	1,071,426	829,912	1,901,338
CalPERS Safety	6,341,190	-	6,341,190
Total change in assumption	7,412,616	829,912	8,242,528
Difference between expected and actual experience:			
CalPERS Miscellaneous	80,384	62,264	142,648
CalPERS Safety	7,294,269	-	7,294,269
Total difference between expected and actual experience	7,374,653	62,264	7,436,917
Adjustment due to difference in proportions			
CalPERS Safety	1,342,088	-	1,342,088
Total adjustment due to difference in proportions	1,342,088	-	1,342,088
Total deferred outflows of resources			
CalPERS Miscellaneous	8,876,769	6,875,831	15,752,600
CalPERS Safety	41,599,851	-	41,599,851
Total deferred outflows of resources	$ 50,476,620	$ 6,875,831	$ 57,352,451
Net pension liability:			
CalPERS Miscellaneous	$ 31,028,112	$ 24,033,967	$ 55,062,079
CalPERS Safety	108,653,947	-	108,653,947
Total net pension liability	$ 139,682,059	$ 24,033,967	$ 163,716,026
Deferred inflows of resources:			
Employer contributions in excess of proportionate share of contribution			
CalPERS Safety	$ 1,364,017	$ -	$ 1,364,017
Total employer contributions in excess of proportionate share of contribution	1,364,017	-	1,364,017
Total deferred inflows of resources			
CalPERS Safety	1,364,017	-	1,364,017
Total deferred inflows of resources	$ 1,364,017	$ -	$ 1,364,017
Pension expense (credit):			
CalPERS Miscellaneous	$ 5,363,262	$ 4,154,312	$ 9,517,574
CalPERS Safety	16,867,427	-	16,867,427
Total net pension expenses	$ 22,230,689	$ 4,154,312	$ 26,385,001

Note 11 – Pension Plans (Continued)

B. City Miscellaneous Plans

Plan Description

Substantially all City Miscellaneous employees working the equivalent of 1,000 hours per fiscal year are eligible to participate in the Miscellaneous Plan Agent multiple-employer defined benefit plan administered by California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit Provisions under the Plans are established by State statutes within the Public Employee's Retirement Law. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

Employees Covered

At June 30, 2023, the measurement date, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous Plans
Active employees	370
Transferred and terminated employees	444
Retired employees and beneficiaries	560
Total	1,374

Benefits Provided

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay.

Following are the benefit provisions for each plan:

	Miscellaneous Plans	
Hire Date	PEPRA	Classic
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.000% to 2.500%
Required employee contribution rates	7.000%	7.000%
Required employer contribution rates	9.090%	10.060%
Final Annual Compensation	1 year	1 year

Note 11 – Pension Plans (Continued)

B. City Miscellaneous Plans (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2024, the plan's contributions made for the Plan was as follows:

	Miscellaneous Plans
Contributions - employer	$ 6,961,999

Net Pension Liability

The City's net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	6.90%
Mortality Rate Table [1]	Derived using CalPERS' Membership Data for all Funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

[1]The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale 80% of scale MP 2020. For more details on this table, please refer to the 2021 experience study report (based on CalPERS demographic data from 2000 to 2019) that can be found on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

Note 11 – Pension Plans (Continued)

B. City Miscellaneous Plans (Continued)

Discount Rate

In determining the long-term expected rate of return, CalPERS took into account, both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 [1]	Real Return Years 11 + [2]
Global equity	50.00%	4.80%	5.98%
Global fixed income	28.00%	1.00%	2.62%
Inflation sensitive assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

[1] An expected inflation of 2.00% was used for this period.

[2] An expected inflation of 2.92% was used for this period.

The discount rate used to measure the total pension liability was 6.90% for the plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90% is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained from the CalPERS website under the GASB 68 Section.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's net pension liability, calculated using the discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Plan's Aggregate Net Pension Liability/(Asset)		
Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
$ 81,280,202	$ 55,062,079	$ 33,422,077

Note 11 – Pension Plans (Continued)

B. City Miscellaneous Plans (Continued)

Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period:

	Miscellaneous Plans		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at June 30, 2022 (Valuation Date)	$ 196,074,708	$ 142,674,042	$ 53,400,666
Changes in the year:			
Service cost	4,056,901	-	4,056,901
Interest on the total pension liabilities	13,369,640	-	13,369,640
Differences between expected and actual experience	970,748	-	970,748
Changes of benefit terms	330,342	-	330,342
Benefit payments, including refunds of members contributions	(11,282,718)	(11,282,718)	-
Contributions - employer	-	6,626,543	(6,626,543)
Contributions - employee	-	1,726,746	(1,726,746)
Net investment income	-	8,817,845	(8,817,845)
Administrative expenses	-	(104,916)	104,916
Net changes	7,444,913	5,783,500	1,661,413
Balance at June 30, 2023 (Measurement Date)	$ 203,519,621	$ 148,457,542	$ 55,062,079

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2024, the City recognized pension expense in the amount of $9,517,574 for the miscellaneous plans.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The Expected Average Remaining Service Lifetime ("EARSL") is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSL for the Miscellaneous Plan for the 2022-23 measurement period is 3.1 years, which was obtained by dividing the total service years of 4,006 (the sum of remaining service lifetimes of the active employees) by 1,287 (the total number of participants: active, inactive, and retired).

Note 11 – Pension Plans (Continued)

B. City Miscellaneous Plans (Continued)

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2024 the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plans	
	Deferred outflows of Resources	Deferred inflows of Resources
Pension contributions made subsequent to measurement date	$ 6,961,999	$ -
Difference between projected and actual earning on pension plan investments	6,746,615	-
Changes in assumptions	1,901,338	-
Differences between expected and actual experience	142,648	-
Total	$ 15,752,600	$ -

For the City Miscellaneous Plan, $6,961,999 was reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 2,898,761
2026	986,110
2027	4,723,646
2028	182,084
2029	-
Thereafter	-
	$ 8,790,601

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2024, the City reported a payable of $0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

Note 11 – Pension Plans (Continued)

C. City Safety Plans

Plan Description

Substantially all City Safety employees working the equivalent of 1,000 hours per fiscal year are eligible to participate in the Safety Plan Cost-sharing multiple-employer defined benefit plan administered by California Public Employees Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit Provisions under the Plans are established by State statutes within the Public Employee's Retirement Law. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office – 400 P Street, Sacramento, CA 95814.

Employees Covered

At June 30, 2023, the measurement date, the following employees were covered by the benefit terms the Plan:

	Safety Plans
Active employees	133
Transferred and terminated employees	56
Retired employees and beneficiaries	255
Total	444

Benefits Provided

CalPERS provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Classic and PEPRA Safety CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 full-time equivalent monthly pay.

Following are the benefit provisions for each plan:

	Safety Cost-Sharing Plans			
Hire Date	Classic Fire	PEPRA Fire	Classic Police	PEPRA Police
Benefit formula	3% @ 50	2.7% @ 57	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50 - 57	50	50 - 57
Monthly benefits, as a % of eligible compensation	3.000%	2.000% to 2.700%	3.000%	2.000% to 2.700%
Required employee contribution rates	9.00%	13.750%	9.00%	13.750%
Required employer contribution rates	29.090%	14.500%	29.090%	14.500%
Final Annual Compensation	1 year	1 year	1 year	1 year

Note 11 – Pension Plans (Continued)

C. City Safety Plans (Continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by the Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2024, employer contributions made for the Safety Cost-sharing Plan was as follows:

	Safety Plans
Contributions - employer	$ 11,753,041

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2023, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

As of June 30, 2024, the City reported net pension liability for its proportionate shares of the net pension liability of the Safety Plan as follows:

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability/(Asset)
Balance at: 6/30/22 (Valuation date)	$ 324,559,447	$ 223,139,182	101,420,265
Balance at: 6/30/23 (Measurement date)	339,316,329	230,662,382	108,653,947
Net Changes during 2022-2023	14,756,882	7,523,200	7,233,682

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

(1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2022). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.

Note 11 – Pension Plans (Continued)

C. City Safety Plans (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

(2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2023). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2022 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2022-23).

(3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date.

(4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool's total TPL and FNP, respectively.

(5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.

(6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

The City's proportionate share of the net pension liability for the Safety Plan as of June 30, 2023 and 2022 was as follows:

Proportion June 30, 2022	1.47594%
Proportion June 30, 2023	1.45358%
Change - Increase (Decrease)	-0.02236%

For the year ended June 30, 2024, the City recognized pension credit in the amount of $294,073 for the Safety Plan.

The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized over 5-years straight line. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period.

The EARSL for PERF C for the measurement date ending June 30, 2023 is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,073 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Note 11 – Pension Plans (Continued)

C. City Safety Plans (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Safety Plans	
	Deferred outflows of Resources	Deferred inflows of Resources
Pension contributions made subsequent to measurement date	$ 11,753,041	$ -
Difference between projected and actual earning on pension plan investments	14,869,263	-
Adjustment due to differences in proportions	1,342,088	-
Changes in assumptions	6,341,190	-
Difference between actual and expected experience	7,294,269	-
Difference between employer's actual contributions and proportionate share of contributions	-	(1,364,017)
Total	$ 41,599,851	$ (1,364,017)

For the City Safety Plan, $11,753,041 was reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2025	$ 9,221,574
2026	6,555,973
2027	12,290,218
2028	415,028
2029	-
Thereafter	-
	$ 28,482,793

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2023 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2022 total pension liability. Both the June 30, 2023 and the June 30, 2022 total pension liabilities were based on the following actuarial methods and assumptions:

Note 11 – Pension Plans (Continued)

C. City Safety Plans (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	6.90%
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter

[1]The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale 80% of scale MP 2020. For more details on this table, please refer to the 2021 experience study report (based on CalPERS demographic data from 2000 to 2019) that can be found on the CalPERS website at www.calpers.ca.gov under Forms and Publications.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 6.90% is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent. The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Note 11 – Pension Plans (Continued)

C. City Safety Plans (Continued)

Discount Rate (Continued)

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 [1]	Real Return Years 11 + [2]
Global equity	50.00%	4.80%	5.98%
Global fixed income	28.00%	1.00%	2.62%
Inflation sensitive assets	0.00%	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%

[1] An expected inflation of 2.30% was used for this period.

[2] An expected inflation of 2.30% was used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for the City Safety Plan, calculated using the discount rate for the City Safety Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

Plan's Aggregate Net Pension Liability/(Asset)		
Discount Rate - 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
$ 155,202,109	$ 108,653,947	$ 70,597,511

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2024, the City reported a payable of $0 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

Note 12 – Other Postemployment Benefits

A. Summary

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Employer contributions made subsequent to the measurement date	$ 4,275,712	$ 1,422,269	$ 5,697,981
Difference between expected and actual experience	2,608,346	867,638	3,475,984
Changes in assumptions	25,626,142	8,524,255	34,150,397
Total deferred outflows of resources	$ 32,510,200	$ 10,814,162	$ 43,324,362
Total OPEB liability:			
Total OPEB liability	$ 89,577,526	$ 40,315,855	$ 129,893,381
Total OPEB liability	$ 89,577,526	$ 40,315,855	$ 129,893,381
Deferred inflows of Resources:			
Difference between expected and actual experience	$ 24,868,967	$ 6,867,416	$ 31,736,383
Changes in assumptions	32,723,343	9,036,354	41,759,697
Total deferred inflows of resources	$ 57,592,310	$ 15,903,770	$ 73,496,080
OPEB Expense	$ 9,908,489	$ 2,272,372	$ 12,180,861

B. General Information about OPEB

Plan Description

The City's administers a defined benefit OPEB plan (Plan), which provides medical insurance benefits to eligible retirees and their spouses in accordance with applicable Memoranda of Understanding and the California Government Code to all employees who retire from the City. The Plan is an agent single-employer defined benefit OPEB plan administered by the City and is governed by the City Council. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

City's Funding Policy

The contribution requirements of plan members and the City are established, and may be amended, by City Council. The contribution required to be made under City Council and labor agreement requirements is based on a pay-as-you go basis (i.e., as medical insurance premiums become due). The City allows retirees to participate in the same medical plan as active employees at the same premium rates. Because the rate is a "blended rate", payments for the active employees include an implied subsidy of what would normally be a higher rate for retirees if the retirees were in a stand-alone health plan.

GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Post-Employment Benefits Other Than Pensions*, requires governments to account for other post-employment benefits (OPEB) on an accrual basis, rather than a pay-as-you-go basis. The effect is the recognition of an actuarially determined expense when a future retiree earns their post-employment benefits, rather than when they use their post-employment benefits.

Note 12 – Other Postemployment Benefits (Continued)

B. General Information about OPEB (Continued)

Benefits Provided

After age 65, the City contributes a flat monthly rate of $397 for those employees who retire under the PERS retirement system, subscribe to the PERS Health Insurance System, and have at least five years of CalPERS service, in accordance with Government Code. This is a perpetual benefit which is available to all PERS retirees including eligible dependents of deceased retirees. Annual increases in the monthly rate are limited to $20 and based upon the annual increase in PERS family premiums. In addition, the City also contributes the entire monthly premium for health insurance for all employees who retire with the City and have a minimum of 15 or 20 years of cumulative service with the City, depending on the particular bargaining units. A summary of benefits provided is shown below:

Employee Group Service	Medical	Dental	Vision
Police (RPOA Members)			
Employees hired on or after November 4, 2014 with at least 5 years of CalPERS service	$397 per month maximum	None	None
Employees hired on or after November 4, 2014 with at least 15 years of CalPERS service	100% of Least Expensive Retiree-only Premium until age 65 and $397 after	100% of Premium until age 65	100% of Premium until age 65
Employees hired prior to November 4, 2014 with at least 15 years of City service	100% of Premium & Medicare Part B for Lifetime of Retiree and Spouse	100% of Premium of Retiree and Spouse	100% of Premium of Retiree and Spouse
Firefighters (RPFA and RAFME Members)			
Employees hired on or after October 16, 2012 with at least 5 years of CalPERS Service	$397 per month maximum	None	None
Employees hired on or after October 16, 2012 with at least 15 years of CalPERS Service	100% of Least Expensive Retiree-only Premium until age 65 and PEMHCA MRC after	100% of Premium until age 65	100% of Premium until age 65
Employees hired prior to March 11, 2010 with at least 20 years (15 Years for RAME Members) of City Service	100% of Premium & Medicare Part B for Lifetime of Retiree and Spouse	100% of Premium for Lifetime of Retiree and Spouse	$225 Maximum Reimbursement Per Year for Lifetime of Retiree and Spouse
Miscellaneous (GEAR, RCSEA, RAMME and RAME* Members)			
Employees hired on or after March 11, 2010 with at least 5 years of CalPERS Service	$397 per month maximum	None	None
Employees hired on or after March 11, 2010 with at least 10 years of CalPERS Service	100% of Least Expensive Retiree-only Premium until age 65 and PEMHCA MRC after	100% of Premium until age 65	None
Employees hired prior to March 11, 2010 with at least 20 years (15 Years for RAME Members) of City Service	100% of Premium & Medicare Part B for Lifetime of Retiree and Spouse	100% of Premium for Lifetime of Retiree and Spouse	None

Note 12 – Other Postemployment Benefits (Continued)

B. General Information about OPEB (Continued)

Benefits Provided (Continued)

Miscellaneous (RASME Members)			
Employees hired on or after June 2, 2015 with at least 5 years of CalPERS Service	$397 per month maximum	None	None
Employees hired on or after June 2, 2015 with at least 15 years of CalPERS Service	100% of Least Expensive Retiree-only Premium until age 65 and PEMHCA MRC after	100% of Premium until age 65	None
Employees hired prior to June 2, 2015 with at least 15 years of City Service	100% of Premium & Medicare Part B for Lifetime of Retiree and Spouse	100% of Premium & Medicare for Lifetime of Retiree and Spouse	100% of Premium for Lifetime of Retiree and Spouse
Miscellaneous (RADD Members)			
Employees hired on or after January 1, 2009 with at least 5 years of CalPERS Service*	$397 per month maximum	None	None
Employees hired prior to January 1, 2009 with at least 15 years of City Service **	100% of Premium & Medicare Part B for Lifetime of Retiree and Spouse	100% of Premium & Medicare for Lifetime of Retiree and Spouse	100% of Premium for Lifetime of Retiree and Spouse

Some retirees are eligible for a medical bridge program, in which the City contributes the amount of the maximum of lowest cost single premium rate $397. Eligibility for the medical bridge program is as follows:

RADD	3 years of service
RAME	10 years of service
RPOA, RAFME, RASME	15 years of service
RAMME, RCSEA, Teamsters	20 years of service

Employees Covered

At June 30, 2023, the most recent valuation date, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	507
Retired employees and beneficiaries	373
Total	880

C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The total OPEB liability at June 30, 2024 was $129,893,381.

Note 12 – Other Postemployment Benefits (Continued)

C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	4.13%
Inflation	2.80%
Aggregate payroll increases	2.80% plus merit increases for Miscellaneous employees based on the 2021 CalPERS Experience Study
Expected long-term investment rate of return	n/a
Mortality, Termination, and Disability	CalPERS 2021 Experience Study
Mortality Improvement Scale	Modified projected fully generational with Scale MP-2021
Healthcare Trend Rate	5.75 to 6.75 percent for 2022-2026, 4.50 to 5.50 percent for 2027-2031+, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 to 5.50 percent for all years.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2022 through June 30, 2023.

Discount Rate

The discount rate used to measure the total OPEB liability 4.13%. The City's funding policy affects the calculation of liabilities by impacting the discount rate that is used to develop the plan liability and expense. The City is currently financing its OPEB liability on a pay-as-you-go basis, the discount rate used is based on the S&P Municipal Bond 20 Year High Grade Index.

Change in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022 (Measurement Date)	$ 146,960,265
Changes Recognized for the Measurement Period:	
Service Cost	3,676,645
Interest on the total OPEB liability	6,072,016
Changes of benefit terms	4,078,580
Difference between expected and actual experience	(26,395,453)
Changes of assumptions	(100,889)
Benefit payments	(4,397,783)
Net Changes during July 1, 2022 to June 30, 2023	(17,066,884)
Balance at June 30, 2023 (Measurement Date)	$ 129,893,381

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.13 percent) or 1-percentage- point higher (5.13 percent) than the current discount rate:

Plan's Total OPEB Liability		
Discount Rate - 1% (3.13%)	Current Discount Rate (4.13%)	Discount Rate + 1% (5.13%)
$ 149,838,778	$ 129,893,381	$ 113,794,397

Note 12 – Other Postemployment Benefits (Continued)

C. Total OPEB Liability, OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Plan's Total OPEB Liability		
	Healthcare Cost	
-1%	Trend Rates	+1%
$ 113,077,296	$ 129,893,381	$ 151,048,718

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of $12,180,861. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Employer contributions made subsequent to the measurement date	$ 5,697,981	$ -
Difference between expected and actual experience	3,475,984	(31,736,383)
Changes of assumptions	34,150,397	(41,759,697)
Total	$ 43,324,362	$ (73,496,080)

The difference between projected OPEB plan investment earnings and actual earnings is amortized over a five-year period. The remaining gains and losses are amortized over the expected average remaining service life. The expected average remaining service life is 10 years, which was determined as of June 30, 2022, the beginning of the measurement period, for employees covered by the OPEB plan benefit terms as of the valuation date.

For the OPEB Plan, $5,697,981 was reported as deferred outflows of resources related to OPEB resulting from City's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Measurement Period Ended June 30	Deferred Outflows/ (Inflows) of Resources
2025	$ (1,413,392)
2026	(1,291,466)
2027	(2,436,673)
2028	(3,548,465)
2029	(3,548,465)
Thereafter	(23,631,238)
	$ (35,869,699)

Note 13 – Risk Management

A. Coverage

On June 30, 2024, and throughout 2023-2024, the City was self-insured for the first $1,000,000 per occurrence for commercial general liability and automobile liability. The City purchased excess liability insurance to provide additional coverage of $10,000,000 per occurrence with a $10,000,000 aggregate. The City also purchased airport liability insurance including commercial general liability, personal & advertising injury, products completed, and hanger keepers limit in a single limit liability amount of $10,000,000 per occurrence. For workers' compensation and employer's liability, the City was self-insured for $1,000,000 per occurrence with excess coverage of $25,000,000 for worker's compensation per occurrence with a $25,000,000 aggregate, and $1,000,000 for employer's liability per occurrence.

B. Claims Activity

At June 30, 2024, $4,400,552 and $11,032,921 have been accrued for general liability and workers' compensation claims, respectively. All funds of the City participate in the worker's compensation program and make payments to the Workers' Compensation Internal Service Fund based on estimates of the amounts needed to pay prior and current year claims. The Liability Insurance Internal Service Fund receives an annual operating transfer from the General Fund to cover operating costs including payment of claims. The liability for unpaid claims for general liability and workers' compensation is discounted to reflect anticipated future investment earnings, assuming a five percent interest rate. Settled claims have not exceeded the commercial coverage in the past three years.

The accruals indicated above represent estimates of amounts to be paid for reported claims and incurred but not reported claims based upon past experience, modified for current trends and information. While the ultimate amounts of losses incurred through June 30, 2024, are dependent on future developments, based upon information provided from the City Attorney, outside counsel and others involved with the administration of the programs, the City's management believes that the aggregate accrual is adequate to cover such losses.

A summary of the changes in claims liabilities for the past three fiscal years follows:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End	Due Within One Year	Due in More than One Year
General Liability						
2024	$ 4,306,893	$ 459,803	$ (366,144)	$ 4,400,552	$ 2,200,276	$ 2,200,276
2023	2,595,507	2,374,997	(663,611)	4,306,893	2,153,447	2,153,446
2022	2,433,336	703,762	(541,591)	2,595,507	1,297,754	1,297,753
Workers' Compensation						
2024	$ 11,219,000	$ 707,740	$ (893,819)	$ 11,032,921	$ 5,516,461	$ 5,516,460
2023	12,171,624	185,188	(1,137,812)	11,219,000	5,609,500	5,609,500
2022	9,866,999	3,450,641	(1,146,016)	12,171,624	6,085,812	6,085,812

Note 14 – Fund Balance and Net Position

A. Fund Balance/Net Position Deficits

At June 30, 2024 the Governmental Activities Statement of Net Position had an unrestricted net position deficit of $(97,862,236).

At June 30, 2024, the following funds had a fund balance (deficit) or unrestricted net position (deficit):

Fund	Fund Type	Deficit
Transportation Development Act Fund	Special Revenue Fund	$ (9,164)
Disposal Fund	Enterprise Fund	(4,346,879)
General Liability Self-Insurance Fund	Internal Service Fund	(3,713,921)
Workers' Compensation Self-Insurance Fund	Internal Service Fund	(7,214,639)
Utility Billing Fund	Internal Service Fund	(2,290,020)

Special Revenue Funds

A net deficit of $9,164 exists in the Transportation Development Act Fund. This fund deficit is a result of the timing of grant reimbursements. This net deficit will be eliminated during the upcoming fiscal year.

Enterprise Funds

A net deficit of $4,346,879 exists in the Disposal Fund as a result of the City's implementation of GASB Statements No. 68 and 75, which required the reporting of the fund's proportionate share of the City's net pension liability and other post-employment benefits liability, respectively. Management expects to continue to carefully monitor this fund and intends to alleviate this net deficit through cost containment measures and continued pension contributions towards its unfunded liability.

Internal Service Funds

A net deficit of $3,713,921 exists in the General Liability Self-Insurance Fund due to new and existing claims. Management expects to continue to carefully monitor this fund and intends to alleviate this net deficit through increased charges to other funds for cost recovery and instituting cost containment measures.

A net deficit of $7,214,639 exists in the Workers' Compensation Self-Insurance Fund due to new and existing claims. Management expects to continue to carefully monitor this fund and intends to alleviate this net deficit through increased cost recovery charges, instituting cost containment measures.

A net deficit of $2,290,020 exists in the Utility Billing Fund. This fund deficit is a result of the City's implementation of GASB Statement No. 68 and 75 which required reporting of the fund's proportionate share of the City's net pension liability and other post-employment benefits, respectively. This net pension liability and other post-employment benefits created the corresponding net deficit, these will be reduced by continued pension contributions in future years.

Note 14 – Fund Balance and Net Position (Continued)

B. Expenditures Exceeding Appropriations

For the year ended June 30, 2024, expenditures exceeded appropriations in the following funds by function/department:

Fund	Function	Excess Expenditures over Appropriations
General Fund	General government:	
	City attorney	$ 69,333
	Facilities	27,218
	Culture and recreation:	
	Community services	130,676
	Capital outlay	2,142,700
	Debt service:	
	Principal	484,987
Open Space Special Revenue Fund	Culture and recreation	2,975
Parking Authority Special Revenue Fund	General government	1,163
Arterial Street Construction Special Revenue Fund	Capital outlay	130,908
PARIS Special Revenue Fund	Highway and streets	1,111,109
Public Facilities Development Special Revenue Fund	General government	2,925
	Debt service:	
	Interest and fiscal charges	661
Storm Drain Capital Projects Fund	General government	5,401

Note 15 – Net Investment in Capital Assets

Net Investment in Capital Assets at June 30 consisted of the following:

	Governmental Activities	Business-Type Activities
Net investment in capital assets:		
Capital assets, nondepreciable	$ 425,286,189	$ 50,056,282
Capital assets, depreciable/amortizable, net	211,889,968	159,566,444
Long-term debt:		
I-Bank Sports Park	(1,087,564)	-
Finance purchase agreement	(3,701,646)	(262,155)
Lease liability	(2,941,545)	(2,249,119)
Subscription liability	(55,044)	-
California Recycled Water Project	-	(356,135)
Safe Drinking Water Project	-	(926,523)
Hinckley Water Treatment Plant Upgrade	-	(5,746,712)
I-Bank Solid Waste	-	(1,897,564)
I-Bank City Streets	-	(2,120,341)
Total net investment in capital assets	$ 629,390,358	$ 196,064,177

Note 16 – Fund Balance Classification

At June 30, 2024, the City reports the following fund balance classifications:

	General Fund	Governmental Grants Special Revenue Fund	Non-major Governmental Funds	Total
Nonspendable				
Prepaid items	$ 501,110	$ 248,438	$ 14,681	$ 764,229
Notes receivable	3,012,822	-	-	3,012,822
Endowment - non-expendable	-	-	30,200	30,200
Total nonspendable	3,513,932	248,438	44,881	3,807,251
Restricted				
Donations	635,580	-	-	635,580
PEG fees	697,864	-	-	697,864
Park and open space acquisition/improvement	-	-	5,217,214	5,217,214
Street reconstruction/improvement projects	-	-	7,978,438	7,978,438
Public facilities	-	-	1,928,937	1,928,937
Public safety	-	-	677,405	677,405
Police programs and equipment	-	-	2,020,886	2,020,886
Public art	-	-	9,867	9,867
Street reconstruction/improvement projects	-	-	3,756,660	3,756,660
Debt service	-	-	579,267	579,267
Storm drain improvements	-	-	2,764,922	2,764,922
Endowment - expendable	-	-	32,285	32,285
CFD assessment	-	-	80,284	80,284
Total restricted	1,333,444	-	25,046,165	26,379,609
Committed				
Stabilization agreement	9,794,310	-	-	9,794,310
Public benefit: parks, recreation, trails, open space, and improvements	2,437,726	-	-	2,437,726
Total committed	12,232,036	-	-	12,232,036
Assigned				
Public works	1,853,968	-	-	1,853,968
Capital projects	31,737,340	-	2,177,312	33,914,652
Total assigned	33,591,308	-	2,177,312	35,768,620
Unassigned (deficit)	60,505,969	(229,898)	(10,346)	60,265,725
Total fund balances	$ 111,176,689	$ 18,540	$ 27,258,012	$ 138,453,241

Note 17 – Successor Agency Private Purpose Trust for Assets of Former Redevelopment

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Redlands that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On November 1, 2011, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill.

Note 17 – Successor Agency Private Purpose Trust for Assets of Former Redevelopment (Continued)

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. After the date of dissolution, the assets and activities of the dissolved redevelopment agency are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

In order for the Successor Agency to dissolve, HSC Section 34187(b) requires the following:

a. All enforceable obligations have been retired or paid off;
b. All real property has been disposed of pursuant to HSC Section 34181 or 34191.4; and,
c. All outstanding litigation has been resolved

With all enforceable obligations paid in full, all land disposed of, and all litigation settled, there is no need for the Agency to continue to exist and the criteria to proceed with formally dissolving has been met. On June 10, 2024, the Countywide Oversight Board approved a resolution to formally dissolve the Successor Agency to the Redevelopment Agency of the City of Redlands. July 2, 2024, the state Department of Finance acknowledged the end of the Agency's existence. Final dissolution of the Successor Agency of the Former Redevelopment Agency of the City of Redlands took place in the fiscal year ended June 30, 2024.

Note 18 – Tax Abatements – Economic Development Incentives

GASB Statement No. 77, *Tax Abatement Disclosures*, defines tax abatements as resulting from an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to the economic development or otherwise benefits the government or its citizens. According to GASB No. 77, the substance of these agreements meet the definition of "tax abatements" as the revenues received were not available for general municipal services purposes, but rather used to effectively reduce the net tax liability of certain taxpayers per the conditions of an agreement.

The City offers an economic development incentive program to the entities that propose to locate or expand already established businesses within the City. This incentive program is expected to provide a stimulus to the City's economy, increase the tax base and create jobs. Each of the agreements entered into by the City, provides for a rebate of taxes paid to the City according to formulas contained in the agreements. These limited term agreements provide for a sharing of the taxes (percentage rebates) above certain amounts with a maximum rebate not to exceed the cost of a business' improvements and/or development impact fees. The City generally expects to receive increased revenue as a result of these agreements. These incentive agreements require approval by the City Council.

Note 18 – Tax Abatements – Economic Development Incentives (Continued)

The City currently has two of these agreements in effect. For the fiscal year ended June 30, 2024, under this program the City had abatements of sales tax totaling $107,527. Pursuant to the Sales and Use Tax law (chapter 8 – Article 1 – section 7056), in order to protect the confidential information of sales taxes collected and abatements provided to each of the specific agencies, the City has presented the aggregate amount abated during the current fiscal year.

Note 19 – Endowments

Simonds Endowment

The amount of net appreciation available for expenditure in the Simonds Endowment Fund is $29,272. This available amount is reflected as fund balance. The endowment corpus is $10,000 and is reflected as nonspendable fund balance. In California, Endowments are subject to the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), specifically Cal. Probate Code §18504. State law governing the City's ability to spend the net appreciation provides that the City may appropriate "so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established". The City's policy for authorizing and spending the investment income is governed by City Council authorization and appropriation authority, as well as the agreement of Endowment of the Simonds Parkway, dated December 14, 1985. Provisions of that agreement include, among other things, that interest generated on a per annum basis may be expended for providing maintenance, materials, and equipment solely at the Simonds Parkway.

Pauline Stancliff Memorial Trust

The amount of net appreciation available for expenditure in the Pauline Stancliff Memorial Trust Fund is $3,013. This available amount is reflected as fund balance. The endowment corpus is $20,200 and is reflected as nonspendable fund balance. In California, Endowments are subject to the requirements of the Uniform Prudent Management of Institutional Funds Act (UPMIFA), specifically Cal. Probate Code §18504. State law governing the City's ability to spend the net appreciation provides that the City may appropriate "so much of an endowment fund as the institution determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established". The City's policy for authorizing and spending the investment income is governed by City Council authorization and appropriation authority, as well as a minute motion on July 26, 2012 establishing a memorial trust fund in the name of Pauline Stancliff to be used for creating programs which focus on the goal of improving the quality of life for seniors who attend the Joslyn Senior Center.

Note 20 – Changes to or within the Financial Reporting Entity

The Public Facilities Development Special Revenue Fund was previously reported as a major fund, but due to the forgiveness of the advance payable from the General Fund, the fund no longer meets the quantitative threshold requiring the fund to be reported as a major fund for the fiscal year ended June 30, 2024. The changes to or within the financial reporting entity resulted in adjustments to and restatements of beginning fund balance, as follows:

	June 30, 2023 As Previously Reported	Change to or with the Financial Reporting Entity	June 30, 2023 As Restated
Governmental Funds			
Major Funds:			
General Fund	$ 110,957,841	$ -	$ 110,957,841
Public Facilities Development Special Revenue Fund	(6,161,839)	6,161,839	-
Governmental Grants Special Revenue Fund	(1,077,326)	-	(1,077,326)
Nonmajor Funds	25,545,526	(6,161,839)	19,383,687
Total Governmental Funds	$ 129,264,202	$ -	$ 129,264,202

Note 21 – Commitments and Contingencies

A. Litigation

The City is currently a party to various claims and legal proceedings. Although the outcome of these lawsuits is not presently determinable, it is management's opinion that the ultimate liabilities, if any, resulting from such claims and proceedings will not materially affect the financial position of the City.

B. Sales Tax – Donut Hole

In 1998, the voters of California approved Proposition No. 11 which amended Article XIII, Section 29 of the California Constitution to allow cities and counties to enter into contracts to apportion sales and use tax revenue, by ordinance or resolution, and upon approval by a two-thirds vote of the legislative bodies of the parties to the contract. The City has provided in its contract with the County of San Bernardino that the benefit of receiving the sales and use tax revenue generated by businesses located in the unincorporated area of the Donut Hole, in exchange for the City's provision of municipal services, will terminate on December 31, 2003, unless an extension of the term of the contract beyond December 31, 2003, is consented to by a majority vote of the qualified voters of the City. The term has been extended beyond December 31, 2003, under the Ordinance No. 2550. The County of San Bernardino and the City apportion the sales and use tax revenue generated by businesses located in the Donut Hole generally on the basis of ninety percent (90 percent) of such sales and use tax revenue being provided to the City and ten percent (10 percent) of such sales and use tax revenue being provided to the County.

C. Federal and State Grants

The City participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit act as amended. Accordingly, the City's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City anticipates such amounts, if any, will be immaterial.

D. Contractual Commitments

The City has capital contractual commitments for which funds have been encumbered as of June 30, 2024. Encumbrances related to capital projects are funded through the current year appropriated budget, which carries over to the following year.

The following contractual construction commitments existed at June 30, 2024:

Project Title	Commitment
General Fund	
2023 Alley Paving Improvements - General Fund Portion	$ 237,351
Bay Doors for Fire Stations 261, 262, & 263	490,205
Community Park Lighting Project	576,469
Fire Station 262 Architectural Design	25,219
Fire Station 262 Remodel	1,404,193
In-Roadway Light System Installation	19,876
Redlads Bowl Improvements	217,512
Texonia Park Renovation	76,245
Total for General Fund	3,047,070
Governmental Grants Special Revenue Fund	
Architectural Design of Metal Shelter for HHW Site	12,420
Joslyn Senior Center Renovation	34,343
Library Lower Level Architecture Design	33,491
Total for Governmental Grants Special Revenue Fund	$ 80,254

Note 21 – Commitments and Contingencies (Continued)

D. Contractual Commitments (Continued)

Project Title	Commitment
Water Fund	
2023 CIP Water Pipeline & Highline Replacement	$ 182,974
Peterbilt CNG Truck with Hydraulic Telescopic Crane - Water Portion	265,456
Tate Water Treatment Plant Influent Line Replacement	176,703
Water Meter Replacement Project	4,515,724
Water SCADA System Upgrade	2,859,549
Total for Water Fund	8,000,406
Solidwaste Fund	
Landfill Gas Extraction Construction Quality Assurance	$155,308
Solidwaste Vehicles	2,375,512
Total for Solidwaste Fund	2,530,820
Wastewater Fund	
2022 CIP Sewer Pipeline Replacement	$718,201
2023 CIP Sewer Pipeline Replacement	2,485,353
Peterbilt CNG Truck with Hydraulic Telescopic Crane - Wastewater Portion	265,456
Total for Wastewater Fund	3,469,010
Non-Major Funds	
2023 Alley Paving Improvements - PARIS Fund Portion	697,199
Cemetery Surveying & Map Update	30,000
Design & Construction Mgmnt of New City Hall - Safety/City Hall Replacement Fund	1,146,503
Design & Construction Mgmnt of a Public Safety Facility - Safety/City Hall Replacement Fund	4,838,622
Redlands Passenger Rail Project Platform Construction-Air Quality Improvement Fund	121,642
WWTP Recycled Water Reservoir Project - Nonpotable Water Fund	79,922
Total for Non-Major Funds	6,913,888
Total for City	$ 24,041,448

REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

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City of Redlands
Required Supplementary Information (Unaudited)
Budgetary Information
For the Year Ended June 30, 2024

Budgetary Information

Budgets are legally adopted and formal budgetary integration is employed as a management control device during the year for all governmental fund types. The budget is prepared in accordance with accounting principles generally accepted in the United States of America. From the effective date of the budget, the amounts stated therein as proposed expenditures become appropriations to the various City departments.

The City Council may amend the budget only during a regular meeting, providing that sufficient monies are available and that expenditures of proceeds of taxes will not be increased beyond the constitutional appropriation limit as imposed by Article XIIIB of the State Constitution.

The City's formal budgetary process begins at the operating program level. Departmental budgets are comprised of the various operating program budgets. Operating programs do not cross departmental lines. Individual fund budgets consist of the departmental budgets; departmental budgets may cross fund lines.

Individual fund budgets are, in all cases where appropriations are required, the same as the appropriation amounts. In the case of the Governmental Fund types, unexpended budgeted amounts, except for amounts relating to capital projects, lapse at the end of the budget year. Spending control (legal level) for most funds is established by the amount of expenditures budgeted at the departmental and function levels. Accordingly, the General Fund expenditures are displayed in the supplementary schedules at the department level and the Special Revenue, Debt Service, Capital Projects, and Permanent Funds expenditures are displayed at the function level. Management control is exercised at the line item level in each operating program. Management can transfer budgeted amounts within operating programs, departments or funds, provided that such transfers do not increase the overall budget. Appropriations that increase the budget require City Council approval.

City of Redlands
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedules – General Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Property taxes	$ 37,668,615	$ 38,977,380	$ 41,713,771	$ 2,736,391
Sales and use taxes	46,747,502	48,469,715	47,629,644	(840,071)
Other taxes	2,247,940	2,247,940	2,676,553	428,613
Franchise fees	2,567,833	4,499,151	4,471,469	(27,682)
Licenses and permits	7,969,963	7,988,380	9,238,592	1,250,212
Fines and forfeitures	146,200	79,560	62,969	(16,591)
Intergovernmental	732,500	386,000	780,165	394,165
Charges for services	7,338,869	6,855,094	7,101,106	246,012
Investment income (loss)	200,000	5,800,100	5,647,723	(152,377)
Rents and leases	1,724,754	1,562,925	1,167,604	(395,321)
Miscellaneous	1,400,440	2,005,223	2,111,512	106,289
Total revenues	108,744,616	118,871,468	122,601,108	3,729,640
EXPENDITURES:				
Current:				
General government:				
City council	422,789	501,243	462,429	38,814
City clerk	453,870	288,080	269,755	18,325
City manager	7,637,449	7,443,523	6,986,773	456,750
Finance	2,845,654	3,172,581	3,076,334	96,247
City attorney	809,834	812,610	881,943	(69,333)
Development services	4,490,505	6,333,229	4,847,891	1,485,338
Facilities	5,215,900	6,220,357	6,247,575	(27,218)
Public works engineering	968,724	1,890,030	1,199,709	690,321
Public safety:				
Police	34,777,691	35,816,830	34,476,780	1,340,050
Fire	19,991,058	20,484,241	19,049,435	1,434,806
Animal Services	842,379	1,092,662	1,012,118	80,544
Culture and recreation:				
Community services	2,184,048	2,010,817	2,141,493	(130,676)
Parks	4,981,708	6,017,039	5,795,030	222,009
Highway and streets:				
Electrical and streets	4,318,316	5,029,000	4,796,525	232,475
Library	2,999,592	3,585,529	3,580,553	4,976
Capital outlay	4,023,310	12,362,454	14,505,154	(2,142,700)
Debt service:				
Principal	484,180	3,170,921	3,655,908	(484,987)
Interest and fiscal charges	1,535,199	2,152,452	387,035	1,765,417
Total expenditures	98,982,206	118,383,598	113,372,440	5,011,158
REVENUES OVER (UNDER) EXPENDITURES	9,762,410	487,870	9,228,668	8,740,798

City of Redlands
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedules – General Fund (Continued)
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
OTHER FINANCING SOURCES (USES):				
Inception of finance purchase agreement	-	-	3,668,445	3,668,445
Inception of lease liability	-	-	2,546,260	2,546,260
Transfers in	2,450,517	2,468,172	2,850,162	381,990
Transfers out	(9,511,084)	(16,983,070)	(18,074,687)	(1,091,617)
Total other financing sources (uses)	(7,060,567)	(14,514,898)	(9,009,820)	5,505,078
Net change in fund balance	$ 2,701,843	$ (14,027,028)	218,848	$ 14,245,876
FUND BALANCE:				
Beginning of year			110,957,841	
End of year			$ 111,176,689	

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City of Redlands
Required Supplementary Information (Unaudited) (Continued)
Budgetary Comparison Schedules – Governmental Grants Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	$ -	$ 24,489,314	$ 14,061,381	$ (10,427,933)
Investment income (loss)	-	-	1,118	1,118
Total revenues	-	24,489,314	14,062,499	(10,426,815)
EXPENDITURES:				
Current:				
General government	-	16,716,486	12,008,843	4,707,643
Public safety	-	589,113	211,543	377,570
Capital outlay	-	7,878,222	683,003	7,195,219
Total expenditures	-	25,183,821	12,903,389	12,280,432
REVENUES OVER (UNDER) EXPENDITURES	-	(694,507)	1,159,110	1,853,617
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	405	405
Transfers out	-	-	(63,649)	(63,649)
Total other financing sources (uses)	-	-	(63,244)	(63,244)
Net change in fund balance	$ -	$ (694,507)	1,095,866	$ 1,790,373
FUND BALANCE (DEFICIT):				
Beginning of year			(1,077,326)	
End of year			$ 18,540	

City of Redlands
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2024

Miscellaneous Plan

Measurement period, year ended	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Total pension liability					
Service cost	$ 4,056,901	$ 3,969,259	$ 3,365,376	$ 3,525,116	$ 3,334,799
Interest on total pension liability	13,369,640	12,856,892	12,119,433	12,569,714	11,680,277
Differences between expected and actual experience	970,748	(1,568,849)	270,034	247,796	419,589
Changes in assumptions	-	5,704,014	-	-	-
Changes in benefit terms	330,342	-	-	-	-
Benefit payments, including refunds of employee contributions	(11,282,718)	(10,197,185)	(9,385,911)	(9,643,784)	(8,930,778)
Net change in total pension liability	7,444,913	10,764,131	6,368,932	6,698,842	6,503,887
Total pension liability - beginning	196,074,708	185,310,577	178,941,645	172,242,803	165,738,916
Total pension liability - ending (a)	$203,519,621	$196,074,708	$185,310,577	$178,941,645	$172,242,803
Plan fiduciary net position					
Contributions - employer	6,626,543	6,083,423	5,653,857	5,163,971	4,543,195
Contributions - employee	1,726,746	1,630,007	1,628,531	1,617,023	1,587,404
Investment income (net of administrative expenses)	8,817,845	(11,815,363)	29,305,630	6,312,755	7,923,614
Benefit payments	(11,282,718)	(10,197,185)	(9,643,784)	(9,385,911)	(8,930,778)
Plan to plan resources	-	-	-	-	283
Other	(104,916)	(97,846)	(130,119)	(178,655)	(86,841)
Net change in plan fiduciary net position	5,783,500	(14,396,964)	26,814,115	3,529,183	5,036,877
Plan fiduciary net position - beginning	142,674,042	157,071,006	130,256,891	126,727,708	121,690,831
Plan fiduciary net position - ending (b)	$148,457,542	$142,674,042	$157,071,006	$130,256,891	$126,727,708
Net pension liability - ending (a)-(b)	$ 55,062,079	$ 53,400,666	$ 28,239,571	$ 48,684,754	$ 45,515,095
Plan fiduciary net position as a percentage of the total pension liability	72.95%	72.77%	84.76%	72.79%	73.58%
Covered payroll	$ 24,154,413	$ 23,450,886	$ 22,767,850	$ 22,631,158	$ 22,121,385
Net pension liability as a percentage of covered payroll	227.96%	227.71%	124.03%	215.12%	205.75%

City of Redlands
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2024

Miscellaneous Plan (Continued)

Measurement period, year ended	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Total pension liability					
Service cost	$ 3,368,018	$ 3,278,844	$ 2,780,753	$ 2,735,046	$ 2,703,390
Interest on total pension liability	11,240,326	10,868,639	10,539,757	10,224,502	9,786,094
Differences between expected and actual experience	529,928	285,453	(1,148,342)	334,519	-
Changes in assumptions	(874,625)	8,600,283	-	(2,403,446)	-
Changes in benefit terms	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(8,785,537)	(8,512,367)	(7,929,573)	(7,496,594)	(7,031,419)
Net change in total pension liability	5,478,110	14,520,852	4,242,595	3,394,027	5,458,065
Total pension liability - beginning	160,260,806	145,739,954	141,497,359	138,103,332	132,645,267
Total pension liability - ending (a)	$165,738,916	$160,260,806	$145,739,954	$141,497,359	$138,103,332
Plan fiduciary net position					
Contributions - employer	$ 3,856,431	$ 3,706,235	$ 3,297,550	$ 2,749,274	$ 2,614,893
Contributions - employee	1,444,993	1,461,526	1,324,766	1,219,187	1,378,971
Investment income (net of administrative expenses)	9,732,163	11,870,046	602,969	2,473,614	16,743,903
Benefit payments	(8,785,537)	(8,512,367)	(7,929,573)	(7,496,594)	(7,031,419)
Plan to plan resources	(343,451)	-	-	-	-
Other	(180,708)	(158,865)	(67,266)	(121,971)	-
Net change in plan fiduciary net position	5,723,891	8,366,575	(2,771,554)	(1,176,490)	13,706,348
Plan fiduciary net position - beginning	115,966,940	107,600,365	110,371,919	111,548,409	97,842,061
Plan fiduciary net position - ending (b)	$121,690,831	$115,966,940	$107,600,365	$110,371,919	$111,548,409
Net pension liability - ending (a)-(b)	$ 44,048,085	$ 44,293,866	$ 38,139,589	$ 31,125,440	$ 26,554,923
Plan fiduciary net position as a percentage of the total pension liability	73.42%	72.36%	73.83%	78.00%	80.77%
Covered payroll	$ 19,836,302	$ 20,199,995	$ 18,953,660	$ 17,548,793	$ 16,826,776
Net pension liability as a percentage of covered payroll	222.06%	219.28%	201.23%	177.37%	157.81%

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City of Redlands
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2024

Safety Plan

Measurement period, year ended	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Plan's proportion of the net pension liability (asset)	0.041080%	1.475939%	1.660061%	0.809500%	0.790200%
Plan's proportionate share of the net pension liability (asset)	$ 108,653,947	$ 101,420,265	$ 58,259,612	$ 88,080,547	$ 80,975,102
Plan's covered payroll	$ 18,476,389	$ 17,938,242	$ 17,415,769	$ 17,522,750	$ 17,236,908
Plan's proportionate share of the net pension liability as a percentage of covered payroll	588.07%	565.39%	334.52%	502.66%	469.78%
Plan's fiduciary net position	$ 230,662,382	$ 223,139,182	$ 244,268,089	$ 200,216,677	$ 195,371,697
Plan's fiduciary net position as a percentage of the total pension liability	67.98%	68.75%	80.74%	69.45%	70.70%
Plan's proportionate share of aggregate employer contributions	$ 11,063,552	$ 10,344,274	$ 9,582,627	$ 8,703,374	$ 7,448,780

Measurement period, year ended	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Plan's proportion of the net pension liability (asset)	0.779400%	0.746000%	0.748700%	0.737700%	0.689500%
Plan's proportionate share of the net pension liability (asset)	$ 75,109,650	$ 73,979,298	$ 64,784,346	$ 50,633,826	$ 42,905,786
Plan's covered payroll	$ 14,894,900	$ 14,827,015	$ 14,604,289	$ 14,342,189	$ 14,292,490
Plan's proportionate share of the net pension liability as a percentage of covered-employee payroll	504.26%	498.95%	443.60%	353.04%	300.20%
Plan's fiduciary net position	$ 188,434,296	$ 182,071,554	$ 172,261,918	$ 178,611,604	$ 160,060,272
Plan's fiduciary net position as a percentage of the total pension liability	71.50%	71.11%	72.67%	77.91%	78.86%
Plan's proportionate share of aggregate employer contributions	$ 6,211,050	$ 5,886,486	$ 5,126,655	$ 4,246,980	$ 4,977,335

City of Redlands
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions – Pension
For the Year Ended June 30, 2024

Miscellaneous Plan

Fiscal Year:	2023-24	2022-23	2021-22	2020-21	2019-20
Contractually determined contribution (actuarially determined)	$ 6,961,999	$ 6,627,610	$ 6,077,846	$ 5,676,210	$ 5,159,972
Contributions in relation to the actuarially determined contributions	(6,961,999)	(6,627,610)	(6,077,846)	(5,676,210)	(5,159,972)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 24,879,045	$ 24,154,413	$ 23,450,886	$ 22,767,850	$ 22,631,158
Contributions as a percentage of covered payroll	27.98%	27.44%	25.92%	24.93%	22.80%

Fiscal Year:	2018-19	2017-18	2016-17	2015-16	2014-15
Contractually determined contribution (actuarially determined)	$ 4,472,807	$ 3,797,781	$ 3,705,781	$ 3,297,550	$ 2,749,274
Contributions in relation to the actuarially determined contributions	(4,472,807)	(3,797,781)	(3,705,781)	(3,297,550)	(2,749,274)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 22,121,385	$ 19,836,302	$ 20,199,995	$ 18,953,660	$ 17,548,793
Contributions as a percentage of covered payroll	20.22%	19.15%	18.35%	17.40%	15.67%

Notes to Schedule

Methods and assumptions used to determine contribution rates for the fiscal year ended June 30, 2024:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.50%
Investment rate of return	6.90% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2000 and 2019.
Mortality	The probabilities of mortality are based on the the 2021 experience study report. The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries.

City of Redlands
Required Supplementary Information (Unaudited) (Continued)
Schedule of Contributions – Pension (Continued)
For the Year Ended June 30, 2024

Safety Plan

Fiscal Year:	2023-24	2022-23	2021-22	2020-21	2019-20
Contractually determined contribution (actuarially determined)	$ 11,753,041	$ 11,063,552	$ 10,344,274	$ 9,582,627	$ 8,703,374
Contributions in relation to the actuarially determined contributions	(11,753,041)	(11,063,552)	(10,344,274)	(9,582,627)	(8,703,374)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 19,030,681	$ 18,476,389	$ 17,938,242	$ 17,415,769	$ 17,522,750
Contributions as a percentage of covered payroll	61.76%	59.88%	57.67%	55.02%	49.67%

Fiscal Year:	2018-19	2017-18	2016-17	2015-16	2014-15
Contractually determined contribution (actuarially determined)	$ 7,448,780	$ 6,211,050	$ 5,886,486	$ 5,126,655	$ 4,246,980
Contributions in relation to the actuarially determined contributions	(7,448,780)	(6,211,050)	(5,886,486)	(5,126,655)	(4,246,980)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 17,236,908	$ 14,894,900	$ 14,827,015	$ 14,604,289	$ 14,342,189
Contributions as a percentage of covered payroll	43.21%	41.70%	39.70%	35.10%	29.61%

Notes to Schedule

Methods and assumptions used to determine contribution rates for the fiscal year ended June 30, 2024:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Normal
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report
Asset valuation method	Actuarial Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies by entry age and service
Payroll growth	2.50%
Investment rate of return	6.90% net of pension plan investment and administrative expenses.
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2000 and 2019.
Mortality	The probabilities of mortality are based on the the 2021 experience study report. The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries.

City of Redlands
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in Total OPEB Liability and Related Ratios
For the Year Ended June 30, 2024

Measurement period, year ending:	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017 [1]
Total OPEB liability							
Service cost	$ 3,676,645	$ 6,288,802	$ 4,405,809	$ 4,371,866	$ 4,540,301	$ 4,647,747	$ 4,517,859
Interest	6,072,016	4,504,364	3,775,999	4,254,153	4,744,702	4,497,267	4,351,611
Changes of benefit terms	4,078,580	-	-	-	-	-	
Differences between expected and actual experience	(26,395,453)	(9,975,595)	3,545,600	139,016	4,588,088	-	-
Changes of assumptions	(100,889)	(50,693,723)	42,967,302	14,314,382	(4,153,914)	(2,485,196)	-
Benefit payments, including refunds of member contributions	(4,397,783)	(5,079,505)	(4,960,733)	(4,882,065)	(4,526,765)	(4,525,686)	(4,050,613)
Net change in total OPEB liability	(17,066,884)	(54,955,657)	49,733,977	18,197,352	5,192,412	2,134,132	4,818,857
Total OPEB liability - beginning	146,960,265	201,915,922	152,181,945	133,984,593	128,792,181	126,658,049	121,839,192
Total OPEB liability - ending (a)	$ 129,893,381	$ 146,960,265	$ 201,915,922	$ 152,181,945	$ 133,984,593	$ 128,792,181	$ 126,658,049
OPEB fiduciary net position [2]							
Contributions - employer	$ 4,397,783	$ 5,079,505	$ 4,960,733	$ 4,882,065	$ 4,526,765	$ 4,525,686	$ 4,050,613
Net investment income	-	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(4,397,783)	(5,079,505)	(4,960,733)	(4,882,065)	(4,526,765)	(4,525,686)	(4,050,613)
Administrative expense	-	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Plan net OPEB liability - ending (a) - (b)	$ 129,893,381	$ 146,960,265	$ 201,915,922	$ 152,181,945	$ 133,984,593	$ 128,792,181	$ 126,658,049
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	$ 36,997,665	$ 35,920,063	$ 34,958,699	$ 35,722,602	$ 33,975,526	$ 31,410,072	$ 32,062,170
Plan net OPEB liability as a percentage of covered-employee payroll	351.09%	409.13%	577.58%	426.01%	394.36%	410.03%	395.04%

[1] Information only presented from the implementation yeargasb

SUPPLEMENTARY INFORMATION

Non-Major Governmental Funds

Special Revenue Funds:

Emergency Service Fund - This fund is used to account for the collection of a special property tax to be spent on paramedic services.

Household Hazardous Waste Fund - This fund is used to account for revenue collected and expenditures made to properly dispose of household hazardous waste.

State Gas Tax Fund - This fund is used to account for the receipt and subsequent expenditure of the City's share of the State levied tax on gasoline and other vehicle fuels.

Air Quality Improvement Fund - To account for the collection and subsequent expenditure of AB2766 (District Fees to Implement the California Clean Air Act) monies to be used for pollution reduction.

Traffic Safety Fund - This fund is used to account for the receipt of traffic fines for moving violations within the City limits.

Measure I Fund - This fund is used to account for "new" revenues resulting from a voter-approved renewal of a half-cent retail transaction and use tax, to be used for transportation improvements and traffic management programs.

Open Space Fund - This fund is used to account for receipt and subsequent expenditure of developer fees collected to acquire open space land in and around the City.

Downtown Redlands Business Area Fund - This fund is used to account for various activities and special events with the intent of attracting business to the downtown area.

Parking Authority Fund - This fund is used to account for receipt and subsequent expenditure of fees collected as a result of a city-wide authority formed to control parking.

Asset Forfeiture Fund - This fund is used to account for receipt and subsequent expenditure of various asset seizure monies.

Supplemental Law Enforcement Fund - To account for receipt and subsequent expenditure of AB1913 monies, which, pursuant to the Citizens' Option for Public Safety (COPS) Program, must be spent for supplemental law enforcement services.

Park & Open Space Fund - This fund is used to account for the collection and subsequent expenditure of developer fees levied for the purpose of acquiring and developing land for parks and open space.

Arterial Street Construction Fund - To account for the collection and related expenditure of development impact fees designated for arterial street construction projects.

Traffic Signals Fund - This fund is used to account for the collection and related expenditure of development impact fees designated for traffic signal construction projects.

Freeway Interchanges Fund - This fund is used to account for the collection and related expenditure of development impact fees designated for freeway interchange construction projects.

Non-Major Governmental Funds (Continued)

Special Revenue Funds (Continued):

Street Lighting District #1 Fund - This fund is used to account for the maintenance, operation, and service of street lighting facilities financed by assessments collected from landowners within the district.

CFD 2004-1 Assessments Fund - This fund is used to account for the maintenance of landscaping in public right-ofway and easements surrounding tracts within the district.

Landscape Maintenance District Fund - This fund is used to account for assessments collected from landowners to maintain landscaping in parkways and common areas within the district.

Local Transportation Fund - This fund is used to account for the receipt and expenditure of street improvement and road construction funds from various sources including projects financed by State grant activity.

Pavement Accelerated Repair Implementation Strategy (PARIS) Fund - This fund is used to account for the expenditures of the Pavement Accelerated Repair Implementation Strategy (PARIS) program.

Public Art Fund - This fund is used to account for donations and subsequent expenditure on public art installations.

Transportation Development Act Fund - This fund is used to account for the receipt and expenditure of Transportation Development Act revenue received by the City.

Public Facilities Development Special Revenue Fund - This fund accounts for the collection and related expenditure of development impact fees restricted for constructing new and upgrading existing public facilities.

Storm Drain Construction Fund - This fund is used to account for receipt and subsequent expenditure of developer fees assessed to provide additional storm drains, as required.

Capital Projects Funds:

Safety Hall Replacement Fund - This fund accounts for the collection and related expenditure of development impact fees restricted for constructing new and upgrading existing public facilities.

Debt Service Funds:

General Debt Service Fund - This fund is used to account for the receipt of property taxes to be used for the retirement of the 2007 Pension Obligation Bonds.

Permanent Funds:

Simonds Endowment Fund - This fund is used to account for the monies endowed by Priscilla Alden Simonds to the City for the Simonds Parkway.

Pauline Stancliff Memorial Trust Fund - This fund is used to account for the monies gifted by Pauline Stancliff to the City for benefit of the Joslyn Senior Center.

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City of Redlands
Combining Balance Sheet
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				
	Emergency Service Fund	Household Hazardous Waste Fund	State Gas Tax Fund	Air Quality Improvement Fund	Traffic Safety Fund
ASSETS					
Cash and investments	$ 278,023	$ 318,654	$ -	$ 304,295	$ -
Restricted cash and investments	-	-	-	-	-
Accounts receivable, net	-	12,860	-	-	-
Taxes receivable	12,802	-	499,635	-	-
Due from other governments	-	-	-	24,214	16,786
Prepaid items	1,182	-	-	-	-
Total assets	$ 292,007	$ 331,514	$ 499,635	$ 328,509	$ 16,786
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 40,445	$ -	$ -	$ -	$ 2,044
Accrued payroll	251,562	-	-	-	-
Deposits payable	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	292,007	-	-	-	2,044
Deferred inflows of resources:					
Unavailable revenue	-	-	-	24,214	-
Total deferred inflows of resources	-	-	-	24,214	-
Fund Balances:					
Nonspendable	1,182	-	-	-	-
Restricted	-	331,514	499,635	304,295	14,742
Assigned	-	-	-	-	-
Unassigned (deficit)	(1,182)	-	-	-	-
Total fund balances	-	331,514	499,635	304,295	14,742
Total liabilities, deferred inflows of resources, and fund balances	$ 292,007	$ 331,514	$ 499,635	$ 328,509	$ 16,786

(Continued)

City of Redlands
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				
	Measure I Fund	Open Space Fund	Downtown Redlands Business Area Fund	Parking Authority Fund	Asset Forfeiture Fund
ASSETS					
Cash and investments	$ -	$ 2,568,209	$ 14,846	$ 14,477	$ 1,908,785
Restricted cash and investments	-	-	-	-	-
Accounts receivable, net	-	-	150	280	-
Taxes receivable	475,291	-	-	-	-
Due from other governments	-	-	-	-	3,430
Prepaid items	-	-	-	-	-
Total assets	$ 475,291	$ 2,568,209	$ 14,996	$ 14,757	$ 1,912,215
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ -	$ 14,996	$ 1,827	$ -
Accrued payroll	-	-	-	-	-
Deposits payable	-	-	-	12,650	10,487
Unearned revenues	-	-	-	280	-
Due to other funds	-	-	-	-	-
Total liabilities	-	-	14,996	14,757	10,487
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	475,291	2,568,209	-	-	1,901,728
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	475,291	2,568,209	-	-	1,901,728
Total liabilities, deferred inflows of resources, and fund balances	$ 475,291	$ 2,568,209	$ 14,996	$ 14,757	$ 1,912,215

(Continued)

City of Redlands
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				
	Supplemental Law Enforcement Grant Fund	Park and Open Space Fund	Arterial Street Construction Fund	Traffic Signals Fund	Freeway Interchanges Fund
ASSETS					
Cash and investments	$ 698,733	$ 2,649,005	$ 5,035,393	$ 1,121,787	$ 2,240,697
Restricted cash and investments	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid items	13,499	-	-	-	-
Total assets	$ 712,232	$ 2,649,005	$ 5,035,393	$ 1,121,787	$ 2,240,697
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 17,999	$ -	$ 22,403	$ -	$ -
Accrued payroll	5,067	-	-	-	-
Deposits payable	-	-	28,554	368,482	-
Unearned revenues	571,251	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	594,317	-	50,957	368,482	-
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Nonspendable	13,499	-	-	-	-
Restricted	104,416	2,649,005	4,984,436	753,305	2,240,697
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	117,915	2,649,005	4,984,436	753,305	2,240,697
Total liabilities, deferred inflows of resources, and fund balances	$ 712,232	$ 2,649,005	$ 5,035,393	$ 1,121,787	$ 2,240,697

(Continued)

City of Redlands
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				
	Street Lighting District #1 Fund	CFD 2004-1 Assessment Fund	Landscape Maintenance District Fund	Local Transportation Fund	PARIS Fund
ASSETS					
Cash and investments	$ 42,381	$ 152,499	$ 715	$ 239,107	$ 3,586,413
Restricted cash and investments	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Taxes receivable	567	8,113	-	-	-
Due from other governments	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	$ 42,948	$ 160,612	$ 715	$ 239,107	$ 3,586,413
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 146	$ 49,835	$ 217	$ -	$ 961,399
Accrued payroll	1,206	6,506	498	-	19,986
Deposits payable	-	23,987	-	35,074	27,327
Unearned revenues	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	1,352	80,328	715	35,074	1,008,712
Deferred inflows of resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	41,596	80,284	-	204,033	2,577,701
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances	41,596	80,284	-	204,033	2,577,701
Total liabilities, deferred inflows of resources, and fund balances	$ 42,948	$ 160,612	$ 715	$ 239,107	$ 3,586,413

(Continued)

City of Redlands
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				Capital Projects Funds
	Public Art Fund	Transportation Development Act Fund	Public Facilities Development Special Revenue Fund	Storm Drain Fund	Safety Hall Replacement Capital Projects Fund
ASSETS					
Cash and investments	$ 9,867	$ -	$ 1,928,937	$ 2,764,922	$ 2,223,985
Restricted cash and investments	-	-	-	-	-
Accounts receivable, net	-	-	-	-	-
Taxes receivable	-	-	-	-	-
Due from other governments	-	9,256	-	-	-
Prepaid items	-	-	-	-	-
Total assets	$ 9,867	$ 9,256	$ 1,928,937	$ 2,764,922	$ 2,223,985
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ -	$ -	$ -	$ 46,673
Accrued payroll	-	-	-	-	-
Deposits payable	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Due to other funds	-	9,164	-	-	-
Total liabilities	-	9,164	-	-	46,673
Deferred inflows of resources:					
Unavailable revenue	-	9,256	-	-	-
Total deferred inflows of resources	-	9,256	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	9,867	-	1,928,937	2,764,922	-
Assigned	-	-	-	-	2,177,312
Unassigned (deficit)	-	(9,164)	-	-	-
Total fund balances	9,867	(9,164)	1,928,937	2,764,922	2,177,312
Total liabilities, deferred inflows of resources, and fund balances	$ 9,867	$ 9,256	$ 1,928,937	$ 2,764,922	$ 2,223,985

(Continued)

City of Redlands
Combining Balance Sheet (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Debt Service Funds	Permanent Funds		
	General Debt Service Fund	Simonds Endowment Fund	Pauline Stancliff Memorial Trust Fund	Total Non-Major Governmental Funds
ASSETS				
Cash and investments	$ 339,462	$ 39,272	$ 23,213	$ 28,503,677
Restricted cash and investments	237,153	-	-	237,153
Accounts receivable, net	-	-	-	13,290
Taxes receivable	2,652	-	-	999,060
Due from other governments	-	-	-	53,686
Prepaid items	-	-	-	14,681
Total assets	$ 579,267	$ 39,272	$ 23,213	$ 29,821,547
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	$ -	$ -	$ -	$ 1,157,984
Accrued payroll	-	-	-	284,825
Deposits payable	-	-	-	506,561
Unearned revenues	-	-	-	571,531
Due to other funds	-	-	-	9,164
Total liabilities	-	-	-	2,530,065
Deferred inflows of resources:				
Unavailable revenue	-	-	-	33,470
Total deferred inflows of resources	-	-	-	33,470
Fund Balances:				
Nonspendable	-	10,000	20,200	44,881
Restricted	579,267	29,272	3,013	25,046,165
Assigned	-	-	-	2,177,312
Unassigned (deficit)	-	-	-	(10,346)
Total fund balances	579,267	39,272	23,213	27,258,012
Total liabilities, deferred inflows of resources, and fund balances	$ 579,267	$ 39,272	$ 23,213	$ 29,821,547

(Concluded)

City of Redlands
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				
	Emergency Service Fund	Household Hazardous Waste Fund	State Gas Tax Fund	Air Quality Improvement Fund	Traffic Safety Fund
REVENUES:					
Property taxes	$ 1,140,928	$ -	$ -	$ -	$ -
Fines and forfeitures	-	-	-	-	158,971
Intergovernmental	-	-	3,871,223	72,597	-
Charges for services	-	164,831	-	-	-
Investment income (loss)	-	-	-	21,773	-
Rents and leases	-	-	-	-	-
Miscellaneous	7,797	2,800	-	-	-
Total revenues	1,148,725	167,631	3,871,223	94,370	158,971
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	5,334,723	145,314	-	-	-
Culture and recreation	-	-	-	-	-
Highway and streets	-	-	-	798	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	5,334,723	145,314	-	798	-
REVENUES OVER (UNDER) EXPENDITURES	(4,185,998)	22,317	3,871,223	93,572	158,971
OTHER FINANCING SOURCES (USES):					
Transfers in	4,185,998	-	-	-	-
Transfers out	-	-	(3,818,017)	-	(155,962)
Total other financing sources (uses)	4,185,998	-	(3,818,017)	-	(155,962)
NET CHANGES IN FUND BALANCES	-	22,317	53,206	93,572	3,009
FUND BALANCES (DEFICIT):					
Beginning of year, as previously reported	-	309,197	446,429	210,723	11,733
Change with financial reporting entity (major to non major fund)	-	-	-	-	-
Beginning of year, as restated	-	309,197	446,429	210,723	11,733
End of year	$ -	$ 331,514	$ 499,635	$ 304,295	$ 14,742

(Continued)

City of Redlands
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				
	Measure I Fund	Open Space Fund	Downtown Redlands Business Area Fund	Parking Authority Fund	Asset Forfeiture Fund
REVENUES:					
Property taxes	$ -	$ -	$ -	$ -	$ -
Fines and forfeitures	-	-	-	-	331,870
Intergovernmental	2,057,010	-	-	-	-
Charges for services	-	203,170	5,040	-	-
Investment income (loss)	99,074	107,216	(3,461)	943	42,470
Rents and leases	-	-	-	5,008	-
Miscellaneous	-	-	30,631	-	24,480
Total revenues	2,156,084	310,386	32,210	5,951	398,820
EXPENDITURES:					
Current:					
General government	-	-	135,516	25,462	-
Public safety	-	-	-	-	94,212
Culture and recreation	-	4,064	-	-	-
Highway and streets	16,527	-	-	-	-
Capital outlay	-	-	-	-	14,005
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	16,527	4,064	135,516	25,462	108,217
REVENUES OVER (UNDER) EXPENDITURES	2,139,557	306,322	(103,306)	(19,511)	290,603
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	103,306	18,653	-
Transfers out	(3,733,391)	-	-	-	-
Total other financing sources (uses)	(3,733,391)	-	103,306	18,653	-
NET CHANGES IN FUND BALANCES	(1,593,834)	306,322	-	(858)	290,603
FUND BALANCES (DEFICIT):					
Beginning of year, as previously reported	2,069,125	2,261,887	-	858	1,611,125
Change with financial reporting entity (major to non major fund)	-	-	-	-	-
Beginning of year, as restated	2,069,125	2,261,887	-	858	1,611,125
End of year	$ 475,291	$ 2,568,209	$ -	$ -	$ 1,901,728

(Continued)

City of Redlands
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				
	Supplemental Law Enforcement Grant Fund	Park and Open Space Fund	Arterial Street Construction Fund	Traffic Signals Fund	Freeway Interchanges Fund
REVENUES:					
Property taxes	$ -	$ -	$ -	$ -	$ -
Fines and forfeitures	-	-	-	-	-
Intergovernmental	34,958	-	-	-	449,374
Charges for services	-	641,425	317,961	19,474	188,628
Investment income (loss)	25,443	90,808	226,237	71,810	96,238
Rents and leases	-	-	-	-	-
Miscellaneous	82	-	-	-	-
Total revenues	60,483	732,233	544,198	91,284	734,240
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	34,958	-	-	-	-
Culture and recreation	-	16,291	-	-	-
Highway and streets	-	-	39,555	389	18,437
Capital outlay	-	-	130,908	267,702	530,499
Debt service:					
Principal	-	66,882	-	-	-
Interest and fiscal charges	-	35,312	-	-	-
Total expenditures	34,958	118,485	170,463	268,091	548,936
REVENUES OVER (UNDER) EXPENDITURES	25,525	613,748	373,735	(176,807)	185,304
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
NET CHANGES IN FUND BALANCES	25,525	613,748	373,735	(176,807)	185,304
FUND BALANCES (DEFICIT):					
Beginning of year, as previously reported	92,390	2,035,257	4,610,701	930,112	2,055,393
Change with financial reporting entity (major to non major fund)	-	-	-	-	-
Beginning of year, as restated	92,390	2,035,257	4,610,701	930,112	2,055,393
End of year	$ 117,915	$ 2,649,005	$ 4,984,436	$ 753,305	$ 2,240,697

(Continued)

City of Redlands
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				
	Street Lighting District #1 Fund	CFD 2004-1 Assessment Fund	Landscape Maintenance District Fund	Local Transportation Fund	PARIS Fund
REVENUES:					
Property taxes	$ -	$ -	$ -	$ -	$ -
Fines and forfeitures	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	25,073	692,256	28,457	-	-
Investment income (loss)	-	9,026	-	11,130	206,462
Rents and leases	-	-	-	-	-
Miscellaneous	-	6,013	-	-	24,448
Total revenues	25,073	707,295	28,457	11,130	230,910
EXPENDITURES:					
Current:					
General government	-	599,515	34,657	-	-
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Highway and streets	23,355	-	-	-	1,617,718
Capital outlay	-	-	-	-	7,357,089
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	23,355	599,515	34,657	-	8,974,807
REVENUES OVER (UNDER) EXPENDITURES	1,718	107,780	(6,200)	11,130	(8,743,897)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	6,200	-	7,575,694
Transfers out	-	(130,760)	-	-	-
Total other financing sources (uses)	-	(130,760)	6,200	-	7,575,694
NET CHANGES IN FUND BALANCES	1,718	(22,980)	-	11,130	(1,168,203)
FUND BALANCES (DEFICIT):					
Beginning of year, as previously reported	39,878	103,264	-	192,903	3,745,904
Change with financial reporting entity (major to non major fund)	-	-	-	-	-
Beginning of year, as restated	39,878	103,264	-	192,903	3,745,904
End of year	$ 41,596	$ 80,284	$ -	$ 204,033	$ 2,577,701

(Continued)

City of Redlands
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				Capital Projects Funds
	Public Art Fund	Transportation Development Act Fund	Public Facilities Development Special Revenue Fund	Storm Drain Fund	Safety Hall Replacement Capital Projects Fund
REVENUES:					
Property taxes	$ -	$ -	$ -	$ -	$ -
Fines and forfeitures	-	-	-	-	-
Intergovernmental	-	671,581	-	-	-
Charges for services	-	-	409,077	139,468	-
Investment income (loss)	456	-	-	123,767	120,778
Rents and leases	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	456	671,581	409,077	263,235	120,778
EXPENDITURES:					
Current:					
General government	-	-	8,181	43,634	120,846
Public safety	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Highway and streets	-	-	-	-	-
Capital outlay	-	-	-	-	405,725
Debt service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	661	-	-
Total expenditures	-	-	8,842	43,634	526,571
REVENUES OVER (UNDER) EXPENDITURES	456	671,581	400,235	219,601	(405,793)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	7,690,541	-	257,547
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	7,690,541	-	257,547
NET CHANGES IN FUND BALANCES	456	671,581	8,090,776	219,601	(148,246)
FUND BALANCES (DEFICIT):					
Beginning of year, as previously reported	9,411	(680,745)	-	2,545,321	2,325,558
Change with financial reporting entity (major to non major fund)	-	-	(6,161,839)	-	-
Beginning of year, as restated	9,411	(680,745)	(6,161,839)	2,545,321	2,325,558
End of year	$ 9,867	$ (9,164)	$ 1,928,937	$ 2,764,922	$ 2,177,312

(Continued)

City of Redlands
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Non-Major Governmental Funds
For the Year Ended June 30, 2024

	Debt Service Funds	Permanent Funds		
	General Debt Service Fund	Simonds Endowment Fund	Pauline Stancliff Memorial Trust Fund	Total Non-Major Governmental Funds
REVENUES:				
Property taxes	$ 29,039	$ -	$ -	$ 1,169,967
Fines and forfeitures	-	-	-	490,841
Intergovernmental	-	-	-	7,156,743
Charges for services	-	-	-	2,834,860
Investment income (loss)	14,382	1,817	1,075	1,267,444
Rents and leases	-	-	-	5,008
Miscellaneous	-	-	-	96,251
Total revenues	43,421	1,817	1,075	13,021,114
EXPENDITURES:				
Current:				
General government	3,459	-	-	971,270
Public safety	-	-	-	5,609,207
Culture and recreation	-	-	-	20,355
Highway and streets	-	-	-	1,716,779
Capital outlay	-	-	-	8,705,928
Debt service:				
Principal	185,000	-	-	251,882
Interest and fiscal charges	207,455	-	-	243,428
Total expenditures	395,914	-	-	17,518,849
REVENUES OVER (UNDER) EXPENDITURES	(352,493)	1,817	1,075	(4,497,735)
OTHER FINANCING SOURCES (USES):				
Transfers in	372,251	-	-	20,210,190
Transfers out	-	-	-	(7,838,130)
Total other financing sources (uses)	372,251	-	-	12,372,060
NET CHANGES IN FUND BALANCES	19,758	1,817	1,075	7,874,325
FUND BALANCES (DEFICIT):				
Beginning of year, as previously reported	559,509	37,455	22,138	25,545,526
Change with financial reporting entity (major to non major fund)	-	-	-	(6,161,839)
Beginning of year, as restated	559,509	37,455	22,138	19,383,687
End of year	$ 579,267	$ 39,272	$ 23,213	$ 27,258,012

(Concluded)

City of Redlands
Budgetary Comparison Schedule
Emergency Service Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Property taxes	$ 1,100,000	$ 1,100,000	$ 1,140,928	$ 40,928
Charges for services	30,000	-	-	-
Miscellaneous	5,500	1,000	7,797	6,797
Total revenues	1,135,500	1,101,000	1,148,725	47,725
EXPENDITURES:				
Current:				
Public safety	6,461,946	5,576,506	5,334,723	241,783
Total expenditures	6,461,946	5,576,506	5,334,723	241,783
REVENUES OVER (UNDER) EXPENDITURES	(5,326,446)	(4,475,506)	(4,185,998)	289,508
OTHER FINANCING SOURCES (USES):				
Transfers in	5,326,446	4,479,435	4,185,998	(293,437)
Total other financing sources (uses)	5,326,446	4,479,435	4,185,998	(293,437)
Net change in fund balance	$ -	$ 3,929	-	$ (3,929)
FUND BALANCE:				
Beginning of year			-	
End of year			$ -	

City of Redlands
Budgetary Comparison Schedule
Household Hazardous Waste Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Charges for services	$ 100,000	$ 100,000	$ 164,831	$ 64,831
Miscellaneous	-	-	2,800	2,800
Total revenues	100,000	100,000	167,631	67,631
EXPENDITURES:				
Current:				
Public safety	148,032	146,593	145,314	1,279
Total expenditures	148,032	146,593	145,314	1,279
Net change in fund balance	$ (48,032)	$ (46,593)	22,317	$ 68,910
FUND BALANCE:				
Beginning of year			309,197	
End of year			$ 331,514	

City of Redlands
Budgetary Comparison Schedule
State Gas Tax Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Intergovernmental	$ 3,370,546	$ 3,715,923	$ 3,871,223	$ 155,300
Total revenues	3,370,546	3,715,923	3,871,223	155,300
OTHER FINANCING SOURCES (USES):				
Transfers out	(3,370,546)	(3,715,923)	(3,818,017)	(102,094)
Total other financing sources (uses)	(3,370,546)	(3,715,923)	(3,818,017)	(102,094)
Net change in fund balance	$ -	$ -	53,206	$ 53,206
FUND BALANCE:				
Beginning of year			446,429	
End of year			$ 499,635	

City of Redlands
Budgetary Comparison Schedule
Air Quality Improvement Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Intergovernmental	$ 89,000	$ 92,000	$ 72,597	$ (19,403)
Investment income (loss)	-	23,788	21,773	(2,015)
Total revenues	89,000	115,788	94,370	(21,418)
EXPENDITURES:				
Current:				
Highway and streets	458	122,440	798	121,642
Capital outlay	-	50,000	-	50,000
Total expenditures	458	172,440	798	171,642
Net change in fund balance	$ 88,542	$ (56,652)	93,572	$ 150,224
FUND BALANCE:				
Beginning of year			210,723	
End of year			$ 304,295	

City of Redlands
Budgetary Comparison Schedule
Traffic Safety Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Fines and forfeitures	$ 202,000	$ 132,500	$ 158,971	$ 26,471
Total revenues	202,000	132,500	158,971	26,471
OTHER FINANCING SOURCES (USES):				
Transfers out	(202,000)	(132,500)	(155,962)	(23,462)
Total other financing sources (uses)	(202,000)	(132,500)	(155,962)	(23,462)
Net change in fund balance	$ -	$ -	3,009	$ 3,009
FUND BALANCE:				
Beginning of year			11,733	
End of year			$ 14,742	

City of Redlands
Budgetary Comparison Schedule
Measure I Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Intergovernmental	$ 1,837,360	$ 1,837,360	$ 2,057,010	$ 219,650
Investment income (loss)	-	165,000	99,074	(65,926)
Total revenues	1,837,360	2,002,360	2,156,084	153,724
EXPENDITURES:				
Current:				
Highway and streets	16,527	16,527	16,527	-
Total expenditures	16,527	16,527	16,527	-
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,820,833)	(4,054,958)	(3,733,391)	321,567
Total other financing sources (uses)	(1,820,833)	(4,054,958)	(3,733,391)	321,567
Net change in fund balance	$ -	$ (2,069,125)	(1,593,834)	$ 475,291
FUND BALANCE:				
Beginning of year			2,069,125	
End of year			$ 475,291	

City of Redlands
Budgetary Comparison Schedule
Open Space Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Charges for services	$ 500,000	$ 54,469	$ 203,170	$ 148,701
Investment income (loss)	-	122,241	107,216	(15,025)
Total revenues	500,000	176,710	310,386	133,676
EXPENDITURES:				
Current:				
Culture and recreation	-	1,089	4,064	(2,975)
Total expenditures	-	1,089	4,064	(2,975)
Net change in fund balance	$ 500,000	$ 175,621	306,322	$ 130,701
FUND BALANCE:				
Beginning of year			2,261,887	
End of year			$ 2,568,209	

City of Redlands
Budgetary Comparison Schedule
Downtown Redlands Business Area Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Charges for services	$ 154,000	$ 2,806	$ 5,040	$ 2,234
Investment income (loss)	-	(4,129)	(3,461)	668
Miscellaneous	-	18,973	30,631	11,658
Total revenues	154,000	17,650	32,210	14,560
EXPENDITURES:				
Current:				
General government	155,262	144,842	135,516	9,326
Total expenditures	155,262	144,842	135,516	9,326
REVENUES OVER (UNDER) EXPENDITURES	(1,262)	(127,192)	(103,306)	23,886
OTHER FINANCING SOURCES (USES):				
Transfers in	-	127,192	103,306	(23,886)
Total other financing sources (uses)	-	127,192	103,306	(23,886)
Net change in fund balance	$ (1,262)	$ -	-	$ -
FUND BALANCE:				
Beginning of year			-	
End of year			$ -	

City of Redlands
Budgetary Comparison Schedule
Parking Authority Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Investment income (loss)	$ -	$ -	$ 943	$ 943
Rents and leases	11,500	8,000	5,008	(2,992)
Total revenues	11,500	8,000	5,951	(2,049)
EXPENDITURES:				
Current:				
General government	24,299	24,299	25,462	(1,163)
Total expenditures	24,299	24,299	25,462	(1,163)
REVENUES OVER (UNDER) EXPENDITURES	(12,799)	(16,299)	(19,511)	(3,212)
OTHER FINANCING SOURCES (USES):				
Transfers in	12,799	17,080	18,653	1,573
Total other financing sources (uses)	12,799	17,080	18,653	1,573
Net change in fund balance	$ -	$ 781	(858)	$ (1,639)
FUND BALANCE:				
Beginning of year			858	
End of year			$ -	

City of Redlands
Budgetary Comparison Schedule
Asset Forfeiture Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Fines and forfeitures	$ 113,600	$ 331,995	$ 331,870	$ (125)
Investment income (loss)	6,000	19,019	42,470	23,451
Miscellaneous	-	-	24,480	24,480
Total revenues	119,600	351,014	398,820	47,806
EXPENDITURES:				
Current:				
Public safety	158,582	203,987	94,212	109,775
Capital outlay	-	14,005	14,005	-
Total expenditures	158,582	217,992	108,217	109,775
Net change in fund balance	$ (38,982)	$ 133,022	290,603	$ 157,581
FUND BALANCE:				
Beginning of year			1,611,125	
End of year			$ 1,901,728	

City of Redlands
Budgetary Comparison Schedule
Supplemental Law Enforcement Grant Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Intergovernmental	$ 225,000	$ 225,000	$ 34,958	$ (190,042)
Investment income (loss)	1,500	29,245	25,443	(3,802)
Miscellaneous	-	-	82	82
Total revenues	226,500	254,245	60,483	(193,762)
EXPENDITURES:				
Current:				
Public safety	239,405	135,000	34,958	100,042
Capital outlay	75,000	-	-	-
Total expenditures	314,405	135,000	34,958	100,042
Net change in fund balance	$ (87,905)	$ 119,245	25,525	$ (93,720)
FUND BALANCE:				
Beginning of year			92,390	
End of year			$ 117,915	

City of Redlands
Budgetary Comparison Schedule
Park and Open Space Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Charges for services	$ 1,500,000	$ 303,509	$ 641,425	$ 337,916
Investment income (loss)	-	109,736	90,808	(18,928)
Total revenues	1,500,000	413,245	732,233	318,988
EXPENDITURES:				
Current:				
Culture and recreation	3,463	9,533	16,291	(6,758)
Debt service:				
Principal	66,882	66,882	66,882	-
Interest and fiscal charges	35,312	35,312	35,312	-
Total expenditures	105,657	111,727	118,485	(6,758)
Net change in fund balance	$ 1,394,343	$ 301,518	613,748	$ 312,230
FUND BALANCE:				
Beginning of year			2,035,257	
End of year			$ 2,649,005	

City of Redlands
Budgetary Comparison Schedule
Arterial Street Construction Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Charges for services	$ 817,000	$ 294,683	$ 317,961	$ 23,278
Investment income (loss)	14,000	252,726	226,237	(26,489)
Total revenues	831,000	547,409	544,198	(3,211)
EXPENDITURES:				
Current:				
Highway and streets	150,000	257,867	39,555	218,312
Capital outlay	800,000	-	130,908	(130,908)
Total expenditures	950,000	257,867	170,463	87,404
Net change in fund balance	$ (119,000)	$ 289,542	373,735	$ 84,193
FUND BALANCE:				
Beginning of year			4,610,701	
End of year			$ 4,984,436	

City of Redlands
Budgetary Comparison Schedule
Traffic Signals Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Charges for services	$ 88,000	$ 14,000	$ 19,474	$ 5,474
Investment income (loss)	4,500	77,750	71,810	(5,940)
Total revenues	92,500	91,750	91,284	(466)
EXPENDITURES:				
Current:				
Highway and streets	100,000	161,950	389	161,561
Capital outlay	-	267,702	267,702	-
Total expenditures	100,000	429,652	268,091	161,561
REVENUES OVER (UNDER) EXPENDITURES	(7,500)	(337,902)	(176,807)	161,095
Net change in fund balance	$ (7,500)	$ (337,902)	(176,807)	$ 161,095
FUND BALANCE:				
Beginning of year			930,112	
End of year			$ 753,305	

City of Redlands
Budgetary Comparison Schedule
Freeway Interchanges Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Intergovernmental	$ -	$ 324,720	$ 449,374	$ 124,654
Charges for services	518,000	140,000	188,628	48,628
Investment income (loss)	8,500	110,406	96,238	(14,168)
Total revenues	526,500	575,126	734,240	159,114
EXPENDITURES:				
Current:				
Highway and streets	-	78,690	18,437	60,253
Capital outlay	-	1,580,063	530,499	1,049,564
Total expenditures	-	1,658,753	548,936	1,109,817
Net change in fund balance	$ 526,500	$ (1,083,627)	185,304	$ 1,268,931
FUND BALANCE:				
Beginning of year			2,055,393	
End of year			$ 2,240,697	

City of Redlands
Budgetary Comparison Schedule
Street Lighting District #1 Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Charges for services	$ 25,000	$ 24,097	$ 25,073	$ 976
Total revenues	25,000	24,097	25,073	976
EXPENDITURES:				
Current:				
Highway and streets	21,766	23,322	23,355	(33)
Total expenditures	21,766	23,322	23,355	(33)
Net change in fund balance	$ 3,234	$ 775	1,718	$ 943
FUND BALANCE:				
Beginning of year			39,878	
End of year			$ 41,596	

City of Redlands
Budgetary Comparison Schedule
CFD 2004-1 Assessment Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Charges for services	$ 600,000	$ 662,149	$ 692,256	$ 30,107
Investment income (loss)	1,000	12,504	9,026	(3,478)
Miscellaneous	-	-	6,013	6,013
Total revenues	601,000	674,653	707,295	32,642
EXPENDITURES:				
Current:				
General government	443,768	636,915	599,515	37,400
Highway and streets	15,000	-	-	-
Total expenditures	458,768	636,915	599,515	37,400
REVENUES OVER (UNDER) EXPENDITURES	142,232	37,738	107,780	70,042
OTHER FINANCING SOURCES (USES):				
Transfers out	(128,596)	(134,122)	(130,760)	3,362
Total other financing sources (uses)	(128,596)	(134,122)	(130,760)	3,362
Net change in fund balance	$ 13,636	$ (96,384)	(22,980)	$ 73,404
FUND BALANCE:				
Beginning of year			103,264	
End of year			$ 80,284	

City of Redlands
Budgetary Comparison Schedule
Landscape Maintenance District Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Charges for services	$ 29,000	$ 29,000	$ 28,457	$ (543)
Total revenues	29,000	29,000	28,457	(543)
EXPENDITURES:				
Current:				
General government	50,839	45,048	34,657	10,391
Total expenditures	50,839	45,048	34,657	10,391
REVENUES OVER (UNDER) EXPENDITURES	(21,839)	(16,048)	(6,200)	9,848
OTHER FINANCING SOURCES (USES):				
Transfers in	21,839	16,048	6,200	(9,848)
Total other financing sources (uses)	21,839	16,048	6,200	(9,848)
Net change in fund balance	$ -	$ -	-	$ -
FUND BALANCE:				
Beginning of year			-	
End of year			$ -	

City of Redlands
Budgetary Comparison Schedule
Local Transportation Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Investment income (loss)	$ -	$ -	$ 11,130	$ 11,130
Miscellaneous	-	44,000	-	(44,000)
Total revenues	-	44,000	11,130	(32,870)
EXPENDITURES:				
Current:				
Highway and streets	-	107,571	-	107,571
Total expenditures	-	107,571	-	107,571
Net change in fund balance	$ -	$ (63,571)	11,130	$ 74,701
FUND BALANCE:				
Beginning of year			192,903	
End of year			$ 204,033	

City of Redlands
Budgetary Comparison Schedule
PARIS Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Investment income (loss)	$ -	$ 175,000	$ 206,462	$ 31,462
Miscellaneous	-	25,000	24,448	(552)
Total revenues	-	200,000	230,910	30,910
EXPENDITURES:				
Current:				
Highway and streets	553,858	506,609	1,617,718	(1,111,109)
Capital outlay	4,500,000	8,579,361	7,357,089	1,222,272
Total expenditures	5,053,858	9,085,970	8,974,807	111,163
REVENUES OVER (UNDER) EXPENDITURES	(5,053,858)	(8,885,970)	(8,743,897)	142,073
OTHER FINANCING SOURCES (USES):				
Transfers in	5,311,820	7,969,939	7,575,694	(394,245)
Total other financing sources (uses)	5,311,820	7,969,939	7,575,694	(394,245)
Net change in fund balance	$ 257,962	$ (916,031)	(1,168,203)	$ (252,172)
FUND BALANCE:				
Beginning of year			3,745,904	
End of year			$ 2,577,701	

City of Redlands
Budgetary Comparison Schedule
Public Art Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Investment income (loss)	$ -	$ -	$ 456	$ 456
Total revenues	-	-	456	456
Net change in fund balance	$ -	$ -	456	$ 456
FUND BALANCE:				
Beginning of year			9,411	
End of year			$ 9,867	

City of Redlands
Budgetary Comparison Schedule
Transportation Development Act Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Intergovernmental	$ -	$ 1,972,631	$ 671,581	$ (1,301,050)
Total revenues	-	1,972,631	671,581	(1,301,050)
EXPENDITURES:				
Current:				
Highway and streets	-	250,061	-	250,061
Capital outlay	-	1,041,733	-	1,041,733
Total expenditures	-	1,291,794	-	1,291,794
Net change in fund balance	$ -	$ 680,837	671,581	$ (9,256)
FUND BALANCE (DEFICIT):				
Beginning of year			(680,745)	
End of year			$ (9,164)	

City of Redlands
Budgetary Comparison Schedule
Public Facilities Development Special Revenue Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Charges for services	$ 1,287,000	$ 262,800	$ 409,077	$ 146,277
Total revenues	1,287,000	262,800	409,077	146,277
EXPENDITURES:				
Current:				
General government	20,500	5,256	8,181	(2,925)
Debt service:				
Interest and fiscal charges	-	-	661	(661)
Total expenditures	20,500	5,256	8,842	(3,586)
REVENUES OVER (UNDER) EXPENDITURES	1,266,500	257,544	400,235	142,691
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	7,690,541	7,690,541
Total other financing sources (uses)	-	-	7,690,541	7,690,541
Net change in fund balance	$ 1,266,500	$ 257,544	8,090,776	$ 7,833,232
FUND BALANCE (DEFICIT):				
Beginning of year			(6,161,839)	
End of year			$ 1,928,937	

City of Redlands
Budgetary Comparison Schedule
Storm Drain Capital Projects Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Charges for services	$ 380,000	$ 75,000	$ 139,468	$ 64,468
Investment income (loss)	7,500	138,291	123,767	(14,524)
Total revenues	387,500	213,291	263,235	49,944
EXPENDITURES:				
Current:				
General government	7,512	38,233	43,634	(5,401)
Capital outlay	400,000	-	-	-
Total expenditures	407,512	38,233	43,634	(5,401)
Net change in fund balance	$ (20,012)	$ 175,058	219,601	$ 44,543
FUND BALANCE:				
Beginning of year			2,545,321	
End of year			$ 2,764,922	

City of Redlands
Budgetary Comparison Schedule
Safety Hall Replacement Capital Projects Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Investment income (loss)	$ -	$ 129,883	$ 120,778	$ (9,105)
Total revenues	-	129,883	120,778	(9,105)
EXPENDITURES:				
Current:				
General government	-	1,350,000	120,846	1,229,154
Capital outlay	-	6,783,589	405,725	6,377,864
Total expenditures	-	8,133,589	526,571	7,607,018
REVENUES OVER (UNDER) EXPENDITURES	-	(8,003,706)	(405,793)	7,597,913
OTHER FINANCING SOURCES (USES):				
Transfers in	-	6,005,596	257,547	(5,748,049)
Total other financing sources (uses)	-	6,005,596	257,547	(5,748,049)
Net change in fund balance	$ -	$ (1,998,110)	(148,246)	$ 1,849,864
FUND BALANCE:				
Beginning of year			2,325,558	
End of year			$ 2,177,312	

City of Redlands
Budgetary Comparison Schedule
General Debt Service Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Property taxes	$ 30,000	$ 30,000	$ 29,039	$ (961)
Investment income (loss)	430	16,219	14,382	(1,837)
Total revenues	30,430	46,219	43,421	(2,798)
EXPENDITURES:				
Current:				
General government	3,460	3,460	3,459	1
Debt service:				
Principal	185,000	185,000	185,000	-
Interest and fiscal charges	207,455	207,455	207,455	-
Total expenditures	395,915	395,915	395,914	1
REVENUES OVER (UNDER) EXPENDITURES	(365,485)	(349,696)	(352,493)	(2,797)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	372,251	372,251
Total other financing sources (uses)	-	-	372,251	372,251
Net change in fund balance	$ (365,485)	$ (349,696)	19,758	$ 369,454
FUND BALANCE:				
Beginning of year			559,509	
End of year			$ 579,267	

City of Redlands
Budgetary Comparison Schedule
Simonds Endowment Permanent Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Investment income (loss)	$ -	$ 2,022	$ 1,817	$ (205)
Total revenues	-	2,022	1,817	(205)
Net change in fund balance	$ -	$ 2,022	1,817	$ (205)
FUND BALANCE:				
Beginning of year			37,455	
End of year			$ 39,272	

City of Redlands
Budgetary Comparison Schedule
Pauline Stancliff Memorial Trust Permanent Fund
For the Year Ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget Favorable/
	Original	Final	Amounts	(Unfavorable)
REVENUES:				
Investment income (loss)	$ -	$ 1,195	$ 1,075	$ (120)
Total revenues	-	1,195	1,075	(120)
Net change in fund balance	$ -	$ 1,195	1,075	$ (120)
FUND BALANCE:				
Beginning of year			22,138	
End of year			$ 23,213	

Non-Major Enterprise Funds

Groves Fund - This fund is used to account for the farming operations of citrus groves owned by the City.

Non-Potable Water Fund - This fund is used to account for non potable water utility operations, projects, debt service costs, and impact fees of the City.

Cemetery Fund - This fund is used to account for the operations of Hillside Memorial Park Cemetery.

Aviation Fund - This fund is used to account for the operations of the Redlands Municipal Airport.

City of Redlands
Combining Statement of Net Position
Non-Major Enterprise Funds
June 30, 2024

	Groves Fund	Non-Potable Water Fund	Cemetery Fund	Aviation Fund	Total
ASSETS					
Current assets:					
Cash and investments	$ 491,263	$ 3,885,992	$ 3,500,959	$ 289,190	$ 8,167,404
Accounts receivable, net	-	55,115	189,451	2,338	246,904
Taxes receivable	-	-	-	103	103
Interest receivable	2,028	16,040	14,451	1,194	33,713
Lease receivable - due within one year	-	-	20,485	110,691	131,176
Due from other governments	-	-	-	51,947	51,947
Total current assets	493,291	3,957,147	3,725,346	455,463	8,631,247
Noncurrent assets:					
Lease receivable - due in more than one year	-	-	-	503,028	503,028
Capital assets:					
Non-depreciable	13,570,179	-	630,631	1,165,281	15,366,091
Depreciable, net	88,553	8,968	732,413	2,143,490	2,973,424
Total capital assets	13,658,732	8,968	1,363,044	3,308,771	18,339,515
Total noncurrent assets	13,658,732	8,968	1,363,044	3,811,799	18,842,543
Total assets	14,152,023	3,966,115	5,088,390	4,267,262	27,473,790
DEFERRED OUTFLOW OF RESOURCES					
Related to OPEB	-	-	325,195	88,127	413,322
Related to pensions	55,259	29,883	245,964	71,631	402,737
Total deferred outflow of resources	55,259	29,883	571,159	159,758	816,059
LIABILITIES					
Current liabilities:					
Accounts payable	39,981	1,525	58,261	25,967	125,734
Accrued payroll	13,040	7,127	39,419	9,932	69,518
Interest payable	-	-	678	-	678
Deposits payable	-	-	1,386,545	13,512	1,400,057
Unearned revenue	-	-	-	15,872	15,872
Compensated absences - due within one year	1,044	583	19,350	1,408	22,385
Long-term debt - due within one year	6,915	-	66,081	-	72,996
Total current liabilities	60,980	9,235	1,570,334	66,691	1,707,240
Noncurrent liabilities:					
Advances from other funds	-	-	487,867	707,929	1,195,796
Compensated absences - due in more than one year	1,043	582	19,350	1,408	22,383
Long term debt - due in more than one year	5,218	-	97,673	-	102,891
Total OPEB liability	-	-	960,283	232,878	1,193,161
Net pension liability	193,152	104,453	859,750	250,381	1,407,736
Total noncurrent liabilities	199,413	105,035	2,424,923	1,192,596	3,921,967
Total liabilities	260,393	114,270	3,995,257	1,259,287	5,629,207
DEFERRED INFLOWS OF RESOURCES					
Related to leases	-	-	20,326	599,835	620,161
Related to OPEB	-	-	647,204	130,692	777,896
Total deferred inflows of resources	-	-	667,530	730,527	1,398,057
NET POSITION					
Net investment in capital assets	13,646,599	8,968	1,199,290	3,308,771	18,163,628
Restricted:					
Capital projects	298,288	-	-	-	298,288
Endowment - non-expendable	-	-	110,741	-	110,741
Total restricted	298,288	-	110,741	-	409,029
Unrestricted (deficit)	2,002	3,872,760	(313,269)	(871,565)	2,689,928
Total net position	$ 13,946,889	$ 3,881,728	$ 996,762	$ 2,437,206	$ 21,262,585

City of Redlands
Combining Statement of Revenues, Expenses, and Changes in Net Position
Non-Major Enterprise Funds
For the Year Ended June 30, 2024

	Groves Fund	Non-Potable Water Fund	Cemetery Fund	Aviation Fund	Total
OPERATING REVENUES:					
Charges for services	$ 845,420	$ 553,827	$ 947,465	$ 152,175	$ 2,498,887
Miscellaneous operating revenue	243,393	-	278,155	194,013	715,561
Total operating revenues	1,088,813	553,827	1,225,620	346,188	3,214,448
OPERATING EXPENSES:					
Salaries and benefits	164,107	96,046	702,836	204,623	1,167,612
General and administrative	1,066,996	435,507	420,874	235,618	2,158,995
Parts and supplies	175,141	-	156,872	47,898	379,911
Utilities	69,214	42,175	23,731	48,281	183,401
Depreciation/amortization	31,780	8,149	67,515	223,085	330,529
Total operating expenses	1,507,238	581,877	1,371,828	759,505	4,220,448
OPERATING INCOME (LOSS)	(418,425)	(28,050)	(146,208)	(413,317)	(1,006,000)
NONOPERATING REVENUES (EXPENSES):					
Investment income	16,434	205,590	194,746	28,207	444,977
Interest expense	(111)	-	(27,302)	(30,316)	(57,729)
Property taxes	-	-	-	104,411	104,411
Operating grants	-	-	-	49,550	49,550
Total nonoperating revenues (expenses)	16,323	205,590	167,444	151,852	541,209
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(402,102)	177,540	21,236	(261,465)	(464,791)
CAPITAL CONTRIBUTIONS AND TRANSFERS					
Capital contributions	-	139,006	-	-	139,006
Transfers in	406,357	-	-	-	406,357
Transfers out	-	(257,664)	-	-	(257,664)
Total capital contributions and transfers	406,357	(118,658)	-	-	287,699
Changes in net position	4,255	58,882	21,236	(261,465)	(177,092)
NET POSITION:					
Beginning of year	13,942,634	3,822,846	975,526	2,698,671	21,439,677
End of year	$ 13,946,889	$ 3,881,728	$ 996,762	$ 2,437,206	$ 21,262,585

City of Redlands
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the Year Ended June 30, 2024

	Groves Fund	Non-Potable Water Fund	Cemetery Fund	Aviation Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Cash received from customers	$ 908,020	$ 547,062	$ 1,045,810	$ 185,106	$ 2,685,998
Cash payments to suppliers for goods and services	(1,401,022)	(529,902)	(571,601)	(343,095)	(2,845,620)
Cash payments to employees for services	(180,453)	(87,903)	(594,458)	(159,496)	(1,022,310)
Receipts from other operating revenues	243,393	-	278,155	194,013	715,561
Net cash provided by (used in) operating activities	(430,062)	(70,743)	157,906	(123,472)	(466,371)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Operating grants	-	-	-	63,405	63,405
Property taxes	-	-	-	104,687	104,687
Advances from other funds	-	-	(126,045)	(29,684)	(155,729)
Transfers from other funds	406,357	-	-	-	406,357
Transfers to other funds	-	(257,664)	-	-	(257,664)
Net cash provided by (used in) noncapital financing activities	406,357	(257,664)	(126,045)	138,408	161,056
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Acquisition of capital assets	1	-	(131,176)	(1)	(131,176)
Cash contributions received from developers	-	139,006	-	-	139,006
Inception of lease liability	-	-	122,163	-	122,163
Principal payment of long-term debt	(6,867)	-	(48,571)	-	(55,438)
Interest paid on debt	(111)	-	(27,823)	(30,316)	(58,250)
Net cash provided by (used in) capital and related financing activities	(6,977)	139,006	(85,407)	(30,317)	16,305
CASH FLOWS FROM INVESTING ACTIVITIES:					
Investment income (loss)	14,406	189,550	180,295	27,013	411,264
Net cash provided by (used in) investing activities	14,406	189,550	180,295	27,013	411,264
Net change in cash and cash equivalents	(16,276)	149	126,749	11,632	122,254
CASH AND CASH EQUIVALENTS:					
Beginning of year	507,539	3,885,843	3,374,210	277,558	8,045,150
End of year	$ 491,263	$ 3,885,992	$ 3,500,959	$ 289,190	$ 8,167,404

(Continued)

City of Redlands
Combining Statement of Cash Flows (Continued)
Non-Major Enterprise Funds
For the Year Ended June 30, 2024

	Groves Fund	Non-Potable Water Fund	Cemetery Fund	Aviation Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:					
Operating income (loss)	$ (418,425)	$ (28,050)	$ (146,208)	$ (413,317)	$ (1,006,000)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation/amortization	31,780	8,149	67,515	223,085	330,529
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:					
Accounts receivable, net	62,600	(6,765)	20,343	24,937	101,115
Lease receivable	-	-	27,181	108,872	136,053
Deferred outflows - OPEB related	-	-	66,846	13,369	80,215
Deferred outflows - pension related	19,453	3,845	33,548	623	57,469
Accounts payable	(89,671)	(52,220)	29,876	(11,298)	(123,313)
Accrued payroll	258	3,111	7,625	2,531	13,525
Deposits payable	-	-	77,921	1,508	79,429
Unearned revenue	-	-	-	10,000	10,000
Compensated absences	1,545	905	6,619	1,927	10,996
Total OPEB liability	-	-	(147,382)	(29,476)	(176,858)
Net pension liability	(33,572)	2,101	11,533	31,118	11,180
Deferred inflows - lease related	-	-	(27,100)	(112,386)	(139,486)
Deferred inflows - OPEB related	-	-	144,667	28,933	173,600
Deferred inflows - pension related	(4,030)	(1,819)	(15,078)	(3,898)	(24,825)
Total adjustments	(11,637)	(42,693)	304,114	289,845	539,629
Net cash provided by (used in) operating activities	$ (430,062)	$ (70,743)	$ 157,906	$ (123,472)	$ (466,371)

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Internal Service Funds

General Liability Self-Insurance Fund - This fund is used to account for the City's self-insured general and automobile liability programs, which are provided to all City departments and funds.

Information Technology Fund - This fund is used to account for the general maintenance and service of all City computers and phone equipment provided to all City departments.

Workers' Compensation Self-Insurance Fund - This fund is used to account for the City's self-insured Workers' Compensation and General Safety Programs, which are provided to all City departments and funds.

Equipment Maintenance Fund - This fund is used to account for providing ongoing maintenance of all City vehicles and major equipment and to account for vehicle rental services to all City departments.

Utility Billing Fund - This fund is used to account for billing services costs provided for water, sewer, and solid waste.

Payroll Clearing Fund - This fund is used to account for the City's reoccurring payroll obligations.

City of Redlands
Combining Statement of Net Position
All Internal Service Funds
June 30, 2024

	General Liability Self-Insurance Fund	Workers' Compensation Self-Insurance Fund	Information Technology Fund	Equipment Maintenance Fund
ASSETS				
Current assets:				
Cash and investments	$ 746,512	$ 4,814,720	$ 7,764,691	$ 6,085,549
Accounts receivable, net	740,778	-	-	57,234
Interest receivable	3,081	19,874	32,050	25,119
Prepaid items	398	-	198,681	764
Inventories	-	-	-	104,416
Total current assets	1,490,769	4,834,594	7,995,422	6,273,082
Noncurrent assets:				
Capital assets:				
Depreciable, net	-	-	666,982	244,031
Total capital assets	-	-	666,982	244,031
Total noncurrent assets	-	-	666,982	244,031
Total assets	1,490,769	4,834,594	8,662,404	6,517,113
DEFERRED OUTFLOW OF RESOURCES				
Related to OPEB	88,127	88,127	919,756	416,249
Related to pensions	110,795	282,026	714,094	329,596
Total deferred outflow of resources	198,922	370,153	1,633,850	745,845
LIABILITIES				
Current liabilities:				
Accounts payable	148,933	-	181,969	981,389
Accrued payroll	18,089	34,042	136,311	61,466
Compensated absences - due within one year	3,068	6,971	98,349	39,162
Claims payable - due within one year	2,200,276	5,516,461	-	-
Long-term debt - due within one year	-	-	55,044	14,723
Total current liabilities	2,370,366	5,557,474	471,673	1,096,740
Noncurrent liabilities:				
Compensated absences - due in more than one year	3,068	6,971	98,349	39,162
Claims payable - due in more than one year	2,200,276	5,516,460	-	-
Long term debt - due in more than one year	-	-	-	44,714
Total OPEB liability	311,933	221,986	2,769,644	1,585,300
Net pension liability	387,277	985,803	2,496,064	1,152,080
Total noncurrent liabilities	2,902,554	6,731,220	5,364,057	2,821,256
Total liabilities	5,272,920	12,288,694	5,835,730	3,917,996
DEFERRED INFLOWS OF RESOURCES				
Related to OPEB	130,692	130,692	1,949,839	655,593
Total deferred inflows of resources	130,692	130,692	1,949,839	655,593
NET POSITION				
Net Investment in capital assets	-	-	666,982	244,031
Unrestricted (deficit)	(3,713,921)	(7,214,639)	1,843,703	2,445,338
Total net position (deficit)	$ (3,713,921)	$ (7,214,639)	$ 2,510,685	$ 2,689,369

(Continued)

City of Redlands
Combining Statement of Net Position (Continued)
All Internal Service Funds
June 30, 2024

	Utility Billing Fund	Payroll Clearing Fund	Total
ASSETS			
Current assets:			
Cash and investments	$ 2,685,948	$ 629,034	$ 22,726,454
Accounts receivable, net	3,746	-	801,758
Interest receivable	11,087	-	91,211
Prepaid items	-	32,207	232,050
Inventories	-	-	104,416
Total current assets	2,700,781	661,241	23,955,889
Noncurrent assets:			
Capital assets:			
Depreciable, net	49,145	-	960,158
Total capital assets	49,145	-	960,158
Total noncurrent assets	49,145	-	960,158
Total assets	2,749,926	661,241	24,916,047
DEFERRED OUTFLOW OF RESOURCES			
Related to OPEB	985,252	-	2,497,511
Related to pensions	506,231	-	1,942,742
Total deferred outflow of resources	1,491,483	-	4,440,253
LIABILITIES			
Current liabilities:			
Accounts payable	11,956	5,759	1,330,006
Accrued payroll	82,336	582,581	914,825
Compensated absences - due within one year	87,578	-	235,128
Claims payable - due within one year	-	-	7,716,737
Long-term debt - due within one year	-	-	69,767
Total current liabilities	181,870	588,340	10,266,463
Noncurrent liabilities:			
Compensated absences - due in more than one year	87,577	-	235,127
Claims payable - due in more than one year	-	-	7,716,736
Long term debt - due in more than one year	-	-	44,714
Total OPEB liability	2,677,273	-	7,566,136
Net pension liability	1,769,492	-	6,790,716
Total noncurrent liabilities	4,534,342	-	22,353,429
Total liabilities	4,716,212	588,340	32,619,892
DEFERRED INFLOWS OF RESOURCES			
Related to OPEB	1,815,217	-	4,682,033
Total deferred inflows of resources	1,815,217	-	4,682,033
NET POSITION			
Net Investment in capital assets	49,145	-	960,158
Unrestricted (deficit)	(2,339,165)	72,901	(8,905,783)
Total net position (deficit)	$ (2,290,020)	$ 72,901	$ (7,945,625)

(Concluded)

City of Redlands
Combining Statement of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2024

	General Liability Self-Insurance Fund	Workers' Compensation Self-Insurance Fund	Information Technology Fund	Equipment Maintenance Fund
OPERATING REVENUES:				
Charges for services	$ -	$ 3,272,153	$ 6,974,774	$ 8,435,670
Miscellaneous operating revenue	747,279	52,985	-	-
Total operating revenues	747,279	3,325,138	6,974,774	8,435,670
OPERATING EXPENSES:				
Salaries and benefits	353,815	948,774	2,121,802	1,112,117
General and administrative	5,054,556	1,541,386	1,995,073	1,004,380
Parts and supplies	62	6,431	73,508	6,120,678
Utilities	1,231	-	331,888	6,249
Depreciation/amortization	-	-	490,703	49,853
Total operating expenses	5,409,664	2,496,591	5,012,974	8,293,277
OPERATING INCOME (LOSS)	(4,662,385)	828,547	1,961,800	142,393
NONOPERATING REVENUES (EXPENSES):				
Investment income (loss)	(225,342)	200,165	253,459	263,902
Interest expense	-	-	(5,549)	(44)
Total nonoperating revenues (expenses)	(225,342)	200,165	247,910	263,858
INCOME (LOSS) BEFORE TRANSFERS	(4,887,727)	1,028,712	2,209,710	406,251
TRANSFERS:				
Transfers in	6,151,403	-	-	-
Transfers out	-	-	-	(36,297)
Total transfers	6,151,403	-	-	(36,297)
Changes in net position	1,263,676	1,028,712	2,209,710	369,954
NET POSITION (DEFICIT):				
Beginning of year	(4,977,597)	(8,243,351)	300,975	2,319,415
End of year	$ (3,713,921)	$ (7,214,639)	$ 2,510,685	$ 2,689,369

(Continued)

City of Redlands
Combining Statement of Revenues, Expenses, and Changes in Net Position (Continued)
All Internal Service Funds
For the Year Ended June 30, 2024

	Utility Billing Fund	Payroll Clearing Fund	Total
OPERATING REVENUES:			
Charges for services	$ 2,239,166	$ 372,251	$ 21,294,014
Miscellaneous operating revenue	35,940	-	836,204
Total operating revenues	2,275,106	372,251	22,130,218
OPERATING EXPENSES:			
Salaries and benefits	1,351,516	-	5,888,024
General and administrative	674,899	-	10,270,294
Parts and supplies	20,222	-	6,220,901
Utilities	843	-	340,211
Depreciation/amortization	9,829	-	550,385
Total operating expenses	2,057,309	-	23,269,815
OPERATING INCOME (LOSS)	217,797	372,251	(1,139,597)
NONOPERATING REVENUES (EXPENSES):			
Investment income (loss)	653,974	-	1,146,158
Interest expense	-	-	(5,593)
Total nonoperating revenues (expenses)	653,974	-	1,140,565
INCOME (LOSS) BEFORE TRANSFERS	871,771	372,251	968
TRANSFERS:			
Transfers in	-	-	6,151,403
Transfers out	-	(372,251)	(408,548)
Total transfers	-	(372,251)	5,742,855
Changes in net position	871,771	-	5,743,823
NET POSITION (DEFICIT):			
Beginning of year	(3,161,791)	72,901	(13,689,448)
End of year	$ (2,290,020)	$ 72,901	$ (7,945,625)

(Concluded)

City of Redlands
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2024

	General Liability Self-Insurance Fund	Workers' Compensation Self-Insurance Fund	Information Technology Fund	Equipment Maintenance Fund
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	$ (740,778)	$ 3,272,153	$ 6,974,774	$ 8,433,663
Cash payments to suppliers for goods and services	(4,920,862)	(1,735,420)	(2,414,117)	(7,186,810)
Cash payments to employees for services	(262,107)	(813,697)	(1,606,029)	(846,120)
Receipts from other operating activities	747,279	52,985	-	-
Net cash provided by (used in) operating activities	(5,176,468)	776,021	2,954,628	400,733
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Transfers from other funds	6,151,403	-	-	-
Transfers to other funds	-	-	-	(36,297)
Net cash provided by (used in) noncapital financing activities	6,151,403	-	-	(36,297)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	-	-	(263,659)	(101,307)
Inception of lease liability	-	-	-	55,274
Principal payment of long-term debt	-	-	(130,385)	(7,107)
Interest paid on debt	-	-	(5,549)	(44)
Net cash (used in) capital and related financing activities	-	-	(399,593)	(53,184)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income (loss)	(228,423)	180,291	221,409	238,783
Net cash provided by (used in) investing activities	(228,423)	180,291	221,409	238,783
Net change in cash and cash equivalents	746,512	956,312	2,776,444	550,035
CASH AND CASH EQUIVALENTS:				
Beginning of year	-	3,858,408	4,988,247	5,535,514
End of year	$ 746,512	$ 4,814,720	$ 7,764,691	$ 6,085,549

(Continued)

City of Redlands
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2024

	General Liability Self-Insurance Fund	Workers' Compensation Self-Insurance Fund	Information Technology Fund	Equipment Maintenance Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	$ (4,662,385)	$ 828,547	$ 1,961,800	$ 142,393
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation/amortization	-	-	490,703	49,853
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	(740,778)	-	-	(2,007)
Prepaid items	(398)	-	(39,079)	(764)
Inventories	-	-	-	(10,162)
Deferred outflows - OPEB related	13,369	13,369	213,908	66,846
Deferred outflows -pension related	(11,215)	2,656	26,926	(11,651)
Accounts payable	41,726	(1,524)	25,431	(44,577)
Accrued payroll	7,049	4,117	56,277	32,957
Compensated absences	3,332	8,936	19,984	10,477
Claims payable	93,659	(186,079)	-	-
Total OPEB liability	(29,476)	(29,476)	(471,624)	(147,382)
Net pension liability	85,088	121,899	247,343	187,234
Deferred inflows - OPEB related	28,933	28,933	462,933	144,667
Deferred inflows - pension related	(5,372)	(15,357)	(39,974)	(17,151)
Total adjustments	(514,083)	(52,526)	992,828	258,340
Net cash provided by (used in) operating activities	$ (5,176,468)	$ 776,021	$ 2,954,628	$ 400,733

(Continued)

City of Redlands
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2024

	Utility Billing Fund	Payroll Clearing Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	$ 2,238,530	$ 372,251	$ 20,550,593
Cash payments to suppliers for goods and services	(687,753)	(27,108)	(16,972,070)
Cash payments to employees for services	(1,110,276)	116,229	(4,522,000)
Receipts from other operating activities	35,940	-	836,204
Net cash provided by (used in) operating activities	476,441	461,372	(107,273)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Transfers from other funds	-	-	6,151,403
Transfers to other funds	-	(372,251)	(408,548)
Net cash provided by (used in) noncapital financing activities	-	(372,251)	5,742,855
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(32,893)	-	(397,859)
Inception of lease liability	-	-	55,274
Principal payment of long-term debt	-	-	(137,492)
Interest paid on debt	-	-	(5,593)
Net cash (used in) capital and related financing activities	(32,893)	-	(485,670)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income (loss)	642,887	-	1,054,947
Net cash provided by (used in) investing activities	642,887	-	1,054,947
Net change in cash and cash equivalents	1,086,435	89,121	6,204,859
CASH AND CASH EQUIVALENTS:			
Beginning of year	1,599,513	539,913	16,521,595
End of year	$ 2,685,948	$ 629,034	$ 22,726,454

(Continued)

City of Redlands
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2024

	Utility Billing Fund	Payroll Clearing Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss)	$ 217,797	$ 372,251	$ (1,139,597)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation/amortization	9,829	-	550,385
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	(636)	-	(743,421)
Prepaid items	7,813	(32,207)	(64,635)
Inventories	-	-	(10,162)
Deferred outflows - OPEB related	200,539	-	508,031
Deferred outflows -pension related	91,548	-	98,264
Accounts payable	398	5,099	26,553
Accrued payroll	21,364	116,229	237,993
Compensated absences	12,728	-	55,457
Claims payable	-	-	(92,420)
Total OPEB liability	(442,147)	-	(1,120,105)
Net pension liability	(44,545)	-	597,019
Deferred inflows - OPEB related	434,000	-	1,099,466
Deferred inflows - pension related	(32,247)	-	(110,101)
Total adjustments	258,644	89,121	1,032,324
Net cash provided by (used in) operating activities	$ 476,441	$ 461,372	$ (107,273)

(Concluded)

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STATISTICAL SECTION
(UNAUDITED)

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CITY OF REDLANDS - STATISTICAL SECTION

This part of the City of Redlands's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

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Financial Trends - These schedules contain trend information to help the reader understand how the City of Ridgecrest's financial performance and well being have changed over time**.**

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Sources: Unless otherwise noted, the information in these schedules is derived from the City's annual comprehensive financial reports for the relevant year

City of Redlands
Schedule 1
Net Position by Component
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Years				
	2024	2023	2022	2021	2020
Governmental activities					
Net investment in capital assets,	$ 629,390,358	$ 590,288,015	$ 537,558,597	$ 481,259,666	$ 473,042,917
Restricted	26,403,823	13,385,123	11,326,983	14,059,449	17,346,674
Unrestricted (deficit)	(97,862,236)	(88,121,189)	(114,273,699)	(143,979,153)	(154,157,129)
Total governmental activities net position	$ 557,931,945	$ 515,551,949	$ 434,611,881	$ 351,339,962	$ 336,232,462
Business type activities					
Net investment in capital assets	$ 196,064,177	$ 190,475,232	$ 183,665,229	$ 167,349,714	$ 165,453,760
Restricted	19,763,252	16,677,323	16,677,323	18,031,654	23,794,167
Unrestricted	8,113,449	18,287,832	20,522,584	25,405,456	10,901,482
Total business type activities net position	$ 223,940,878	$ 225,440,387	$ 220,865,136	$ 210,786,824	$ 200,149,409
Primary government					
Net investment in capital assets	$ 825,454,535	$ 780,763,247	$ 721,223,826	$ 648,609,380	$ 638,496,677
Restricted	46,167,075	30,062,446	28,004,306	32,091,103	41,140,841
Unrestricted (deficit)	(89,748,787)	(69,833,357)	(93,751,115)	(118,573,697)	(143,255,647)
Total primary government net position	$ 781,872,823	$ 740,992,336	$ 655,477,017	$ 562,126,786	$ 536,381,871

NOTE:

(1) The City of Redlands implemented GASB 68 for the fiscal year ended June 30, 2015.
The Unrestricted Net Position was affected adversely by this Statement in order to reflect net pension liability.

(2) The City of Redlands implemented GASB 75 for the fiscal year ended June 30, 2018.
The Unrestricted Net Position was affected adversely by this Statement in order to reflect unamortized OPEB Liability.
It is anticipated that GASB 75 will expose this fund balance category to more fluctuations in the future as a result of immediate recognition of certain items (e.g. plan changes).

(3) Beginning in FY 2019, the City changed its methodology to account for Right of Way. This adversely affected net position, causing a restatement of assets. More information is provided in Management's Discussion and Analysis.

(4) The significant variance in net position invested in capital assets for Governmental Activities is due to a large increase in the amount of right-of-way added as well as a significant increase in the assigned value based on the City's revised valuation methodology. More information is available in Management's Discussion and Analysis.

City of Redlands
Schedule 1
Net Position by Component (Continued)
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Years				
	2019	2018	2017	2016	2015
Governmental activities					
Net investment in capital assets	$ 443,551,078	$ 655,044,577	$ 642,109,428	$ 622,119,006	$ 625,683,667
Restricted	15,676,686	20,499,351	11,100,669	15,258,535	15,584,054
Unrestricted (deficit)	(148,411,538)	(148,371,437)	(93,361,330)	(81,795,361)	(81,181,952)
Total governmental activities net position	$ 310,816,226	$ 527,172,491	$ 559,848,767	555,582,180	560,085,769
Business type activities					
Net investment in capital assets	$ 150,997,528	$ 150,228,905	$ 149,771,777	$ 163,565,980	$ 154,904,203
Restricted	26,162,608	17,516,341	17,399,398	3,702,600	4,671,097
Unrestricted	6,544,230	117,617	12,757,392	13,253,120	22,953,122
Total business type activities net position	$ 183,704,366	$ 167,862,863	$ 179,928,567	$ 180,521,700	$ 182,528,422
Primary government					
Net investment in capital assets	$ 594,548,606	$ 805,273,482	$ 791,881,205	$ 785,684,986	$ 780,587,870
Restricted	41,839,294	38,015,692	28,500,067	18,961,135	20,255,151
Unrestricted (deficit)	(141,867,308)	(148,253,820)	(80,603,938)	(68,542,241)	(58,228,830)
Total primary government net position	$ 494,520,592	$ 695,035,354	$ 739,777,334	$ 736,103,880	$ 742,614,191

NOTE:

(1) The City of Redlands implemented GASB 68 for the fiscal year ended June 30, 2015.
The Unrestricted Net Position was affected adversely by this Statement in order to reflect net pension liability.

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The Unrestricted Net Position was affected adversely by this Statement in order to reflect unamortized OPEB Liability.
It is anticipated that GASB 75 will expose this fund balance category to more fluctuations in the future as a result of immediate recognition of certain items (e.g. plan changes).

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(4) The significant variance in net position invested in capital assets for Governmental Activities is due to a large increase in the amount of right-of-way added as well as a significant increase in the assigned value based on the City's revised valuation methodology. More information is available in Management's Discussion and Analysis.

City of Redlands
Schedule 2
Changes in Net Position
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Years				
	2024	2023	2022	2021	2020[4]
Expenses					
Governmental activities:					
General government	$ 42,250,996	$ 28,913,048	$ 26,157,407	$ 18,717,217	$ 16,211,056
Public protection	70,359,582	48,272,159	61,325,651	57,395,655	57,656,302
Culture and recreation	9,900,700	9,123,335	6,902,767	4,250,967	5,227,381
Highway and streets	13,911,149	12,081,743	9,754,750	11,057,940	4,060,779
Library	4,068,345	3,557,350	2,754,340	2,792,316	2,921,245
Interest and fiscal charges	679,186	792,780	738,561	888,750	994,894
Total governmental activities expenses	141,169,958	102,740,415	107,633,477	95,102,845	87,071,657
Business type activities:					
Water	30,614,235	26,729,160	26,535,646	23,411,564	22,719,142
Disposal	22,954,172	17,755,193	15,637,376	15,026,409	15,194,462
Wastewater (Sewer)	16,143,743	13,554,178	11,764,304	12,077,904	11,242,914
Groves	1,507,349	1,880,763	1,146,879	991,602	845,498
Non-Potable Water	581,877	563,123	956,768	677,088	249,911
Cemetery	1,399,130	1,441,652	958,443	1,119,999	1,049,876
Aviation	789,821	819,188	715,647	582,770	637,012
Total business type activities expenses	73,990,327	62,743,257	57,715,063	53,887,336	51,938,815
Total primary government expenses	$ 215,160,285	$ 165,483,672	$ 165,348,540	$ 148,990,181	$ 139,010,472
Program Revenues					
Governmental activities:					
Charges for services:					
General government	$ 16,010,783	$ 15,681,682	$ 15,368,391	$ 13,967,066	$ 11,482,417
Public safety	965,128	932,542	744,389	669,155	1,769,514
Culture and recreation	641,939	421,867	748,377	261,090	291,801
Highway and streets	375,497	332,187	355,465	350,025	2,311,254
Library	20,721	83,541	118,701	418,298	120,623
Operating grants and contributions	14,227,777	5,158,328	4,223,681	3,941,740	2,995,658
Capital grants and contributions	38,207,775	53,471,990	28,433,466	11,372,774	32,104,508
Total governmental activities program revenues	70,449,620	76,082,137	49,992,470	30,980,148	51,075,775
Business type activities:					
Charges for services:					
Water	27,009,859	27,080,827	30,131,495	31,217,602	28,014,723
Disposal	20,764,912	20,313,945	21,066,272	19,009,933	18,566,965
Wastewater (Sewer)	13,144,186	12,465,052	11,998,633	10,124,426	10,154,451
Groves	845,420	1,681,761	863,303	684,782	481,632
Non-Potable Water	553,827	618,839	641,340	629,395	484,262
Cemetery	947,465	986,715	1,139,982	1,258,104	926,398
Aviation	152,175	136,727	135,480	125,857	133,262
Operating grants and contributions	114,117	385,895	631,695	20,125	55,371
Capital grants and contributions	3,867,244	4,010,635	6,134,627	2,840,765	6,800,041
Total business type activities program revenues	67,399,205	67,680,396	72,742,827	65,910,989	65,617,105
Total primary government program revenues	$ 137,848,825	$ 143,762,533	$ 122,735,297	$ 96,891,137	$ 116,692,880
Net (Expense)/Revenue					
Governmental activities	(70,720,338)	(26,658,278)	(57,641,007)	(64,122,697)	(35,995,882)
Business type activities	(6,591,122)	4,937,139	15,027,764	12,023,653	13,678,290
Total primary government net expense	$ (77,311,460)	$ (21,721,139)	$ (42,613,243)	$ (52,099,044)	$ (22,317,592)

City of Redlands
Schedule 2
Changes in Net Position (Continued)
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Years				
	2019[3]	2018[2]	2017	2016	2015[1]
Expenses					
Governmental activities:					
General government	$ 16,210,304	$ 12,394,000	$ 14,391,456	$ 16,235,478	$ 10,229,535
Public protection	53,095,381	32,240,549	43,263,363	42,097,211	40,920,668
Culture and recreation	4,783,803	4,748,841	4,086,880	3,542,242	3,554,720
Highway and streets	10,183,231	12,854,490	11,271,259	15,594,075	12,043,276
Library	2,537,698	2,000,613	2,304,552	2,023,972	1,929,752
Interest and fiscal charges	683,446	834,297	936,132	1,123,871	1,297,837
Total governmental activities expenses	87,493,863	65,072,790	76,253,642	80,616,849	69,975,788
Business type activities:					
Water	20,857,656	20,369,100	20,514,340	21,635,151	19,556,198
Disposal	16,162,875	12,877,703	12,274,583	12,172,640	12,201,957
Wastewater (Sewer)	9,926,236	8,851,848	8,979,254	8,956,871	8,030,897
Groves	849,678	788,554	742,740	841,529	689,839
Non-Potable Water	116,759	125,323	434,912	81,152	73,383
Cemetery	936,535	861,109	75,761	1,304,891	681,223
Aviation	617,285	466,972	785,348	609,088	333,061
Total business type activities expenses	49,467,024	44,340,609	43,806,938	45,601,322	41,566,558
Total primary government expenses	$ 136,960,887	$ 109,413,399	$ 120,060,580	$ 126,218,171	$ 111,542,346
Program Revenues					
Governmental activities:					
Charges for services:					
General government	$ 11,151,187	$ 10,811,937	$ 10,144,231	$ 9,270,657	$ 10,625,356
Public safety	2,711,769	3,076,343	2,696,810	3,403,559	1,975,667
Culture and recreation	310,780	303,222	719,642	286,315	295,199
Highway and streets	2,322,468	1,895,996	1,361,187	1,205,141	1,681,146
Library	131,338	131,408	125,052	33,098	33,270
Operating grants and contributions	1,867,228	4,469,962	2,911,259	5,596,864	8,607,394
Capital grants and contributions	7,083,735	4,533,292	2,257,370	1,346,021	4,666,849
Total governmental activities program revenues	25,578,505	25,222,160	20,215,551	21,141,655	27,884,881
Business type activities:					
Charges for services:					
Water	28,053,989	27,030,979	22,479,655	18,873,106	22,217,588
Disposal	17,159,911	15,110,821	13,657,953	13,504,267	12,887,067
Wastewater (Sewer)	10,229,449	9,611,197	9,340,274	9,531,484	9,688,884
Groves	930,738	741,397	700,334	507,914	798,577
Non-Potable Water	528,296	638,313	83,905	508,556	499,211
Cemetery	555,256	745,347	514,015	461,997	349,472
Aviation	120,087	127,233	575,846	15,214	16,472
Operating grants and contributions	56,555	-	-	-	180,000
Capital grants and contributions	5,450,817	347,871	816,777	392,189	4,593,429
Total business type activities program revenues	63,085,098	54,353,158	48,168,759	43,794,727	51,230,700
Total primary government program revenues	$ 88,663,603	$ 79,575,318	$ 68,384,310	$ 64,936,382	$ 79,115,581
Net (Expense)/Revenue					
Governmental activities	(61,915,358)	(39,850,630)	(56,038,091)	(59,475,194)	(42,090,907)
Business type activities	13,618,074	10,012,549	4,361,821	(1,806,595)	9,664,142
Total primary government net expense	$ (48,297,284)	$ (29,838,081)	$ (51,676,270)	$ (61,281,789)	$ (32,426,765)

City of Redlands
Schedule 2
Changes in Net Position (Continued)
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Years				
	2024	2023	2022	2021	2020[4]
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	$ 42,883,738	$ 40,372,312	$ 37,769,495	$ 35,722,886	$ 33,743,135
Sales and taxes	47,629,644	48,632,853	48,232,171	26,541,469	17,510,274
Franchises taxes	4,471,469	4,487,821	2,625,852	2,379,571	2,369,348
Other taxes	2,676,553	3,109,696	2,706,919	2,462,019	2,031,015
Investment income (loss)	9,235,054	2,757,278	(1,546,892)	282,836	1,869,008
Intergovernmental (unrestricted)	852,762	572,685	1,308,520	1,455,573	167,157
Miscellaneous revenue	2,523,968	4,734,390	1,689,391	3,064,706	1,865,686
Transfers	2,827,146	2,742,192	48,127,470	3,660,469	1,856,495
Total governmental activities	113,100,334	107,409,227	140,912,926	75,569,529	61,412,118
Business type activities:					
Property taxes	104,411	96,621	73,337	79,616	81,098
Investment income (loss)	5,841,165	1,123,030	(2,746,746)	557,392	3,214,540
Miscellaneous revenue	1,973,183	1,107,435	1,208,057	1,637,223	1,327,610
Gain on sale of capital assets	-	-	44,643,370	-	-
Transfers	(2,827,146)	(2,742,192)	(48,127,470)	(3,660,469)	(1,856,495)
Total business type activities	5,091,613	(415,106)	(4,949,452)	(1,386,238)	2,766,753
Total primary government	$ 118,191,947	$ 106,994,121	$ 135,963,474	$ 74,183,291	$ 64,178,871
Change in Net Position					
Governmental activities	$ 42,379,996	$ 80,750,949	$ 83,271,919	$ 11,446,832	$ 25,416,236
Business type activities	(1,499,509)	4,522,033	10,078,312	10,637,415	16,445,043
Total primary government	$ 40,880,487	$ 85,272,982	$ 93,350,231	$ 22,084,247	$ 41,861,279

NOTE:

(1) The City of Redlands implemented GASB 68 for the fiscal year ended June 30, 2015.
The Unrestricted Net Position was affected adversely by this Statement in order to reflect net pension liability.

(2) The City of Redlands implemented GASB 75 for the fiscal year ended June 30, 2018.
The Unrestricted Net Position was affected adversely by this Statement in order to reflect unamortized OPEB Liability.
It is anticipated that GASB 75 will expose this fund balance category to more fluctuations in the future as a result of immediate recognition of certain items (e.g. plan changes).

(3) Beginning in FY 2019, the City changed its methodology to account for Right of Way. This adversely affected net position, causing a restatement of assets. More information is provided in Management's Discussion and Analysis.

(4) The significant variance in the change in net position for Governmental Activities is due to a large decrease in the prior year 'to account for a revised right-of-way valuation methodology that had an adverse affect on net position, followed by a significant 'increase in right-of-way value added. More information is available in Management's Discussion and Analysis.

City of Redlands
Schedule 2
Changes in Net Position (Continued)
Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Years				
	2019[3]	2018[2]	2017	2016	2015[1]
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	$ 31,833,632	$ 30,067,473	$ 28,173,741	$ 26,424,395	$ 25,157,824
Sales and taxes	18,838,445	17,177,492	16,843,090	18,344,596	16,040,049
Franchises taxes	2,221,789	3,224,053	3,035,317	3,079,571	3,735,682
Other taxes	2,061,674	1,907,344	1,977,985	1,792,527	1,681,618
Investment income (loss)	2,421,036	206,304	212,991	800,889	467,427
Intergovernmental (unrestricted)	187,586	195,866	196,602	234,787	424,385
Miscellaneous revenue	1,498,562	1,689,135	7,331,734	1,105,258	1,035,134
Transfers	2,943,934	8,243,110	2,500,914	4,486,199	16,113,690
Total governmental activities	62,006,658	62,710,777	60,272,374	56,268,222	64,655,809
Business type activities:					
Property taxes	85,928	66,263	40,199	38,109	35,225
Investment income (loss)	3,310,733	509,882	500,783	1,335,997	921,859
Miscellaneous revenue	1,770,702	2,457,912	4,627,943	2,911,966	1,152,177
Gain on sale of capital assets	-	-	-	-	4,840
Transfers	(2,943,934)	(8,243,110)	(2,500,914)	(4,486,199)	(16,113,690)
Total business type activities	2,223,429	(5,209,053)	2,668,011	(200,127)	(13,999,589)
Total primary government	$ 64,230,087	$ 57,501,724	$ 62,940,385	$ 56,068,095	$ 50,656,220
Change in Net Position					
Governmental activities	$ 91,300	$ 22,860,147	$ 4,234,283	$ (3,206,972)	$ 22,564,902
Business type activities	15,841,503	4,803,496	7,029,832	(2,006,722)	(4,335,447)
Total primary government	$ 15,932,803	$ 27,663,643	$ 11,264,115	$ (5,213,694)	$ 18,229,455

NOTE:

(1) The City of Redlands implemented GASB 68 for the fiscal year ended June 30, 2015.
The Unrestricted Net Position was affected adversely by this Statement in order to reflect net pension liability.

(2) The City of Redlands implemented GASB 75 for the fiscal year ended June 30, 2018.
The Unrestricted Net Position was affected adversely by this Statement in order to reflect unamortized OPEB Liability.
It is anticipated that GASB 75 will expose this fund balance category to more fluctuations in the future as a result of immediate recognition of certain items (e.g. plan changes).

(3) Beginning in FY 2019, the City changed its methodology to account for Right of Way. This adversely affected net position, causing a restatement of assets. More information is provided in Management's Discussion and Analysis.

(4) The significant variance in the change in net position for Governmental Activities is due to a large decrease in the prior year 'to account for a revised right-of-way valuation methodology that had an adverse affect on net position, followed by a significant 'increase in right-of-way value added. More information is available in Management's Discussion and Analysis.

City of Redlands
Schedule 3
Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Years				
	2024	2023	2022[2]	2021	2020
General fund					
Nonspendable	$ 3,513,932	$ 8,214,591	$ 8,369,652	$ 8,327,781	$ 8,469,766
Restricted	1,333,444	1,260,683	1,157,866	1,076,656	1,058,540
Committed	12,232,036	12,492,698	12,663,905	11,863,318	8,285,676
Assigned	33,591,308	35,700,799	31,734,961	4,188,185	3,901,788
Unassigned	60,505,969	53,289,070	39,513,840	29,877,229	19,000,734
Total general fund	111,176,689	110,957,841	93,440,224	55,333,169	40,716,504
All other governmental funds					
Nonspendable	293,319	574,827	43,400	30,200	104,242
Restricted	24,458,555	11,961,583	9,980,754	13,024,622	16,266,437
Committed	-	11,893,350	11,409,016	10,748,915	11,048,266
Assigned	2,764,922	2,325,558	2,560,682	2,742,004	1,463,122
Unassigned (deficit)	(240,244)	(8,448,957)	(6,610,754)	(7,558,978)	(7,740,144)
Total all other governmental fund	27,276,552	18,306,361	17,383,098	18,986,763	21,141,923
TOTAL FUND BALANCES	$ 138,453,241	$ 129,264,202	$ 110,823,322	$ 74,319,932	$ 61,858,427

(1) The City of Redlands implemented GASB 68 for the fiscal year ended June 30, 2015.

(2) The City passed a one-cent sales tax which added significant revenue over budget forecasts, additionally $7.1 million in unspent appropriations were carried over to the following fiscal year. Lastly the City implemented GASB 84 to recognize special deposits from another fund in the General Fund as committed fund balance.

City of Redlands
Schedule 3
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Years				
	2019	2018	2017	2016	2015[1]
General fund					
Nonspendable	$ 8,707,654	$ 8,734,646	$ 8,517,994	$ 8,324,472	$ 7,481,159
Restricted	1,104,848	1,057,918	-	-	-
Committed	8,285,676	8,285,676	8,122,332	8,122,332	7,935,152
Assigned	3,894,566	4,063,636	2,130,916	2,267,840	1,883,794
Unassigned	17,654,773	13,592,754	13,927,733	13,454,147	14,510,450
Total general fund	75,382,147	35,734,630	32,698,975	32,168,791	31,810,555
All other governmental funds					
Nonspendable	123,682	123,661	2,539,567	-	327,340
Restricted	14,541,638	19,321,372	9,563,703	15,258,535	15,584,054
Committed	9,738,292	8,441,919	8,013,248	7,212,199	6,698,593
Assigned	1,480,036	1,204,854	3,419,978	-	-
Unassigned (deficit)	(8,548,572)	(8,761,721)	(10,470,797)	(9,553,680)	(7,849,278)
Total all other governmental fund	17,335,076	20,330,085	13,065,699	12,917,054	14,760,709
TOTAL FUND BALANCES	$ 92,717,223	$ 56,064,715	$ 45,764,674	$ 45,085,845	$ 46,571,264

(1) The City of Redlands implemented GASB 68 for the fiscal year ended June 30, 2015.

(2) The City passed a one-cent sales tax which added significant revenue over budget forecasts, additionally $7.1 million in unspent appropriations were carried over to the following fiscal year. Lastly the City implemented GASB 84 to recognize special deposits from another fund in the General Fund as committed fund balance.

City of Redlands
Schedule 4
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Years				
	2024	2023	2022[2]	2021	2020
Revenues					
Taxes	$ 97,661,404	$ 97,890,204	$ 92,468,816	$ 68,307,527	$ 57,080,368
Licenses and permits	9,238,592	8,862,824	8,122,570	7,579,479	9,786,703
Intergovernmental	21,998,289	11,470,217	8,748,788	7,520,076	5,052,310
Charges for services	11,662,388	12,139,614	15,275,610	9,853,495	9,659,518
Use of money and property	6,916,285	482,019	(3,135,140)	248,353	1,659,740
Other miscellaneous	2,207,763	2,468,702	1,577,070	1,712,985	2,846,580
Total revenues	149,684,721	133,313,580	123,057,714	95,221,915	86,085,219
Expenditures					
Current:					
General government	36,952,522	25,336,594	23,345,899	16,897,961	14,842,765
Public safety	60,359,083	54,055,313	50,048,806	50,208,365	48,554,670
Culture and recreation	7,956,878	7,405,824	5,346,330	3,154,163	3,244,432
Highway and streets	6,513,304	5,851,214	4,491,032	4,657,068	6,998,840
Library	3,580,553	3,125,090	2,601,164	2,426,448	2,464,463
Capital outlay	23,894,085	14,328,396	47,887,675	11,067,756	4,819,364
Debt service:					
Principal	3,907,790	2,545,598	2,061,323	1,708,629	1,477,188
Interest and fiscal charges	630,463	851,968	612,391	488,363	548,472
Total expenditures	143,794,678	113,499,997	136,394,620	90,608,753	82,950,194
Excess of revenues over (under) expenditures	5,890,043	19,813,583	(13,336,906)	4,613,162	3,135,025
Other financing sources (uses)					
Proceeds from sale of property	-	-	-	1,425,889	89,657
Inception of finance purchase agreement	3,668,445	-	3,275,547	362,413	-
Inception of lease liability	2,546,260	384,011	196,119	-	-
Contributions to other governments	-	-	-	-	-
Transfers in	23,060,757	11,455,770	69,860,227	14,158,728	12,557,880
Transfers out	(25,976,466)	(13,212,484)	(23,491,596)	(11,759,357)	(10,906,728)
Total other financing sources (uses)	3,298,996	(1,372,703)	49,840,297	4,187,673	1,740,809
Net change in fund balances	$ 9,189,039	$ 18,440,880	$ 36,503,391	$ 8,800,835	$ 4,875,834
Restatements	$ -	$ -	$ -	$ 3,660,669	$ -
Debt service as a percentage of non-capital expenditures [1]	3.8%	3.4%	3.0%	2.8%	2.6%

NOTE:

[1] Calculated by dividing the sum of principal and interest by noncapital expenditures which are total expenditures less

a) capital outlay (to extent capitalized for the government-wide statements of net position; and

b) expenditures for capitalized assets contained within the functional expenditure categories.

[2] The City's tax revenue was bolstered by the passage of a new one-cent local sales tax and a favorable tax reallocation from its Amazon fulfillment center.

City of Redlands
Schedule 4
Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years (modified accrual basis of accounting)

	Fiscal Years				
	2019	2018	2017	2016	2015
Revenues					
Taxes	$ 56,188,843	$ 53,608,771	$ 51,196,332	$ 49,641,089	$ 46,615,173
Licenses and permits	9,363,446	8,249,522	8,482,996	7,321,567	11,582,473
Intergovernmental	4,290,382	4,029,164	4,266,267	3,637,854	5,602,252
Charges for services	9,912,278	8,100,020	7,484,890	7,469,738	7,283,095
Use of money and property	1,823,854	185,610	191,541	717,504	431,301
Other miscellaneous	1,930,916	4,866,979	3,958,621	3,785,796	1,900,979
Total revenues	83,509,719	79,040,066	75,580,647	72,573,548	73,415,273
Expenditures					
Current:					
General government	14,702,684	12,830,680	12,351,772	12,915,590	11,041,353
Public safety	45,514,084	45,246,205	42,755,811	40,337,356	37,891,668
Culture and recreation	3,286,739	2,870,721	2,611,210	2,481,223	2,791,661
Highway and streets	6,565,573	7,033,817	5,695,084	5,034,090	6,107,137
Library	2,158,580	1,989,717	1,942,607	1,909,442	1,824,593
Capital outlay	10,307,277	6,132,826	15,476,158	11,481,823	23,146,625
Debt service:					
Principal	2,688,630	3,043,767	3,115,653	3,947,223	3,701,474
Interest and fiscal charges	665,241	812,002	976,711	1,158,384	1,343,002
Total expenditures	85,888,808	79,959,735	84,925,006	79,265,131	87,847,513
Excess of revenues over (under) expenditures	(2,379,089)	(919,669)	(9,344,359)	(6,691,583)	(14,432,240)
Other financing sources (uses)					
Proceeds from sale of property	252,613	1,975,203	6,272,810	311,189	16,083
Inception of finance purchase agreement	-	-	-	-	-
Inception of lease liability	-	-	-	-	-
Contributions to other governments	-	-	-	-	(100,919)
Transfers in	16,569,439	19,326,814	15,430,085	15,911,839	29,941,931
Transfers out	(13,525,085)	(9,788,204)	(11,558,209)	(9,720,247)	(13,980,425)
Total other financing sources (uses)	3,296,967	11,513,813	10,144,686	6,502,781	15,876,670
Net change in fund balances	$ 917,878	$ 10,594,144	$ 800,327	$ (188,802)	$ 1,444,430
Restatements	$ -	$ -	$ -	$ -	$ -
Debt service as a percentage of non-capital expenditures [1]	4.4%	5.2%	5.9%	7.5%	8.1%

NOTE:

[1] Calculated by dividing the sum of principal and interest by noncapital expenditures which are total expenditures less

a) capital outlay (to extent capitalized for the government-wide statements of net position; and

b) expenditures for capitalized assets contained within the functional expenditure categories.

[2] The City's tax revenue was bolstered by the passage of a new one-cent local sales tax and a favorable tax reallocation from its Amazon fulfillment center.

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City of Redlands
Schedule 5
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Total Direct Tax Rate
2024	$ 12,812,282	$ 410,488	$ (68,251)	$ 13,154,519	$ 0.21758
2023	11,786,415	339,774	(70,106)	12,056,083	0.21821
2022	11,148,507	342,259	(72,875)	11,417,891	0.21869
2021	10,700,129	358,630	(73,396)	10,985,363	0.21864
2020	10,187,750	361,653	(74,204)	10,475,199	0.21874
2019	9,564,308	387,527	(74,744)	9,877,091	0.21877
2018	9,090,915	328,121	(76,265)	9,342,771	0.21877
2017	8,616,414	309,224	(76,808)	8,848,830	0.21877
2016	8,112,897	337,359	(74,030)	8,376,226	0.21877
2015	7,725,648	316,364	(75,033)	7,966,979	0.21913

NOTE:
In 1978, the voters of the State of California passed Proposition 13, which limited property taxes to a total minimum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed at the time that it is sold to a new owner. At that point, the new assessed value is re-assessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available, with respect to the actual market value of taxable property, and is subject to the limitations described above.
With the approval of ABX1 26, the State eliminated Redevelopment from the State of California for the Fiscal Year 2012/13 and years thereafter.

Source: San Bernardino County Assessor (via HdL, Coren & Cone)
California Municipal Statistics, Inc.
San Bernardino County Auditor-Controller - Property Tax Division

City of Redlands
Schedule 6
Assessed Value and Estimated Actual Value of Taxable Property by Major Type
Last Ten Fiscal Years

CATEGORY	Fiscal Years 2024	2023	2022	2021	2020
Residential	$ 8,504,880	$ 7,877,964	$ 7,407,486	$ 7,072,365	$ 6,708,893
Commercial	1,488,548	1,387,866	1,299,726	1,253,237	1,176,203
Industrial	1,723,267	1,444,607	1,361,167	1,326,479	1,253,275
Government	7,068	6,929	15,553	2,883	576
Institutional	21,037	22,473	21,841	20,405	18,506
Irrigated	27,649	29,799	25,897	27,275	28,199
Miscellaneous	60,190	45,389	36,104	37,025	33,513
Recreational	49,504	48,611	55,431	51,028	50,098
Vacant Land	276,303	264,095	270,853	222,964	232,018
SBE Nonunitary	626,016	634,683	654,449	686,469	686,469
Unsecured	438,308	363,771	360,182	358,629	361,653
Unknown	-	-	-	-	-
Total Assessed Value	13,222,770	12,126,187	11,508,689	11,058,759	10,549,403
Less: Exemptions	(68,251)	(70,106)	(72,875)	(73,396)	(74,204)
Taxable Assessed Value	13,154,519	12,056,081	11,435,814	10,985,363	10,475,199
Total Direct Rate	0.21758	0.21821	0.21755	0.21718	0.21732

NOTES:
Exempt values are not included in Total
In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: San Bernardino County Assessor (via HdL, Coren & Cone)

City of Redlands
Schedule 6
Assessed Value and Estimated Actual Value of Taxable Property by Major Type (Continued)
Last Ten Fiscal Years

CATEGORY	Fiscal Years 2019	2018	2017	2016	2015
Residential	$ 6,246,593	$ 5,935,215	$ 5,643,230	$ 5,355,614	$ 5,102,276
Commercial	1,085,468	1,040,344	988,145	959,063	941,128
Industrial	1,201,011	1,160,879	1,035,053	790,087	774,960
Government	548	522	513	505	1,478
Institutional	18,463	17,188	16,293	16,172	15,809
Irrigated	26,136	26,471	26,750	26,691	30,844
Miscellaneous	39,302	27,016	26,495	23,785	22,390
Recreational	49,887	49,678	32,808	32,520	31,962
Vacant Land	199,973	200,329	209,375	277,305	231,763
SBE Nonunitary	696,927	633,273	637,752	631,155	573,038
Unsecured	387,527	328,121	309,224	337,359	316,364
Unknown	-	-	-	-	-
Total Assessed Value	9,951,835	9,419,036	8,925,638	8,450,256	8,042,012
Less: Exemptions	(74,744)	(76,265)	(76,808)	(74,030)	(75,033)
Taxable Assessed Value	9,877,091	9,342,771	8,848,830	8,376,226	7,966,979
Total Direct Rate	0.21877	0.21877	0.21877	0.21877	0.21913

Source: HdL Coren Cone

City of Redlands
Schedule 7
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	Fiscal Year				
	2024	2023	2022	2021	2020
City Share of Basic Levy (1)	0.21878	0.21878	0.21878	0.21878	0.21878
Overlapping Rates: (2)					
County General Fund	0.14600	0.14600	0.14600	0.14600	0.14600
County Superintendent	0.00501	0.00750	0.00740	0.00740	0.00750
Inland Empire Joint Resource Conservation District	0.00050	0.00050	0.00050	0.00050	0.00050
Educational Revenue Augmentation Fund	0.22110	0.22110	0.22110	0.22110	0.22110
Flood Control Zone 3	0.02560	0.02560	0.02560	0.02560	0.02560
Flood Control Admin 3-6	0.00088	0.00088	0.00088	0.00088	0.00088
Redlands Unified	0.30160	0.30160	0.30160	0.30160	0.30160
San Bernardino Community College	0.05130	0.05130	0.05130	0.05130	0.05130
San Bernardino Valley Municipal Water	0.02640	0.02630	0.02640	0.02640	0.02630
San Bernardino Valley Water Conservation District	0.00044	0.00044	0.00044	0.00044	0.00044
Superintendent - Physically Handicapped	0.00197	-	-	-	-
Superintendent - Development Center	0.00052	-	-	-	-
Total Proposition 13 Rate	1.00000	1.00000	1.00000	1.00000	1.00000
Redlands Debt Service			-	-	-
Redlands Unified	0.03160	0.02790	0.06620	0.03600	0.03390
San Bernardino Community College	0.04520	0.04500	0.05340	0.06510	0.05620
San Bernardino Unified	0.06880	0.08780	0.10890	0.10340	0.09690
San Bernardino Valley Municipal Water	0.12000	0.13000	0.13000	0.14250	0.14250
Total Voter Approved Rate	0.26560	0.29070	0.35850	0.34700	0.32950
Total Direct and Overlapping Rate	1.26560	1.29070	1.35850	1.34700	1.32950
City Share of 1% Levy Per Prop 13 (3)	0.21878	0.21878	0.21878	0.21878	0.21878
Redlands Debt Service			-	-	-
City Direct Rate (4)	**0.21758**	**0.21821**	**0.21755**	**0.21718**	**0.21732**

NOTES:

(1) In 1978, California voters passed Proposition 13, which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies in which the subject property resides. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of various voter approved items.

(2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

(3) City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.

(4) Because basic and debt rates vary by tax rate area, individual rates cannot be summed. Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section.

Source: San Bernardino County Assessor (via HdL, Coren & Cone)

City of Redlands
Schedule 7
Direct and Overlapping Property Tax Rates (Continued)
Last Ten Fiscal Years

	Fiscal Year				
	2019	2018	2017	2016	2015
City Share of Basic Levy (1)	0.21878	0.21878	0.21878	0.21878	0.21878
Overlapping Rates: (2)					
County General Fund	0.14600	0.14600	0.14600	0.14600	0.14600
County Superintendent	0.00750	0.00750	0.00750	0.00750	0.00750
Inland Empire Joint Resource Conservation District	0.00050	0.00050	0.00050	0.00050	0.00050
Educational Revenue Augmentation Fund	0.22110	0.22110	0.22110	0.22110	0.22110
Flood Control Zone 3	0.02560	0.02560	0.02560	0.02560	0.02560
Flood Control Zone 8	0.00088	0.00088	0.00088	0.00088	0.00088
Redlands Unified	0.30160	0.30160	0.30160	0.30160	0.30160
San Bernardino Community College	0.05130	0.05130	0.05130	0.05130	0.05130
San Bernardino Valley Municipal Water	0.02630	0.02630	0.02630	0.02630	0.02630
San Bernardino Valley Water Conservation District	0.00044	0.00044	0.00044	0.00044	0.00044
Superintendent - Physically Handicapped	-	-	-	-	-
Superintendent - Development Center	-	-	-	-	-
Total Proposition 13 Rate	1.00000	1.00000	1.00000	1.00000	1.00000
Redlands Debt Service	-	-	-	-	-
Redlands Unified	0.03240	0.04940	0.05240	0.05670	0.05940
San Bernardino Community College	0.04070	0.03760	0.03500	0.04030	0.03930
San Bernardino Unified	0.11260	0.10070	0.07950	0.11820	0.10810
San Bernardino Valley Municipal Water	0.15250	0.15250	0.16250	0.16250	0.16250
Total Voter Approved Rate	0.33820	0.34020	0.32940	0.37770	0.36930
Total Direct and Overlapping Rate	1.33820	1.34020	1.32940	1.37770	1.36930
City Share of 1% Levy Per Prop 13 (3)	0.21878	0.21878	0.21878	0.21878	0.21878
Redlands Debt Service	-	-	-	-	-
City Direct Rate (4)	**0.21877**	**0.21877**	**0.21877**	**0.21877**	**0.21913**

NOTES:

(1) In 1978, California voters passed Proposition 13, which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies in which the subject property resides. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of various voter approved items.

(2) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

(3) City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.

(4) Because basic and debt rates vary by tax rate area, individual rates cannot be summed. Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section.

Source: San Bernardino County Assessor (via HdL, Coren & Cone)

City of Redlands
Schedule 8
Top Ten Principal Property Taxpayers
Fiscal Year 2024 and Ten Years Prior
(in Thousands)

Taxpayer	2024 Taxable Assessed Value	2024 Percentage of Total Taxable Assessed Value	2015 Taxable Assessed Value	2015 Percentage of Total Taxable Assessed Value
Southern California Edison Company	$ 623,884	4.74%	$ 572,703	7.19%
Prologis LP	213,254	1.62%	84,633	1.06%
Duke Realty LP*	190,340	1.45%	41,186	0.52%
Redlands Owner LP*	168,300	1.28%	-	-
NYS New LLC*	148,905	1.13%	74,217	0.93%
PVT Apartments SPE LLC	140,030	1.06%	-	-
Ashley Furniture Industries	122,817	0.93%	-	-
BCI-OEF Redlands DC LP	112,271	0.85%	-	-
AMB Institutional Alliance Fund III	96,545	0.73%	81,939	1.03%
Teachers Insurance and Annuity Assoc.	91,362	0.69%	-	-
2301 W. San Bernardino Ave Invest Group	-	-	55,263	0.69%
BRE Piper/Parkview Terrace Assoc. LLC	-	-	82,600	1.04%
CLPF - Redlands Business Center	-	-	43,480	0.55%
ROC II California Redlands LLC	-	-	62,931	0.79%
PACGWL LLC	-	-	40,200	0.50%
Top Ten Total	$ 1,907,708	14.50%	$ 1,139,152	14.30%
City Total Net Taxable Assessed Value	$ 13,154,519		$ 7,966,979	

* Pending appeals on parcels

Source: San Bernardino County Assessor (via HdL, Coren & Cone)

City of Redlands
Schedule 9
Property Tax Levies and Collections [1]
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy[2]		Subsequent Years Collections of Prior Years	Total Collections to Date[2]	
		Amount	Percent of Levy		Amount	Percent of Levy
2024	$ 54,132,817	$ 53,937,939	99.64%	$ 997,801	$ 54,935,740	101.48%
2023	49,559,611	49,351,461	99.58%	651,627	50,003,088	100.89%
2022	49,347,531	49,204,423	99.71%	691,484	49,895,907	101.11%
2021	46,298,808	46,048,794	99.46%	615,108	46,663,902	100.79%
2020	42,472,462	42,173,456	99.30%	524,343	42,697,799	100.53%
2019	41,184,840	40,950,087	99.43%	571,918	41,522,005	100.82%
2018	35,648,742	35,417,025	99.35%	585,973	36,002,998	100.99%
2017	33,814,971	33,547,833	99.21%	561,371	34,109,204	100.87%
2016	31,245,233	31,220,237	99.92%	593,784	31,814,021	101.82%
2015	30,236,660	30,224,565	99.96%	618,909	30,843,474	102.01%
2014	29,697,798	29,620,584	99.74%	834,306	30,454,890	102.55%

NOTE:

[1] The amounts presented include City property taxes and Redevelopment Agency tax increment, as well as amounts collected by the City and Redevelopment Agency that were passed-through to other agencies. The State dissolved the redevelopment agency effective in 2012. This resulted in the City having to issue a refund of increment received that the County deemed as excess.

[2] Subsequent Years Collections of Prior Years may include delinquent tax payments from multiple prior years which are not identified separately by the County of San Bernardino. Any tax system changes required to identify and track this information would have to be developed in the County's tax system and subsequently included in reports provided to the City. At this time it is not known when or if the County will make such a change.

Source: City of Redlands, San Bernardino County Auditor-Controller/Treasurer/Tax Collector

City of Redlands
Schedule 10
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities			
	Taxable Pension Bonds	Certificates of Participation	Notes / Leases / SBITAs Payable	Total Governmental Activities
2024	$ 4,469,940	$ -	$ 7,785,799	$ 12,255,739
2023	4,607,478	-	5,376,102	9,983,580
2022	6,172,956	-	5,739,328	11,912,284
2021	7,591,783	-	2,147,431	9,739,214
2020	8,869,341	-	2,148,647	11,017,988
2019	10,015,991	-	2,033,734	12,049,725
2018	12,452,070	-	2,207,364	14,659,434
2017	14,596,411	643,006	2,376,131	17,615,548
2016	16,581,841	1,466,010	2,656,784	20,704,635
2015	18,367,081	3,299,014	2,959,007	24,625,102

NOTE:

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: City of Redlands

City of Redlands
Schedule 10
Ratios of Outstanding Debt by Type (Continued)
Last Ten Fiscal Years

Fiscal Year Ended June 30	Business-type Activities					Total Primary Government	Percentage of Personal Income	Debt Per Capita
	Water Revenue Bonds	Wastewater Revenue Bonds	Solid Waste Revenue Bonds	Notes / Leases / SBITAs Payable	Total Business-type Activities			
2024	$ -	$ -	$ -	$ 13,558,549	$ 13,558,549	$ 25,814,288	0.84%	$ 357
2023	-	-	1,660,000	13,461,929	15,121,929	25,105,509	0.88%	343
2022	-	-	3,408,353	14,644,928	18,053,281	29,965,565	1.05%	409
2021	-	-	5,091,347	15,514,242	20,605,589	30,344,803	1.16%	426
2020	-	-	6,704,343	16,784,165	23,488,508	34,506,496	1.20%	486
2019	-	-	8,247,337	18,129,060	26,376,397	38,426,122	1.54%	542
2018	-	-	9,720,331	19,440,040	29,160,371	43,819,805	1.76%	618
2017	-	990,000	11,138,322	20,929,311	33,057,633	50,673,181	2.31%	732
2016	-	2,021,443	12,506,313	18,819,314	33,347,070	54,051,705	2.41%	774
2015	1,195,000	3,024,098	13,834,309	16,429,544	34,482,951	59,108,053	2.63%	847

City of Redlands
Schedule 11
Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(In Thousands, except Per Capita)

Fiscal Year Ended June 30	Outstanding General Bonded Debt			Accumulated Resources to Repay Principal	Net General Bonded Debt	Percent of Assessed Value [1]	Per Capita
	Taxable Pension Bonds	Certificates of Participation	Total				
2024	$ 4,470	$ -	$ 4,470	$ 200	$ 4,270	0.03%	$ 59
2023	4,607	-	4,607	185	4,422	0.04%	60
2022	6,173	-	6,173	1,620	4,553	0.04%	62
2021	7,592	-	7,592	1,480	6,112	0.06%	86
2020	8,869	-	8,869	1,520	7,349	0.08%	104
2019	10,016	-	10,016	1,383	8,633	0.10%	122
2018	12,452	-	12,452	2,575	9,877	0.13%	139
2017	14,596	643	15,239	2,416	12,823	0.17%	185
2016	16,582	1,466	18,048	2,265	15,783	0.21%	232
2015	18,367	3,299	21,666	2,129	19,537	0.27%	280

NOTE:
General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

As a result of the dissolution of the redevelopment agency in 2012, the outstanding $30,150,000 indebtedness of the former redevelopment agency was transferred to the Successor Agency. As of 6/30/2023, that indebtedness has been fully satisfied.

[1] Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

City of Redlands
Schedule 12
Direct and Overlapping Governmental Activities Debt
As of June 30, 2024

Net Taxable 2023-2024 Assessed Valuation		$ 13,126,700	
	Percentage Applicable [1]	Outstanding Debt 06/30/24	Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt:			
San Bernardino Community College District	12.968%	$ 905,105,266	$ 117,374,051
Redlands Unified School District	56.228%	48,943,512	$ 27,519,958
San Bernardino City Unified School District	0.049%	315,584,428	$ 154,636
City of Redlands Community Facilities District No. 2001-1	100.000%	1,960,000	$ 1,960,000
City of Redlands Community Facilities District No. 2003-1	100.000%	6,440,000	$ 6,440,000
Total Overlapping Tax and Assessment Debt		1,278,033,206	153,448,645
Overlapping General Fund Debt:			
San Bernardino County General Fund Obligations	4.121%	131,565,000	5,421,794
San Bernardino County Flood Control District General Fund Obligations	4.121%	37,295,000	1,536,927
San Bernardino City Unified School District (Certificates of Participation)	0.049%	56,025,000	27,452
Redlands Unified School District (Certificates of Participation)	56.228%	21,210,000	11,925,959
Yucaipa-Calimesa Joint Unified School District (Certificates of Participation)	0.694%	43,237,273	300,067
Total Overlapping General Fund Debt		289,332,273	19,212,198
Overlapping Tax Increment Debt (Successor Agencies)			
San Bernardino County Inland Valley Tax Allocation Bonds	5.470%	209,565,000	$ 11,463,206
Total Overlapping Tax Increment Debt		209,565,000	11,463,206
Total Gross Overlapping General Fund Debt		498,897,273	30,675,404
Total Gross Overlapping Debt			$ 184,124,049
Direct General Fund Debt:			
City of Redlands Pension Obligations	100.000%	4,469,940	4,469,940
Total Direct General Fund Debt			4,469,940
Direct Loan/Capital Lease Debt:			
I-Bank Sports Park Lease	100.000%	$ 1,087,565	$ 1,087,565
Finance Purchase Agreements and Leases Payable	100.000%	3,701,646	3,701,646
Lease Liability	100.000%	$ 2,941,545	$ 2,941,545
Subscription Liability	100.000%	55,044	55,044
Total Direct General Fund Debt		2,996,589	7,785,800
Total Direct Debt			$ 12,255,740
Combined Total Direct and Overlapping Debt [2]			$ 196,379,789

[1] The overlapping district's assessed valuation located within the City is divided by the total assessed valuation of the overlapping district. That percentage is multiplied by the total debt outstanding for the overlapping district resulting in the City's share of debt.

[2] Excludes tax and revenue anticipation notes, enterprise revenue, and mortgage revenue.

Ratios to 2023-24 Assessed Valuation:	
Total Overlapping Tax and Assessment Debt	1.17%
Total Direct Debt ($3,925,485)	0.03%
Combined Total Debt	1.43%
Ratios to Redevelopment Successor Agencies Incremental Valuation ($1,622,271,373)	
Total Overlapping Tax Increment Debt	0.67%

Sources: Avenu Insights and Analytics

This report reflects debt which is being repaid through voter-approved tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation, unless provided by the City of Redlands.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of Redlands. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City of Redlands boundaries and dividing it by each unit's total taxable assessed value.

City of Redlands
Schedule 13
Legal Debt Margin Information
Last Ten Fiscal Years

Legal Debt Margin Calculation	Fiscal Year 2024	2023	2022	2021	2020
Assessed valuation	$ 13,154,519	$ 12,056,083,275	$ 11,435,814,517	$ 10,985,363,463	$ 10,475,199,528
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	3,288,630	3,014,020,819	2,858,953,629	2,746,340,866	2,618,799,882
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	493,294	452,103,123	428,843,044	411,951,130	392,819,982
Total net debt applicable to limit:					
General obligation bonds	-	-	-	-	-
Legal debt margin	$ 493,294	$ 452,103,123	$ 428,843,044	$ 411,951,130	$ 392,819,982
Total debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%

NOTE:
The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: San Bernardino County Assessor (via HdL, Coren & Cone)
City of Redlands
California Municipal Statistics, Inc.

City of Redlands
Schedule 13
Legal Debt Margin Information (Continued)
Last Ten Fiscal Years

Legal Debt Margin Calculation	Fiscal Year 2019	2018	2017	2016	2015
Assessed valuation	$ 9,877,091,307	$ 9,342,770,314	$ 8,925,637,991	$ 8,450,256,632	$ 8,042,012,336
Conversion percentage	25%	25%	25%	25%	25%
Adjusted assessed valuation	2,469,272,827	2,335,692,579	2,231,409,498	2,112,564,158	2,010,503,084
Debt limit percentage	15%	15%	15%	15%	15%
Debt limit	370,390,924	350,353,887	334,711,425	316,884,624	301,575,463
Total net debt applicable to limit: General obligation bonds	-	-	-	-	-
Legal debt margin	$ 370,390,924	$ 350,353,887	$ 334,711,425	$ 316,884,624	$ 301,575,463
Total debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.0%

City of Redlands
Schedule 14
Pledged Revenue Coverage
Last Ten Fiscal Years

Water Revenue Bonds

Fiscal Year Ended June 30	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest		Coverage
2024	$ -	$ -	$ -	$ -	$ -		N/A
2023	-	-	-	-	-		N/A
2022	-	-	-	-	-		N/A
2021	-	-	-	-	-		N/A
2020	-	-	-	-	-		N/A
2019	-	-	-	-	-		N/A
2018	-	-	-	-	-		N/A
2017	-	-	-	-	-		N/A
2016	19,566,403	18,802,920	763,483	1,195,000	17,925	*	0.63
2015	23,236,963	16,684,682	6,552,281	1,160,000	53,250		5.40

Wastewater Revenue Bonds

Fiscal Year Ended June 30	Wastewater Revenue	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest		Coverage
2024	$ -	$ -	$ -	$ -	$ -		N/A
2023	-	-	-	-	-		N/A
2022	-	-	-	-	-		N/A
2021	-	-	-	-	-		N/A
2020	-	-	-	-	-		N/A
2019	-	-	-	-	-		N/A
2018	9,689,226	7,274,339	2,414,887	990,000	19,800	*	2.39
2017	9,483,891	7,207,159	2,276,732	960,000	58,800		2.23
2016	9,981,677	7,319,389	2,662,288	925,000	91,875		2.62
2015	9,932,156	6,483,856	3,448,300	900,000	119,250		3.38

Solid Waste Revenue Bonds

Fiscal Year Ended June 30	Solid Waste Revenue	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2024	$ 22,070,109	$ 17,987,135	$ 4,082,974	$ 1,660,000	$ 122,500	2.24
2023	20,447,864	16,549,875	3,897,989	1,580,000	122,500	2.29
2022	21,106,844	14,161,410	6,945,434	1,500,000	199,500	3.21
2021	19,780,794	13,669,667	6,111,127	1,430,000	272,750	2.82
2020	19,833,178	13,639,644	6,193,534	1,360,000	342,500	3.64
2019	17,996,521	14,518,673	3,477,848	1,290,000	408,750	1.61
2018	15,507,091	11,060,050	4,447,041	1,235,000	465,700	2.05
2017	13,899,757	9,911,432	3,988,325	1,185,000	537,800	2.32
2016	13,974,604	10,437,524	3,537,080	1,145,000	572,150	2.06
2015	13,442,842	10,341,915	3,100,927	1,115,000	516,422	1.90

NOTE:

Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

* In 2016, the Water Refunding Revenue Bonds Series 2012A matured and were paid in full.

* In 2018, the Wastewater Refunding Revenue Bonds Series 2012A matured and were paid in full.

* In 2024, the Solid Waste Revenue Bonds Series 2013A matured and were paid in full.

Source: City of Redlands

City of Redlands
Schedule 15
Demographic and Economic Statistics
Last Ten Fiscal Years

Calendar Year (1)	Population (2)	Personal Income (In Thousands)	Per Capita Personal Income (3)	Unemployment Rate (4)
2023	72,696	$ 3,702,989	$ 50,938	3.6%
2022	72,259	3,086,832	42,719	5.5%
2021	73,288	2,846,286	38,837	2.9%
2020	71,154	2,607,936	36,652	7.4%
2019	70,952	2,882,851	40,631	3.0%
2018	71,441	2,790,914	39,066	3.2%
2017	70,851	2,494,168	35,203	3.1%
2016	69,211	2,195,442	31,721	3.3%
2015	68,040	2,192,657	32,226	3.0%
2014	69,814	2,243,752	32,139	4.7%
2013	69,882	2,265,714	32,422	6.0%

Sources:
(1) Information presented on the calendar year basis, therefore the most current full year is included
(2) State of California, Department of Finance - Demographic Research Unit
(3) U.S Department of Commerce U.S Census Bureau
(4) State of California, Employment Development Department

City of Redlands
Schedule 16
Principal Employers
Fiscal Year 2024 and Ten Years Prior

	2024		2015	
Employer	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Redlands Unified School District*	2,513	6.79%	2,894	8.74%
ESRI	2,432	6.57%	2,590	7.82%
Redlands Community Hospital	1,759	4.75%	1,600	4.83%
Optum (Beaver Medical Group & Epic Mgmt)	1,000	2.70%	1,200	3.63%
Amazon Fulfillment Center (Redlands)	888	2.40%	1,300	3.93%
City of Redlands	538	1.45%	557	1.68%
University of Redlands	501	1.35%	550	1.66%
Loma Linda University Behavioral Medicine Ctr.	455	1.23%	350	1.06%
Madison Grove Post Acute (Terracina Post Acute)	388	1.05%	-	
Asistencia Villa Rehabilitation and Care Center	229	0.62%	-	
The Home Depot			670	2.02%
La-Z-Boy, Inc.			449	1.36%
Total of Top Employers	10,703	28.93%	12,160	36.74%
Total Employees in City[(1)]	37,000		33,100	
County "Donut Hole" Employers [(2)]:				
Burlington Coat Factory Distribution Center	824	2.23%		
Amazon Fulfillment Center*	500	1.35%		
Target	235	0.64%		
Lamps Plus DC & Store	205	0.55%		
The Home Depot Distribution Center	190	0.51%		
Becton Dickinson (BD) Distribution	125	0.34%		
Kohl's Retail Store	119	0.32%		
Total Employees	2,198	5.94%		

*Count includes PT/FT, classified, certificated, admin.

NOTES:

(1)Total Employees in City provided by EDD Labor Force Data, represents the total employment of all employers located within City limits.
(2) The City of Redlands fully encapsulates a county pocket containing Citrus Plaza and a significant industrial area which is home to a number of distribution centers and logistics companies.
The City of Redlands has chosen to list some of the significant employers within this area as it is believed to contribute to the financial well being of the city.

Source: Avenu Insights and Analytics

City of Redlands
Schedule 17
Full Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

	Fiscal Years									
FUNCTION/PROGRAM	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Full-time employees:										
City clerk's office	2	2	2	2	-	1	1	1	1	1
City manager's office	14	13	10	7	9	12	12	11	9	7
Development services	27	27	19	18	17	19	21	22	22	21
Finance	33	31	28	26	24	27	24	27	26	25
Fire	70	70	65	63	62	63	61	60	60	60
Human resources	13	12	11	9	7	9	9	10	8	7
Library	24	23	20	11	18	20	18	17	17	16
Management information systems	-	-	-	-	-	-	-	-	-	9
Department of Innovation & Tech	16	15	12	9	12	12	10	9	10	-
Municipal utilities and engineering:										
Administration	26	41	36	26	30	29	33	34	34	34
Water	48	47	48	45	48	50	50	49	49	50
Wastewater	22	22	17	21	23	24	24	24	24	24
Police	142	138	134	112	117	130	126	122	122	121
Facilities & Community Services[2]										
Administration, parks & streets	85	67	67	51	63	63	62	56	56	52
Equipment maintenance	4	5	5	10	4	4	5	5	5	6
Solid waste	49	44	42	38	39	39	33	33	33	32
Cemetery	5	5	4	4	4	4	4	4	4	4
	580	562	520	452	477	506	493	484	480	469
Part-time employees	40	40	51	39	43	68	90	87	87	88
At-will employees	-	-	-	10	-	-	-	-	-	-
Grant-funded employees[1]	3	1	1	1	1	7	7	10	10	10
Limited Term Position	-	-	-	1	-	-	4	1	1	-
	623	603	572	503	521	581	594	582	578	567

[1] Includes both full & part time positions.

[2] Prior to Fiscal Year 2018, the Facilities & Community Services Department was referred to as the Quality of Life Department Reorganizations in 2008 and 2016 created new departments, moved divisions and transferred employees. Historical data has been changed to reflect some but not all of these reorganizations.

Source: City of Redlands Budget

City of Redlands
Schedule 18
Operating Indicators by Function/Program
Last Ten Fiscal Years

FUNCTION/PROGRAM	Fiscal Years				
	2024	2023	2022	2021	2020
Police:					
Calls for service	35,478	38,502	44,746	44,259	52,520
Emergency calls for service [1]	539	665	68,761	649	808
Citations issued	4,275	2,685	2,135	4,239	6,837
Fire:					
Number of incidents	12,118	11,624	11,386	10,636	10,789
Inspections performed	2,057	1,521	1,688	1,362	6,429
Building and safety:					
Permits issued	2,723	3,005	2,764	2,078	2,159
Inspections performed	17,970	18,040	15,613	12,017	11,211
Parks and recreation:					
Community center attendance	36,700	31,069	28,245	13,645	45,022
Senior center attendance	28,588	19,539	17,763	5,822	20,175
Joslyn center attendance[2]	6,810	0	870	1,206	18,257
Youth sports attendance	34,392	34,392	31,266	4,774	10,032
Adult sports attendance	7,945	7,945	7,223	6,524	2,480
Water:					
Number of services	22,882	22,744	22,639	22,537	22,380
Average daily consumption (thousands of gallons)	20,445	20,487	29,317	22,560	25,926
Solid waste:					
Recycled materials (tons)	26,664	21,809	23,307	24,703	23,952
Refuse disposed (tons)	50,417	49,625	47,567	61,631	52,476
Library:					
Number of volumes	150,558	152,448	149,577	148,652	146,379

[1] Except for in FY 2021-22, this number indicates the total number of priority 1 calls received only. In FY 2021-22, it encompassed all levels.

[2] In FY 2022-23 , the Joslyn Senior Center was closed for the duration of fiscal year for renovations.

Source: Various City Departments

City of Redlands
Schedule 18
Operating Indicators by Function/Program (Continued)
Last Ten Fiscal Years

FUNCTION/PROGRAM	Fiscal Years 2019	2018	2017	2016	2015
Police:					
Calls for service [1]	52,914	54,370	40,159	47,488	55,972
Emergency calls for service [1]	815	708	517	578	538
Citations issued [1]	5,449	7,347	5,299	7,062	6,733
Fire:					
Number of incidents	10,760	10,684	10,484	10,169	9,354
Inspections performed [1]	5,821	4,075	2,827	2,186	1,974
Building and safety:					
Permits issued	2,111	2,408	2,110	1,947	1,932
Inspections performed	9,431	9,381	10,015	8,293	4,486
Parks and recreation:					
Community center attendance	48,500	51,000	44,725	42,625	31,238
Senior center attendance	25,109	24,970	24,415	28,675	29,415
Joslyn center attendance	22,679	20,498	21,554	23,795	21,846
Youth sports attendance	12,396	12,870	12,271	11,521	21,102
Adult sports attendance	3,200	1,800	2,830	5,760	7,200
Water:					
Number of services	22,440	22,113	22,378	21,842	21,842
Average daily consumption (thousands of gallons)	26,670	30,328	20,989	18,679	24,631
Solid waste:					
Recycled materials (tons)	25,474	23,758	22,287	22,805	20,611
Refuse disposed (tons)	51,769	51,798	52,527	52,826	49,416
Library:					
Number of volumes	146,173	144,173	144,887	144,122	140,667

Source: City of Redlands

City of Redlands
Schedule 19
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

FUNCTION/PROGRAM	Fiscal Year 2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-stations	1	1	1	1	1	1	2	2	2	2
Fire:										
Fire stations	4	4	4	4	4	4	4	4	4	4
Public works:										
Streets (miles)	302	302	300	300	368	368	368	319	316	316
Traffic signals (city-owned)	74	74	73	73	73	72	69	68	68	68
Parks and recreation:										
Parks (acreage)	313	313	333	333	333	327	295	295	295	295
Groves (acreage)	184	184	199	199	199	180	164	164	159	159
Community centers	3	3	3	3	3	3	3	3	3	3
Water:										
Water mains (miles)	427	427	400	400	388	388	388	385	386	386
Maximum daily production capacity (thousands of gallons)	56,500	34,900	34,900	34,900	55,000	55,000	55,000	55,000	55,000	55,000
Non Potable Water										
Water mains (miles)	34	34	34	34	34	34	34	34	33	32
Maximum daily production capacity (thousands of gallons)	5,600	4,100	4,100	4,100	14,000	4,500	4,500	4,500	4,500	4,500
Wastewater:										
Sewers (miles)	250	250	247	247	245	245	245	245	245	245
Daily capacity of wastewater plant (thousands of gallons)	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500	9,500
Solid waste:										
Landfill (city-owned)	1	1	1	1	1	1	1	1	1	1
Library:										
Public library	1	1	1	1	1	1	1	1	1	1

Source: City of Redlands

THE PUN GROUP
ACCOUNTANTS & ADVISORS

200 E. Sandpointe Avenue, Suite 600
Santa Ana, California 92707

www.pungroup.cpa

December 18, 2024

To the Honorable Mayor and Members of the City Council
of the City of Redlands
Redlands, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Redlands (the "City") for the year ended June 30, 2024, and have issued our report thereon dated December 18, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the scope and timing of our audit. We have communicated such information in our letter to you dated May 1, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the basic financial statements.

New Accounting Standards

- In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Implementation of this Statement had a moderate effect on the City's financial statements for the fiscal year ended June 30, 2024.

We noted no other new accounting policies were adopted and the application of existing policies was not changed during 2024. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the City's financial statements were:

- Management's estimate of the depreciation on capital assets is based on the industry standard and past experience on actual useful life of the asset groups. We evaluated the key factors and assumptions used to develop the depreciation on capital assets in determining that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of the net other postemployment benefits ("OPEB") liability is based on the actuarial valuation on total OPEB liability. We evaluated the key factors and assumptions used to develop the total OPEB liability in determining that it is reasonable in relation to the financial statements taken as a whole.

- Management's estimate of the net pension liabilities is based on the proportionate share of actuarial valuation on total pension liability and the proportionate share of the fiduciary net position for CalPERS plans. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Note 1 – Summary of Significant Accounting Policies
- Note 3 – Leases Receivable
- Note 11 – Pension Plans
- Note 12 – Other Postemployment Benefits
- Note 14 – Fund Balance and Net Position
- Note 20 – Changes to or within the Financial Reporting Entity
- Note 21 – Commitments and Contingencies

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 18, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Schedule of Changes in the Net Pension Liability and Related Ratios, the Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios, the Schedules of the Contributions, and the Schedule of Changes in Total Other Postemployment Benefits Liability and Related Ratios, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the Introductory and Statistical Sections, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

The Pun Group, LLP

Santa Ana, California

City of Redlands

Redlands, California

Independent Accountants' Report on Agreed-Upon Procedures Applied to Appropriations Limit Schedule

For the Year Ending June 30, 2024

THE PUN GROUP
ACCOUNTANTS & ADVISORS

THE PUN GROUP
ACCOUNTANTS & ADVISORS

200 E. Sandpointe Avenue, Suite 600
Santa Ana, California 92707

www.pungroup.cpa

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Mayor and Members of City Council
of the City of Redlands
Redlands, California

We have performed the procedures enumerated below on the accompanying Appropriations Limit Schedule of the City of Redlands, California (the "City") for the year ending June 30, 2024. The management at the City is responsible for the Appropriations Limit Schedule.

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting the requirements set forth in Section 1.5 of Article XIII-B of the California Constitution. The procedures, which were suggested by the League of California Cities and presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution* were performed solely to assist you in meeting the requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We obtained the completed worksheets used by the City to calculate its appropriations limit for the year ending June 30, 2024, and compared the limit and annual calculation factors that were adopted by resolution of City Council. We also compared the population and inflation options that were selected by a recorded vote of the City Council.

   Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit Schedule, we added the prior year's limit to the total adjustments, and compared the resulting amount to the current year's limit.

   Finding: No exceptions were noted as a result of our procedures.

3. We compared the current year information presented in the accompanying Appropriations Limit Schedule to corresponding information in worksheets used by the City.

   Finding: No exceptions were noted as a result of our procedures.

4. We compared the appropriations limit presented in the accompanying Appropriations Limit Schedule to the appropriations limit adopted by the City Council.

   Finding: No exceptions were noted as a result of our procedures.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respective on the accompanying Appropriation Limit Schedule. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be, used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

The Pun Group, LLP

Santa Ana, California
January 19, 2024

City of Redlands
Appropriations Limit Schedule
For the Year Ending June 30, 2024

	Amount	Source
A. Appropriations Limit FY 2022-2023	$ 151,979,697	Prior year
B. Calculation Factors:		
1) Population increase %	1.0012	State Department of Finance
2) Inflation increase %	1.0444	State Department of Finance
3) Total adjustment %	1.0457	(B1*B2)
C. Annual Adjustment Increase	6,945,472	[A*(B3-1)]
D. Other Adjustments:		
1) Loss responsibility (-)	-	N/A
2) Transfer to private (-)	-	N/A
3) Transfer to fees (-)	-	N/A
4) Assumed responsibility (+)	-	N/A
E. Total Adjustments	6,945,472	(C+D)
F. Appropriations Limit FY 2023-2024	$ 158,925,169	(A+E)

See accompanying Notes to Appropriations Limit Schedule.

City of Redlands
Notes to Appropriations Limit Schedule
For the Year Ending June 30, 2024

Note 1 – Purpose of Limited Procedures Review

Under Article XIIIB of the California Constitution (the Gann Spending Limitation Initiative), California governmental agencies are restricted as to the amount of annual appropriations from proceeds of taxes. Effective for years beginning on or after July 1, 1990, under Section 1.5 of Article XIIIB, the annual calculation of the appropriations limit is subject to a limited procedures review in connection with the annual audit.

Note 2 – Method of Calculation

Under Section 10.5 of Article XIIIB, for fiscal years beginning on or after July 1, 1990, the appropriations limit is required to be calculated based on the limit for the fiscal year 1986-87, adjusted for the inflation and population factors discussed in Notes 3 and 4 below.

Note 3 – Population Factors

A California governmental agency may use as its population factor either the annual percentage change of the jurisdiction's own population or the annual percentage change in population of the county where the jurisdiction is located. The factor adopted by the City for the year 2023-2024 represents the annual percentage change in population for the County.

Note 4 – Inflation Factors

A California governmental agency may use as its inflation factor either the annual percentage change in the 4th quarter per capita personal income (which percentage is supplied by the State Department of Finance) or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The factor adopted by the City for the year 2023-2024 represents the percentage change in California per capita personal income.

Note 5 – Other Adjustments

A California government agency may be required to adjust its appropriations limit when certain events occur, such as the transfer of responsibility for municipal services to, or from, another government agency or private entity. The City had no such adjustments for the year 2023-2024.

City Council/Financing Authority Meeting **I. 2.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Discussion and possible action relating to the designation of Voting Delegates to represent the City at the 2025 Regional Conference of the Southern California Association of Governments (SCAG) and General Assembly (Mayor Saucedo)

MOTION:

1. I move to designate _____ to serve as the voting delegate at the 2025 Regional Conference of the Southern California Association of Governments (SCAG).

2. I move to designate _____ to serve as the alternate voting delegate at the 2025 Regional Conference of the Southern California Association of Governments (SCAG).

DISCUSSION:

The Southern California Association of Governments (SCAG) is holding its Regional Conference and General Assembly on May 1-2, 2025, at the JW Marriott Desert Springs Resort & Spa in Palm Desert, California. In order to participate in the SCAG General Assembly meeting, a delegate must be officially designated by the City. An alternate may also be designated in the event the designated delegate is unable to serve in that capacity.

This item is on the agenda to allow the City Council an opportunity to officially designate a delegate and alternate to participate in the SCAG General Assembly meeting. Additional information regarding the conference is attached for the Council's consideration.

SUBMITTED BY:
Janice McConnell, Assistant City Manager

REVIEWED BY:
Charles M. Duggan, Jr., City Manager

PREPARED BY:
Jennifer Macias, Management Analyst

Fiscal Impact

Discussion:

The event registration and hotel information are not yet available for this conference. In 2024, the cost was $641.89 for two council members to attend. This expense was charged to 101100-6402.

Attachments

2025 SCAG Regional Conference & General Assembly

2025 REGIONAL CONFERENCE & GENERAL ASSEMBLY

MAY 1-2, 2025
JW MARRIOTT DESERT SPRINGS RESORT & SPA



SCAG will host the 60th annual Regional Conference and General Assembly on May 1-2, 2025, at the JW Marriott Desert Springs Resort & Spa in Palm Desert. Celebrating its diamond anniversary, the 2025 conference is a unique opportunity to gather with other local and regional leaders to collaborate on fundamental issues such as mobility, housing and communities, the environment, and the economy. Subscribe to updates from SCAG for information about registration as we get closer to the event.

Sponsorship Opportunities

SCAG's Regional Conference and General Assembly sponsorships show your commitment to the region and create an unparalleled opportunity to network with elected officials, decision-makers, community leaders, and business stakeholders throughout Southern California. **Download** the 2025 Regional Conference and General Assembly Sponsorship Opportunities brochure for more information on sponsor benefits.













CONTACT

If you are interested in becoming a sponsor or have questions regarding sponsorship opportunities, please contact:

Perla Lopez
Special Events Producer
lopezp@scag.ca.gov

DIAMOND SPONSOR

Amount	$35,000
Sponsorships Available	1
Speaking Opportunity	Featured Speaking Role (Welcome + Opening Remarks)
Sponsor Recognition at President's Reception	✓
President's Reception Invitations	5
Conference Registrations	6
Program Booklet Advertisement	Full-Page, Color Ad (Inside or Back Page Cover)
Exhibitor Table	Premium Placement

Added Value	Premier Lobby and Conference Space Branding + Gold Added Value
List of Attending Members	✓
Logo Placement on Conference Website and On-screen Visuals + Mention of Organization on Social Media Platforms	✓

PLATINUM SPONSOR

Amount	$30,000
Sponsorships Available	1
Speaking Opportunity	Featured Speaking Role
Sponsor Recognition at President's Reception	✓
President's Reception Invitations	4
Conference Registrations	6
Program Booklet Advertisement	Full-Page, Color Ad (Premium Placement)
Exhibitor Table	Premium Placement
Added Value	Premier Lobby and Conference Space Branding + Gold Added Value
List of Attending Members	✓

Logo Placement on Conference Website and On-screen Visuals + Mention of Organization on Social Media Platforms	✓

SUSTAINABILITY AWARDS LUNCHEON SPONSOR

Amount	$20,000
Sponsorships Available	1
Speaking Opportunity	Featured Speaking Role at Luncheon
Sponsor Recognition at President's Reception	✓
President's Reception Invitations	4
Conference Registrations	4
Program Booklet Advertisement	Full-Page, Color Ad (Premium Placement)
Exhibitor Table	Premium Placement
Added Value	Special Logo and Brand Placement on Sustainability Awards Luncheon Materials + Gold Added Value
List of Attending Members	✓
Logo Placement on Conference Website and On-screen Visuals + Mention of Organization on Social Media Platforms	✓

RECEPTION SPONSOR

Amount	$15,000
Sponsorships Available	SOLD OUT
Speaking Opportunity	Introductory Remarks at Reception
Sponsor Recognition at President's Reception	✓
President's Reception Invitations	3
Conference Registrations	3
Program Booklet Advertisement	Full-Page, Color Ad (Premium Placement)
Exhibitor Table	Premium Placement
Added Value	Special Reception Signage with Organization Logo + Gold Added Value
List of Attending Members	✓
Logo Placement on Conference Website and On-screen Visuals + Mention of Organization on Social Media Platforms	✓

PANEL SPONSORS

Amount	$10,000
Sponsorships Available	6

Speaking Opportunity	Introductory Remarks for Panel Session
Sponsor Recognition at President's Reception	✓
President's Reception Invitations	2
Conference Registrations	3
Program Booklet Advertisement	Half-Page, Color Ad
Exhibitor Table	Premium Placement
Added Value	Special Panel Signage with Organization Logo + Gold Added Value
List of Attending Members	✓
Logo Placement on Conference Website and On-screen Visuals + Mention of Organization on Social Media Platforms	✓

TECHNOLOGY SPONSOR

Amount	$7,500
Sponsorships Available	SOLD OUT
Speaking Opportunity	N/A
Sponsor Recognition at President's Reception	✓
President's Reception Invitations	2
Conference Registrations	2
Program Booklet Advertisement	Half-Page, Color Ad

Exhibitor Table	✓
Added Value	Exclusive Wi-Fi Sponsor Branding and Company Landing Page + Gold Added Value
List of Attending Members	✓
Logo Placement on Conference Website and On-screen Visuals + Mention of Organization on Social Media Platforms	✓

GOLD SPONSORS

Amount	$6,000
Sponsorships Available	10
Speaking Opportunity	N/A
Sponsor Recognition at President's Reception	✓
President's Reception Invitations	1
Conference Registrations	2
Program Booklet Advertisement	Half-Page, Color Ad
Exhibitor Table	✓
Added Value	Meter Board with Organization Logo at President's Reception and Conference
List of Attending Members	✓

Logo Placement on Conference Website and On-screen Visuals + Mention of Organization on Social Media Platforms	✓

SILVER SPONSORS

Amount	$3,000
Sponsorships Available	No Limit
Speaking Opportunity	N/A
Sponsor Recognition at President's Reception	N/A
President's Reception Invitations	N/A
Conference Registrations	2
Program Booklet Advertisement	N/A
Exhibitor Table	N/A
Added Value	Meter Board with Organization Logo at Conference
List of Attending Members	N/A
Logo Placement on Conference Website and On-screen Visuals + Mention of Organization on Social Media Platforms	✓

BRONZE SPONSORS

Amount	$2,000

Sponsorships Available	No Limit
Speaking Opportunity	N/A
Sponsor Recognition at President's Reception	N/A
President's Reception Invitations	N/A
Conference Registrations	1
Program Booklet Advertisement	N/A
Exhibitor Table	N/A
Added Value	Meter Board with Organization Logo at Conference
List of Attending Members	N/A
Logo Placement on Conference Website and On-screen Visuals + Mention of Organization on Social Media Platforms	✓

Sponsors

RECEPTION

GOLD

SILVER





BRONZE





BREAKFAST



Agenda

TIME	AGENDA

APRIL 30 | WEDNESDAY

3 p.m. **EXECUTIVE/ADMINISTRATION COMMITTEE MEETING**

6 p.m. **PRESIDENT'S RECEPTION (Invitation Only)**

MAY 1 | THURSDAY

8 a.m. **REGISTRATION, NETWORKING, AND CONTINENTAL BREAKFAST**

9 a.m. **REGIONAL COUNCIL MEETING**

10 a.m. **WELCOME AND OPENING REMARKS**

11 a.m. **GENERAL ASSEMBLY MEETING**

12:15 p.m. **SUSTAINABILITY AWARDS LUNCHEON**

2:15 p.m. **BREAKOUT SESSIONS I**

TIME	AGENDA
2:15 p.m.	STUDENT SHOWCASE
3:15 p.m.	BREAK AND NETWORKING
3:45 p.m.	BREAKOUT SESSIONS II
3:45 p.m.	STUDENT SHOWCASE
5:30 p.m.	EVENING RECEPTION

MAY 2 | FRIDAY

8 a.m.	REGISTRATION
8:30 a.m.	BREAKFAST
9 a.m.	WELCOME
9:10 a.m.	STUDENT SHOWCASE AWARDS
9:30 a.m.	KEYNOTE ADDRESS
10 a.m.	PLENARY PANEL SESSION
11:15 a.m.	CONFERENCE WRAP-UP

City Council/Financing Authority Meeting **I. 3.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Annual Report of the Parks and Recreation Commission by Chair Douglas Gonzales and Commissioner Roy Cencirulo (Facilities and Community Services Director Crocker)

DISCUSSION:

For this evening's City Council Meeting, Parks and Recreation Chair Douglas Gonzales and Commissioner Roy Cencirulo will be presenting the Parks and Recreation Commission Annual Report.

City Council/Financing Authority Meeting **I. 4.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Annual Report of the Airport Advisory Board by Chair Jason Golembeski (Facilities and Community Services Director Crocker)

DISCUSSION:

For this evening's City Council Meeting, the chair, Jason Golembeski, will be presenting the Airport Advisory Board's Annual Report.

City Council/Financing Authority Meeting **J. 1.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Consideration of the process to select new members to the City's Planning Commission; authorize the formation of, and appointments to an ad hoc subcommittee of the City Council to interview Planning Commission candidates; and direct staff to prepare an ordinance formalizing the selection process for City Council consideration at a future meeting (Assistant City Manager Boatman)

MOTION:

If the City Council agrees with staff's recommendation, the following motion is provided:

1. I move to direct staff to bring back an ordinance formalizing the selection process for Planning Commissioners and policies related to Commissioner qualifications; and,

2. I move to authorize the formation of an ad hoc subcommittee of the City Council to review current applications, interview candidates and make recommendations to the City Council to fill the two current vacancies on the Planning Commission; and

3. I move to appoint _____ and _____ to the ad hoc subcommittee of the City Council.

RECOMMENDATION:

Staff recommends that the City Council provide direction to staff for the preparation of an ordinance formalizing the selection process and policy for new Commissioner qualifications to be considered at a future meeting; and authorize the formation of, and appointments to, an ad hoc subcommittee consisting of two Council members that will review current applications, interview candidates and make recommendations to the City Council to fill the two current vacancies.

DISCUSSION:

Section 2.36.020 of the Redlands Municipal Code (RMC) states: "The Planning Commission shall consist of seven (7) members appointed by the Mayor with the approval of the City Council. Each member shall serve for a four (4) year term until his or her successor is appointed." Historically, when a vacancy occurs on the Planning Commission, the Mayor has reviewed applications and recommended new commissioners to the City Council for approval, in accordance with this provision of the RMC. These recommendations have typically been placed on the Consent Calendar for City Council approval.

To enhance participation and broaden engagement in this process, staff recommends that the City Council consider appointing a subcommittee of two Council members to review applications, conduct candidate interviews, and formulate recommendations for the full Council. This approach, commonly used in other cities, could involve a subcommittee composed of the Mayor and Mayor Pro-Tem, two members appointed by the Mayor, or two members approved by the full City Council. Additionally, the Council may wish to establish guidelines or minimum qualifications for new Planning Commission members based on professional or personal expertise. Suggested qualifications could include experience in real estate development, construction, urban planning, architectural design, landscape design, or related fields. Should the Council choose to adopt minimum qualifications, staff recommends requiring that only three or four members of the Planning Commission meet these criteria, allowing for flexibility and diversity among members. Alternatively, if no minimum qualifications are adopted, staff suggests prioritizing candidates with relevant expertise through a formal policy.

Staff seeks direction from the City Council on these proposals. If the Council approves, staff will prepare a code amendment and associated resolution to formalize the selection process for Planning Commission members and establish a policy regarding background qualifications. Once direction is provided, staff will return with a draft ordinance and resolution for Council consideration. To address current vacancies, staff has also included a motion for the Council to establish an ad hoc committee immediately to consider applications already received for the two current openings on the Planning Commission. This ad hoc subcommittee would ensure that the vacancies are filled expeditiously while the broader subcommittee selection process is under development. The ad hoc subcommittee will not be subject to the Brown Act as it will be limited in scope of its tasks and duration, and will automatically dissolve upon completion of the tasks.

SUBMITTED BY:
Brian Desatnik, Development Services Director

REVIEWED BY:
Charles M. Duggan, Jr., City Manager
Janice McConnell, Assistant City Manager
Chris Boatman, Assistant City Manager

City Council/Financing Authority Meeting **J. 2.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Consideration of a Purchase and Sale Agreement with Meritage Homes of California, Inc. for the acquisition of Assessor Parcel Numbers 0173-231-23-0000 and 0173-231-26-0000 for $100,000 and an additional appropriation in the same amount and determination that approval of the agreement is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act (Assistant City Manager Boatman)

MOTION(S):

If the City Council determines that staff's recommendation is appropriate, the following motions are provided:

1. I move that the City Council find that approval of the Purchase and Sale Agreement with Meritage Homes of California, Inc. is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act; and

2. I move that the City Council approve the Purchase and Sale Agreement with Meritage Homes of California, Inc. for the acquisition of property in the amount of $100,000; and

3. Approve an additional appropriation in the amount of $100,000.

RECOMMENDATION:

COMMISSION RECOMMENDATION:

On April 9, 2024, the Citrus Preservation Commission recommended that the City Council approve the Purchase and Sale Agreement with Meritage Homes of California for the subject property.

STAFF RECOMMENDATION:

Staff recommends that the City Council determine that approval of the Purchase and Sale Agreement with Meritage Homes of California, Inc. is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act.

DISCUSSION:

Over the past several years, the England Grove (Grove) has been the subject of several plans for development, conservation, or alternative preservation and is currently held by the seller with a conservation easement to ensure the citrus grove is maintained on the property. The England Grove, located at the southeast corner of Palm Avenue and Alvarado Street, consists of two (2) parcels, approximately 6.82 acres in total, as well as an interest in and 15 shares of Redlands Water Company (the "Water Shares").

The purchase price for the property is $100,000, which includes the installation of the irrigation system and replanting completed by the seller before the close of escrow. The replanting and irrigation system will be equivalent to the recent improvements made at the City's Lugonia grove. The following is a list of salient terms of the attached purchase and sale agreement:

- Purchase price of $100,000, including without limitation all of Seller's right, title and interest in and to fifteen (15) shares of Redlands Water Company;
- The sale price includes 15 shares of Redlands Water Company Stock
- $10,000 deposit due at the opening of escrow, refundable up until waiver of contingencies;
- A 60-day due diligence period; and
- Closing Date shall be within the earliest of ten (10) business days after the Seller delivers notice and reasonable supporting documentation that the Citrus Planting and installation of the Irrigation System have occurred (the "Closing Contingencies"), or (b) August 25, 2025 (the "Outside Closing Date").

As part of the sale of the England Estate in Redlands, California, 15 water shares of Redlands Water Company stock will be included in the transaction. These water shares hold significant value in the region's agricultural landscape, as they represent access to vital water resources crucial for maintaining the estate's citrus groves. The water shares will be exchanged with the city for water through the potable system. This exchange mechanism facilitates a more efficient and regulated distribution of water resources, aligning with modern water management practices aimed at conservation and sustainability.

Moreover, the water acquired through this exchange will be delivered to the estate's grounds via a modern fan jet irrigation system. This system represents a

leap forward in irrigation technology, offering precise and controlled water delivery to optimize plant health and minimize waste. By integrating modern irrigation methods with strategic water resource management, the England Estate can continue its legacy of citrus cultivation while prioritizing responsible water usage for the benefit of the environment and the community.

Determination of General Plan Conformity

The England estate in Redlands, California, holds a rich history deeply intertwined with the region's citrus industry. Established in the late 19th century during the citrus boom, the estate was one of the many sprawling groves that dotted the landscape, contributing significantly to Redlands' reputation as the "Citrus Belt." Preserving the citrus heritage on the England estate is crucial for several reasons. First, it serves as a tangible link to Redlands' agricultural past, reminding residents and visitors alike of the city's roots and the pivotal role citrus played in shaping its identity. By safeguarding this heritage, future generations can continue to appreciate and learn from the legacy of the citrus industry in Southern California.

Prior to the acquisition or sale of real property by a local agency, Government Code Section 65402 requires that such acquisition or sale be submitted to the Planning Commission for an evaluation as to its conformity with the General Plan. The proposed purchase herein for the property identified as APN 0173-231-23-0000, and 0173-231-26-0000 was submitted to the Planning Commission for evaluation on April 11, 2023.

The Planning Commission (Commission) evaluated the proposed purchase for General Plan conformity and provided its report through the adoption of a resolution (Attachment B). Through the adoption of this resolution, the Commission found that the purchase would be in conformance with the General Plan in that it is consistent with General Plan Policies 2-A.37; 2-P.22; 2-p.23; 4-P.24; 4-A.41; 6-p.1; 6-9.11; 6-p.12; and 6-A.1.

California Environmental Quality Act

Furthermore, approval of the Purchase and Sale Agreement is exempt from review under the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Section 15061(b)(3). Section 15061(b)(3) states that an activity is covered by the common sense exemption where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. The approval of the agreement will only transfer ownership of the subject property and will not result in a physical change in the environment. Therefore, the proposed purchase is exempt from further CEQA review.

ALTERNATIVES:

City Council may elect not to approve the Purchase and Sale Agreement and provide alternative direction.

STRATEGIC PLAN:

Supports Strategic Plan Priority A - Quality of Life - Strategic Objective 2 - Economic Vitality. Increase accessibility to businesses and essential services through improvements to mobility and parking.

SUBMITTED BY:
Christopher Boatman, Assistant City Manager

RECOMMENDED BY:
Charles M. Duggan Jr., City Manager

REVIEWED BY:
Yvette M. Abich Garcia, City Attorney
Danielle Garcia, Management Services/Finance Director

PREPARED BY:
Tricia Swope, Manager, Facilities and Community Services Department

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Fiscal Impact

Fiscal Year:	FY 2023-24
Amount:	$100,000

Discussion:

Funding for the project would be provided by the Agricultural Open Space designation of the Palmetto Grove Land Sale Proceeds. Staff has included a reallocation of the necessary funds from the Agricultural Open Space - Acquisition/Conservation Easements subcategory.

Attachments

A. Purchase and Sale Agreement Meritage Homes of California Inc.

B. Resolution No. 1667

Additional Appropriation Form

C. Property Map

PURCHASE AND SALE AGREEMENT
AND JOINT ESCROW INSTRUCTIONS

(England Grove)

THIS **PURCHASE AND SALE AGREEMENT AND JOINT ESCROW INSTRUCTIONS** (this "Agreement") is made and entered into by and between **MERITAGE HOMES OF CALIFORNIA, INC.**, a California corporation ("Seller"), and the **CITY OF REDLANDS**, a municipal corporation organized in accordance with the laws of the State of California ("Buyer"), as of the date of last execution hereof by "Seller" or "Buyer" (the "Agreement Date"), for the purpose of setting forth the agreement of the parties and to provide instructions to FIRST AMERICAN TITLE COMPANY, in its capacity as Escrow Agent ("Escrow Agent"), with respect to the transaction contemplated by this Agreement.

RECITALS

Upon and subject to the terms, covenants, and conditions of this Agreement, Seller desires to sell, transfer, and convey to Buyer, and Buyer desires to purchase and acquire from Seller, certain real property located in the City of Redland (the "City"), County of San Bernardino (the "County"), California, and legally described on Exhibit "A" attached hereto, together with all appurtenant improvements, rights, interests, easements, tenements and estates, including, without limitation all of Seller's right, title, and interest in and to 15 shares of Redlands Water Company (collectively, the "Property").

AGREEMENT

NOW, THEREFORE, in consideration of the mutual covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Buyer and Seller hereby agree, and instruct Escrow Agent, as follows:

1. PURCHASE AND SALE.

Subject to and upon all of the terms and conditions set forth in this Agreement, Seller agrees to sell, transfer, and convey to Buyer, and Buyer agrees to purchase and acquire from Seller, the Property.

2. PURCHASE PRICE AND INDEPENDENT CONSIDERATION.

2.1 Purchase Price. The purchase price of the Property (the "Purchase Price") shall be: One Hundred Thousand Dollars ($100,000). The Purchase Price shall be payable as follows:

2.1.1 Deposit. Within five (5) Business Days (as hereinafter defined) following the Agreement Date, Buyer shall deposit into Escrow (as hereinafter defined) the sum of Ten Thousand Dollars ($10,000) (which amount, together with any and all interest thereon, shall hereinafter be referred to as the "Deposit"). Until disbursed in accordance with the terms of this Agreement, Escrow Agent shall hold the Deposit in a federally insured account, subject to immediate withdrawal without penalty. The Deposit shall be paid to Seller and credited against the Purchase Price of the Property at the Closing.

2.1.2 Balance. At Closing, Buyer shall pay to Seller the balance of the Purchase Price, over and above the Deposit, by wire transfer of immediately available U.S. funds, net of all prorations and adjustments as provided in this Agreement.

2.2 Independent Consideration. Ten Dollars ($10.00) of the Deposit shall be referred to in this Agreement as the "Independent Consideration**.**" The Independent Consideration shall be released to Seller immediately following Escrow Agent's receipt of the Deposit and shall be non-refundable to Buyer as independent consideration for the rights and options extended to Buyer under this Agreement, including, without limitation, the right and option to terminate this Agreement as provided therein. In all instances under this Agreement in which Buyer elects to terminate or is deemed to have terminated this Agreement and any of the Deposit is returned to Buyer, the Independent Consideration shall be subtracted therefrom and retained by Seller. The Independent Consideration shall not be treated as consideration given by Buyer for any purpose other than as stated in this Section 2.2.

3. OPENING OF ESCROW.

3.1 Opening. The transaction contemplated by this Agreement shall be consummated through an escrow ("Escrow") to be established with Escrow Agent by each of Seller and Buyer delivering to Escrow Agent a counterpart of this Agreement executed by such party (in accordance with and subject to Section 13.14 below) at the same time that such party delivers a copy thereof to the other party. The opening of escrow (the "Opening of Escrow") shall occur when Escrow Agent receives an executed counterpart of this Agreement from each of Buyer and Seller. If the Opening of Escrow has not occurred within three (3) Business Days after Seller signs a counterpart of this Agreement and delivers it to Escrow Agent, then any offer that may result from the execution of this Agreement by Seller will be deemed not accepted and such offer and this Agreement shall be null and void. Escrow Agent shall promptly deliver to each of Buyer and Seller written notice of the date of the Opening of Escrow and, once executed by Escrow Agent, one fully executed Agreement.

3.2 Instructions. This Agreement shall constitute instructions to Escrow Agent as well as the agreement of the parties. In the event that any other printed instructions are requested of the parties by Escrow Agent and the terms thereof conflict or are inconsistent with any provision of this Agreement or any deed, instrument, or document executed by the parties hereto or delivered in connection with the transaction contemplated hereby, the provisions of this Agreement, or such deed, instrument, or document shall control. Without limiting the foregoing, no provision in any printed form instructions shall excuse any performance by either party at the times provided in this Agreement, extend the Closing Date, provide either party hereto with any grace period not provided in this Agreement, indemnify or excuse Escrow Agent for its negligence or willful failure to perform its duties, or give Escrow Agent and/or any broker or other third party any rights in the Deposit, and any such provision shall be deleted and deemed void and of no effect. Escrow Agent is hereby appointed and designated to act as Escrow Agent, and is instructed to deliver, pursuant to the terms of this Agreement, the documents and funds to be deposited with Escrow Agent as herein provided.

3.3 Termination. Upon any termination of this Agreement by either of the parties hereto as expressly allowed under this Agreement (including, without limitation, any deemed termination):

(i) the Deposit shall be delivered by Escrow Agent to the party that this Agreement specifies is entitled thereto; (ii) all other documents, instruments, and funds delivered to Escrow Agent shall be returned to the party that delivered such items thereto; and (iii) thereafter, all of the provisions of this Agreement shall be of no further force or effect and neither party shall have any further rights or obligations hereunder, other than pursuant to any provision of this Agreement that expressly survives the termination of this Agreement, including, without limitation, any indemnity obligations of Buyer or Seller set forth in this Agreement. A copy of any notice of termination allowed under this Agreement and sent to a party shall also be sent to Escrow Agent by the party electing to terminate.

4. ACTIONS PENDING CLOSING.

4.1 Due Diligence.

4.1.1 Property Materials. Buyer acknowledges and agrees that, as of the Agreement Date, Seller has made available to Buyer in "hard copy" form and/or via a web based "drop box" service the information and documentation relating to the Property listed on Exhibit "C-1" attached hereto (collectively, the "Property Materials"). Buyer acknowledges and agrees that (a) Seller has not made, does not make, and specifically negates and disclaims any representations, warranties, covenants, or guaranties whatsoever regarding the Property Materials; (b) Seller shall have no obligation to take any action with respect to any of the Property Materials, and if Buyer delivers a Feasibility Notice (as hereinafter defined) on or prior to the Due Diligence Termination Date, then Buyer also shall be conclusively deemed to have accepted all of such materials in the state received by Buyer as of the Due Diligence Termination Date. Further, Buyer acknowledges and agrees that the Property Materials were prepared by third parties and that Property Materials and any other documents and information provided to Buyer by or on behalf of Seller are and will be furnished under the express condition that (i) Buyer shall make its independent verification of the accuracy of all information contained therein and (ii) Buyer shall not attempt to assert any liability against Seller by reason of Seller's having furnished such information or for the reason of any such information becoming or proving to have been incomplete, incorrect, or inaccurate in any respect.

4.1.2 Buyer's Diligence Tests.

4.1.2.1 At all reasonable times from the later of (a) Opening of Escrow or (b) delivery to Seller of the insurance certificate specified in Section 4.1.2.2 below, and until the Due Diligence Termination Date or earlier termination of this Agreement, Buyer and its agents, consultants, contractors, and representatives shall be entitled at Buyer's sole cost and expense to: (i) enter onto the Property to perform any non-intrusive physical and environmental tests, examinations, and investigations of the Property (collectively, the "Inspection"); (ii) review all Property Materials; (iii) obtain a new boundary survey of the Property, which shall be certified to Seller, Buyer, Escrow Agent, and Title Insurer if so obtained (the "Survey"); and (iv) investigate such other matters pertaining to the Property as Buyer may desire. Buyer's entry onto and Inspection of the Property in accordance with the terms hereof shall not damage any of the Property in any respect and, prior to Closing, Buyer shall not conduct or permit any physically invasive testing of, on, or under any of the Property without first obtaining Seller's written consent (which shall be at Seller's sole and absolute discretion) as to the timing and scope of the work to be

performed, including, without limitation, as to any Phase II environmental testing, soils borings, drilling test wells and/or otherwise sampling any previously drilled wells, and/or digging test pits; provided, however, that Seller's consent shall not be required to perform Phase I environmental testing. Further, notwithstanding the foregoing, before entering upon any of the Property to conduct any Inspection, Buyer first will provide Seller at least two (2) Business Days advance notice thereof so that a representative of Seller also can be present during any such Inspection. Buyer agrees to cause each Inspection report or study that is obtained by Buyer or at Buyer's direction from a third party to be addressed to and certified (if customarily certified) to Seller, as well as to Buyer and to be delivered to Seller at the same time it is delivered to Buyer, all at Buyer's expense. Any entry by Buyer onto the Property shall be subject to, and conducted in accordance with, all applicable laws and with the terms and provisions set forth on Exhibit "B-2" (Inspection Conditions).

4.1.2.2 Prior to any entry onto the Property, Buyer shall deliver to Seller a currently effective certificate or certificates evidencing all insurance required in the Inspection Conditions attached hereto as Exhibit "B-2". Such insurance shall be maintained at all times during the term of this Agreement. The provisions of this Section 4.1.2.2 shall survive the Closing or the earlier termination of this Agreement.

4.1.2.3 Buyer shall indemnify, protect, defend, and hold Seller and each of its present and former shareholders, parent companies, officers, directors, beneficiaries, members, managers, partners, employees, agents, affiliates, representatives, subsidiaries, insurers, heirs, attorneys, successors and assignees (each, an "Indemnified Party" and collectively, the "Indemnified Parties") harmless for, from, and against any and all claims (including, without limitation, claims for mechanic's liens or materialmen's liens), causes of action, demands, obligations, losses, damages, liabilities, judgments, costs, and expenses (including, without limitation, reasonable attorneys' fees, charges, and disbursements) (collectively, "Claims") in connection with or arising out of any entry upon the Property or any tests, examination, and investigations of the Property carried on by or on behalf of Buyer; provided, however, that Buyer shall not be required to indemnify any Indemnified Party for any Claims (i) arising or resulting from the mere discovery of existing conditions on the Property or (ii) caused by such Indemnified Party's gross negligence or willful misconduct. Buyer shall promptly repair any damage to any of the Property caused by its entry thereon and restore the same to materially the same condition in which it existed prior to such entry. The provisions of this Section 4.1.2.3 shall survive the Closing (and shall not be merged into the Deed or other Closing documents) or the earlier termination of this Agreement.

4.1.2.4 Section 25359.7 of the California Health and Safety Code requires owners of nonresidential property who know or have reasonable cause to believe that a release of a Hazardous Material has come to be located on or beneath real property to provide written notice of that condition to a buyer of the real property. The only releases of the Hazardous Materials actually known to Seller, without duty of inquiry or investigation, are those specifically described as actual releases in the Property Materials delivered to Buyer. Buyer acknowledges and agrees that, prior to the Due Diligence Termination Date, Buyer shall have been provided with an adequate opportunity to, and encouraged to, retain its own consultants and experts to conduct its own inspections and examinations of the Property and all matters relating to the Property. By its execution of this Agreement, Buyer acknowledges its receipt of the foregoing notice given pursuant

to Section 25359.7 of the California Health and Safety Code and that it is aware of the benefits conferred to Buyer by Section 1542 of the California Civil Code and the risks it assumes by any waiver of its benefits thereunder. The provisions of this Section shall survive the Closing (and shall not be merged into the Deed or any other Closing documents) or the earlier termination of this Agreement.

4.1.2.5 Prior to the Due Diligence Termination Date, Title Insurer shall provide Buyer with a Natural Hazard Disclosure Statement ("Natural Hazard Disclosure Statement") in the form required by law. Buyer acknowledges and agrees that nothing contained in the Natural Hazard Disclosure Statement shall release Buyer from its obligation to fully investigate the condition of the Property, including, without limitation, whether the Property is located in any natural hazard areas, and that Buyer has the expertise to perform such investigations and will have had the opportunity to do so under the terms of this Agreement. Buyer further acknowledges and agrees that the matters set forth in the Natural Hazard Disclosure Statement may change on or prior to Closing and that Seller has no obligation to update, modify, or supplement the Natural Hazard Disclosure Statement. The provisions of the Natural Hazard Disclosure Statement, if any, shall in no way be deemed or construed to limit the "AS-IS, WHERE-IS" nature of this Agreement. The provisions of this Section shall survive Closing and shall not be merged into the Deed or other Closing documents.

4.1.3 Buyer's Termination Right. Buyer shall have the right at any time on or before 5:00 p.m. (California time) on the forty-fifth (45th) day following the Agreement Date (the "Due Diligence Termination Date") to terminate this Agreement for any or no reason by delivering a written notice of such termination to Seller and Escrow Agent, in which event the Deposit shall be returned to Buyer as provided in Section 3.3 above. In the event that Buyer elects to proceed with the transaction contemplated by this Agreement, then Buyer must indicate its unconditional approval of its feasibility review and waiver of the due diligence condition described in this Section 4.1 by delivering written notice thereof (a "Feasibility Notice") to Seller and Escrow Agent on or prior to the Due Diligence Termination Date. In the event Buyer fails to timely give a Feasibility Notice as provided above, this Agreement and the Escrow shall automatically be deemed terminated, in which event the Deposit shall be returned to Buyer as provided in Section 3.3 above. In the event that Buyer delivers a Feasibility Notice on or prior to the Due Diligence Termination Date, then the Deposit shall be nonrefundable to Buyer except as specifically provided otherwise in this Agreement.

4.2 Title.

4.2.1 Title Documents. Promptly following the Agreement Date, Escrow Agent shall cause First American Title Insurance Company (in such capacity, "Title Insurer") to issue and deliver to Buyer: (a) a preliminary title report for the Property (the "Title Report"), and (b) copies of all documents referenced as exceptions therein (together with the Title Report, the "Title Documents").

4.2.2 Buyer's Review of Title. Buyer shall have until the Due Diligence Termination Date (the "Title Review Period") to review the Title Documents and Survey (if applicable) to determine Buyer's satisfaction therewith. Seller shall have no obligation to cure or correct any matter set forth in any of the Title Documents or Survey. If Buyer delivers a Feasibility

Notice, then any matters reflected in the Title Documents and/or Survey, as amended and received by Buyer as of the Due Diligence Termination Date, shall be conclusively deemed to have been approved by Buyer and shall constitute Permitted Exceptions (as hereinafter defined). In the event that the Title Report is amended or modified by Title Insurer after the Title Review Period has expired and prior to the Closing to include any title exception recorded after the date of the initial Title Report, other than the Permitted Exceptions and matters arising by or through Buyer, then Buyer shall have until the earliest of (a) one (1) Business Day before the Closing Date, and (b) two (2) Business Days after receipt of such amended Title Documents to either (i) terminate this Agreement by giving Seller and Escrow Agent written notice of termination, whereupon the Deposit shall be returned to Buyer as provided in Section 3.3, or (ii) approve such exception(s) and consummate the Closing. If Buyer does not terminate this Agreement within such time period, then, except as specifically provided otherwise in Section 4.2.3, all exceptions or matters reflected in the amended Title Documents shall be conclusively deemed to have been approved by Buyer and shall constitute Permitted Exceptions.

4.2.3 Permitted Exceptions. As used in this Agreement, the term "Permitted Exceptions" collectively shall mean the following: (a) the exceptions to title that are reflected in the Title Documents and any amendment(s) to the Title Documents that have been approved (or deemed approved) by Buyer pursuant to this Section 4.2, including, without limitation, (i) the grants, reservations, covenants, conditions, and restrictions set forth in the Grant Deed recorded in the Official Records of San Bernardino County, California as instrument No. 2022-0133463, and (ii) that certain Declaration of Restrictive Use Covenant Affecting Real Property recorded in the Official Records of San Bernardino County, California as instrument No. 2022-0137410; (b) any matters that are created by or arise from the act or acquiescence of Buyer, its affiliates, employees, agents, contractors, subcontractors, or representatives; (c) any unpaid taxes and assessments not yet delinquent (subject to the prorations in Section 5.5); (d) zoning and other governmental restrictions; (e) any additional matters that would be disclosed by an inspection or accurate ALTA/NSPS survey of the Property meeting the minimum standard detail requirements of an urban survey, as most recently adopted by ALTA/NSPS, and containing all Table A items thereunder; and (f) any other matters that are approved or deemed approved by Buyer under or in connection with this Agreement or are otherwise contemplated by the express terms of this Agreement. Notwithstanding anything to the contrary contained in this Agreement, at or before Closing, Seller shall be obligated to satisfy and otherwise remove (and none of such matters shall constitute Permitted Exceptions): (A) all monetary and financial liens and encumbrances arising out of instruments executed by Seller or out of work performed by Seller or at Seller's direction (other than current taxes and assessments not yet due) that pertain to the Property, whether or not objected to by Buyer, and (B) any leases executed by Seller, except as otherwise approved by Buyer in its sole discretion.

4.2.4 Owner's Title Policy. Title Insurer shall issue to Buyer at Closing, or be irrevocably committed at Closing to issue to Buyer after the Closing, an ALTA extended coverage owner's policy of title insurance ("ALTA Extended Policy") for the Property (a) showing fee title to the Property" vested in Buyer, (b) with liability coverage in an amount equal to the Purchase Price, (c) with those endorsements reasonably requested by Buyer that Title Insurer has agreed prior to the Due Diligence Termination Date to issue at Closing, and (d) containing no exceptions other than the Permitted Exceptions and the reservations and other matters referenced or described in the Grant Deed (the "Owner's Title Policy"). Buyer shall pay any difference in the cost of the premium for a standard

ALTA owner's policy of title insurance and the ALTA Extended Policy and the cost of any endorsements to the Owner's Title Policy. If a new or updated survey is required to enable the Title Company to issue the ALTA Extended Policy, Buyer shall obtain the same, at its sole cost and expense, in a timely manner so as to facilitate the issuance of the ALTA Extended Policy upon the Close of Escrow. Seller shall have no obligation to obtain any such extended coverage and/or endorsements.

4.3 Citrus Planting. As a condition to Closing, Seller shall cause Seven Hundred Eighty-Four (784) additional new navel orange citrus trees (or such other citrus trees approved by the City's Citrus Preservation Commission) to be planted on the Property (the "Citrus Planting").

4.4 Irrigation System. As a condition to Closing, Seller shall cause a fan jet irrigation system to be installed on the Property in order to provide irrigation to the trees located on the Property (the "Irrigation System"). City agrees that the Irrigation System may be connected to the City's municipal water system located adjacent to the Property and need not pump water from any other source. If any approvals or authorizations needed to connect to the City's municipal water system are not timely obtained and provided to the Seller, the Irrigation System need not be connected to a water source as part of the condition to Closing. However, if the Irrigation System is connected to the City's municipal water system and this Agreement is terminated prior to Closing, then Seller shall disconnect from the City's municipal water system within ninety (90) days of the termination of this Agreement.

5. CLOSING.

5.1 Closing Date. Subject to the provisions of this Agreement, the Closing shall take place within the earlier of (a) ten (10) days after Seller delivers notice and reasonable supporting documentation that the Citrus Planting and installation of the Irrigation System have occurred (the "Closing Contingencies"), or (b) August 25, 2025 (the "Outside Closing Date"). Buyer acknowledges that the trees for the Citrus Planting are not currently available and that the Outside Closing Date has been established based on third-party information about future tree availability. Accordingly, if there is a delay or inability to obtain trees and/or other materials necessary to satisfy the Closing Contingencies, then Seller shall have the right, but not the obligation, to extend the Outside Closing Date by up to ninety (90) days by delivery of written notice to Escrow Agent and Buyer at least thirty (30) days prior to the Outside Closing Date. If, despite Seller's good faith efforts, any of the Closing Contingencies have not been satisfied as of the date that is fifteen (15) days prior to the Outside Closing Date, as the same may be extended by Seller as provided above, then the Purchase Agreement shall automatically terminate (in which event, the Deposit shall be returned to Buyer as provided in Section 3.3) unless Buyer delivers a written notice waiving all such unsatisfied Closing Contingencies on or before the date that is ten (10) days prior to the Outside Closing Date. As used herein: (i) "Closing" shall mean the execution and delivery by Seller to Escrow Agent of the Deed and the other documents to be executed and delivered by Seller hereunder and the delivery by Buyer to Escrow Agent of the balance of the Purchase Price and all documents to be executed and delivered by Buyer hereunder such that Escrow Agent is unconditionally prepared and committed to proceed in accordance with Section 5.4 and Escrow Agent's proceeding in accordance therewith; and (ii) "Closing Date" shall mean the date that Closing occurs.

5.2 Deliveries by Seller. On or before the Closing Date, Seller, at its sole cost and expense, shall deliver or cause to be delivered to the Escrow Agent (to be held in escrow pending the Closing) the following documents and instruments, each dated as of the Closing Date and fully executed and, if appropriate, acknowledged by Seller:

5.2.1 Deed. A grant deed for the Property in the form of Exhibit "C" attached hereto (the "Deed").

5.2.2 Non-Foreign Certification. A certification of non-foreign status in the form of Exhibit "D" attached hereto.

5.2.3 State Affidavit. A California state tax withholding certificate in accordance with the requirements of California Revenue and Taxation Code Section 18668.

5.2.4 'Redlands Water Company Stock Certificate & Assignment Separate from Certificate. Original Stock Certificate(s) evidencing the RWC Shares to be transferred hereunder, and an Assignment Separate from Certificate in the form of Exhibit "E" attached hereto.

5.2.5 Proof of Authority. Such proof of Seller's authority and authorization to enter into this Agreement and the transaction contemplated hereby, and such proof of the power and authority of the individual(s) executing or delivering any instruments, documents, or certificates on behalf of Seller to act for and bind Seller as may be reasonably required by Escrow Agent or Title Insurer.

5.2.6 Other. Such other documents and instruments, signed and properly acknowledged by Seller, if appropriate, as may be reasonably required in order to effectuate the provisions of this Agreement and the Closing.

5.3 Deliveries by Buyer. On or before the Closing Date, Buyer, at its sole cost and expense, shall deliver or cause to be delivered to the Escrow Agent (to be held in escrow pending the Closing) the following funds and the following documents and instruments, each dated as of the Closing Date and fully executed and, if appropriate, acknowledged by Buyer:

5.3.1 Cash. Cash or other immediately available federal funds in an amount equal to the Purchase Price (over and above the Deposit to be credited at Closing) and Buyer's entire share of the Closing Costs and of the prorations pursuant to Section 5.5 below (and otherwise sufficient to close the transaction contemplated herein).

5.3.2 Proof of Authority. Such proof of Buyer's authority and authorization to enter into this Agreement and the transaction contemplated hereby, and such proof of the power and authority of the individual(s) executing or delivering any instruments, documents, or certificates on behalf of Buyer to act for and bind Buyer as may be reasonably required by Escrow Agent or Title Insurer.

5.3.3 Certificate of Acceptance. A duly executed Certificate of Acceptance for the Deed in the form attached to the form of Deed attached as Exhibit "C" hereto.

5.3.4 Other. Such other funds and documents and instruments, signed and properly acknowledged by Buyer, if appropriate, as may reasonably be required in order to effectuate the provisions of this Agreement and the Closing.

5.4 Actions by Escrow Agent. Provided that Escrow Agent shall not have received written notice from Buyer or Seller of the termination of this Agreement in accordance with its terms, when Buyer and Seller have deposited with Escrow Agent all of the documents and funds required by this Agreement for the Closing, Escrow Agent, in the order and manner herein below indicated, shall take the following actions to effectuate the Closing:

5.4.1 Recording. Cause the Deed and any other documents customarily recorded and/or that the parties hereto may mutually direct to be recorded (or that are specifically contemplated by any of the other Closing documents) to be recorded in the official records of the County (the "Official Records") and obtain conformed copies thereof for distribution to Buyer and Seller.

5.4.2 Funds. Disburse all funds as follows:

5.4.2.1 Pursuant to the Closing Statement (as hereinafter defined), retain for Escrow Agent's own account any applicable escrow/closing fees and costs, disburse to Title Insurer the fees and expenses incurred in connection with the issuance of the Owner's Title Policy, and disburse to any other persons or entities entitled thereto the amount of any other Closing Costs and any other disbursements reflected on the Closing Statement;

5.4.2.2 Disburse to, or at the direction of, Seller an amount equal to the Purchase Price, less or plus the net debit or credit to Seller by reason of the prorations and allocations of Closing Costs and any other disbursements reflected on the Closing Statement or other adjustments provided for in this Agreement; and

5.4.2.3 Disburse to the party who deposited the same any remaining funds in the possession of Escrow Agent after the payments pursuant to Sections 5.4.2.1 through Section 5.4.2.2 above have been completed.

5.4.3 Delivery of Documents. Deliver: (a) to Seller, one copy of all documents deposited into Escrow in connection with Closing; and (b) to Buyer, (i) one original of all documents deposited into Escrow in connection with Closing (other than the Deed and the other documents recorded pursuant to the terms of this Agreement); and (ii) one conformed copy of each document recorded pursuant to the terms hereof. Originals of any documents recorded at Closing shall be delivered as indicated thereon after such recording.

5.5 Prorations. All real estate taxes and current assessments to which the Property is subject as of the Closing shall be prorated between Buyer and Seller as of the Closing Date based on a 365-day year and the latest available information at the time of proration (including the greatest possible discount for early payment to the extent applicable), which proration shall be final. Upon recordation of the Grant Deed, Buyer will request cancellation of the real property taxes for the Property pursuant to California Revenue and Taxation Code Section 4986.

5.6 Closing Costs. Each party shall pay its own costs and expenses arising in connection with Closing (including, without limitation, its own attorneys' and advisors' fees, charges, and disbursements), except the following costs (the "Closing Costs"), which shall be allocated between the parties as follows(in addition to any other costs and expenses specifically allocated to the parties elsewhere in this Agreement):

5.6.1 Seller Costs. Seller shall pay for the following items: (i) Seller's prorations pursuant to Section 5.5; (ii) one-half (1/2) of Escrow Agent's escrow/closing fees; (iii) fees and documentary transfer tax for recording the Deed; (iv) the portion of the Owner's Title Policy premium attributable to ALTA standard form coverage in the amount of the Purchase Price; and (v) Seller's attorneys' fees.

5.6.2 Buyer Costs. Buyer shall pay for the following items: (i) Buyer's prorations in accordance with Section 5.5; (ii) one-half (1/2) of Escrow Agent's escrow/closing fees; (iii) the costs of any financing utilized by Buyer, if any; (iv) the balance of the Owner's Title Policy premium over and above the amount payable by Seller pursuant to Section 5.6.1 above and the cost of any endorsements to the Owner's Title Policy; (v) the cost of any Survey; and (vi) Buyer's attorneys' fees.

5.7 Closing Statement. On or before the Closing Date, Escrow Agent shall deliver to each of the parties for their review and approval a preliminary closing statement (the "Preliminary Closing Statement") that sets forth: (a) the Purchase Price payable at Closing and the Deposit to be credited to Buyer at Closing; (b) the proration amounts allocable to each of the parties pursuant to Section 5.5; (c) the Closing Costs allocable to each of the parties pursuant to Section 5.6, and (d) any other expenses to be paid directly to third parties pursuant to the approved Closing Statement. Based on each of the party's comments, if any, regarding the Preliminary Closing Statement, Escrow Agent shall revise the Preliminary Closing Statement and deliver a final, signed version of the closing statement to each of the parties at the Closing (the "Closing Statement").

6. [INTENTIONALLY OMITTED].

7. SELLER'S REPRESENTATIONS AND WARRANTIES.

7.1 Representations and Warranties. Seller represents and warrants to Buyer as follows:

7.1.1 Due Organization. Seller is a corporation duly incorporated, validly existing, and in good standing under the laws of the State of California.

7.1.2 Seller's Authority; Validity of Agreements. Seller has full right, power, and authority to sell the Property to Buyer as provided in this Agreement and to carry out its obligations hereunder. The individual(s) executing this Agreement and the instruments referenced herein on behalf of Seller has/have the legal power, right, and actual authority to bind Seller to the terms hereof and thereof. This Agreement is, and all other instruments, documents, and agreements to be executed and delivered by Seller in connection with this Agreement shall be, duly authorized, executed, and delivered by Seller and the valid, binding, and enforceable obligations of Seller (except as enforcement may be limited by bankruptcy, insolvency, or similar laws) and do not, and

as of the Closing Date will not, violate any provision of any agreement or judicial order to which Seller is a party or to which Seller is subject.

7.1.3 Foreign Person. Seller is not a "foreign person" as such term is defined under § 1445 of the Internal Revenue Code of 1986, as amended.

7.1.4 Litigation. To Seller's knowledge and except as disclosed in the Property Materials or Title Documents, there are no (a) actions, investigations, suits, or proceedings pending or threatened that affect the Property, the ownership or operation thereof, or the ability of Seller to perform its obligations under this Agreement or (b) judgments, orders, awards, or decrees currently in effect against Seller with respect to the ownership or operation of the Property that have not been fully discharged prior to the Effective Date hereof.

7.1.5 No Violations of Environmental Laws. To Seller's knowledge and except as disclosed in the Property Materials or Title Documents: (a) the Property is not currently under investigation for violation of any federal, state, or local law, ordinance, or regulation relating to industrial hygiene, worker health and safety, or to the environmental conditions in, at, on, under, or about the Property, including, but not limited to, soil and groundwater conditions; and (b) Seller has not used, generated, manufactured, stored, or disposed in, at, on, or under the Property any Hazardous Materials in violation of applicable law. Notwithstanding the foregoing, Buyer acknowledges that Seller only recently acquired the Property, the current and historical use of the Property is agricultural, and the Property may have been subject to chemicals commonly used in agricultural.

7.2 Change in Circumstances. Notwithstanding anything to the contrary in Section 7.1: (a) all of the representations and warranties shall be subject to any changes in facts that arise by reason of any acts or omissions of Buyer or its agents, representatives, or employees, or Buyer's breach of this Agreement, and (b) Seller shall have the right to update such representations and warranties as of or prior to Closing based on changes in facts that do not arise from Seller's breach of this Agreement or Seller intentionally causing any of Seller's representations or warranties to become untrue, in which event Buyer, as its sole and exclusive remedy, will have five (5) Business Days following such notice to terminate this Agreement and receive a return of the Deposit. If Buyer fails to terminate this Agreement in writing within such 5-Business Days' period, then Buyer shall be deemed to have accepted such representation and warranty, as modified by such update, and Seller shall have no liability for the untruth or inaccuracy of the representation or warranty as qualified by such update.

7.3 Survival; Limited Liability. The representations and warranties of Seller set forth in Section 7.1 or in any document executed and delivered by Seller for the benefit of Buyer in connection with the Closing shall survive the Closing for a period of nine (9) months after the Closing (the "Survival Period"). Buyer will not have any right to bring any action against Seller as a result of any untruth or inaccuracy of such representations and warranties unless and until the aggregate amount of all liability and losses arising out of any such untruth or inaccuracy exceeds $10,000 ("Deductible"), and then only to the extent of such excess. In addition, in no event will

Seller's liability for all such breaches exceed, in the aggregate, $25,000[1] ("Liability Cap"). In the event of any breach of any of Seller's representations or warranties that is discovered by Buyer during the Survival Period, Buyer shall give Seller written notice of such alleged breach (a "Breach Notice") prior to the expiration of the Survival Period and shall allow Seller the opportunity to cure any such alleged breach that is reasonably susceptible of cure prior to making any claim for damages under this Agreement, in each case, as more particularly set forth below. In the event that Seller elects, by written notice to Buyer (an "Election Notice") within ten (10) Business Days of receipt of any Breach Notice, to cure any such breach that is reasonably susceptible of cure, Seller shall have a period of time ("Seller's Cure Period") equal to thirty (30) days (as such period shall be extended for such time as may be reasonably necessary to cure any such breach that is not reasonably capable of cure within such initial thirty (30)-day period as long as Seller continues to diligently prosecute cure until completion) to attempt to cure such breach prior to Buyer making a claim for damages under this Agreement with respect thereto. In the event Seller delivers an Election Notice to Buyer, Buyer shall allow Seller to have reasonable access to the Property and shall reasonably cooperate with Seller (at no out-of-pocket cost or expense to Buyer) to allow Seller to prosecute the cure of the applicable breach during Seller's Cure Period. Buyer waives all rights and remedies with respect to all breaches, if any, not alleged in a Breach Notice delivered during the Survival Period as set forth above. Seller shall have no liability with respect to any of Seller's representations, or warranties herein or in any document executed and delivered by Seller for the benefit of Buyer in connection with a Closing if, prior to the Closing, Buyer has actual knowledge (from whatever source, including, without limitation, as a result of Buyer's due diligence, or in any Property Materials or Title Documents, or written disclosure by Seller or Seller's agents and employees) of any breach of a representation or warranty of Seller herein or in any document executed and delivered by Seller for the benefit of Buyer in connection with Closing, or Buyer obtains actual knowledge (from whatever source, including, without limitation, as a result of Buyer's due diligence, or in any Property Materials or Title Documents, or written disclosure by Seller or Seller's agents and employees) that contradicts any of Seller's representations and warranties herein, and Buyer nevertheless consummates the transaction contemplated by this Agreement. Any provision providing that it survives the Closing will survive each Closing without limitation unless a specified period is otherwise provided in this Agreement. In no event shall Buyer seek or obtain, or be entitled to seek or obtain, speculative, special, punitive, consequential, exemplary, lost profits or diminution in value damages against Seller due to any breach of a representation or warranty by Seller, or any breach or default by Seller under this Agreement; provided, however, that the foregoing shall not prohibit Buyer from seeking any other actual damages subject to the terms and conditions of this Agreement. Notwithstanding the foregoing or anything to the contrary in this Agreement, none of the limitations set forth in this Section 7.3 or Article 9, below, including, without limitation, the Survival Period, Deductible, Liability Cap or Seller's Cure Period, shall be applicable to claims arising from the fraud or intentional misrepresentation of Seller (collectively "Excluded Claims"). This Section 7.3 shall survive Closing.

7.4 Seller's Knowledge. For purposes of this Agreement and any document delivered at Closing, whenever the phrase "to Seller's knowledge," or the "knowledge" of any Seller or words of similar import are used, they shall be deemed to refer to facts within the actual knowledge only

[1] NTD: Seller proposed cap was lower than the deductible amount

of Johanna Crooker and no others, at the times indicated only, without duty of inquiry whatsoever. Buyer acknowledges and agrees that the individual named above is named solely for the purpose of defining and narrowing the scope of Seller's knowledge and not for the purpose of imposing any liability on or creating any duties running from such individual to Buyer. Buyer covenants that it will bring no action of any kind against such individual, any shareholder, partner or member of Seller, as applicable, or related to or arising out of the foregoing representations and warranties of Seller. This Section 7.4 shall survive each Closing or any termination of this Agreement.

8. BUYER'S REPRESENTATIONS AND WARRANTIES.

8.1 Representations and Warranties. Buyer represents and warrants to Seller as follows:

8.1.1 Due Organization. Buyer is a municipal corporation duly organized, validly existing, and in good standing under the laws of the State of California.

8.1.2 Buyer's Authority; Validity of Agreements. Buyer has full right, power, and authority to purchase and acquire the Property from Seller as provided in this Agreement and to carry out its obligations hereunder. The individual(s) executing this Agreement and the instruments referenced herein on behalf of Buyer has/have the legal power, right, and actual authority to bind Buyer to the terms hereof and thereof. This Agreement is, and all instruments, documents, and agreements to be executed and delivered by Buyer in connection with this Agreement shall be, duly authorized, executed, and delivered by Buyer and shall be valid, binding, and enforceable obligations of Buyer (except as enforcement may be limited by bankruptcy, insolvency, or similar laws) and do not, and as of the Closing Date will not, violate any provision of any agreement, law, statute, ordinance, rule, regulation, or judicial order to which Buyer is a party or to which Buyer is subject.

8.2 Survival. All of the representations and warranties of Buyer set forth in this Agreement shall not survive the Closing.

9. AS-IS AND RELEASE.

9.1 As-Is. Buyer acknowledges and agrees that Buyer is a sophisticated purchaser of real property and is familiar with real property of which the Property is a type and, other than the representations and warranties expressly stated in Section 7.1 or in the instruments executed and delivered by Seller at Closing (the "Express Representations"), Seller has not made, does not make, and specifically negates and disclaims any representations, warranties, promises, covenants, agreements, or guaranties of any kind or character whatsoever, whether express or implied, oral or written, past, present, or future, of, as to, concerning, and/or with respect to the Property Materials, the Title Documents, and/or the Property, including, without limiting the generality of the foregoing; (a) the value, nature, quality, or condition of the Property, including, without limitation, the water, soil, and geology; (b) the income to be derived from the Property; (c) the suitability of the Property for any and all activities and uses that Buyer may desire to conduct thereon; (d) the compliance of or by the Property or its operation with any laws, rules, ordinances, or regulations of any governmental authority; (e) the habitability, merchantability, marketability, profitability, or fitness for a particular purpose of the Property; (f) the manner or quality of the construction or materials, if any, heretofore incorporated into the Property; (g) the manner, quality, state of repair,

or lack of repair of the Property; (h) compliance with any environmental protection, pollution, land use, zoning, development, or regional impact laws, rules, regulations, orders, or requirements, including, without limitation, those pertaining to Hazardous Materials (as defined below); (i) the existence in or on the Property of any Hazardous Materials; (j) the content, suitability, and/or sufficiency of any plans, plats, drawings, specifications, reports, studies, agreements, and/or documents with respect to the Property (including, without limitation, any of the foregoing listed items delivered as part of the Property Materials and/or assigned at or in connection with Closing); or (k) any other matter with respect to the Property Materials, the Title Documents, and/or the Property. Buyer further acknowledges and agrees that, except for the Express Representations: (i) Buyer is relying entirely on Buyer's own investigations and examinations as to the physical condition and every other aspect of the Property Materials, the Title Documents, and/or the Property, including, without limitation, those matters set forth above; (ii) Buyer has performed, or will have the right to perform prior to the Due Diligence Termination Date, any and all inspections Buyer deems necessary or appropriate for Buyer to be satisfied with the acceptability of the Property; (iii) no person or entity, including, without limitation, any consultants, contractors, agents, and representatives of Seller and any governmental entity or representative, is authorized to make any representation or warranty on behalf of Seller, and Buyer agrees that it shall not attempt to assert any liability against Seller by reason of any representation, warranty, and/or information provided by any of such persons becoming or proving to have been incomplete, incorrect, or inaccurate in any respect; (iv) Buyer has the sole responsibility for determining the existence or nonexistence of any fact material to Buyer's decision to purchase the Property; and (v) Buyer is purchasing the Property on an **"AS-IS"**, **"WHERE-IS"**, and **"WITH ALL FAULTS"** basis, without any implied warranties, and Buyer accepts and agrees to bear all risks with respect to all attributes and conditions, latent or otherwise, of the Property. For purposes of this Agreement, the term "Hazardous Materials" means any wastes, materials, substances, pollutants, and other matters regulated by any federal, state, or local law, ordinance, or regulation relating to environmental conditions, including, without limitation, soil and groundwater conditions, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601, et seq.), the Resources Conservation and Recovery Act of 1976 (42 U.S.C. Section 6903, et seq.), the Clean Water Act (33 U.S.C. Section 1251, et seq.), the Safe Drinking Water Act (14 U.S.C. Section 1401, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. Section 5101, et seq.), and the Toxic Substance Control Act (15 U.S.C. Section 2601, et seq.), and any other federal, state or local law of similar effect.

9.2 Release. Except with respect to the Express Representations (which are subject to the terms and conditions of Section 7.2 through Section 7.4), Seller does not warrant any of the Property to be free from defects and Buyer expressly accepts the possibility of such defects, subject only to Buyer's ability to terminate this Agreement prior to the expiration of the Due Diligence Termination Date as described above in Section 4.1.3 or upon receipt of a notice of change in circumstances pursuant to the terms and conditions of Section 7.2. Except with respect to the Express Representations (which are subject to the terms and conditions of Section 7.2 through Section 7.4) or Excluded Claims, effective as of the Closing, and as a material inducement for Seller to enter into this Agreement, Buyer hereby fully releases each and all of the Indemnified Parties for and from any and all Claims Buyer may have now or in the future based upon the condition of the Property at or prior to the Closing, the Property Materials (including, without limitation, by reason of Seller's having furnished such information or for the reason of any such information becoming

or proving to have been incomplete, incorrect, or inaccurate in any respect), the Title Documents, and/or all other matters pertaining to the Property (including, without limitation, those matters set forth in Section 9.1). Such release applies to claims or causes of action arising at common law, under statute, or otherwise, whether sounding in contract or in tort, including, without limitation, claims or causes of action for misrepresentation or nondisclosure, provided, however, it shall not be applicable to any of the Excluded Claims. It is expressly understood and agreed that the amount of the Purchase Price reflects, and the Property is being sold by Seller and purchased by Buyer subject to the foregoing and Buyer hereby agrees that the matters released herein are not limited to matters that are known or suspected.

BUYER ACKNOWLEDGES THAT IT HAS BEEN ADVISED BY ITS LEGAL COUNSEL AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH PROVIDES AS FOLLOWS:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."

BUYER BEING AWARE OF SAID CODE SECTION, AND EFFECTIVE AS OF THE CLOSING, HEREBY EXPRESSLY WAIVES AS TO THE MATTERS RELEASED IN THE IMMEDIATELY PRECEDING PARAGRAPH ANY RIGHT IT MAY HAVE THEREUNDER, AS WELL AS UNDER ANY OTHER STATUTE OR COMMON LAW PRINCIPLE OF SIMILAR EFFECT IN CONNECTION WITH THE RELEASES GIVEN IN THIS SECTION 9.

_____ _____

BUYER SELLER

9.3 Survival. The provisions of this Section 9 shall survive Closing and shall not be merged with the Deed or any other Closing documents.

10. DEFAULTS AND REMEDIES.

10.1 Default by Seller.

10.1.1 Prior to Closing. If Seller fails to perform when due any act required by this Agreement to be performed by Seller on or prior to the Closing Date, and provided Buyer is not then in default, then Buyer may either (a) waive the default and proceed with the Closing or, (b) if such default is not cured after five (5) Business Days' notice to Seller and Escrow Agent, as its sole and exclusive remedy, terminate this Agreement and the Escrow, such termination to be effective upon Buyer giving written notice of termination to Seller and Escrow Agent, and upon such termination, Buyer shall be entitled to a return of, and Escrow Agent shall deliver to Buyer, the

Deposit, as provided in Section 3.3, or (ii) bring an action within sixty (60) days of such default to compel specific performance of Seller's obligations hereunder, thereby waiving any other legal and equitable remedies against Seller (and Buyer hereby waives any provisions of applicable law with respect to the time for commencement of an action); provided, however, that if the remedy of specific performance is not available to Buyer because Seller has affirmatively conveyed title to the Property to another party, then Buyer shall be entitled to seek its actual damages (but not incidental, consequential, exemplary, or punitive damages) directly resulting from such breach. Except as specifically provided otherwise in the immediately preceding clause (ii), in no event shall Buyer be entitled to seek or obtain money damages against Seller based on Seller's failure or alleged failure to perform when due any act required by this Agreement to be performed by Seller on or prior to the Closing Date, Buyer hereby waiving and covenanting not to assert any right to seek or obtain any money damages (including, but not limited to, incidental, consequential, exemplary, punitive, or other money damages) resulting from Seller's breach.

10.1.2 Following Closing. If, after the Closing, Seller shall breach any obligation that survived Closing, if any, and such breach is not cured within thirty (30) days following notice to Seller and Escrow Agent, then Buyer may seek its actual out of pocket damages, as its sole and exclusive remedy therefor (Buyer hereby waiving and covenanting not to assert any right to seek or obtain any incidental, consequential, exemplary, punitive, or other money damages other than actual damages); provided, however, that any breach of any representation or warranty of Seller shall be governed by Section 7.2 through Section 7.4.

10.2 Default by Buyer. Subject to the terms of the balance of this Section 10.2, if Buyer fails to perform when due any act required by this Agreement to be performed by Buyer on or prior to the Closing Date, in the time and manner set forth in this Agreement, and provided Seller is not then in default, Seller may (a) either waive the default and proceed with the Closing or, (b) if such default is not cured after five (5) Business Days' notice to Buyer and Escrow Agent (subject to the terms of the balance of this Section 10.2), as its sole and exclusive remedy, terminate this Agreement and the Escrow, in which event Escrow Agent shall deliver to Seller the Deposit, as consideration for acceptance of this Agreement, for taking Seller's interest in the Property off the market, and as the parties' best estimate of Seller's damages resulting from Buyer's default, but not as a penalty. THE FOREGOING PROVISIONS ARE BASED ON THE FACT THAT IN THE EVENT OF BUYER'S BREACH AS PROVIDED ABOVE, SELLER WILL BE DAMAGED AND WILL BE ENTITLED TO COMPENSATION FOR THOSE DAMAGES; BUT SUCH DAMAGES WILL BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN FOR THE FOLLOWING REASONS: THE DAMAGES TO WHICH SELLER WOULD BE ENTITLED IN A COURT OF LAW WILL BE BASED IN PART ON THE DIFFERENCE BETWEEN THE ACTUAL VALUE OF THE PROPERTY AT THE TIME SET FOR THE CLOSING, WHICH WILL BE BASED ON OPINIONS OF VALUE OF THE PROPERTY THAT CAN VARY IN SIGNIFICANT AMOUNTS, AND THE PURCHASE PRICE FOR THE PROPERTY AS SET FORTH IN THIS AGREEMENT; AND IT IS IMPOSSIBLE TO PREDICT AS OF THE EFFECTIVE DATE WHETHER THE VALUE OF THE PROPERTY WILL INCREASE OR DECREASE AS OF THE CLOSING IN THE TIME AND MANNER SET FORTH IN THIS AGREEMENT. THEREFORE, IF BUYER DEFAULTS PRIOR TO CLOSING AS PROVIDED ABOVE, AND THIS AGREEMENT IS TERMINATED AS PROVIDED ABOVE, THE ESCROW SHALL BE CANCELED AND ESCROW AGENT SHALL DELIVER

TO SELLER THE DEPOSIT, AS LIQUIDATED DAMAGES. THE RETENTION OF BUYER'S DEPOSIT AS LIQUIDATED DAMAGES SHALL BE SELLER'S SOLE AND EXCLUSIVE REMEDY AGAINST BUYER IN ALL RESPECTS, EXCEPT AS PROVIDED IN SECTION 10.3 BELOW. THE LIQUIDATED DAMAGES ARE NOT INTENDED AS A PENALTY OR A FORFEITURE UNDER CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369. EXCEPT AS PROVIDED IN SECTION 10.3 BELOW, SELLER HEREBY WAIVES ALL OTHER CLAIMS, DAMAGES AND OTHER REMEDIES, INCLUDING THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTIONS 3384, 3387 AND 338999

Buyer Initials: _____ Seller Initials: _____

10.3 Post-Termination/Closing Remedies. Nothing contained in this Section 10 shall limit or prevent Seller from enforcing Buyer's indemnity or other obligations and liabilities and/or Seller's associated rights that survive a termination of this Agreement.

11. BROKERS.

Each of Buyer and Seller hereby represents and warrants to and agrees with each other that it has not had, and shall not have, any dealings with any third party to whom the payment of any broker's fee, finder's fee, commission, or other similar compensation (collectively, "Commission") shall or may become due or payable in connection with the transaction contemplated hereby. Seller shall indemnify, defend, protect, and hold Buyer harmless for, from, and against any and all Claims incurred by Buyer by reason of any breach or inaccuracy of the representation, warranty, and agreement of Seller contained in this Section. Buyer shall indemnify, defend, protect, and hold Seller harmless for, from, and against any and all Claims incurred by Seller by reason of any breach or inaccuracy of the representation, warranty, and agreement of Buyer contained in this Section. The provisions of this Section shall survive the Closing (and shall not be merged into the Deed or any other Closing documents) or the earlier termination of this Agreement. Buyer acknowledges that principals, officers, employees, affiliates and/or agents of Seller may be licensed real estate brokers and/or salespersons in the State of California.

12. NO JOINT VENTURE.

Nothing in this Agreement shall be deemed to constitute the creation of a joint venture or partnership relationship between Seller and Buyer, nor shall any provision of this Agreement be deemed to impose any duty or liability on either party with respect to third parties. Each party acknowledges and agrees that the other party is not a joint venturer or partner of such party in connection with the Property.

13. MISCELLANEOUS PROVISIONS.

13.1 Governing Law; Venue. This Agreement and the legal relations between the parties hereto shall be governed by and construed and enforced in accordance with the laws of the State of California, without regard to its principles of conflicts of law. Exclusive venue for any action brought to interpret or enforce this Agreement shall be any applicable state or federal court located in the County.

13.2 Entire Agreement. This Agreement, including the exhibits attached hereto (each of which is incorporated herein by this reference), constitutes the entire agreement between Buyer and Seller pertaining to the subject matter hereof and supersedes all prior agreements, understandings, letters of intent, term sheets, negotiations, and discussions, whether oral or written, of the parties, and there are no warranties, representations, or other agreements, express or implied, made to either party by the other party in connection with the subject matter hereof except as specifically set forth herein or in the documents delivered pursuant hereto or in connection herewith.

13.3 Modification; Waiver. No supplement, modification, waiver, or termination of this Agreement shall be binding unless executed in writing by the party to be bound thereby. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision hereof (whether or not similar), nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

13.4 Notices. All notices, consents, requests, reports, demands, or other communications hereunder (collectively, "Notices") to be given any party hereto and/or such party's agent or representative shall be in writing and may be given personally, by registered or certified mail (return receipt requested), by electronic mail (but only if an email is provided for such party and a copy of such Notice is transmitted the same day by one of the other specified methods for giving notice), by courier, or by FedEx (or other reputable overnight delivery service) for overnight delivery, at the following addresses, or to such other address or such other person (in each instance, so long as located in the United States of America) as the addressee party shall have last designated by Notice to the other party and Escrow Agent:

To Seller:	Meritage Homes of California, Inc. 5 Peters Canyon Road, Suite 310 Irvine, California 92606 Attention: Nick Emsiek E-mail: Nicholas.Emsiek@meritagehomes.com
With A Required Copy To:	Meritage Homes 18655 North Claret Drive, Suite 400 Scottsdale, AZ 85255 Attention: Mel Faraoni E-mail: mel.faraoni@meritagehomes.com
and with an additional required copy of any notice of default, event of default, breach, claim, or demand to:	Meritage Homes Corporation 18655 North Claret Drive, Suite 400 Scottsdale, AZ 85255 Attention: General Counsel – THIS NOTICE MAY REQUIRE IMMEDIATE ATTENTION
To Buyer:	City of Redlands, a Municipal corporation 35 Cajon Street, Suite 2 PO Box 3005 Redlands, CA 92373 Attention: Mario Saucedo, Mayor E-mail: jdonaldson@cityofredlands.org

With A Required Copy To:	Best Best & Krieger, LLP 500 Capitol Mall Suite, 2500 Sacramento, CA 95814 Attention: Todd M. Gee E-mail: Todd.gee@bbklaw.com
To Escrow Agent:	First American Title Company 18500 Von Karman Avenue, Suite 600 Irvine, CA 92612 Attention: Jeanne Gould Telephone: 949-885-2405 E-mail: jagould@firstam.com

Each Notice shall be deemed to have been delivered, given, and received for all purposes as of the date so delivered, at the applicable address (so long as delivery is evidenced by the customary courier or U.S. mail receipt, as applicable); provided that (a) Notices received on a day that is not a Business Day shall be deemed received on the next Business Day and (b) Notices by electronic mail shall be deemed delivered on the date sent to the e-mail of the intended recipient as set forth in this Agreement (as evidenced by the senders "sent mail" mailbox and by the absence of an immediate delivery failure message in the sender's "inbox"). Notice to a party shall not be effective unless and until each required copy of such Notice specified above (or as the parties may from time to time specify by notice in accordance with this Section) is given. The inability to deliver a Notice because of a changed address of which no Notice was given, or any rejection or other refusal to accept any Notice, shall be deemed to be the receipt of the Notice as of the date of such inability to deliver or rejection or refusal to accept. Any telephone numbers set forth above are provided for convenience only and shall not alter the manner of giving Notice set forth in this Section. Any Notice to be given under this Agreement may be given by legal counsel for such party giving the Notice. Notwithstanding the foregoing, if no email address is provided for a party, then the date for delivery shall be extended by the number of days to effectuate alternate delivery of Notice so long as the Notice was transmitted on the date due.

13.5 Expenses. Subject to the provision for payment of the Closing Costs in accordance with the terms of Section 5.6 of this Agreement and to any other provision of this Agreement, whether or not the transaction contemplated by this Agreement shall be consummated, all fees and expenses incurred by any party hereto in connection with this Agreement shall be borne by such party.

13.6 Severability. Any provision or part of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall, as to such situation and such jurisdiction, be ineffective only to the extent of such invalidity and shall not affect the enforceability of the remaining provisions hereof or the validity or enforceability of any such provision in any other situation or in any other jurisdiction.

13.7 Successors and Assigns. All of the parties' rights, duties, benefits, liabilities, and obligations under this Agreement shall inure to the benefit of, and be binding upon, their respective successors and assigns; provided, however, that Buyer may not assign its rights or delegate its

obligations hereunder without the prior written consent of Seller, which consent may be withheld by Seller for any reason and at its sole discretion, and any attempt by Buyer to assign, transfer, or encumber this Agreement shall be void and shall be a breach of this Agreement.

13.8 Headings. The Section and subsection headings of this Agreement are for convenience of reference only and shall not be deemed to modify, explain, restrict, alter, or affect the meaning or interpretation of any provision hereof.

13.9 Time of Essence. Time shall be of the essence with respect to all matters contemplated by this Agreement.

13.10 Further Assurances. In addition to the actions recited herein and contemplated to be performed, executed, and/or delivered by Seller and Buyer, Seller and Buyer agree to perform, execute, and/or deliver or cause to be performed, executed, and/or delivered at the Closing or after the Closing any and all such further acts, instruments, deeds, and assurances as may be reasonably required to consummate the transaction contemplated hereby.

13.11 Construction. As used in this Agreement, the masculine, feminine, and neuter gender and the singular or plural shall each be construed to include the other whenever the context so requires. This Agreement shall be construed as a whole and in accordance with its fair meaning, without regard to any presumption or rule of construction causing this Agreement or any part of it to be construed against the party causing the Agreement to be written. The parties acknowledge that each has had a full and fair opportunity to review the Agreement and to have it reviewed by counsel. If any words or phrases in this Agreement have been stricken, whether or not replaced by other words or phrases, this Agreement shall be construed (if otherwise clear and unambiguous) as if the stricken matter never appeared and no inference shall be drawn from the former presence of the stricken matters in this Agreement or from the fact that such matters were stricken.

13.12 Attorneys' Fees. In the event that either party hereto brings an action or proceeding against the other party to enforce or interpret any of the covenants, conditions, agreements, or provisions of this Agreement, the prevailing party in such action or proceeding shall be entitled to recover all costs and expenses of such action or proceeding, including, without limitation, attorneys' fees, charges, disbursements, and the fees and costs of expert witnesses. If any party secures a judgment in any such action or proceeding, then any costs and expenses (including, but not limited to, attorneys' fees and costs) incurred by the prevailing party in enforcing such judgment, or any costs and expenses (including, but not limited to, attorneys' fees and costs) incurred by the prevailing party in any appeal from such judgment in connection with such appeal shall be recoverable separately from and in addition to any other amount included in such judgment. The preceding sentence is intended to be severable from the other provisions of this Agreement, and shall survive and not be merged into any such judgment.

13.13 Business Days. As used herein, the term "Business Day" shall mean a day that is not a Saturday, Sunday, or a day on which nationally chartered commercial banks in the State of California are authorized or required by applicable law to close. In the event that the date for the performance of any covenant or obligation under this Agreement shall fall on a day that is not a Business Day, the date for performance thereof shall be extended to the next Business Day. Similarly, if the day for the performance of any covenant or obligation under this Agreement

involving Escrow Agent or the county recorder for the County shall fall on a Business Day on which Escrow Agent or the county recorder, as applicable, is closed for business to the public, the date for performance thereof shall be extended to the next Business Day on which Escrow Agent or the county recorded, as applicable, is open for business to the public.

13.14 Counterparts; Electronic Transmission. This Agreement may be executed in as many counterparts as may be deemed necessary and convenient, and by the different parties hereto on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same instrument. The parties agree that they may reflect and confirm their agreement to be bound hereby, and their execution and delivery of this Agreement, by transmitting a signed copy hereof by facsimile or e-mail in .pdf to Escrow Agent, the other party hereto, and to the persons entitled to copies of notices to such recipient pursuant to this Agreement. Alternatively, they may fax or e-mail in .pdf to such persons only the signature page of this Agreement and any pages that have been modified from the form of this Agreement either (a) received by the faxing party from the other party or its attorneys, or (b) transmitted by the faxing party (or its attorney) to the other party hereto (in either such circumstance, the "Original Proposed Document"), which act shall constitute their representation and warranty that, except as reflected in such transmission, the transmitting party has executed this Agreement without change from the Original Proposed Document. The provisions of this Section with respect to e-mail shall be applicable solely with respect to this Section and shall have no effect on the provisions of Section 13.4 of this Agreement with respect to all other Notices under this Agreement.

13.15 Non-Recordation of Agreement. Buyer and Seller agree that neither this Agreement nor a copy of this Agreement nor any memorandum thereof may ever be filed of record without the other party's prior written consent, which consent may be withheld for any or no reason in such party's sole and absolute discretion and any attempted recordation of this Agreement in violation of the foregoing prohibition shall, at the option of the party who did not record this Agreement, render this Agreement, or such portions of this Agreement as such party shall elect, to be null, void and terminated. If either party violates the foregoing prohibition, the other party may avail itself of any remedies available to it at law or in equity.

13.16 Condition Precedent. Notwithstanding any provision contained in this Agreement to the contrary, Seller's obligations under this Agreement are contingent upon its receipt of the approval of the Land Committee of Seller/Seller's ultimate parent entity ("Land Committee Approval"). Land Committee Approval shall be evidenced, if at all, by written notice to Buyer and Escrow Agent. If written notice of Land Committee Approval is not provided to Buyer and Escrow Agent on or before the Due Diligence Termination Date, or if Seller delivers notice that the Land Committee of Seller/Seller's ultimate parent entity has disapproved of this Agreement, then this Agreement will automatically be terminated, in which event the Deposit shall be returned to Buyer as provided in Section 3.3 above. No waiver of the condition set forth in this Section will be implied, but will be expressed, if at all, only by written notice from Seller specifically waiving such condition and confirming the approval of the Land Committee.

Remainder of this page intentionally left blank.

Signature page(s) follow(s).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Agreement Date.

SELLER:

MERITAGE HOMES OF CALIFORNIA, INC.,
a California corporation

By:_____

Name:_____

Its:_____

Date: _____ ____, 2025

BUYER:

CITY OF REDLANDS, a municipal corporation organized in accordance with the laws of the State of California

By:_____
Name: Mario Saucedo
Its: Mayor

ATTEST:

Jeanne Donaldson, City Clerk

Date: _____ ____, 2025

ESCROW AGENT:

The undersigned Escrow Agent hereby accepts the foregoing Purchase and Sale Agreement and Joint Escrow Instructions, agrees to act as Escrow Agent under such agreement in strict accordance with its terms, agrees to insert as the "Date of Opening of Escrow" below, the date this Agreement was signed by both Seller and Buyer and received by Escrow Agent, and agrees to comply with the applicable provisions of the Internal Revenue Code with respect to the transactions contemplated hereby.

FIRST AMERICAN TITLE COMPANY

By:_____

Name: Jeanne Gould

Its: Senior Commercial Escrow Officer

Date of Opening of Escrow:_____

LIST OF EXHIBITS

EXHIBIT "A"	**LEGAL DESCRIPTION OF PROPERTY**
EXHIBIT "B-1"	**PROPERTY MATERIALS**
EXHIBIT "B-2"	**INSPECTION CONDITIONS**
EXHIBIT "C"	**DEED**
EXHIBIT "D"	**NON-FOREIGN CERTIFICATION**
EXHIBIT "E"	**FORM OF ASSIGNMENT SEPARATE FROM CERTIFICATE**

EXHIBIT "A"

LEGAL DESCRIPTION OF PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF REDLANDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Parcel A

Parcel 3 of Parcel Map 20185, in the City of Redlands, County of San Bernardino, State of California, as per plat recorded in Book 258 of Parcel Maps, pages 59 and 60, records of said County.

Parcel B

Parcel 4 of Parcel Map 20185, in the City of Redlands, County of San Bernardino, State of California, as per plat recorded in Book 258 of Parcel Maps, pages 59 and 60, records of said County.

Excepting that portion of Parcel 4 of said Parcel Map 20185 described as follows:

BEGINNING at the most northwesterly corner of said Parcel 4, said point also being the southwest corner of Parcel 3 of said Parcel Map; thence easterly along the north line of said Parcel 4, South 56°20'00" East, 5.00 feet to the northwest corner of said Parcel 2; thence southerly along the west line of said Parcel 2, South 33°41'41" East, 119.25 feet to the southwest corner of said Parcel 2; thence westerly along the westerly prolongation of the south line of said Parcel 2, South 56°20'00" West, 5.00 feet to the point on the west line of said Parcel 4; thence northerly along the west line of said Parcel 4, North 33°41'41" West, 119.25 feet to the POINT OF BEGINNING.

EXHIBIT "B-1"

PROPERTY MATERIALS

Stock Certificate evidencing the RWC Shares

EXHIBIT "B-2"

INSPECTION CONDITIONS

Buyer may perform certain inspections and investigations of the Property, at Buyer's sole cost and expense, subject to and upon the terms and conditions set forth in the Agreement and below.

1. Buyer will comply with (and shall cause its contractors, testing companies and all other persons or entities performing any of the Inspections to comply with) all applicable laws and all licenses, authorizations, clearances, permits, certifications, approvals and inspections applicable to the Property.

2. Buyer shall cause all of its contractors, testing companies and all other persons or entities performing any of the Inspections to maintain the following insurance:

(a) Worker's Compensation insurance covering all persons who are engaged in the performance of any of the Inspections in the form and in such amounts as are prescribed by applicable laws and Employer's Liability Coverage, in not less than the minimum amount required by law; and

(b) Commercial general liability insurance, including, without limitation, blanket contractual and broad form property damage coverage, protecting against liability for bodily injury, death, property damage and personal injury, written on an occurrence basis, with a combined single limit of $2,000,000 and automotive liability insurance, including owned, non-owned, or rented automotive equipment used in connection with the Inspections, having a combined single limit in an amount not less than $1,000,000 per occurrence and in the aggregate.

3. All insurance described above shall be primary and non-contributory. Each insurance policy: (i) shall be issued by an insurer licensed in the State of California to issue the coverage provided by the policy; (ii) shall be issued by an insurer having an A.M. Best's rating (or its successor) of not less than A-VIII; (iii) shall be for a term not less than the period commencing upon the Agreement Date and expiring upon the Closing Date; and (iv) shall provide that the policy cannot be canceled as to Seller, except after the insurer gives such party thirty (30) days prior written notice of cancellation or ten (10) days prior written notice for non-payment. The insurance coverage described in this Exhibit "B" shall insure with respect to the liabilities arising out of the Inspections and shall name the Indemnified Parties as additional insureds.

4. Neither Buyer nor any of its contractors, testing companies or any other person or entity performing any Inspections of the Property shall enter the Property nor commence (or permit to be commenced) the Inspections (or any portion thereof) until a certificate or certificates of insurance evidencing that the aforesaid insurance has been obtained and is in full force and effect has been delivered to Seller and approved by Seller.

5. Upon completion of the Inspections, Buyer will cause all waste, materials, equipment, debris, rubbish, tools, equipment and machinery introduced on the Property by Buyer or any of its contractors, testing companies or by other persons or entities performing any of the Inspections to be removed from the Property and shall leave the Property clean and restored to the condition existing prior to the performance of the Inspections.

6. Buyer shall repair any damage to the Property or surrounding areas caused by or in connection with the performance of the Inspections.

7. Seller shall not be responsible for, nor shall Seller maintain insurance coverage for, any tools, equipment, or machinery brought onto the Property in connection with the Inspections.

8. In the event Buyer encounters on the Property material reasonably believed to be a Hazardous Substance or Hazardous Materials, Buyer shall immediately stop conducting the Inspections, verbally notify Seller, and, if requested by Seller in writing, report the condition to Seller in writing.

Buyer acknowledges and agrees that the foregoing does not: (x) constitute a lease or license of the Property or any portion thereof; (y) entitle Buyer to any compensation or reimbursement from Seller in connection with any costs and expenses incurred in connection with the performance of Buyer's Due Diligence Activities or the Inspections; or (z) constitute an agreement for the development, joint venture, ground lease, sale or other transfer of the Property or an offer to enter into any such relationship or transaction.

EXHIBIT "C"

RECORDING REQUESTED BY:

First American Title Company

WHEN RECORDED MAIL TO:
City of Redlands
PO Box 3005
Redlands, CA 92373
Attention: City Clerk

GRANT DEED

The Undersigned Grantor(s) Declare(s): DOCUMENTARY TRANSFER TAX $_____; CITY TRANSFER TAX $_____; SURVEY MONUMENT FEE $_____

[ ] computed on the consideration or full value of property conveyed, OR
[ ] computed on the consideration or full value less value of liens and/or encumbrances remaining at time of sale,
[ ] unincorporated area; [ ] City of _____, and

[ ] _____
Signature of Declarant

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby acknowledged, the undersigned, MERITAGE HOMES OF CALIFORNIA, INC., a California corporation ("**Grantor**"), hereby grants to CITY OF REDLANDS, a municipal corporation, the real property in the City of Redlands, County of San Bernardino, State of California, described in Exhibit "A" attached hereto and incorporated herein by this reference, together with all the tenements, hereditaments, easements and appurtenances, if any, thereto belonging or in anywise appertaining;

SUBJECT TO all general and special taxes and other assessments; and all covenants, conditions, restrictions, servitudes, liens, reservations, easements, rights-of-way, declarations, encumbrances and other matters of record or to which reference is made in the public records; any and all matters that an accurate survey and/or physical inspection of the property would reveal; and zoning and other restrictions, reservations, prohibitions, regulations, and requirements imposed by governmental authorities.

Signature pages follow.

IN WITNESS WHEREOF, the Grantor has executed this grant deed as of this _____ day of _____, 20___.

GRANTOR:

MERITAGE HOMES OF CALIFORNIA, INC., a California corporation

By:_____
Name:_____
Its:_____

CALIFORNIA ALL-PURPOSE ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF _____
COUNTY OF _____

On _____ before me, _____ , Notary Public, personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ Affix appropriate seal above

FORM OF CERTIFICATE OF ACCEPTANCE

This is to Certify that the interest in real property conveyed by the Grant Deed dated _____, 202_, from Meritage Homes of California, a California corporation, to the City of Redlands, a municipal corporation, is hereby accepted by the undersigned officer or agent on behalf of the City Council of the City of Redlands pursuant to the authority conferred by Resolution No. 7893 of the City Council of the City of Redlands adopted on July 17, 2018, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: _____

By: _____
Name: Charles M. Duggan, Jr.
Title: City Manager

ATTEST:_____
Jeanne Donaldson, City Clerk

EXHIBIT "A" TO DEED

Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF REDLANDS, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

Parcel A

Parcel 3 of Parcel Map 20185, in the City of Redlands, County of San Bernardino, State of California, as per plat recorded in Book 258 of Parcel Maps, pages 59 and 60, records of said County.

Parcel B

Parcel 4 of Parcel Map 20185, in the City of Redlands, County of San Bernardino, State of California, as per plat recorded in Book 258 of Parcel Maps, pages 59 and 60, records of said County.

Excepting that portion of Parcel 4 of said Parcel Map 20185 described as follows:

BEGINNING at the most northwesterly corner of said Parcel 4, said point also being the southwest corner of Parcel 3 of said Parcel Map; thence easterly along the north line of said Parcel 4, South 56°20'00" East, 5.00 feet to the northwest corner of said Parcel 2; thence southerly along the west line of said Parcel 2, South 33°41'41" East, 119.25 feet to the southwest corner of said Parcel 2; thence westerly along the westerly prolongation of the south line of said Parcel 2, South 56°20'00" West, 5.00 feet to the point on the west line of said Parcel 4; thence northerly along the west line of said Parcel 4, North 33°41'41" West, 119.25 feet to the POINT OF BEGINNING.

EXHIBIT "D"

CERTIFICATION OF NON-FOREIGN STATUS

Section 1445 of the Internal Revenue Code provides that a transferee of a U.S. real property interest must withhold tax if the transferor is a foreign person. To inform [INSERT BUYER ENTITY], a [_____] ("Transferee"), that withholding of tax is not required upon the disposition of a U.S. real property interest by MERITAGE HOMES OF CALIFORNIA, INC., a California corporation ("Transferor"), the undersigned hereby certifies the following on behalf of Transferor:

1. Transferor is not a non-resident alien, foreign corporation, foreign partnership, foreign trust, foreign estate, or other foreign person within the meaning of § 1445 and § 7701 of the Internal Revenue Code and the treasury regulations promulgated thereunder.

2. Transferor is not a disregarded entity as defined in § 1.1445-2(b)(2)(iii).

3. Transferor's U.S. taxpayer identification/social security number is: _____.

4. Transferor's business address is: _____.

Transferor understands that this certification may be disclosed to the Internal Revenue Service by Transferee and that any false statement contained herein could be punished by fine, imprisonment, or both.

Under penalties of perjury, I declare that I have examined this certification and to the best of my knowledge and belief it is true, correct, and complete, and I further declare that I have authority to sign this document on behalf of Transferor.

Dated this ____ day of _____, 202__.

MERITAGE HOMES OF CALIFORNIA, INC.,
a California corporation

By:_____
Name:_____
Its:_____

EXHIBIT "E"

FORM OF ASSIGNMENT SEPARATE FROM CERTIFICATE

STOCK ASSIGNMENT SEPARATE FROM CERTIFICATE

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto _____, _____ (_____) shares of common stock of _____, a _____ corporation, standing in his/her name on the books of said Corporation represented by Certificate Number _____, and does hereby irrevocably constitute and appoint _____, to transfer said stock on the books of the within-named Corporation with full power of substitution.

Dated: _____

RESOLUTION NO. 1667

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF REDLANDS FINDING THAT THE ACQUISITION OF REAL PROPERTY LOCATED AT THE SOUTHEAST CORNER OF PALM AVENUE AND ALVARADO STREET (APNs 0173-231-23-0000 AND 0173-231-26-0000) WILL BE IN CONFORMITY WITH THE REDLANDS GENERAL PLAN WITH THE APPROVAL OF A GENERAL PLAN AMENDMENT THAT CHANGES THE LAND USE OF THESE PARCELS TO AGRICULTURE.

WHEREAS, the City of Redlands is considering the purchase of certain real property Assessor's Parcel Numbers 0173-231-23-0000, and 0173-231-26-0000 totaling 6.8 acres, referred to herein as the "Subject Property"; and

WHEREAS, the Subject Property is designated as Low Density Residential land use in the 2035 General Plan Land Use Map; and

WHEREAS, the City of Redlands is considering the purchase of the Subject Property, for the purpose of preserving and maintaining an existing citrus grove; and

WHEREAS, on April 9, 2024, the Planning Commission held a public meeting and considered the staff report, oral report, the testimony, and the written evidence submitted by and on behalf of the applicant concerning a General Plan conformity finding for the subject property; and

WHEREAS, a determination of General Plan conformity is exempt from review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) which provides that CEQA applies only to projects which have the potential for causing a significant effect on the environment. There is no possibility that this determination may have a significant effect on the environment. Any future development proposed on the subject property will be subject to CEQA.

NOW, THEREFORE, BE IT RESOLVED BY THE PLANNING COMMISSION OF THE CITY OF REDLANDS AS FOLLOWS:

SECTION 1. CALIFORNIA ENVIRONMENTAL QUALITY ACT. The determination of General Plan conformity for the acquisition of three parcels (0173-231-23-0000, and 0173-231-26-0000) is exempt from environmental review in accordance with CEQA Guidelines Section 15061(b)(3).

SECTION 2. GENERAL PLAN POLICIES. The acquisition of Parcel Nos. 0173-231-23-0000, and 0173-231-26-0000 may implement or achieve the intent of the following 2035 General Plan policies and actions.

CHAPTER 2. DISTINCTIVE CITY

2-A.37 Maintain and improve Redlands' streets, trees, streetlights, parkways, parks, stone curbs, ditches, walls, and citrus groves in a manner that enhances the city's beauty and historic fabric.

2-P.22 Expand the City inventory of citrus groves in strategic locations such as along the city's entryways and Highway 210, and in areas adjacent to existing groves.

2-P.23 Incorporate citrus trees, in groves of sufficient size and depth to be a viable grove, as part of streetscapes and scenic views, and encourage their conservation in historic neighborhoods.

CHAPTER 4. LIVABLE COMMUNITY

4-P.24 Preserve open space land in order to protect the visual character of the city, provide for public outdoor recreation, conserve natural resources, support groundwater recharge, and manage production of resources. Limit development in areas that possess a unique character and fragile ecology.

4-A.41 Seek to acquire land to be dedicated as open space and preserve it from development.

CHAPTER 6. VITAL ENVIRONMENT

6-P.1 Develop a balanced and integrated open space system that reflects a variety of considerations, including resource conservation, production of agriculture, recreation, aesthetics, and community identity.

6-P.11 Retain the maximum feasible amount of agricultural land for its contributions to the local economy, lifestyle, air quality, habitat value and sense of Redlands' heritage.

6-P.12 Support the viability of agriculture through efforts to promote locally grown produce and livestock as part of Redlands lifestyle and economy.

6-A.1 Preserve as open space those areas that contain unique habitats, natural resources, and visual amenities such as citrus groves, hillsides, canyons, and waterways. These areas provide natural contrast with the urban cityscape.

SECTION 3. LAND USE DESIGNATION. The current land use designation of the subject parcels is Low-Density Residential which is intended for residential uses of up to 6 dwelling units per acre. To ensure consistency with the proposed preservation of the property as a citrus grove, the General Plan Land Use designation should be changed to Agriculture.

SECTION 4. FINDING OF GENERAL PLAN CONFORMITY. The Planning Commission hereby finds that the acquisition of APNs 0173-231-23-0000, and 0173-231-26-0000 will be in conformity with the Redlands General Plan with the approval of a General Plan Amendment that changes the Land Use designation of the subject parcels to Agriculture.

SECTION 4. EFFECTIVE DATE. This Resolution shall become effective upon adoption.

ADOPTED, SIGNED AND APPROVED this 9th day of April, 2024.

Karah Shaw, Chair, Planning Commission

ATTEST:

Linda McCasland, Secretary to the Planning Commission

I, Linda McCasland, Secretary to the Planning Commission of the City of Redlands, hereby certify that the foregoing resolution was duly adopted by the Planning Commission at a regular meeting thereof held on the 9th day of April, 2024, by the following vote:

AYES: 5
NOES: 0
ABSENT: 2
ABSTAIN: 0

Linda McCasland, Secretary to the Planning Commission

CITY OF REDLANDS
REQUEST FOR ADDITIONAL APPROPRIATION

DATE OF REQUEST: 2/7/23

FINANCE USE ONLY
TRANSACTION NO:
ACCOUNTING PERIOD:

An additional appropriation is hereby requested as follows:

Department: Facilities & Community Services

EXPENDITURE APPROPRIATION INCREASE (if applicable)				
Account Description	**Orgkey**	**Object Code**	**Job Ledger (If applicable)**	**Amount**
Groves Fund - Land Acquisitions	538910	8001		$ 100,000.00
General Fund - Transfer Out	101501	9901		$ 100,000.00
				$ $ 200,000.00

REVENUE APPROPRIATION INCREASE (if applicable)				
Account Description	**Orgkey**	**Object Code**	**Job Ledger (If applicable)**	**Amount**
Groves Fund - Transfer In	538910	4901		$ 100,000.00
				$ $ 100,000.00

JUSTIFICATION: Use of appropriated Palmetto Grove proceed funds for purchase of England Grove

Requested By: _____
Department Head

Recommended By Finance Director:

Yes _____ No _____ Signed _____

Comments: _____

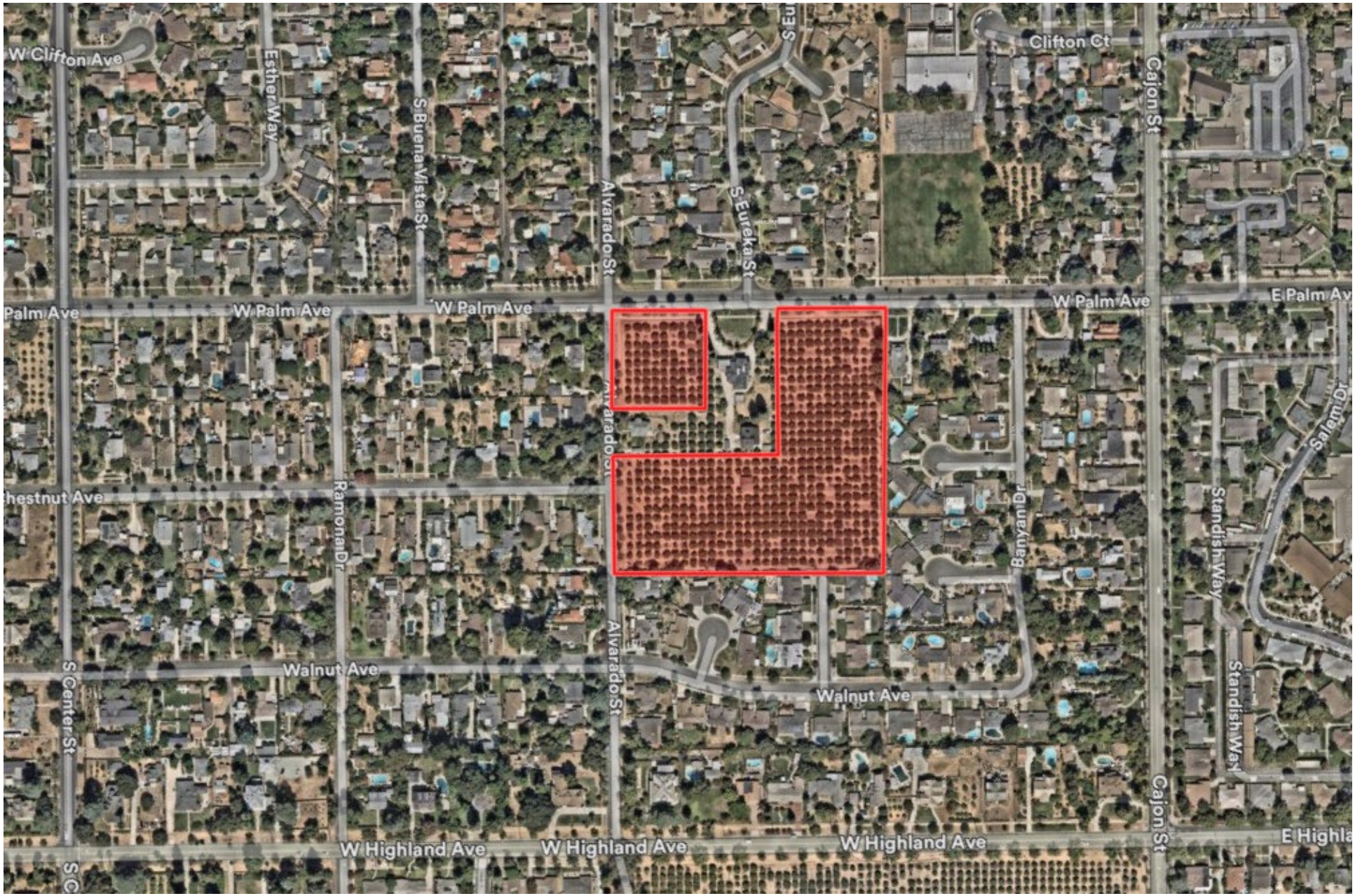
Recommended: _____
City Manager

Approved by City Council:

Date: _____

Signed: _____
City Clerk

England Grove Property
Corner of Palm Ave. and Alvarado St.



City Council/Financing Authority Meeting **J. 3.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Consideration of Amendment No. 1 to an Operations and Maintenance Agreement with San Bernardino County Transportation Authority and the University of Redlands (Assistant City Manager Boatman)

MOTION(S):

If the City Council determines that staff's recommendation is appropriate, the following motion is provided:

I move to approve Amendment No. 1 to an Operations and Maintenance Agreement with San Bernardino County Transportation Authority and the University of Redlands.

RECOMMENDATION:

Staff recommends the City Council approve Amendment No. 1 to an Operations and Maintenance Agreement with San Bernardino County Transportation Authority and the University of Redlands.

DISCUSSION:

In February 2021, the City Council approved an Operations and Maintenance Agreement with San Bernardino County Transportation Authority (SBCTA) and the University of Redlands (University) for the University Station serving the Arrow train. That agreement delineated the roles and responsibilities of each agency, as well as responsibilities related to insurance.

Currently, the City is responsible for all real property insurance costs related to University Station except for its betterments, for which the University is solely responsible. Amendment No. 1 will update the terms of the insurance section to provide for a 50-50 cost split between the City and SBCTA for the standard

station platforms. SBCTA will now be responsible for obtaining and maintaining real property insurance for the standard station platforms, and the City will reimburse SBCTA for its share. The City will continue to fully insure all non-operating property at University Station as it has since the original agreement was signed in 2021.

ALTERNATIVES:

City Council may elect not to approve Amendment No. 1 to an Operations and Maintenance Agreement with San Bernardino County Transportation Authority and the University of Redlands.

STRATEGIC PLAN:

Not applicable.

SUBMITTED BY:
Christopher Boatman, Assistant City Manager

RECOMMENDED BY:
Charles M. Duggan Jr., City Manager

REVIEWED BY:
Yvette M. Abich Garcia, City Attorney
Janice McConnell, Assistant City Manager
Danielle Garcia, Management Services/Finance Director

PREPARED BY:
Ross Wittman, Economic Development Coordinator

Fiscal Impact

Discussion:
Amendment No. 1 and the proposed cost-sharing approach for real property insurance will result in savings of approximately $6,000 annually in insurance premiums.

Attachments

Amendment No. 1 to Operation and Maintenance Agreement
2021 Operation & Maintenance Agreement

AMENDMENT NO. 1 TO AGREEMENT 20-1002255 BETWEEN THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY AND THE CITY OF REDLANDS AND THE UNIVERSITY OF REDLANDS FOR THE OPERATING AND MAINTENANCE OF UNIVERSITY STATION

This Amendment No. 1 to Agreement 20-1002255 regarding University Station is hereby made, entered into and effective on the date the last Party signs it, by and between the San Bernardino County Transportation Authority ("SBCTA"), the City of Redlands ("CITY"), and the University of Redlands ("U of R"), all of which are collectively referred to as the "Parties," and individually as "Party."

WHEREAS, SBCTA, CITY, and U of R are parties to the University Station Operations and Maintenance Agreement, SBCTA Contract No.20-1002255, dated February 8, 2022 ("AGREEMENT"), which defines the Parties' roles and responsibility for the maintenance and security for University Station; and

WHEREAS, the Parties desire to amend the AGREEMENT to further define the roles and responsibilities of the Parties with respect to how real property insurance for University Station will be obtained and paid for.

NOW, THEREFORE, the Parties hereby mutually agree as follows:

1. The recitals above are true and correct and are hereby incorporated herein by this reference.
2. Except as specifically amended by this Amendment No. 1, all other provisions of the AGREEMENT, shall remain in full force and effect.
3. **Section V, subsection 5.1, paragraph b** is DELETED in its entirety and REPLACED as follows:

   b. CITY shall be 100% responsible for all costs required to operate and maintain the Commuter Rail Station platform areas, including, but not limited to the cost of liability insurance, maintenance of the Standard Platforms, signage, security, perimeter landscaping, and lighting, excluding any Commuter Rail Station Betterments to be maintained pursuant to Section 6.1, Maintenance of the Commuter Rail Station Betterments.

4. **Section XVI** is ADDED to read as follows:

XVI.
Insurance

16.1 SBCTA shall obtain real property insurance for the Standard Platforms, the cost of which shall be shared equally between SBCTA and CITY. For example, if the insurance premium attributed to insuring the Standard Platforms at the Commuter Rail Station was determined to be $1,000 on year, then CITY shall reimburse SBCTA $500 for that year's cost of real property insurance for the Standard Platforms.

16.2 U of R shall be responsible for securing and maintaining property insurance or self-insurance which covers the Commuter Rail Station Betterments, with coverage types and limits consistent with U of R insurance of similar assets. Pursuant to Section 6.1(a), U of R shall be responsible for 100% of the cost of insurance required under this Section 16.2. U of R shall add SBCTA as an Additional Insured on all property insurance covering said property.

16.3 CITY shall be responsible for securing and maintaining property insurance or self-insurance which covers Non-Operating Property which is not otherwise insured, by SBCTA pursuant to Section 16.1 or by U of R pursuant to Section 16.2, with coverage types and limits consistent with CITY insurance of similar assets. CITY shall be responsible for 100% of the cost of insurance required under this Section. CITY shall add SBCTA as an Additional Insured on all property insurance covering said property.

IN WITNESS WHEREOF, the authorized parties have signed below;

CITY:

CITY OF REDLANDS, a municipal corporation

By: _____
Mario Saucedo, Mayor

ATTEST:

_____
Jeanne Donaldson, City Clerk

SBCTA:

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

By: _____
Ray Marquez, Board President

Approved as to Form

_____
Julianna K. Tillquist, General Counsel

U of R:

UNIVERSITY OF REDLANDS, a California non-profit corporation

By: _____
Grace Crickette, Vice President Finance and Administration/CFO and Treasurer

AGREEMENT NO. 20-1002255

BY AND AMONG

SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY

AND

CITY OF REDLANDS

AND

UNIVERSITY OF REDLANDS

FOR

UNIVERSITY STATION OPERATIONS AND MAINTENANCE AGREEMENT

THIS AGREEMENT ("Agreement") is hereby made, entered into and effective on the date the last Party signs it, by and between the SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY ("SBCTA"), the CITY OF REDLANDS ("CITY"), and UNIVERSITY OF REDLANDS ("U of R"), collectively referred to as the "Parties," with regard to the University Station located in the CITY.

WHEREAS, the CITY and SBCTA previously entered into a Cooperative Agreement, SBCTA Contract No. C97026, dated October 1, 1996, with regard to the planning, design, construction, operation and maintenance of the Downtown Redlands Station including a commitment to make available 100 parking spaces within a quarter mile of a future rail terminal located at the University of Redlands; and

WHEREAS, the Parties entered into an Assignment, Novation and Consent Agreement, dated February 11, 2021, transferring to the U of R the CITY's obligation to construct the 100 parking spaces; and

WHEREAS, the U of R and SBCTA previously entered into a Cooperative Agreement, SBCTA Contract No. 16-1001469, dated August 6, 2016, with regard to design, construction, operation and maintenance of enhancements to the University Station ("Commuter Rail Station") beyond the basic design and cost criteria established by SBCTA for the University Station; and

WHEREAS, the University Station, when fully completed, will consist of a commuter rail station which includes platforms that will serve the Redlands Passenger Rail Project ("RPRP"); a Parking Lot to be used for the Commuter Rail Station; and a detention basin needed for compliance with a Municipal Separate Storm Sewer System ("MS4") permit to support the Commuter Rail Station and Parking Lot; and

WHEREAS, the Parties desire to enter into this Agreement to further define the roles and responsibilities of the Parties for the maintenance and security of the University Station; and

WHEREAS, after this Agreement has been in effect for one year, the Parties will meet and evaluate the performance and costs of the maintenance and operations being performed under this Agreement, and will mutually agree upon any revisions needed to the Agreement; and

NOW, THEREFORE, the Parties hereby mutually agree as follows:

I.
DEFINITIONS

1.1. Definitions. As used in this Agreement, the following terms, phrases, words and their derivations, shall have the meanings set forth herein. Words used in the present tense include the future tense, words used in the singular shall include the plural, and plural words shall include the singular. Words not specifically defined shall be given their common and ordinary meaning.

a. "Operating Property" shall refer to the real property owned by SBCTA that is used for railroad operations, including but not limited to railroad trackage right-of-way, rails, ties and ballast, shown as Area "E" on Exhibit "A", Property.

b. "Non-Operating Property" shall refer to such real property and facilities, excluding Operating Property, on which the Commuter Rail Station is situated, shown as Area "A" on Exhibit "A", Property. Non-Operating Property shall also include the Standard Platform.

c. "Commuter Rail Station Betterments" shall refer to such facilities constructed beyond the basic design and cost criteria for a standard platform upon or adjacent to the Commuter Rail Station, shown as Area "B" on Exhibit "A", Property.

d. "Standard Platform" shall refer to that certain type of rail passenger platform, the size, dimensions, and materials of which are set forth in more particular detail in Exhibit "B", Standard Platform.

e. "Station Site" shall refer to the real property purchased from the Santa Fe Railroad and/or other persons upon which the subject University Station is built, as more particularly described in Exhibit "A", Property.

f. "Commuter Rail Station" shall refer to the commuter rail passenger terminal and all Operating Property and Non-Operating Property associated therewith. The Commuter Rail Station is shown as Area "A" and Area "E" on Exhibit "A", Property, and further includes portions shown as Area "B" on Exhibit "A" which lie within the original Park Avenue right of way as shown on the Map of Lugonia Park, recorded in Book 4 of Maps, Page 50, records of San Bernardino County.

g. "SCRRA" shall refer to the Southern California Regional Rail Authority.

h. "Parking Lot" shall refer to the surface parking lot located within a quarter mile of

the Commuter Rail Station which will serve the Commuter Rail Station. The Parking Lot is shown as Area "C" on Exhibit "A", Property.

i. "Detention Basin" shall refer to the basin constructed for the University Station and appurtenant facilities in order to comply with the Municipal Separate Storm Sewer System permit. The Detention Basin is shown as Area "D" on Exhibit "A", Property.

II.
PURPOSE OF COOPERATIVE AGREEMENT

2.1. Maintenance and Security of the University Station. The purpose of this Agreement shall be to provide for the maintenance and security of the Commuter Rail Station, Parking Lot, and Detention Basin.

III.
OWNERSHIP OF PROPERTY

3.1. University Station Vesting of Title. The Parties agree that title to the University Station shall be held as follows:

a. SBCTA shall hold title to the Commuter Rail Station shown as Area "A" and Area "E" on Exhibit "A", Property, and further includes those portions shown as Area "B" on Exhibit "A" which lie within the original Park Avenue right of way as shown on the Map of Lugonia Park, recorded in Book 4 of Maps, Page 50, records of San Bernardino County.

b. SBCTA shall hold title to the parking lot shown as Area "C" on Exhibit "A", Property. SBCTA shall grant a real property license to the CITY for the parking lot use substantially in the form attached hereto as Exhibit “G”.

c. U of R shall hold title to the Detention Basin, shown as Area "D" on Exhibit "A", Property.

d. U of R shall convey to SBCTA an easement which shall run with the land for the benefit of the Detention Basin tributary areas of the rail right of way for drainage purposes with additional covenants and restrictions largely in the form of Exhibit "F".

IV.
TERM OF AGREEMENT

4.1. Term. The term of this Agreement is hereby effective on the date the last Party signs it, and shall continue thereafter until terminated as provided for in Article XV - Termination of Agreement.

V.
COMMUTER RAIL STATION

5.1. Maintenance of Commuter Rail Station. Parties agree that CITY shall oversee the maintenance of the Commuter Rail Station platform areas. The Commuter Rail Station

platform maintenance areas are shown as Area "A", Commuter Rail Station Non-Operating Property platform areas, on Exhibit "A", Property.

a. CITY shall arrange for and provide the maintenance of the Commuter Rail Station platform areas as set forth in Exhibit "C", Maintenance Schedule.

b. CITY shall be **100%** responsible for all costs required to operate and maintain the Commuter Rail Station platform areas, including, but not limited to, the costs of real property and liability insurance, maintenance of the Standard Platforms, signage, security, perimeter landscaping, and lighting, excluding any Commuter Rail Station Betterments to be maintained pursuant to Section 6.1, Maintenance of the Commuter Rail Station Betterments.

5.2. Commuter Rail Station Security. Parties agree that CITY shall arrange for and provide security to the Commuter Rail Station platform areas.

a. CITY shall be **100%** responsible for all costs to provide security to the Commuter Rail Station platform areas.

b. CITY shall arrange for the provision of security for the Commuter Rail Station platform areas to ensure customer and vehicle safety during commuter periods. Security shall be provided from 15 minutes before the first scheduled train until 30 minutes after the last scheduled train.

c. The "Level of Security" and other standards to establish minimum security requirements shall be jointly developed by the Parties to this Agreement and shall be consistent with the "Level of Security" provided by CITY for the Downtown Redlands Station. CITY station security responsibilities shall exclude any security inside the trains. CITY or its security contractor shall not be prevented from entering the trains or Detention Basin area if relevant to a security situation. The Parties agree to meet and confer no later than eighteen (18) months after the start of revenue service to jointly re-examine the minimum security requirements for the Commuter Rail Station platform areas.

5.3. First Two Years Costs. Notwithstanding the City's responsibility for costs in Section 5.1 and 5.2 above, SBCTA shall be responsible for 100% of the costs described therein for the first two years, commencing with the inauguration of the passenger rail service. SBCTA's responsibility hereunder shall only apply after the exhaustion of any Parking Fee funding described in Section 7.2. In the event City, in its sole and exclusive discretion, decides to initiate Parking Fees pursuant to Section 7.2 hereof, SBCTA's responsibility hereunder shall be offset by any fees received by City during said first two years.

VI.
COMMUTER RAIL STATION BETTERMENTS

6.1. Maintenance of the Commuter Rail Station Betterments. U of R shall arrange for and fund security and maintenance of the Betterments. The Betterments area is shown as Area "B" on Exhibit "A", Property.

a. U of R shall be **100%** responsible for all costs to maintain the Commuter Rail Station Betterments, including, but not limited to, the costs of real property insurance, maintenance of signage, perimeter landscaping, and lighting.

VII.
PARKING LOT

7.1. Reservation of Parking. CITY shall restrict use of the Parking Lot to patrons or visitors of the University Station during operating hours. Signage shall be posted within the parking lot notifying the public of the same.

7.2. Parking Fees. The CITY may, subject to approval by SBCTA, which approval shall not be unreasonably withheld, initially set and charge parking fees to provide funding for: **1)** maintenance of the Commuter Rail Station platform areas, Parking Lot and Detention Basin; and **2)** security for commuter rail patrons during operating hours. All such fees collected by the CITY shall be applied toward the CITY's pro-rata share for the security and maintenance costs associated with the University Station. Any remaining balance shall be reserved and applied towards the Parties' collective costs for major maintenance and rehabilitation projects of the Commuter Rail Station platform areas, Parking Lot and Detention Basin. Notwithstanding the provisions of Section 11.2 and Section 15.2, upon termination of this Agreement, the CITY shall retain any fund balance of parking fees collected pursuant to this Section.

7.3. Maintenance of the Parking Lot. CITY shall manage and oversee the maintenance of the Parking Lot. The Parking Lot maintenance area is shown as Area "C" on Exhibit "A", Property.

a. CITY shall arrange for the maintenance of the Parking Lot as set forth in Exhibit "C", Maintenance Schedule.

b. CITY shall be **100%** responsible for all costs to maintain the Parking Lot, including, but not limited to, maintenance of signage, security, perimeter landscaping, lighting, and a pro-rata share of costs associated with appurtenant water quality facilities serving the Parking Lot.

7.4. Security of the Parking Lot. CITY shall manage and oversee the security of the Parking Lot. The Parking Lot security area is shown as Area "C" on Exhibit "A", Property.

a. CITY shall be **100%** responsible for all costs to provide security to the Parking Lot.

b. CITY shall arrange for the provision of security for the Parking Lot to ensure customer and vehicle safety during commuter periods. Security shall be provided from 15 minutes before the first scheduled train until 30 minutes after the last scheduled train.

c. The "Level of Security" and other standards to establish minimum security requirements shall be jointly developed by the Parties to this Agreement and shall be consistent with the "Level of Security" provided by CITY for the Downtown Redlands Station. The Parties agree to meet and confer no later than eighteen (18) months after the start of revenue service to jointly re-examine the minimum security

requirements for the Commuter Rail Station platform areas.

VIII.
DETENTION BASIN

8.1. Detention Basin Maintenance: Parties agree that CITY shall arrange for and provide maintenance of the Detention Basin area. The Detention Basin area is shown as Area "D" on Exhibit "A", Property. Detention Basin Maintenance responsibly is inclusive of the appurtenant storm drain facilities constructed by the RPRP for the purpose of conveying water to and/or from the Detention Basin.

a. The CITY shall provide periodic and continuous maintenance, as set forth in Exhibit "D", Detention Basin Maintenance Schedule and Plans, including, but not necessarily limited to, vegetation control and sediment removal, to assure proper performance and as required in order to comply with the San Bernardino Municipal Separate Storm Sewer System (MS4) Permit. The City shall be responsible for any fines or penalties related to noncompliance with the MS4 Permit resulting from lack of maintenance.

b. Commencing upon completion of the Commuter Rail Station and Parking Lot, U of R and SBCTA shall provide monthly payments to the CITY for their pro-rata shares to provide maintenance for the Detention Basin. The pro-rata shares for providing maintenance is based on the drainage tributary areas flowing to the Detention Basin and shall be as follows:

   I. SBCTA: Pro-rata share shall be 25%.

   II. CITY: Pro-rata share shall be 59%.

   III. U of R: Pro-rata share shall be 16%.

c. CITY shall be responsible for tracking the actual cost to provide maintenance for the Detention Basin area.

8.2. Detention Basin Security: Parties agree that there is no need to provide security services for the Detention Basin area. CITY and its security contractor shall not be prevented from entering the Detention Basin area if relevant to a security situation.

IX.
FISCAL YEAR

9.1. Fiscal Year. The fiscal year of this Agreement shall begin on the first day of July each year.

X.
INVOICES AND ACCOUNTING

10.1. Accounting. Each Party shall render to the other Parties a complete accounting of the affairs undertaken or conducted by such Party pursuant to this Agreement, if any, as of the close of business on the last day of June each year. Such accountings shall be rendered to each Party to this Agreement within thirty (30) days after the close of each

such year. Each Party shall make the relevant portions of its accounting books and records available to the other Parties at any time during the term of this Agreement upon reasonable prior written notice. Except as to manifest errors brought to the attention of the other Parties to this Agreement within thirty (30) days after it is rendered, each such accounting shall be final and conclusive as to each Party to this Agreement.

10.2. Submission of Invoices. Parties hereby agree and covenant to submit an annual, itemized statement to respective Parties on or before the 15th calendar day of June that indicates revenue, all costs, fees, and other charges incurred related to the Maintenance and Security responsibilities pursuant to this Agreement. The statement shall describe the amount of services and supplies provided since the initial commencement date, or since the first calendar day of the most recent billing period, as appropriate, through the date of the current statement. The invoice shall specify the pro rata share owed by each Party. A summary of pro rata shares is included in Exhibit "E".

10.3. Approval and Payment of Invoice. Parties hereby agree and covenant to pay all invoices as received, if any should be submitted on or before the 15th calendar day of June, in compliance with Section 10.2-Submission of Invoices. Parties shall remit payment within thirty (30) days to the designated payee. Parties shall not unreasonably withhold payment and shall promptly pay all undisputed amounts. Should Parties dispute any portion of an invoice, Parties must deliver written notice within ten (10) working days after receipt of the invoice. The written notice must reasonably describe the dollar amount withheld and the reason or reasons therefor. Any such dispute shall be resolved pursuant to Article XIV-Default and Remedies. No Party shall be entitled to dispute the amount of any invoice previously approved for which it has already issued payment. Failure of Parties to deliver timely written notice of a disputed payment shall be deemed approval of any such payment.

10.4. Invoice Estimate. CITY hereby agrees to jointly develop a cost estimate for the monthly maintenance and security costs. CITY will notify the other Parties immediately in writing upon developing a cost estimate, and will notify the Parties immediately, in writing, upon any change or anticipated change in the estimated cost.

XI.
DISTRIBUTION OF PROPERTY

11.1. Distribution of Property. Upon termination of this Agreement, any real property leased from SBCTA to the CITY in connection with this Agreement shall also be terminated. Vesting of the Detention Basin shall be retained by U of R or its heirs and successors. Vesting of the Station Site shall be retained by SBCTA or its heirs and successors. The easement appurtenant for the benefit of the Detention Basin tributary area shall endure.

11.2. Distribution to Parties. Except as provided in Section 11.1-Distribution of Property, all proceeds that may accrue to the Parties under this Agreement shall be distributed to the Parties in direct proportion to their monetary participation.

XII.
NOTICES

12.1. Notices to Parties. All notices, consents, directions, approvals, instructions, requests, and other communications regarding this Agreement shall be in writing, shall be addressed to the person and address set forth below, and shall be (i) deposited in the U.S. mail, first class, certified with return receipt requested and with appropriate postage, (ii) hand delivered or (iii) sent via email with a return receipt. From time to time each of the Parties may designate a new address for purposes of this Article by providing notice to the other signatories to this Novation Agreement as provided in this Section 12.1.

To University:	Facilities Management University of Redlands 1200 East Colton Avenue P.O. Box 3080 Redlands, CA 92373 Attn: Director of Facilities Management Telephone: 909-748-8020 E-mail: facilities@redlands.edu
With a copy to:	General Counsel University of Redlands 1200 East Colton Avenue P.O. Box 3080 Redlands, CA 92373 Attn: General Counsel Telephone: 909-748-8076 E-mail: Brent_Geraty@redlands.edu
To City:	City Clerk City of Redlands 35 Cajon Street, Suite 4 Redlands, CA 92373
With a copy to:	City Attorney City of Redlands 35 Cajon Street, Suite 200 Redlands, CA 92373
To SBCTA:	Director of Transit & Rail Programs San Bernardino County Transportation Authority 1170 W. Third Street, 2nd Floor San Bernardino, CA 92410
With a copy to:	General Counsel San Bernardino County Transportation Authority 1170 W. Third Street, 2nd Floor

San Bernardino, CA 92410

All notices shall be deemed to have been given three (3) business days following deposit in the United States Postal Service (postage prepaid) or, upon receipt, if sent by overnight delivery service, courier, electronic mail (so long as receipt is acknowledged or otherwise confirmed), or personally delivered. Notice to a Party shall not be effective unless and until each required copy of such notice is given to said Party as provided above in this Section 12.1. The inability to deliver a notice because of a changed address of which no notice was given, or any rejection or other refusal to accept any notice, shall be deemed to be the receipt of the notice as of the date of such inability to deliver or rejection or refusal to accept. Any notice to be given by any Party may be given by legal counsel for such Party. Telephone numbers are provided herein for convenience only, and shall not alter the manner of giving notice set forth in this Section 12.1.

XIII.
MISCELLANEOUS

13.1. Consents and Agreements. Any and all consents and agreements provided for or permitted by this Agreement shall be in writing, and a signed copy thereof shall be filed and maintained by each Party in its official records together with this Agreement. Whenever consent or approval of any Party is required, that Party shall not unreasonably withhold or delay such consent or approval.

13.2. Sole and Only Agreement. This Agreement contains the sole and only agreement of the Parties as to the subject of this Agreement and correctly sets forth the rights, duties, and obligations of each Party to the other as of this date. Any prior agreements, policies, negotiations, and/or representations are expressly set forth in this Agreement.

13.3. Amendments. This Agreement may be amended or modified in any manner by an instrument in writing, stating the amendment or modification, signed by the Parties hereto.

13.4. Severability. If any one or more provisions contained in this Agreement shall be held invalid or illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.

13.5. Headings and Subtitles. Headings and subtitles of this instrument have been used for convenience only and do not constitute matter to be considered in interpreting this Agreement.

13.6. Indemnity. Each party hereto covenants and agrees to release, indemnify, defend, and hold harmless the other party hereto, its affiliates and their respective owners, members, commissioners, officers, directors, employees, agents, consultants, contractors, partners, affiliated entities, subsidiaries, permittees, licensees, successors and assigns, to the maximum extent permitted by law, from and against all liability, loss, claims, suits, damages (including consequential damages), costs, judgments and expenses (including, without limitation, any fines, penalties, judgments, litigation expenses, and experts' and

attorneys' fees), that arise, directly or indirectly, from, asserted against or incurred by reason of, resulting in any manner from, or relating in any manner to: **(a)** the acts or omissions of such party, its employees, contractors or agents relating to this Agreement and the performance of the duties set forth herein; **(b)** any claims by third parties arising from or relating to or in connection with the breach or alleged breach of any of the provisions hereof by the respective parties; **(c)** acts or omissions of any firm employed by the respective parties to perform any portion of the duties or obligations contained herein; **(d)** completed operations liability or other personal injury claims which may be asserted arising from respective passenger rail services. Each party shall obtain and maintain during the time this Agreement is in effect adequate insurance or self-insurance to cover its liability, defense and indemnification obligations, including but not limited to Commercial General Liability, Automobile Liability, Worker's Compensation and Property Insurance, in order to protect itself and the other parties. Each party shall list each other party as additionally insured on their respective Commercial General Liability insurance policies.

13.7. Law of the Jurisdiction and Venue. In the event of any litigation arising out of the terms of this Agreement, the law of the State of California shall apply, and the venue of any such action shall be the Superior Court of the State of California for the County of San Bernardino, San Bernardino District.

13.8. Dispute Resolution. In the event any dispute arises between the Parties under or in connection with this Agreement, the dispute shall be resolved by the U of R General Counsel, the Executive Director of SBCTA, and the City Manager of the CITY, or their duly authorized representatives, within thirty (30) calendar days after receipt of written notice of said dispute. Said notice shall include a detailed statement of the grounds of the dispute and reasons why the dispute should be resolved in the disputing Party's favor. If the Parties fail to resolve the dispute in a manner acceptable to the disputing Party, then such dispute shall be decided by the court as set forth in Section 13.7. Pending resolution of the dispute, Parties shall proceed with the performance of this Agreement to the extent practicable.

XIV.
DEFAULT AND REMEDIES

14.1. Event of Default. Each of the following shall constitute an "Event of Default":

a. A failure by any Party to make, or cause to be made, any payment due and payable by said Party to another non-defaulting Party on or before the date that any such payment or deposit is due following the expiration of any applicable grace period set forth in the applicable document;

b. Failure by any Party to perform or observe any of its obligations set forth in this Agreement.

14.2. Opportunity to Cure. Except as provided below, no Event of Default under Section 14.1-Event of Default shall constitute a "Default" until all of the following has occurred and the Event of Default remains uncorrected:

a. The non-defaulting Party has given written notice to the defaulting Party of such

Event of Default, specifying the particular facts and circumstances that constitute an Event of Default. However, failure to provide notice of Event of Default in accordance with Section 12.1 Notices to Parties shall not be deemed to waive any Party's rights under this Agreement or applicable law, and may be cured by subsequently providing notice in the required manner;

b. The defaulting Party has had thirty (30) days after receipt of such written notice to correct the Event of Default. If the defaulting Party cannot correct the Event of Default within thirty (30) days, and the non-defaulting Party, in its reasonable judgment, consents, the defaulting Party may initiate and diligently pursue necessary corrective measures approved by the non-defaulting Party. However, any Event of Default must be remedied within one hundred eighty (180) days after its initial occurrence. Should the defaulting Party fail to initiate and diligently pursue the approved corrective action, then the Event of Default shall constitute a Default; and

c. If the defaulting Party fails to take and complete action necessary to cure any Event of Default, the non-defaulting Party may initiate any corrective action it deems appropriate.

14.3. Remedies. Whenever any Event of Default becomes a Default pursuant to Section 14.2 -Opportunity to Cure, any or all of the following remedial procedures shall be available to the non-defaulting Party:

a. The non-defaulting Party may take whatever action at law or in equity that may appear necessary or desirable to collect the payments required to be made by the defaulting Party then due and thereafter to become due; and

b. The non-defaulting Party may take whatever action at law or in equity may appear necessary or desirable to compel the defaulting Party to perform as required by this Agreement.

14.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to any Party is intended to be exclusive of any other available remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy available under this Agreement, at law or in equity. No delay or omission to exercise any right or power accruing upon any Default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time-to-time and as often as may be deemed expedient.

14.5. Attorneys' Fees. In addition to any other remedies provided hereunder or available pursuant to law, if any Party brings an action or proceeding to enforce, protect or establish any right or remedy hereunder, the prevailing Party shall be entitled to recover from the other Party or Parties, as applicable, its costs of suit and reasonable attorneys' fees. The costs, salary and expenses of the City Attorney, SBCTA's General Counsel and U of R's General Counsel and members of their offices in enforcing the Agreement shall be considered as "attorneys' fees" for the purposes of this Section.

XV.
TERMINATION OF AGREEMENT

15.1. Acts Constituting Termination. This Agreement shall commence on the date of its execution and shall continue until:

a. Mutual agreement of the Parties hereto to terminate this Agreement;

b. Mutual agreement of non-defaulting parties when one or more parties are in Default or breach of this Agreement, which has not been cured in accordance with Section 14.2, Opportunity to Cure.

15.2. Distribution on Termination. Upon termination of this Agreement pursuant to Section 15.1, all affairs undertaken or conducted pursuant to this Agreement shall be wound up, the assets liquidated, the debts paid and the proceeds divided among the Parties to this Agreement as provided in Article XI-Distribution of Property. Upon successful termination of this Agreement pursuant to Section 15.1, all duties, obligations and responsibilities of the Parties, or any successors to their interests in this Agreement, shall be assumed in the manner as may be provided by mutual agreement or as may be ordered by a court.

----------SIGNATURES ON THE FOLLOWING PAGE----------

XVI.
ACCEPTANCE

16.1. Acceptance of Agreement. The Parties have approved this Agreement by official actions of their respective governing bodies, and accept and agree to the terms set forth therein as of the date set forth above.

CITY:

CITY OF REDLANDS, a municipal corporation

ATTEST:

By: _____
Paul Barich, Mayor

_____
Jeanne Donaldson, City Clerk

UNIVERSITY:

UNIVERSITY OF REDLANDS, a California non-profit corporation

By: _____
Ralph W. Kuncl, PhD, MD,
President

By: _____
Michelle L. Rogers, EdD,
Vice President, Administration

SBCTA:

SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY

By: _____
Frank J. Navarro,
Board President

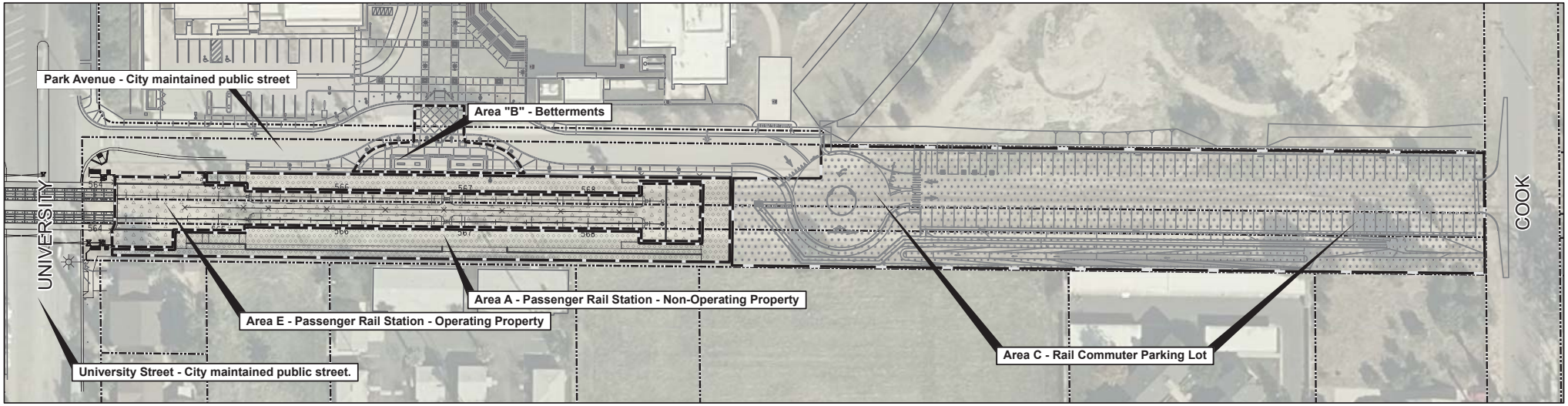
Approved as to Form:

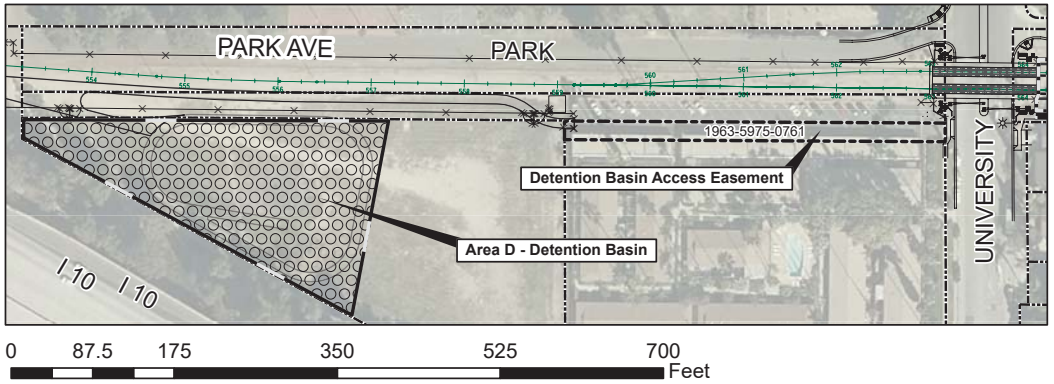
_____
Julianna K. Tillquist, General Counsel

EXHIBIT A

Property

20-1002255 - EXHIBIT A - PROPERTY





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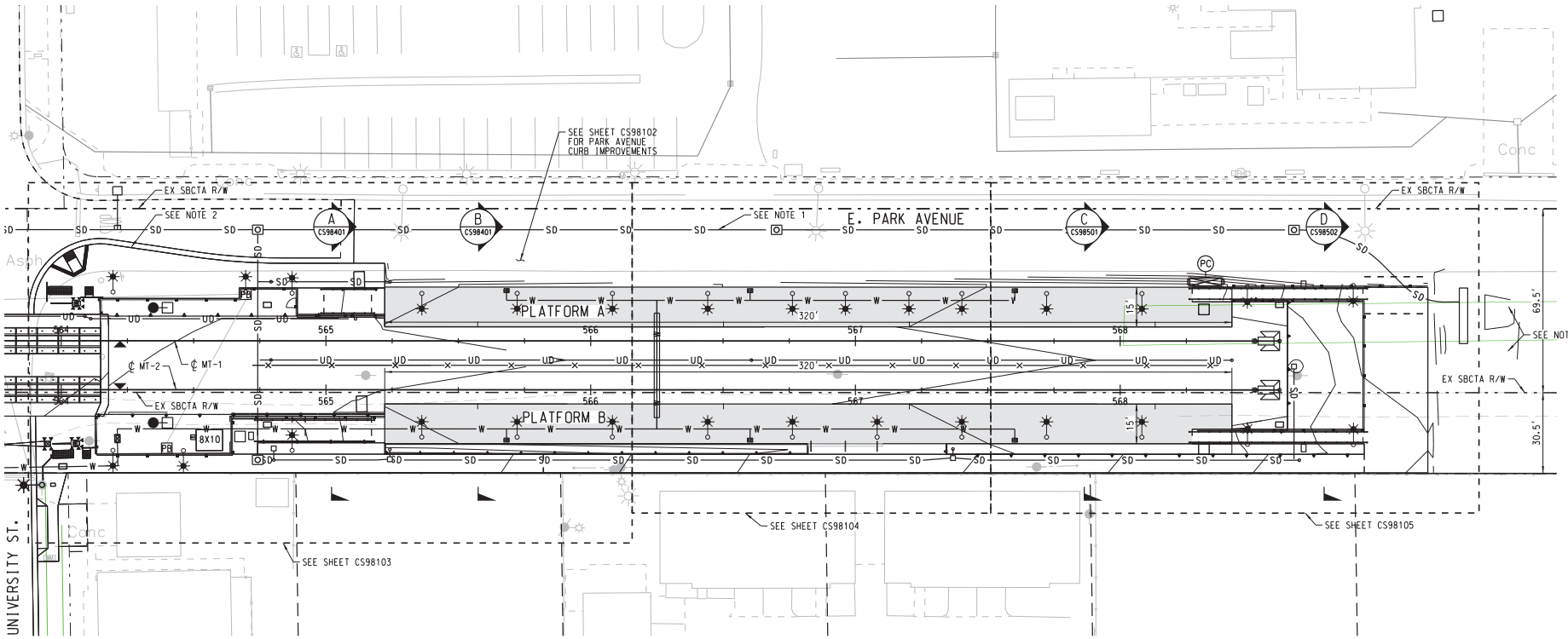
University Station
Platforms, Tracks, Drainage & Parking

2020-03-31

EXHIBIT B

Standard Platform

EXHIBIT B

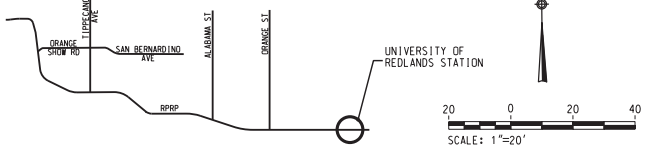


LEGEND

- PLATFORM
- CONCRETE WALKWAY
- SHEET OUTLINE

GENERAL NOTES:

1. FOR SIGNAL IMPROVEMENTS SEE SIGNAL PLANS
2. FOR TRACK AND OFFSITE DRAINAGE IMPROVEMENTS SEE GRADING AND DRAINAGE PLANS
3. FOR ELECTRICAL IMPROVEMENTS SEE ELECTRICAL PLANS
4. FOR FENCING IMPROVEMENTS SEE FENCING PLANS
5. FOR ROADWAY IMPROVEMENTS SEE CIVIL PLANS
6. FOR WATERLINE IMPROVEMENTS SEE STATION WATERLINE PLANS
7. FOR CONTROL JOINT AND EXPANSION JOINT SPACING SEE STRUCTURAL PLANS
8. COORDINATE WITH UNIVERSITY OF REDLANDS FOR IRRIGATION POINT OF CONNECTION. SLEEVE IRRIGATION LINES UNDER PAVED AREAS



REV.	DATE		BY	SUB.	APP.
0	02-06-19	CONFORMED	TJ		SG

DESIGNED BY L. HERNANDEZ
DRAWN BY L. HERNANDEZ
CHECKED BY A. SHAH
APPROVED BY R. KLOVSKY
DATE 5-18-2018

San Bernardino County Transportation Authority

HDR
2280 Market Street, Suite 100
Riverside, CA 92501-2110
(951) 320-7300

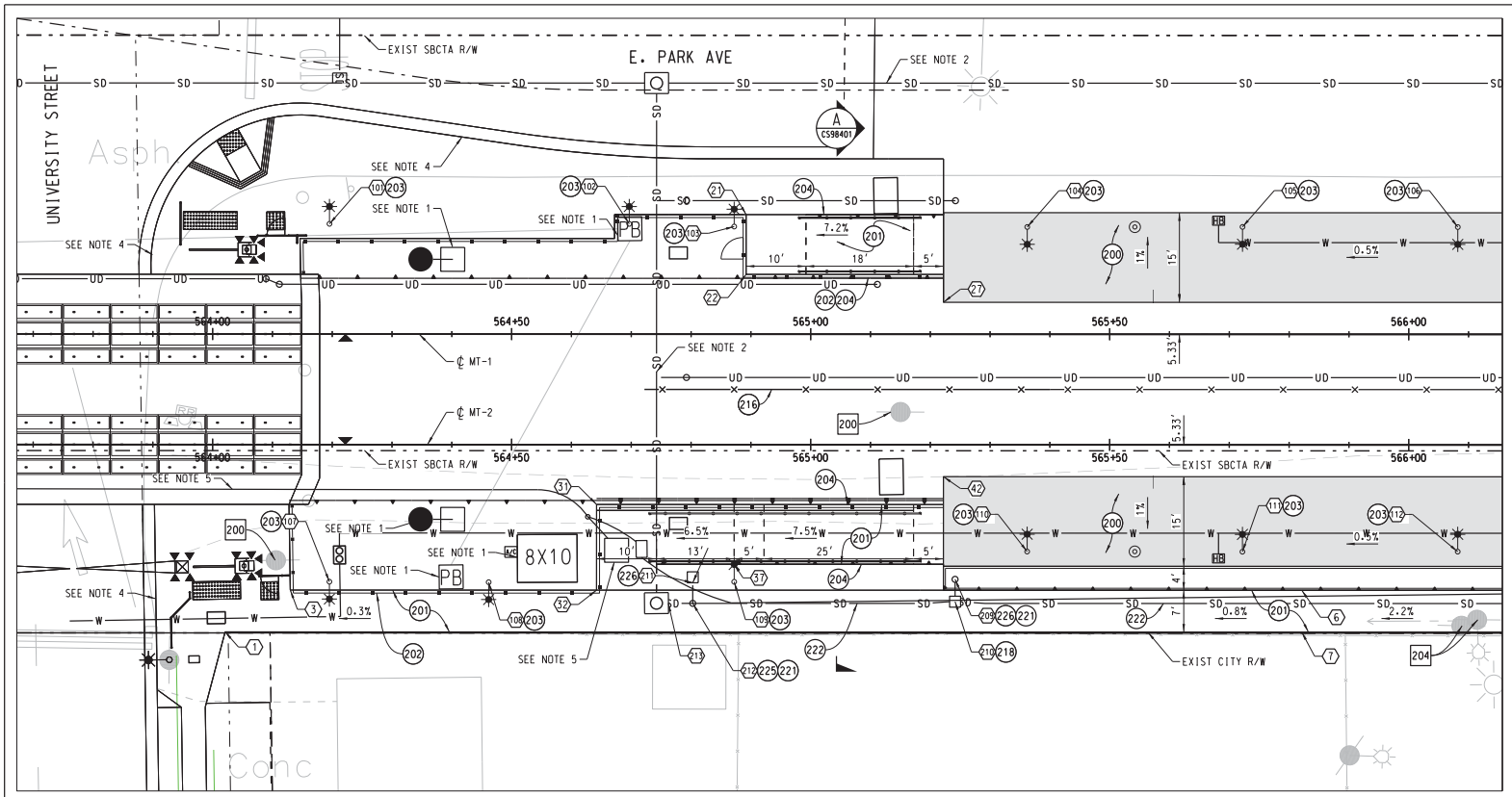
REGISTERED PROFESSIONAL ENGINEER
THOMAS B. JACQUES
No. C63769
EXP. 9-30-2020
CIVIL
STATE OF CALIFORNIA

REDLANDS PASSENGER RAIL PROJECT

UNIVERSITY OF REDLANDS STATION
LAYOUT PLAN

CONTRACT NO. 17-1001705
DRAWING NO. CS98101
REVISION
SHEET NO. 526 OF 2442
SCALE 1"=20"

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CONSTRUCTION REMOVAL NOTES:

200 REMOVE/RELOCATE EXISTING POWER POLE PER UTILITY PLAN (BY OTHERS)
204 PROTECT IN PLACE

CONSTRUCTION NOTES:

200 PLATFORM - SEE PLATFORM PLANS
201 CONST. 7" PCC WALKWAY PER SPPWC STD PLAN 112-2, 113-2, AND DETAIL A ON CR00006 (1)
202 HANDRAILS - SEE ARCHITECTURAL PLANS
203 LIGHTING - SEE ELECTRICAL PLANS
204 RETAINING WALL - SEE STRUCTURAL PLANS
216 INSTALL INTERTRACK FENCE
218 INSTALL BROOKS PRODUCTS 1212 T18 CATCH BASIN W/ HEEL PROOF STEEL GRATE OR APPROVED EQUAL
221 CONST. 4" HDPE STORM DRAIN
222 CONST. 6" HDPE STORM DRAIN
225 CONST. CLEANOUT PER DETAIL 3 SHEET CS00101 (1)
226 INSTALL NDS 1200 NGB CATCH BASIN OR EQUIVALENT

	STATION	OFFSET		DESCRIPTION	ELEVATIONS	
1	564+02.10	49.83	RT	SIDEWALK	1446.13	FS
3	564+13.00	42.83	RT	SIDEWALK	1446.16	FS
6	565+82.13	42.83	RT	SIDEWALK	1447.25	FS
7	565+82.13	49.83	RT	SIDEWALK	1447.36	FS
21	564+89.20	20.00	LT	WALKWAY	1447.39	FS
22	564+89.20	10.00	LT	WALKWAY	1447.37	FS
27	565+22.20	5.33	LT	PLATFORM	1449.01	FS
31	564+64.20	28.50	RT	WALKWAY	1446.47	FS
32	564+64.20	42.83	RT	WALKWAY	1446.33	FS
37	564+87.20	38.50	RT	WALKWAY	1446.85	FS
42	565+22.20	23.83	RT	PLATFORM	1449.01	FS

	STATION	OFFSET		DESCRIPTION	ELEVATIONS	
101	564+19.53	18.44	LT	LUMINAIRE	1446.70	FS
102	564+69.66	18.44	LT	LUMINAIRE	1447.23	FS
103	564+87.20	18.00	LT	LUMINAIRE	1447.33	FS
104	565+36.21	17.94	LT	LUMINAIRE	1448.95	FS
105	565+72.21	17.97	LT	LUMINAIRE	1449.13	FS
106	566+08.20	17.94	LT	LUMINAIRE	1449.31	FS
107	564+19.53	41.43	RT	LUMINAIRE	1445.42	FS
108	564+46.17	41.50	RT	LUMINAIRE	1445.51	FS
109	564+87.22	41.43	RT	LUMINAIRE	1446.39	FS
110	565+56.20	36.36	RT	LUMINAIRE	1448.99	FS
111	565+72.20	36.38	RT	LUMINAIRE	1449.13	FS
112	566+08.20	36.36	RT	LUMINAIRE	1449.31	FS

	STATION	OFFSET		DESCRIPTION	ELEVATIONS	
209	564+25.15	41.01	RT	STORM DRAIN	1442.50	INV
210	565+24.16	44.75	RT	STORM DRAIN	1442.40	INV
211	564+80.29	41.60	RT	STORM DRAIN	1442.00	INV
212	564+80.29	45.04	RT	STORM DRAIN	1441.95	INV
213	564+76.20	45.04	RT	STORM DRAIN	1441.91	INV

NOTES:

1. FOR SIGNAL IMPROVEMENTS SEE SIGNAL PLANS
2. FOR OFFSITE & TRACK DRAINAGE IMPROVEMENTS SEE TRACK GRADING & DRAINAGE PLANS
3. FOR ELECTRICAL IMPROVEMENTS SEE ELECTRICAL PLANS
4. FOR ROADWAY IMPROVEMENTS SEE CIVIL PLANS
5. FOR COMMUNICATIONS UTILITIES SEE COMMUNICATIONS PLANS

N

10 0 10 20
SCALE: 1"=10'

REV.	DATE		BY	APP.
0	02-06-19	CONFORMED	TJ	SG

DESIGNED BY L. HERNANDEZ
DRAWN BY L. HERNANDEZ
CHECKED BY A. SHAH
APPROVED BY R. KLOVSKY
DATE 5-18-2018

San Bernardino County Transportation Authority

HDR
2280 Market Street, Suite 100
Riverside, CA 92501-2110
(951) 320-7300

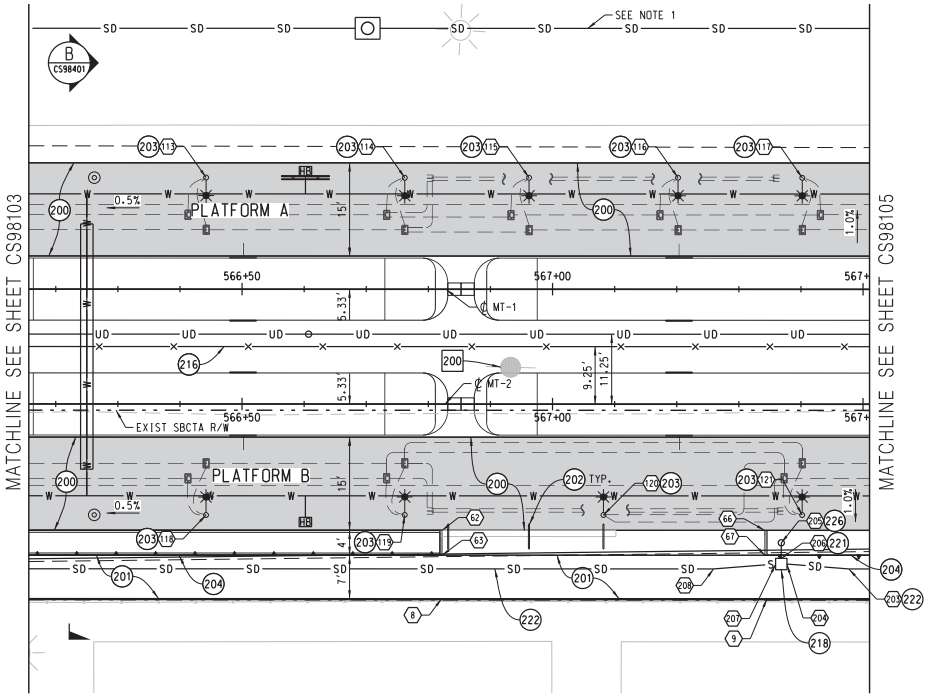
REGISTERED PROFESSIONAL ENGINEER THOMAS BRET JACQUES No. C63769 Exp. 9-30-2020 CIVIL STATE OF CALIFORNIA

REDLANDS PASSENGER RAIL PROJECT

UNIVERSITY OF REDLANDS STATION
SITE PLAN
SHEET 1 OF 3

CONTRACT NO. 17-1001705
DRAWING NO. CS98103
REVISION
SHEET NO. 527 OF 2442
SCALE AS SHOWN

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	STATION	OFFSET		DESCRIPTION	ELEVATIONS	
8	556+82.15	49.83	RT	WALKWAY	1449.60	FS
9	567+34.55	49.83	RT	WALKWAY	1449.90	FS
62	566+82.20	38.83	RT	PLATFORM	1449.66	FS
63	566+82.20	42.83	RT	WALKWAY STEP	1449.49	FS
66	567+34.20	38.83	RT	PLATFORM	1449.92	FS
67	567+34.20	42.83	RT	WALKWAY STEP	1449.78	FS
203	567+47.76	45.04	RT	STORMDRAIN	1444.70	INV
204	567+37.76	44.25	RT	STORMDRAIN	1444.60	INV
205	567+36.84	40.83	RT	STORMDRAIN	1444.70	INV
206	567+36.84	43.33	RT	STORMDRAIN	1444.60	INV
207	567+35.92	44.25	RT	STORMDRAIN	1444.60	INV
208	567+25.92	45.04	RT	STORMDRAIN	1444.50	INV

	STATION	OFFSET		DESCRIPTION	ELEVATIONS	
113	566+44.21	17.97	LT	LUMINAIRE	1449.49	FS
114	566+76.20	17.94	LT	LUMINAIRE	1449.65	FS
115	566+96.21	17.95	LT	LUMINAIRE	1449.76	FS
116	567+20.20	17.95	LT	LUMINAIRE	1449.87	FS
117	567+40.21	17.94	LT	LUMINAIRE	1449.97	FS
118	566+44.20	36.38	RT	LUMINAIRE	1449.49	FS
119	566+76.20	36.36	RT	LUMINAIRE	1449.65	FS
120	567+08.20	36.36	RT	LUMINAIRE	1449.81	FS
121	567+40.20	36.36	RT	LUMINAIRE	1449.97	FS

NOTES:

1. FOR TRACK AND OFFSITE DRAINAGE IMPROVEMENTS SEE DRAINAGE PLANS

CONSTRUCTION REMOVAL NOTES:

200 REMOVE/RELOCATE EXISTING POWER POLE PER UTILITY PLAN (BY OTHERS)

CONSTRUCTION NOTES:

200 PLATFORM - SEE STRUCTURAL PLANS

1 201 CONST. 7" PCC WALKWAY PER SPPWC STD PLAN 112-2, 113-2, AND DETAIL A ON CR00006

202 HANDRAILS - SEE ARCHITECTURAL PLANS

203 LIGHTING - SEE ELECTRICAL PLANS

204 RETAINING WALL - SEE STRUCTURAL PLANS

216 FOR INTERTRACK FENCE - SEE FENCING PLANS

218 INSTALL BROOKS PRODUCTS 1212 T18 CATCH BASIN W/ HEEL PROOF STEEL GRATE OR APPROVED EQUAL

221 CONST. 4" HDPE STORM DRAIN

222 CONST. 6" HDPE STORM DRAIN

1 225 CONST. CLEANOUT PER DETAIL 4 SHEET CS00101

226 INSTALL NDS 12125 NGB CATCH BASIN OR EQUIVALENT

N

10 0 10 20

SCALE: 1"=10'

REV.	DATE		BY	SUB.	APP.
0	02-06-19	CONFORMED	TJ		SG

DESIGNED BY L. HERNANDEZ
DRAWN BY L. HERNANDEZ
CHECKED BY A. SHAH
APPROVED BY R. KLOVSKY
DATE 5-18-2018

San Bernardino County Transportation Authority

HDR
2280 Market Street, Suite 100
Riverside, CA 92501-2110
(951) 320-7300

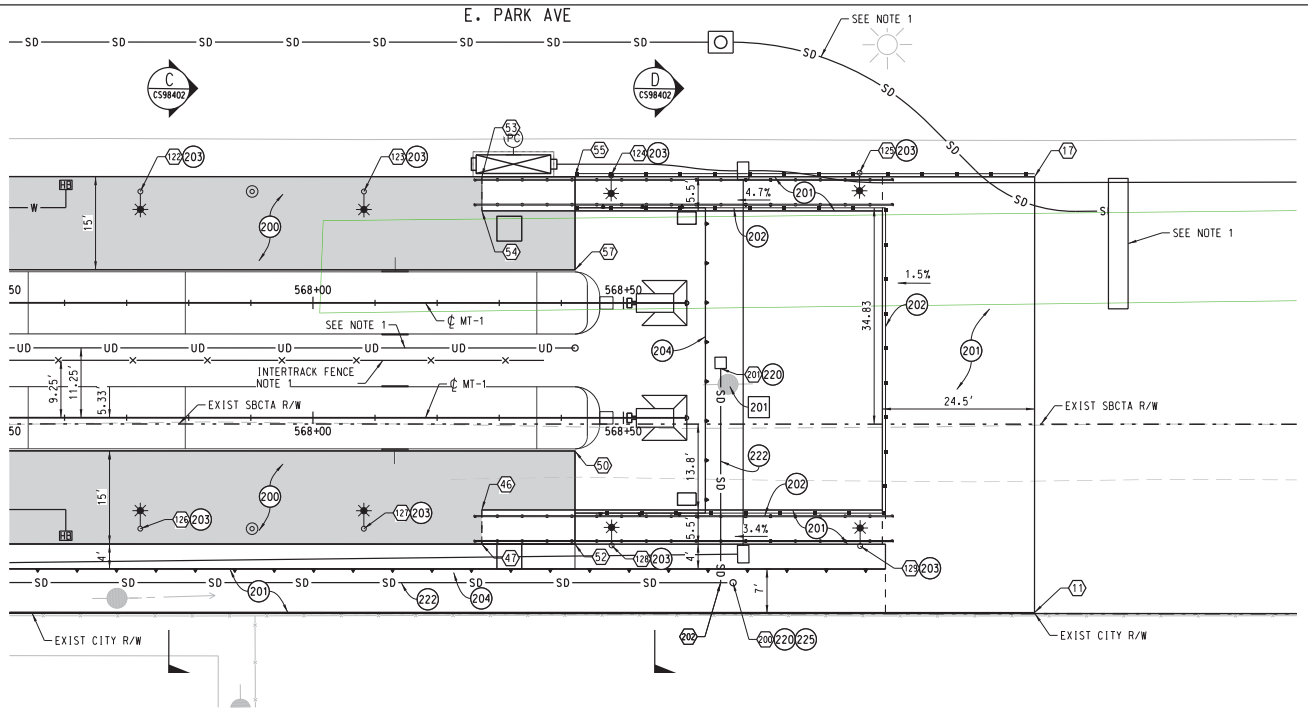
REGISTERED PROFESSIONAL ENGINEER
THOMAS B. JACQUES
No. C63769
Exp. 9-30-2020
CIVIL
STATE OF CALIFORNIA

REDLANDS PASSENGER RAIL PROJECT

UNIVERSITY OF REDLANDS STATION
SITE PLAN
SHEET 2 OF 3

CONTRACT NO. 17-1001705
DRAWING NO. CS98104
REVISION
SHEET NO. 528 OF 2442
SCALE AS SHOWN

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	NORTHING	EASTING	DESCRIPTION	ELEVATIONS
11	1844798.86	6814582.74	WALKWAY	1453.13 FS
17	1844869.02	6814583.52	WALKWAY	1453.75 FS
125	1844869.98	6814555.34	LUMINAIRE	1453.12 FS
129	1844809.87	6814554.79	LUMINAIRE	1452.72 FS
200	1844804.18	6814534.26	STORM DRAIN	1445.95 INV
201	1844838.69	6814532.64	STORM DRAIN	1446.30 INV
202	1844804.21	6814532.26	STORM DRAIN	1445.90 INV

	STATION	OFFSET		DESCRIPTION	ELEVATIONS
46	568+26.05	33.33	RT	WALKWAY	1450.44 FS
47	568+26.06	38.83	RT	WALKWAY	1450.39 FS
50	568+41.05	23.83	RT	PLATFORM	1450.61 FS
52	568+41.05	38.83	RT	* PLATFORM	1450.90 FS
53	568+26.05	20.33	LT	WALKWAY	1450.39 FS
54	568+26.05	14.83	LT	WALKWAY	1450.44 FS
55	568+41.05	20.33	LT	* PLATFORM	1451.08 FS
57	568+41.05	5.33	LT	PLATFORM	1450.61 FS
122	567+72.21	17.94	LT	LUMINAIRE	1450.13 FS
123	568+08.21	17.94	LT	LUMINAIRE	1450.31 FS
124	568+48.02	20.54	LT	LUMINAIRE	1452.63 FS
126	567+72.20	36.36	RT	LUMINAIRE	1450.13 FS
127	568+08.20	36.36	RT	LUMINAIRE	1450.31 FS
128	568+48.10	39.04	RT	LUMINAIRE	1451.36 FS

* PLATFORM ELEVATION EXCLUDES WALKWAY

CONSTRUCTION REMOVAL NOTES:

201 REMOVE EXISTING POLE

NOTES:

1. FOR TRACK AND OFFSITE DRAINAGE IMPROVEMENTS SEE TRACK DRAINAGE PLANS
2. FOR ELECTRIC SEE ELECTRICAL PLANS

CONSTRUCTION NOTES: DRAINAGE

200 PLATFORM - SEE STRUCTURAL PLANS
△1 201 CONST. 7" PCC WALKWAY PER SPPWC STD PLAN 112-2, 113-2, AND DETAIL A ON CR00006
202 HANDRAILS - SEE ARCHITECTURAL PLANS
203 LIGHTING - SEE ELECTRICAL PLANS
204 RETAINING WALL - SEE STRUCTURAL PLANS
220 CONST. CONCRETE PIPE INLET PER CALTRANS STD. PLAN d75b, TYPE OCP
222 CONST. 6" HDPE STORM DRAIN
△1 225 CONST. CLEANOUT PER DETAIL 3 ON SHEET CS00101

N

10 0 10 20
SCALE: 1"=10'

REV.	DATE		BY	SUB.	APP.
0	02-06-19	CONFORMED	TJ		SG

DESIGNED BY L. HERNANDEZ
DRAWN BY L. HERNANDEZ
CHECKED BY A. SHAH
APPROVED BY R. KLOVSKY
DATE 5-18-2018

San Bernardino County Transportation Authority

HDR
2280 Market Street, Suite 100
Riverside, CA 92501-2110
(951) 320-7300

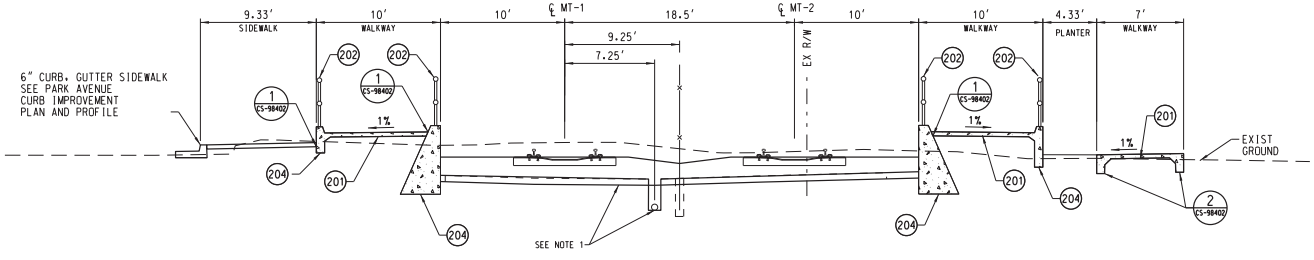
REGISTERED PROFESSIONAL ENGINEER
THOMAS B. JACQUES
No. C63769
Exp. 9-30-2020
CIVIL
STATE OF CALIFORNIA

REDLANDS PASSENGER RAIL PROJECT

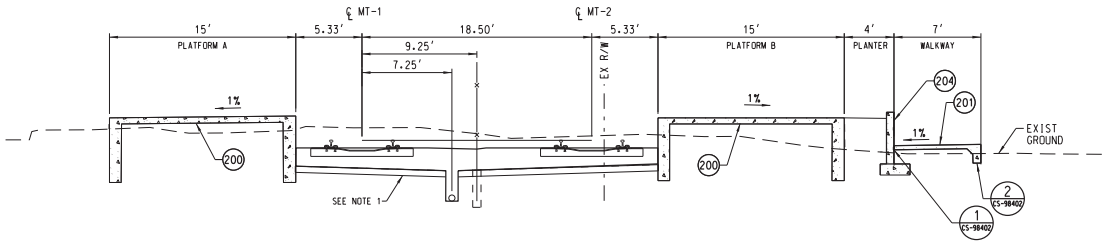
UNIVERSITY OF REDLANDS STATION
SITE PLAN
SHEET 3 OF 3

CONTRACT NO. 17-1001705
DRAWING NO. CS98105
REVISION
SHEET NO. 529 OF 2442
SCALE AS SHOWN

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SECTION A
NOT TO SCALE



SECTION B
NOT TO SCALE

NOTES:

1. FOR OFFSITE AND TRACK DRAINAGE SEE DRAINAGE AND GRADING PLANS

CONSTRUCTION NOTES:

200 PLATFORM - SEE STRUCTURAL PLANS
201 CONST. 7" PCC WALKWAY PER SPPWC STD PLAN 112-2, 113-2, AND DETAIL A ON CR00006
202 HANDRAILS - SEE ARCHITECTURAL PLANS
204 RETAINING WALL - SEE STRUCTURAL PLANS

REV.	DATE		BY	APP.
0	02-06-19	CONFORMED	TJ	SG

DESIGNED BY L. HERNANDEZ
DRAWN BY L. HERNANDEZ
CHECKED BY A. SHAH
APPROVED BY R. KLOVSKY
DATE 5-18-2018

San Bernardino County Transportation Authority

HDR
2280 Market Street, Suite 100
Riverside, CA 92501-2110
(951) 320-7300

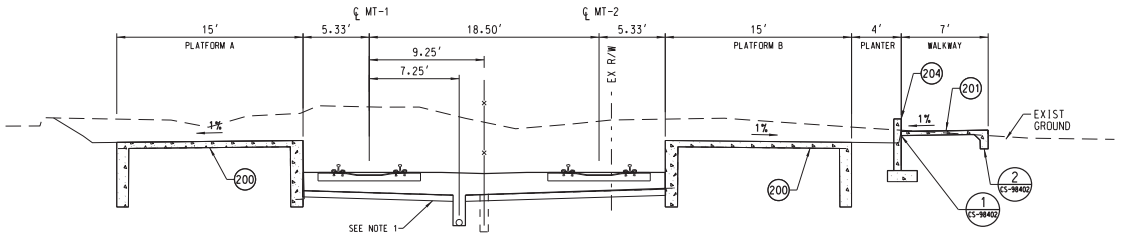
REGISTERED PROFESSIONAL ENGINEER
THOMAS B. JACQUES
No. C63769
Exp. 9-30-2020
CIVIL
STATE OF CALIFORNIA

REDLANDS PASSENGER RAIL PROJECT

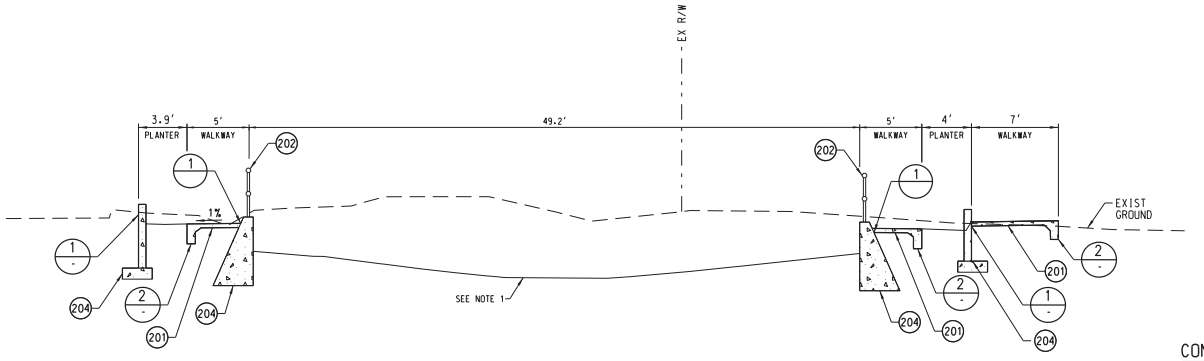
UNIVERSITY OF REDLANDS STATION
DETAIL PLAN
SHEET 1 OF 2

CONTRACT NO. 17-1001705
DRAWING NO. CS98401
REVISION
SHEET NO. 530 OF 2442
SCALE AS SHOWN

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SECTION C
NOT TO SCALE



SECTION D
NOT TO SCALE

CONSTRUCTION NOTES:

200 PLATFORM - SEE STRUCTURAL PLANS
201 CONST. 7" PCC WALKWAY PER SPPWC STD PLAN 112-2, 113-2, AND DETAIL A ON CR00006
202 HANDRAILS - SEE ARCHITECTURAL PLANS
204 RETAINING WALL - SEE STRUCTURAL PLANS

NOTES:

1. FOR OFFSITE AND TRACK DRAINAGE SEE DRAINAGE AND GRADING PLANS

REV.	DATE		BY	APP.
0	02-06-19	CONFORMED	TJ	SG

DESIGNED BY L. HERNANDEZ
DRAWN BY L. HERNANDEZ
CHECKED BY A. SHAH
APPROVED BY R. KLOVSKY
DATE 5-18-2018

San Bernardino County Transportation Authority

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2280 Market Street, Suite 100
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(951) 320-7300

REGISTERED PROFESSIONAL ENGINEER
THOMAS BRUCE JACQUES
No. C63769
EXP. 9-30-2020
CIVIL
STATE OF CALIFORNIA

REDLANDS PASSENGER RAIL PROJECT

UNIVERSITY OF REDLANDS STATION
DETAIL PLAN
SHEET 2 OF 2

CONTRACT NO. 17-1001705
DRAWING NO. CS98402
REVISION
SHEET NO. 531 OF 2442
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EXHIBIT C

Maintenance Schedule

ITEM	FREQUENCY
Landscape/Irrigation	Twice Monthly
Trash Pickup and Cleanup	Daily
Platform Washing	Weekly
Graffiti Removal	As Needed
Plumbing/Electrical	Annually and As Needed
Vandalism Repairs	As Needed
Storm Drain System (includes inlets)	As Needed

EXHIBIT D

Detention Basin Maintenance Schedule and Plans

Infiltration Basin TC-11

Inspection Activities	Suggested Frequency
☐ Observe drain time for a storm after completion or modification of the facility to confirm that the desired drain time has been obtained. ☐ Newly established vegetation should be inspected several times to determine if any landscape maintenance (reseeding, irrigation, etc.) is necessary. ☐ Inspect for upslope or adjacent contributing sediment sources and ensure that pretreatment systems are in place.	Post construction and semi-annually (beginning and end of rainy season)
☐ Inspect for the following issues: differential accumulation of sediment, signs of wetness or damage to structures, erosion of the basin floor, dead or dying grass on the bottom, condition of riprap, drain time, signs of petroleum hydrocarbon contamination, standing water, trash and debris, sediment accumulation, slope stability, pretreatment device condition	Semi-annually and after extreme events
Maintenance Activities	**Suggested Frequency**
☐ Factors responsible for clogging should be repaired immediately.	Immediately
☐ Remove invasive weeds once monthly during the first two growing seasons.	Monthly during growing season
☐ Stabilize eroded banks with erosion control mat or mulch and revegetate. ☐ Repair undercut and eroded areas at inflow and outflow structures. ☐ Maintain access to the basin for regular maintenance activities. ☐ Mow as appropriate for vegetative cover species. ☐ Monitor health of vegetation and replace as necessary. ☐ Control mosquitoes as necessary. ☐ Remove litter and debris from infiltration basin area as required. ☐ Trim vegetation to prevent establishment of woody vegetation that decreases storage volume.	Standard maintenance (as needed)
☐ Mow and remove grass clippings, litter, and debris. ☐ Replant eroded or barren spots to prevent erosion and accumulation of sediment.	Semi-annual
☐ Scrape bottom and remove sediment when accumulated sediment reduces original infiltration rate by 25-50%. Restore original cross-section and infiltration rate. Properly dispose of sediment. ☐ Seed or sod to restore ground cover. ☐ Disc or otherwise aerate bottom. ☐ Dethatch basin bottom.	3-5 year maintenance

If there are actual signs of clogging or significant loss of infiltrative capacity the following maintenance activities should be considered:

- ☐ Mechanically de-thatching and/or aerating the top soils along the sides and bottom of the basin.
- ☐ Tilling or dicing to scarify the bottom of the basin

CONSTRUCTION NOTES:

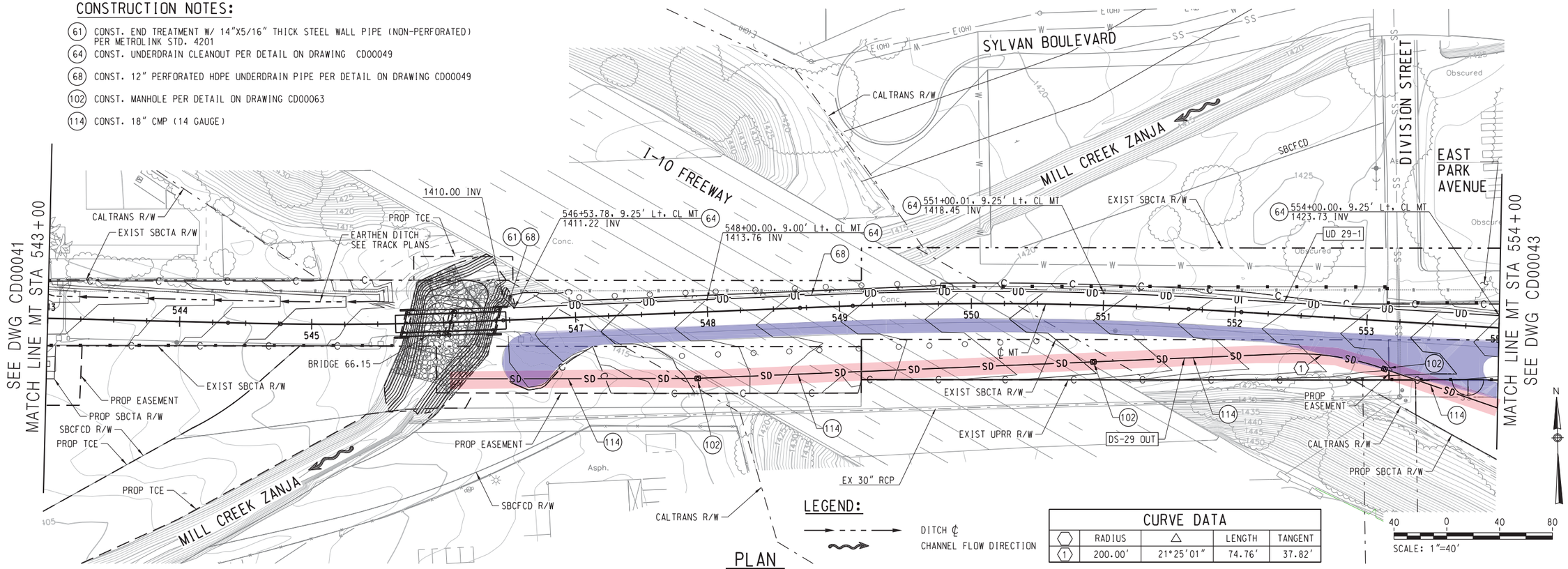
(61) CONST. END TREATMENT W/ 14"X5/16" THICK STEEL WALL PIPE (NON-PERFORATED) PER METROLINK STD. 4201

(64) CONST. UNDERDRAIN CLEANOUT PER DETAIL ON DRAWING CD00049

(68) CONST. 12" PERFORATED HDPE UNDERDRAIN PIPE PER DETAIL ON DRAWING CD00049

(102) CONST. MANHOLE PER DETAIL ON DRAWING CD00063

(114) CONST. 18" CMP (14 GAUGE)



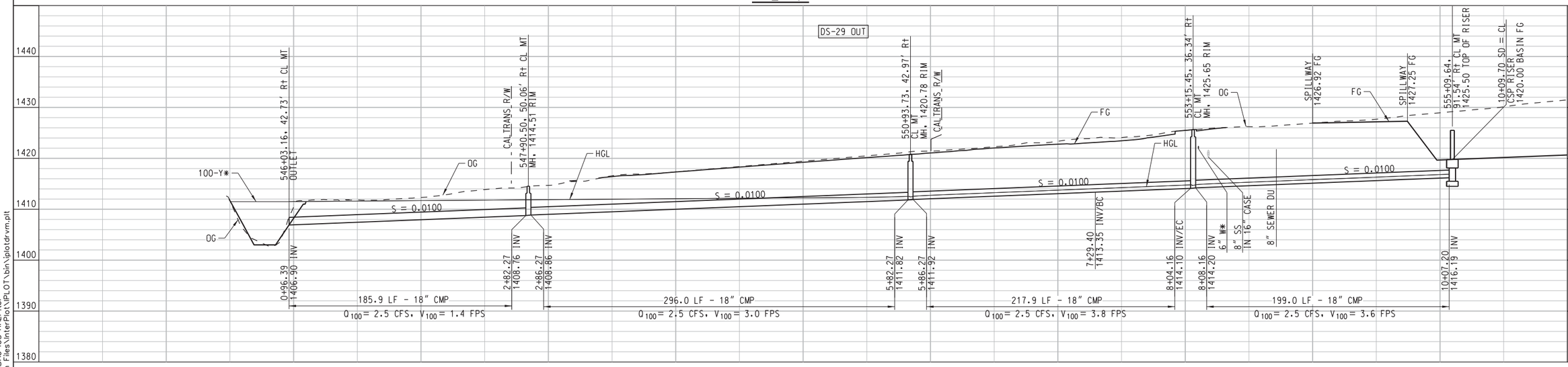
PLAN

LEGEND:

DITCH ℄

CHANNEL FLOW DIRECTION

CURVE DATA				
	RADIUS	△	LENGTH	TANGENT
(1)	200.00'	21°25'01"	74.76'	37.82'



PROFILE

NOTE:

1. SEE TRACK PLANS FOR DITCH PROFILES AND SECTIONS.

* PER FINAL MZC HEC-RAS 2D HYDRAULIC ANALYSIS PREPARED BY HDR

* PROFILE ELEVATIONS FOR UTILITIES DENOTED WITH AN ASTERISK ARE FROM GPR DATA PROVIDED BY DAVID EVANS AND ASSOCIATES INC. PERFORMED ON 06/14/2017

REV.	DATE		BY	SUB.	APP.
0	02-06-19	CONFORMED	TJ		SG

DESIGNED BY R. AFSHAR
DRAWN BY W. STEBOK
CHECKED BY M. HARROLD
APPROVED BY R. KLOVSKY
DATE 5-18-2018

San Bernardino County Transportation Authority

HDR
2280 Market Street, Suite 100
Riverside, CA 92501-2110
(951) 320-7300

REGISTERED PROFESSIONAL ENGINEER
MYLES R. HARROLD
NO. 64770
Exp. 06/30/19
CIVIL
STATE OF CALIFORNIA

REDLANDS PASSENGER RAIL PROJECT

TRACK GRADING & DRAINAGE PLAN
STA 543+00 TO STA 554+00

CONTRACT NO. 17-1001705
DRAWING NO. CD00042
REVISION
SHEET NO. 285 OF 2442
SCALE HOR: 1"=40'
VER: 1"=10'

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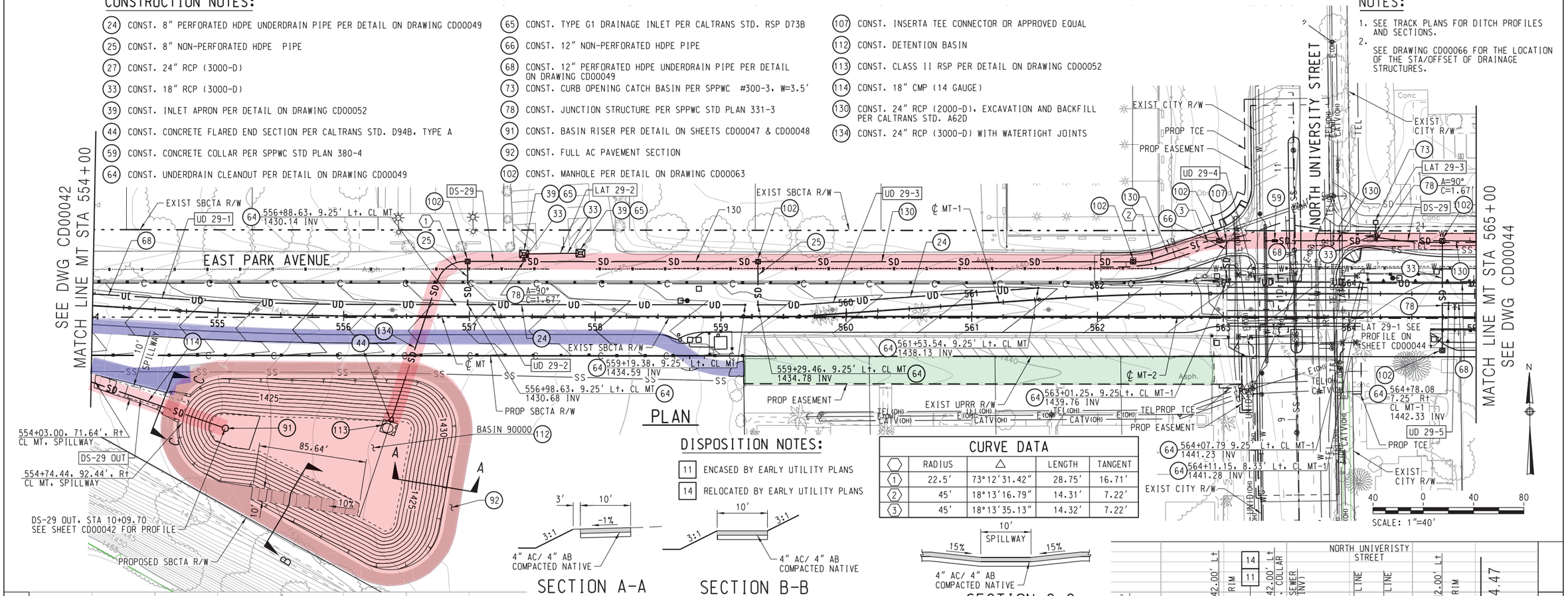
CONSTRUCTION NOTES:

(24) CONST. 8" PERFORATED HDPE UNDERDRAIN PIPE PER DETAIL ON DRAWING CD00049
(25) CONST. 8" NON-PERFORATED HDPE PIPE
(27) CONST. 24" RCP (3000-D)
(33) CONST. 18" RCP (3000-D)
(39) CONST. INLET APRON PER DETAIL ON DRAWING CD00052
(44) CONST. CONCRETE FLARED END SECTION PER CALTRANS STD. D94B, TYPE A
(59) CONST. CONCRETE COLLAR PER SPPWC STD PLAN 380-4
(64) CONST. UNDERDRAIN CLEANOUT PER DETAIL ON DRAWING CD00049
(65) CONST. TYPE G1 DRAINAGE INLET PER CALTRANS STD. RSP D73B
(66) CONST. 12" NON-PERFORATED HDPE PIPE
(68) CONST. 12" PERFORATED HDPE UNDERDRAIN PIPE PER DETAIL ON DRAWING CD00049
(73) CONST. CURB OPENING CATCH BASIN PER SPPWC #300-3, W=3.5'
(78) CONST. JUNCTION STRUCTURE PER SPPWC STD PLAN 331-3
(91) CONST. BASIN RISER PER DETAIL ON SHEETS CD00047 & CD00048
(92) CONST. FULL AC PAVEMENT SECTION
(102) CONST. MANHOLE PER DETAIL ON DRAWING CD00063
(107) CONST. INSERTA TEE CONNECTOR OR APPROVED EQUAL
(112) CONST. DETENTION BASIN
(113) CONST. CLASS II RSP PER DETAIL ON DRAWING CD00052
(114) CONST. 18" CMP (14 GAUGE)
(130) CONST. 24" RCP (2000-D), EXCAVATION AND BACKFILL PER CALTRANS STD. A62D
(134) CONST. 24" RCP (3000-D) WITH WATERTIGHT JOINTS

NOTES:

1. SEE TRACK PLANS FOR DITCH PROFILES AND SECTIONS.
2. SEE DRAWING CD00066 FOR THE LOCATION OF THE STA/OFFSET OF DRAINAGE STRUCTURES.

PLAN



DISPOSITION NOTES:

11 ENCASED BY EARLY UTILITY PLANS
14 RELOCATED BY EARLY UTILITY PLANS

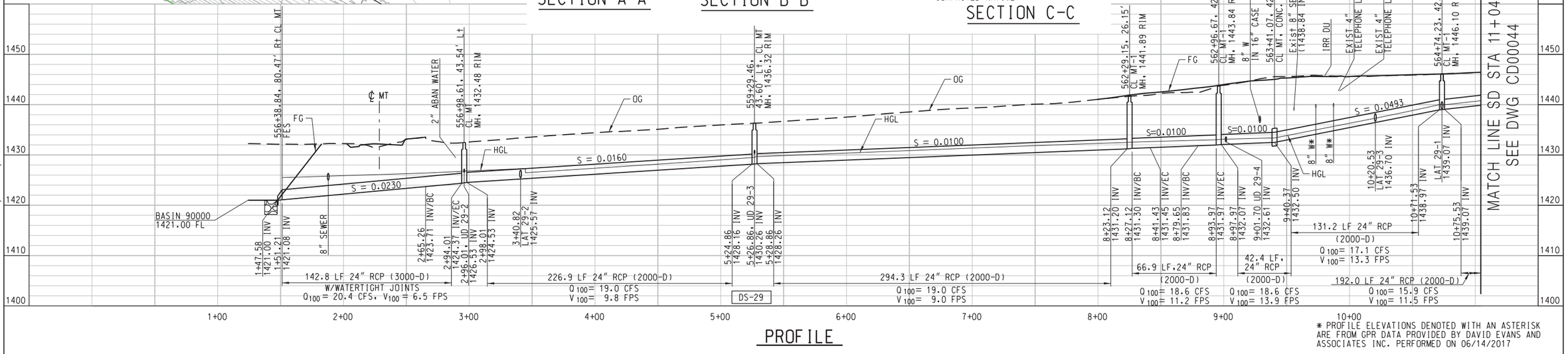
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2	45'	18°13'16.79"	14.31'	7.22'
3	45'	18°13'35.13"	14.32'	7.22'

SECTION A-A

SECTION B-B

SECTION C-C



PROFILE

* PROFILE ELEVATIONS DENOTED WITH AN ASTERISK ARE FROM GPR DATA PROVIDED BY DAVID EVANS AND ASSOCIATES INC. PERFORMED ON 06/14/2017

REV.	DATE		BY	SUB	APP.
0	02-06-19	CONFORMED	TJ		SG

DESIGNED BY R. AFSHAR
DRAWN BY W. STEBOK
CHECKED BY M. HARROLD
APPROVED BY R. KLOVSKY
DATE 5-18-2018

San Bernardino County Transportation Authority

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REGISTERED PROFESSIONAL ENGINEER
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NO. 64770
Exp. 06/30/19
CIVIL
STATE OF CALIFORNIA

REDLANDS PASSENGER RAIL PROJECT

TRACK GRADING & DRAINAGE PLAN
STA 554+00 TO STA 565+00

CONTRACT NO. 17-1001705
DRAWING NO. CD00043
REVISION
SHEET NO. 286 OF 2442
SCALE HOR: 1"=40'
VER: 1"=10'

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CONSTRUCTION NOTES:

(17) CONST. CURB OPENING CATCH BASIN PER SPPWC STD. PLAN 300-3, W=21'

(64) CONST. UNDERDRAIN CLEANOUT PER DETAIL ON DRAWING CD00049

(68) CONST. 12" PERFORATED HDPE UNDERDRAIN PIPE PER DETAIL ON DRAWING CD00049

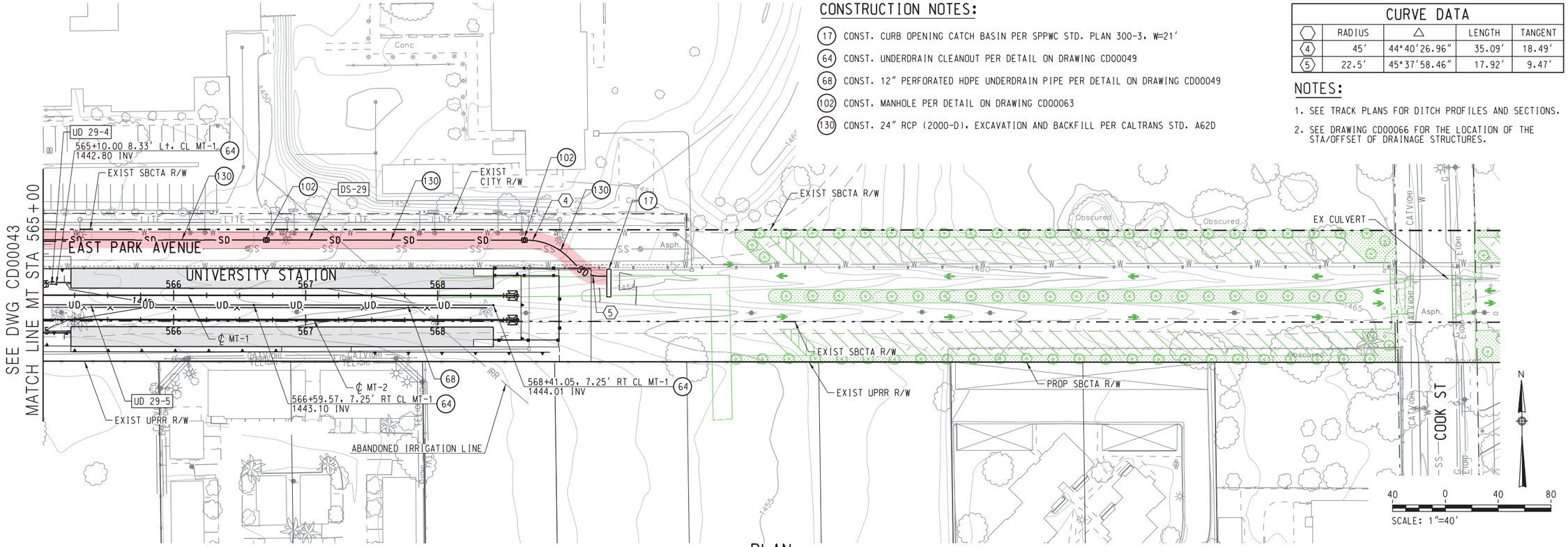
(102) CONST. MANHOLE PER DETAIL ON DRAWING CD00063

(130) CONST. 24" RCP (2000-D), EXCAVATION AND BACKFILL PER CALTRANS STD. A62D

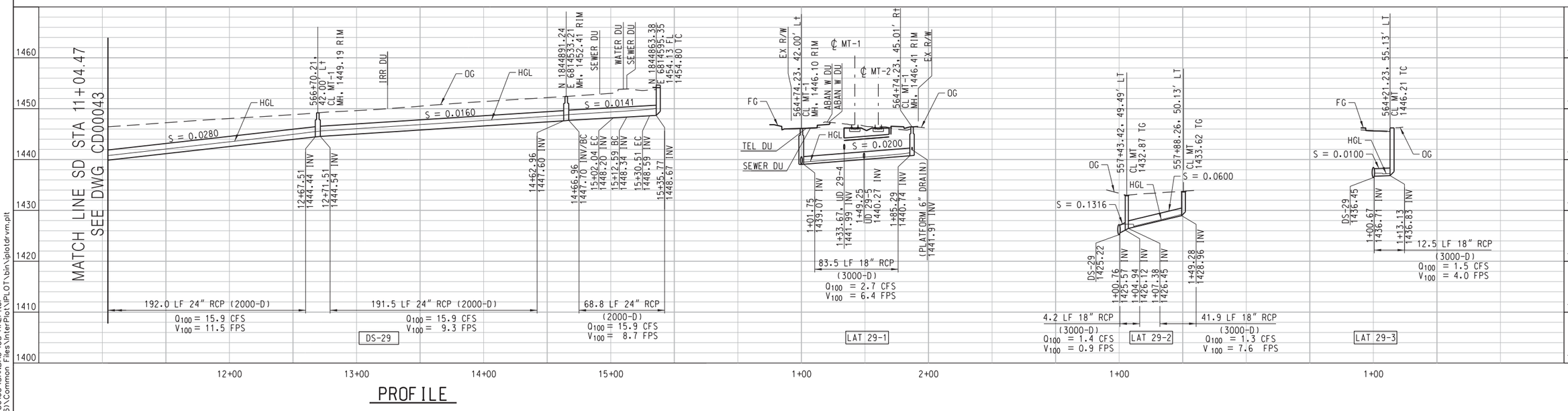
CURVE DATA				
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(4)	45'	44°40'26.96"	35.09'	18.49'
(5)	22.5'	45°37'58.46"	17.92'	9.47'

NOTES:

1. SEE TRACK PLANS FOR DITCH PROFILES AND SECTIONS.
2. SEE DRAWING CD00066 FOR THE LOCATION OF THE STA/OFFSET OF DRAINAGE STRUCTURES.



PLAN



PROFILE

REV.	DATE		BY	SUB.	APP.
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CHECKED BY M. HARROLD
APPROVED BY R. KLOVSKY
DATE 5-18-2018

San Bernardino County Transportation Authority

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Riverside, CA 92501-2110
(951) 320-7300

REGISTERED PROFESSIONAL ENGINEER
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NO. 64770
Exp. 06/30/19
CIVIL
STATE OF CALIFORNIA

REDLANDS PASSENGER RAIL PROJECT

TRACK GRADING & DRAINAGE PLAN
STA 565+00 TO END

CONTRACT NO. 17-1001705
DRAWING NO. CD00044
REVISION
SHEET NO. 287 OF 2442
SCALE HOR: 1"=40'
VER: 1"=10'

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EXHIBIT E

Maintenance and Security Pro-Rata Share Summary

Maintenance Costs			
Area	Description	Party	Share
A	Standard Platforms	CITY	100%*
B	Betterments	U of R	100%
C	Parking Lot	CITY	100%*
D	Detention Basin	CITY	59%*
		SBCTA	25%
		U of R	16%
E	Operating Property	SBCTA	100%

Security Costs			
Area	Description	Party	Share
A	Standard Platforms	CITY	100%*
B	Betterments	U of R	100%
C	Parking Lot	CITY	100%*
D	Detention Basin	Not Applicable	Not Applicable
E	Operating Property	SBCTA	100%

* For the first two (2) years of passenger rail Arrow Service, SBCTA is responsible for the maintenance and security costs associated with Area A, Area C and their proportionate share of Area D related to the drainage of Area A and Area C.

EXHIBIT F

Drainage Easement Covenants and Restrictions

RECORDING REQUESTED BY:
SAN BERNARDINO COUNTY
TRANSPORTATION AUTHORITY
1170 W. 3rd Street, 2nd Floor
San Bernardino, California 92410-1715

WHEN RECORDED MAIL TO:
SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY
1170 W. 3rd Street, 2nd Floor
San Bernardino, California 92410-1715

APN(s): 0170-191-39-0000

EXEMPT FROM RECORDING FEES PER GOVT. CODE §27383
EXEMPT FROM DOCUMENTARY TRANSFER TAX PER REV. & TAX CODE §11922

EASEMENT DEED

Grant of Easement for Drainage, Detention and Access

FOR GOOD AND VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, **the University of Redlands, an IRC section 501(c)(3) nonprofit corporation** (hereinafter referred to as "**Grantor**") does hereby GRANT and CONVEY to **San Bernardino County Transportation Authority** ("**Grantee**"), and its successors and assigns, a permanent easement for drainage, detention and access purposes as set forth in this Easement Deed (hereinafter referred to as this "**Easement**"), over, above, on, under, in, across, along and through that certain portion of Grantor's real property as described below, in accordance with the terms and provisions of this Easement.

RECITALS

A. Grantor and Grantee are the owners of two adjoining parcels of real property located in the City of Redlands, County of San Bernardino, and State of California.

B. The parcel owned by Grantor is known as San Bernardino County Assessor's Parcel No. 0170-191-39-0000 and is more particularly described in Exhibit A, attached hereto and incorporated herein by this reference (the "Grantor's Property"). Grantor's Property is sometimes also referred to in this Easement as the "Servient Tenement".

C. The parcel owned by Grantee is known as San Bernardino County Assessor's Parcel No. 0170-181-49-0000 and is more particularly described in Exhibit B, attached hereto and incorporated herein by this reference (the "Grantee's Property"). Grantee's Property is sometimes also referred to in this Easement as the "Dominant Tenement".

D. Grantee's Property is part of the railroad corridor owned by Grantee, and upon which Grantee is currently constructing the Redlands Passenger Rail Project (the "Project").

E. Grantor's Property is currently vacant; however, Grantee intends to construct a detention basin and related appurtenances (the "Detention Basin") on Grantor's Property as part of its construction of the Project (the "Detention Basin Easement Area"). Grantee further intends to construct and install drainage pipelines (the "Drainage Facilities") on, under, across and through Grantor's Property, to allow surface and storm water from Grantee's Property to drain into the Detention Basin (the "Drainage Easement Area").

F. Grantor has agreed to grant a Detention Basin Easement and Drainage Easement in favor of Grantee and Grantee's Property, over, across, under and through Grantor's Property, together with a right of access to enter upon Grantor's Property for the purpose of performing activities related to the detention basin and/or drainage facilities thereon ("Access Easement"), subject to the terms and conditions set forth herein.

THE EASEMENTS

1. EASEMENTS

1.1 Grant of Detention Basin Easement. Grantor does hereby grant and convey to Grantee and its successors and assigns in ownership of Grantee's Property for the benefit of and as an appurtenance to Grantee's Property, a perpetual, non-exclusive easement on, over, upon, under, across and through Grantor's Property for the purpose of directing, discharging, collecting and detaining in the Detention Basin any and all storm and surface water emanating from Grantee's Property and further, if and to the extent Grantee should need to conduct any service, repair, maintenance or replacement of the Detention Basin pursuant to Section 2.3 below, for the purposes of servicing, maintaining, repairing and replacing the Detention Basin. In connection therewith, Grantor agrees to accept and detain in the Detention Basin any and all such storm and surface water emanating from Grantor's Property.

1.2 Grant of Drainage Easement. Grantor does hereby grant and convey to Grantee and it successors and assigns in ownership of Grantee's Property for the benefit of and as an appurtenance to Grantee's Property, a perpetual, non-exclusive easement on, over, upon, under, across and through Grantor's Property for the purpose of concentrating, directing and transporting any and all storm and surface water emanating from Grantee's Property into and through the Drainage Facilities to the Detention Basin and further, if and to the extent Grantee should need to conduct any service, repair, maintenance or replacement of the Drainage Facilities pursuant to Section 2.3 below, for the purposes of servicing, maintaining, repairing and replacing the Drainage Facilities.

1.3 Grant of Access Easement. Grantor does hereby grant and convey to Grantee and it successors and assigns in ownership of Grantee's Property for the benefit of and as an appurtenance to Grantee's Property, a perpetual, non-exclusive access easement on, over, upon, under, across and through Grantor's Property for ingress and egress purposes to and from Grantor's Property for service, repair, maintenance or replacement of the Detention Basin or Drainage Facilities, or for emergency purposes related to the Detention Basin or Drainage Facilities.

1.4 Covenants Running with the Land. This Easement and all terms, provisions, rights and obligations set forth herein shall be binding upon each party and its respective successors and assigns succeeding to any interest in the Dominant Tenement or the Servient Tenement. The Detention Basin Easement, the Drainage Easement and the Access Easement shall be appurtenant to and for the benefit of the Dominant Tenement and shall run with the land. Any conveyance of Grantor's Property, or any portion thereof, shall be subject to the easements, covenants, conditions, representations and restrictions contained in this Easement. Therefore, the term "Grantor" shall mean and include the owner of Grantor's Property from time to time, and the term "Grantee" shall mean and include the owner of Grantee's Property from time to time.

1.5 Perpetual Easements. The Detention Basin Easement, the Drainage Easement and the Access Easement are each granted in perpetuity.

1.6 No Interference with Grantee's Use of the Easements. Grantor's use of Grantor's Property may not disturb, disrupt or interfere with Grantee's use or occupancy of, or access to and from, the Detention Basin or the Drainage Facilities. Further, Grantor shall not allow any use of Grantor's Property which would disturb, disrupt or interfere with Grantee's use or occupancy of, or access to and from, the Detention Basin or the Drainage Facilities.

2. CONSTRUCTION AND MAINTENANCE

2.1 Construction of the Detention Basin and Drainage Facilities. Grantee intends on completing construction of the Detention Basin and Drainage Facilities servicing Grantee's Property on or before February 10, 2021. Said construction is the sole responsibility of Grantee and Grantee shall bear all costs associated therewith. However, Grantee is not responsible for the construction of any other drainage pipelines, and shall not pay for the cost of constructing any other drainage pipelines, that may connect to the Detention Basin beyond those particular Drainage Facilities servincing Grantee's Property.

2.2 Maintenance. Grantee, for itself and its successors and assigns, agrees maintain the Detention Basin and the Drainage Facilities within Grantor's Property upon the granting of this easement. The responsible party, as may be modified pursuant to Subsection 2.5 below, agrees to maintain the Detention Basin and Drainage Facilities within Grantor's Property as set forth in the Provisions for the Maintenance and Use of the Detention Basin and Drainage Facilities attached hereto as Exhibit C and incorporated herein by this reference (the "Maintenance and Use Provisions") Maintenance of the Drainage Facilities that lie within Grantee's Property shall be Grantee's sole responsibility.

2.3 Failure to Adequately Maintain Detention Basin and Drainage Facilities. In the event the Grantor should fail to adequately maintain the Drainage Facilities and/or the Detention Basin in accordance with this Easement and/or the Maintenance and Use Provisions, Grantee shall have the right but not the obligation to service, maintain, repair and replace the Drainage Facilities and/or the Detention Basin, and seek reimbursement from Grantor for any costs and expenses associated with said service, maintenance, repair or replacement work, which costs shall include administrative time spent on performing said work, and Grantee's overhead for same.

If there is a disagreement as to the maintenance or repair work that must be completed, Grantee will be allowed to make any repairs or conduct any maintenance that it deems urgent and/or necessary, as set forth in Subsection 2.4 below. This Subsection 2.3 applies to maintenance responsibilities for facilities subject to this easement which Grantor or Grantor's successors or assigns have assumed pursuant to Subsection 2.5 below.

2.4 Emergency Repairs. Grantee shall (and may, without first obtaining Grantor's consent) have the right to make such repairs and take such other actions as are reasonable and necessary to address any emergency situation relating to the existence, use, operation, maintenance or repair of the Detention Basin and Drainage Facilities, in the event (but only to the event) such emergency situation arises out of, results from or relates to the existence of, or Grantee's construction, use, operation, maintenance or repair of, the Project and/or the Drainage Facilities within Grantee's Property. The purpose of this Subsection 2.4 is to permit Grantee to immediately address emergency situations without first obtaining Grantor's consent; however, Grantee shall, nonetheless, attempt to contact Grantor as soon as reasonably possible and advise of Grantee's actions and proposed actions to address the emergency situation and/or results thereof and Grantee shall, to the extent reasonably practicable, seek Grantor's consent to Grantee's actions.

2.5 Modification to Detention Basin or Drainage Facilities. Neither Grantor nor Grantee shall make modifications to the Detention Basin or Drainage Facilities without first obtaining prior written consent of the other party. Said consent shall not be unreasonably withheld provided that requestor of said consent demonstrates that the Detention Basin and Drainage Facilities as modified will at all times, satisfy the terms, provisions and requirements set forth in a Municipal Separate Storm Sewer System permit or other such prevailing document as may exist at such time said consent is requested, including but not limited to preserving existing water storage and treatment capacity, in addition to complying with all applicable laws, ordinances, rules and regulations of any governmental agency or authority having jurisdiction over the management and treatment of storm and surface waters. Grantor and Grantee mutually agree for themselves, their successors and assigns that as a condition of consent to modify the Detention Basin or Drainage Facilities, the requesting party shall assume responsibility for the maintenance of such modified facilities and the cost of said maintenance.

3. GENERAL PROVISIONS

3.2 Severability. A determination by a court that any provision hereof is invalid for any reason shall not affect the validity of any other provision hereof.

3.3 No Forfeiture. Notwithstanding any contrary provision of this Easement, the easements, rights and privileges granted and conveyed in this Easement are intended to be independent of any contractual agreements or obligations of any party hereto and a breach or default by any party hereto of any duty or obligation under this Easement shall not cause or result in the forfeiture or reversion of any such easements, rights or privileges.

3.4 Governing Law. This Easement shall be governed by and construed under the laws of the State of California.

3.6 Modification. This Easement may not by modified, amended or terminated except by execution and recording of a written instrument signed by Grantor and Grantee, or by their respective successors.

IN WITNESS WHEREOF, Grantor has caused this instrument to be executed on the date set forth below.

Dated: _____

GRANTOR:

THE UNIVERSITY OF REDLANDS

By: _____

Name: _____

Its: _____

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____ before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (SEAL)

CERTIFICATE OF ACCEPTANCE
(Government Code Section 27281)

This is to certify that the interest in real property conveyed by this Easement Deed to the undersigned San Bernardino County Transportation Authority ("SBCTA"), the provisions of which instrument are incorporated by this reference as though fully set forth in this certificate, is hereby accepted by the undersigned officer on behalf of SBCTA pursuant to authority conferred by the San Bernardino County Transportation Authority's Board of Directors, Agenda Item 12, adopted on June 5, 2013, and the Grantee consents to recordation thereof by its duly authorized officer.

Description/ identification of real property: San Bernardino County Assessor's Parcel No. 0170-191-39-0000

Dated: _____ By: _____

Carrie Schindler, PE

Director of Transit and Rail Programs

ACKNOWLEDGEMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
)
COUNTY OF _____)

On _____ before me, _____, Notary Public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____ (SEAL)

EXHIBIT "A" TO
GRANT OF EASEMENT FOR DRAINAGE, DETENTION AND ACCESS

LEGAL DESCRIPTION OF GRANTOR'S PROPERTY
[APN(s): 0170-191-39-000]

[attached behind this page]

EXHIBIT "B" TO
GRANT OF EASEMENT FOR DRAINAGE, DETENTION AND ACCESS

LEGAL DESCRIPTION OF GRANTEE'S PROPERTY
[APN(s): 0170-181-49-0000]

[attached behind this page]

EXHIBIT "C" TO
GRANT OF EASEMENT FOR DRAINAGE, DETENTION AND ACCESS

PROVISIONS FOR THE MAINTENANCE AND USE OF THE DETENTION BASIN AND DRAINAGE FACILITIES

[attached behind this page]

EXHIBIT G

Parking Lot License

SBCTA Contract No.: 18-1001928
File No.: _____
Subdivision: Redlands
Milepost(s): 10.0 (Parking Lot)

SBCTA Contract No. 18-1001928

LICENSE AGREEMENT

BETWEEN

SBCTA

AND

CITY OF REDLANDS

LICENSE AGREEMENT

This LICENSE AGREEMENT ("License") is made and entered into as of the date executed by SBCTA, by and between **SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY**, a county transportation authority pursuant to California Public Utilities Code §§130800 et. seq. ("SBCTA"), and, **CITY OF REDLANDS**, a municipal corporation ("LICENSEE"), upon and in consideration of the agreements, covenants, terms and conditions below .

PART I – BASIC LICENSE PROVISIONS

The Basic License Provisions provided in this Part I and the Standard License Provisions set forth in Part II of this License, together with all Exhibits and Attachments referenced in either, are incorporated into and made part of this License. In the event of conflict between Part I and Part II or of any Exhibits and Attachments, Part I shall control.

Basic License Provisions	***Part II Section Cross Reference***

1. **Parties.**

SBCTA's Address:

Attn: Transit & Rail Programs
1170 West 3rd Street, 2nd Floor
San Bernardino, California 92410-1715
909-884-8276

Licensee's Address:

City of Redlands
35 Cajon Avenue, Suite 15A
Redlands, CA 92373

Attn: City Clerk

Telephone: 909-798-7531

E-mail: jdonaldson@cityofredlands.org

2. **Description of the Premises.** § 1.1

City/County: City of Redlands, San Bernardino County
Subdivision: Redlands

Address or Milepost Location:
Mile Post 10.0 (Cook St) and west thereof

Approximate area:

59,230 square feet; 1.36 acres

See map/diagram in Exhibit "A".

Description and Dimensions of Premises Area:

An approximately 613 foot portion of SBCTA's Redlands Subdivsion's rail right of way , 100 foot wide, adjacent to and west of Cook Street, excepting that portion of the rail right of way maintained by the City of Redlands as Park Avenue.

3. **Allowable Improvements, Facilities and Uses. Licensee shall construct only the following improvements and/or facilities and conduct or permit only the following uses on the Premises:** § 1.3

Description of Improvements and/or Facilities ("Improvements"):

A one hundred (100) space parking lot reserved for rail commuter use and appurtenant facilities.

Use of the Premises:

Operation and maintenance of parking lot for rail commuter use, and the rights and/or obligations of Licensee pursuant to SBCTA Contracts 20-1002255, 21-1002525 and that certain MOU as amended, originally dated October 1, 1996 between Licensee and SBCTA.

4. **Term.** § 2.1

Commencement Date: Date executed by SBCTA
Term (check one):

☐ A. Month-to-month
☒ B. Until End Date: Twenty (20) years after the Commencment Date, thereafter the term shall convert to month to month.
(subject to termination pursuant to the terms of this License – see especially Standard License Provisions §2.2).

Basic License Provisions			***Part II Section Cross Reference***
5.	**Fees.**		§ 3
	A.	Administration Fee: $Zero per year or portion thereof, payable annually in advance.	§ 3.1.1
	B.	Base Use Fee (check one):	
		☐ i. $_____ per month, payable monthly in advance	§ 3.1.2
		☒ ii. $_Zero_ per year, payable annually in advance	
	C.	Additional Use Fee (check one):	
		☐ i. One-time fee: $_____	
		☒ ii. Other: Not Applicable_____ _____	§3.1.3
	D.	Base Use Fee Adjustment Dates (check if applicable):	
		☐ i. *CPI Adjustment*. Annually, effective on the first day of the anniversary month of the Commencement Date, based on the published Consumer Price Index (or its successor) ("CPI") as defined in Section 3.2.1 of the Standard License Provisions.	§ 3.2 § 3.2.1
		☐ ii. *Fair Market Rate Adjustment*. At intervals of not less than three (3) years, based on the then current fair market rental value of the Premises as set forth in Section 3.2.2 of the Standard License Provisions.	§ 3.2.2
		☒ iii. Other: _Not Applicable_____ _____	§ 3.2.3
6.	**Security Deposit (if any).** $___Zero_____		§ 4
7.	**Insurance Amount.** See Exhibit "B"		§§ 10, 13

IN WITNESS WHEREOF, this License was duly executed by the Parties identified in Item 1 of this Part I on the dates below, and is effective as the date executed by SBCTA.

LICENSEE:		SBCTA	
CITY OF REDLANDS, a coroporate municipality		SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY	
By:		By:	
Name:		Name:	Raymond W. Wolfe
Title		Title:	Executive Director
Date:		Date:	

PART II – STANDARD LICENSE PROVISIONS

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Exhibits:

"A" Premises
"B" Insurance Requirements
"C" Permitted Hazardous Material
"D" Additional Provisions

PART II - STANDARD LICENSE PROVISIONS

1. GRANT AND SCOPE OF LICENSE

1.1. Grant of License. SBCTA hereby grants a non-exclusive, revocable license to Licensee in, on, over, under, across and along the real property of SBCTA in the location shown in the diagram attached hereto as Exhibit A and described in Item 2 of the Basic License Provisions (the "Premises"), for construction, installation, operation, alteration, maintenance, reconstruction and/or removal of the Improvements described in Item 3 of the Basic License Provisions, and any usual and necessary related appurtenances thereto (the "Improvements"), for the purposes described in Item 3 of the Basic License Provisions, together with rights for access and entry onto the Premises as necessary or convenient for the use of the Improvements and for no other purpose. In connection with this grant of license, Licensee, its employees, agents, customers, visitors, invitees, licensees, consultants and contractors (collectively, "Licensee's Parties") subject to the provisions hereof, may have reasonable rights of entry and access onto adjoining real property of SBCTA if necessary for the use of the Improvements or the Premises, with the time and manner of such entry and access to be subject to SBCTA's prior written approval. The Premises, adjoining real property of SBCTA and personal property of SBCTA located thereon shall hereinafter collectively be referred to as "SBCTA Property."

1.2. Condition of Premises. Licensee acknowledges that it has inspected the Premises in its present condition, including without limitation, all existing environmental conditions. Licensee accepts the Premises "as is" as suitable for the purpose for which the Premises are licensed and assumes all risk with respect to all present conditions of the Premises, whether patent or latent, including, without limitation, all existing environmental conditions. Taking of possession by Licensee shall be conclusive to establish that the Premises are in good and satisfactory condition when possession is taken.

1.3. Use. The Premises and the Improvements shall be used only for the purposes specified in Item 3 of the Basic License Provisions and for such lawful purposes as may be directly incidental thereto, and no other purpose. No change shall be made by Licensee in the use of the Premises, the Improvements or the commodity or product being conveyed through the Improvements (if any) without SBCTA's prior written approval.

1.4. Non-exclusive and Revocable Nature of License. The License granted herein is not exclusive and SBCTA specifically reserves the right to grant other licenses within the Premises. Licensee agrees that notwithstanding the Improvements made by Licensee to the Premises or other sums expended by Licensee in furtherance of this License, the license granted herein is fully revocable by SBCTA in accordance with the terms of this License.

1.5. Easements. SBCTA reserves to itself the right, from time to time, to grant such easements, rights and dedications that SBCTA deems necessary or desirable, and to cause the recordation of parcel maps, easement agreements and covenants, conditions and restrictions, so long as such easements, rights, dedications, maps and covenants, conditions and restrictions do not unreasonably interfere with the permitted use of the Premises by Licensee. Licensee shall sign any of the aforementioned documents upon request of SBCTA and failure to do so shall constitute a material breach of this License.

2. TERM, TERMINATION AND SURRENDER

2.1. Term of License. The term of this License shall commence on the "Commencement Date" specified in Item 4 of the Basic License Provisions. If Item 4.A of the Basic License Provisions is checked, this License shall continue in full force and effect on a month-to-month basis. If Item 4.B of the Basic License Provisions is checked, then this License shall be a license for the term specified in said Item 4.B. The term of this License as provided above is referred to as the "Term."

2.2. Termination.

2.2.1. Convenience. If Item 4.A is checked, this License shall continue in full force and effect on a month-to-month basis until terminated by either Party on thirty (30) days' prior written notice. If Item 4.B is checked, this License shall continue in full force and effect until the End Date, unless SBCTA, acting by its Executive Director or his or her designee, for any reason and in its sole and absolute discretion, determines that this License is no longer in SBCTA's best interests. In which case, SBCTA may terminate this License on thirty (30) days' prior written notice, but SBCTA shall also return to Licensee, within thirty (30) days after the termination, the pro-rata portion of any annual Use Fee paid by the Licensee for the portion of the agreed term that will not be used by Licensee.

2.2.2. Cause. SBCTA may terminate this License for cause in accordance with the provisions hereof, including, without limitation, Sections 24 (Abandonment), 8 (Default, Breach and Remedies) and 25.11 (Assignment). In addition, SBCTA shall have the right to immediately, without notice and at Tenant's expense, terminate this License upon discovery of any default set forth in Section 8.1(d) and abate any such public nuisance and/or dangerous condition.

2.2.3. Public Use. In addition to any and all other termination rights of SBCTA described herein, Licensee hereby expressly recognizes and agrees that the Premises are located on SBCTA property that may be developed for public projects and programs which may be implemented by SBCTA or other public agencies, such as, but not limited to: rail and bus transitways, bikeways, walkways, beautification projects, roadways, parking facilities, flood control and drainage facilities, and/or any other public or other governmental uses (collectively and individually "Public Use"); and that Licensee's use of the Premises under this License is a temporary, interim use as to which Licensee has no right to nor expectation of use for any

particular length of time that may be terminated by SBCTA by thirty (30) days written notice to Licensee as set forth in Section 2.2.1 above. Accordingly, as a condition to entering into this License, Licensee expressly acknowledges and agrees that:

(a) SBCTA may terminate this License as set forth above for any Public Use, to be determined in the sole and absolute discretion of SBCTA's Executive Director, or designee;

(b) Licensee shall **NOT** object to, oppose, or protest at any approval proceeding; nor file suit to prevent or delay any Public Use when planned or implemented on or adjacent to the Premises;

(c) If SBCTA's Executive Director, or designee, at any time, or from time to time, determines in his or her sole and absolute discretion, that there is a need for the Premises or any adjoining property for a Public Use and such Public Use requires relocation or removal of the Improvements, Licensee shall reconstruct, alter, modify, relocate or remove its Improvements, as directed by SBCTA or any parties having operating rights over the Premises, at Licensee's sole cost and expense, within thirty (30) days after written notice from SBCTA; and

(d) Licensee expressly assumes all risk of any future Public Use as determined by SBCTA and in the event SBCTA terminates this License and requires Licensee to vacate the Premises for any Public Use, Licensee shall not, as a result of such termination and vacation of the Premises, be entitled to receive any:

(i) relocation assistance, moving expenses, goodwill or other payments under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, 42 U.S.C. §4601 et seq. and/or the California Relocation Assistance Law, as amended, California Government Code §7260 et seq; and

(ii) compensation under any eminent domain or inverse condemnation law.

2.2.4. Penalty: If Licensee fails to terminate use of the Premises and/or restore the Premises as required in Item 2.3 below, on or before the End Date specified in Item 4.B of the Basic License Provisions or the termination date established as otherwise provided in this License ("Termination Date"), then, in addition to any and all other remedies available to SBCTA under the terms of this License or at law or equity, Licensee shall pay a Penalty equal to twice the Base Use Fee in effect on the day prior to the Termination Date, plus twice any Additional Use Fee, calculated and payable on a monthly basis, for the number of months (partial months counting as whole months) from the Termination Date to the date that Licensee has terminated use and restored the Premises to the required condition. In the event that any Additional Use Fee is set as a percentage of revenues, or on some other variable basis, it shall be calculated based on the average for the prior twelve month period or if in effect less than one year, the monthly average from the effective date to the day prior to the Termination Date. Licensee shall indemnify SBCTA against all liabilities, costs and damages sustained by SBCTA by reason of such failure to terminate and restore.

2.3. Termination of Use and Restoration of Premises. Upon the Termination Date , unless otherwise requested in writing by SBCTA prior to the Termination Date, Licensee, at its own cost and expense, shall immediately remove all alterations additions and Improvements made by Licensee to the Premises and restore the SBCTA Property as nearly as possible to the same state and condition as existed prior to the construction, reconstruction or installation of said Improvements. Should Licensee fail to comply with the requirements of the preceding sentence, SBCTA may at its option (i) perform the same at Licensee's expense (including costs, interest, and fees), which Licensee agrees to pay to SBCTA on demand, or (ii) assume title and ownership of said Improvements. No termination hereof shall release Licensee from any liability or obligation hereunder, whether of indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date the Improvements are removed and the SBCTA Property is restored.

3. PAYMENTS

3.1. Fees. As consideration for the rights herein granted, Licensee agrees to pay to SBCTA the Administration and Use Fees specified in Item 5 of the Basic License Provisions, adjusted as set forth in Section 3.2.

3.1.1. Administration Fee. The Administration Fee set forth in Item 5.A of the Basic License Provisions shall be due and payable annually in advance prior to each anniversary of the execution date of this license.

3.1.2. Base Use Fee. If Item 5.B.i of the Basic License Provisions is checked, the first month's Base Use Fee noted therein shall be due and payable upon Licensee's execution of this License. Thereafter, the Base Use Fee, as such fee may be adjusted pursuant to the provisions of Section 3.2, shall be due and payable, without demand, on or before the first day of each calendar month succeeding the Commencement Date during the Term. The Base Use Fee for any fractional calendar month at the commencement or end of the Term shall be prorated on a daily basis. If Item 5.B.ii of the Basic License Provisions is checked, the annual Use Fee amount, as such fee may be adjusted pursuant to the provisions of Section 3.2, shall be due and payable, without demand, annually in advance on or before the anniversary month of the Commencement Date for the convenience of both Parties, without affecting the Term of this License as specified in Section 2.1 of the Basic License Provisions.

3.1.3. Additional Use Fee. If Item 5.C.i of the Basic License Provisions is checked, the one-time fee noted therein shall be due and payable upon execution of this License by Licensee. If Item 5.C.ii of the Basic License Provisions is checked, the fee noted therein shall be due and payable as indicated in Item 5.C.ii.

3.2. Use Fee Adjustment.

3.2.1. Annual CPI Adjustment. If Item 5.D.i of the Basic License Provisions is checked, then the Base Use Fee shall be increased, but not decreased, as provided below on the first day of each month during which an annual anniversary of the Commencement Date occurs unless another date is provided in Item 5 of the Basic License Provisions (the "Adjustment Date"). If no adjustment is made at the annual anniversary date, an adjustment may nevertheless be made at a subsequent date and thereafter at not less than annual intervals. The adjusted Base Use Fee as of each Adjustment Date shall be the greater of the Base Use Fee on the day preceding that Adjustment Date or that amount multiplied by a fraction, the numerator of which is the CPI figure for the month that is three (3) months prior to the month during which the particular Adjustment Date occurs and the denominator of which is the CPI figure for the month that is three (3) months prior to the month containing the prior Adjustment Date or, if there has been no prior Adjustment, three (3) months prior to the first day of the anniversary month of the Commencement Date. As used in this section, the "CPI" means the Consumer Price Index for Urban Wage Earners and Clerical Workers, Los Angeles/Riverside/Orange County, all items (1982-84 = 100), published by the U.S. Department of Labor, Bureau of Labor Statistics (Bureau), or if such index is no longer published, the U.S. Department of Labor's most comprehensive official index then in use that most nearly corresponds to the index named above. If it is calculated from a base different from the base period 1982-84 = 100, figures used for calculating the adjustment shall first be converted to the base period used under a formula supplied by the Bureau. If a comparable index shall no longer be published by the U.S. Department of Labor, another index generally recognized as authoritative shall be substituted by SBCTA.

3.2.2. Fair Market Adjustment. If Item 5.D.ii of the Basic License Provisions is checked, then, at intervals of not less than three (3) years, the Base Use Fee (as such fee may be adjusted by Section 3.2.1, above) payable under this Section 3 shall be increased, but not decreased, in order to adjust the fee to the then fair market rental value of the Premises as determined by SBCTA in good faith. Such increases shall be effective as of thirty (30) days after written notice from SBCTA to Licensee of such adjustment, or the date specified in such written notice, whichever is later. If no adjustment is made at any three (3) year interval, an adjustment may nevertheless be made on any subsequent date and thereafter at intervals of not less than three (3) years apart.

3.2.3. Other Adjustment. If Item 5.D.iii of the Basic License Provisions is checked, then, in addition to any adjustments required under Items 5.D.i and 5.D.ii, the adjustment set forth in 5.D.iii shall be applied in accordance with its terms.

3.3. Late Charge. Licensee acknowledges that late payment by Licensee of any payment owed to SBCTA under this License will cause SBCTA to incur costs not contemplated by this License, the exact amount of such costs being extremely difficult and impracticable to determine. Therefore, if any payment due from Licensee is not received by SBCTA within five (5) days of when due, Licensee shall pay to SBCTA an additional sum of ten percent (10%) of the overdue payment as a late charge, up to a maximum amount of $500 for each late payment. The Parties agree that this late

charge represents a fair and reasonable estimate of the administrative costs that SBCTA will incur by reason of a late payment by Licensee. Acceptance of any late payment charge shall not constitute a waiver of Licensee's default with respect to the overdue payment, nor prevent SBCTA from exercising any of the other rights and remedies available to SBCTA under this License, at law or in equity. In addition, any payment not made within 15 days of when due shall bear interest at the rate of eighteen percent (18%) per annum, or the highest legally allowable rate, whichever is lower, until paid in full.

4. SECURITY DEPOSIT

Upon execution of this License and in addition to the payment described in Section 3 of the Basic License Provisions, SBCTA may require Licensee to pay SBCTA a security deposit in the amount set forth in Item 6 of the Basic License Provisions ("Security Deposit"), which sum shall be held by SBCTA in its general fund, without obligation for interest, as security for the faithful performance by Licensee of all of the terms, covenants, conditions and obligations of this License. If at any time Licensee fails to keep and perform any of the terms, covenants, and conditions of this License, including making any payment required hereunder, SBCTA may, at its sole option, apply all or any portion of the Security Deposit to any overdue payment and/or any loss or damage incurred by SBCTA by reason of Licensee's default or breach. Within a reasonable time after termination of this License and after Licensee has vacated the Premises, SBCTA shall return, without interest, said deposit or portion remaining, if any, after deductions for any unpaid payments and any losses or damages sustained by SBCTA due to any breach or default by Licensee or any damage to the Premises or any failure to restore the Premises to the required condition.

5. TAXES

Licensee shall be liable for and agrees to pay promptly and prior to delinquency, any tax or assessment, including but not limited to any possessory interest tax as described in California Revenue and Taxation Code Section 107, levied by any governmental authority: (a) against the Improvements, the Premises and/or any personal property, fixtures or equipment located on or placed on the Premises, whether owned by Licensee or any person or entity acting for or at the request of Licensee; or (b) as a result of the Licensee's or the Improvements' operations.

6. LIENS

Licensee will fully and promptly pay for all materials joined or affixed to the Improvements or Premises, and fully and promptly pay all persons who perform labor upon said Improvements or Premises. Licensee shall not suffer or permit to be filed or enforced against the Premises or the Improvements, or any part thereof, any mechanics', materialmen's, contractors', or subcontractors' liens or stop notices arising from, or any claim for damage growing out of, any testing, investigation, maintenance, Work, activities, or operations of Licensee, or out of any other claim or demand of any kind. The term "Work" under this License means any construction, reconstruction, installation, restoration, alteration, repair, replacement, or removal, other than normal maintenance. Licensee shall provide SBCTA with immediate written notice of any such liens, claims, demands, or stop notices that are placed against the Premises or the

Improvements. Licensee shall pay or cause to be paid all such liens, claims or demands, including sums due with respect to stop notices, together with attorney's fees incurred by SBCTA with respect thereto, within ten (10) business days after notice thereof and shall indemnify, hold harmless and defend SBCTA from any and all such obligations and claims, including attorney's fees. Licensee shall furnish evidence of payment upon request of SBCTA. Licensee may contest any lien, claim or demand by furnishing a statutory lien bond or equivalent with respect to stop notices to SBCTA in compliance with applicable California law. If Licensee does not discharge any mechanic's lien or stop notice for works performed for Licensee, SBCTA shall have the right to discharge same (including by paying the claimant) and Licensee shall reimburse SBCTA for the cost of such discharge, as well as any associated costs and fees, within ten (10) business days after billing. In such circumstances, Licensee shall pay an additional fee to SBCTA of twenty five percent (25%) of the costs of the discharge of the lien or stop notice in order to cover SBCTA's administrative costs. SBCTA reserves the right at any time to post and maintain on the Premises such notices as may be necessary to protect SBCTA against liability for all such liens and claims. The provisions of this section shall survive the termination of this License.

7. ASSUMPTION OF RISK AND WAIVER

To the maximum extent allowed by law, Licensee assumes any and all risk of loss, damage or injury of any kind to any person or property, including without limitation, the Improvements, the SBCTA Property and any other property of, or under the control or custody of, Licensee, which is on or near the Premises. Licensee's assumption of risk shall include, without limitation, loss or damage caused by defects in any structure or improvement on the SBCTA Property, accident or fire or other casualty on the SBCTA Property, or electrical discharge, noise or vibration resulting from SBCTA's transit operations on or near the SBCTA Property. The term "SBCTA" as used in this section shall include: (i) any transit or rail-related company validly operating upon or over SBCTA's tracks or other property, and (ii) any other persons or companies employed, retained or engaged by SBCTA. Licensee, on behalf of itself and its officers, directors, affiliates, employees, agents, independent contractors and subcontractors anyone directly or indirectly employed by or for whose acts Licensee is liable (collectively, "Personnel"), as a material part of the consideration for this License, hereby waives all claims and demands against SBCTA for any such loss, damage or injury of Licensee and/or its Personnel. **In that connection, Licensee expressly waives the benefit of California Civil Code Section 1542, which provides as follows:**

> **A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.**

The provisions of this section shall survive the termination of this License.

8. DEFAULT, BREACH AND REMEDIES

8.1. Licensee Default. Licensee shall be deemed to have breached and be in default under this License when any of the following occurs:

(a) Licensee shall fail to make any payment or any reimbursement to SBCTA required herein when due;

(b) Licensee shall vacate all or a substantial portion of the Premises, whether or not Licensee is in default of the payment or other charges due under this License;

(c) Licensee shall fail to comply with any other term, provision or covenant of this License, and shall not cure such failure within three (3) days after written notice thereof to Licensee; or

(d) Licensee shall create or maintain, or allow any other person or entity to create or maintain, any public nuisance or any condition that fails to comply with any federal, state, SBCTA or rail operator specifications or safety regulations or that presents a danger to public safety or a safety hazard to any operations, personnel, passengers or property of SBCTA or any rail carrier operating upon the affected rail line(s) on the Premises or SBCTA's adjacent right of way.

8.2. SBCTA's Remedies.

8.2.1. Termination. Upon the occurrence of Licensee's default and breach, SBCTA shall have the right, at any time, with or without notice or demand, to terminate this License, and at any time thereafter to recover possession of the Premises or any part thereof and expel and remove therefrom Licensee and any other person occupying the same, by any lawful means, and again repossess and enjoy the Premises without prejudice to any of the remedies that SBCTA may have under this License, at law or equity by reason of Licensee's default or of such termination.

8.2.2. Corrective Measures. Should Licensee default on, breach, or fail to keep, observe or perform any agreement, covenant, term or condition on its part herein contained, then, in addition to any other available rights and remedies, SBCTA at its option may perform any corrective measures deemed by SBCTA in its sole and absolute discretion to be necessary or appropriate to protect public health or safety, or SBCTA's legitimate governmental or proprietary interests or the interests of its railroad operators, at Licensee's expense (including fees, costs and interest) which Licensee agrees to pay to SBCTA upon demand.

8.2.3. Costs. If SBCTA incurs any cost or expense occasioned by the default of Licensee (including but not limited to attorneys' fees and costs), then SBCTA shall be entitled to receive such costs together with interest on all funds SBCTA expends at the lesser of eighteen percent (18%) per annum or the maximum rate allowed by law, whichever is lower, including without limitation, brokers' fees incurred by SBCTA in connection with relicensing the whole or any part of the Premises; the costs of removing and storing Licensee's or other occupant's property; the costs of repairing, altering, and/or otherwise restoring the Premises to a safe and suitable

condition, useable and acceptable to SBCTA, rail operators and future licensees; and all reasonable expenses incurred by SBCTA in enforcing or defending SBCTA's rights and remedies, including reasonable attorneys' fees whether or not suit is actually filed.

8.2.4. Remedies Cumulative. All rights, privileges and remedies of the parties are cumulative and not alternative or exclusive to the extent permitted by law except as otherwise provided herein

8.3. SBCTA Default and Licensee's Remedies. SBCTA shall not be in default under this License unless SBCTA fails to perform obligations required of SBCTA within sixty (60) days after written notice is delivered by Licensee to SBCTA specifying the obligation which SBCTA has failed to perform; provided, however, that if the nature of SBCTA's obligation is such that more than sixty (60) days are required for performance, then SBCTA shall not be in default if SBCTA commences performance within such sixty (60) day period and thereafter diligently prosecutes the same to completion. Licensee's exclusive remedies shall be an action for specific performance.

9. INDEMNIFICATION

9.1. Licensee, on behalf of itself and its successors and assigns, agrees to indemnify, defend (by counsel satisfactory to SBCTA), and hold harmless SBCTA, in all of its capacities, and its members, commissioners, officers, directors, employees, agents, consultants, contractors, partners, affiliated entities, subsidiaries, permittees, licensees, successors and assigns (individually and collectively, "Indemnitees"), to the maximum extent allowed by law, from and against all loss, liability, claims, demands, suits, liens, claims of lien, damages (including consequential damages), costs and expenses (including, without limitation, any fines, penalties, judgments, litigation expenses, and experts' and attorneys' fees), that are incurred by or asserted against Indemnitees arising out of or connected in any manner with (i) the acts or omissions to act of the Licensee, or its Personnel (as defined in Section 7, Assumption of Risk and Waiver) or invitees of Licensee in connection with the SBCTA Property or the presence upon or performance of activities by Licensee or its Personnel with respect to the SBCTA Property, (ii) bodily injury to or death of any person (including employees of Indemnitees) or damage to or loss of use of property resulting from such acts or omissions of Licensee or its Personnel, or (iii) non-performance or breach by Licensee or its Personnel of any term or condition of this License, in each case whether occurring during the Term of this License or thereafter.

9.2. The Licensee acknowledges that any construction allowed on the Premises pursuant to this License is not being performed for SBCTA's benefit or on SBCTA's account and that this is an agreement allowing Licensee and/or its contractor(s) to enter upon SBCTA's Property as an accommodation within the meaning of California Civil Code Section 2782.1. Therefore, the foregoing indemnity shall be effective regardless of any negligence (whether active, passive, gross, derivative, sole, joint, concurring or comparative) on the part of Indemnitees, unless caused solely by the gross negligence

or willful misconduct of Indemnitees, and is in addition to any other rights or remedies which Indemnitees may have under the law or under this License. Upon request of SBCTA, Licensee shall provide insurance coverage for possible claims or losses covered by the indemnification and defense provisions of this License.

9.3. Claims against the Indemnitees by Licensee or its Personnel shall not limit the Licensee's indemnification obligations hereunder in any way, whether or not such claims against Indemnitees may result in any limitation on the amount or type of damages, compensation, or benefits payable by or for Licensee or its Personnel under workers' compensation, disability benefits or other employee benefits laws or insurance.

9.4. The indemnification and defense obligations of Licensee set forth in this section shall survive the termination and End Date of this License.

10. INSURANCE

10.1. SBCTA's Insurance. SBCTA may maintain insurance covering the Premises and SBCTA's ownership and operation thereof in such types and amounts as it deems necessary in its sole discretion. Such insurance shall be for the sole benefit of SBCTA and under its sole control. Licensee's insurance policies shall provide primary coverage to SBCTA; when any such policy issued to SBCTA provides duplicate coverage or is similar in coverage, SBCTA's policy will be excess over Licensee's policies.

10.2. Licensee's Insurance. Licensee, at its sole cost and expense, shall obtain and maintain in full force and effect during the Term of this License insurance as required by SBCTA in the amounts and coverages specified and issued by insurance companies as described in, and meeting all other requirements set forth in, Exhibit "B". SBCTA reserves the right, throughout the Term of this License, to review and change the amount and type of insurance coverage it requires in connection with this License or the Work to be performed on the Premises. Prior to (i) entering the Premises or (ii) performing any Work or maintenance on the Premises, Licensee shall furnish SBCTA with insurance endorsements or certificates evidencing the existence, amounts and coverages of the insurance required to be maintained hereunder. SBCTA shall not be liable for the payment of any premiums or assessments for insurance required to be maintained by Licensee under this License. Self-insurance is not permitted. However, SBCTA may, in its sole and absolute discretion, permit self-insurance on a case by case, coverage by coverage, basis where the Licensee has documented, to SBCTA's sole satisfaction, sufficient available assets and/or available funds and sufficient legal security in those assets to assure SBCTA that its risk is not greater than it would have been with acceptable insurance coverage, and otherwise meeting SBCTA's self-insurance requirements. The privilege to self-insure with respect to any coverage required to be maintained hereunder may be granted or revoked by SBCTA at its sole and absolute discretion at any time. Upon revocation of self-insurance privilege, Licensee shall immediately provide all required insurances.

10.3. Increases to Insurance. If any increase in the fire and extended coverage insurance premiums paid by SBCTA is caused by Licensee's use and occupancy of the Premises, or if Licensee vacates the Premises and causes any increase in such premiums, then Licensee shall pay as an additional fee the amount of such increase to SBCTA, and, upon demand by SBCTA, the amount required to correct at Licensee's expense the cause of such disallowance, penalty or surcharge to the satisfaction of the particular insurance authority.

11. MAINTENANCE AND REPAIR

Licensee, at Licensee's sole expense, shall during the term of this License maintain the Improvements in a first-class condition, shall maintain the Premises in a good condition, free from weeds, litter, debris, refuse or other nuisance, and shall perform all maintenance and clean-up of the Premises and the Improvements as necessary to keep the Premises and the Improvements in good order and condition, to SBCTA's sole satisfaction. If any portion of the SBCTA Property, including improvements or fixtures, suffers damage by reason of the access to or use of the Premises by Licensee or Licensee's employees, agents, customers, invitees, licensees, consultants, and contractors (collectively, "Licensee's Parties"), including but not limited to damage arising from any tests or investigations conducted upon the Premises, Licensee shall, at its own cost and expense, immediately repair all such damage and restore the SBCTA Property to as good a condition as before such cause of damage occurred. Repair of damage shall include, without limitation, re-grading and resurfacing of any holes, ditches, indentations, mounds or other inclines created by any excavation by Licensee or Licensee's Parties. Licensee shall not perform any maintenance on railroad tracks and facilities without express prior written approval of and direction from SBCTA or the railroads with valid operating authority over SBCTA's lines and compliance with all applicable standards, specification and safety requirements.

12. ALTERATIONS AND CONSTRUCTION

Except as otherwise provided herein, Licensee shall make no alterations, additions or Improvements to the Premises without obtaining the prior written consent of SBCTA in each instance. Any Work performed or caused to be performed by Licensee on the Improvements or the Premises shall be performed (a) at Licensee's sole cost and expense; (b) in accordance with any and all applicable permit requirements, laws, rules, regulations and safety requirements (including SBCTA's rules and regulations), and (c) in a manner which is (i) equal to or greater than the then applicable standards of the industry for such Work, and (ii) satisfactory to SBCTA. Prior to commencement of any Work on the Premises, Licensee shall submit Work plans to SBCTA for review and approval. Any such Work must be carried out pursuant to Work plans approved in writing by SBCTA. In addition, Licensee shall provide SBCTA with at least fourteen (14) calendar days' written notice prior to commencement of any Work on the Premises or the Improvements, except in cases of emergency, in which event Licensee shall notify SBCTA's representative personally or by phone prior to commencing any Work. SBCTA shall have the right at any time and from time to time to post and maintain notices of non-responsibility. Unless otherwise requested by SBCTA, upon completion of any Work, Licensee shall restore the SBCTA Property to its condition immediately preceding the commencement of such Work.

13. CONTRACTORS; APPROVAL AND INSURANCE

Any contractors of Licensee performing Work on the Improvements or the Premises shall first be approved in writing by SBCTA and acquire all required right of entry permits and authorizations from SBCTA and any rail operator utilizing affected or adjacent railroad tracks. With respect to such Work, Licensee shall, at its sole cost and expense, obtain and maintain in full force and effect throughout the term of such Work, insurance, as required by SBCTA, in the amounts and coverage specified on and issued by insurance companies as described in Exhibit "B". Additionally, Licensee shall cause any and all of its contractors and subcontractors which may (i) be involved with such Work, or (ii) may, for any reason, need to enter onto the Premises, to obtain and maintain in full force and effect during the Term of this License, or throughout the term of such Work (as applicable), insurance, as required by SBCTA, in the amounts and coverage specified on, and issued by insurance companies as described in Exhibit "B". SBCTA reserves the right, throughout the Term of this License, to review and change the amount and type of insurance coverage it requires in connection with this License or the Work to be performed on the Premises.

14. REIMBURSEMENT

Licensee agrees to reimburse SBCTA for all reasonable costs and expenses that SBCTA incurs in connection with Work on or maintenance of the Premises or the Improvements, including, but not limited to, costs incurred by SBCTA in furnishing any materials or performing any labor, reviewing Licensee's Work plans and inspecting any Work, installing or removing protection beneath or along SBCTA's tracks, furnishing of watchmen, flagmen and inspectors as SBCTA deems necessary and such other items or acts as SBCTA in its sole discretion deems necessary to monitor or aid in compliance with this License, protect the safety of, and railway operations upon, its tracks and right-of-way, and to otherwise protect its interests. The costs and expenses addressed in this Section 14 shall include all costs that SBCTA incurs in complying with the Work or maintenance requirements of the railroads with valid operating authority over SBCTA's lines.

15. LANDSCAPING

If required by SBCTA, then Licensee, at its sole cost and expense, shall install barrier landscaping to shield the Improvements from public view. SBCTA shall have the right to review and approve landscaping plans prior to installation. All landscaping activities shall be done in accordance with the provisions of Section 12 above (Alterations and Construction).

16. MARKERS

Except as modified by any additional provisions attached at Exhibit "D", project markers in form and size satisfactory to SBCTA, identifying the Improvements and their owner(s), shall be installed and constantly maintained by and at the expense of Licensee at such locations as SBCTA shall designate. Such markers shall be relocated or removed upon request of SBCTA without expense to SBCTA. Absence of markers in or about SBCTA Property does not constitute a warranty by SBCTA of the absence of subsurface installations.

17. COMPLIANCE WITH LAWS

Licensee shall comply with all applicable federal, state and local laws, regulations, rules and orders in its Work on, or maintenance, inspection, testing or use of, the SBCTA Property, and shall furnish satisfactory evidence of such compliance promptly upon request of SBCTA. Licensee shall obtain all required permits or leases required by any governmental authority for its use of the Premises, at its sole cost and expense. Licensee shall comply with all SBCTA policies, rules and regulations applicable to its properties. Subject to SBCTA's approval, Licensee shall at its own cost and expense install and construct all physical improvements to or needed to serve the Premises that are required by any federal, state or local building code or other law or regulation applicable to the Premises, or that are made necessary by the nature of Licensee's use of the Premises. Licensee shall promptly comply with all governmental orders and directives for the correction, prevention and abatement of nuisances in or upon, or connected with, the Premises, all at Licensee's sole expense.

18. SBCTA'S RIGHT OF ACCESS

18.1. Inspections. SBCTA shall have the right at any time (upon provision of reasonable notice of inspection to Licensee) or in case of emergency (without notice), to inspect the Premises in order to protect SBCTA's interests therein and to monitor compliance with this License, including compliance with applicable federal, state and local laws, regulations, rules and orders. Failure to submit to or cooperate with any inspection may result in termination of the License.

18.2. Tests. If, in SBCTA's sole judgment, any installation on, or use or condition of the Premises may have an adverse effect on the Premises or SBCTA Property, adjacent property or SBCTA's operations, SBCTA shall be permitted to conduct any tests or assessments, including but not limited to environmental assessments, of, on or about the Premises, as it determines to be necessary or useful to evaluate the condition of the Premises. Licensee shall cooperate with SBCTA in any tests or inspections deemed necessary by SBCTA.

18.3. Costs. Licensee shall pay or reimburse SBCTA, as appropriate, for all reasonable costs and expenses incurred due to tests, inspections or any necessary corrective Work, maintenance and inspections thereafter. SBCTA may establish an inspection fee, which may be changed from time to time, as part of an inspection program. The user shall pay such fee for each such inspection. Failure to pay the fee may result in termination of the License.

18.4. Sale or Lease of Premises. SBCTA may at any time place on or about the Premises (including the Improvements) any ordinary "for sale" and "for lease" signs. Licensee shall also permit SBCTA and its agents, upon request, to enter the Premises or any part thereof, at reasonable times during normal business hours, to show the Premises to prospective tenants, purchasers or mortgagees.

19. ENVIRONMENTAL ASSESSMENT

Upon execution of this License, SBCTA may, in its sole discretion and if applicable, require Licensee to retain a duly licensed environmental consultant acceptable to SBCTA who shall perform an environmental assessment of the Premises and Licensee's and Licensee's Parties' business activities and prepare a report on Licensee's and/or Licensee's Parties' compliance with the provisions of this section. SBCTA may, if applicable, require Licensee to cause a similar environmental assessment to be conducted on an annual basis, and/or upon or within one (1) year after the expiration or earlier termination of this License, the cost of which shall be the sole responsibility of Licensee. Licensee shall provide a copy of the report or reports from the consultant(s) promptly to SBCTA upon receipt, and upon request shall promptly provide to SBCTA a copy of all data, documents and other information prepared or gathered in connection therewith.

20. HAZARDOUS/TOXIC MATERIAL USE AND INDEMNITY

20.1. Licensee shall operate and maintain the Premises in compliance with all, and shall not cause or permit the Premises to be in violation of any, Environmental Law which is now or may hereafter become applicable to Licensee or the Premises. As used herein, "Environmental Law" means any federal, state or local environmental, health and/or safety-related law, regulation, standard, decision of a court, permit or permit conditions, currently existing or as amended or adopted in the future. Except for any Hazardous Material expressly approved by SBCTA in writing as shown on Exhibit "C", Licensee shall not cause or permit, or allow any of Licensee's Parties to cause or permit, any Hazardous Material to be brought upon, stored, used, generated, treated or disposed of on or about the SBCTA Property. Any Hazardous Material on the site shall be stored, used, generated and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Material" means any chemical, substance or material, including any mixture or solution, which by virtue of its properties or effects is potentially harmful to health, safety or property, or which is now or becomes in the future listed, defined or regulated in any manner under any Environmental Law as a hazardous or dangerous material or substance.

20.2. Licensee shall indemnify, defend (by counsel acceptable to SBCTA) and hold harmless the Indemnitees (as defined in Section 9, Indemnification) from and against all loss, liability, claim, damage, cost or expense (including without limitation, any fines, penalties, judgments, litigation expenses, attorneys' fees, and consulting, engineering, and construction fees and expenses) incurred by Indemnitees as a result of (a) Licensee's breach of any prohibition or provision of this section, or (b) any release of Hazardous Material upon or from the Improvements or the Premises or contamination of the SBCTA Property (i) which occurs due to the use and occupancy of the Improvements or the Premises by Licensee or Licensee's Parties, or (ii) which is made worse due to the act or failure to act of Licensee or Licensee's Parties.

20.3. The foregoing indemnity shall be effective regardless of any negligence (whether active, passive, derivative, joint, concurring or comparative) on the part of Indemnitees, unless caused solely by the gross negligence or willful misconduct of

Indemnitees; shall survive termination or End Date of this License; and is in addition to any other rights or remedies which Indemnitees may have under the law or under this License.

20.4. In addition, in the event of any release on or contamination of the Premises, Licensee, at its sole expense, shall promptly take all actions necessary to clean up the affected property (including the SBCTA Property and all affected adjacent property – whether or not owned by SBCTA) and to return the affected property to the condition existing prior to such release or contamination, to the satisfaction of SBCTA and any governmental authorities having jurisdiction.

21. UNDERGROUND STORAGE TANKS

21.1. NEITHER LICENSEE NOR LICENSEE'S PARTIES SHALL INSTALL OR USE ANY UNDERGROUND STORAGE TANKS ON THE PREMISES UNLESS SPECIFICALLY APPROVED IN ADVANCE IN WRITING BY SBCTA, WHICH APPROVAL MAY BE WITHHELD IN SBCTA'S SOLE DISCRETION.

21.2. At SBCTA's option, upon the termination of this License at any time and for any reason, Licensee shall, prior to the effective date of such termination, remove and close all underground storage tanks and related equipment and clean up and remove all Hazardous Material in, on, under and about the Premises, in accordance with the requirements of all Environmental Laws and to the satisfaction of SBCTA and any governmental authorities having jurisdiction, and deliver to SBCTA a copy of a certificate of closure issued for such tanks by the appropriate governmental authority.

22. CONDEMNATION

In the event all or any portion of the Premises shall be taken or condemned for public use by a governmental agency or any other party having the power of eminent domain (including conveyance by deed in lieu of or in settlement of condemnation proceedings), Licensee shall receive compensation (if any) only for the taking and damage to the Improvements. Any other compensation or damages arising out of such taking or condemnation awarded to Licensee are hereby assigned by Licensee to SBCTA.

23. BROKER'S FEES

Licensee agrees to indemnify and hold SBCTA harmless from and against any claims by any broker, agent or other person claiming a commission or other form of compensation by virtue of having dealt with Licensee with regard to obtaining this License.

24. SUBORDINATE RIGHTS

This License is subject and subordinate to the prior and continuing rights and obligation of SBCTA, its successors and assigns, to use the SBCTA Property in the exercise of its powers and in the performance of its duties, including those as a public transportation body, and to all Bonds issued by SBCTA and their Indentures. Accordingly, there is reserved and retained unto

SBCTA, its successors, assigns and permittees, the right to construct, reconstruct, operate, maintain and use existing and future rail tracks, facilities and appurtenances and existing and future transportation, communication, pipeline and other facilities and appurtenances in, upon, over, under, across and along the SBCTA Property or any portion thereof, and in connection therewith the right to grant and convey to others, rights and interests to the SBCTA Property or the Premises and in the vicinity of the Improvements, regardless of any effect or impact on the Improvements. Licensee shall bear all costs and losses it incurs associated with any modifications to the Improvements necessary to accommodate SBCTA's exercise of any right hereunder. This License is subject to all licenses, leases, easements, restrictions, conditions, covenants, encumbrances, liens, claims and other matters of title ("title exceptions") which may affect the SBCTA Property now or hereafter. This License is executed and delivered by SBCTA without any warranty of title, express or implied, and the words "grant" or "convey" as used herein shall not be construed as a warranty of title or a covenant against the existence of any such title exceptions.

25. ABANDONMENT

Should Licensee at any time abandon the use of the Improvements or the Premises, or any part thereof, or fail at any time for a continuous period of ninety (90) days to use the same for the purposes contemplated herein, then this License shall terminate to the extent of the portion so abandoned or discontinued, and in addition to any other rights or remedies, SBCTA shall immediately be entitled to exclusive possession and ownership of the portion so abandoned or discontinued, without the encumbrance of this License.

26. GENERAL PROVISIONS

26.1. Notices. All notices and demands which either of the Parties is required to or desires to give to the other shall be made in writing by personal delivery, by express courier service or by certified mail postage prepaid, and addressed to the other Party at its address set forth in the Basic License Provisions. Either of the Parties may change its address for the receipt of notice by giving written notice thereof to the other Party in the manner herein provided. Notices shall be effective only upon receipt by the Party to whom notice or demand is given.

26.2. Governing Law. This License shall be governed by the laws of the State of California.

26.3. Binding Effect. The terms, provisions and covenants and conditions contained in this License shall apply to, inure to the benefit of, and be binding upon, the parties hereto and upon their respective heirs, legal representatives, successors and permitted assigns, except as otherwise herein expressly provided. If more than one person executes this License as Licensee, then each shall be jointly and severally liable for all obligations of Licensee hereunder.

26.4. No Third Party Beneficiaries. This License is not intended by either party to confer any benefit on any third party other than the constituent members of SBCTA, including without limitations any broker, finder, or brokerage firm.

26.5. Severability. If any term, covenant, condition or provision of this License, or the application thereof to any person or circumstance, shall to any extent be held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, covenants, conditions, or provisions of this License, or the application thereof to any person or circumstance, shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

26.6. Interest on Past-due Obligations. Except as expressly herein provided, any amount due to SBCTA that is not paid when due shall bear interest, from the date due, at the maximum rate then allowable by law. Such interest will be due SBCTA as it accrues. Payment of such interest shall not excuse or cure any default by Licensee under this License, provided, however, that interest shall not be payable on late charges incurred by Licensee.

26.7. Captions. The captions included in this License are for convenience only and in no way define, limit, or otherwise describe the scope or intent of this License or any provision hereof, or in any way affect the interpretation of this License.

26.8. Survival of Obligations. All obligations of Licensee hereunder not fully performed as of the expiration or earlier termination of the Term of this License shall survive the expiration or earlier termination of this License, including without limitation all indemnity and defense obligations, all payment obligations with respect to Fees and all obligations concerning the condition of the SBCTA Property and the Improvements.

26.9. Waiver of Covenants or Conditions. The waiver by either Party of any term, covenant, agreement or condition under this License shall not invalidate this License, nor shall it be considered a waiver by it of any other covenant or condition or of the same covenant or condition in another instance. To the extent patterns of practice between the Parties are inconsistent with the terms of this License, such patterns of practice shall not waive in part or in full SBCTA's right to insist upon strict accordance with any of the provisions of this License. The subsequent acceptance of payments hereunder by SBCTA shall not be deemed to be a waiver of any preceding breach by Licensee of any provisions, covenant, agreement or condition of this License, other than the failure of Licensee to pay the particular payment so accepted, regardless of SBCTA's knowledge of such proceeding breach at the time of acceptance of such payment.

26.10. Effective Date/Nonbinding Offer. Submission of this License for examination or signature by Licensee does not constitute an offer of or option for a license, and it is not effective as a license or otherwise until executed and delivered by both SBCTA and Licensee. Each individual executing this License on behalf of SBCTA or Licensee represents and warrants to the other Party that he or she is authorized to do so.

26.11. Assignment. This License and the license granted herein are personal to the Licensee. Licensee shall not assign or transfer (whether voluntary or involuntary) this License in whole or in part, or permit any other person or entity to use the rights or

privileges hereby conveyed, without the prior written consent of SBCTA, which may be withheld in SBCTA's sole and absolute discretion, and any attempted act in violation of the foregoing shall be void and without effect and be a material breach of this License, which gives SBCTA the right to immediately terminate this License and seek all other available remedies for breach.

26.12. Entire Agreement; Amendments. This License, including all attached Exhibits, constitutes the entire agreement between the Parties and supersedes all prior verbal or written agreements and understandings between the Parties with respect to the items set forth in this License. The Parties each acknowledge that no representations, inducements, promises or agreements, oral or written, have been made by either SBCTA or Licensee, or anyone acting on behalf of SBCTA or Licensee, other than those contained in this License. No amendments, changes, revisions, or discharges, at any time in whole or in part, of this License shall be binding upon the Parties unless they are in writing and executed by the Parties.

26.13. Attorneys' Fees. If either SBCTA or Licensee commences or engages in, or threatens to commence or engage in, an action by or against the other party arising out of or in connection with this License or the Premises, the prevailing party shall be entitled to have and recover from the losing party reasonable attorneys' fees and other costs incurred in connection with the action, preparation for such action, any appeals relating thereto and enforcing any judgments rendered in connection therewith. If SBCTA becomes involved in any action, threatened or actual, by or against anyone not a party to this License, but arising by reason of or related to any act or omission of Licensee or Licensee's Parties, Licensee agrees to pay SBCTA's reasonable attorneys' fees and other costs incurred in connection with the action, preparation for such action, any appeals relating thereto and enforcing any judgments rendered in connection therewith.

26.14. Nondiscrimination. Licensee certifies and agrees that all persons employed by Licensee and Licensee's affiliates, subsidiaries, or holding companies, and any contractors retained by Licensee with respect to the Premises, are and shall be treated equally without regard to or because of race, religion, ancestry, national origin, or sex, and in compliance with all federal and state laws prohibiting discrimination in employment, including but not limited to the Civil Rights Act of 1964; the Unruh Civil Rights Act; the Cartwright Act; and the California Fair Employment Practices Act.

26.15. Further Acts. Licensee agrees to perform any further acts and to execute and deliver in recordable form any documents which may be reasonably necessary to carry out the provisions of this License, including, at SBCTA's sole discretion, the relocation of the Improvements and the license granted hereby.

26.16. Time of Essence. Time is of the essence for this License.

26.17. Certificates. Licensee agrees from time to time within ten (10) days after request of SBCTA, to deliver to SBCTA, or SBCTA's designee, all financial statements for the previous three (3) fiscal years of Licensee, and an estoppel certificate stating that

this License is in full force and effect, the date to which all applicable payments have been paid, the unexpired Term of this License and such other matters pertaining to this License as may be requested by SBCTA.

26.18. Security Measures. Licensee hereby acknowledges that the payments payable to SBCTA hereunder do not include the cost of guard service or other security measures, and that SBCTA shall have no obligation whatsoever to provide same. Licensee assumes all responsibility for the protection of Licensee, Licensee's Parties and their property from acts of third parties.

26.19. Performance Under Protest. If at any time a dispute shall arise as to any amount or sum of money to be paid by one Party to the other under the provisions hereof, the Party against whom the obligation to pay the money is asserted shall have the right to make payment "under protest" and such payment shall not be regarded as a voluntary payment, and there shall survive the right on the part of said party to institute suit for recovery of such sum. If it shall be adjudged that there was no legal obligation on the part of said Party to pay such sum or any part thereof, said Party shall be entitled to recover such sum or so much thereof as it was not legally required to pay under the provisions of this License.

26.20. No Recording. Licensee shall not record or permit to be recorded in the official records of the county where the Premises are located, this License, any memorandum of this License or any other document giving notice of the existence of this License or the license granted hereby.

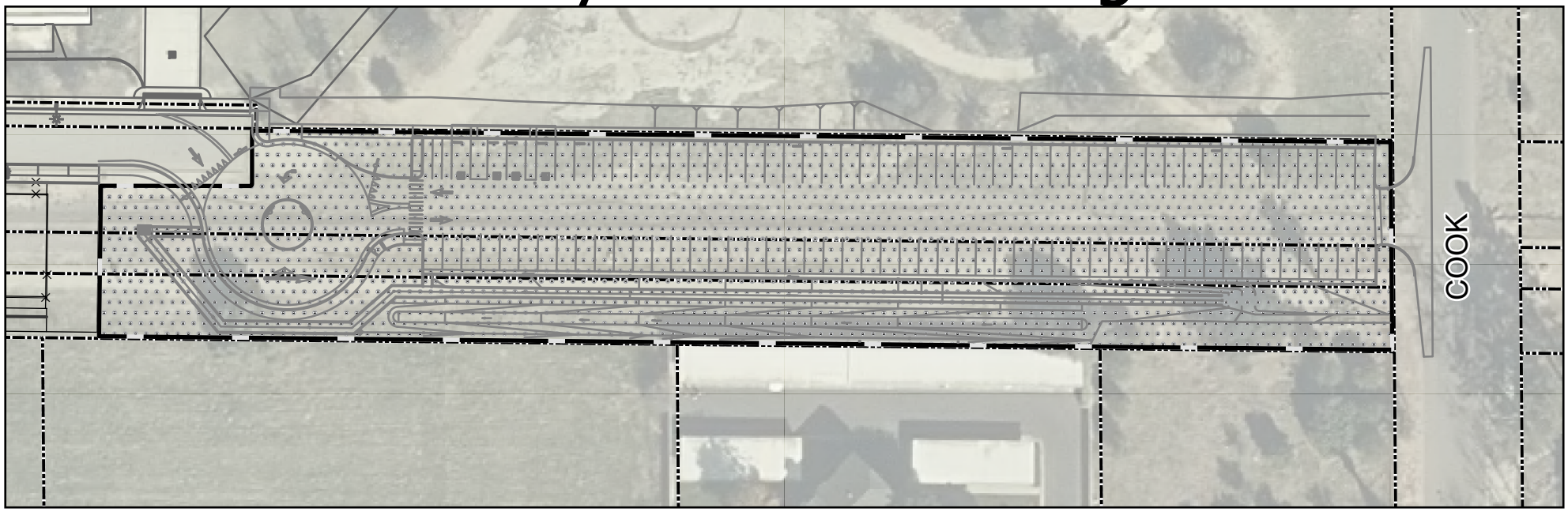
26.21. Flagmen. Where applicable, as a part of or in addition to all other safety obligations, Licensee shall maintain, at Licensee's expense, competent flagmen to protect and control movement of vehicles and equipment of Licensee or any other user of the Premises while upon the Premises, consistent with any applicable laws and regulations regarding work protection, including the rules and policies of SBCTA and/or any railroad operator having rights to utilize any affected or adjacent railroad tracks.

26.22. Additional Provisions. Those additional provisions set forth in Exhibit "D", if any, are hereby incorporated by this reference as if fully set forth herein. To the extent that any additional provisions in Exhibit "D" conflict with the provisions contained in this Part II, Standard License Provisions, the provisions in Exhibit "D" shall control.

Exhibit "A"

Premises

University Station Parking Lot



N

0 25 50 100 150 200
Feet

A 59,230 square foot use of the Redlands Subdivision for a Rail Commuter Parking Lot; 613 feet by 100 feet, more or less, excepting that portion of the rail right of way maintained as Park Avenue.

18-1001928 - Exhibit A

Exhibit "B"

INSURANCE REQUIREMENTS

Exhibit "B"

INSURANCE REQUIREMENTS

1. AGREEMENT shall mean the permit, license, lease, or location specific exhibit to which this Exhibit is attached. WORK shall mean any activity or use permitted under the AGREEMENT. The holder of the AGREEMENT is hereinafter referred to as PERMITTEE. PERMITTEE shall at all times during the term of the AGREEMENT or for such other periods as required herein, procure and maintain broad form insurance against claims for injuries to persons or damages to property that may arise from, or in connection with, the use of SBCTA property hereunder by the PERMITTEE, its agents, representatives, employees, or subcontractors, with coverage at least as broad as the following minimum requirements specified below. Selected subparagraphs to this Paragraph 1 shall apply:

   1.1. ☒ Worker's Compensation/Employer's Liability. The policies must include the following:

   - Coverage A. Statutory Benefits
   - Coverage B. Employer's Liability
   - Bodily Injury by accident - $1,000,000 per accident
   - Bodily Injury by disease - $1,000,000 policy limit/$1,000,000 each employee

   Such policies shall contain a waiver of subrogation in favor of the parties named as Indemnitees below. Such insurance shall be in strict accordance with the applicable workers' compensation laws in effect during performance of the WORK by PERMITTEE, any subcontractor of any tier. All subcontractors of any tier performing any portion of the WORK for PERMITTEE shall also obtain and maintain the same insurance coverage as specified in this subparagraph, with a waiver of subrogation in favor of PERMITTEE and all parties named as Indemnitees by the AGREEMENT. Where coverage is provided through the California State Compensation Insurance Fund, the requirement for a minimum A.M. Best rating does not apply.

   1.2. ☒ Commercial General Liability. The policy must include the following:

   - PERMITTEE shall maintain commercial general liability (CGL) insurance (Insurance Services Office (ISO) Form CG 00 01), and if necessary excess/umbrella commercial liability insurance, with a combined limit of liability of not less than **$7,000,000 each occurrence**. If the AGREEMENT value is equal to or in excess of *$25,000,000*, then the combined limit of liability shall be no less than **$25,000,000 each occurrence**.
   - The policy shall, at a minimum, include coverage for any and all of the following: bodily injury, property damage, personal injury, broad form contractual liability (including coverage to the maximum extent possible for the indemnifications in the AGREEMENT), premises-operations (including explosion, collapse and underground coverage), duty to defend in addition to (without reducing) the limits of the policy(ies), and products and completed operations.
     - o $2,000,000 per occurrence limit for property damage or bodily injury
     - o $1,000,000 per occurrence limit for personal injury and advertising injury
     - o $2,000,000 per occurrence limits for products/completed operations coverage (ISO Form 20 37 10 01) if SBCTA's Risk Manager determines it is in SBCTA's best interests to require such coverage,
     - o If a general aggregate applies, it shall apply separately to this project/location. The project name must be indicated under "Description of Operations/Locations" (ISO Form CG 25 03 or CG 2504).
   - Coverage is to be on an "occurrence" form. "Claims made" and "modified occurrence" forms are not acceptable.

- A copy of the declaration page or endorsement page listing all policy endorsements for the CGL policy must be included.

All subcontractors of any tier performing any portion of the WORK for PERMITTEE shall also obtain and maintain the CGL insurance coverage with limits not less than:

- Each occurrence limit: $1,000,000
- General aggregate limit: $2,000,000
- Personal injury and advertising limit $1,000,000
- Products-completed operations aggregate limit $2,000,000

All subcontractors' deductibles or self-insured retentions must be acceptable to SBCTA's Risk Manager.

1.3. ☒ Umbrella/Excess CGL. The policy must include the following:

- If the PERMITTEE elects to include an umbrella or excess policy to cover any of the total limits required beyond the primary commercial general liability policy limits and/or the primary commercial automobile liability policy limits, then the policy must include the following:
  - The umbrella or excess policy shall follow form over the PERMITTEE's primary general liability coverage and shall provide a separate aggregate limit for products and completed operations coverage.
  - The umbrella or excess policy shall not contain any restrictions or exclusions beyond what is contained in the primary policy.
  - The umbrella or excess policy shall contain a clause stating that it takes effect (drops down) in the event the primary limits are impaired or exhausted.
  - The umbrella or excess policy must also extend coverage over the automobile policy if it is to be used in combination with the primary automobile policy to meet the total insurance requirement limits.

There shall be no statement limiting the coverage provided to the parties listed as additionally insureds or as indemnitees in the AGREEMENT.

1.4. ☒ Commercial Auto. The policy must include the following:

- A total limit of liability of not less than **$5,000,000 each accident**. This total limit of liability may be met by combining the limits of the primary auto policy with an umbrella or excess policy in accordance with Section 1.3 (Umbrella/Excess CGL), above.
- Such insurance shall cover liability arising out of any vehicle, including owned, hired, leased, borrowed and non-owned vehicles assigned to or used in performance of the WORK.
- Combined Bodily Injury and Property Damage Liability insurance

  The commercial automobile liability insurance shall be written on the most recent edition of ISO Form CA 00 01 or equivalent acceptable to SBCTA.

1.5. ☐ Pollution Liability The policy must include the following:

- $2,000,000 per claim or occurrence limits/$4,000,000 in the aggregate
- If the WORK involves mold identification / remediation, the policy shall not contain a mold exclusion and the definition of "Pollution" shall include microbial matter including mold.
- If the WORK involves lead-based paint or asbestos identification/remediation, the policy shall

not contain lead-based paint or asbestos exclusions.

1.6. ☐ Railroad Protective Liability Insurance: Insurance Services Office Form Railroad Protective Liability, AAR-AASHTO (ISO/RIMA), in the name of SCRRA with respect to the operations they or any of their subcontractors perform on the Property. Minimum Limits: **$2 million per occurrence**, combined single limit, for coverage and for losses arising out of injury to or death of all persons and for physical loss or damage to or destruction of Property, including the loss of use thereof. A **$6 million annual aggregate** shall apply. If providing coverage on the London claims-made form, the following provisions shall apply:

- The limits of liability shall be not less than $3 million per occurrence, combined single limit. A $9 million aggregate may apply.
- Declarations item 6, extended claims made date, shall allow an extended claims made period no shorter than the length of the original policy period plus one year.
- If equivalent or better, wording is not contained in the policy form, the following endorsement must be included:
    - It is agreed that "physical damage to Property" means direct and accidental loss of or damage to rolling stock and their contents, mechanical construction equipment or motive power equipment, railroad tracks, roadbed, catenaries, signals, bridges or buildings.

In cases of low hazard activity and insignificant risk to rail facilities, and if the exposure to the track is physically separated by a building, floor or a continuous fence (no thoroughfares) and the employees of the Contractor are explicitly notified, trained, and supervised such that they are not permitted to have any contact with the track or its related improvements, the Railroad Protective Liability Insurance requirement may be waived by SBCTA, or its designated representative, in SBCTA's sole and absolute discretion, where SBCTA's agreements and obligations with rail operators allow it.

2. General Provisions

2.1. Qualifications of Insurance Carriers. All policies shall be written by insurance carriers shall be authorized and admitted to do business in the state of California with a current A.M. Best rating of A-VIII or better. Contractor's Pollution Liability policies may be from non-admitted carriers provided they are authorized and licensed in the state of California and meet the current A.M. Best rating of A: VIII or better.

2.2. Additional Insurance Coverage. All policies, except those for Workers' Compensation insurance, shall be endorsed by ISO Form CG 20 10 11 85, or if not available, then ISO Form CG 20 38, to name San Bernardino County Transportation Authority and its officers, directors, members, employees, agents and volunteers, as additional insureds ("Additional Insureds"). With respect to general liability arising out of or connected with work or operations performed by or on behalf of the PERMITTEE permitted under this AGREEMENT, coverage for such Additional Insureds shall not extend to liability to the extent prohibited by section 11580.04 of the Insurance Code. The additional insured endorsements shall not limit the scope of coverage for SBCTA to vicarious liability but shall allow coverage for SBCTA to the full extent provided by the policy.

2.3. Proof of Coverage. Evidence of insurance in a form acceptable to SBCTA's Risk Manager, including declarations pages of each policy, certificates of insurance and the required additional insured endorsements, shall be provided to SBCTA's Procurement Analyst prior to issuance of the NTP or prior to commencing any WORK, as SBCTA specifies. Certificate(s) of insurance, as evidence of the required insurance shall: be executed by a duly authorized representative of each insurer; show compliance with the insurance requirements set forth in the AGREEMENT together with Exhibit B; set forth deductible amounts applicable to each policy; list all exclusions which are added by endorsement to each policy; and also include the Contract Number and the SBCTA Project Manager's name on the face of the certificate. If requested in writing by SBCTA,

PERMITTEE shall submit complete copies of all required insurance policies within ten (10) business days of a written request by SBCTA.

2.4. Deductibles. Regardless of the allowance of exclusions or deductibles by SBCTA, PERMITTEE shall be responsible for any deductible amount and shall warrant that the coverage provided to SBCTA is consistent with the requirements of the AGREEMENT together with Exhibit B. PERMITTEE will pay, and shall require its sub-consultants to pay, all deductibles, co-pay obligations, premiums and any other sums due under the insurance required in Exhibit B. All deductibles will be in amounts acceptable to SBCTA's Risk Manager. PERMITTEE will advise SBCTA in writing as to the amounts of any deductible, or as to any increase in any insurance deductible under any insurance required above. There will be no deductibles in excess of $250,000 per occurrence, loss or claim under the insurance. There shall be no self-insured retention. SBCTA will have the right, but not the obligation, to pay any deductible due under any insurance policy. If SBCTA pays any sums due under any insurance required above, SBCTA may withhold said sums from any amounts due PERMITTEE. The policies shall not provide that any deductible, or other payment required under the policy can be paid only by the named insured, and not by an additional insured.

2.5. PERMITTEE's and Subcontractors' Insurance will be Primary. All policies required to be maintained by the PERMITTEE or any subcontractor with the exception of Professional Liability and Worker's Compensation shall be endorsed, with a form at least as broad as ISO Form CG 20 01 04 13), to be primary coverage, and any coverage carried by any of the Additional Insureds shall be excess and non-contributory. Further, none of PERMITTEE's nor subcontractors' pollution, automobile, general liability or other liability policies (primary or excess) will contain any cross-liability exclusion barring coverage for claims by an additional insured against a named insured.

2.6. Waiver of Subrogation Rights. To the fullest extent permitted by law, PERMITTEE hereby waives all rights of recovery under subrogation against the Additional Insureds named herein, and any other consultant, subconsultant or sub-subconsultant performing work or rendering services on behalf of SBCTA, in connection with the planning, development and construction of the Project. To the fullest extent permitted by law, PERMITTEE shall require similar written express waivers and insurance clauses from each of its subcontractors of every tier. PERMITTEE shall require all of the policies and coverages required in Exhibit B to waive all rights of subrogation against the Additional Insureds (ISO Form CG 24 04 05 09). Such insurance and coverages provided shall not prohibit PERMITTEE from waiving the right of subrogation prior to a loss or claim.

2.7. Cancellation. If any insurance company elects to cancel or non-renew coverage for any reason, PERMITTEE will provide SBCTA thirty (30) days prior written notice of such cancellation or nonrenewal. If the policy is cancelled for nonpayment of premium, PERMITTEE will provide SBCTA ten (10) days prior written notice. In any event, PERMITTEE will provide SBCTA with a copy of any notice of termination or notice of any other change to any insurance coverage required herein which PERMITTEE receives within one business day after PERMITTEE receives it by submitting it to SBCTA at procurement@gosbcta.com to the attention of SBCTA's Procurement Analyst, and by depositing a copy of the notice in the U.S. Mail in accordance with the notice provisions of the AGREEMENT.

2.8. Enforcement. SBCTA may take any steps as are necessary to assure PERMITTEE's compliance with its insurance obligations as identified within the AGREEMENT and / or Exhibit B. Failure to continuously maintain insurance coverage as provided herein is a material breach of contract. In the event the PERMITTEE fails to obtain or maintain any insurance coverage required, SBCTA may, but is not required to, maintain this coverage and charge the expense to the PERMITTEE or withhold such expense from amounts owed PERMITTEE, or terminate the AGREEMENT. The insurance required or provided shall in no way limit or relieve PERMITTEE of its duties and responsibility under the Contract, including but not limited to obligation to indemnify, defend and hold harmless the Indemnitees named below. Insurance coverage in the minimum amounts set forth

herein shall not be construed to relieve PERMITTEE for liability in excess of such coverage, nor shall it preclude SBCTA from taking other actions as available to it under any other provision of the Contract or law. Nothing contained herein shall relieve PERMITTEE, or any subcontractor of any tier, of their obligations to exercise due care in the performance of their duties in connection with the WORK, and to complete the WORK in strict compliance with the AGREEMENT.

2.9. No Waiver. Failure of SBCTA to enforce in a timely manner any of the provisions of Exhibit B shall not act as a waiver to enforcement of any of these provisions at a later date.

2.10. Contractors and Subcontractors Insurance. Insurance required of the PERMITTEE shall be also provided by subcontractors, or by PERMITTEE on behalf of all subcontractors, to cover WORK, performed by said subcontractors, permitted under the AGREEMENT. PERMITTEE may reduce types and the amounts of insurance limits provided by subcontractors to be proportionate to the amount of the subcontractor's contract and the level of liability exposure for the specific type of work performed by the subcontractor. PERMITTEE shall be held responsible for all modifications, deviations, or omissions in these insurance requirements as they apply to subcontractor.

2.11. Higher limits. If PERMITTEE maintains higher limits than the minimums shown above, SBCTA shall be entitled to coverage for the higher limits maintained by PERMITTEE. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to SBCTA.

2.12. Special Risks or Circumstances. SBCTA reserves the right to modify any or all of the above insurance requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

Exhibit "C"

Permitted Hazardous Material

No hazardous material is permitted to be used or stored on Premises.

Exhibit "D"

Additional Provisions

Exhibit "D"

ADDITIONAL REQUIREMENTS

The following Additional Requirements are imposed on the Tenant/Licensee/Permittee and all of its contractors, subcontractors, employees, laborers or other persons performing any work upon SBCTA property on behalf of Tenant/Licensee/Permittee, and are made part of the terms of the Lease/License/Permit to which this Exhibit D is attached ("Agreement").

As used hereinafter, the term "Contractor" shall include the Tenant/Licensee/Permittee and each and every one of its contractors, subcontractors, employees, laborers, agents or other persons performing any work upon SBCTA property on behalf of Tenant/Licensee/Permittee; and the term "railroad operator" or "operating railroad" shall mean Southern California Regional Rail Authority (SCRRA), Burlington Northern Santa Fe Railroad Railway Company (BNSF) and/or any other railroad company or rail carrier having operating rights over rail lines owned or controlled by SBCTA.

Contractor shall fully comply with each and every one of the Additional Requirements below which is in any way applicable to the type of use, construction, installation or facility allowed under the Contractor's Agreement and approved by SBCTA as required thereunder ("Permitted Use"). The inclusion of an Additional Requirement below that is not in any way applicable to the Contractor's Permitted Use shall not imply any right, permission or consent to expand the Permitted Use in any way.

1. Contractor agrees to execute and deliver to each railroad operator prior to commencing any work within the rail right-of-way, a railroad Right of Entry Agreement which will include agreement to abide by each railroad operator's rules and requirements for construction on railway property. Contractor shall secure approval from SBCTA and each railroad operator of the design of any structures and facilities prior to commencing work on their construction or installation.

2. Contractor will acquire and comply with any and all additional permits required by the railroad operator(s), affected public utilities and/or by any government agency having jurisdiction. Any permit fees, inspection fees, flagging fees, or costs associated with the use or maintenance of the Premise by any governmental agency, department, or organization, and any labor expenses for the installation or maintenance of any permitted improvements are the Contractor's sole responsibility. Fully conformed copies of all permits are to be provided to SBCTA. Additional permits required of the Contractor may include but are not limited to encroachment permits, Storm Water Pollution Prevention Plans, environmental permits, temporary use permits, regulatory permits and third party utility permits. Contractors shall have all original executed agreements and permits on hand while on site and will present them on demand of representative of SBCTA and/or the railroad operator(s). Prior to the commencement of work, the contractor shall submit to SBCTA for review and approval, a description of the work process including a detailed schedule of all work activities to be carried out on SBCTA property.

   SCRRA's Right of Way Engineers Office - (909) 394 - 3418;

   BNSF's Roadmaster Office - (909) 386 - 4061

3. Contractor at its sole cost and expense shall obtain and maintain, in full force and effect, insurance, as required by SBCTA and the railroad operator(s) during the entire construction period. The Contractor shall furnish copies of the insurance certificates to SBCTA and all affected railroad operators.

4. Contractor agrees to comply with instructions of SBCTA and each railroad operator's Employee-In-Charge (EIC) and other representatives in relation to the proper manner of protection of the tracks and the traffic moving thereon, pole lines, signals and other property of SBCTA or its member agencies, tenants or licensees at or in the vicinity of the work, and shall perform the work at such times as not to endanger or interfere with safe and timely operations of railroad operators or of SBCTA's track and other facilities.

5. Contractor will call the appropriate operating railroad to arrange for flagging services a minimum of fifteen (15) working days prior to beginning work. Although every effort is made to accommodate schedules, prior notification does not guarantee the availability of protective/flagging services for the proposed date of work. The SCRRA/BNSF flagman/EIC has sole authority to protect safe railroad operations and infrastructure, therefore, only they and their representatives are permitted to perform flagging operations within the railroad right-of-way. At all times the contractor shall follow the flagman/EIC's direction. Contractor's work may not proceed in the absence of a flagman in accordance with applicable rules. At no time shall any contractor be permitted to cross any track or place or maintain any personnel or equipment within the railroad right-of-way without the permission of the railroad flagman.

   SCRRA's Flagging Office (213) 305-8424

   BNSF's Flagging Office (909) 386-4061

6. Prior to the start of construction and at the contractor's expense, all personnel including subcontractors and third parties shall complete SCRRA's/BNSF's Third Party Safety Training course, which is required for all work near or within the railroad right-of-way. Evidence of training must be supplied upon request of SBCTA and its representatives. No work may commence on the railroad right-of-way until this training has been completed. The contractor shall make the necessary arrangements for each equipment operator to have constant and direct radio contact with their foreman. The foreman will in turn have constant and direct contact with the SCRRA/BNSF flagman/EIC.

7. Contractor shall be responsible for the location and protection of any and all surface, sub- surface, and overhead lines, structures and improvements. Contractor shall not damage, destroy or interfere with any existing encumbrances, licenses and rights (whether public or private), granted upon or relating to the railroad right-of-way. It shall be the Contractor's responsibility to contact Underground Alert and locate all underground facilities prior to the commencement of construction. At the same time, the contractor shall notify the operating railroad for signal and communications cables and conduits mark-outs. Contractor shall obtain permission from the owners of any fiber optic, gas, electrical, water, oil or other lines which may be impacted by work on or any use of the Premises by Contractor.

   SCRRA Signal Department (909) 592-1346

   BNSF Signal Department (909) 386-4051

8. **In case of signal emergencies or grade crossing problems, the contractor shall call the following emergency numbers.**

   SCRRA Signal Emergency Department (888) 446-9721

   BNSF Signal Emergency Department (909) 386-4051

9. Contractor shall prepare and submit traffic control plan for SBCTA/SCRRA approval for projects that will affect vehicular traffic at an existing highway-rail grade crossing.

10. If SBCTA or any of its associated rail entities or railroad operators deem it necessary in the future, to modify, or to build additional, track or tracks or other facilities in connection with the operation of its railroad, at the request of SBCTA, contractor shall modify, at its own expense, any or all of its permitted facilities to conform to the rail facilities.

11. Both Contractor and SBCTA acknowledge that the Premises is Licensed in "AS IS" condition and any track removal, grading, paving and fencing as may be necessary or required to meet Contractor's needs will be the sole responsibility and at the sole cost of the Contractor and subject to SBCTA's and any affected operating railroad's prior review and approval, which may be withheld in SBCTA's or the affected operating railroad's sole and absolute discretion. SBCTA or the affected operating railroad may require that any track removal and/or other work within the right-of-way be done by SBCTA or the railroad operator, respectively, but all such work shall remain at the sole cost of the Contractor, who may be required to deposit the estimated cost plus 25% in advance of the work, subject to refund or additional charge at the conclusion of the work. No permanent structures may be constructed on the premises without SBCTA's prior written approval. Contractor will be responsible for the removal of any or all permitted improvements upon termination of Agreement as directed by SBCTA.

12. Contractor shall pay for any and all utilities for its benefit, security and use.

13. SBCTA makes no warranties as to the suitability of the location for Contractor's intended use, and Contractor assumes all risks as to environmental compliance, zoning, visibility, or any other factors which may affect Contractor's intended use of the premises.

14. Boring of carrier or direct burial utilities by directional boring methods is prohibited.

15. Signs are not permitted on or along the perimeter of the Premises unless such signs were requested and approved under Contractor's original proposal and covered by the required insurance. The contractor shall install permanent signs identifying the location of pipes at the edge of the railroad right-of-way unless within a public grade crossing.

16. Contractor shall not bring upon or use any import soil on the Premises in conjunction with any purposes allowed under this Agreement, until said import soil has been laboratory tested by a *certified hazardous waste testing laboratory* and the test results have been approved by SBCTA. Additionally, any soil currently existing on the Premises may not be spread on the Premises unless and until it is characterized as clean soil to the reasonable satisfaction of SBCTA. All soil piles are to be placed on a barrier to prevent intermingling with surface soils.

17. Contractor shall keep the Premises free and clear of weeds, trash, vegetation, unauthorized vehicle parking and graffiti and from occupancy by transients/homeless persons or individuals. Contractor shall be fully responsible for all maintenance and maintenance of adjoining SBCTA property that is required or necessary in connection with Contractor's use of Premises.

18. Prior to commencement of construction, the contractor shall submit to SBCTA / SCRRA a plan showing the proposed method of casing installation, construction access, stockpile locations, SWPPP control measures, fencing type and location and a milestone schedule.

19. For pipelines carrying flammable or hazardous materials, the contractor shall adhere to special conditions stated in the Right of Entry (ROE) Agreement.

20. The jacking and receiving pits shall be constructed outside of the railroad right of way unless shown on the SBCTA approved plans and shall not be located between any track and the automatic signal gate arms. The contractor shall layout the proposed jack and bore pits prior to the commencement of work. Only after the SBCTA/SCRRA inspector has approved the layout will the Contractor be allowed to begin work.

21. Contractor shall construct a temporary fence along the railroad right–of-way, or along the edge of pits closest to the track, on both sides of the pit, extending 50-feet in both directions from the pit, and measuring a minimum of 6-feet high. Fences are not required for work at grade crossings. Contractor shall pave the Premises area with asphalt or concrete, when requested, around the entire perimeter of the property as described in the Agreement in Part I and Exhibit "A". Contractor shall be responsible for total expense of fencing and asphalt.

22. All jack and bore operations within the railroad right-of-way shall be performed continuously on a 24-hour basis until work is completed with a SCRRA/BNSF flagman and SCRRA/BNSF inspector present at all times. Should work begin without the flagman and inspector present, the work will be halted and any casing installed will be abandoned in place, pressure grouted full, and capped to the satisfaction of SBCTA.

23. The contractor shall submit to SBCTA/SCRRA for review, drawings and calculations for any shoring that may affect or be influenced by the railroad tracks. All shoring designs shall comply with the requirements of, and be approved by, SBCTA and/or the affected operating railroad. All drawings and calculations shall be signed and stamped by a California licensed Civil or Structural Professional Engineer.

24. Prior to commencement of work, the contractor shall submit to SBCTA/SCRRA for review, load calculations for the proposed jacking casing with applied load as defined by Cooper E-80 with a 50% added impact load. The calculations shall be signed and stamped by a California licensed Civil or Structural Professional Engineer.

25. Should ground water or loose or unstable soils conditions be encountered during construction, the contractor shall immediately stop work, notify the railroad flagman, provide necessary structural support to track and other railroad structures, and notify the affected operating railroads and SBCTA. It shall be the responsibility of the contractor to make necessary corrections to the construction process to allow for said conditions.

26. All underground utilities under railroad tracks shall be encased in a larger pipe or conduit

called the “casing pipe”. Said casing pipe shall be installed across the entire width of the railroad right-of-way and shall extend beyond the right of way a minimum of 10-feet. The top of the casing shall have a minimum depth of 6-feet below the top of tie and a minimum depth of 5-feet below ground surface including bottom of ditches and other low points within the railroad right-of-way. All ends of the casing pipe shall be sealed unless otherwise authorized by SBCTA. Casing and carrier pipes shall be constructed to prevent leakage of any substance. When casing pipes are sealed at each end, vent pipes shall be installed. All casing pipes shall be installed with a minimum slope of 1%. Installation of casing pipes by open trenching is prohibited.

27. Abandoned pipes shall be removed from their casing pipes. The empty casing pipe shall be pressure grouted full for the entire length of the pipe. Should there be no casing pipe; the abandoned pipe shall be pressure grouted full the entire length of the pipe. A SBCTA / SCRRA inspector must be present during the grouting process.

28. Casing jacking shall adhere to the following requirements:

    a. This method shall be in accordance with the American Railway Engineering and Maintenance of Way Association recommended practices, Volume 1, Chapter 1, Part 4, “Earth Boring and Jacking Culvert Pipe Through Fills.” This operation shall be conducted without hand-mining ahead of the pipe and without the use of any type of boring, augering, or drilling equipment.

    b. Bracing and backstops and jacks shall be designed and used with sufficient rating so that the jacking can progress without stoppage (except for adding lengths of pipe) until the leading edge of the pipe reaches the receiving pit.

    c. During jacking, an earth plug 1.5 times the diameter of the casing shall be maintained at all times. Jacking operations shall be continuous on a non-stop, 24-hour per day basis until the jacking operation is completed.

29. Casing boring shall adhere to the following requirements:

    a. This method consists of pushing the pipe into the fill with a boring auger rotating within the pipe to remove the spoil. When augers or similar devices are used for casing replacement, the front of the pipe shall be provided with mechanical arrangements or devices that will positively prevent the auger from leading the casing so that there will be no unsupported excavation ahead of the casing. The auger and cutting head arrangement shall be removable from within the pipe in the event an obstruction is encountered. The over-cut by the cutting head shall not exceed the outside diameter of the pipe by more than one-half inch. The face of the cutting head shall be arranged to provide reasonable obstruction to the free flow of soft or poor material.

    b. The use of water or other liquids to facilitate casing placement and /or spoil removal is prohibited.

    c. Plans and descriptions of the auger stop arrangement to be used shall be submitted to SBCTA / SCRRA for approval prior to commencement of work.

d. Any method which employs simultaneous boring and jacking or drilling and jacking for pipes over 8-inches in diameter that does not adhere to the above requirements will not be permitted. For casings 8-inches and smaller in diameter, augering or boring without the same requirements may be considered if approved by SBCTA/SCRRA.

30. If an obstruction is encountered during installation of the casing pipe that will stop the forward action of the pipe, and it becomes evident that it is impossible to advance the pipe, operations will cease and the pipe shall be abandoned in-place and pressure grouted full before continuing with work. Location, length, and depth of abandoned casing pipes and carrier pipes shall be shown on the as-built drawings.

31. Bored or jacked installations shall have a bored-hole diameter essentially the same as the outside diameter of the casing plus the thickness of the protective coating. If voids should develop or if the bored-hole diameter is greater than the outside diameter of the casing pipe, plus coating, by more than approximately 1-inch, grouting or other methods as approved by SBCTA/SCRRA shall be employed to fill such voids.

32. Pressure grouting of the soils before or during jacking or boring may be required to stabilize the soil, control water, prevent loss of material, and prevent settlement or displacement of the ground and/or tracks. Grout shall be cement, chemical or other special injection material selected to accomplish the necessary stabilization. The grouting contractor shall be a specialist in the field with a minimum of 5-years continuous experience of successfully grouting soil. Materials to be used and the method of injection shall be prepared by a California licensed Geotechnical Engineer, or by an experienced and qualified company specializing in this work and submitted for approval by SBCTA/SCRRA prior to the commencement of work. Proof of experience and competency shall accompany the submission.

33. When water is known or expected to be encountered, pumps of sufficient capacity to handle the flow shall be maintained at the site and be constantly attended operationally on a 24-hour per day basis until the SBCTA/SCRRA inspector determines their operation can be safely halted. When dewatering, close observation shall be maintained to detect any settlement or displacement of track, ground, or facilities.

34. The dewatering system shall lower and maintain the ground water level a minimum of 2-feet below the invert at all times during construction by utilizing well points, vacuum well points, or deep wells to prevent the inflow of water or water and soil into the heading. Ground water observation wells may be required to demonstrate that the dewatering requirements are being complied with.

35. The proposed methods of dewatering shall be submitted to SBCTA/SCRRA prior to the commencement of work. The discharge from the dewatering operations in the vicinity of the railroad shall be carefully monitored. Should excessive fine soils particles, pollutants, or hazardous materials or fluids be observed at any time during the dewatering process, the dewatering shall be halted immediately and cannot resume until the unsatisfactory condition is remedied to the satisfaction of the SBCTA/SCRRA inspector.

36. All backfilling shall be at 90% relative dry compaction. For areas within or that affect the railroad right-of-way, the contractor shall submit a compaction report prepared by a California licensed Geotechnical Professional Engineer prior to release of any deposited fund balance.

37. The Contractor shall remove all temporary facilities constructed on the railroad right-of-way, debris, and other items not originally at the site prior to construction and shall notify SBCTA and any affected operating railroad that all construction has been completed. After as-builts have been received, SBCTA inspects the construction site and signs-off the work, SBCTA will release any unused deposit funds it holds. Contractor shall be responsible to arrange refunds due from any affected operating railroads.

38. A minimum of five feet (5') clearance is required above signal and communication lines for overhead crossings.

39. Poles for any use within the railroad right-of-way must be located fifty-feet (50') out from the centerline of the railroad main, branch and running tracks, CTC sidings, and heavy tonnage spurs. Pole locations adjacent to industry track must provide at least a ten foot (10') clearance from the centerline of track, when measured at right angles. If located adjacent to curved track, then said clearance must be increased at the rate of 1.5 inches per degree of curved track.

40. Regardless of the voltage, un-guyed poles shall be located a minimum distance from the centerline of any track, equal to the height of the pole above the ground–line plus ten feet (10'). If guying is required, the guys shall be placed in such a manner as to keep the pole from leaning/falling in the direction of the tracks.

41. Poles must be located a minimum distance from the railroad signal and communication line equal to the height of the pole above the ground-line or else be guyed at right angles to the lines. High voltage towers (34.5 kV and higher) must be located off railroad right-of-way.

42. Grade crossings or temporary grade crossing must not be installed under or within five-hundred feet (500') of the end of any railroad bridge, or three hundred feet (300') from the centerline of any culvert or switch area.

43. For overhead crossings, complete spanning of the property is encouraged with supportive structures and appurtenances located outside of the railroad property. For electric supply and communication lines, normally the crossing span shall not exceed one-hundred fifty-feet (150') with adjacent span not exceeding 1.5 times the crossing span length. For heavier type construction, longer spans will be considered.

44. To ensure that overhead crossings are clear from contact with any equipment passing under such wires, communication lines shall be constructed with a minimum clearance above top of rail of twenty-eight feet (28').. Electric lines must have a fluorescent ball marker on low wire over centerline track.

45. The utility owner will label the poles closest to the crossing with the owner's name and telephone number for emergency contact.

46. Overhead flammable and hazardous material lines are prohibited.

47. Because inductive interference from certain types of lines have the potential to disrupt the railroad signal and communication systems causing failures with the signals, communication, and at-grade crossing warning devices, . SBCTA may require that an inductive coordination study be performed prior to approval of the permitted use at the expense of the utility owner for proposed electrical lines crossing tracks.

48. Joint-use construction is encouraged at locations where more than one utility or type of facility is involved. However, electricity and petroleum, natural gas or other flammable materials shall not be combined.

Contract	SBCTA

Initials

City Council/Financing Authority Meeting **J. 4.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Consideration of an unsolicited offer of donation of property identified as Assessor's Parcel No. 0170-302-07 000 (Assistant City Manager Boatman)

MOTION(S):

If the City Council determines that the offer of the donation of property is appropriate, the following motion is provided:

I move to direct staff to proceed with acceptance of the donation of property identified as Assessor's Parcel No.0170-302-07 000, subject to satisfactory completion of City's due diligence.

RECOMMENDATION:

Staff recommends that the City Council direct staff accordingly.

DISCUSSION:

In August 2024, staff received an unsolicited offer of donation of the subject property from the owner. The property is approximately 8,000 square feet in area and is located on Dearborn Street immediately adjacent to the City's water treatment plant. The property is desirable to the City as it will be integrated into the existing facility.

If the City Council directs staff to proceed with the acceptance of the donation of the subject property, staff will prepare the appropriate documents for this transaction and will bring the item back to the City Council at a future meeting for your consideration once the City's due diligence is completed.

ALTERNATIVES:

The City Council may decline to accept the donation of the property and direct staff accordingly.

STRATEGIC PLAN:

Not Applicable.

SUBMITTED BY:
Christopher Boatman, Assistant City Manager

REVIEWED BY:
Charles M. Duggan Jr., City Manager
Yvette M. Abich Garcia, City Attorney
Janice McConnell, Assistant City Manager
Danielle Garcia, Management Services/Finance Director

PREPARED BY:
Tricia Swope, Manager, Facilities & Community Services Department

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Fiscal Impact

Fiscal Year: FY 2024-25

Discussion:

There is no fiscal impact

Attachments

A. Donation Offer

B. Map of Property

Buoye Properties
Commercial & Land Brokerage

11522 Crafton Ave. Redlands, CA 92374-8251
(909) 499-8353
buoyepropeties@verizon.net

August 23,2024

City of Redlands
Chris Boatman
Redlands, Ca 92373

RE: APN#170-302-07

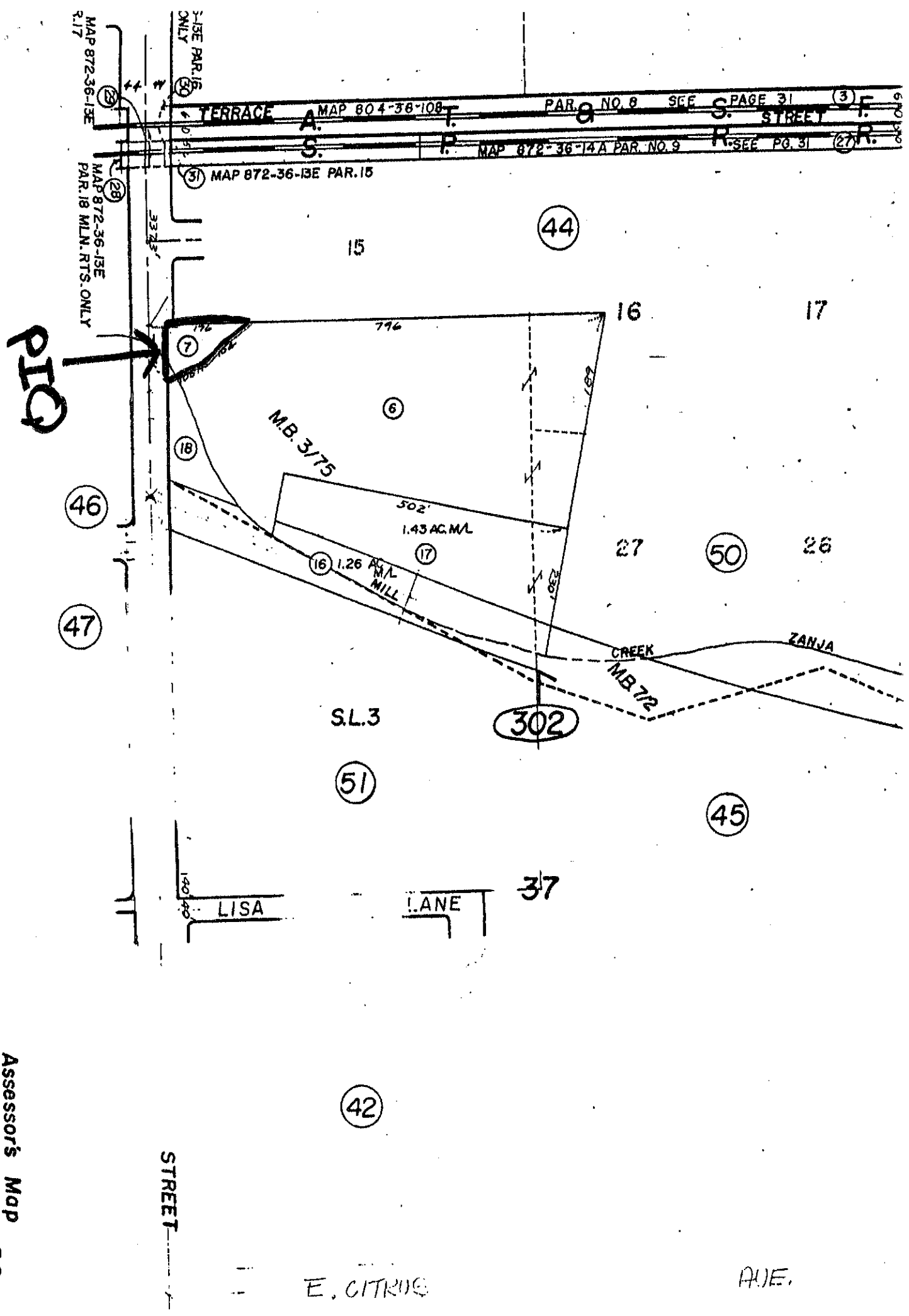
Mr. Boatman,

Mark and Steve Buoye would like to donate a parcel of land to the City. We have owned it for 25 years. It is on Dearborn Street in front of the City Water facility. It is already planted and maintained by the City.

We would ask for a letter accepting the property and a donation letter.
Let us kown

Sincerly

Mark Buoye



M.B. 3/75

Assessor's Map
Book 170 Page 30
San Bernardino County



Ensen Mason CPA, CFA · Auditor-Controller/Treasurer/Tax Collector

2021 ANNUAL SECURED PROPERTY TAX BILL

FISCAL YEAR JULY 01, 2021 TO JUNE 30, 2022

Mailed to **DEARBORN PARK TRUST 3/1/17**

11522 CRAFTON AVE
REDLANDS CA 92374

268 West Hospitality Lane, San Bernardino, CA 92415, (909) 387-8308

www.MyTaxCollector.com

PROPERTY ASSESSMENT CNTL-0082384

(12) Description	ASSESSED VALUES
Land	3010
Improvement Fixtures	
Improvement Penalty	
Personal Property	
Personal Property Penalty	
Homeowners Exemption	
Other Exemptions	
Net Value	3010

(1) Parcel Number	(2) Bill Number	(3) Tax Rate Area	(4) Total Tax Rate
0170-302-07-0-000	210070204	0005000	1.249600

(5) Owner(s) of Record

AS OF JAN 01, 2021
DEARBORN PARK TRUST 3-1-17
CO BUOYE, STEVE

(6) Property Address

(9) First Installment Due	
11-01-2021	$19.46
(10) Second Installment Due	
02-01-2022	$19.44
(11) Total Taxes Due	$38.90

Make checks payable to SBC Tax Collector

TAX DISTRIBUTION

(13) Service Agency	For Information Call	Amount
GENERAL TAX LEVY		30.10
*REDLANDS VECTOR CONTROL	800-442-2283	1.30
REDLANDS CITY DEBT SVC	909-798-7541	.00
REDLANDS CITY MEAS."O" DS	909-798-7541	.00
SAN BDNO COMM COLLEGE BOND	909-388-6909	1.60
SCHOOL BONDS		.00
REDLANDS UNIFIED BOND	909-307-5300	1.99
SCHOOL STATE REPAYMENT		.00
SB VALLEY MUNI WTR DBT SVC	909-387-9200	3.91

(7) Legal Description

CHICAGO COLONY RESVERVATION *PTN* LOT 15 COM AT PT IN CEN LI DEARBORN ST 337.3 FT S FRM CEN LI TERRACE AVE SD PT BEING NW COR CITY PROPERTY TH E 176 FT TH S

(8) Important Messages

Para información de su factura de impuestos de propiedad en español, por favor visite www.coleccliondeimpuestos.com o llame al (909) 387-8308.

KEEP THIS PORTION OF YOUR TAX BILL

☐ Check here for a change of mailing address or phone number. Please provide all corrections on the reverse side

ANNUAL TAX BILL
FISCAL YEAR JULY 01, 2021 TO JUNE 30, 2022
Payments postmarked by USPS on or before 04-11-2022 are considered timely.

(1) Parcel Number	(2) Bill Number
0170-302-07-0-000	210070204

SEND THIS STUB WITH YOUR SECOND INSTALLMENT PAYMENT
PARTIAL PAYMENTS WILL BE RETURNED

(15)	
AFTER 04-11-2022	$31.40

2ND INSTALLMENT PLUS 10% PENALTY, PLUS $10.00 COST.

You can pay online via e-check or credit card at
www.MyTaxCollector.com

DISCOVER VISA ELECTRONIC CHECK FOREIGN CHECKS

2021

2nd

220630

(14) PAY THIS AMOUNT BY

04-11-2022	$19.44

If paying over $25,000, see item "E" on reverse.

Make checks payable to:

SBC Tax Collector

268 W. Hospitality Lane, First Floor
San Bernardino, CA 92415-0360

102 1 210070204 8 2 220411 00000001944 8 00000003140 1

☐ Check here for a change of mailing address or phone number.

You can pay online via e-check or credit card at **2021**



Title

This map was produced by the City of Redlan
Geographic Information System.
The City of Redlands assumes no warranty o
legal responsibility for the information contain
on this map.
The data used to generate this map is dynam
in nature, therefore the information shown ma
or may not be the most current.

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City of Redland
Department of Innovation & Technolo
Geographic Information Systems

City of REDLANDS "A CITY THAT WORI

October 20, 2021

City Council/Financing Authority Meeting **J. 5.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Introduction of Ordinance No. 2975 to amend Title 13 (Public Services) relating to water, sewer and solid waste charges and payments, and consideration of Resolution No. 8647 revising the Policy on Residential Water Service Discontinuation and Rescinding Resolution No. 8048 (Management Services/Finance Director Garcia)

MOTION(S):

If the City Council deems it appropriate, staff recommends the following motions:

1. I move to introduce Ordinance No. 2975, and

2. I move to adopt Resolution No. 8647 revising the Policy on Discontinuation of Residential Water Service for Non-Payment, rescinding Resolution No. 8048.

RECOMMENDATION:

Staff recommends that Council introduce Ordinance No. 2975 to amend Title 13 (Public Services) relating to water, sewer and solid waste charges and payments. Staff further recommends that the Council adopt Resolution No. 8647, a resolution revising the Policy on Discontinuation of Residential Water Service for Non-Payment and rescinding Resolution No. 8048.

DISCUSSION:

As a result of the passage of Senate Bill (SB) 998 in 2019, the City established a Policy on the Discontinuation of Residential Water Service for Non-Payment through Resolution No. 8048 and Ordinance No. 2903, revising the municipal code to include a provision for an alternative payment plan to comply with the new legislation. SB 998 prohibited disconnection of delinquent water service

accounts that met certain criteria, including certification from a primary care provider that disconnection of water service would pose a threat to the health and safety of a resident of the customer's premises and that the customer demonstrates they are financially unable to pay for the water service within the City's normal billing cycle.

Ordinance No. 2903 added RMC 13.12.025, which outlined an alternative payment plan option for customers that meet the above criteria. Three years after SB 998 passed, the California legislature passed SB 3, which expanded the conditions under which the City is required to provide payment plans to customers who are unable to pay their bill. The City is now required to extend a payment plan option to all customers, not just customers who meet certain medical and financial criteria.

In an effort to update this policy to reflect the new provisions of SB 3, staff have developed Ordinance No. 2975 and Resolution No. 8647. These two documents will amend the policy accordingly:

- The alternative payment arrangements will be available to all residential water service customers.
- The payment options will be updated to ensure the policy is consistent with current practices.
- The terms and conditions of the alternative payment plan will be more well-defined to improve clarity for customers.
- Limits for disconnection fees will be defined to ensure compliance with law.
- The updated, written policy on Discontinuation of Water Service to Residents for Non-Payment will be made available in prescribed languages (English, Spanish, Chinese, Tagalog, Vietnamese and Korean).

These changes to the municipal code and policy on residential water service discontinuation are required by SB 3 and staff therefore recommend adoption as presented. The adoption of Resolution No. 8647 will rescind Resolution No. 8048.

ALTERNATIVES:

The City Council may choose to reject, modify, or table the proposed ordinance.

STRATEGIC PLAN:

Not applicable

SUBMITTED BY:
Danielle Garcia, Management Services/Finance Director

RECOMMENDED BY:
Charles M. Duggan, Jr., City Manager

REVIEWED BY:
Janice McConnell, Assistant City Manager
Yvette M. Abich Garcia, City Attorney

PREPARED BY:
Whitney Mesa, Administrative Analyst

Fiscal Impact

Fiscal Year: FY 2024-25

Discussion:

This fiscal impact associated with approval of Ordinance No. 2975 and adoption of Resolution No. 8647 is estimated to be immaterial to the overall budget of each of the City's utility operations.

Attachments

Ordinance Summary
Exhibit A - Discontinuation Policy
Ordinance No. 2975-Clean
Ordinance No. 2975-Legislative

Summary of Ordinance 2975

Ordinance No. 2975, if adopted, would amend Chapter 13.12 of the Redlands Municipal Code to comply with Senate Bill (SB) 3 by expanding access to alternative payment plans for all residential water customers, regardless of financial or health conditions. The ordinance updates payment plan terms, sets limits on disconnection fees per SB 998, and ensures the policy is available in multiple languages. In summary, this ordinance would ensure compliance with state legislation by revising local regulations governing residential water service discontinuation and improving accessibility to alternative payment options for residents.

RESOLUTION NO. 8647

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDLANDS ADOPTING A REVISED POLICY ON THE DISCONTINUATION OF RESIDENTIAL WATER SERVICE FOR NON-PAYMENT AND RESCIND RESOLUTION NO. 8048

WHEREAS, Senate Bill 998, Discontinuation of residential water service, was adopted into state law on September 28, 2018; and

WHEREAS, Senate Bill 998, Discontinuation of residential water service, requires the City, as a water service provider, to formally adopt a detailed written policy concerning residential water service shutoff for nonpayment according to its provisions; and

WHEREAS, Senate Bill 998 would prohibit residential water service from being discontinued under specified circumstances; and

WHEREAS, the City complied with the provisions of SB 998 by adopting Resolution No. 8048 and Ordinance No. 2903, which established a policy to govern the discontinuation of residential water service for non-payment; and

WHEREAS, SB 998 has been amended by SB 3, which expanded the protections of SB 998 and the requirement to provide alternative payment options to all customers who are unable to pay their bill, not only those customers that met specific medical and financial criteria; and

WHEREAS, Senate Bill 3 again requires to formally adopt a detailed written policy concerning residential water service shutoff for nonpayment according to its provisions;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF REDLANDS AS FOLLOWS:

Section 1. The City Council hereby adopts the Discontinuation of Residential Water Service for Non-Payment Policy. Attached hereto as Exhibit "A".

Section 2. This Resolution and the policy established by this Resolution shall become effective on February 4, 2025.

Section 3. That Resolution No. 8048 is hereby rescinded.

ADOPTED, SIGNED AND APPROVED this 21st day of January, 2025.

Mario Saucedo, Mayor

ATTEST:

Jeanne Donaldson, City Clerk

EXHIBIT 'A'
POLICY ON DISCONTINUATION OF
RESIDENTIAL WATER SERVICE FOR NON-PAYMENT

Notwithstanding any other policy of the City, this Policy on Discontinuation of Residential Water Service for Non-Payment shall apply to the City's discontinuation of residential water service for non-payment under the provisions set forth herein. In the event of any conflict between this Policy and any other policy of the City, this Policy shall prevail.

I. Application of Policy; Contact Telephone Number: This policy enumerates City's administrative actions for the collection of delinquent accounts, including notifications, fee assessments and discontinuation of residential water service. This policy will be made available to the public on the City's website and translated into the following languages: Spanish, Chinese, Tagalog, Vietnamese, and Korean. The City's Utility Billing Customer Service Division can be contacted by phone at (909) 798-7516 to discuss options for averting discontinuation of residential water service for nonpayment under the terms of this policy.

This policy shall apply only to residential water service for non-payment and the City existing policies and procedures shall continue to apply to commercial and industrial water service accounts.

II. Discontinuation of Residential Water Service for Non-Payment:

A. Rendering and Payment of Bills: Bills for water service are presented to each customer on a bimonthly basis (six times per year). Bills for service are due and payable upon presentation and become overdue and subject to 1) a late charge as specified in RMC 13.12.020 (B), and 2) discontinuation of service if not paid within sixty (60) days from the date of the bill. There are several methods of payment accepted including cash, checks, debit and credit cards. Various payment options are available and can be found on our website. However, it is the customer's responsibility to ensure that payments are received by the City according to the timelines prescribed by RMC 13.12.020.

B. Bills will be computed as follows:

1. Meters will be read at regular intervals for the preparation of periodic bills and as required for the preparation of opening bills, closing bills, and special bills.

2. Bills for metered service will show the meter reading for the current and previous meter reading period for which the bill is rendered, the number of units, date, and days of service for the current meter reading.
3. Customer bills shall be paid in legal tender of the United States of America. Notwithstanding the foregoing, the City shall have the right to refuse any payment of such billings in coin.

C. Delinquent Accounts: Delinquent accounts are identified as any account that remains unpaid (and without having previously made payment arrangements or established an alternative payment schedule) by close of business 25 days after the date of the customer's bill.

1. Late Charge: Any and all late charges will be assessed by the City onto the water service customer's account as prescribed in RMC 13.12.020.

2. Overdue Notice: The City shall not discontinue water service for non-payment until payment by the customer has been delinquent for at least sixty (60) days. The City will make a responsible, good faith effort to contact the customer in writing at least seven (7) business days before disconnection of water services for nonpayment.

   If the customer's address is not the address of the property to which the service is provided, the City shall mail a second notice to the service address at least ten (10) business days before disconnection of water services for nonpayment, addressed to "Occupant." The Past Due Reminder Notice and Final Notice shall contain the following:

   a) Customer's name and address;
   b) Amount of delinquency;
   c) Date by which payment or arrangement for payment must be made in order to avoid discontinuation of service;
   d) Description of the process to apply for a payment plan
   e) Description of the procedure to dispute or appeal a bill
   f) City phone number and the web address to the City's written Policy on Discontinuation of Residential Water Service for Non-Payment

   The City may alternatively provide notice to the customer of the impending discontinuation of service by telephone. If that notice is provided by telephone, the City shall offer to provide the customer with a copy of this policy and also

offer to discuss with the customer the options for alternative payments, as described in Section III, below, and the procedures for review and appeal of the customer's bill, as described in Section IV, below.

3. Unable to Contact Customer: If the City is not able to contact the customer by written notice (e.g., a mailed notice is returned as undeliverable) or by telephone, the City will make a good faith effort to visit the residence and leave or make other arrangements to place in a conspicuous location, a notice of imminent discontinuation of service for non-payment, and a copy of this Policy.

4. Turn-Off Deadline: Payment for water service charges must be received by the City no later than 4:00 p.m. on the date specified in the Past Due Reminder Notice and Final Notice. Postmarks are not acceptable.

D. Conditions Prohibiting Discontinuation: The City shall not discontinue residential water service if the customer is willing to enter into an alternative payment schedule, consistent with the provisions of Section III, below.

E. Landlord-Tenant Scenario: The below procedures apply to individually metered detached single-family dwellings, multi-unit residential structures and mobile home parks where the property owner or manager is the customer of record.

1. Required Notice: At least 10 days prior if the property is a multi-unit residential structure or mobile home park, or 7 days prior if the property is a detached single-family dwelling, to the possible discontinuation of water service, the City must make a good faith effort to inform the tenants/occupants at the property by written notice that the water service will be discontinued.

   The written notice must also inform the tenants/occupants that they have the right to become customers to whom the service will be billed (see Subdivision 2, below), without having to pay any of the delinquent amounts.

2. Tenants/Occupants Becoming Customers: The City is not required to make service available to the tenants/occupants unless each tenant/occupant agrees to the terms and conditions for service and meets the City's requirements and rules.

a. However, if (i) one or more of the tenants/occupants assumes responsibility for subsequent charges to the account to the City's satisfaction, or (ii) there is a physical means to selectively discontinue service to those tenants/occupants who have not met the City's requirements, then the City may make service available only to those tenants/occupants who have met the requirements.

b. If prior service for a particular length of time is a condition to establish credit with the City, then residence at the property and proof of prompt payment of rent for that length of time, to the City's satisfaction, is a satisfactory equivalent.

c. If a tenant/occupant becomes a customer of the City and the tenant's/occupant's rent payments include charges for residential water service where those charges are not separately stated, the tenant/occupant may deduct from future rent payments all reasonable charges paid to the City during the prior payment period.

III. <u>Alternative Payment Arrangements</u>: For any customer who is unable to pay for services within the normal payment period may request an alternative payment arrangement consisting of the amortization of the unpaid balance under Subdivision (A), below.

A. <u>Amortization</u>: Any customer who is unable to pay for water service within the City's normal payment period may enter into an amortization plan with the City on the following terms:

1. <u>Term</u>: The customer shall pay the unpaid balance, less twenty percent (20%) down payment due immediately, over a period not to exceed twelve (12) months. The unpaid balance less the 20% down payment shall be divided into five (5) installments to be billed bi-monthly (every two months) for twelve (12) months and that amount shall be added to the customer's ongoing bi-monthly bills for water service. The initial payment of 20 percent represents the down payment, with the first installment beginning with the customer's next billing cycle, which may be in the same week installments were initiated. If the amount due is greater than $3,000, a payment plan may be granted, according to the same payment terms above, but for a longer repayment period in excess of twelve (12) months, but under no circumstances longer than eighteen (18) months at the discretion of and approval by the City Manager.

2. Down Payment: For any approved amortization plan, a twenty percent (20%) down payment of the unpaid balance as calculated at the time of entering into a payment arrangement with the City will be due and payable immediately as a condition of entering into a payment arrangement.

3. Compliance with Plan: The customer must comply with the amortization plan and remain current as charges accrue in each subsequent billing period. Where the customer fails to comply with the terms of the amortization plan for sixty (60) days or more, or fails to pay the customer's current service charges for sixty (60) days or more, the City may discontinue water service to the customer's service address at least five (5) business days after the City posts at the customer's residence a final notice of its intent to discontinue service.

4. Payment Priority: The customer is required to keep up with new and current charges along with the payment plan.

5. Restrictions: The customer may not request further payment arrangements of any subsequent unpaid charges while paying delinquent charges pursuant to any other payment arrangement.

6. Default on Payment Arrangement: If a customer defaults on an existing payment arrangement, the remaining balance must be paid in full. Once a payment arrangement is defaulted, the balance is no longer eligible to be restructured under a new payment arrangement.

IV. Appeals: The procedure to be used to appeal or contest the amount set forth in any bill for residential water service is as follows, in accordance with RMC 13.12.070, 13.16.030 and 13.04.010:

A. Disputed Bills: In the event of a complaint by a customer that his or her water bill is excessive, a reread of the meter shall be made and a check shall be made to determine in particular if there are leaks in the meter. Should no leak in such meter be found, then, upon request of the customer, the meter shall be removed and be subject to a test upon it as set forth in RMC 13.16.030 and section (B) Meter Testing below. In the event that meter tests within the approved limitations, and the customer continues to question the water bill, a personal investigation of said premises served by the meter shall be made by the water superintendent or his or her appointed representative. Should such

investigation find no reason to adjust said bill, he or she shall refer the disputed bull to the Public Services Appeals Board for a final ruling, subject to the rights of the customer to appeal the ruling to the City Council.

B. Meter Testing: When the accuracy of a water meter is questioned, the City, upon request from the customer, will cause an official test of the meter to be made for a charge as set forth by resolution. The meter will be tested on variable rates of delivery and if the average registration is more than two percent (2%) in excess of actual quantity of water passing through the meter, the City shall refund to the customer the overcharge based on the test, for the prior twelve (12) months, unless it can be shown that the error was due to some cause for which the date can be fixed. In the latter case, the overcharge shall be computed back and not beyond such times. In the event the accuracy of the meter is determined to be in error, then all testing and meter replacement charges shall be at the City's expense.

C. Public Services Appeals Board: For the purpose of serving as a board to which customers may refer their disputed bills for a final ruling, the Board shall consist of three (3) City management employees, as from time to time appointed by the City Manager. Board rulings are subject to appeal to the City Council by the customer.

D. Appeal Hearing: Following receipt of a complaint or a request for an investigation, a hearing date shall be set by the Public Services Appeals Board. After evaluation of the evidence provided by the customer and the information on file with the City concerning the water charges in question, the Board shall render a decision as to the accuracy of the water charges and shall provide the appealing customer with a brief written summary of the decision.

1. If water charges are determined to be incorrect, a corrected invoice will be provided and payment of the revised charges will be due within ten (10) days of the invoice date for revised charges. If the revised charges remain unpaid for more than sixty (60) days after the corrected invoice is provided, water service will be disconnected, on the next regular working day after expiration of that sixty (60) day period; provided that the City shall provide the customer with the Overdue Notice in accordance with Section II(C)(2), above. Water service will only be restored upon full payment of all outstanding water charges, penalties, and any and all applicable reconnection charges.

    a. If the water charges in question are determined to be correct, the water charges are due and payable at the time the Board's decision is rendered.

At the time the Hearing Officer's decision is rendered, the customer will be advised of the right to further appeal before the City Council. Any such appeal must be filed in writing within seven (7) days after the Board's decision is rendered.

b. If the customer does not timely appeal to the City Council, the water charges in question shall be immediately due and payable. In the event the charges are not paid in full within sixty (60) days after the original billing date, then the City shall provide with the Overdue Notice in accordance with Section II(C)(2), above, and may proceed in potentially discontinuing service to the customer's property.

2. When a customer plans to appeal the decision of the Public Services Appeals Board, the customer or their representative will be required to personally appear before the City Council to present evidence and reasons as to why the water charges in question are not accurate. The Board shall evaluate the evidence presented by the customer, as well as the information on file with the City concerning the water charges in question and render a decision as to the accuracy of said charges.

   a. If the City Council finds the water charges in question are incorrect, the customer will be invoiced for the revised charges. If the revised charges remain unpaid for more than sixty (60) days after the corrected invoice is provided, water service will be disconnected, on the next regular working day after expiration of that sixty (60) day period; provided that the City shall provide the customer with the Overdue Notice in accordance with Section II(C)(2), above. Water service will be restored only after outstanding water charges and any and all applicable reconnection charges are paid in full.

   b. If the water charges in question are determined to be correct, the water charges are due and payable at the time the decision of the Council is rendered. In the event the charges are not paid in full within sixty (60) days after the original billing date, then the City shall provide with the Overdue Notice in accordance with Section II(C)(2), above, and may proceed in potentially discontinuing service to the customer's property.

c. Any overcharges will be reflected as a credit on the next regular bill to the customer, or refunded directly to the customer, at the sole discretion of the City.

d. Water service to any customer shall not be discontinued at any time during which the customer's appeal to the City, the Public Services Appeals Board, or the City Council is pending.

e. The City Council's decision is final and binding.

V. **Restoration of Service:** In order to resume or continue service that has been discontinued by the City due to non-payment, the customer may be required to post a pre-payment deposit to re-establish the customer's public services account in the event any previous prepayments have already been applied. In addition, the customer is responsible for all bills, fees and charges.

a. The City will set a disconnection of service fee at no more than fifty dollars ($50), but not to exceed the actual cost of disconnection if it is less. Disconnection fees shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021. For the reconnection of residential service during nonoperational hours, the City shall set a reconnection of service fee, which shall be combined with the disconnection of service fee, and the two combined shall not be more than one hundred fifty dollars ($150), but not to exceed the actual cost if it is less. Nonoperational hours reconnection fees, including the disconnection service fee, shall be subject to an annual adjustment for changes in the Consumer Price Index beginning January 1, 2021.

b. The City will endeavor to make such reconnection as soon as practicable as a convenience to the customer. The City shall make the reconnection no later than the end of the next regular working day following the customer's request and payment of all outstanding water charges, penalties, and any and all applicable disconnection/reconnection charges up to and including pre-payment deposits.

ORDINANCE NO. 2975

AN ORDINANCE OF THE CITY OF REDLANDS AMENDING CHAPTER 13.12 OF THE REDLANDS MUNICIPAL CODE TO ENSURE COMPLIANCE WITH STATE REGULATIONS FOR WATER CHARGES DUE DATES, REFUNDS & ADJUSTMENTS, PREPAYMENT REQUIREMENTS, AND BILLING & DEPOSIT FOR SOLID WASTE SERVICES

WHEREAS, Ordinance No. 2975 would amend Section 13.12.025 (Alternative Payment Plans) of Chapter 13.12 (Water Charges) of the Redlands Municipal Code to modify the alternative payment plan procedures according to the provisions of Senate Bill 3 (2024)

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDLANDS DOES ORDAIN AS FOLLOWS:

SECTION 1. Section 13.12.025, entitled "Alternative Payment Plan," is hereby amended in the Redlands Municipal Code to read as follows:

"13.12.025: ALTERNATIVE PAYMENT PLAN:

A. The City shall offer an alternative payment plan to a water service customer under certain circumstances and under terms and conditions set by resolution of the city council. A customer shall be eligible for an alternative payment plan if all three (3) of the following circumstances are satisfied:

    1. The customer is willing to enter into an alternative payment schedule with respect to all delinquent charges.

    2. The customer is not currently in default on any other pre-existing alternative payment plan under this section.

    3. The customer has not been in default on their municipal services account for longer than sixty (60) days

B. The customer must comply with the payment plan and remain current as charges accrue in each subsequent billing period. The customer may not request further payment plans for any subsequent unpaid charges while paying delinquent charges pursuant to a payment plan. Where the customer fails to comply with the terms of the payment plan for sixty (60) days or more, meaning that the full agreed upon payment is not made toward

the unpaid delinquent balance on his or her account, the City may discontinue water service per Section 13.12.020 C to the extent authorized by law.

SECTION 2. Severability. If any section, sentence, clause or phrase of this ordinance or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provisions or application, and to this end the provisions of this ordinance are severable. The City Council of the City of Redlands hereby declares that it would have adopted this ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

SECTION 3. The Mayor shall sign this ordinance and the City Clerk shall certify to the adoption of this ordinance and shall cause it, or a summary of it, to be published once in a newspaper of general circulation within the City and thereafter this ordinance shall take effect as provided by law.

ATTEST: _____
Mario Saucedo, Mayor

_____
Jeanne Donaldson, City Clerk

I, Jeanne Donaldson, City Clerk of the City of Redlands, hereby certify that the foregoing ordinance was duly adopted by the City Council at a regular meeting thereof held on the 4th day of February, 2025, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Jeanne Donaldson, City Clerk

ORDINANCE NO. 2975

AN ORDINANCE OF THE CITY OF REDLANDS AMENDING CHAPTER 13.12 OF THE REDLANDS MUNICIPAL CODE TO ENSURE COMPLIANCE WITH STATE REGULATIONS FOR WATER CHARGES DUE DATES, REFUNDS & ADJUSTMENTS, PREPAYMENT REQUIREMENTS, AND BILLING & DEPOSIT FOR SOLID WASTE SERVICES

WHEREAS, Ordinance No. 2975 would amend Section 13.12.025 (Alternative Payment Plans) of Chapter 13.12 (Water Charges) of the Redlands Municipal Code to modify the alternative payment plan procedures according to the provisions of Senate Bill 3 (2024)

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF REDLANDS DOES ORDAIN AS FOLLOWS:

Section 1. Section 13.12.025, entitled "Alternative Payment Plan," is hereby amended in the Redlands Municipal Code to read as follows:

"13.12.025: ALTERNATIVE PAYMENT PLAN:

A. The City shall offer an alternative payment plan to a water service customer under certain circumstances and under terms and conditions set by resolution of the city council. A customer shall be eligible for an alternative payment plan if all three (3) of the following circumstances are satisfied:

~~1. The customer, or tenant of the customer, submits to the City the certification of a primary care provider, as that term is defined in Section 14088(A)(1)(b) of the Welfare and Institutions Code, that discontinuation of residential water service will be life threatening to, or pose a serious threat to, the health and safety of a resident of the premises where residential water service is provided.~~

~~2. The customer demonstrates that he or she is financially unable to pay for residential water service within the City's normal billing cycle.~~

1. The customer is willing to enter into an alternative payment schedule with respect to all delinquent charges.

2. The customer is not currently in default on any other pre-existing alternative payment plan under this section.

3. The customer has not been in default on their municipal services account for longer than sixty (60) days

B. The customer must comply with the payment plan and remain current as charges accrue in each subsequent billing period. The customer may not request further payment plans for any subsequent unpaid charges while paying delinquent charges pursuant to a payment plan. Where the customer fails to comply with the terms of the payment plan for sixty (60) days or more, meaning that ~~no~~ the full agreed upon payment is not made toward the unpaid delinquent balance on his or her account, the City may discontinue water service per Section 13.12.020 C to the extent authorized by law.

Section 2. Severability. If any section, sentence, clause or phrase of this ordinance or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provisions or application, and to this end the provisions of this ordinance are severable. The City Council of the City of Redlands hereby declares that it would have adopted this ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 3. The Mayor shall sign this ordinance and the City Clerk shall certify to the adoption of this ordinance and shall cause it, or a summary of it, to be published once in a newspaper of general circulation within the City and thereafter this ordinance shall take effect as provided by law.

ATTEST: _____
Mario Saucedo, Mayor

_____
Jeanne Donaldson, City Clerk

I, Jeanne Donaldson, City Clerk of the City of Redlands, hereby certify that the foregoing ordinance was duly adopted by the City Council at a regular meeting thereof held on the 21st day of January, 2025, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Jeanne Donaldson, City Clerk

City Council/Financing Authority Meeting **J. 6.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Introduction of Ordinance No. 2974 amending Section 2.48.040 of Chapter 2.48 of the Redlands Municipal Code relating to the Traffic and Parking Commission (Municipal Utilities and Engineering Director Harris)

MOTION(S):

If City Council determines the staff recommendation is appropriate, the following motion is provided:

I move to introduce Ordinance No. 2974.

RECOMMENDATION:

Staff recommends that the City Council introduce Ordinance No.2974 amending the Redlands Municipal Code relating to the Traffic and Parking Commission.

DISCUSSION:

The Redlands Traffic and Parking Commission (TPC) is a volunteer citizen commission that serves in an advisory capacity to the City Manager and City Council on general traffic and parking related matters. The seven (7) person commission was first established in 1994 and includes a student commissioner with full voting rights, each appointed by the Mayor with City Council approval. Representatives from the Redlands Police Department (RPD) and the Municipal Utilities and Engineering Department (MUED) support the TPC as ex officio advisory members.

Chapter 2.48, Section 2.48.040 of the Redlands Municipal Code (RMC) outlines the TPC duties as:

"It shall be the duty of the Traffic and Parking Commission to perform

educational activities in traffic matters, to supervise the preparation and publication of traffic reports, to receive complaints relating to traffic matters and to recommend to the City Council ways and means of improving traffic conditions and the administration and enforcement of traffic regulations. The Traffic and Parking Commission shall also advise the City Council on the development of adequate parking for commercial and retail uses, recommend policies to encourage, develop and support adequate parking within the City, recommend actions for the establishment of long-term parking plans for the City and in particular the downtown Redlands business area, and advise the City Council in the administration of resources for the development of parking. The commission may also assist other advisory groups such as the Planning Commission in matters relating to parking. The commission shall keep records of all of its acts and proceedings, and shall submit all of its recommendations to the City Council and to the City Manager."

In March 2023, the TPC began discussing potential revisions to this section of the RMC to more accurately define its duties, particularly related to motorized vs. non-motorized transportation, public vs. private parking facilities, and TPC vs. Planning Commission roles. On September 26, 2024, the TPC voted 5:0 in favor of recommending to City Council the following amendment to Section 2.48.080 of the RMC:

"It shall be the duty of the Traffic and Parking Commission to advise the City Engineer, Planning Commission, City Manager, and City Council, and to generally serve as a liaison between the general public and the City Council regarding traffic matters, including:

1. *Receiving complaints relating to motorized and non-motorized traffic and parking matters and the enforcement of traffic regulations within public rights-of-way and parking facilities and to recommend ways and means of improving traffic conditions;*
2. *Reviewing and providing input for traffic reports, studies, and analyses prepared by City staff and consultants related to public pedestrian, motorized and non-motorized transportation, and parking projects;*
3. *Reviewing and making recommendations on master plans, projects, and programs related to pedestrian, motorized, non-motorized, and mass transit facilities;*
4. *Advising the City Council with respect to on-street and public off-street parking, posting of speed limits, traffic calming alternatives, bicycle and pedestrian facilities, and traffic circulation;*

The commission shall keep records of all of its acts and proceedings and shall submit all of its recommendations to the City Council and to the City Manager."

The City Attorney reviewed the proposed language and recommended modifying the language to make clear that the TPC duties relate to city-initiated projects and programs that are not subject to review by the Planning

Commission. These changes will ensure that there are no conflicts with the duties of the Planning Commission and their review of projects that involve traffic analyses.

RPD, MUED, and Development Services Department staff support the TPC recommendation to amend Section 2.48.40 of the RMC.

Adoption of Ordinance No. 2974 is exempt from the California Environmental Quality Act (CEQA) because: (i) it is not a project within the meaning of Public Resources Code, Section 21065 because it has no potential to alter the physical environment; and (ii) pursuant to CEQA Guidelines Section 15061(b)(3).

ALTERNATIVES:

City Council may deny the staff recommendation and provide alternate direction.

STRATEGIC PLAN:

N/A

SUBMITTED BY:
John R. Harris, Municipal Utilities and Engineering Director

RECOMMENDED BY:
Charles M. Duggan Jr., City Manager

REVIEWED BY:
Yvette M. Abich Garcia, City Attorney
Janice McConnell, Assistant City Manager
Danielle Garcia, Management Services/Finance Director
Rachel Tolber, Police Chief

PREPARED BY:
John R. Harris, Municipal Utilities and Engineering Director

Fiscal Impact

Fiscal Year: FY 24/25

Discussion:

There is no fiscal impact associated with this action.

Attachments

Ordinance 2974 Clean
Ordinance 2974 Legislative
Ordinance_2974_Summary

ORDINANCE NO. 2974

AN ORDINANCE OF THE CITY OF REDLANDS AMENDING SECTION 2.48.040 OF CHAPTER 2.48 OF THE REDLANDS MUNICIPAL CODE RELATING TO THE TRAFFIC AND PARKING COMMISSION

Section 1. Section 2.48.040 of Chapter 2.48 of the Redlands Municipal Code, titled "TRAFFIC AND PARKING COMMISSION," is hereby amended to read as follows:

"2.48.040: DUTIES

It shall be the duty of the Traffic and Parking Commission to advise the City Engineer, Planning Commission, City Manager, and City Council, and to generally serve as a liaison between the general public and the City Council regarding traffic matters, including:

1. Receiving complaints relating to motorized and non-motorized traffic and parking matters and the enforcement of traffic regulations within public rights-of-way and parking facilities and to recommend ways and means of improving traffic conditions;

2. Reviewing and providing input for traffic reports, studies, and analyses prepared by City staff and consultants related to city-initiated public pedestrian, motorized and non-motorized transportation, and parking projects not subject to Planning Commission review;

3. Reviewing and making recommendations on city-initiated master plans, projects, and programs related to pedestrian, motorized, non-motorized, and mass transit facilities not subject to Planning Commission review; and

4. Advising the City Council with respect to on-street and public off-street parking, posting of speed limits, traffic calming alternatives, bicycle and pedestrian facilities, and traffic circulation.

The commission shall keep records of all of its acts and proceedings and shall submit all of its recommendations to the City Council and to the City Manager."

Section 2. If any section, sentence, clause or phrase of this ordinance or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provisions or application, and to this end the provisions of this ordinance are severable. The City Council of the City of Redlands hereby declares that it would have adopted this ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 3. The Mayor shall sign this ordinance and the City Clerk shall certify to the adoption of this ordinance and shall cause it, or a summary of it, to be published once in a newspaper of general circulation within the City, and thereafter, this ordinance shall take effect as provided by law.

_____
Mario Saucedo, Mayor

ATTEST:

_____
Jeanne Donaldson, City Clerk

I, Jeanne Donaldson, City Clerk, City of Redlands, hereby certify that the foregoing Ordinance was duly adopted by the City Council at the regular meeting thereof, held on the 21st day of January 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Jeanne Donaldson, City Clerk

ORDINANCE NO. 2974

AN ORDINANCE OF THE CITY OF REDLANDS AMENDING SECTION 2.48.040 OF CHAPTER 2.48 OF THE REDLANDS MUNICIPAL CODE RELATING TO THE TRAFFIC AND PARKING COMMISSION

Section 1. Section 2.48.040 of Chapter 2.48 of the Redlands Municipal Code, titled "TRAFFIC AND PARKING COMMISSION," is hereby amended to read as follows:

"2.48.040: DUTIES

~~It shall be the duty of the Traffic and Parking Commission to perform educational activities in traffic matters, to supervise the preparation and publication of traffic reports, to receive complaints relating to traffic matters and to recommend to the City Council ways and means of improving traffic conditions and the administration and enforcement of traffic regulations. The Traffic and Parking Commission shall also advise the City Council on the development of adequate parking for commercial and retail uses, recommend policies to encourage, develop and support adequate parking within the City, recommend actions for the establishment of long term parking plans for the City and in particular the downtown Redlands business area, and advise the City Council in the administration of resources for the development of parking. The commission may also assist other advisory groups such as the Planning Commission in matters relating to parking. The commission shall keep records of all of its acts and proceedings, and shall submit all of its recommendations to the City Council and to the City Manager. (Ord. 2265 § 1, 1994)~~

It shall be the duty of the Traffic and Parking Commission to advise the City Engineer, Planning Commission, City Manager, and City Council, and to generally serve as a liaison between the general public and the City Council regarding traffic matters, including:

1. Receiving complaints relating to motorized and non-motorized traffic and parking matters and the enforcement of traffic regulations within public rights-of-way and parking facilities and to recommend ways and means of improving traffic conditions;

2. Reviewing and providing input for traffic reports, studies, and analyses prepared by City staff and consultants related to city-initiated public pedestrian, motorized and non-motorized transportation, and parking projects not subject to Planning Commission review;

3. Reviewing and making recommendations on city-initiated master plans, projects, and programs related to pedestrian, motorized, non-motorized, and mass transit facilities not subject to Planning Commission review; and

4. Advising the City Council with respect to on-street and public off-street parking, posting of speed limits, traffic calming alternatives, bicycle and pedestrian facilities, and traffic circulation.~~;~~

The commission shall keep records of all of its acts and proceedings and shall submit all of its recommendations to the City Council and to the City Manager."

Section 2. If any section, sentence, clause or phrase of this ordinance or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provisions or application, and to this end the provisions of this ordinance are severable. The City Council of the City of Redlands hereby declares that it would have adopted this ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 3. The Mayor shall sign this ordinance and the City Clerk shall certify to the adoption of this ordinance and shall cause it, or a summary of it, to be published once in a newspaper of general circulation within the City, and thereafter, this ordinance shall take effect as provided by law.

_____
Mario Saucedo, Mayor

ATTEST:

_____
Jeanne Donaldson, City Clerk

I, Jeanne Donaldson, City Clerk, City of Redlands, hereby certify that the foregoing Ordinance was duly adopted by the City Council at the regular meeting thereof, held on the 21st day of January, 2025, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Jeanne Donaldson, City Clerk

Ordinance No. 2974, if adopted, will amend Redlands Municipal Code Chapter 2.48 ("Traffic and Parking Commission") to clarify the duties of the Traffic and Parking Commission. The City's intention to adopt Ordinance No. 2974 was publicly noticed in accordance with California law, and a public hearing is scheduled for February 2, 2025.

City Council/Financing Authority Meeting **J. 7.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Introduction of Ordinance No. 2978, establishing an exhaustion of administrative remedies procedure for challenges to fees, charges, and assessments, and consideration of Resolution No. 8657, amending the utility rate protest submission and tabulation procedure (Municipal Utilities and Engineering Director Harris)

MOTION(S):

If City Council determines the staff recommendation is appropriate, the following motions are provided:

I move that the City Council introduce Ordinance No. 2978; and,

I move that the City Council adopt Resolution No. 8657.

RECOMMENDATION:

Staff recommends that City Council introduce Ordinance No. 2978 and adopt Resolution No. 8657.

DISCUSSION:

The City operates water, wastewater, and solid waste utilities, each of which occasionally requires rate increases to generate revenue necessary to provide services and to operate, maintain, and improve infrastructure. The City also maintains a schedule of fees, charges, and assessments that apply to residents, businesses, and customers receiving specific services. In 1996, Proposition 218, the *Right to Vote on Taxes Act*, amended the California Constitution and established utility rate increase public noticing and protest requirements. In 2012, City Council adopted Resolution No. 7128 to establish a policy for the submission and tabulation of protests with respect to public hearings for proposed utility rate adjustments.

Proposition 218 limits utility rates and adjustments to amounts necessary to provide related services, justified by a cost of services study. Proposition 218 also requires a forty-five (45) day public notice of proposed rate increases and a public hearing to receive and tabulate written protests to the proposed rate increase. A proposed utility rate increase fails if formal protests are received from a simple majority of the utility customers. Resolution No. 7128 requires written protests to be submitted to the City Clerk prior to the end of the public hearing, limits protests to one (1) per land parcel, and establishes protest validation criteria. For transparency, Resolution No. 7128 is attached to the Proposition 218 public notice information that is distributed to each utility customer and parcel owner prior to the rate-setting public hearing. During the protest hearing, the City will keep written protests confidential until tabulation begins following the protest hearing. Once a protest is opened during that tabulation, it becomes a disclosable public record under state law. However, City staff may open and inspect protests before the hearing to identify them as such and to identify any legal objections for which a response is required under Government Code Section 53759.1(c)(5).

On September 25, 2024, Governor Newsom signed into law Assembly Bill 2257 (AB 2257), which authorizes local agencies the option of implementing new rate-setting procedures to limit litigated challenges. AB 2257 adds Government Code Sections 53759.1 and 53759.2 and became effective on January 1, 2025. Ordinance No. 2978 complies with AB 2257 and limits judicial actions or proceedings alleging noncompliance with the California Constitution or other applicable law for any new, increased, or extended fee, charge, or assessment levied by the City to persons who submitted to the City Clerk a timely, written objection to that fee, charge, or assessment specifying the grounds for alleging noncompliance. The Ordinance also limits the issues raised in any such judicial action or proceeding to those raised through the local agency's administrative remedies. For example, a person filing a lawsuit alleging a new or recently increased fee, charge, or assessment is unconstitutional must have first submitted a valid written protest to the City Clerk prior to the closing of the public hearing. Furthermore, the alleged unconstitutionality must have been included in the valid written protest submitted to the City Clerk. The Ordinance also requires the City staff to respond in writing, before or during the public hearing, to any timely written protests.

Adoption of Ordinance No. 2978 and Resolution No. 8657 is exempt from the California Environmental Quality Act (CEQA) because: (i) it is not a project within the meaning of Public Resources Code, Section 21065 because it has no potential to alter the physical environment; and (ii) pursuant to CEQA Guidelines Section 15061(b)(3), the so-called "common sense" exemption, for this same reason.

ALTERNATIVES:

City Council may deny the staff recommendation and provide alternate direction.

STRATEGIC PLAN:

N/A

SUBMITTED BY:
John R. Harris, Municipal Utilities and Engineering Director

RECOMMENDED BY:
Charles M. Duggan Jr., City Manager

REVIEWED BY:
Yvette M. Abich Garcia, City Attorney
Janice McConnell, Assistant City Manager
Danielle Garcia, Management Services/Finance Director
Tabitha Crocker, Facilities and Community Services Director
Brian Desatnik, Development Services Director
Chris Boatman, Assistant City Manager

PREPARED BY:
John R. Harris, Municipal Utilities and Engineering Director

Fiscal Impact

Fiscal Year: FY 24/25

Discussion:

There is no fiscal impact associated with this action.

Attachments

Resolution No. 7128
Ordinance No. 2978
Resolution No. 8657

RESOLUTION NO. 7128

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDLANDS ESTABLISHING A POLICY FOR THE SUBMISSION AND TABULATION OF PROTESTS WITH RESPECT TO PUBLIC HEARINGS FOR PROPOSED UTILITY RATE ADJUSTMENTS

WHEREAS, Article XIIID, section 6 of the California Constitution requires the City to consider written protests to certain proposed increases to utility rates; and

WHEREAS, the California Constitution does not offer specific guidance as to who is allowed to submit protests, how written protests are submitted, or how the city is to tabulate the protests;

BE IT RESOLVED by the City Council of the City of Redlands as follows:

Section 1. When notice of a public hearing with respect to a utility or other rate adjustments has been given by the City pursuant to Article XIIID, Section 6 of the California Constitution, the following guidelines shall apply:

A. Submission of Protests

1. Any property owner or utility customer may submit a written protest to the City Clerk, either by mail or delivery to the City Clerk's Office, 35 Cajon Street, Suite #4, Redlands, CA 92373 or by submitting the protest at the public hearing. Protests must be received by the end of the public hearing.

2. Each protest must state that it is a protest (or indicate opposition to the proposed rates). If the City has given notices for the public hearings regarding rates for both sewer and water service, and those hearings are to be held on the same date, then the protest may indicate whether it is made (i) with respect only to water rates, (ii) with respect only to sewer rates, or (iii) with respect to both water and sewer rates. If no limitation is indicated, the City will interpret the protest as covering all rates to be considered on the hearing date. Email or facsimile protests cannot be accepted. Although oral comments at the public hearing will not qualify as a formal protest unless accompanied by a written protest, the City Council welcomes input from the community during the public hearing on proposed fees.

3. A protest by a property owner that is a trust must be signed by the Trustee and identified as such with the signature (i.e., John Smith, Trustee for Smith Family trust). Protests by property owners that are corporations, partnerships, or similar entitles must be signed by a person authorized to execute documents on behalf of the property owner.

4. If a parcel served by the City is owned by more than a single record owner, or more than one name appears on the City's records as the customer for the property, or the customer is not the record owner, each owner or customer may

submit a protest, but only one protest will be counted per parcel and any one protest submitted in accordance with these rules will be sufficient to count as a protest for that property.

5. In order to be valid, a protest must bear date, designation of parcel address or parcel number, printed name, and original signature of the record owner or customer of record with respect to the property identified on the protest. The customer of record is the name of the person whose name is printed on the utility bills for the parcel. Except as set forth in paragraph 3 above, protests not bearing the original signature of a record owner or customer of record shall not be counted. Protests which have been altered by someone other than the person who signed them shall not be counted.

6. Any person who submits a protest may withdraw it by submitting to the City Clerk a dated, written request that the protest be withdrawn. The withdrawal of a protest shall contain sufficient information to identify the affected parcel and the name of the record owner or record customer who submitted both the protest and the request that it be withdrawn.

7. A fee protest proceeding is not an election.

8. To ensure transparency and accountability in the fee protest tabulation, protests shall constitute disclosable public records from and after the close of the public hearing.

B. Tabulation of Protests

1. The City Clerk shall determine the validity of all protests. The City Clerk shall not accept as valid any protest if the City Clerk determines that any of the following conditions exist:

    a. The protest does not identify a property that will be subject to proposed fees.
    b. The protest does not bear an original signature of a record owner or identified as trustee of the parcel identified on the protest or of a record customer of that parcel.
    c. The protest does not state its opposition to the proposed fees or is illegible.
    d. The protest has been altered in any way by someone other than the person who is signed to it.
    e. The protest was not received by the City Clerk before close of the public hearing on the proposed fees.
    f. A request to withdraw the protest was received by the City Clerk prior to the close of the public hearing on the proposed fees.

2. The City Clerk's decision that a protest is not valid shall constitute a final action of the City and shall not be subjected to any internal appeal.

3. A majority protest exists (50% plus one) if written protests are timely submitted and not withdrawn by the record owners, trustee, or customers with respect to, a majority of the properties subject to the proposed fee. If both water and sewer rates are being considered, a separate determination will be made for with respect to each of these two types of fees.

4. At the conclusion of the public hearing, the City Clerk shall count all protests received, including those received during the public hearing, and shall report the results to the City Council upon completion. If review of the protests received demonstrates that the number received is manifestly less than one-half of the parcels served by the City with respect to the fee which is the subject of the protest, then the City Clerk may advise the City Council of the absence of a majority protest without determining the validity of all protests.

5. If, at the conclusion of the public hearing, the City Clerk determines that the City Clerk will require additional time to count the protests, the City Clerk shall so advise the City Council, which may adjourn the meeting to allow the count to be completed on another day or days. If so, the City Council shall declare the time and place of the count, which shall be conducted in a place where interested members of the public may observe the counting, and the City Council shall declare the time at which its meeting shall be resumed to receive an act in the report of the City Clerk.

Section 2. The City Council hereby directs City staff to include the requirements described in Section 1.A of this Resolution, which govern the submission of written protests, within all notices of protest hearings that are mailed to property owners and customers of City utility services.

ADOPTED, SIGNED AND APPROVED this 6th day of March, 2012.

Pete Aguilar, Mayor

ATTEST:

Sam Irwin, City Clerk

I, Sam Irwin, City Clerk of the City of Redlands, hereby certify that the foregoing Resolution was duly adopted by the City Council at a regular meeting thereof, held on the 6th day of March 2012, by the following vote:

AYES: Councilmembers Harrison, Bean, Gardner; Mayor Aguilar
NOES: Councilmember Foster
ABSTAIN: None
ABSENT: None

Sam Irwin, City Clerk

ORDINANCE NO. 2978

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDLANDS ADOPTING AN ADMINISTRATIVE REMEDIES PROCEDURE FOR CHALLENGES TO FEES, CHARGES, AND ASSESSMENTS

THE CITY COUNCIL OF THE CITY OF REDLANDS DOES ORDAIN AS FOLLOWS:

Section 1. AUTHORITY. This Ordinance is authorized by the City's authority under California Constitution, article XI, sections 7 (police power) and 9 (utility power) as well as Government Code section 53759.1.

Section 2. CODE AMENDMENT. Chapter 3.04 ("Fiscal Procedures") of Title 3 ("Revenue and Finance") of the Redlands Municipal Code is hereby amended to modify the table of contents and to add a new section 3.04.080 to read as follows:

"SECTION:

3.04.010: Contract Signing And Attestation
3.04.020: Bond Requirement Authority
3.04.030: Payments To The City
3.04.040: Unpaid Negotiable Instruments
3.04.050: Handling Charge
3.04.060: Nonnegotiable Instruments
3.04.070: Collection Charge
3.04.080: Exhaustion of Administrative Remedies for Challenges to Fees, Charges and Assessments on Real Property"

…

"3.04.080: EXHAUSTION OF ADMINISTRATIVE REMEDIES FOR CHALLENGES TO FEES, CHARGES, AND ASSESSMENTS ON REAL PROPERTY:

A. Scope. The duty to exhaust administrative remedies imposed by this section extends to:

   a. any fee or charge subject to articles XIII C or XIII D of the California Constitution,

   b. any assessment on real property levied by the City, and

   c. the methodology used to develop and levy such a fee, charge, or assessment.

B. "Hearing" as used in this section means the hearing referenced in paragraph 4 of subsection D of this section.

C. Duty to Exhaust Issues. No person may bring a judicial action or proceeding alleging noncompliance with the California Constitution or other applicable law for any new, increased, or extended fee, charge, or assessment levied by the City, unless that person submitted to the City Clerk a timely, written objection to that fee, charge, or assessment specifying the grounds for alleging noncompliance. The issues raised in any such action or proceeding shall be limited to those raised in such an objection unless a court finds the issue could not have been raised in such an objection by those exercising reasonable diligence.

D. Procedures. The City shall:

(1) Make available to the public any proposed fee, charge, or assessment to which this section is to apply no less than 45 days before the deadline for a ratepayer or assessed property owner to submit an objection pursuant to paragraph 4 of this subsection D.

(2) Post on its internet website a written basis for the fee, charge, or assessment, such as a cost of service analysis or an engineer's report, and include a link to the internet website in the written notice of the Hearing, including, but not limited to, a notice pursuant to subdivision (c) of Section 4 or paragraph (1) of subdivision (a) of Section 6 of Article XIII D of the California Constitution.

(3) Mail the written basis described in paragraph 2 of this subsection D to a ratepayer or property owner on request.

(4) Provide at least 45 days for a ratepayer or assessed property owner to review the proposed fee or assessment and to timely submit to the City Clerk a written objection to that fee, charge, or assessment that specifies the grounds for alleging noncompliance. Any objection shall be submitted before the end of the public comment portion of a Hearing on the rate, charge or assessment.

(5) Include in a written notice of the Hearing, a statement in bold-faced type of 12 points or larger that:

(A) All written objections must be submitted to the City Clerk by the end of public comment period at the Hearing and that a failure to timely object in writing bars any right to challenge that fee, charge, or assessment in court and that any such action will be limited to issues identified in such objections.

(B) All substantive and procedural requirements for submitting an objection to the proposed fee, charge, or assessment such as those specified for a property-related fee under California Constitution, article XIII D, section 6(a) or for an assessment on real property under California Constitution, article XIII D, section 4(e).

E. Council Consideration; City Responses. Before or during the Hearing, the City Council shall consider and the City shall respond in writing to, any timely written objections. The City Council may adjourn the Hearing to another date if necessary to respond to comments received after the agenda is posted for the meeting at which the Hearing occurs. The City's responses shall explain the substantive basis for retaining or altering the proposed fee, charge, or

assessment in response to written objections, including any reasons to reject requested amendments.

F. City Council Determinations. The City Council, in exercising its legislative discretion, shall determine whether:

(1) The written objections and the City's response warrant clarifications to the proposed fee, charge, or assessment.

(2) To reduce the proposed fee, charge or assessment.

(3) To further review the proposed fee, charge, or assessment before determining whether clarification or reduction is needed.

(4) To proceed with the Hearing, to continue it, or to abandon the proposal."

Section 3. The City Council finds that adoption of this Ordinance is exempt from CEQA because: (i) it is not a project within the meaning of Public Resources Code, section 21065 because it has no potential to alter the physical environment; (ii) and pursuant to CEQA Guidelines section 15061(b)(3), the so-called "common sense" exemption, for this same reason.

Section 4. If any section, sentence, clause or phrase of this ordinance or the application thereof to any entity, person or circumstance is held for any reason to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect other provisions or applications of this ordinance which can be given effect without the invalid provisions or application, and to this end the provisions of this ordinance are severable. The City Council of the City of Redlands hereby declares that it would have adopted this ordinance and each section, sentence, clause or phrase thereof, irrespective of the fact that any one or more section, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

Section 5. The Mayor shall sign this ordinance and the City Clerk shall certify to the adoption of this ordinance and shall cause it, or a summary of it, to be published once in a newspaper of general circulation within the City, and thereafter, this ordinance shall take effect as provided by law.

_____
Mario Saucedo, Mayor

ATTEST:

_____
Jeanne Donaldson, City Clerk

I, Jeanne Donaldson, City Clerk, City of Redlands, hereby certify that the foregoing Ordinance was duly adopted by the City Council at the regular meeting thereof, held on the 21st day of January 2025, by the following vote:

AYES:

NOES:

ABSENT:

_____

Jeanne Donaldson City Clerk

RESOLUTION NO. 8657

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF REDLANDS AMENDING AND RESTATING A POLICY FOR THE SUBMISSION AND TABULATION OF PROTESTS WITH RESPECT TO PUBLIC HEARINGS FOR PROPOSED UTILITY RATE ADJUSTMENTS AND REPEALING RESOLUTION NO. 7128

WHEREAS, Article XIIID, section 6 of the California Constitution requires the City to consider written protests to certain proposed increases to utility rates; and

WHEREAS, the California Constitution does not offer specific guidance as to who is allowed to submit protests, how written protests are submitted, or how the city is to tabulate the protests; and

WHEREAS, the Redlands City Council adopted a policy in 2012 which it now updates as set forth in this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF REDLANDS AS FOLLOWS:

Section 1. When notice of a public hearing with respect to a utility or other rate adjustments has been given by the City pursuant to Article XIIID, Section 6 of the California Constitution, the following guidelines shall apply:

A. Submission of Protests

1. Any property owner or utility customer may submit a written protest to the City Clerk, either by mail or delivery to the City Clerk's Office, 35 Cajon Street, Suite #4, Redlands, CA 92373 or by submitting the protest at the public hearing. Protests must be received by the end of the public hearing.

2. Each protest must state that it is a protest (or indicate opposition to the proposed rates). If the City has given notices for the public hearings regarding rates for both sewer and water service, and those hearings are to be held on the same date, then the protest may indicate whether it is made (i) with respect only to water rates, (ii) with respect only to sewer rates, or (iii) with respect to both water and sewer rates. If no limitation is indicated, the City will interpret the protest as covering all rates to be considered on the hearing date. Email or facsimile protests cannot be accepted. Although oral comments at the public hearing will not qualify as a formal protest unless accompanied by a written protest, the City Council welcomes input from the community during the public hearing on proposed fees.

3. A protest by a property owner that is a trust must be signed by the Trustee and identified as such with the signature (i.e., John Smith, Trustee for Smith Family trust). Protests by property owners that are corporations, partnerships, or similar entitles must be signed by a person authorized to execute documents on behalf of the property owner.

4. If a parcel served by the City is owned by more than a single record owner, or more than one name appears on the City's records as the customer for the property, or the customer is not the record owner, each owner or customer may submit a protest, but only one protest will be counted per parcel and any one protest submitted in accordance with these rules will be sufficient to count as a protest for that property.

5. In order to be valid, a protest must bear date, designation of parcel address or parcel number, printed name, and original signature of the record owner or customer of record with respect to the property identified on the protest. The customer of record is the name of the person whose name is printed on the utility bills for the parcel. Except as set forth in paragraph 3 above, protests not bearing the original signature of a record owner or customer of record shall not be counted. Protests which have been altered by someone other than the person who signed them shall not be counted.

6. Any person who submits a protest may withdraw it by submitting to the City Clerk a dated, written request that the protest be withdrawn. The withdrawal of a protest shall contain sufficient information to identify the affected parcel and the name of the record owner or record customer who submitted both the protest and the request that it be withdrawn.

7. A fee protest proceeding is not an election.

8. To protect the privacy rights of persons who submit protests, the City will keep written protests confidential until tabulation begins following the protest hearing. Once a protest is opened during that tabulation, it becomes a disclosable public record under state law. However, City staff may open and inspect protests before the hearing to identify them as such and to identify any legal objections for which a response is required under Government Code Section 53759.1(c)(5).

B. Tabulation of Protests

1. The City Clerk shall determine the validity of all protests. The City Clerk shall not accept as valid any protest if the City Clerk determines that any of the following conditions exist:

    a. The protest does not identify a property that will be subject to proposed fees.

b. The protest does not bear an original signature of a record owner or identified as trustee of the parcel identified on the protest or of a record customer of that parcel.
c. The protest does not state its opposition to the proposed fees or is illegible.
d. The protest has been altered in any way by someone other than the person who is signed to it.
e. The protest was not received by the City Clerk before close of the public hearing on the proposed fees.
f. A request to withdraw the protest was received by the City Clerk prior to the close of the public hearing on the proposed fees.

2. The City Clerk's decision that a protest is not valid shall constitute a final action of the City and shall not be subjected to any internal appeal.

3. A majority protest exists (50% plus one) if written protests are timely submitted and not withdrawn by the record owners, trustee, or customers with respect to, a majority of the properties subject to the proposed fee. If both water and sewer rates are being considered, a separate determination will be made for with respect to each of these two types of fees.

4. At the conclusion of the public hearing, the City Clerk shall count all protests received, including those received during the public hearing, and shall report the results to the City Council upon completion. If review of the protests received demonstrates that the number received is manifestly less than one-half of the parcels served by the City with respect to the fee which is the subject of the protest, then the City Clerk may advise the City Council of the absence of a majority protest without determining the validity of all protests.

5. If, at the conclusion of the public hearing, the City Clerk determines that the City Clerk will require additional time to count the protests, the City Clerk shall so advise the City Council, which may adjourn the meeting to allow the count to be completed on another day or days. If so, the City Council shall declare the time and place of the count, which shall be conducted in a place where interested members of the public may observe the counting, and the City Council shall declare the time at which its meeting shall be resumed to receive an act in the report of the City Clerk.

Section 2. The City Council hereby directs City staff to include the requirements described in Section 1.A of this Resolution, which govern the submission of written protests, within all notices of protest hearings that are mailed to property owners and customers of City utility services.

Section 3. Resolution No. 7128 is hereby repealed.

ADOPTED, SIGNED AND APPROVED this 21st day of January, 2025.

_____
Mario Saucedo, Mayor

ATTEST:

_____
Jeanne Donaldson, City Clerk

I, Sam Irwin, City Clerk of the City of Redlands, hereby certify that the foregoing Resolution was duly adopted by the City Council at a regular meeting thereof, held on the 20th day of March 2012, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Sam Irwin, City Clerk

City Council/Financing Authority Meeting **J. 8.**

DATE: 01/21/2025

TO: Honorable Mayor and City Council Members

SUBJECT: Consideration of the twelve (12) year sole source Wastewater Treatment Plant Membrane Bioreactor filter preventive maintenance and replacement Agreement with Zenon Environmental Corporation with $219,578 annual payments, for a total value of $2,634,939, and determination that this action is exempt from environmental review pursuant to Section 15061(b)(3) of the state's guidelines implementing the California Environmental Quality Act (Municipal Utilities and Engineering Director Harris)

MOTION(S):

If City Council determines the staff recommendation is appropriate, the following motions are provided:

1. I move that City Council determine that approval of the Wastewater Treatment Plant Membrane Bioreactor filter preventive maintenance and replacement Agreement with Zenon Environmental Corporation is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act; and
2. I move City Council approval of a twelve (12) year sole source Wastewater Treatment Plant Membrane Bioreactor filter preventive maintenance and replacement Agreement with Zenon Environmental Corporation with $219,578 annual payments, for a total value of $2,634,939.

RECOMMENDATION:

Staff recommends that City Council determine that approval of a twelve (12) year sole source Wastewater Treatment Plant Membrane Bioreactor filter preventive maintenance and replacement Agreement with Zenon Environmental Corporation is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act, and approve the Agreement, which includes $219,578 annual payments, for a total value of $2,634,939.

DISCUSSION:

In 2004, the City's Wastewater Treatment Plant (WWTP) treatment process was upgraded with a ZENON Environmental Corporation (ZENON) Membrane Bioreactor (MBR) filter facility. This MBR system uses semi-permeable membrane filters to treat raw wastewater influent to State Water Resources Control Board Title 22 standards, in accordance with its 2019 Water Recycling Policy, before distributing the treated effluent (recycled water) to customers for use as landscape irrigation water, and/or percolating into the groundwater basin. A portion of this recycled water is also distributed to the Southern California Edison Mountainview Generating Station for use as cooling tower water. In 2020, City Council approved an Agreement with Veolia Water Technologies and Solutions (Veolia) to purchase and install replacement MBR filters manufactured by ZENON.

In 2021, Veolia acquired ZENON. Recently, MUED staff collaborated with Veolia to develop a MBR preventive maintenance and replacement program specifically designed for the City's WWTP. This program includes annual inspections, testing, and preventive maintenance practices that will maximize the service life of the MBR system, and includes the supply and installation of replacement MBR cassettes near the end of the twelve (12) year program term. This program resolves supply chain issues that continue to plague the wastewater treatment industry, and provides remote technical support around the clock. The program also provides MBR cassette replacement timing flexibility to ensure WWTP performance is not compromised.

Purchasing MBR filters from another vendor would require a significant investment in additional engineering, construction, and permitting. Therefore, staff recommends City Council approval to waive typical competitive procurement practices and purchase replacement MBR filters and associated services directly from Veolia. The annual cost of this Agreement is $219,578, for a total cost of $2,634,939 during the twelve (12) year Agreement term.

Approval of this agreement is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act since it can be seen with certainty that there is no possibility that doing so will have a significant effect on the environment.

ALTERNATIVES:

City Council may deny the staff recommendation and provide alternate direction.

STRATEGIC PLAN:

Priority D "Sustainability", Strategic Objective 3 "Infrastructure" - Develop and implement Water and Wastewater Utility Master Plans to ensure facilities are improved and maintained to meet the needs of our expanding community.

SUBMITTED BY:
John R. Harris, Municipal Utilities and Engineering Director

RECOMMENDED BY:
Charles M. Duggan Jr., City Manager

REVIEWED BY:
Yvette M. Abich Garcia, City Attorney
Janice McConnell, Assistant City Manager
Danielle Garcia, Management Services/Finance Director
Dana Abramovitz-Daniel, Procurement Manager

PREPARED BY:
Fernando Mata, Wastewater Utility Manager

Fiscal Impact

Fiscal Year:	FY 24/25
Revenue Generating:	No
Appropriation Required Y/N:	No
Amount:	$219,578
Budgeted Y/N:	Yes
Account No.:	521900

Discussion:

There is no fiscal impact associated with this action. The MUED Wastewater Service budget includes funding for this expenditure.

Attachments

Agreement
Sole Source Form Zenon

Membrane Replacement Agreement

To:	City of Redlands, California, referred to here as Redlands or Buyer	**Date:**	Dec 20, 2024
		No. of Pages:	38 including cover
Attention:	Fernando Mata	**Email:**	fmata@cityofredlands.org
Plant Address:	1950 Nevada Street, Redlands, California 92374 USA	**Telephone:**	909 798 7506 ext-2
From:	Jason Diamond Regional Lifecycle Manager Western USA	**Email:** **Cell No.:**	Jason.Diamond@veolia.com 905 399 7055
CC:	Matt Rebmann (CHC)		
Subject:	Membrane Replacement Agreement: materials, off-site and on-site support	**Proposal No.:** **Original Project No.:**	587585-2 500133
Plant Data:	Please provide corrections if inaccurate Redlands Wastewater Treatment Plant, municipal sanitary wastewater treatment. Initial plant – 6 trains, 15 cassettes per train. 18 cassettes added in 2008 to fill spare space and increase capacity. Original substantial completion date: July 6, 2004. Current plant – 6 trains, 14 x 16/16M cassettes with ZW500D 370ft2 membranes, commissioning finalized September 2020.		

Proposal Provisos

This proposal has been issued based on the information provided by the customer and on information currently available to Veolia Water Technologies & Solutions at the time of proposal issuance. Any changes or discrepancies in site conditions, including but not limited to changes in system influent water characteristics, changes in environmental health and safety (EH&S) conditions, changes in the reissued state/provincial disposal system permit, changes in buyer financial standing, buyer requirements, or any other relevant change or discrepancy in the factual basis upon which this proposal was created may lead to changes in the offering, including but not limited to changes in pricing, guarantees, quoted specifications, or terms and conditions.

DISCLOSURE OF INFORMATION.

a. Confidential Information. From time to time during the Term, either Party may disclose or make available to the other Party information about its business affairs, products, confidential intellectual property, trade secrets, third-party confidential information, and other sensitive or proprietary information which are expressly and clearly marked as confidential when provided to either Party (collectively, "Confidential Information"). Each Party shall hold the other's Confidential Information in confidence and not make the other's Confidential Information available to any third party or use the other's Confidential Information for any purpose other than the implementation of this Agreement. Each Party shall take all reasonable steps to ensure that the other's Confidential Information to which it has access is not disclosed or distributed by its employees or agents in violation of the terms of this Agreement.

b. Notwithstanding subsection (a), a Party may disclose Confidential Information to the extent such Confidential Information is:

(i) as contemplated to provide the Services or otherwise explicitly authorized under this Agreement; or

(ii) disclosed to the receiving Party's Affiliates and its and their employees or representatives who have a need to know the Confidential Information; or

(iii) to comply with a subpoena or the order of court or other governmental body of competent jurisdiction; provided, however, to the extent it is legally permitted to do so, it gives the other Party advance notice of such disclosure; or

(iv) as otherwise necessary to comply with applicable local, state or federal law or regulation; or

(v) to establish a Party's rights under this Agreement, including to make required court filings.

c. Exclusions. Confidential Information does not include this Agreement, and information that, at the time of disclosure is: (i) in the public domain through no fault of the receiving Party; (ii) known to the receiving Party at the time of disclosure on a non-confidential basis; (iii) rightfully obtained by the receiving Party on a non-confidential basis from a third party; or (iv) independently developed by the receiving Party.

Trademarks

The following are trademarks of Veolia Water Technologies & Solutions and may be registered in one or more countries:

+100, ABMet, Absolute.Z, Absolute.Za, AccuSensor, AccuTrak, AccuTrak PLUS, ActNow, Acufeed, ALGAECAP, AmmCycle, Apogee, APPLICATIONS ATLAS, AquaFloc, AquaMax, Aquamite, Aquaplex, AquaSel, Aquatrex, Argo Analyzer, AutoSDI, BENCHMARK, Betz, BetzDearborn, BEV Rite, BioHealth, BioMate, BioPlus, BIOSCAN, Bio-Trol, Butaclean, Certified Plus, CheckPoint, ChemFeed, ChemSensor, ChemSure, CHEX, CleanBlade, CLOROMAT, CoalPlus, COMP-METER, COMP-RATE, COMS (Crude Overhead Monitoring System), Continuum, CopperTrol, CorrShield, CorTrol, Custom Clean, Custom Flo, Cyto3, DataGuard, DataPlus, DataPro, De:Odor, DELTAFLOW, DEOX, DeposiTrol, Desal, Dianodic, Dimetallic, Dispatch Restore, Durasan, DuraSlick, Durasolv, Duratherm, DusTreat, E-Cell, E-Cellerator, ELECTROMAT, Embreak, EndCor, EXACT, FACT-FINDER, Feedwater First, Ferrameen, Ferroquest, FilterMate, Fleet View, FloGard, Flotrex, Flotronics, FoamTrol, FoodPro, Fore4Sight, ForeSight, FRONTIER, FS CLEAN FLOW, FuelSolv, Full-Fit, G.T.M., GenGard, GEWaterSource, Glegg, Heat-Rate Pro, High Flow Z, HPC, HPD Process, HyperSperse, Hypure, Hytrex, InfoCalc, InfoScan, InfoTrac, InnovOx, InSight, IONICS, IONICS EDR 2020, IPER (Integrated Pump & Energy Recovery), iService, ISR (Integrated Solutions for Refining), JelCleer, KlarAid, Kleen, LayUp, Leak Trac, Leakwise, LEAPmbr, LEAPprimary, Learning Source, LOGIX, LoSALT, M-PAK, MACarrier, Mace, Max-Amine, MegaFlo, Membrex, MemChem, Memtrex, MerCURxE, MetClear, MiniWizard, MK-3, MOBILEFLOW, MobileRO, Modular Pro, ModuleTrac, MonitAll, Monitor, Monitor Plus, Monsal, MP-MBR,

MULTIFLOW, Muni.Z, NEWater, NGC (Next Generation Cassette), Novus, NTBC (Non Thermal Brine Concentrator), OptiGuard, OptiSperse, OptiTherm, Osmo, Osmo PRO, Osmo Titan, Osmonics, Pacesetter, PaceSetter, Petroflo, Petromeen, pHlimPLUS, PICOPORE, PlantGuard, PolyFloc, PowerTreat, Predator, PRO E-Cell, Pro Elite, ProCare, Procera, ProChem, Proof Not Promises, ProPAK, ProShield, ProSolv, ProSweet, Purtrex, QSO (Quality System Optimization), QuickShip, RCC, RE:Sep, Rec-Oil, Recurrent, RediFeed, ReNEW, Renewell, Return on Environment, RMS (Rackless Modular System), ROSave.Z, SalesEdge, ScaleTrol, SeaPAK, SeaPRO, SeaSMART, Seasoft, SeaTECH, Selex, Sensicore, Sentinel, Sepa, Sevenbore, Shield, SIDTECH, SIEVERS, SmartScan, SoliSep, SolSet, Solus, Spec-Aid, Spectrus, SPLASH, Steamate, SteriSafe, Styrex, SUCROSOFT, SUCROTEST, Super Westchar, SuperStar, TFM (Thin Film Membrane), Therminator, Thermoflo, Titan RO, TLC, Tonkaflo, TraveLab, Trend, TruAir, TrueSense, TurboFlo, Turboline, Ultrafilic, UsedtoUseful, Vape-Sorber, VeriFeed, VersaFlo, Versamate, VICI (Virtual Intelligent Communication Interface), V-Star, WasteWizard, WATER FOR THE WORLD, Water Island, Water-Energy Nexus Game, WaterGenie, WaterNODE, WaterNOW, WaterPOINT, WellPro.Z, XPleat, YieldUp, Z-BOX, Z-MOD, Z-PAK, Z-POD, ZCore, ZeeBlok, ZeeLung, ZeeWeed, ZENON, and Z.Plex.

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1 Introduction

Veolia Water Technologies & Solutions is pleased to present this proposal to initiate a Membrane Replacement Agreement (MRA) with the City of Redlands for wastewater membrane replacement and cassette refurbishment at the Redlands WWTP.

It is expected that Redlands will require replacement membranes within the next 12 years and that membrane replacement will be staggered, with one train replaced per replacement event.

The scope of this agreement will include the following:

- ZW500D membrane replacement;
- ZW500D refurbishment kits for 16/16M cassettes;
- On-site membrane installation and cassette refurbishment assistance for the first replacement event;
- Service Support:
  - 24/7 Telephone Technical Support – 12 years;
  - InSight – process consulting service
    - InSight Pro level service – 12 years
    - InSight hardware replacement in years 4, 7 and 10
  - Annual service visits – 12 years.

Details of the scope are set out in the sections below.

Veolia is a proven leader in delivering tangible value to our clients over the life of the plant. Our measure of success is how well we deliver **solutions** that help our clients meet their critical business objectives. Benefits of this agreement include:

- Timely lifecycle costs over the period of the agreement
- Planned membrane replacement

Through long-acquired membrane experience, Veolia has clearly distinguished itself from other membrane manufacturers. A mature service culture and deep technical expertise are at the ready to serve and support customer short name through this next membrane lifecycle.

Veolia would like to note that under the current exceptional circumstances across global supply chains and logistics networks, Veolia may not be in a position to guarantee and comply with the planned schedule for product / project delivery or performance. Veolia reserves the right to modify the schedule / contract accordingly. Veolia will promptly inform you of any changes which may impact the contract or the project.

2 Membrane Replacement Agreement

Through the term of this agreement, Veolia will provide a quantity of replacement membranes equivalent to the surface area (ft^2) of the existing full plant of membranes at the Redlands WWTP.

Based on the projected life of the current membranes and the planned start date of this agreement, Veolia recommends the following replacement schedule*:

Agreement Year:	1	2	3	4	5	6	7	8	9	10	11	12	Total
370ft^2 replaced						224	224	224	224	224	224		**1,344**
430ft^2 provided						192	192	192	192	192	192		**1,152**

*Through the term of this agreement, Veolia will work with Redlands to determine the actual timing of replacement events based on plant performance and membrane condition, with the ultimate goal to maximize membrane life.

It is possible that, through virtue of good membrane management and plant operation, Redlands may extend membrane life of the current membranes beyond the end date of this agreement. To avoid unnecessary premature replacement, Redlands may choose to defer delivery of membranes into a future year provided that all membranes are received and accepted within a 3-year period following final billing for the agreement.

This membrane replacement agreement provides assurance to the City of Redlands that over the course of the agreement, Veolia will provide the membrane modules specified or equivalent for use at the Redlands WWTP.

For optimal economics and to follow best membrane replacement practices, pricing is based on replacing multiples of at least 1 train worth of membranes at a time. Should Redlands request quantities other than a minimum of 1 full train per installation event over the term of this agreement, an adjustment to the annual invoice may be made to account for additional costs.

*Pricing is based on the proposed replacement schedule provided in the table above. If the actual shipment schedule is accelerated, additional cost/payments may be required.

3 Veolia Scope & Price

Veolia's scope includes the material and services outlined in the table below. The sections that follow provide additional detail regarding each scope item.

Item Description	Part #	Quantity	Price*
ZW500D RX12 430ft^2 membranes, section 4.1	3168300	1,152	2,241,759
2-year full replacement + 13 year extended prorated membrane warranty, section 14		Incl.	
Cassette refurbishment components, section 4.3		Lot	
Hardware, section 4.2		Lot	
Off-site support, project management, section 5.1		Incl.	
International shipment, fees and duties, section 6		Incl.	24,780
Freight, DDP project site, section 6	3095534	Incl.	7,360
<u>On-site support – first replacement event</u>: -2 x FSRs, each on-site for 8 x 10-hour days plus travel & living, section 5.2	135491	1 visit	42,240
<u>Service Support</u>: -24/7 Telephone Technical Support, section 8 -InSight, section 9: -Process Analyst service -Hardware replacement -Service visits – 1 x FSR, 2 x 8-hour days on-site plus travel and living, section 10		-12 years -12 years -3 sets -12 visits	293,223
Total			**2,608,976**
All figures are in USD. Membrane prices are inclusive of 7.75% sales tax. Applicable taxes for all other materials, off-site and on-site support will be applied at the time of invoicing. Please make purchase order to ZENON Environmental Corporation.			
An amount of $136,296 has been included above for 7.75% tax on the membranes and an additional 1% will be added for current 8.75% tax rate.		Sub-total	17,587
An amount of $25,963 is estimated for 8.75% tax on the remaining materials in addition to the stated total price. Applicable taxes at the current rate at the time of invoicing will be applied.		Sub-total	25,963
Total inclusive of all estimated taxes			**2,634,939**
Annual payment (with estimated taxes, actual tax rate at time of invoicing will be included)			219,578

*Prices provided above for the total and annual fee are prior to annual inflation adjustments.

*Pricing for the 12 years of Service Support includes a reduction for services already purchased by Redlands, set to expire March 30, 2025.

The annual fee is based on a proposed 12-year payment plan starting in 2024 and will be subject to annual adjustment through the term of the agreement according to the unadjusted US CPI, All Cities Average.

Annual Adjustments:

$$\text{Annual Fee} \times \left(1 + \left(\frac{(\text{CPI-1} - \text{CPI-2})}{\text{CPI-2}}\right)\right)$$

Where **CPI-1** is the current month/year and **CPI-2** is the month/year 12 months prior. The index used will be the latest available at the time of each calculation – which will typically occur just prior to the start of each agreement year. Each adjustment will be applied to the annual fee in place at the time of each calculation.

In any instance of a reduction in the year-over-year inflation indexes, the annual invoice value will be held the same as the previous year.

The annual fee will be invoiced each year at the beginning of the period. Should the agreement be terminated for any reason, please see section 15 item 8.

Proposal Notes:

- ***Shipment/Collection Delays:*** *The membrane sale will be subject to price adjustment if not collected within 1 month of Readiness for Shipment. After the one month of Readiness for Shipment if Purchaser does not send its agreement to receive or collect the membranes (depending on Incoterms), Seller is entitled to reallocate the membranes to another customer.*

4 Material Description

The following materials are provided within Veolia's scope of supply.

4.1 Membrane Modules

Veolia will provide 1,152 x ZeeWeed 500D RX12 430ft² wastewater membrane modules. See Attachment A for further product information.

4.2 Hardware

Veolia will provide the following hardware over the term of the agreement:

- 240 x #118 EPDM permeate spigot o-rings – 3033690;
- 60 x ZW500D element end cap keys – 3040447;
- 18 x ZW500D blank header sets – 3033393;
- 6 x o-ring lubricant (food grade) – 3089920;
- 6 x anti-seize lubricant (food grade) – 3158322.

4.3 Cassette Refurbishment

Veolia will supply components for refurbishment of 72 x ZW500D 16/16M LEAPmbr cassettes, including spares. See Attachment B for further details.

Cassette refurbishment service allows you to fully recondition your cassettes at less cost than purchasing new cassettes. Cassettes will be refurbished at the Redlands facility. Cassette refurbishment includes the following:

- Removal of all existing plastic parts and associated hardware;
- If slack adjustment has been completed on cassettes, return the cassettes to the initial factory membrane slack position;
- Installation of all new, current design parts (module mountings, securing mechanisms), and all associated hardware;
- On-site cassette refurbishment service by trained Veolia field service representatives for the first replacement event only – details provided in sections 5.2 and 11.2.

4.4 Contractual Basis for Guaranteed Replacement Price

The base price of replacement ZW500D 370ft^2 membrane modules for this project is the GUARANTEED MODULE REPLACEMENT PRICE of USD$ 1,150 per module or a maximum equivalent price per gallon of treatment capacity in the event that the module area/permeability etc. changes such that the same amount of feed water can be treated with fewer modules of the next generation design, as specified in SECTION 4 – FORMS, on page 11 of SUEZ proposal #042529 revision 13 dated December 31, 2019, as below.

2	GUARANTEED MAXIMUM MEMBRANE MODULE REPLACEMENT PRICE DURING WARRANTY PERIOD OF ~~10~~ 15 YEARS	one thousand one hundred fifty dollars	$ 1,150
3	GUARANTEED MAXIMUM NEW MEMBRANE MODULE PURCHASE PRICE	one thousand one hundred fifty dollars	$ 1,150
4	TOTAL PRICE FOR ONE ADDITIONAL FINE SCREEN	two hundred thirty-three thousand one hundred fifty-three dollars	$ 233,153

Veolia has guaranteed this price for 15 years subject to adjustment for inflation (unadjusted US CPI, All Cities Average) or a maximum equivalent price per gallon of treatment capacity in the event that the module area/permeability etc. changes such that the same amount of feed water can be treated with fewer modules of the next generation design.

GMMP price escalation - calculation of inflation begins on January 2020 (month of execution of purchase agreement). GMRP validity will expire at the end of business on September 30, 2035 (15 years from the date of substantial completion).

Replacement membrane price is quoted DDP Redlands WWTP, with packaging, freight, and 7.75% sales tax included.

To benefit from guaranteed membrane module pricing (GMMP) within the contracted time limits, Buyer must submit an acceptable purchase order based on a valid proposal or quote prior to the GMMP expiry date.

Non-Warranty Adjusted Membrane Replacement Price to August, 2024	
Contractually guaranteed membrane replacement price	1,150
Inflation index value from January 2020	257.971
Forecasted inflation index value – August, 2024	317.505
Inflation index factor	23.08%
Surface area adjustment factor (430ft^2 vs 370ft^2)	16.22%
Adjusted membrane replacement price for this proposal – USD	1,644.92

Veolia's price for ZeeWeed membranes is subject to further escalation until finalization of the agreement according to changes in the unadjusted US Consumer Price Index (CPI), All Cities Average.

5 Veolia Support – Membrane Replacement

5.1 Off-Site Support

Controls

Provide system controls programming adjustments as required for the new membranes including adjustment of set points for air flow.

If there is a requirement for the EEPROM (Electrically Erasable Programmable Read-Only Memory) to be stored, a period of plant shutdown must be arranged by Redlands.

Documentation

The base level of documentation updates will include:

- Programmer's table of code changes (change description recorded by tag with one distinct marker bit per change) if needed;
- Field/hand markups of relevant electrical and P&ID drawings if needed;
- **P&IDs** - Update the process (piping) & instrumentation drawings and reissue electronically;
- **Controls documents** – Update control narrative (CN), controls logic sequence chart (CLSC, also known as CSC) and the operation sequence chart (OSC.

These updates should be filed in the O&M manual as interim documentation.

Due to the very high cost of comprehensive updating of plant documentation with each system upgrade, Veolia recommends planning a complete documentation update every 1-4 years to coincide with a selected system upgrade.

Veolia will be pleased to develop a documentation update price quotation on request which may include some or all of the following scope according to its relevance:

- **O&M manual** - Provide a fully updated version of the operation & maintenance manual that indicates the changes made with this membrane replacement upgrade;
- **Electrical drawings** – Update the electrical drawings and reissue electronically.

Project Management

Provide planning and off-site assistance during the membrane replacement project.

5.2 On-Site Technical Services

The proposal includes a provision for technical services during installation and commissioning process during the first replacement event to support Redlands' staff as outlined in section 3. Please see section 11.2 for recommendations on the number of plant staff necessary to perform the work.

Installation and commissioning of membranes will be executed in a manner that minimizes down-time and returns the system to beneficial use in a timely manner.

The following activities will be completed jointly by plant staff and Veolia on the first replacement event – the balance of events will be performed by Redlands staff:

- Remove existing membranes/cassettes;
- Install cassette refurbishment components;
- Install the new membrane modules;
- Upload required revisions to the PLC program with adjusted set-points;
- Perform bubble test where applicable to test membrane integrity and review trans membrane pressure (TMP) on the installed membranes and compare to expected values for new membranes; complete repairs/adjustments necessary to provide new membrane performance.

Operating Responsibility - Redlands retains control of the work site and retains final responsibility for the installation and commissioning process.

Veolia will perform the services specified in the scope section of this document, but Veolia will not operate the system. For the purposes of this agreement, the term "operate the system" shall mean to run or control the functioning of the equipment or to otherwise conduct or manage the affairs of any aspect of water or wastewater treatment or other functions at Redlands' site, and shall include functions such as providing operators or laborers to adjust or control water treatment ("WT") equipment, wastewater treatment ("WWT") equipment or sludge management facilities ("SMF"), providing program oversight or directing on-site or contract operators/laborers to adjust or control WWT or SMF, providing personnel responsible for or providing oversight of water treatment residual quality, wastewater effluent quality, sludge quality, waste characterization, or waste disposal activities, or providing personnel with continual or daily operational responsibilities with respect to water or wastewater treatment, influent or effluent compliance monitoring, process monitoring, government reporting or notification, or permit compliance.

Waiting Time - Any overtime or waiting times required due to unforeseen site events outside the control of Veolia will be invoiced according to the prevailing Veolia service labor rates sheet, available on request.

Reporting - Before leaving site, Veolia will record observations and discuss with operators concerning the condition of the equipment, tasks accomplished during the visit, and key operating and maintenance issues requiring further attention. Veolia will provide a copy of a written report before leaving site and/or provide a service visit report to the plant operator within a reasonable timeframe of the Veolia service representative's return to the office. In any case, Redlands will be asked to sign a work order that describes the hours on site and tasks accomplished.

Veolia Duties for On-Site Services

- Veolia will coordinate its work under this agreement in a reasonable manner with the operating staff of the facility.
- Veolia will maintain public liability and property damage insurance covering all operations undertaken by Veolia and its sub-contractors with a limit of $5,000,000 inclusive for any one accident or occurrence. If for any reason additional insurance coverage (e.g. general construction/erection all risk, general liability) is required above and beyond Veolia's standard insurance terms for on-site commissioning supervision, Redlands must inform Veolia in writing 60 days prior to work commencement at site. Redlands will be billed for all additional insurance costs and processing fees.
- Veolia will maintain workers compensation and employers' liability coverage as per statutory requirements.

6 Delivery

- **Freight**
  - **DDP -** Delivery will be by standard ocean/ground on the basis of DDP Redlands WWTP, or other named place of destination; Incoterms 2020. DDP = delivery duty paid. Partial shipments will be acceptable unless otherwise specified. Where delivery cannot be accepted at this destination, Redlands shall specify an alternate, equivalent destination without delay.

    Due to varying origins and availability, non-membrane items included in this proposal may be shipped separately from the membranes. Should separate shipments be required, where possible, Veolia will strive to provide these items on or before the delivery of the membranes.
  - **Title & Risk** - Title and risk of loss or damage to membrane modules, shipping frames and crating shall pass to Redlands upon delivery at the named place of destination.
- **International Shipment, Fees, and Duties**
  - **Origin** - Delivery of ZeeWeed membranes originates from the Veolia Water Technologies & Solutions, ZENON Membrane Products (ZEM), Bláthy Ottó u

4, Oroszlány, 2840 Hungary facility. Costs to transport membranes into North America are included in Veolia's quoted price.

- **Export Documents** - All ZeeWeed membrane module shipments into the USA require clearance documentation from the EPA. Veolia will prepare and provide the required EPA documentation to the Carrier.
- **MPF** - Merchandise processing fee is a fee assessed for formal custom entries based on 0.35% of the invoice value, with a minimum of USD $25 per formal entry and a maximum of USD $485. On the basis of DDP terms, this fee will be paid by Veolia within the quoted price.
- **Duty** - Any new duty imposed after the date of this proposal is the responsibility of Redlands.

- **Taxes** - All applicable local, state, or federal taxes are the responsibility of Redlands.
- **Temperature** - UF membranes cannot be allowed to freeze or overheat and may require temperature-controlled freight and handling according to the season and the planned routing. If required, the price of temperature control will be included within the firm quote on freight by Veolia.
- **Packaging** – Membranes may be delivered factory-installed in shipping frames, individually bagged, boxed and crated or a combination of the two methods depending on availability and urgency of delivery.
- **Unloading -** may require one of or a combination of a loading dock, extended forks and an experienced forklift driver at delivery destination. Please consult with Veolia at the time of purchase order (PO) preparation on this.

Shipping crate information (estimated) – per train

Qty	Description	Dimensions (in)	Weight (lb)
6	ZW500D 30M shipping frame	L=37 x W=89 x H=94	2,286
3	ZW500D 4-module crate	L=38 x W=93 x H=28	477

Notes:

- Only crates for membrane transport have been shown above to identify the largest and heaviest items that will need to be unloaded;
- Smaller crates/skids will be used for hardware items (cassette refurbishment components, etc.).

- **Availability** - Delivery of membrane modules is typically 10-20 weeks after receipt of order. With current global logistics and freight delays we are experiencing significant increases in lead times. Definitive availability will be confirmed upon each request for membranes from Redlands. Longer lead times should be taken into consideration in the course of membrane replacement planning.

7 ZeeWeed Configuration

Configuration Data	Units	Existing Plant Configuration	Proposed Configuration After Replacement
Number of trains, plant		6	6
Type of ZeeWeed membrane		500D	500D RX12
Module surface area	ft²	370	430
Total number of cassette spaces/train		18	18
Maximum number of modules/cassette		16	16
Fully populated cassettes installed/train		14	12
Flex cassettes installed/train		---	---
Installed number of modules/flex cassette		---	---
Total module count, train		224	192
Total surface area in operation, train	ft²	82,880	82,560
Total module count, plant		1,344	1,152
Total surface area in operation, plant	ft²	497,280	495,360
% surface area change from existing	%		-0.4%

8 24/7 Telephone Technical Support

Veolia's 24/7 telephone technical support provides a team of specialists available to help keep your system online and in production in the event of the system operating outside of specified conditions.

8.1 Calls During Business Hours

Plant operators have telephone access to a skilled Veolia technical support specialist who will assist plant operators in troubleshooting of system problems such as electrical (PLC/HMI), mechanical and process control issues.

Plant operators can call the daytime hours telephone number provided below at any time during business hours and ask for technical support.

8.2 Calls After-Hours – Emergency Telephone Technical Support

Our technical support team is always on call and is equipped with system information to effectively talk a plant operator through an emergency, potentially averting loss of plant production and expensive call outs. The telephone technical support group maintains access to all plant drawings for rapid reference during 24/7 support calls. The telephone technical support group has portable computers equipped to access the plant control system remotely, in order to gain a better understanding of the situation, and to make any necessary adjustments to control set-points or software. Remote access requires a high-speed internet connection at your facility and requires that you have permissions set up in advance. The technical support specialist will manage the resources needed within Veolia to assist you in resolving your plant issues. All client issues are tracked through to resolution using Veolia's state-of-the-art issue tracking software.

Plant operators can call the after-hours telephone number provided below.

8.3 When You Call

When you call, or if you are leaving a message, please provide the following information:

- Plant name;
- Your plant's original Veolia project number;
- Your contact telephone number for a call back;
- A brief description of the issue.

Hours of Operation & Telephone Numbers	
daytime hours of operation: telephone, toll free in North America: outside of North America: daytime hours e-mail address:	8:00 am to 6:00 pm Monday to Friday, Eastern Time Zone GMT-5 1-866-271-5425 press 1 for technical support 1-905-469-7723 technicalsupport@veolia.com
after hours & holidays: telephone, toll free in North America: outside of North America:	6:00 pm to 8:00 am Monday to Friday, Eastern Time Zone GMT-5 weekends - all of Saturday and Sunday 1-866-271-5425 1-905-469-7723

8.4 Getting the Most Out of Your Call

Having the following plant documentation conveniently available to the plant operator and close to the telephone will contribute greatly to effective and rapid troubleshooting when a problem arises.

- **CLC**: control logic chart – details of the control logic - ranges, set points and action or derivation of alert/alarm;
- **OSC**: operation sequence chart - The PLC follows specific steps to automatically control valves, pumps and other devices during modes of operation of the treatment plant. These steps are listed and described in the OSC;
- **P&ID's**: piping & instrumentation diagram – schematic illustration of the functional relationship of piping, instrumentation and system equipment components;
- **Electrical Drawings**: These will help with locating devices and fuses;
- A copy of this telephone technical support service description.

For control related issues, before making the call, it is very helpful to gather the last 5 relevant alarm messages and the corresponding instrument or equipment tag numbers.

8.5 Service Limitations

Not all issues can be resolved through telephone support.

In the event that the Veolia technical support group cannot resolve the problem with the plant operator over the phone in a reasonable time frame, more extensive service support options are available at the rates and prices under the conditions published in the Veolia services labor rate sheet.

- Off-site control code programming;
- On-site service by a service representative;
- On-site or off-site process support.

Wherever feasible, calls regarding non-urgent issues should be made during business hours. For any further questions regarding this telephone technical support service, please feel free to contact us through the business hours telephone number or email above.

9 InSight – Process Analyst Service

InSight combines advanced data and analytics to help water treatment professionals prevent unplanned downtime, increase asset reliability, extend asset life, and optimize operations. By aggregating and analyzing the thousands of complex data points from an operation, InSight provides users with greater visibility and transparency at a plant level, or across the entire enterprise.

Furthermore, the subscription to this service allows access to personnel from Veolia's service reliability center (SRC) who will provide training and support on the use and features of InSight.

Finally, the service is enhanced with automated performance reports and daily alarm notification summaries, allowing you to identify emerging problems earlier so that action can be taken now, before a failure can occur.

Features of InSight

- Turn data from multiple sources into meaningful information;
- Visualize current conditions and their trajectory;
- Diagnose problems and discover opportunities for improvement;
- Alert your team to events or trends before they threaten asset production or integrity;
- Report on key performance indicators and their impact on business objectives.

9.1 Process Consulting Service

Process consulting service pairs you with a Veolia process expert to collaborate with you for continuous improvement of your treatment processes. Your process expert is specifically assigned to your plant and will provide you a level of personal attention.

Your process expert will monitor key parameters using InSight, Veolia's monitoring solution that combines advanced data and analytics to maximize system reliability and availability, lower operating costs and optimize operations.

Your expert will be in touch frequently with your operations team to identify, discuss and resolve emerging performance, process, and operational issues. While supporting your team's day-to-day operations, the process expert will also use InSight to focus on long-term trends and offer specific recommendations that will help reduce costs and increase the life of your production assets (equipment and/or membrane).

As part of process consulting service, you will also receive regular performance reports that contain analysis of key trends and recommendations to improve plant performance, optimize process parameters and avoid operational downtime.

9.2 InSight Service Conditions

Veolia will perform the services specified in the scope section of this document under the following provisos:

- **Mutual Duties of Care and Discernment**: Veolia shall exercise due care to provide process advice in a responsible manner and with the degree of care, skill and diligence accepted within the industry. Buyer shall exercise discernment in the application of any advice provided by Veolia, with due regard for the normal potential for data inaccuracy, errors or omissions.

- **Competence**: Veolia process experts are not experts in and should not be expected to provide advice with regard to any laws, legislation, regulations, policies or guidelines. Buyer must consult with its own legal and regulatory experts for such advice.
- **Operating Responsibility**: Redlands retains control of the plant at all times and plant operators retain full and final responsibility for operation of the system, and all process and operating decisions. Responsibility for the any use of InSight charts for compliance reporting rests with the plant operators.

  While the process expert is able to view and monitor trends remotely, InSight does not allow the process expert to make any changes to your set points in the HMI. Plant operators have the exclusive ability to control changes locally. Through other permissions separate from InSight, plant operators may grant the ability to dial in and view control code and execute code changes to selected controls experts.
- **Delays**: Where Veolia is responsible for any service delay during the agreement, the duration of the agreement shall be extended for the same duration as the service delay.

  Where Redlands is responsible for InSight service delays or interruptions, there will be no extension to the agreement term and Redlands is responsible to contact Veolia for reactivation after the cause of an interruption has been resolved.
- **Hardware Replacement**: Redlands retains ownership of any hardware supplied for data acquisition and transmission. Included is a provision for hardware replacement as set out in section 3. Installation will normally be performed by Redlands.

c – Data Provisions – InSight

1. **Use.** Buyer agrees to use the equipment only in accordance with Seller's instructions and shall only use Seller approved chemical products in connection with the equipment. To the extent that Buyer fails to do so, Buyer hereby agrees that any and all applicable warranties for the Equipment and Services, including, but not limited to, any accuracy or performance guarantees shall be waived.
2. **Data Rights.** The parties acknowledge that in performance of the Services, Seller will be collecting data from Buyer relating to Buyer's processes, materials, equipment and other information ("Data"). Buyer hereby consents to the collection of such Data by the Seller. The following provisions will apply to Data.
3. **Network Interface.** Buyer will install and maintain any and all equipment, systems, software and network interfaces at, and provide telecommunications access to, its facilities as may be required to gather and communicate Data to Seller's monitoring systems in conformance with Seller's interface specifications. Buyer shall maintain its equipment, systems, software and network interfaces to ensure that there are no viruses, Trojan horses, tracking or other cookies, malware or any other harmful software embedded in or attached to Data or such equipment, systems, software or network interfaces that are accessed by or otherwise affect Seller's equipment, systems or software. Upon reasonable request by Seller, Buyer shall perform testing or audits to verify compliance with this paragraph.
4. **Custodian.** Seller will be custodian of the Data. Seller will store and maintain the Data in a secure manner and logically separate from data belonging to other customers consistent with industry standards. Data will be stored and maintained by Seller during the term of any agreement with Buyer. However upon termination of the same, Seller may delete data in accordance with its then standard business practice. Periodic back-ups of Data will be maintained as

necessary for Seller to perform its obligations herein. Seller may store such information in any location and in such a manner as it deems appropriate in its sole discretion in accordance with reasonable commercial practices.

5. **Seller Access.** Seller will restrict access to Data to those employees, agents and contractors of Seller with a need to know. In addition to accessing Data through computers, tablets, and smartphones, such employees, agents and contractors may access Data through computer monitors disposed in monitoring laboratories or control rooms at sites operated by or on behalf of Seller. Access by such individuals on behalf of Seller to stored Data shall be controlled through individual user names and passwords consistent with Seller's information technology policies and procedures. Access by such individuals on behalf of Seller to displayed Data on monitors shall be restricted through controlled access or other reasonable security measures determined by Seller in its sole discretion.

6. **Buyer Access.** Seller may provide access to Buyer to Data during the period which Data is stored. For individual access, Buyer shall provide a request for authorization for each individual requesting such access. Authorized personnel of Buyer shall be issued a unique User ID and password that identifies and may be used by only a single user. All requests for access shall be through an officially approved and documented process of Buyer. Seller shall use reasonable commercial efforts to provide user access to Buyer in a timely manner. In the case that any employee or contractor no longer requires access or in the case where such employee or contractor is voluntarily or involuntarily terminated, Buyer shall notify Seller immediately at which time such User ID will be disabled and access terminated. Seller shall not be liable for any access by individuals based on whole or in part by the failure on the part of Buyer to provide timely notice of restrictions on or termination of access.

   Upon reasonable request by Buyer and to the extent technically feasible or practical, copies of some or all of Buyer's Data shall be transferred to Buyer pursuant to mutually agreed upon protocols, procedures and schedules. Moreover, reports that summarize Data may be developed from time to time and provided to Buyer. Seller shall be compensated on a time and materials basis for any such transfer or report generation.

   Buyer acknowledges that much of wireless network security is controlled by 3rd party carriers or network vendors and Seller shall not be liable for any security breaches based in whole or in part on services provided by such 3rd parties.

7. **Security/Unauthorized Access.** Buyer shall not reverse engineer, hack, attempt to or access, or have anyone do so on its behalf, any data, systems, programming, or any other information maintained by Seller. In addition, Buyer or those acting on Buyer's behalf shall not develop or insert into any of Seller's systems, networks or data any back-door access, viruses, Trojan horses, tracking, other cookies, malware or any other unauthorized software.

8. **Rights to Use Data.** Buyer shall have unlimited rights to use the Data for any purposes not inconsistent with this Agreement. Seller may use the Data (1) for any and all purposes in furtherance of this Agreement; (2) for research and development and troubleshooting purposes; and (3) in the aggregate for statistical and other analysis, provided that in the case of (3) above, no information identifying Buyer shall be associated with such analysis.

10 Service Visits

During the course of this agreement, Veolia will provide up to 12 x 2-day visits on-site for plant support. Veolia and Redlands will cooperatively plan the time allotted to complete priority activities identified by Redlands or selected from the scope of service below and produce maximum value from each visit.

Process Monitoring and Plant Optimization

- Inspect and confirm proper operation of the membrane system in accordance with the Veolia operation & maintenance manual.

- Review operating logs, analytical tests and InSight data with the operator(s). Discuss operator concerns and Veolia issues emerging from this review.
- Discuss imminent seasonal shifts. Plan and implement forward looking adjustments.
- Advise the operations manager of technical updates from Veolia.
- Evaluate the aeration patterns in the tank, inspect tank walls and floors.
- Lift and inspect membrane cassettes, as required to assess condition.
- Assess pressure decay test or bubble test data when applicable as it correlates to the membrane condition and/or permeate water quality. Assist plant operators to repair membrane fibers as required.
- Assess the effectiveness of on-going membrane cleaning procedures (air scouring, recovery cleaning, maintenance cleaning, relaxation and/or back-pulsing) and provide recommendations to the plant operators as necessary.
- Review system alarm history, discuss any related issues with operator(s) and recommend appropriate actions to be taken.
- Perform limited PLC code modifications as planned in advance, secured by proper documentation, dial-in capabilities and file backup precautions.
- Verify operation of all safety interlock/controllers, pressure switches and temperature switches.

Preventive Maintenance Planning

- Develop a preventive maintenance plan with the plant operator(s).
- Review the spare parts provisions with the plant operator and identify any additional parts to provide the desired level of security, including spares related to non-Veolia equipment.

Training

- During scheduled site visits, the Veolia service representative can provide operators with informal training on any areas of concern; to explain the operation, process, maintenance or troubleshooting activities and, in general, to enhance operator ability and confidence.

11 Scope - Redlands

11.1 Installation Preparation

- Receive, off-load, handle and provide temperature-controlled storage of the equipment and materials required for Seller to perform the duties outlined in the Seller's scope of supply. Prior to off-loading, Buyer to confirm temperature indicators have not been tripped.
- Membranes must be stored in a sheltered area, protected from freezing, direct sunlight or extreme heat, and sealed as shipped until ready for use. Storage should be in a dark, dry, level area at a temperature of 5-30°C (41-86°F). Membranes have a shelf life of 1 year before requiring re-preservation and should not be stored longer than necessary prior to installation. Redlands is responsible for risk of loss of Seller's parts while in storage at the customer's plant.
- Inspect, evaluate and make repairs as required for the membrane tanks, mounting brackets, hoses and all connections prior to Veolia arriving at site.

For the first replacement event with Veolia support:

- Provide all access structures (such as scaffolding) and mechanical lifting equipment including cranes, forklifts and scissor lifts.
- Assure availability of a copy of the operating manual, all process and instrumentation drawings, and all electrical drawings on site and accessible for reference.
- Maintain adequate insurance coverage for the risks of fire, theft, vandalism, floods and personal injury to authorized or unauthorized visitors.

11.2 Installation

For the first replacement event with Veolia support:

- Provide at least 2 plant personnel to work continuously for the full duration of the Veolia site visit during installation and commissioning of the modules for the first replacement event. Veolia recommends that the personnel be experienced with the ZeeWeed system.
- Redlands will afford Seller's personnel free access and egress of the facility for all authorized work. Redlands will provide reasonable access to workshop facilities with standard workshop tools and equipment as is necessary to meet any repair and maintenance requirements of the system during installation. Redlands will provide Seller's personnel reasonable access to the facility amenities, including washrooms and break rooms.
- Provide adequate illumination and emergency lighting for all areas in which the Seller will be executing the scope of supply. Provide all site utilities such as raw

water, instrument quality air, potable water and power required for operation of the proposed equipment included in this scope of supply. Assure that adequate quantities of membrane cleaning and neutralizing chemicals are on hand for wash procedures including sodium hypochlorite, sodium bisulphite, citric acid and sodium hydroxide. Supply telephone/fax/modem access while Seller's staff members are on-site.

- Redlands will provide assistance to:
  - Remove cassettes from the system as required;
  - Clean each cassette as it is removed from the system;
  - Install cassette refurbishment components;
  - Place new modules into each cassette;
  - Return the cassettes to the system.
- Redlands will:
  - Dispose of all retired membrane modules and cassette components;
  - Dispose of shipping and packaging materials unless specifically requested not to do so by Veolia;
  - Prepare shipping frames for return to Veolia, see section 11.3;
  - Load shipping frames onto the truck for return to Veolia – Veolia will be responsible for organizing the logistics of delivery back to Veolia.

For all remaining replacement events:

Perform all tasks required for the onsite installation of the membranes and refurbishment of cassettes including removal of existing modules, installation of new modules and refurbishment components, and disposal of all materials.

11.3 Empty Shipping Frame Preparation

All shipping frames returning to Veolia must be well cleaned and packaged appropriately for trans-oceanic transport in shipping containers. Shipping frames should be cleaned using high pressure washers and mounted on wood skids to facilitate moving them in and out of the freight containers. Veolia will provide Redlands off-site assistance to facilitate the return of shipping frames.

All wooden packaging material used for international shipments must conform to current phytosanitary standards to reduce the risk of introduction and spread of quarantine pest species associated with the movement in international trade of wood packaging material made from raw wood.

All wood packaging material used to transport shipping frames internationally, must comply with ISPM15 which is the standard for phytosanitary measures and be properly stamped indicating compliance with the standard. Failure to comply with the standard may lead to

shipment refusal and subsequent project delays. For detailed information on ISPM15 please visit the *ISPM15* website.

Whenever possible, save and re-use the wooden skids that the shipping frames arrived on for return freight purposes.

12 Solution Design Notes

12.1 Permits

Regulatory Requirements

Redlands is responsible to review and report to the permit granting agency on the impact of any of the proposed changes on the regulatory permit. Veolia will provide the necessary manufacturer's technical support on regulatory issues.

Please speak with your regional lifecycle manager (RLM) if there are any regulatory requirements or concerns.

Utilization

Veolia understands that these modules are required as replacements for currently installed modules. These modules are offered on the basis that the membrane modules will not be used to provide expanded flow beyond the current plant flow rating. Veolia makes no guarantees, implied or otherwise as to the performance of these modules in any other capacity than as replacement membranes.

Replacing the current 14 cassettes per train of ZW500D 370ft² modules with 12 cassettes of ZW500D 430ft² modules closely matches the current membrane surface area (82,560ft² vs 82,880ft²) and leaves two cassette slots per train empty for future module placement that could be used for flux remediation or for plant expansion subject to a review of the limitations of other equipment and hydraulic capacities.

Production Interruption

During installation of the ZeeWeed cassettes, trains will be shut down which will affect Redlands treatment capacity. Upon each request for membranes, Veolia's project manager for the installation will consult with Redlands to jointly develop the installation plan and work schedule with due regard for membrane delivery to the plant and plant preparation.

12.2 Maintenance Notes for Replacement Membranes

At the time of any full plant or full train membrane replacement, it is recommended to evaluate whether it is the right time to address any tank coating repairs which may be required.

Preferential Flow

Mixing a small proportion of new modules in trains with large amounts of older modules is not recommended as it creates a risk of over-fluxing of new modules, which can shorten

their lives. For ZW500D membranes, the mixing of old and new modules in the same cassette makes slack adjustment more difficult. Veolia recommends that Redlands plan membrane module replacement on a complete cassette and complete train basis wherever possible to achieve both optimal performance and best value from the new membrane modules. In this case, by replacing membrane modules on a per train basis, this risk has been neutralized.

Membrane Slack

Veolia's membranes are supplied and shipped with an initial factory fiber slack designed to optimize membrane air scouring during operation as well as accommodate a degree of shrinkage. Membranes shrink in length early in their lifecycle when exposed to higher temperature water. The pace of shrinkage slows with age. With the installation of new membranes, the requirements for slack adjustment start a new cycle.

Due to the wide variety of operating environments in which our products can be utilized, it is difficult to generally predict the rate of shrinkage. If membranes operate in a condition of insufficient slack for an extended period of time, irreversible damage to the fiber-urethane bond may occur. Please refer below to the recommended inspection frequencies based on your plant's membrane tank operating temperature. Visual inspections should begin during the membrane installation and be repeated over time on the same cassette. Digital pictures will allow for comparative analysis of the fiber slack over time.

Maximum Operating Temperature	Recommended Slack Inspection Frequency
0-24 °C / 32-76 °F	every 2 years
25-30 °C / 77-86 °F	once per year
>30 °C / > 86 °F	twice per year

Bubble Test Pressure

The bubble test pressure for the purchased membranes is 2 psi horizontally and 3 psi vertically.

12.3 Technical

Module Upgrade – 370ft² vs 430ft²

Upgrading from the ZeeWeed 500D 370ft² module to ZeeWeed 500D 430ft² module offers the following advantages:

- 16.2% increase in membrane module surface area;
- Increased membrane module surface area without any changes to the overall dimensions of the module;
- Improved membrane chemistry that allows for greater permeate productivity per square foot of membrane area without impacting water quality.

Other Considerations

Hoses & Fittings

Veolia has assumed for this proposal that the current aeration and permeate cassette connections for the ZW500D cassettes do not need replacing at this time. If this is not so, please advise Veolia and request that they be added to this proposal.

Blowers

For the purposes of this proposal, the range of blower turndown capacity has been assumed to be adequate for this upgrade.

Should resheaving parts be required they will be supplied by Veolia at additional cost to Redlands. Mechanical and electrical adjustments required to meet new air flow will be completed by Redlands or their 3rd party designate. Veolia will assist Redlands in determining correct air flow requirements for the new plant configuration.

Pre-Screen

Trash and non-biodegradable solids, such as hair, lint, grit and plastics may foul or damage the membranes if allowed to pass into the membrane chamber. Veolia recommends that an internally-fed screen with mesh or punched-hole openings less than or equal to 2 mm with no possibility of bypass or carryover be operated upstream of the new membranes to ensure effective operation and to maximize membrane life.

13 Health & Safety – for all on-site support

Redlands

- Redlands will provide orientation to Seller's personnel to ensure site-specific safety protocols are known. Redlands will identify and inform Seller's personnel of any site-specific hazards present in the workplace that could impact the delivery of Seller's scope of supply and agrees to work with Seller to remove, monitor, and control the hazards to a practical level.
- Redlands will provide any site-specific or standard company operating procedures and practices for Seller's personnel to perform work on site, if required by Redlands' policies. Such programs may include, but are not limited to, general environmental health & safety (EHS), HAZOP, fire protection, drug testing, incident notice, site conduct, standard first aid, chemical receiving, electrical safety, etc. Redlands will provide a certificate of program completion for Seller's personnel. This program will be fully documented, training materials will be provided, and attendance list will be kept.
- If any type of lifting devices will be used on site, Redlands will provide proof of its maintenance, inspection and certification documentation upon request and will assist the Veolia service representative to complete a safety inspection checklist.

- Where confined space entry may be required, Redlands will provide early notice and will collaborate with Veolia in planning adequate staffing and in advising the local fire/rescue department as required.
- No time or cost provision has been made for preparations such as safety record clearances, drug testing, insurance confirmations or pre-job-training in excess of 1 hour. Prior to finalizing the Purchase Order and the work schedule, Redlands will advise Veolia of any pre-job or pre-mobilization requirements. Where these requirements exceed 1 hour, this time will be charged to Redlands at rates set out in the prevailing Veolia labor rate sheet.
- Where certain short duration activities require two people for safety and the Veolia Service representative is alone at site, Redlands will cooperate as required to assure that correct safety precautions are taken.
- Redlands is responsible for the following environmental provisions:
    - Environmental use and discharge permits for all chemicals at Redlands' facility either listed in this document or proposed for use at a later date;
    - Any special permits required for Seller's or Redlands' employees to perform work related to the water treatment system at the facility;
    - All site testing, including soil, ground and surface water, air emissions, etc.;
    - Disposal of all solid and liquid waste from the Seller's system including waste materials generated during construction, start up and operation.
- Redlands is responsible for provision of health and safety facilities to Seller's field service representatives to the same extent that they are provided to Redlands' own employees, including provision of:
    - Eyewash and safety showers in the water treatment area;
    - Chemical spill response;
    - Security and fire protection systems per local codes.

Veolia

- All work on site will be performed in accordance with applicable law and will be performed reasonably, in a clean and safe manner. The Veolia service representative will abide by the more stringent of the applicable health, safety and environmental policies and procedures of either Redlands or Veolia.
- Veolia will provide all applicable safety training required by Veolia policies or by state or national health and safety regulations. The Veolia service representative will have undergone workplace hazardous material information system (WHMIS) training and will come equipped with necessary personal protective equipment (PPE).

- Emergencies - In emergencies affecting the safety of persons, work or property at the site and adjacent thereto, Veolia will act, without previous instructions from Redlands, as the situation warrants. Veolia will notify Redlands immediately thereafter.

14 ZeeWeed Membrane Module Extended Prorated Warranty – Redlands

This schedule sets out the warranty with respect to ZeeWeed membrane modules ("membrane modules"). No other warranties, expressed or implied are made in connection with the sale of these products, including, without limitation, warranties as to fitness for any purpose or use or merchantability of these products. The warranty provided herein will be the exclusive and sole remedy of Buyer. This warranty is not transferable.

1. Definitions

The follow terms shall have the meaning set forth below when used in the warranty document:

a. "Buyer" means City of Redlands, California

b. "Seller" means a business component of, or legal entity within the Veolia Water Technologies & Solutions business which is selling the ZeeWeed membranes.

c. "Full replacement" means that in the case of a valid warranty claim for a membrane module failure, Buyer receives a replacement membrane module and does not pay for the value of use of the membrane module prior to failure.

d. "Prorated replacement" means Buyer pays for actual use of a membrane module from which Buyer has derived value over time. Prorated replacement allows the Seller to pay reasonable compensation under warranty for any product use not enjoyed by Buyer due to premature failure.

2. Warranty Product

This warranty applies to only the membrane modules supplied under the contract of sale. Membrane module means the hollow fiber ultrafiltration membranes and the potted plastic headers. This warranty does not cover air piping to the membrane module, permeate piping from the membrane module, piping connection fittings, connecting hardware and cassette frames with their associated components including but not limited to spacers, aerator tubes, aerator assemblies, screen, module dummies or module blanks.

3. Scope of Warranty

The Seller warrants that its membrane module(s) will be free of defects due to faulty materials or errors in manufacturing workmanship.

Regular membrane module inspection and normal fiber repair shall be the responsibility of Buyer.

All replacement membrane modules will be shipped on the basis of INCOTERMS 2020 DDP Redlands Wastewater Treatment Plant – which includes bagging, boxing, crating, freight, freight insurance, applicable taxes, import duties, and brokerage.

All ancillary costs including but not limited to certifications, receiving, forklift services, storage at site, reattachment hardware, hose/clamp/camlock replacement, crane services, installation, fiber repair materials, glycerin flushing, commissioning and waste disposal are the responsibility of Buyer.

4. Warranty Start Date

Membrane warranty will start on the earlier of:

a. The date that installation of the original membrane module(s) has been substantially completed, or

b. Three (3) months from the date of delivery of the original membrane module(s) to Buyer.

5. Warranty Duration

Total Warranty Duration: a total of **180** months composed of a full replacement period and an extended prorated replacement period.

Full Replacement Warranty Duration: 24 months of full replacement warranty coverage.

Extended Prorated Replacement Warranty Duration: 156 months following the full replacement warranty period.

Membrane modules replaced under warranty shall assume the remainder of the warranty for the original membrane modules being replaced, with such warranty to be not less than a **24** month full replacement warranty from the date of replacement with a new membrane module.

Replacement membrane modules are covered by warranty only to the extent of the warranty of the original membrane module which has been replaced. At all events, this warranty shall expire and be of no force or effect **180** months following the warranty start date.

6. Membrane Module Replacement Price – Prorated Replacement

The base Membrane Module Replacement Price (MMRP) used to calculate the prorated amount to be paid by the Buyer to replace defective membrane modules under warranty shall be **$1,150.00 USD** + adjustment for inflation. The inflation adjustment will be calculated according to changes in Consumer Price Index for the period from January 2020. Membrane module prorated replacement price includes bagging, boxing, crating, taxes and will be shipped on the basis of INCOTERMS 2020 DDP Redlands WWTP.

For membrane modules supplied under valid warranty claims, the prorated share that the Buyer will pay is calculated as follows:

$$\text{Prorated Share of Price} = \frac{\text{Number of Whole Months Elapsed Between the Membrane Modules Claim Date and the Warranty Start Date}}{\text{Total Warranty Duration in Months}} \times \text{MMRP} \times \text{Changes in CPI}$$

Consumer Price Index used: US All Cities Average, All Items, unadjusted.

Note that this Membrane Module Replacement Price (MMRP) is not applicable for membrane modules requested for purchase by Buyer for any non-warranty or other purposes, including but not limited to flux reduction, or plant hydraulic capacity increases. Modules purchased under these or other scenarios will be sold to Buyer by Seller at the list price in effect at the time of order.

7. Notification of Claim

All claims filed under this warranty shall be made in writing by Buyer within 30 days of identifying a defect.

Buyer shall provide the following information:

a. A description of the defect giving rise to the claim;

b. Photographs showing the manufacturing defect;

c. The serial number(s) of the membrane module(s) which is (are) the subject of the warranty claim; and

d. Operating data and repair history for the life of membrane modules which are the subject of a warranty claim.

8. Verification of Claim

After receipt of written notification of a defect, the Seller will promptly undertake such investigations as, in the Seller's opinion, are necessary to verify whether a defect exists. The Seller reserves the right to require additional data as necessary to validate claims. Buyer may, in the course of these investigations, be requested to return membrane module(s) to the Seller for examination (see section 12). The Seller may also conduct reasonable tests and inspections at Buyer's plant or premises. If the results of the investigation do not validate the defect claimed, Buyer will reimburse the Seller for all reasonable expenses associated with said investigation, including expenses for all tests, inspections, and associated travel.

9. Satisfaction of Claims

The Seller will have the right to satisfy claims under this warranty in a flexible manner. Such flexibility may include the repair of existing membrane modules or changes in operating protocols or membrane module replacement or by upgrading failed membrane modules with newer membrane module(s) that may embody design and efficiency improvements. Buyer consents to the supply of replacement membrane modules which may be of a different design than original membrane modules.

10. Operating Information

To maintain the membrane module warranty, membrane system operation records from initial start-up date until claim must be maintained by Buyer and made available to the Seller upon request. Records must be provided in sufficient detail as applicable to verify the subject of a warranty claim and can include but is not limited to, operation data including information on feed water quality, temperatures, flows, trans-membrane pressures, aeration rates, permeate quality, cleaning intervals, cleaning chemical concentrations, elapsed time since start-up, relevant analytical data and reporting of any screen bypass events.

Buyer shall maintain and share access to a single reference copy in electronic form of a membrane module map containing the history of activity by membrane module and the serial number for each module. Buyer shall log its procedures performed related to a membrane module including relocation of membrane modules, repairs, replacements and any other noteworthy events.

Buyer authorizes the Seller to conduct any reasonable review of operation and maintenance records or to inspect facilities where membrane modules are installed, upon reasonable notice to Buyer. Such reviews and/or inspections are intended to also assist the Seller and Buyer in detection of membrane system faults and to optimize the care and operation of the membrane modules.

11. Limitation of Warranties

Occurrence of any of the following as reasonably determined by the Seller will void this warranty:

a. A material failure to operate the membrane system in accordance with Seller's operations and maintenance manual supplied to Buyer as part of the contract, including material failure to adhere to the Seller's specified membrane module cleaning procedures and the use of anything other than Seller-approved membrane module cleaning agents.

b. Failure to adhere to the preventive maintenance program as presented in the Seller's operations and maintenance manual, in published product manuals and in specifications.

c. Failure to adhere to all transportation and storage requirements. ZeeWeed membrane modules may be stored up to 12 months from date of receipt and must be transported and stored in original intact packaging out of direct sunlight in ambient temperatures between 5-

35 Degrees Celsius. Storage beyond 12 months from date of receipt requires a written request to Veolia to maintain membrane module warranties.

d. Introduction of destructive foreign materials and chemical agents into the membrane module.

e. Failure to maintain and provide system operating data and repair history for the life of membrane modules which are the subject of a warranty claim.

f. Physical abuse or misuse, incorrect removal or installation of membrane modules by non-Seller personnel including fiber damage caused by operator error in handling of membrane modules or cassettes.

g. Unauthorized alteration of any components or parts originally supplied by the Seller.

h. Intentional damage.

12. Return Procedure

In the event that the return of a membrane module is required pursuant to this warranty, Buyer will first obtain a Return Goods Authorization (RGA) number from the Seller. Membrane module(s) shipped to the Seller for warranty examination must be shipped freight prepaid in environmentally controlled freight and storage with ambient air temperature between 5-35 Degree Celsius. If Buyer desires temporary replacement membrane module(s) to replace those alleged to be defective and returned to the Seller for warranty examination, Buyer shall be responsible for the cost associated with any such replacements until examination of the returned membrane modules pursuant to this warranty is complete. Any membrane module examined by Seller as part of a warranty claim where the membrane module is subsequently found to be performing as warranted or where a membrane module failure is not covered under the warranty will be returned to Buyer, freight collect or disposed of by Seller and the cost associated with any membrane analysis and diagnostic work will be levied against the Buyer based on Veolia standard labor rates.

13. Disclaimer and Limitation on Liability

To the maximum extent permitted by law, in no event shall Seller be liable for any loss of profit or revenues, loss of production, loss of use of equipment or services or any associated equipment, interruption of business, cost of capital, cost of replacement water or power, downtime costs, increased operating costs, claims of Buyer's customers for such damages, or for any special, consequential, incidental, indirect, punitive or exemplary damages arising out of or relating to the performance or actual or alleged breach of the agreement, regardless of whether a claim is based in contract (including warranty or indemnity), extra-contractual liability, statute, equity or any other legal theory.

15 Terms and Conditions of Sale

A - Specific Terms and Conditions of Sale

These Specific Terms and Conditions of Sale are noted here for convenient reference. Where these terms conflict with the existing executed AGREEMENT FOR THE PURCHASING OF MEMBRANE BIOREACTOR SYSTEM EQUIPMENT AND ASSOCIATED CONSULTING SERVICES between Veolia and Redlands, the existing AGREEMENT terms will take precedence

1 Legal Entity for Contracting

ZENON Environmental Corporation is the name of the Seller, and means a business component of, or legal entity within the Veolia Water Technologies & Solutions business (Veolia).

Please advise us if this Veolia entity is not set up in your purchasing system as a vendor and you do have another Veolia entity set up. We are keen to make the purchase process as convenient as possible for Redlands.

short form: Where a short reference is required in this document, for convenience, we are called simply **Veolia**.

2 Payment

Veolia prefers to receive payment by wire transfer and will also accept payment by courier check. Banking details available on request.

3 Payment Terms

On approved credit, payment terms are **net 30 days** from customer receipt of invoice. Please see the invoicing schedule in the price section. In the event an invoice is issued on shipment of goods from a Veolia Hungarian production facility, payment terms will be extended by an additional 45 days to account for the additional transit time to the delivery location.

4 Proposal Validity

Prices quoted and proposal terms are valid up to **thirty (30) days** after the date of issue of this proposal unless confirmed with a purchase order.

5 Bonds

Performance or payment bonds are not included in the price. These can be purchased on request but will be at an additional cost.

6 Assignment of Membrane Warranty

The Buyer will be entitled to assign to a subsequent owner of the membranes the warranties of the Seller under this Agreement, provided that a prior written notification is sent to the Seller and the assignment agreement contains terms and conditions which provide the Seller with the protections of the warranties and limitations on liability contained in the Agreement. Subject to Buyer's compliance with the foregoing requirement, such warranty rights are expressly assignable by the Buyer to a subsequent owner of the membranes. Except as provided herein, Buyer is not entitled to extend or transfer this warranty to any other party.

7 Flight Booking

Prices quoted for installation which include airfare are either based on timely confirmation of a visit schedule or based on receipt of a purchase order in time to book any flights seven days in advance. Additional airfare charges related to late arrival of a purchase order will be extra and billed through to Redlands without mark-up.

8 Early Termination

In the event of contract termination other than as defined in attachment a.15 of this agreement the following will apply:

- Veolia will initiate delivery of all materials and services for which payment has been received in excess of the value of materials and services provided by Veolia at the time of cancelation.
- Buyer will, within 30 days, make a payment to Veolia equal to the value of materials and services provided to the point of termination, less the cumulative sum of payments paid by Buyer.
- Once terminated, there is no option to restart the agreement. No penalties or reimbursements, other than those outlined in this agreement, shall be paid by either party

9 Warranty on Programming

Veolia warrants that the PLC program will conform to the specifications in the relevant sections of the CLSC and OSC (revised for the project) and will be free from defects in workmanship when operated at all times in accordance with Veolia's written instructions. If any defects are found and reported by Redlands within a period not exceeding twelve (12) months beyond the completion of the site acceptance test, Veolia will make modifications to the PLC code as deemed necessary. Any changes requested by Redlands after this period will be at the customer's expense.

10 Purchase Order Guidelines

Please confirm that your purchase order has covered the following points. This will ensure accurate and prompt order entry, product delivery, invoicing and accounts receivables processing and will prevent administrative delays for all parties.

- **Documentation –** Our strong preference is to receive a hard or digital copy of your purchase order (PO) rather than a PO number alone. Your PO can be sent by email to *nam.service.pocentral@veolia.com*. If you are not able to provide a PO, please contact us for alternatives.
- **Veolia legal entity –** Please be sure your purchase order is issued in the name of the specific Veolia legal entity outlined in the quote. We will be glad to work with your purchasing department to set this entity up as an approved supplier/vendor. Please advise us if this Veolia entity is not set up in your purchasing system as a vendor and you do have another Veolia entity set up.
- **Quotation Number –** Please reference the quotation number in your PO.
- **Product –** Please note which product(s) you wish to purchase along with the quoted price, particularly if quantities or scope differ from the quotation.
- **Taxes –** Please provide any required tax exemption certificates. Please indicate if taxes have been added in your PO.
- **Payment Terms –** Please acknowledge the payment terms included with the quotation.
- **Bill-to Address –** Please include contact information for your accounts payable.
- **Ship-to Address –** Please clearly define the delivery location and the receiver's email & telephone. Please specify receiving hours and any special off-loading requirements.
- **Delivery Date –** Please include your requested delivery date.

B – General Terms and Conditions of Sale

The sale of materials and services included with this offer will be governed by the existing executed AGREEMENT FOR THE PURCHASING OF MEMBRANE BIOREACTOR SYSTEM EQUIPMENT AND ASSOCIATED CONSULTING SERVICES between Veolia and Redlands, and a follow-up amendment to the AGREEMENT that will cover the scope, price and terms specific to this offer – to be negotiated and mutually agreed to between ZENON Environmental Corporation and the City of Redlands.

16 Signed Agreement

Through the issue of this proposal, Veolia signals their intent to enter into an agreement with Redlands. Redlands and Veolia acknowledge that they have read and understood this agreement and agree to be bound by the terms and conditions specified in it.

Offered by Legal Entity:	ZENON Environmental Corporation, also known as Veolia or Seller	**Accepted by Legal Entity:**	City of Redlands, California, also known as Redlands or Buyer
		Authorized Signature by:	
		Title:	
		Signature Date:	
		Signature:	x
		Purchase Order No:	

Upon acceptance of this proposal, please forward the following either

• by email with .pdf attachments or • by postal mail.

1) this signature page completed to:

2) a hard copy of your purchase order, and

3) any required tax exemption certificates

nam.service.pocentral@veolia.com
or
Veolia Water Technologies & Solutions
attention: Contracts Administrator
Please contact *nam.service.pocentral@veolia.com* for correct address

This agreement comes into force when Veolia has issued a formal acceptance of Redlands' Purchase order or formal acceptance of this Redlands signed agreement.

Doc. control: Author: JE
Last modified: 12/20/2024 1:41 PM

Filename: City of Redlands 587585-2 MRA Dec-20 2024
Technical review: RM(rev0) Commercial review: RM(rev0)/JD(all revs) DOA: GMRP

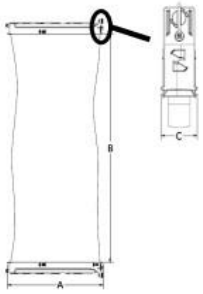
Attachment A ZeeWeed 500D RX12 430ft^2 Membrane Fact Sheet

VEOLIA

ZeeWeed* 500D Module

FACT SHEET

Module Dimensions				
Application	**Product**	**Width (A) mm (in)**	**Header-to-Header Length (B) mm (in)**	**Depth (C) mm (in)**
MBR	500D	844 (33.2)	1,940 (76.4)	49 (1.9)
Water	500D			52 (2.1)
	500Ds		1,577 (62.1)	52 (2.1)



Module Properties									
Application	**Membrane Surface Area m^2 (ft^2)**	**Max. Shipping Weight [1] kg (lb)**	**Lifting Weight [2] kg (lb)**	**Material**	**Nominal Pore Size (µm)**	**Fibre Diameter (mm)**	**Surface Properties**	**Fibre Tensile Strength (N)**	**Flow Path**
MBR	40.0 (430)	28 (61)	28 – 75 (61 – 164)	PVDF	0.04	2.2	Non-ionic & Hydrophilic	> 600	Outside-In
Water	40.9 (440)	32 (70)	30 – 74 (66 – 163)			1.9			
	32.5 (350)	26 (57)	26 - 72 (57 – 159)			1.9			

[1] Packaged
[2] Varies with solids accumulation

Operating & Cleaning Specifications						
Application	**TMP Range kPa (psig)**	**Max. Operating Temp. °C (°F)**	**Operating pH Range**	**Max. Cleaning Temp. °C (°F)**	**Cleaning pH Range**	**Max. Cl_2 Conc'n (ppm)**
MBR	-55 to 55 (-8 to 8)	40 (104)	5.0-9.5	40 (104)	2.0 – 10.5 (<30°C) 2.0 -10.0 (30-40°C)	1,000
Water	-90 to 90 (-13 to 13)					

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Veolia Water Technologies
Please contact us via:
www.veoliawatertechnologies.com

WATER TECHNOLOGIES

Attachment B Cassette Refurbishment

ZeeWeed* 500D Cassette Refurbishment

FACT SHEET

Recondition existing cassettes using the latest cassette components

What is Cassette Refurbishment?

Veolia's ZeeWeed500D cassette refurbishment service allows you to fully recondition your drinking water or wastewater cassettes at less cost than purchasing a brand new cassette. Drinking water cassettes may be refurbished at your plant or in a Veolia factory - an environmentally friendly and cost effective solution. Wastewater cassettes will be refurbished at your plant by an experienced ZeeWeed cassette technician.

- Removal of all existing plastic parts and associated hardware
- Re-passivation of stainless steel cassette frame (DW only, done at factory)
- Installation of all new, current ZW version parts (module mountings, securing mechanisms, aerator tubes, etc.), and all associated hardware
- Installation of new ZW modules by trained staff
- A dry pressure decay test to ensure correct installation of all new cassette components and to ensure ease of reinstallation
- Proper packaging and crating of refurbished cassette for shipment back to your plant (factory refurbished cassettes only)
- Onsite cassette refurbishment service can be tailored to meet each customer's needs



When to Consider Cassette Refurbishment?

Cassette refurbishment should be considered whenever a major membrane replacement cycle is undertaken.

Take Action

For more information about Veolia's cassette refurbishment service and for all your water treatment needs, contact your Regional Sales Manager or Regional Lifecycle Manager to discuss your options.

Frequently Asked Questions

Who is responsible for disposal of existing modules?

The customer is generally responsible for disposal of existing modules prior to shipping the cassette out for refurbishment.

Are there any cleaning requirements for packaging of the cassette?

For drinking water cassettes, a thorough wash down of the frame is required before packaging. For wastewater cassettes, a thorough wash down is required prior to beginning the onsite refurbishment work.

How does wastewater cassette refurbishment differ from factory refurbishment of drinking water cassettes?

Wastewater cassettes are refurbished by trained Veolia field service representatives at the customer's plant. Refurbishment parts and new modules are shipped directly to site for the work. Drinking water cassettes may be refurbished at the factory or at your plant, depending upon your needs.

For factory refurbished drinking water cassettes, how long does refurbishment take to be completed?

Approximately twenty weeks, but the exact length of time is dependent on scope and the customer's location. Please contact your Regional Lifecycle Manager if you should want further details.



How are the empty cassette frames packaged and shipped for refurbishment?

Cassette frames needs to be turned on their side for shipment and firmly attached to a skid for forklift handling. Skid and any crating material must conform to international shipping wood product rules. More information can be found at http://www.ispm15.com. Customer completes this work with Veolia's guidance.

What are the maximum crate dimensions for shipping?

Returning cassette frames must be able to fit four to a standard 40-foot-high cube container. Maximum crate dimensions are below:

Length	Width	Height
110" (279 cm)	84" (214 cm)	95" (241 cm)

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Veolia Water Technologies
Please contact us via:
www.veoliawatertechnologies.com

Sole Source/ Single Source/ Standardization Form

For procurement of supplies, equipment and services valued at $5,000 and over

NOTE: Every question must be answered with appropriate documentation attached; incomplete forms will be immediately rejected by Purchasing.

Date: 12/3/24

TO: Purchasing Division

FROM: John R. Harris, MUED Director

Purchase Requisition # _____

Estimated Total Cost: $ 2,634,939

Proposed Vendor: ZENON Environmental Corporation

Request Term: 12-Years

This form must accompany the purchase document whenever an exception to the competitive process is requested. Requests for goods and/or services from a specific vendor or limited to a specific brand, where substitutes to the recommended vendor or brand are unacceptable, must be accompanied by a written justification explaining the circumstances that make alternatives unacceptable.

The City Manager will determine whether the justification is appropriate. Requests for exception must be supported by factual statements that will pass an audit.

INSTRUCTIONS

1. Please check all applicable categories (a. through i.) below and provide additional information where indicated.

☒ a. The requested product is an integral repair part or accessory compatible with existing equipment.

Existing Equipment: MBR Facility

Manufacturer/Model Number: ZENON Environmental Corporation/ZW500D

Age: 4-Years

Current Estimated Value: $2,600,000

☐ b. The requested product has unique design/performance specifications or quality requirements that are not available in comparable products.

☒ c. I have standardized the requested product and the use of another brand/model would require considerable time and funding to evaluate.

☒ d. The requested product is one in which I (and/or my staff) have specialized training and/or extensive expertise. Retraining would incur substantial cost in time and/or funding.

☐ e. The requested product is used or demonstration equipment available at a lower-than-new cost.

☐ f. Repair/Maintenance service is available only from manufacturer or designated service representative.

☐ g. Upgrade to or enhancement of existing software is available only from manufacturer.

☐ h. Service proposed by vendor is unique; therefore, competitive bids are not available or applicable.

☐ i. Other factors (provide detailed explanation in #2 below).

2. Provide a detailed explanation and pertinent documentation *for each category* checked in item 1 above. Attach additional sheets if necessary:

3. Was an evaluation of other equipment, products, or services performed?
   ☐ Yes ■ No
   If yes, please explain the type of evaluation performed and provide all supporting documentation:

4. List below the name of each individual who was involved in the evaluation, if conducted, and in making the recommendation to procure this product or service. Attach additional information, if necessary.

5. **Explain what action(s) the department would take if the sole/single source services were no longer available**
   Purchasing MBR filters from another manufacturer would require a significant investment in additional engineering, construction, and regulatory agency permitting.

6. I certify that the above information is accurate to the best of my knowledge, and a signed copy of this document will be kept on file and available for audit in my department

Fernando Mata — 11/05/2024
Prepared by — Date

11/5/2024
Department Director — Date

Purchasing Approvals

Purchasing Agent Approval — Date

City Manager Approval — Date

VEOLIA

City of Redlands
Redlands, CA
Attention: Joseph Hamburger

Jason Diamond
Municipal Regional Lifecycle Manager
Water Technologies & Solutions

March 28, 2024

Dear Mr. Hamburger:

This letter is provided to confirm that a Sole Source Purchase with ZENON Environmental Corporation, a division of Veolia Water Technologies & Solutions (Veolia WTS), will be required to procure parts and/or services for ZeeWeed® hollow fiber immersed ultrafiltration membrane systems. ZeeWeed® membrane systems are a proprietary technology developed by ZENON Environmental Corporation, a wholly owned business of Veolia WTS, subject to multiple patents. As a result, only Veolia WTS can manufacture and supply ZeeWeed® membranes & components directly to customers or via one of our approved partners.

Research and development work by Veolia WTS is regularly producing process and technology upgrade options. At the point where system upgrades are required, Veolia WTS will work closely with each client to select the best options specific for your plant.

Veolia WTS has structured the after-purchase support of our ZeeWeed® clients to assure access to a very high level of service and product support. VWTS has a service team with extensive experience and the capabilities to provide technical and engineering services distinctive to maintaining a high level of performance from the ZeeWeed® hollow fiber ultrafiltration membranes. VWTS offers these unique services:

1. Insight™ Remote Process Monitoring
2. 24/7 Emergency Telephone Technical Support
3. On-Site Service Visits
4. Membrane Maintenance Services & System Upgrades
5. PLC Control System Component and Programming Upgrades
6. Membrane Replacement Planning
7. System spare parts

If you have any questions, please do not hesitate to contact me.

Sincerely,

Jason Diamond, P.Eng.
Regional Lifecycle Manager
Veolia Water Technologies & Solutions

Veolia Water Technologies & Solutions
Head office: 3600 Horizon Blvd. Trevose, PA 19053
off. +1-215-533-0000 - fax +215-633-0000
www.watertechnologies.com

ZENON Environmental Corporation
3239 Dundas St. W. Oakville, ON Canada
off. +1-905-465-3030

City Council/Financing Authority Meeting **M. 3.**

DATE: 01/21/2025

TO: The Successor Agency Board of Directors

SUBJECT: Approve the regular meeting minutes of September 17, 2024 (Secretary Donaldson)

MOTION:

I move to approve the meeting minutes of Septembe 17, 2024.

Attachments

Meeting minutes of September 17, 2024

MINUTES

Regular meetings of the City Council and the Financing Authority of the City of Redlands held in the Council Chambers, Civic Center, 35 Cajon Street, on September 17, 2024 at 5:00 P.M.

Present: Eddie Tejeda, Mayor
Paul Barich, Mayor Pro Tempore
Denise Davis, Council Member
Jenna Guzman-Lowery, Council Member
Mario Saucedo, Council Member

Staff: Charles M. Duggan, Jr., City Manager; Yvette M. Abich Garcia, City Attorney; Jeanne Donaldson, City Clerk; Phillip Doolittle, City Treasurer; Janice McConnell, Assistant City Manager; Chris Boatman, Assistant City Manager; Carl Baker, Public Information Officer; Danielle Garcia, Management Services/Finance Director; Brian Desatnik, Development Services Director; John Harris, Municipal Utilities and Engineering Director; Rich Sessler, Fire Chief; Rachel Tolber, Police Chief; Tabitha Crocker, Facilities and Community Services Director; Robert Meteau, HR/Risk Management Director

Mayor Tejeda called the meeting to order and explained that comments could be presented in-person, via Zoom, via cell phone or landline. He offered the public an opportunity to provide comment on any item on the agenda for the closed session.

PUBLIC COMMENT

Open Government - Steve Rogers referenced his comments made during the last City Council meeting and reiterated he was not satisfied with the City's response to his request to remove restrictions placed on his interactions with City staff.

CLOSED SESSION

Conference with legal counsel: Existing Litigation - Government Code §54956.9(d)(1)
(City Attorney Garcia) Five Cases:

a. Sedlick, et. al. v. City of Redlands, et al., U.S. District Court, Central District, Case No. 5:23-cv-00457-JGB-KKx
b. Price v. City of Redlands, San Bernardino Superior Court, Case No. CIVSB 2218802
c. Aqueous Film-Foams Product Liability Litigation, U.S. District Court, South Carolina, Master Docket No. 2:18-mn-2873-RMG
d. City of Camden et. al. v. BASF Corporation, U.S. District Court, South Carolina, Civil Action No. 2:24-cv-03174-RMG
e. City of Camden et. al. v. Tyco Fire Products LP, U.S. District Court, South Carolina, Civil Action No: 2-24-cv-02321-RMG

a. Conference with Labor Negotiator – Government Code §54957.6
(Assistant City Manager McConnell)

Agency Negotiators:	Mayor Tejeda and Mayor Pro Tempore Barich
Unrepresented Employees:	City Manager, City Attorney

RECONVENE CITY COUNCIL MEETING

The meeting reconvened at 6:15 P.M. with an invocation by Mayor Pro Tem Barich followed by the pledge of allegiance to the American flag.

CLOSED SESSION REPORT

City Attorney Garcia announced that no reportable action was taken during the closed session.

PRESENTATIONS

Proclamation Adult Literacy Day

Mayor Pro Tem Barich presented a Proclamation declaring September 29, 2024, as Adult Literacy Day in the City of Redlands to Sotheavy Chev, Adult Learner; Diane Shimota, Adult Literacy Coordinator; and Don McCue, Smiley Public Library Director.

Proclamation California Native American Day

Council Member Saucedo presented a Proclamation declaring September 27, 2024 as California Native American Day to Alex Smith of the office of Assembly Member James Ramos.

PUBLIC COMMENT

Open Government - Steve Rogers commended the City for celebrating CA Native American Day and thought the recognition should last for at least one week, rather than one day. He drew attention to the public outreach surrounding the preparation of the Parks Master Plan project, and he suggested the City consider purchasing the Mistretta Property and the Crystal Springs Ranch property for open space designation.

Refine Process for Street Closure Requests - Chamber of Commerce Executive Director Evan Sanford urged the City to evaluate and revise the current practices related to street closure requests. He said that establishing safety protocols would be instrumental in the efforts to treat everyone with respect and keep all event goers safe.

Senior Center Parking Lots - Berneice Bagwell complained that the handicap parking at both of the City's senior centers can be hazardous, especially for the elderly. She recommended repairs and improvements be made.

RUSD Candidate Endorsement - Germaine Miles, Michael Paisner, Jennifer Kim and Trisha Keeling insisted Mayor Pro Tem Barich reconsider his endorsement of one of the School Board candidates on the November ballot. They claimed the candidate promotes hate speech and

represents extreme viewpoints.

CONSENT CALENDAR

Minutes

On motion of Council Member Jenna Guzman-Lowery, seconded by Council Member Denise Davis, the City Council unanimously approved, by roll call vote, the regular meeting minutes of September 3, 2024.

Vote: 5 - 0 Passed

Proclamation September 29, 2024 as Adult Literacy Day

On motion of Council Member Jenna Guzman-Lowery, seconded by Council Member Denise Davis, the City Council unanimously approved, by roll call vote, the issuance of a Proclamation declaring September 29, 2024 as Adult Literacy Day in the City of Redlands.

Vote: 5 - 0 Passed

California Native American Day Proclamation

On motion of Council Member Jenna Guzman-Lowery, seconded by Council Member Denise Davis, the City Council unanimously approved, by roll call vote, the issuance of a Proclamation Recognizing September 27, 2024 as California Native American Day.

Vote: 5 - 0 Passed

Human Relations Commission Appointment

On motion of Council Member Jenna Guzman-Lowery, seconded by Council Member Denise Davis, the City Council unanimously appointed, by roll call vote, Alicia Gyllenhammer to the Human Relations Commission to serve the remainder of a four-year term on the Human Relations Commission ending October 18, 2026.

Vote: 5 - 0 Passed

Amending SBC Registrar of Voters Agreement Surveillance Cameras

On motion of Council Member Jenna Guzman-Lowery, seconded by Council Member Denise Davis, the City Council unanimously determined, by roll call vote, that approval of Amendment No. 1 to the Agreement with the County of San Bernardino Registrar of Voters for installation of surveillance cameras at each of the three secure ballot box locations on City property is not subject to environmental review pursuant to Section 15061(b)(3) of the State's Guidelines implementing the California Environmental Quality Act; and approved Amendment No. 1 to the Agreement with the County of San Bernardino Registrar of Voters for installation of surveillance cameras at each of the three secure ballot box locations on City property.

Vote: 5 - 0 Passed

Resolution No. 8628 Conflict of Interest Code

On motion of Council Member Jenna Guzman-Lowery, seconded by Council Member Denise Davis, the City Council unanimously approved, by roll call vote, Resolution No. 8628 Amending the Conflict of Interest Code for the City; acknowledged that this City Council has reviewed its Conflict of Interest Code, and finds that the following amendments are necessary: (1) Include new positions that must be designated and (2) Delete positions that no longer make or participate in governmental decisions.

Vote: 5 - 0 Passed

Resolution No. 8603 Street Vacation No. 194 - Mecca Street

This item was pulled from tonight's agenda to allow staff time to conduct additional research. The matter will be scheduled for a future meeting.

Resolution No. 8622 Outside City New Water Service Connection

On motion of Council Member Jenna Guzman-Lowery, seconded by Council Member Denise Davis, the City Council unanimously approved, by roll call vote, Resolution No. 8622 for a new connection to the City of Redlands water distribution system at 11055 King Street in the unincorporated community of Mentone, Outside Service Case (OSC) No. 24-03; and determined that the adoption of Resolution No. 8622 is exempt from environmental review pursuant to Sections 15303(a) and 15319(b) of CEQA guidelines.

Vote: 5 - 0 Passed

In-Kind Request Art-On-State Event

On motion of Council Member Jenna Guzman-Lowery, seconded by Council Member Denise Davis, the City Council unanimously determined, by roll call vote, that approval of the event is exempt from environmental review pursuant to Section 15311(c) of the State’s guidelines implementing the California Environmental Quality Act; approved the special event and authorized the temporary closure of East State Street from 6th Street to 7th Street on Sunday, September 29, 2024 for the Art-On-State-Street event hosted by the Redlands Art Association; and approved the request for In-Kind services totaling in the amount of $1,350.

Vote: 5 - 0 Passed

Successor Agency Final Dissolution

Management Services/Finance Director Garcia reviewed the process related to the Final Dissolution of the Successor Agency to the Former Redevelopment Agency of the City of Redlands. Established by Ordinance No. 1436 in 1971, the Redevelopment Agency (RDA) of the City operated as a separate legal entity from the City under the Community Redevelopment Law with the intent of revitalizing the City's downtown core and surrounding residential and industrial neighborhoods by eliminating conditions of blight and their influences, encouraging reinvestment by property owners, and inviting new investment from outside sources.

In June 2011, amid significant state budget woes, the Governor signed new legislation, which amended the Community Redevelopment Law to immediately suspend most redevelopment agency activities and provided for the transfer the assets to successor agencies whose role was to expeditiously wind down the affairs of the dissolved redevelopment agencies. On December 29, 2011, the California Supreme Court ruled that AB 1X26 was enforceable, effectively eliminating redevelopment statewide as of February 1, 2012.

Acting as the Successor Agency, the City took on the responsibility of winding down its affairs and undertaking the administrative tasks required for the dissolution process. On June 10, 2024, the Countywide Oversight Board approved a resolution to formally dissolve the Successor Agency to the Redevelopment Agency of the City of Redlands, and on July 2, 2024, the state Department of Finance acknowledged the end of the Agency's existence.

As public comment, Steve Rogers raised questions about one of the original RDA properties located near the rail line and the University of Redlands (U of R). This property was granted to the U of R in 2020 in connection to the SBCTA's train project. He added this property was an eyesore, filled with weeds and debris. Council Member Saucedo pointed to several positive outcomes of the RDA, as well as the efforts of the Northside Visioning Committee, to provide property owners with home improvement funds.

On motion of Mayor Pro Tempore Paul Barich, seconded by Mayor Eddie Tejeda, the City Council unanimously approved, by roll call vote, to receive and file the Final Dissolution of the Successor Agency to the Former Redevelopment Agency of the City of Redlands.

Vote: 5 - 0 Passed

NEOGOV Onboard Software

On motion of Council Member Jenna Guzman-Lowery, seconded by Council Member Denise Davis, the City Council unanimously approved, by roll call vote, a three-year service contract for NEOGOV Onboard software in the amount of $63,505.08 for the Human Resources/Risk Management Department.

Vote: 5 - 0 Passed

U of R MOU Standby Paramedic Services

On motion of Council Member Jenna Guzman-Lowery, seconded by Council Member Denise Davis, the City Council unanimously approved, by roll call vote, the Memorandum of Understanding with the University of Redlands for standby paramedic services at university football games and other special events as needed.

Vote: 5 - 0 Passed

CONFIRE Agreement Surge Transport Services

On motion of Council Member Jenna Guzman-Lowery, seconded by Council Member Denise Davis, the City Council unanimously approved, by roll call vote, an Agreement between Consolidated Fire Agencies (CONFIRE) and the City of Redlands for surge transport services to be provided by the Redlands Fire Department.

Vote: 5 - 0 Passed

Grant Award Treatment for Opioid Use Disorders Patients

On motion of Council Member Jenna Guzman-Lowery, seconded by Council Member Denise Davis, the City Council unanimously approved, by roll call vote, the acceptance of the Emergency Medical Services Buprenorphine Use Pilot Program (EMSBUP) grant award in the amount of $5,000 for the provision of treatment and access for patients with opioid use disorders; and approved an additional appropriation for the same.

Vote: 5 - 0 Passed

Resolution No. 8631 National Opioids Settlement Agreement

On motion of Council Member Jenna Guzman-Lowery, seconded by Council Member Denise Davis, the City Council unanimously adopted , by roll call vote, Resolution No. 8631 regarding Approval of National Opioids Settlement Agreement with The Kroger Co.; and authorized the City Manager to execute the referenced settlement agreement.

Vote: 5 - 0 Passed

Annual PO Irrigation Supplies

On motion of Council Member Jenna Guzman-Lowery, seconded by Council Member Denise Davis, the City Council unanimously approved, by roll call vote, an annual purchase order with Site One Landscape Supply for the provision of irrigation supplies to the Facilities and Community Services Department for Fiscal Year 2024-25, in an amount not-to-exceed $90,000.

Vote: 5 - 0 Passed

PARIS Program Annual Report

On motion of Council Member Jenna Guzman-Lowery, seconded by Council Member Denise Davis, the City Council unanimously approved, by roll call vote, to receive and file the Pavement Accelerated Repair Implementation Strategy (PARIS) Program Annual Report.

Vote: 5 - 0 Passed

Resolution No. 8630 Five-Year Capital Project Needs Analysis

On motion of Council Member Jenna Guzman-Lowery, seconded by Council Member Denise Davis, the City Council unanimously approved, by roll call vote, Resolution No. 8630 adopting the Five-Year Capital Project Needs Analysis for FY 25/26 through FY 29/30; and determined that this action is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act.

Vote: 5 - 0 Passed

PO Modification Loma Linda University Children's Hospital

On motion of Council Member Jenna Guzman-Lowery, seconded by Council Member Denise Davis, the City Council unanimously approved, by roll call vote, a purchase order modification in the amount of $7,300 with Loma Linda University Children's Hospital for use of the Children's Assessment Center.

Vote: 5 - 0 Passed

Office of Traffic Safety Grant Award

On motion of Council Member Jenna Guzman-Lowery, seconded by Council Member Denise Davis, the City Council unanimously approved, by roll call vote, the Grant Agreement with the Office of Traffic Safety relating to the distribution of a grant award in an amount not-to-exceed $120,000; authorized the Chief of Police to sign and execute agreements implementing the grant; and approved an additional appropriation of the same.

Vote: 5 - 0 Passed

PUBLIC HEARINGS

Resolution No. 8629 Venue at Orange Apartment Development Applications

Council Member Davis announced that due to her ownership of property within 500 feet of the development, she recused herself from voting on this item. Mayor Tejeda reported that staff is recommending this public hearing to consider Resolution No. 8629 for development applications related to the construction of 164 apartment units within the Venue at Orange Apartments be continued to October 1, 2024.

On motion of Mayor Eddie Tejeda, seconded by Council Member Mario Saucedo, the City Council agreed, by roll call vote, that the public hearing be continued to the City Council Meeting scheduled for October 1, 2024.

Vote: 4 - 0 Passed

Other: Council Member Denise Davis (RECUSE)

NEW BUSINESS

Amended and Restated City Manager Employment Agreement

This item was pulled from the agenda and will be considered at a future meeting.

City Branding Concept and Design

Economic Development Coordinator Ross Wittman offered details of the City's desire to create a new branding concept and design and explained that in November 2023, the Council approved a contract with Pastilla, Inc. to develop a new brand identity for the city. The goal was to create an effective and professional brand, giving Redlands a strong and easily identifiable presence in media, marketing, and economic development endeavors. He introduced Rudy Manning and Tyron Akal, of Pastilla, who presented an extensive report of their efforts, intended to embody Redlands' unique characteristics, strengths, and identity and to clearly identify and differentiate Redlands and its assets, culture, environment, and location within Southern California and California as a whole. The project began by conducting an in-depth discovery process, utilizing multiple research methods to gain perspective from key audiences in the community. The methods included discovery workshops, 1-on-1 interviews, focus groups, internal and external digital surveys.

Key Findings were identified as 1) Redlands is a well-established community; 2) Visitors are unaware of the city and are pleasantly surprised by their Redlands experience; 3) There is a huge presence of non-profit organizations, indicating Redlands' altruistic nature; 4) There is a lively arts scene that is free and open to the public; 5) The perception of the current brand is largely neutral to negative. And the perception of the current slogan, "City That Works" is extremely negative.

The branding strategy phase allowed for the development of a positioning statement, represented by, "Redlands is a city inspired by its history, passionately forging a tomorrow through service to the community and creativity for all". This statement promoted brand values of "embracing, serving and proactive", and led to the proposed new tagline: Redlands. Futures Flourish Here. The Brand's Visual Tone and Visual Identity were presented with an unveiling with the proposed color palette and logos.

Council Members offered their initial perspectives, agreeing they liked the color palette selection. Mayor Pro Tem Barich recommended a different tagline as represented by, "City Like No Other". Council Member Guzman-Lowery said there appeared to be potential to add to the design and this was an important aspect, so that each department could develop their own unique style, but also include a level of cohesion.

As public comment, Dennis Bell said the number of survey respondents (458) was simply not representative of the City's roughly 73,000 residents. Dan Jimenez struggled to see the "4 Rs" in the logo and encouraged the Council to take their time before making a decision. Michael Paisner also did not see the "4 Rs", adding the tagline did not resonate with him. Andy Hoder thought the branding was pretentious and should be denied approval, and he stated that most people don't care about branding.

Council Members agreed they would like more time to consider the proposed design and directed Pastilla to continue refining and improving the current concepts.

Resolution No. 8625 CDBG Agreement Funding Award

Mayor Pro Tem Barich recused himself from voting and discussion of this item due to a source of income with Citrus Counseling. Council Member Guzman-Lowery recused herself from voting and discussion on this item due to a source of income with Citrus Counseling.

Development Services Director Desatnik reviewed the 2024-2025 Community Development Block Grant (CDBG) and Resolution No. 8625. On July 23, 2024, the City was notified of the final 2024-2025 CDBG final funding award for eight total projects that were approved by City Council on February 6, 2024 of which seven projects are public service agencies and one is a Capital Improvement Project (CIP). The final award and amounts are as follows: Redlands Senior Center Kitchen Rehabilitation $282,257; FSA of Redlands - Housing and Food Program $7,500; Boys and Girls Club - Family Strengthening Program $7,500; YMCA of the East Valley - Legal Services $7,500; The Nowell Family Foundation - Bradley House Project $7,500; Partners Against Violence - Supportive Services for Victims of Violence $7,500; The Blessing Center - Transitional Housing $7,500; and Citrus Counseling Services - Mental Health Services $4,160

As public comment, Roger Uminski, of Citrus Counseling, expressed his appreciation for the City's support. Annie Ploehn, of Partners Against Violence, was also grateful for the City's support, and she described the agency's work and mission and reach.

On motion of Council Member Mario Saucedo, seconded by Council Member Denise Davis, the City Council unanimously accepted, by roll call vote, the 2024-2025 Community Development Block Grant funding award in the amount of $331,417; authorized an additional appropriation of $331,417 for the 2024-2025 CDBG fiscal year; and adopted Resolution No. 8625 authorizing the City Manager, or designee, to execute agreements, amendments and other related documents associated with the 2024-2025 CDBG Program Year.

Vote: 3 - 0 Passed

Other: Mayor Pro Tempore Paul Barich (RECUSE)
Council Member Jenna Guzman-Lowery (RECUSE)

Contract Award Runway and Apron Pavement Treatment Project

Facilities and Community Services Director Crocker reported on a Public Works Contract with C.R. Contracting LLC for the Runway and Apron Pavement Treatment Project in an amount not-to-exceed $616,499. Federal Aviation Administration (FAA) Airport Capital Improvement Plan entitlement funds were allocated to Redlands Municipal Airport. The Project consists of the removal of the existing markings, removal of weeds, crack sealing/filling of runway 8-26 and the west apron, asphalt seal coating of runway 8-26, asphalt slurry sealing of the west apron, and pavement re-markings for both the runway and west apron. Assistant City Manager Boatman added that Congressional representative Pete Aguilar was instrumental in helping the City obtain the grant award.

On motion of Council Member Mario Saucedo, seconded by Mayor Eddie Tejeda, the City Council unanimously determined, by roll call vote, that approval of the contract and construction of the Runway and Apron Pavement Treatment Project is categorically exempt from environmental review in accordance with Section 15301 of the State's guidelines implementing the California Environmental Quality Act; approved an additional appropriation in the amount of $678,094 from the Airport Projects and Grants fund; approved the Runway and Apron Pavement Treatment Project Plans and Specifications, and awarded a construction contract to C.R. Contracting for an amount not-to-exceed $616,499.

Vote: 5 - 0 Passed

SBC Cooperative Agreement Paving Rehabilitation

Municipal Utilities and Engineering Director Harris summarized a Cooperative Agreement with San Bernardino County delineating responsibilities for paving rehabilitation. The PARIS Program will rehabilitate approximately twenty-eight lane miles of public streets, which includes a portion of Lugonia Avenue (north half) and California Street (east half) within the San Bernardino County (County) jurisdiction. MUED staff collaborated with County staff to develop a Cooperative Agreement to ensure the full width of each street segment is rehabilitated, in lieu of only rehabilitating the portions of each street within the City's jurisdiction. Approximately 1.5 lane miles of the County's streets will be resurfaced with the City's project.

As public comment, Steve Rogers was pleased to see the cooperative efforts between the City and County, yet he voiced concerns about seeing social media posts claiming young people were accosting shoppers at the County shopping centers of Citrus Grove and Mountain View. He wondered if a curfew could be established. City Manager Duggan responded by explaining that curfews had been discussed in the past, but because the properties do not fall within city boundaries, the County would be the appropriate agency to enact such an ordinance.

On motion of Mayor Pro Tempore Paul Barich, seconded by Council Member Mario Saucedo, the City Council unanimously determined, by roll call vote, that approval of the Cooperative Agreement with San Bernardino County delineating responsibilities for pavement rehabilitation is exempt from environmental review pursuant to Section 15061(b)(3) of the State's guidelines implementing the California Environmental Quality Act; and approved the Cooperative Agreement with San Bernardino County delineating responsibilities for pavement rehabilitation.

Vote: 5 - 0 Passed

Contract Award 2024 Alley Paving Improvement Project

Municipal Utilities and Engineering Director Harris detailed a Public Works Contract with Tryco General Engineering for the 2024 Alley Paving Improvement Project for an amount not-to-exceed $483,955. The Project will resurface five alleys and remove and replace driveways and sidewalks where necessary, protect existing utilities, trees, power poles, and public and private improvements, replace damaged survey monuments, construct drainage facilities, dispose of excess soil and rock material, and restore all areas and improvements to pre-construction conditions. Council Member Saucedo asked for an update regarding rehabilitation work on State Highway 38. Director Harris stated he had reached out to CalTrans and would report back to the Council on the matter.

On motion of Council Member Mario Saucedo, seconded by Council Member Jenna Guzman-Lowery, the City Council unanimously determined, by roll call vote, that approval of the contract and construction of the 2024 Alley Paving Improvement Project is categorically exempt from environmental review in accordance with Section 15301(c) of the State's Guidelines implementing the California Environmental Quality Act; approved the 2024 Alley Paving Improvement Project plans and specifications; and awarded a Public Works Contract to Tryco General Engineering for an amount not-to-exceed $483,955.

Vote: 5 - 0 Passed

COUNCIL MEMBER ANNOUNCEMENTS AND ACTIVITIES

Council Members expressed their deep appreciation for the efforts of the City's police and fire departments and all first responders during the recent Line Fire emergencies.

Mayor Tejeda urged everyone to keep all first responders in their thoughts and prayers.

Mayor Pro Tem Barich attended the Library Board meeting, Bowling with a Cop, the 1LoveIE block party, and enjoyed a concert at the Contemporary Club celebrating Hispanic Heritage Month and the Pink Party in support of breast cancer awareness held at the Burrage Mansion.

Council Member Davis attended the 1LoveIE Block Party, enjoyed Bowling with a Cop and announced that she is accepting applications for the upcoming 4th season of Youth Council.

Council Member Guzman-Lowery attended the 1Love IE Block Party, the Youth Hope Car Show, and she is looking forward to the upcoming Adult Literacy Event, as well as the Climate Action meeting scheduled for September 18, 2024,

Council Member Saucedo praised the work of all City staff, including the water department, for their quick response to emergencies brought on by the Line Fire.

ADJOURNMENT

There being no further action required the meeting adjourned at 8:16 P.M. The next regular meeting of the City of Redlands City Council will be held on October 1, 2024.

REDLANDS FINANCING AUTHORITY

Chairperson Tejeda called the meeting to order and offered anyone present the opportunity to address the Board on any subject, not already on the agenda, within the jurisdiction of the Redlands Financing Authority.

PUBLIC COMMENT

None forthcoming

Minutes

On motion of Vice Chair Barich, seconded by Chair Tejeda, the minutes of the regular meeting of May 21, 2024 were unanimously approved by roll call vote.

Vote: 5 - 0 Passed

ADJOURNMENT

There being no further business, the Redlands Financing Authority adjourned at 8:17 P.M. The next regular meeting of the Agency will be held on January 21, 2025.