City of Rolling Hills INCORPORATED JANUARY 24, 1957

2 PORTUGUESE BEND ROAD
ROLLING HILLS, CA 90274
(310) 377-1521

AGENDA	**CITY COUNCIL**	**CITY OF ROLLING HILLS**
Regular City Council Meeting	**Monday, April 28, 2025**	**7:00 PM**

The meeting agenda is available on the City's website. The City Council meeting will be live-streamed on the City's website. Both the agenda and the live-streamed video can be found here:
https://www.rolling-hills.org/government/agenda/index.php

Members of the public may submit written comments in real-time by emailing the City Clerk's office at cityclerk@cityofrh.net. Your comments will become part of the official meeting record. You must provide your full name, but please do not provide any other personal information that you do not want to be published.

Recordings to City Council meetings can be found here: https://www.rolling-hills.org/government/agenda/index.php

Next Resolution No. 1389 *Next Ordinance No. 386*

1. CALL TO ORDER

2. ROLL CALL

3. PLEDGE OF ALLEGIANCE

4. PRESENTATIONS/PROCLAMATIONS/ANNOUNCEMENTS

5. APPROVE ORDER OF THE AGENDA

This is the appropriate time for the Mayor or Councilmembers to approve the agenda as is or reorder.

6. BLUE FOLDER ITEMS (SUPPLEMENTAL)

Blue folder (supplemental) items are additional back up materials to administrative reports, changes to the posted agenda packet, and/or public comments received after the printing and distribution of the agenda packet for receive and file.

6.A. FOR BLUE FOLDER DOCUMENTS APPROVED AT THE CITY COUNCIL MEETING
RECOMMENDATION: Approved
CL_AGN_250428_CC_Item13B.pdf

7. PUBLIC COMMENT ON NON-AGENDA ITEMS

*This is the appropriate time for members of the public to make comments regarding items**not** listed on this agenda. Pursuant to the Brown Act, no action will take place on any items not on the agenda.*

8. CONSENT CALENDAR

Business items, except those formally noticed for public hearing, or those pulled for discussion are assigned to the Consent Calendar. The Mayor or any Councilmember may request that any Consent Calendar item(s) be removed, discussed, and acted upon separately. Items removed from the Consent Calendar will be taken up under the "Excluded Consent Calendar" section below. Those items remaining on the Consent Calendar will be approved in one motion. The

Mayor will call on anyone wishing to address the City Council on any Consent Calendar item on the agenda, which has not been pulled by Councilmembers for discussion.

8.A. APPROVE AFFIDAVIT OF POSTING FOR THE CITY COUNCIL REGULAR MEETING OF APRIL 28, 2025

RECOMMENDATION: Approve.

CL_AGN_250428_CC_AffidavitofPosting.pdf

8.B. APPROVE MOTION TO READ BY TITLE ONLY AND WAIVE FURTHER READING OF ALL ORDINANCES AND RESOLUTIONS LISTED ON THE AGENDA

RECOMMENDATION: Approve.

8.C. APPROVE THE FOLLOWING CITY COUNCIL MINUTES: APRIL 14, 2025 REGULAR MEETING

RECOMMENDATION: Approve as presented.

CL_MIN_250414_CC_F.pdf

8.D. PAYMENT OF BILLS

RECOMMENDATION: Approve as presented.

CL_AGN_250428_CC_PaymentOfBills.pdf

8.E. REPUBLIC SERVICES RECYCLING TONNAGE AND COMPLAINT REPORTS FOR MARCH 2025

RECOMMENDATION: Receive and file.

VC_REP_250421_Mar_TonnageReport.pdf
VC_REP_250421_Mar_C&D_Report.pdf
VC_REP_250421_Mar_CallLog.pdf
VC_REP_250421_Mar_RedTagReport.pdf

8.F. ADOPT RESOLUTION NO. 1388 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS ADOPTING THE GENERAL SERVICES AGREEMENT BETWEEN THE CITY OF ROLLING HILLS AND THE COUNTY OF LOS ANGELES AND APPROVE RENEWAL OF LOS ANGELES COUNTY GENERAL SERVICES AGREEMENT

RECOMMENDATION: Approve as presented.

Attachment A - ResolutionNo1388_LACo_GSA_2025-30_F.pdf
Attachment B - CA_AGR_250428_LACo_GSA_2025-2030_F.pdf
Attachment C - CA_AGR_250428_LACo_GSA_Matrix_Highlighted.pdf
Attachment D - CA_AGR_200601_LACo_GSA_2020-2035_F_E.pdf

8.G. APPROVE PROPOSED CONTRACT UPDATES WITH THE LOS ANGELES COUNTY DEPARTMENT OF PUBLIC HEALTH AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT

RECOMMENDATION: Approve as presented.

Attachment A - CA_AGR_250428_LACo_DPH_2025-29.pdf
Attachment B - CA_AGR_630701_LACo_DPH_1963-68_E.pdf

8.H. APPROVE A LETTER TO THE LOS ANGELES COUNTY BOARD OF SUPERVISORS REQUESTING ACTION REGARDING THE LOS ANGELES COUNTY SHERIFF DEPARTMENT'S STAFFING AND HIRING SHORTFALLS

RECOMMENDATION: Approve as presented.
CC_COR_250428_LetterToSupHahn_LASD_StaffShortages_F

9. EXCLUDED CONSENT CALENDAR ITEMS

10. COMMISSION ITEMS

11. PUBLIC HEARINGS

12. OLD BUSINESS

13. NEW BUSINESS

13.A. RECEIVE AND FILE THE CITY OF ROLLING HILLS AUDITED ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2024
RECOMMENDATION: Receive and file.
Attachment A - CL_AGN_250428_CC_ACFR Final.pdf
Attachment B - CL_AGN_250428_CC_Report on IC.pdf
Attachment C - CL_AGN_250428_CC_Audit Communication Letter.pdf
CL_AGN_250428_CC_PowerPoint_FY24_Audit.pdf

13.B. APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH VASQUEZ AND COMPANY TO PROVIDE AUDIT SERVICES FOR THE THREE FISCAL YEARS ENDING JUNE 30, 2025, JUNE 30, 2026, AND JUNE 30, 2027 AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT
RECOMMENDATION: Approve as presented.
Attachment A - CL_AGN_250428_CC_VasquezProposal.pdf
Attachment B - CL_AGN_250428_CC_PricePaige&Co_Proposal.pdf
Attachment C - CA_AGR_250428_VasquezCo_Audits_2025-27_F.pdf

13.C. RECIEVE AND FILE AN UPDATE ON POTENTIAL ADDITIONAL LOCATIONS FOR THE OUTDOOR EMERGENCY SIREN SYSTEM TO IMPROVE AND ENSURE CITYWIDE COVERAGE
RECOMMENDATION: Receive and file. Provide direction to staff and HQE.
Attachment A - PW_SIR_250428_HQE_Proposed_PoleExpansionSites.pdf

14. MATTERS FROM THE CITY COUNCIL

15. MATTERS FROM STAFF

15.A. DISCUSS THE CITY HALL ADA IMPROVEMENT PROJECT REMAINING OPTIONS AS PRESENTED ON MARCH 24, 2025 AND PROVIDE DIRECTION FOR STAFF
RECOMMENDATION: Receive and file. Provide direction to staff.

15.B. RECEIVE AND FILE CODE ENFORCEMENT QUARTERLY REPORT FOR THE FIRST QUARTER OF 2025 (JANUARY 1 TO MARCH 31)
RECOMMENDATION: Receive and file.
CE_QRP_2025_Q1_Open.pdf
CE_QRP_2025_Q1_Closed.pdf

CE_QRP_2025_Q1_ALL Open.pdf

16. RECESS TO CLOSED SESSION

16.A. CONFERENCE WITH LABOR NEGOTIATOR: GOVERNMENT CODE SECTION 54957.6 CITY NEGOTIATOR: MAYOR PIEPER UNREPRESENTED EMPLOYEE: CITY MANAGER
RECOMMENDATION: None.

16.B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION: PURSUANT TO GOVERNMENT CODE SECTION 54957 TITLE: CITY ATTORNEY
RECOMMENDATION: None.

16.C. PUBLIC EMPLOYEE APPOINTMENT: GOVERNMENT CODE SECTION 54957 TITLE: CITY ATTORNEY
RECOMMENDATION: None.

16.D. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATIONÂ GOVERNMENT CODE SECTION 54956.9(D)(1)THE CITY FINDS, BASED ON ADVICE FROM LEGAL COUNSEL, THAT DISCUSSION IN OPEN SESSION WILL PREJUDICE THE POSITION OF THE CITY IN THE LITIGATION. (3 CASES) A. NAME OF CASE: CONNIE ANDERSEN, ET AL. V. CALIFORNIA WATER COMPANY, ET AL. (SEAVIEW CASE) CASE NO.: 24STCV20953 B. NAME OF CASE: CITY OF ROLLING HILLS V. SCE CPUC DOCKET NO. C.24-10-008 C. NAME OF CASE: CITY OF ROLLING HILLS V. SOCALGAS CPUC DOCKET NO. C.24-10-009
RECOMMENDATION: None.

16.E. CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION GOVERNMENT CODE SECTION 54956.9(D)(1) THE CITY FINDS, BASED ON ADVICE FROM LEGAL COUNSEL, THAT DISCUSSION IN OPEN SESSION WILL PREJUDICE THE POSITION OF THE CITY IN THE LITIGATION. (1 CASE) RECOMMENDATION: NONE.
RECOMMENDATION: None.

17. RECONVENE TO OPEN SESSION

18. ADJOURNMENT

Next regular meeting: Monday, May 12, 2025 at 7:00 p.m. in the City Council Chamber, Rolling Hills City Hall, 2 Portuguese Bend Road, Rolling Hills, California, 90274.

Notice:

Public Comment is welcome on any item prior to City Council action on the item.

Documents pertaining to an agenda item received after the posting of the agenda are available for review in the City Clerk's office or at the meeting at which the item will be considered.

In compliance with the Americans with Disabilities Act (ADA), if you need special assistance to participate in this meeting due to your disability, please contact the City Clerk at (310) 377-1521 at least 48 hours prior to the meeting to enable the City to make reasonable arrangements to ensure accessibility and accommodation for *your review of this agenda and attendance at this meeting.*

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 6.A
Mtg. Date: 04/28/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: FOR BLUE FOLDER DOCUMENTS APPROVED AT THE CITY COUNCIL MEETING

DATE: April 28, 2025

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
Approved.

ATTACHMENTS:
CL_AGN_250428_CC_Item13B.pdf

BLUE FOLDER ITEM (SUPPLEMENTAL)

Blue folder (supplemental) items are additional back up materials to administrative reports, changes to the posted agenda packet, and/or public comments received after the printing and distribution of the agenda packet for receive and file.

CITY COUNCIL MEETING
April 28, 2025

13B. APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH VASQUEZ AND COMPANY TO PROVIDE AUDIT SERVICES FOR THE THREE FISCAL YEARS ENDING JUNE 30, 2025, JUNE 30, 2026, AND JUNE 30, 2027 AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT

FROM: CHRISTIAN HORVATH, CITY CLERK/EXECUTIVE ASSISTANT TO THE CITY MANAGER

CL_AGN_250428_CC_Item13B.pdf

Agenda Item No.: 8.A
Mtg. Date: 04/28/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: APPROVE AFFIDAVIT OF POSTING FOR THE CITY COUNCIL REGULAR MEETING OF APRIL 28, 2025

DATE: April 28, 2025

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
Approve.

ATTACHMENTS:
CL_AGN_250428_CC_AffidavitofPosting.pdf

Administrative Report

8.A., **File #** 2752 **Meeting Date**: 4/28/2025

To: **MAYOR & CITY COUNCIL**

From: Christian Horvath, City Clerk

TITLE
APPROVE AFFIDAVIT OF POSTING FOR THE CITY COUNCIL ADJOURNED REGULAR MEETING OF APRIL 28, 2025

EXECUTIVE SUMMARY

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS
CITY OF ROLLING HILLS)

AFFIDAVIT OF POSTING

In compliance with the Brown Act, the following materials have been posted at the locations below.

Legislative Body	City Council
Posting Type	Regular Meeting Agenda
Posting Location	2 Portuguese Bend Road, Rolling Hills, CA 90274 City Hall Window City Website: https://www.rolling-hills.org/government/agenda/index.php https://www.rolling-hills.org/government/city_council/city_council_archive_agendas/index.php
Meeting Date & Time	APRIL 28, 2025 7:00pm Open Session

As City Clerk of the City of Rolling Hills, I declare under penalty of perjury, the document noted above was posted at the date displayed below.

Christian Horvath, City Clerk

Date: April 25, 2025

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 8.B
Mtg. Date: 04/28/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: APPROVE MOTION TO READ BY TITLE ONLY AND WAIVE FURTHER READING OF ALL ORDINANCES AND RESOLUTIONS LISTED ON THE AGENDA

DATE: April 28, 2025

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
Approve.

ATTACHMENTS:

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 8.C
Mtg. Date: 04/28/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: APPROVE THE FOLLOWING CITY COUNCIL MINUTES: APRIL 1 4, 2025 REGULAR MEETING

DATE: April 28, 2025

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
Approve as presented.

ATTACHMENTS:
CL_MIN_250414_CC_F.pdf

1. CALL TO ORDER

The City Council of the City of Rolling Hills met in person on the above date at 7:00 p.m. Mayor Pieper presiding.

2. ROLL CALL

Councilmembers Present:	Mirsch, Wilson, Mayor Pieper
Councilmembers Absent:	Black, Dieringer
Staff Present:	Karina Bañales, City Manager
	Christian Horvath, City Clerk / Executive Assistant to the City Manager
	Samantha Crew, Management Analyst
	Pat Donegan, City Attorney

3. PLEDGE OF ALLEGIANCE – Mayor Pieper

4. PRESENTATIONS / PROCLAMATIONS / ANNOUNCEMENTS – NONE

5. APPROVE ORDER OF THE AGENDA

Motion by Councilmember Mirsch, seconded by Councilmember Wilson to approve the order of the agenda. Motion carried unanimously with the following vote:

AYES:	Mirsch, Wilson, Mayor Pieper
NOES:	None
ABSENT:	Black, Dieringer

6. BLUE FOLDER ITEMS (SUPPLEMENTAL)

Motion by Councilmember Mirsch, seconded by Councilmember Wilson to receive and file Blue Folder Items 13A. Motion carried unanimously with the following vote:

AYES:	Mirsch, Wilson, Mayor Pieper
NOES:	None
ABSENT:	Black, Dieringer

7. PUBLIC COMMENT ON NON-AGENDA ITEMS

Public Comment: Melissa McNabb, Judith Haenel

8. CONSENT CALENDAR

8.A. APPROVE AFFIDAVIT OF POSTING FOR THE CITY COUNCIL REGULAR MEETING OF APRIL 14, 2025

8.B. APPROVE MOTION TO READ BY TITLE ONLY AND WAIVE FURTHER READING OF ALL ORDINANCES AND RESOLUTIONS LISTED ON THE AGENDA

8.C. APPROVE THE FOLLOWING CITY COUNCIL MINUTES: MARCH 24, 2025 REGULAR MEETING

8.D. PAYMENT OF BILLS

8.E. ADOPT RESOLUTION NO. 1387, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS. CALIFORNIA AUTHORIZING A FISCAL YEAR 2024-2025 BUDGET MODIFICATION TO INCREASE APPROPRIATIONS BY $236,969 IN FUND 16 FUNDED FROM A COMBINATION OF GRANT REVENUES AND RULE 20A CREDITS FOR PROVIDING ENGINEERING AND ENVIRONMENTAL MONITORING SERVICES WITHIN THE 20B PORTION OF THE EASTFIELD DRIVE AND THE CREST ROAD EAST FIRE PREVENTION POWER LINE UNDERGROUNDING PROJECTS

Motion by Councilmember Mirsch, seconded by Councilmember Wilson to approve the Consent Calendar. Motion carried unanimously with the following vote:

AYES: Mirsch, Wilson, Mayor Pieper
NOES: None
ABSENT: Black, Dieringer

9. EXCLUDED CONSENT CALENDAR ITEMS – NONE

10. COMMISSION ITEMS – NONE

11. PUBLIC HEARINGS – NONE

12. OLD BUSINESS – NONE

13. NEW BUSINESS

13.A. CONSIDERATION OF AWARDING A CONSTRUCTION CONTRACT TO FIDELITY BUILDERS, INC. FOR PROVIDING CONSTRUCTION SERVICES ON THE TENNIS COURT ADA IMPROVEMENT PROJECT IN AN AMOUNT NOT-TO-EXCEED $770,396, AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT, AND FINDING THE PROJECT CATEGORICALLY EXEMPT FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

Presentation by City Clerk / Executive Assistant to the City Manager Horvath

Public Comment: Dustin McNabb

Motion by Councilmember Mirsch, seconded by Councilmember Wilson to, in the public interest, reject all bids and reissue the bid. Motion carried unanimously with the following vote:

AYES: Mirsch, Wilson, Mayor Pieper
NOES: None
ABSENT: Black, Dieringer

14. MATTERS FROM THE CITY COUNCIL

Councilmember Wilson expressed concerns about City Hall's exterior and deferred maintenance.

Councilmember Mirsch expressed concerns about the northeast corner of Crest Road and Portuguese Bend Road related to the overgrowth of trees since both roads are evacuation routes during an emergency. She inquired if it would be considered a general nuisance and requested staff look into in coordination with LA County Fire as it relates to safety concerns.

15. MATTERS FROM STAFF

15.A. RECEIVE AND FILE A PUBLIC SAFETY AND EMERGENCY PREPAREDNESS UPDATE

Presentation by Management Analyst Crew

Public Comment: Melissa McNabb

Motion by Councilmember Wilson, seconded by Councilmember Mirsch to receive and file. Motion carried unanimously with the following vote:

AYES: Mirsch, Wilson, Mayor Pieper
NOES: None
ABSENT: Black, Dieringer

15.B. CONSIDERATION OF A JOINT PENINSULA CITIES LETTER TO GOVERNOR GAVIN NEWSOM REQUESTING A MORATORIUM ON HOUSING LEGISLATION THAT CREATE FURTHER DENSITY IN CALFIRE-DESIGNATED VERY HIGH FIRE HAZARD SEVERITY ZONES

Presentation by City Manager Bañales

Motion by Councilmember Mirsch, seconded by Councilmember Wilson to approve as presented. Motion carried unanimously with the following vote:

AYES: Mirsch, Wilson, Mayor Pieper
NOES: None
ABSENT: Black, Dieringer

16. RECESS TO CLOSED SESSION – 8:14 P.M.

16.A. EXISTING LITIGATION - GOVERNMENT CODE SECTION 54956.9(D)(1) THE CITY FINDS, BASED ON ADVICE FROM LEGAL COUNSEL, THAT DISCUSSION IN OPEN SESSION WILL PREJUDICE THE POSITION OF THE CITY IN THE LITIGATION. (1 CASE) a. NAME OF CASE: CONNIE ANDERSEN, ET AL. V. CALIFORNIA WATER COMPANY, ET AL. (SEAVIEW CASE) CASE NO.: 24STCV20953

16.B. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION GOVERNMENT CODE SECTION 54956.9 (2 CASES) CPUC COMPLAINTS AGAINST SOTHERN CALIFORNIA EDISON AND SOCAL GAS

16.C. CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION GOVERNMENT CODE SECTION 54956.9(D)(1) THE CITY FINDS, BASED ON ADVICE FROM LEGAL COUNSEL, THAT DISCUSSION IN OPEN SESSION WILL PREJUDICE THE POSITION OF THE CITY IN THE LITIGATION. (1 CASE)

16.D. PUBLIC EMPLOYEE PERFORMANCE EVALUATION PURSUANT TO GOVERNMENT CODE SECTION 54957 TITLE: CITY ATTORNEY

17. RECONVENE TO OPEN SESSION – 8:55 P.M.

18. ADJOURNMENT: 8:55 P.M.

The meeting was adjourned at 8:55 p.m. on April 14, 2025. The next regular meeting of the City Council is scheduled to be held on Monday, April 28, 2025 beginning at 7:00 p.m. in the City Council Chamber at City Hall, 2 Portuguese Bend Road, Rolling Hills, California. It will also be available via City's website link at: https://www.rolling-hills.org/government/agenda/index.php

All written comments submitted are included in the record and available for public review on the City website.

Respectfully submitted,

____
Christian Horvath, City Clerk

Approved,

____
Jeff Pieper, Mayor

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 8.D
Mtg. Date: 04/28/2025

TO:	**HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**
FROM:	**CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER**
THRU:	**KARINA BAÑALES, CITY MANAGER**
SUBJECT:	**PAYMENT OF BILLS**
DATE:	**April 28, 2025**

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
Approve as presented.

ATTACHMENTS:
CL_AGN_250428_CC_PaymentOfBills.pdf

CITY OF ROLLING HILLS

AP25-019, ACH25-019

Check Run 04/23/2025

Check No.	Check Date	Payee	Description	Amount
028907	4/23/2025	4Leaf, Inc.	Code Enforcement Services for January 2025	4,560.00
028907	4/23/2025	4Leaf, Inc.	Code Enforcement Services for March 2025	4,560.00
CHECK TOTAL			**$ 9,120.00**	
028908	4/23/2025	Ampirical Services, Inc.	Prof Services for March 2025 - 20B Eng	26,556.00
028909	4/23/2025	Bergeman Group	Prof Serv for March 2025	1,537.50
028910	4/23/2025	Best Best & Krieger LLP	General Services for March 2025	10,819.00
028910	4/23/2025	Best Best & Krieger LLP	Legal Land Use for March 2025	1,539.00
CHECK TOTAL			**$ 12,358.00**	
028911	4/23/2025	Cell Business Equipment	Copies Overage Charge for 01-05-25 to 04-04-25	1,282.05
028912	4/23/2025	Crown Castle	Eastfield Dr 20E Design DR4382-PJ0177	6,187.25
028913	4/23/2025	Gabrielino Tongva Indians of	Tribal Monitoring Costs DR4382-PJ0177	830.00
028914	4/23/2025	County of Los Angeles	Building & Safety Services for January 2025	24,202.67
028915	4/23/2025	LA County Sheriff's Department	March 2025 Law Enforcement Services	36,313.22
028915	4/23/2025	LA County Sheriff's Department	March 2025 Law Enforcement Traffic Special Events	1,648.01
CHECK TOTAL			**$ 37,961.23**	
028916	4/23/2025	MV CHENG AND ASSOCIATES	March 2025 Monthly Accounting Service	8,696.25
028917	4/23/2025	Palos Verdes Peninsula Unified	School Security Reimbursement 12-27-24 to 02-28-25	483.94
028918	4/23/2025	PVS, Inc.	Alarm Security for May 2025	168.00
028919	4/23/2025	Willdan Inc.	Feb 2025 Staff Augmentation-Planning Services	7,020.00
ACH-821	1/31/2025	Abila	Addtl User 01-18-25 to 01-31-25 Cloud Software	170.54
ACH-822	4/22/2025	CalPERS	Health Premium for April 2025	13,736.21
ACH-823	4/1/2025	CalPERS	CalPERS Retirement Payroll Ending 04-01-25	3,360.43
ACH-824	3/27/2025	California Water Service Co.	Water Usage 02-28-25 to 03-27-25_ROLLING#54654	1,775.63
ACH-825	3/27/2025	California Water Service Co.	Water Usage 02-28-25 to 03-27-25_RANCHO#74654	345.70
ACH-826	3/31/2025	Forum Info-Tech. Inc./Levelcloud	March 2025 AWS Cloud Monthly Usage	842.26
ACH-827	4/8/2025	The Gas Company	Gas usage from 03-10-25 to 04-08-25	91.88
ACH-828	4/4/2025	Robert Half	Temp Admin Staff PE 04-04-25	547.04

ACH-829	4/11/2025	Robert Half	Temp Admin Staff PE 04-11-25	547.04
ACH-830	4/18/2025	Robert Half	Temp Admin Staff PE 04-18-25	547.04
ACH-831	3/23/2025	Southern California Edison	Electricity usage 02-21-25 to 03-23-25 ACCT#8030	768.20
ACH-832	4/15/2025	Southern California Edison	Electricity usage 03-18-25 to 04-15-25 ACCT#4218	400.21
ACH-833	4/1/2025	Vantagepoint Transfer Agents -	Deferred Comp Contributions PR Ending 04-01-25	1,096.12
PR LINK	4/18/2025	PR LINK - Payroll & PR Taxes PR8	Payroll Processing Fee PR#8_04/02/25 - 04/15/25	85.30
PR LINK	4/18/2025	PR LINK - Payroll & PR Taxes PR8	Pay Period PR#7_04/02/25 - 04/15/25	17,692.43
				178,408.92

I, Karina Banales, City Manager of Rolling Hills, California certify that the above demands are accurate and there is available in the General Fund a balance of
$ 178,408.92 for the payment of above items.

Karina Banales, City Manager

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 8.E
Mtg. Date: 04/28/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: REPUBLIC SERVICES RECYCLING TONNAGE AND COMPLAINT REPORTS FOR MARCH 2025

DATE: April 28, 2025

BACKGROUND:
As requested, Republic Services has provided the following clarifications to their reports:

- Non-franchise means any business not covered under the City's Franchise Agreement with Republic Services – for instance, temporary bins or roll offs for construction or cleanups or permanent dumpsters for horse properties.
- The Commercial Recycling is hauled to various transfer facilities. Those facilities separate and recover(recycle) a portion of that material. They provide Republic recovery rates each month that is in turn used for the cities Republic serves.
- The Greenwaste on the Non-Franchise report can show up and change for various reasons from month to month. Aspects like changes to the customers service type, load contamination and data entry errors can contribute to this.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
Receive and file.

ATTACHMENTS:
VC_REP_250421_Mar_TonnageReport.pdf
VC_REP_250421_Mar_C&D_Report.pdf
VC_REP_250421_Mar_CallLog.pdf
VC_REP_250421_Mar_RedTagReport.pdf

CITY OF ROLLING HILLS RESIDENTIAL FRANCHISE

2025

Year	2025
Diversion Requi	Y

Month	Commodity	Tons Collected	Tons Recovered	Tons Disposed	Diversion %
1	Greenwaste	128.08	128.08	-	100.00%
	Greenwaste - Free Residential Roll Off Bin	1.63	1.63	-	100.00%
	Trash	189.31	-	189.31	0.00%
	Trash - Free Residential Roll Off Bin	10.51	-	10.51	0.00%
1 Total		329.53	129.71	199.82	39.36%
2	Greenwaste	102.30	102.30	-	100.00%
	Greenwaste - Free Residential Roll Off Bin	8.54	8.54	-	100.00%
	Recycle	4.35	2.02	2.33	46.46%
	Trash	181.14	-	181.14	0.00%
	Trash - Free Residential Roll Off Bin	16.57	-	16.57	0.00%
2 Total		312.90	112.86	200.04	36.07%
3	Greenwaste	110.94	110.94	-	100.00%
	Recycle	14.41	7.66	6.75	53.17%
	Trash	199.27	-	199.27	0.00%
3 Total		324.62	118.60	206.02	36.54%
Grand Total		967.05	361.17	605.88	37.35%

CITY OF ROLLING HILLS NON-FRANCHISE

2025

Year 2025
Diversion Requi N

Month	Commodity	Tons Collected	Tons Recovered	Tons Disposed	Diversion %
1	C&D	10.85	8.71	2.14	80.24%
	Greenwaste	14.33	14.33	-	100.00%
	Recycle	0.20	0.08	0.12	41.79%
	Trash	56.68	-	56.68	0.00%
1 Total		82.06	23.12	58.94	28.17%
2	C&D	5.26	4.22	1.04	80.24%
	Recycle	0.19	0.09	0.10	46.46%
	Trash	21.78	-	21.78	0.00%
2 Total		27.23	4.31	22.92	15.82%
3	C&D	3.67	2.94	0.73	80.24%
	Greenwaste	9.52	9.52	-	100.00%
	Recycle	0.33	0.17	0.16	52.66%
	Trash	58.05	-	58.05	0.00%
3 Total		71.57	12.64	58.93	17.66%
Grand Total		180.86	40.07	140.79	22.15%

Republic Services
C&D Report

City of Rolling Hills
Reporting Period March-25

Disposal Site	Material	Loads Taken	Tons Collected
CWS	C&D	1	3.67

Summary	
Row Labels	**Sum of Tons Collected**
C&D	3.67
Grand Total	**3.67**

Republic Services Call Log Report

City:	Rolling Hills
Year	2025
Month/Quarter	3

Summary of Calls by Type		
Final Call		
Final Call Type	**Sub-Type**	**Total**
3.Missed Pick Up	Missed Recycle - Residential	1
	Missed Trash - Residential	2
	Missed Yard Waste - Residential	1
	Missed Bulk Service	5
3.Missed Pick Up Total		**9**
Grand Total		**9**

Republic Services Call Log Report

Final Call Type	Sub-Type	Case Number	Date/Time Opened	Date/Time Closed	Created By	Request Description	Resolution Comments	Customer Category	Account Number	Site	Account Name	Site Address	Phone
3.Missed Pick Up	Missed Bulk Service	20250313-211729753	3/13/2025 4:52 PM	3/18/2025 10:33 PM	Nimsi Gonzalez	(blank)	(blank)	RESI	9020003267	1	CURRENT RESIDENT	5 CHESTNUT LN ROLLING HILLS CA	(000) 000-0000
3.Missed Pick Up	Missed Bulk Service	20250314-211767494	3/14/2025 10:29 AM	3/18/2025 10:33 PM	Cheryl Fortson	(blank)	(blank)	RESI	9020003025	1	CURRENT RESIDENT	4 APPALOOSA LN ROLLING HILLS CA	(000) 000-0000
3.Missed Pick Up	Missed Bulk Service	20250317-211870157	3/17/2025 12:48 PM	3/19/2025 10:35 PM	Christa Weaver	(blank)	(blank)	RESI	9020003025	1	CURRENT RESIDENT	4 APPALOOSA LN ROLLING HILLS CA	(000) 000-0000
3.Missed Pick Up	Missed Bulk Service	20250318-211916563	3/18/2025 8:10 AM	(blank)	Pamela Ferrell	(blank)	(blank)	RESI	9020003267	1	CURRENT RESIDENT	5 CHESTNUT LN ROLLING HILLS CA	(000) 000-0000
3.Missed Pick Up	Missed Bulk Service	20250319-212036918	3/19/2025 12:28 PM	3/21/2025 10:32 PM	Quatavia Ross	(blank)	(blank)	RESI	9020003025	1	CURRENT RESIDENT	4 APPALOOSA LN ROLLING HILLS CA	(000) 000-0000
3.Missed Pick Up	Missed Recycle - Residential	20250314-211785229	3/14/2025 12:54 PM	3/18/2025 10:33 PM	Brittany Dewese	(blank)	(blank)	RESI	9020003470	1	CURRENT RESIDENT	20 CINCHRING RD ROLLING HILLS CA	(000) 000-0000
3.Missed Pick Up	Missed Trash - Residential	20250314-211784995	3/14/2025 12:52 PM	3/18/2025 10:33 PM	Brittany Dewese	(blank)	(blank)	RESI	9020003470	1	CURRENT RESIDENT	20 CINCHRING RD ROLLING HILLS CA	(000) 000-0000
3.Missed Pick Up	Missed Trash - Residential	20250324-212300366	3/24/2025 3:04 PM	3/27/2025 12:11 AM	Terrence Onuorah	(blank)	(blank)	RESI	9020003470	1	CURRENT RESIDENT	20 CINCHRING RD ROLLING HILLS CA	(000) 000-0000
3.Missed Pick Up	Missed Yard Waste - Residential	20250314-211785086	3/14/2025 12:53 PM	3/18/2025 10:33 PM	Brittany Dewese	(blank)	(blank)	RESI	9020003470	1	CURRENT RESIDENT	20 CINCHRING RD ROLLING HILLS CA	(000) 000-0000

REPUBLIC SERVICES

Sustainability in Action

Rolling Hills Red Tags – March 2025

Date	Address	Code	Issue	COMM
3/13/2025	71 CREST RD E	2	PLACEMENT	NO
3/27/2025	9 WIDELOOP RD	7	CONTAMINATED (REC)	NO
3/31/2025	12 UPPER BLACKWATER CYN RD	4	PLACEMENT	NO

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 8.F
Mtg. Date: 04/28/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: ADOPT RESOLUTION NO. 1388 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS ADOPTING THE GENERAL SERVICES AGREEMENT BETWEEN THE CITY OF ROLLING HILLS AND THE COUNTY OF LOS ANGELES AND APPROVE RENEWAL OF LOS ANGELES COUNTY GENERAL SERVICES AGREEMENT

DATE: April 28, 2025

BACKGROUND:
The General Services Agreement (GSA) between the City of Rolling Hills and the County of Los Angeles (County) will expire on June 30, 2025 (Attachment D). In order to continue receiving services provided by the County, the City is required to renew the GSA for a five-year period, commencing on July 1, 2025 through June 30, 2030 (Attachment B) and adopt a corresponding Resolution.

DISCUSSION:

Every five years, the City considers renewal of its GSA with the County of Los Angeles to provide certain services to the City, an example of which is proposed development plan checking or building and safety inspections (Attachment C). The current GSA expires on June 30, 2025. Adoption of this Agreement does not alter any of the charges for services or responsibilities of each party. This Agreement has been reviewed by the City Attorney's Office. A copy of the Agreement is attached to Resolution No. 1388 (Attachment A) for your review, and no changes are contained in the Agreement.

FISCAL IMPACT:
None.

RECOMMENDATION:
Approve as presented.

ATTACHMENTS:
Attachment A - ResolutionNo1388_LACo_GSA_2025-30_F.pdf
Attachment B - CA_AGR_250428_LACo_GSA_2025-2030_F.pdf
Attachment C - CA_AGR_250428_LACo_GSA_Matrix_Highlighted.pdf
Attachment D - CA_AGR_200601_LACo_GSA_2020-2035_F_E.pdf

RESOLUTION NO. 1388

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS ADOPTING THE GENERAL SERVICES AGREEMENT BETWEEN THE CITY OF ROLLING HILLS AND THE COUNTY OF LOS ANGELES.

WHEREAS, the City of Rolling Hills desires to contract for specific services from the County of Los Angeles; and

WHEREAS, the City of Rolling Hills adopted a General Services Agreement on March 23, 2020 to receive said services; and

WHEREAS, this Agreement will expire on June 30, 2025; and

WHEREAS, the City of Rolling Hills desires to continue to receive specific services from the County of Los Angeles.

THE CITY COUNCIL OF THE CITY OF ROLLING HILLS, CALIFORNIA, DOES HEREBY RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. The City Council hereby adopts the General Services Agreement with the County of Los Angeles effective July 1, 2025 for a period of five (5) years expiring on June 30, 2030.

Section 2. The Mayor is hereby directed to sign this Resolution signifying its adoption, and the City Clerk, or duly authorized Deputy, is directed to attest thereto.

Section 3. The Mayor and City Clerk are hereby directed to affix their signatures to the attached Agreement (Exhibit "A") entitled, "General Services Agreement."

Section 4. The City Clerk shall forward a certified copy of this Resolution and 3 copies of the signed Agreement to COUNTY OF LOS ANGELES INTERGOVERNMENTAL AND EXTERNAL AFFAIRS OFFICE.

[SIGNATURES ON FOLLOWING PAGE]

PASSED, APPROVED, AND ADOPTED this 28th day of April, 2025

JEFF PIEPER
MAYOR

ATTEST:

CHRISTIAN HORVATH
CITY CLERK

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) §§
CITY OF ROLLING HILLS)

The foregoing Resolution No. 1388 entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ROLLING HILLS ADOPTING THE GENERAL SERVICES AGREEMENT BETWEEN THE CITY OF ROLLING HILLS AND THE COUNTY OF LOS ANGELES.

was approved and adopted at a regular meeting of the City Council on the 28th day of April 2025, by the following roll call vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

____
CHRISTIAN HORVATH
CITY CLERK

GENERAL SERVICES AGREEMENT

THIS GENERAL SERVICES AGREEMENT ("Agreement"), dated for purposes of reference only, July 1, 2025, is made by and between the County of Los Angeles, hereinafter referred to as the "County," and the City of Rolling Hills, hereinafter referred to as the "City."

RECITALS:

(a) The City is desirous of contracting with the County for the performance by its appropriate officers and employees of City functions.

(b) The County is agreeable to performing such services on the terms and conditions hereinafter set forth.

(c) Such contracts are authorized and provided for by the provisions of Section 56½ of the Charter of the County of Los Angeles and Section 51300, *et seq*., of the Government Code.

THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. The County agrees, through its officers, agents and employees, to perform those City functions, which are hereinafter provided for.

2. The City shall pay for such services as are provided under this Agreement at rates to be determined by the County Auditor-Controller in accordance with the policies and procedures established by the Board of Supervisors.

These rates shall be readjusted by the County Auditor-Controller annually effective the first day of July of each year to reflect the cost of such service in accordance with the policies and procedures for the determination of such rates as adopted by the Board of Supervisors of County.

3. No County agent, officer or department shall perform for said City any

function not coming within the scope of the duties of such agent, officer or department in performing services for the County.

4. No service shall be performed hereunder unless the City shall have available funds previously appropriated to cover the cost thereof.

5. No function or service shall be performed hereunder by any County agent, officer or department unless such function or service shall have been requested in writing by the City on order of the City Council thereof or such officer as it may designate and approved by the Board of Supervisors of the County, or such officer as it may designate, and each such service or function shall be performed at the times and under circumstances which do not interfere with the performance of regular County operations.

6. Whenever the County and City mutually agree as to the necessity for any such County agent, officer or department to maintain administrative headquarters in the City, the City shall furnish at its own cost and expense all necessary office space, furniture, and furnishings, office supplies, janitorial service, telephone, light, water, and other utilities. In all instances where special supplies, stationery, notices, forms and the like must be issued in the name of the City, the same shall be supplied by the City at its expense.

It is expressly understood that in the event a local administrative office is maintained in the City for any such County agent, officer or department, such quarters may be used by the County agent, officer or department in connection with the performance of its duties in territory outside the City and adjacent thereto provided, however, that the performance of such outside duties shall not be at any additional cost to the City.

7. All persons employed in the performance of such services and functions for

the City shall be County agents, officers or employees, and no City employee as such shall be taken over by the County, and no person employed hereunder shall have any City pension, civil service, or other status or right.

For the purpose of performing such services and functions, and for the purpose of giving official status to the performance hereof, every County agent, officer and employee engaged in performing any such service or function shall be deemed to be an agent, officer or employee of said City while performing service for the City within the scope of this agreement.

8. The City shall not be called upon to assume any liability for the direct payment of any salary, wages or other compensation to any County personnel performing services hereunder for the City, or any liability other than that provided for in this agreement.

Except as herein otherwise specified, the City shall not be liable for compensation or indemnity to any County employee for injury or sickness arising out of his or her employment.

9. The parties hereto have executed an Assumption of Liability Agreement approved by the Board of Supervisors on December 27, 1977 and/or a Joint Indemnity Agreement approved by the Board of Supervisors on October 8, 1991. Whichever of these documents the City has signed later in time is currently in effect and hereby made a part of and incorporated into this agreement as set out in full herein. In the event that the Board of Supervisors later approves a revised Joint Indemnity Agreement and the City executes the revised agreement, the subsequent agreement as of its effective date shall supersede the agreement previously in effect between the parties hereto.

10. Each County agent, officer or department performing any service for the

City provided for herein shall keep reasonably itemized and in detail work or job records covering the cost of all services performed, including salary, wages and other compensation for labor, supervision and planning, plus overhead, the reasonable rental value of all County-owned machinery and equipment, rental paid for all rented machinery or equipment, together with the cost of an operator thereof when furnished with said machinery or equipment, the cost of all machinery and supplies furnished by the County, reasonable handling charges, and all additional items of expense incidental to the performance of such function or service.

11. All work done hereunder is subject to the limitations of the provisions of Section 23008 of the Government Code, and in accordance therewith, before any work is done or services rendered pursuant hereto, an amount equal to the cost or an amount 10% in excess of the estimated cost must be reserved by the City from its funds to ensure payment for work, services or materials provided hereunder.

12. The County shall render to the City at the close of each calendar month an itemized invoice which covers all services performed during said month, and the City shall pay County therefore within thirty (30) days after date of said invoice.

If such payment is not delivered to the County office which is described on said invoice within thirty (30) days after the date of the invoice, the County is entitled to recover interest thereon. Said interest shall be at the rate of seven (7) percent per annum or any portion thereof calculated from the last day of the month in which the services were performed.

13. Notwithstanding the provisions of Government Code Section 907, if such payment is not delivered to the County office which is described on said invoice within thirty (30) days after the date of the invoice, the County may satisfy such indebtedness,

including interest thereon, from any funds of any such City on deposit with the County without giving further notice to said City of County's intention to do so.

14. This Agreement shall become effective on the date herein-above first mentioned and shall run for a period ending June 30, 2030, and at the option of the City Council of the City, with the consent of the Board of Supervisors of County, shall be renewable thereafter for an additional period of not to exceed five (5) years.

15. In the event the City desires to renew this Agreement for said five-year period, the City Council shall not later than the last day of May 2030, notify the Board of Supervisors of County that it wishes to renew the same, whereupon the Board of Supervisors, not later than the last day of June 2030, shall notify the City Council in writing of its willingness to accept such renewal. Otherwise, such Agreement shall finally terminate at the end of the aforedescribed period.

Notwithstanding the provisions of this paragraph herein-above set forth, the County may terminate this Agreement at any time by giving thirty (30) days' prior written notice to the City. The City may terminate this Agreement as of the first day of July of any year upon thirty (30) days' prior written notice to the County.

16. This Agreement is designed to cover miscellaneous and sundry services which may be supplied by the County of Los Angeles and the various departments thereof. In the event there now exists or there is hereafter adopted a specific contract between the City and the County with respect to specific services, such contract with respect to specific services shall be controlling as to the duties and obligations of the parties anything herein to the contrary notwithstanding, unless such special contract adopts the provisions hereof by reference.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

Executed this ______________day of _________________________2025.

The City of Rolling Hills,

By ______________________________
Mayor

ATTEST:

City Clerk

THE COUNTY OF LOS ANGELES

By______________________________

By______________________________
Chair, Board of Supervisors

ATTEST:

EDWARD YEN
Executive Officer/Clerk
of the Board of Supervisors

By______________________________
Deputy

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By ____________________________
Senior Deputy

SERVICES PROVIDED TO CITIES BY THE COUNTY OF LOS ANGELES
(Via Agreement)

City	AGRICULTURAL COMM./WEIGHTS & MEASURES	Weed Abatement	Predatory Animal (GSA or Contract)	Vertebrate Pests (Contract)	Noxious/Invasive Weeds Management (Contract)	ANIMAL CARE & CONTROL (1)	Animal Control	Animal Shelter Services	ASSESSOR	Maps	Media (CD/DVD/Email)	AUDITOR-CONTROLLER	Direct Assessments Collections	BEACHES & HARBORS (2)	Beach Maintenance	Facility Maintenance	BOARD OF SUPERVISORS	JPA for Foothill Transit Corporation & Meetings	Hearing Appeals-Civil Service Commission	CHIEF EXECUTIVE OFFICE	GSA/Assumption of Liability Agreements	Local Homeless Services Programming (12)	CONSUMER AND BUSINESS AFFAIRS	Eviction Defense Services	Wage Enforcement Services	Immigrant Legal Services
Agoura Hills		▪					▪	▪		•											▪					
Alhambra							▪	▪		•			▪								▪					
Arcadia		▪								•			▪								▪					
Artesia		▪					▪	▪		•			▪								▪					
Avalon													▪								▪					
Azusa		▪					▪	▪					▪								▪					
Baldwin Park		▪					▪	▪			•		▪								▪					
Bell		▪					▪	▪					▪						▪		▪					
Bellflower		▪											▪								▪					
Bell Gardens		▪								•			▪								▪					
Beverly Hills			▪	▪							•		▪						▪		▪					
Bradbury		▪											▪								▪					
Burbank											•		▪								▪	▪				
Calabasas		▪					▪	▪					▪								▪					
Carson		▪					▪	▪		•	•		▪								▪					
Cerritos		▪									•		▪								▪					
Claremont		▪									•		▪						▪		▪					
Commerce		▪					▪	▪		•	•										▪					
Compton							▪	▪		•	•		▪						▪		▪					
Covina		▪									•		▪								▪					
Cudahy		▪					▪	▪					▪								▪					
Culver City							▪	▪			•		▪								▪					
Diamond Bar		▪	▪								•		▪								▪					
Downey										•	•		▪						▪		▪					
Duarte		▪		▪									▪								▪					
El Monte		▪					▪	▪					▪								▪					
El Segundo											•								▪		▪					
Gardena		▪					▪	▪		•	•		▪								▪					
Glendale		▪								•	•		▪								▪	▪				
Glendora		▪											▪								▪					
Hawaiian Gardens		▪					▪	▪					▪								▪					
Hawthorne		▪					▪	▪		•	•		▪								▪					
Hermosa Beach										•	•		▪		▪	▪					▪					
Hidden Hills		▪					▪	▪													▪					
Huntington Park							▪	▪					▪								▪					

City	DISTRICT ATTORNEY	City Prosecution Services	Community Law Enforcement & Recovery (CLEAR)	Community Prosecutor Program (CPP)	FIRE DEPARTMENT (3)	Fire Suppression Services - Fee for Service	Fire Suppression Services - Tax Share	Beach Lifeguard Services	GSA/MOU/Others	Certified Unified Participating Agency Billing	HEALTH SERVICES	Housing and homelessness services	Justice-related services	Pregnancy-related support services	INTERNAL SERVICES (4)	Telecommunication Services	IT Services	Energy and Environmental Programs	SoCalREN-EES	eGIS Services	Fleet & Logistics	Maintenance & Operations	Ongoing Custodial services	Ongoing Landscape services	Ongoing Pest Control	Program & Project Management	Special Services - As Needed (Events, Paint, Signage...
Agoura Hills		▪					▪									▪				▪	▪			▪		▪	▪
Alhambra		▪										▪		▪		▪		▪	▪		▪		▪	▪	▪		▪
Arcadia		▪							▪			▪		▪		▪	▪	▪	▪	▪	▪		▪	▪	▪	▪	▪
Artesia		▪					▪					▪				▪		▪	▪		▪						▪
Avalon		▪						▪	▪			▪		▪		▪		▪	▪				▪			▪	▪
Azusa		▪				▪			▪			▪				▪		▪	▪	▪						▪	▪
Baldwin Park		▪					▪							▪		▪		▪	▪		▪			▪	▪	▪	▪
Bell		▪					▪							▪		▪		▪	▪		▪						▪
Bellflower		▪					▪					▪				▪				▪	▪		▪				▪
Bell Gardens		▪					▪									▪		▪	▪				▪	▪			▪
Beverly Hills		▪							▪			▪		▪		▪		▪	▪	▪	▪		▪			▪	▪
Bradbury		▪					▪									▪		▪	▪								▪
Burbank		▪							▪	▪		▪		▪		▪	▪			▪	▪		▪	▪	▪	▪	▪
Calabasas		▪					▪									▪					▪					▪	▪
Carson		▪					▪					▪		▪		▪	▪	▪	▪	▪	▪		▪			▪	▪
Cerritos		▪					▪					▪				▪				▪	▪		▪			▪	▪
Claremont		▪					▪					▪				▪		▪	▪	▪	▪					▪	▪
Commerce		▪				▪						▪				▪					▪		▪	▪	▪	▪	▪
Compton		▪							▪			▪	▪	▪		▪				▪	▪		▪		▪	▪	▪
Covina		▪				▪						▪		▪		▪	▪	▪	▪	▪			▪			▪	▪
Cudahy		▪					▪									▪		▪	▪		▪				▪	▪	▪
Culver City		▪							▪	▪		▪	▪	▪		▪		▪	▪	▪	▪			▪	▪	▪	▪
Diamond Bar		▪					▪					▪				▪		▪	▪	▪			▪				▪
Downey		▪							▪	▪		▪	▪	▪		▪		▪	▪	▪	▪		▪	▪	▪	▪	▪
Duarte		▪					▪					▪	▪	▪		▪		▪	▪	▪						▪	▪
El Monte		▪				▪								▪		▪		▪	▪	▪	▪		▪	▪	▪	▪	▪
El Segundo		▪						▪	▪				▪	▪		▪		▪	▪	▪							▪
Gardena		▪				▪						▪		▪		▪		▪	▪	▪	▪		▪	▪	▪	▪	▪
Glendale		▪							▪			▪		▪		▪				▪	▪	▪	▪	▪		▪	▪
Glendora		▪					▪					▪		▪		▪		▪			▪		▪			▪	▪
Hawaiian Gardens		▪					▪									▪											▪
Hawthorne		▪				▪								▪		▪	▪	▪	▪		▪					▪	▪
Hermosa Beach		▪				▪		▪						▪		▪		▪	▪	▪						▪	▪
Hidden Hills		▪					▪									▪											▪
Huntington Park		▪					▪							▪		▪		▪	▪		▪		▪	▪		▪	▪

City	MENTAL HEALTH	Socialization Services (5)	Mental Hlth Eval & Co-Response Team w/Police (6)	Mental Health Evaluation Team & 1 FTE PSW (7)	PROBATION	Deputy Probation Officer Services	PUBLIC HEALTH	See Attachment I for Specific Services	PUBLIC LIBRARY (8)	Library Services	PUBLIC WORKS	See Attachment II for Specific Services	REGIONAL PLANNING	Planning & Zoning Services	REGISTRAR-RECORDER/COUNTY CLERK (9)	Document Transfer Tax Collection (12)	Real Property Index-View	Election Management System	Vital Records Data and Images	Release of Voter Signature Files	Access to YODA System (10)	SHERIFF'S DEPARTMENT	General Law Enforcement	Traffic Law Enforcement	Detective Services	Helicopter Programs	Special Occasions	TREASURER AND TAX COLLECTOR	Business License
Agoura Hills								▪		▪		▪				▪							▪	▪	▪		▪		
Alhambra			▪					▪				▪				▪										▪	▪		
Arcadia								▪				▪				▪											▪		
Artesia								▪		▪		▪				▪							▪	▪	▪	▪	▪		
Avalon								▪		▪		▪				▪							▪	▪	▪		▪		
Azusa			▪					▪				▪				▪											▪		
Baldwin Park								▪		▪		▪				▪										▪			
Bell			▪					▪		▪		▪				▪											▪		
Bellflower						▪		▪		▪		▪				▪							▪	▪	▪	▪	▪		
Bell Gardens			▪					▪		▪		▪				▪											▪		
Beverly Hills								▪				▪				▪					▪					▪	▪		
Bradbury								▪		▪		▪				▪							▪	▪	▪		▪		
Burbank				▪		▪		▪				▪				▪											▪		
Calabasas								▪				▪				▪							▪	▪	▪		▪		
Carson								▪		▪		▪				▪							▪	▪	▪	▪	▪		
Cerritos								▪				▪				▪				▪			▪	▪	▪		▪		
Claremont								▪		▪		▪				▪											▪		
Commerce						▪		▪				▪				▪							▪	▪	▪	▪	▪		
Compton								▪		▪		▪				▪							▪	▪	▪		▪		
Covina			▪					▪				▪				▪											▪		
Cudahy								▪		▪		▪				▪							▪	▪	▪		▪		
Culver City			▪					▪		▪		▪				*					▪						▪		
Diamond Bar								▪		▪		▪				▪							▪	▪	▪	▪	▪		
Downey			▪					▪				▪				▪											▪		
Duarte						▪		▪		▪		▪				▪							▪	▪	▪		▪		
El Monte								▪		▪		▪				▪										▪	▪		
El Segundo								▪				▪				▪											▪		
Gardena		▪						▪		▪		▪				▪													
Glendale								▪				▪				▪											▪		
Glendora			▪					▪				▪				▪										▪	▪		
Hawaiian Gardens								▪		▪		▪				▪							▪	▪	▪		▪		
Hawthorne								▪		▪		▪				▪											▪		
Hermosa Beach								▪		▪		▪				▪											▪		
Hidden Hills								▪				▪				▪							▪	▪	▪		▪		
Huntington Park			▪					▪		▪		▪				▪											▪		

SERVICES PROVIDED TO CITIES BY THE COUNTY OF LOS ANGELES
(Via Agreement)

City	AGRICULTURAL COMM./WEIGHTS & MEASURES	Weed Abatement	Predatory Animal (GSA or Contract)	Vertebrate Pests (Contract)	Noxious/Invasive Weeds Management (Contract)	ANIMAL CARE & CONTROL [1]	Animal Control	Animal Shelter Services	ASSESSOR	Maps	Media (CD/DVD/Email)	AUDITOR-CONTROLLER	Direct Assessments Collections	BEACHES & HARBORS [2]	Beach Maintenance	Facility Maintenance	BOARD OF SUPERVISORS	JPA for Foothill Transit Corporation & Meetings	Hearing Appeals-Civil Service Commission	CHIEF EXECUTIVE OFFICE	GSA/Assumption of Liability Agreements	Local Homeless Services Programming [12]
Industry		▪		▪	▪		▪	▪													▪	
Inglewood				▪			▪	▪		•	•		▪						▪		▪	
Irwindale		▪	▪	▪			▪	▪			•		▪								▪	
La Canada Flintridge		▪									•		▪						▪		▪	
La Habra Heights				▪			▪	▪					▪								▪	
Lakewood		▪											▪						▪		▪	
La Mirada		▪	▪				▪	▪					▪								▪	
Lancaster							▪	▪					▪						▪		▪	▪
La Puente		▪					▪	▪					▪								▪	
La Verne		▪											▪						▪		▪	
Lawndale		▪					▪	▪			•		▪								▪	
Lomita		▪					▪	▪					▪								▪	
Long Beach										•	•		▪								▪	▪
Los Angeles										•			▪		▪	▪						
Lynwood											•		▪						▪		▪	
Malibu		▪					▪	▪			•		▪								▪	
Manhattan Beach													▪						▪		▪	
Maywood		▪					▪	▪					▪						▪		▪	
Monrovia											•		▪								▪	
Montebello										•	•		▪								▪	
Monterey Park		▪		▪			▪	▪					▪								▪	
Norwalk		▪								•			▪								▪	
Palmdale				▪	▪		▪	▪			•		▪								▪	▪
Palos Verdes Estates		▪					▪	▪			•		▪						▪		▪	
Paramount		▪											▪								▪	
Pasadena										•	•		▪								▪	▪
Pico Rivera		▪		▪						•			▪								▪	
Pomona		▪		▪	▪						•		▪						▪		▪	
Rancho Palos Verdes		▪	▪				▪	▪					▪								▪	
Redondo Beach							▪	▪		•	•		▪						▪		▪	
Rolling Hills		▪	▪	▪	▪		▪	▪			•		▪								▪	
Rolling Hills Estates		▪	▪				▪	▪											▪		▪	

City	CONSUMER AND BUSINESS AFFAIRS	Eviction Defense Services	Wage Enforcement Services	Immigrant Legal Services	DISTRICT ATTORNEY	City Prosecution Services	Community Law Enforcement & Recovery (CLEAR)	Community Prosecutor Program (CPP)	FIRE DEPARTMENT [3]	Fire Suppression Services - Fee for Service	Fire Suppression Services - Tax Share	Beach Lifeguard Services	GSA/MOU/Others	Certified Unified Participating Agency Billing	HEALTH SERVICES	Housing and homelessness services	Justice-related services	Pregnancy-related support services
Industry						▪					▪					▪	▪	▪
Inglewood										▪						▪	▪	▪
Irwindale						▪					▪							▪
La Canada Flintridge						▪					▪							
La Habra Heights						▪							▪					▪
Lakewood						▪					▪							▪
La Mirada						▪					▪							▪
Lancaster											▪					▪	▪	▪
La Puente						▪					▪							
La Verne						▪							▪					▪
Lawndale						▪					▪							▪
Lomita						▪					▪					▪		▪
Long Beach		▪											▪			▪	▪	▪
Los Angeles				▪			▪					▪	▪			▪	▪	▪
Lynwood						▪				▪						▪		▪
Malibu						▪					▪	▪						
Manhattan Beach						▪						▪	▪			▪		
Maywood						▪					▪							
Monrovia						▪							▪	▪				
Montebello						▪							▪					▪
Monterey Park						▪							▪			▪	▪	▪
Norwalk						▪					▪					▪		▪
Palmdale						▪					▪					▪		▪
Palos Verdes Estates						▪				▪		▪						
Paramount						▪		▪			▪					▪		▪
Pasadena													▪	▪		▪	▪	▪
Pico Rivera						▪					▪							
Pomona						▪				▪						▪		▪
Rancho Palos Verdes						▪					▪	▪	▪					
Redondo Beach												▪	▪			▪		▪
Rolling Hills						▪					▪							
Rolling Hills Estates						▪					▪							

City	INTERNAL SERVICES [4]	Telecommunication Services	IT Services	Energy and Environmental Programs	SoCalREN-EES	eGIS Services	Fleet & Logistics	Maintenance & Operations	Ongoing Custodial services	Ongoing Landscape services	Ongoing Pest Control	Program & Project Management	Special Services - As Needed (Events, Paint, Signage...)	MENTAL HEALTH	Socialization Services [5]	Mental Hlth Eval & Co-Response Team w/Police [6]	Mental Health Evaluation Team & 1 FTE PSW [7]
Industry		▪		▪	▪	▪	▪		▪	▪		▪	▪				
Inglewood		▪	▪	▪		▪	▪		▪	▪	▪	▪	▪				
Irwindale		▪		▪	▪	▪	▪		▪			▪	▪				
La Canada Flintridge		▪		▪		▪		▪				▪	▪				
La Habra Heights		▪			▪	▪							▪				
Lakewood		▪	▪		▪	▪	▪		▪	▪		▪	▪				
La Mirada		▪		▪	▪				▪			▪	▪				
Lancaster		▪			▪	▪	▪	▪		▪		▪	▪				
La Puente		▪		▪	▪		▪		▪			▪	▪				
La Verne		▪	▪	▪	▪		▪		▪	▪	▪	▪	▪				
Lawndale		▪		▪	▪		▪	▪	▪			▪	▪				
Lomita		▪		▪	▪		▪		▪	▪		▪	▪				
Long Beach		▪	▪	▪	▪	▪	▪		▪	▪		▪	▪				
Los Angeles																	
Lynwood		▪		▪	▪		▪		▪		▪	▪	▪				
Malibu		▪		▪	▪	▪	▪		▪	▪		▪	▪				
Manhattan Beach		▪	▪	▪	▪	▪			▪	▪		▪	▪				
Maywood		▪		▪	▪								▪				
Monrovia		▪		▪	▪	▪	▪		▪	▪	▪		▪				
Montebello		▪		▪	▪		▪	▪	▪	▪		▪	▪			▪	
Monterey Park		▪		▪	▪	▪	▪	▪	▪	▪	▪	▪	▪			▪	
Norwalk		▪		▪	▪	▪	▪		▪	▪	▪	▪	▪				
Palmdale		▪		▪	▪	▪	▪	▪	▪	▪		▪	▪				
Palos Verdes Estates		▪		▪		▪							▪				
Paramount		▪		▪	▪							▪	▪				
Pasadena		▪	▪			▪	▪	▪	▪	▪	▪	▪	▪				
Pico Rivera		▪		▪	▪	▪	▪		▪			▪	▪				
Pomona		▪		▪	▪		▪		▪	▪	▪	▪	▪				
Rancho Palos Verdes		▪		▪	▪	▪						▪	▪				
Redondo Beach		▪	▪	▪	▪	▪	▪		▪			▪	▪				
Rolling Hills		▪		▪		▪						▪	▪				
Rolling Hills Estates		▪		▪	▪								▪				

City	PROBATION	Deputy Probation Officer Services	PUBLIC HEALTH	See Attachment I for Specific Services	PUBLIC LIBRARY [8]	Library Services	PUBLIC WORKS	See Attachment II for Specific Services	REGIONAL PLANNING	Planning & Zoning Services	REGISTRAR-RECORDER/COUNTY CLERK [9]	Document Transfer Tax Collection [12]	Real Property Index-View	Election Management System	Vital Records Data and Images	Release of Voter Signature Files	Access to YODA System [10]	SHERIFF'S DEPARTMENT	General Law Enforcement	Traffic Law Enforcement	Detective Services	Helicopter Programs	Special Occasions	TREASURER AND TAX COLLECTOR	Business License
Industry				▪				▪				▪							▪	▪	▪	▪	▪		
Inglewood				▪				▪				▪											▪		
Irwindale				▪				▪				▪													
La Canada Flintridge				▪		▪		▪				▪							▪	▪	▪	▪	▪		
La Habra Heights				▪		▪		▪				▪							▪	▪	▪		▪		
Lakewood				▪		▪		▪				▪							▪	▪	▪		▪		
La Mirada		▪		▪		▪		▪				▪							▪	▪	▪		▪		
Lancaster				▪		▪		▪				▪				▪	▪		▪	▪	▪		▪		
La Puente				▪		▪		▪				▪							▪	▪	▪		▪		
La Verne				▪		▪		▪				▪													
Lawndale				▪		▪		▪				▪							▪	▪	▪		▪		
Lomita				▪		▪		▪				▪							▪	▪	▪		▪		
Long Beach		▪		▪				▪				▪		▪	▪		▪								
Los Angeles				▪				▪				*	▪	▪			▪						▪		
Lynwood				▪		▪		▪				▪							▪	▪	▪	▪	▪		
Malibu				▪		▪		▪				▪							▪	▪	▪	▪	▪		▪
Manhattan Beach				▪		▪		▪				▪											▪		
Maywood				▪		▪		▪				▪							▪	▪	▪		▪		
Monrovia				▪				▪				▪											▪		
Montebello				▪		▪		▪				▪										▪	▪		
Monterey Park				▪				▪				▪										▪	▪		
Norwalk				▪		▪		▪				▪							▪	▪	▪		▪		
Palmdale				▪				▪				▪							▪	▪	▪		▪		
Palos Verdes Estates				▪				▪				▪											▪		
Paramount		▪		▪		▪		▪				▪							▪	▪	▪	▪	▪		
Pasadena				▪				▪				▪			▪								▪		
Pico Rivera				▪		▪		▪				▪							▪	▪	▪	▪	▪		
Pomona				▪				▪				*	▪										▪		
Rancho Palos Verdes				▪				▪				▪							▪	▪	▪		▪		
Redondo Beach				▪				▪				*											▪		
Rolling Hills				▪				▪		▪		▪							▪	▪	▪		▪		
Rolling Hills Estates				▪				▪				▪							▪	▪	▪		▪		

SERVICES PROVIDED TO CITIES BY THE COUNTY OF LOS ANGELES
(Via Agreement)

City	AGRICULTURAL COMM./WEIGHTS & MEASURES	Weed Abatement	Predatory Animal (GSA or Contract)	Vertebrate Pests (Contract)	Noxious/Invasive Weeds Management (Contract)	ANIMAL CARE & CONTROL [1]	Animal Control	Animal Shelter Services	ASSESSOR	Maps	Media (CD/DVD/Email)	AUDITOR-CONTROLLER	Direct Assessments Collections	BEACHES & HARBORS [2]	Beach Maintenance	Facility Maintenance	BOARD OF SUPERVISORS	JPA for Foothill Transit Corporation & Meetings	Hearing Appeals-Civil Service Commission
Rosemead		•								•									
San Dimas		•		•	•					•			•						
San Fernando							•	•					•						•
San Gabriel										•			•						
San Marino													•						
Santa Clarita		•		•	•		•	•					•						
Santa Fe Springs		•									•		•						
Santa Monica											•		•						
Sierra Madre													•						
Signal Hill		•											•						
South El Monte		•											•						
South Gate		•									•		•						•
South Pasadena		•		•									•						
Temple City		•									•		•						
Torrance							•	•		•	•		•						
Vernon											•		•						•
Walnut		•					•	•					•						
West Covina			•				•	•					•						•
West Hollywood		•					•	•					•						
Westlake Village		•					•	•					•						
Whittier		•					•	•					•						
TOTAL		58	8	14	6		44	44		25	38		81		2	2		0	22

City	CHIEF EXECUTIVE OFFICE	GSA/Assumption of Liability Agreements	Local Homeless Services Programming [12]	CONSUMER AND BUSINESS AFFAIRS	Eviction Defense Services	Wage Enforcement Services	Immigrant Legal Services	DISTRICT ATTORNEY	City Prosecution Services	Community Law Enforcement & Recovery (CLEAR)	Community Prosecutor Program (CPP)	FIRE DEPARTMENT [3]	Fire Suppression Services - Fee for Service	Fire Suppression Services - Tax Share	Beach Lifeguard Services	GSA/MOU/Others	Certified Unified Participating Agency Billing
Rosemead		•							•					•			
San Dimas		•							•					•			
San Fernando		•	• (red)						•							•	
San Gabriel		•							•							•	
San Marino		•							•							•	
Santa Clarita		•	• (red)						•					•			
Santa Fe Springs		•							•							•	
Santa Monica		•				•									•	•	
Sierra Madre									•							•	
Signal Hill		•							•					•			
South El Monte		•							•					•			
South Gate		•							•					•			
South Pasadena		•							•							•	
Temple City		•							•					•			
Torrance		•													•	•	•
Vernon		•							•				•			•	
Walnut		•							•					•			
West Covina		•							•							•	
West Hollywood		•				• (red)			•					•			
Westlake Village		•							•					•			
Whittier		•							•					•			
TOTAL		86	8		1	2	1		80	1	1		12	47	11	31	6

City	HEALTH SERVICES	Housing and homelessness services	Justice-related services	Pregnancy-related support services	INTERNAL SERVICES [4]	Telecommunication Services	IT Services	Energy and Environmental Programs	SoCalREN-EES	eGIS Services	Fleet & Logistics	Maintenance & Operations	Ongoing Custodial Services	Ongoing Landscape services	Ongoing Pest Control	Program & Project Management	Special Services - As Needed (Events, Paint, Signage...
Rosemead						•		•	•						•	•	•
San Dimas		• (red)	• (red)	• (red)		•	•	•	•	•	•		•	•		•	•
San Fernando		• (red)	• (red)	• (red)		•				•	•	•	•	•	•	•	•
San Gabriel		• (red)		• (red)		•		•	•			•					•
San Marino				• (red)		•		•									•
Santa Clarita		• (red)		• (red)		•	•	•	•	•	•	•	•	•	•	•	•
Santa Fe Springs		• (red)		• (red)		•		•	•	•	•		•		•	•	•
Santa Monica		• (red)	• (red)	• (red)		•	•	•	•	•	•		•			•	•
Sierra Madre				• (red)													
Signal Hill						•		•	•	•							•
South El Monte				• (red)		•		•	•	•	•		•	•	•	•	•
South Gate		• (red)				•					•		•		•	•	•
South Pasadena				• (red)		•	•	•	•	•	•						•
Temple City						•		•	•	•	•		•			•	•
Torrance		• (red)	• (red)	• (red)		•	•	•	•	•	•		•	•		•	•
Vernon		• (red)		• (red)		•					•						•
Walnut		• (red)		• (red)		•		•	•		•					•	•
West Covina		• (red)		• (red)		•		•	•	•	•		•	•	•	•	•
West Hollywood		• (red)		• (red)		•		•	•	•	•					•	•
Westlake Village						•		•	•	•	•						•
Whittier		• (red)		• (red)		•	•	•	•	•			•	•	•	•	•
TOTAL		49	16	58		86	18	69	66	54	60	11	52	36	27	65	86

City	MENTAL HEALTH	Socialization Services [5]	Mental Hlth Eval & Co-Response Team w/Police [6]	Mental Health Evaluation Team & 1 FTE PSW [7]	PROBATION	Deputy Probation Officer Services	PUBLIC HEALTH	See Attachment I for Specific Services	PUBLIC LIBRARY [8]	Library Services	PUBLIC WORKS	See Attachment II for Specific Services	REGIONAL PLANNING	Planning & Zoning Services
Rosemead						•		•		•		•		
San Dimas								•		•		•		
San Fernando								•		•		•		
San Gabriel								•		•		•		
San Marino								•				•		
Santa Clarita						•		•				•		
Santa Fe Springs								•				•		
Santa Monica								•				•		
Sierra Madre								•				•		
Signal Hill			•					•				•		
South El Monte								•		•		•		
South Gate			•					•		•		•		
South Pasadena								•				•		
Temple City								•		•		•		
Torrance								•				•		
Vernon			•									•		
Walnut								•		•		•		
West Covina			•					•		•		•		
West Hollywood								•		•		•		
Westlake Village								•		•		•		
Whittier								•				•		
TOTAL		1	15	1		9		87		49		88		1

City	REGISTRAR-RECORDER/COUNTY CLERK [9]	Document Transfer Tax Collection [12]	Real Property Index View	Election Management System	Vital Records Data and Images	Release of Voter Signature Files	Access to YODA System [10]	SHERIFF'S DEPARTMENT	General Law Enforcement	Traffic Law Enforcement	Detective Services	Helicopter Programs	Special Occasions	TREASURER AND TAX COLLECTOR	Business License
Rosemead		•							•	•	•	• (red)	•		
San Dimas		•							•	•	•	•	•		
San Fernando		•											•		
San Gabriel		•													
San Marino		•													
Santa Clarita		•							•	•	•		•		•
Santa Fe Springs		•													
Santa Monica		*													
Sierra Madre		•													
Signal Hill		•											•		
South El Monte		•							•	•	•		•		
South Gate		•											•		
South Pasadena		•													
Temple City		•							•	•	•		•		
Torrance		•											•		
Vernon		•													
Walnut		•							•	•	•	•	•		
West Covina		•										•	•		
West Hollywood		•							•	•	•	•	•		
Westlake Village		•							•	•	•		•		•
Whittier		•				• (red)							•		
TOTAL		88	2	2	2	3	5		42	42	42	23	76		3

Notes: • (red) A red dot indicates new services.

1 The Department of Animal Care & Control (DACC) provides Limited Field Services to Commerce, Culver City, El Monte, Gardena, Hawthorne, Huntington Park, La Puente, Lancaster, Lawndale, Monterey Park, Palos Verdes Estates, Redondo Beach and Torrance; and Limited Sheltering to Culver City, Gardena, Hawthorne, La Puente, Lawndale, Redondo Beach and West Hollywood.

2 The City of Los Angeles contracts with the Departments of Beaches & Harbors and Fire for maintenance and lifeguard services for four beaches located within the city through a Joint Powers Agreement (JPA) with the County.

3 The Fire Department provides beach lifeguard services to the City of El Segundo through a contract with Chevron.

4 The Internal Services Department (ISD) provides IT services (mainframe access) for the City of Los Angeles and the City of Long Beach. IT services (eGis services) are provided to the following cities: Arcadia, Hawthorne, Redondo Beach, Santa Monica and Torrance and radio telecommunications services (CWIRS) to all 88 cities. ISD Fleet section provides fuel to San Bernardino County's Public Works department and the City of La Puente for the LASD Sheriff Station. ISD provides Mail Services to the City Halls of the City of Los Angeles and the City of Long Beach. The ISD Operations Support unit rebuilt a vertical split case pump for the City of Glendale's Water and Power. The ISD Power Plant provides chilled water for the A/C unit and heat for the Santa Clarita Library. ISD also provides the Santa Clarita Library testing for the irrigation backflow.

5 The Department of Mental Health (DMH) contracts with the City of Gardena to provide socialization services.

6 DMH entered into a MOA with the Cities of Alhambra, Azusa, Bell, Bell Gardens, Covina, Culver City, Downey, Glendora, Huntington Park, Montebello, Monterey Park, Signal Hill, South Gate, Vernon, and West Covina police departments to develop mental health evaluation team and co-response models.

7 DMH entered into a partnership through a Memorandum of Cooperative Agreement with the City of Burbank to develop a mental health evaluation team and one FTE psychiatric social worker for the provision of crisis mental health services.

8 The LA County Library has an MOU established with four cities, including Diamond Bar, Malibu, Manhattan Beach, and West Hollywood. The dot indicates County Library services are provided to these cities.

9 The Registrar-Recorder/County Clerk provides Document Transfer Tax Collection services to 88 cities in the County. It also provides election services to all cities through an approved City Council resolution and adopted by the Board of Supervisors.

10 The Registrar-Recorder/County Clerk's Your Online Document Archive (YODA) is in-house electronic archive system.

11 The Data Information Management System (DIMS) is a contracted-system that manages voter registration information.

12 A documentary transfer tax imposed in accordance with Revenue & Taxation Code sections 11911 through 11933. *Cities that have specific MOUs additional city codes to charge higher taxes so MOUs were developed to charge a per document fee for the additional processing.

Updated July 2024

Legislative Affairs & Intergovernmental Relations

ATTACHMENT I

	PUBLIC HEALTH	Ambulatory Outpatient Medical Services	Benefits Specialty Services	Biomedical HIV Prevention	Black Infant Health Services	Cal IVRS Data Services	Children's Health Outreach, Enrollment, Utilization and Retention	Employment & Education Services	Enforcement Health Ordinance	HIV and STD Prevention	HIV Testing Social and Sexual Networks	HIV Testing Storefront	LAX Inspection of Facilities	Medical Care Coordination	Medical Point of Dispensing (MPOD)	Onsite Wastewater Treatment Systems (LAMP)	Public Health & Safety Inspection & Enforcement Services of Cannabis Facilities	Public Health Emergency Preparedness and Response Services	Securing the Cities Sustainment Program (STC)	Transportation
Agoura Hills									▪						▪	▪				
Alhambra									▪						▪					
Arcadia									▪						▪					
Artesia									▪											
Avalon									▪											
Azusa									▪											
Baldwin Park									▪											
Bell									▪						▪					
Bellflower									▪											
Bell Gardens									▪						▪					
Beverly Hills									▪						▪					
Bradbury									▪											
Burbank									▪											
Calabasas									▪											
Carson									▪						▪					
Cerritos									▪											
Claremont									▪											
Commerce									▪						▪					
Compton									▪											
Covina									▪											
Cudahy									▪											
Culver City									▪						▪					
Diamond Bar									▪											
Downey									▪						▪					
Duarte									▪							▪				
El Monte									▪											
El Segundo									▪											
Gardena									▪						▪					
Glendale									▪						▪					
Glendora									▪							▪				
Hawaiian Gardens									▪											
Hawthorne									▪											
Hermosa Beach									▪						▪					
Hidden Hills									▪							▪				
Huntington Park									▪											
Industry									▪											
Inglewood									▪						▪					
Irwindale									▪											
La Canada Flintridge									▪							▪				
La Habra Heights									▪							▪				
Lakewood									▪						▪					
La Mirada									▪											
Lancaster									▪											
La Puente									▪											
La Verne									▪											
Lawndale									▪											
Lomita									▪							▪				
Long Beach		▪	▪	▪		▪	▪			▪	▪			▪				▪		▪
Los Angeles									▪				▪		▪		▪	▪	▪	

Public Health - Page 1

	PUBLIC HEALTH	Ambulatory Outpatient Medical Services	Benefits Specialty Services	Biomedical HIV Prevention	Black Infant Health Services	Cal IVRS Data Services	Children's Health Outreach, Enrollment, Utilization and Retention	Employment & Education Services	Enforcement Health Ordinance	HIV and STD Prevention	HIV Testing Social and Sexual Networks	HIV Testing Storefront	LAX Inspection of Facilities	Medical Care Coordination	Medical Point of Dispensing (MPOD)	Onsite Wastewater Treatment Systems (LAMP)	Public Health & Safety Inspection & Enforcement Services of Cannabis Facilities	Public Health Emergency Preparedness and Response Services	Securing the Cities Sustainment Program (STC)	Transportation
Lynwood									▪											
Malibu									▪											
Manhattan Beach									▪						▪					
Maywood									▪											
Monrovia									▪						▪					
Montebello									▪											
Monterey Park									▪											
Norwalk									▪						▪					
Palmdale									▪							▪				
Palos Verdes Estates									▪							▪				
Paramount									▪											
Pasadena					▪	▪	▪	▪			▪	▪			▪			▪		
Pico Rivera									▪						▪					
Pomona									▪						▪					
Rancho Palos Verdes									▪							▪				
Redondo Beach									▪											
Rolling Hills									▪											
Rolling Hills Estates									▪											
Rosemead									▪											
San Dimas									▪											
San Fernando									▪						▪					
San Gabriel									▪											
San Marino									▪											
Santa Clarita									▪						▪					
Santa Fe Springs									▪											
Santa Monica									▪						▪					
Sierra Madre									▪											
Signal Hill									▪											
South El Monte									▪						▪					
South Gate									▪											
South Pasadena									▪											
Temple City									▪											
Torrance									▪						▪					
Vernon																				
Walnut									▪											
West Covina									▪											
West Hollywood									▪											
Westlake Village									▪											
Whittier									▪						▪					
TOTAL		1	1	1	1	2	2	1	85	1	2	1	1	1	28	10	1	3	1	1

Notes: ▪ A red dot indicates new services.

Public Health - Page 2

	PUBLIC WORKS	Bridge Inspection and/or Maintenance	Building and Safety	Storm Drain Catch Basin Cleanout	Storm Drain Catch Basin Insert Maintenance	City Pump Station	Street Maintenance	Industrial Waste	Permit Issuance & Inspection (Transportation)	Consolidated Sewer Maintenance District	Safe, Clean Water Program	Sewer Maintenance Contract	Street Lighting Maintenance District	Subdivision Maps: Final	Subdivision Maps: Tentative	Traffic Advisor	Traffic Operations Maintenance	Traffic Signal Maintenance	Traffic Signal Maint. - Shared Intersections	Underground Storage Tanks	Infrastructure Design and Construction	Traffic Monitoring
Agoura Hills		▪					▪		▪	▪		▪				▪	▪	▪	▪	▪	
Alhambra		▪								▪									▪	▪	
Arcadia		▪		▪						▪			▪					▪	▪	▪	
Artesia			▪				▪		▪	▪			▪						▪	▪	
Avalon																			▪	▪	
Azusa		▪								▪			▪					▪	▪	▪	
Baldwin Park		▪							▪	▪								▪	▪	▪	
Bell		▪								▪									▪	▪	
Bellflower		▪					▪		▪	▪									▪	▪	
Bell Gardens		▪					▪		▪	▪		▪	▪						▪	▪	
Beverly Hills							▪			▪								▪	▪	▪	
Bradbury		▪		▪	▪				▪	▪						▪			▪	▪	
Burbank		▪								▪			▪							▪	
Calabasas		▪					▪		▪	▪		▪						▪	▪	▪	
Carson		▪					▪	▪	▪	▪		▪	▪	▪		▪	▪	▪	▪	▪	▪
Cerritos		▪	▪				▪	▪		▪								▪	▪	▪	
Claremont		▪								▪									▪	▪	
Commerce		▪					▪	▪	▪	▪			▪	▪		▪		▪	▪	▪	
Compton		▪								▪						▪		▪	▪	▪	
Covina		▪		▪						▪			▪			▪	▪	▪	▪	▪	▪
Cudahy		▪					▪		▪	▪			▪						▪	▪	
Culver City		▪					▪			▪			▪						▪	▪	
Diamond Bar		▪		▪			▪		▪	▪		▪							▪	▪	
Downey		▪								▪									▪	▪	
Duarte				▪	▪		▪		▪	▪						▪	▪		▪	▪	▪
El Monte		▪						▪		▪									▪	▪	
El Segundo		▪						▪		▪			▪				▪	▪		▪	
Gardena		▪		▪			▪			▪			▪					▪	▪	▪	
Glendale		▪		▪						▪			▪					▪		▪	
Glendora		▪		▪					▪	▪			▪				▪	▪	▪	▪	
Hawaiian Gardens		▪		▪			▪		▪	▪								▪	▪	▪	
Hawthorne		▪								▪			▪				▪	▪	▪	▪	
Hermosa Beach										▪			▪					▪	▪	▪	
Hidden Hills									▪	▪						▪		▪	▪	▪	
Huntington Park		▪								▪			▪					▪	▪	▪	
Industry		▪	▪	▪	▪	▪	▪		▪	▪	▪					▪	▪	▪	▪	▪	▪	▪
Inglewood										▪								▪	▪	▪	
Irwindale		▪	▪	▪			▪			▪	▪							▪	▪	▪	
La Canada Flintridge		▪	▪	▪	▪		▪	▪		▪	▪		▪				▪	▪	▪	▪	▪	
La Habra Heights		▪		▪					▪	▪							▪		▪	▪	
Lakewood		▪	▪				▪	▪	▪	▪			▪	▪	▪	▪	▪	▪	▪	▪	
La Mirada		▪	▪	▪			▪	▪	▪	▪		▪	▪	▪	▪	▪	▪	▪	▪	▪	
Lancaster		▪						▪								▪			▪	▪	
La Puente		▪					▪			▪						▪		▪	▪	▪	
La Verne		▪		▪			▪			▪									▪	▪	
Lawndale			▪				▪	▪	▪	▪		▪	▪			▪	▪	▪	▪	▪	
Lomita			▪				▪	▪	▪	▪		▪	▪	▪	▪				▪	▪	▪
Long Beach		▪						▪		▪								▪		▪	
Los Angeles										▪								▪		▪	

Public Works - Page 1

	PUBLIC WORKS	Bridge Inspection and/or Maintenance	Building and Safety	Storm Drain Catch Basin Cleanout	Storm Drain Catch Basin Insert Maintenance	City Pump Station	Street Maintenance	Industrial Waste	Permit Issuance & Inspection (Transportation)	Consolidated Sewer Maintenance District	Safe, Clean Water Program	Sewer Maintenance Contract	Street Lighting Maintenance District	Subdivision Maps: Final	Subdivision Maps: Tentative	Traffic Advisor	Traffic Operations Maintenance	Traffic Signal Maintenance	Traffic Signal Maint. - Shared Intersections	Underground Storage Tanks	Infrastructure Design and Construction	Traffic Monitoring
Lynwood		▪									▪			▪					▪	▪	▪	
Malibu		▪								▪	▪		▪							▪	▪	
Manhattan Beach											▪			▪				▪		▪	▪	▪
Maywood		▪									▪	▪								▪	▪	
Monrovia		▪		▪							▪								▪	▪	▪	▪
Montebello		▪									▪	▪		▪			▪		▪	▪	▪	
Monterey Park		▪						▪			▪		▪						▪	▪	▪	
Norwalk		▪						▪			▪									▪	▪	
Palmdale		▪							▪								▪			▪	▪	
Palos Verdes Estates		▪								▪	▪			▪						▪	▪	
Paramount		▪						▪	▪	▪	▪		▪							▪	▪	
Pasadena		▪		▪							▪			▪					▪		▪	
Pico Rivera		▪						▪	▪	▪	▪			▪					▪	▪	▪	▪
Pomona		▪									▪									▪	▪	
Rancho Palos Verdes								▪		▪	▪									▪	▪	
Redondo Beach		▪									▪			▪			▪	▪	▪	▪	▪	
Rolling Hills		▪	▪							▪	▪			▪	▪					▪	▪	
Rolling Hills Estates					▪		▪	▪		▪	▪		▪	▪			▪			▪	▪	
Rosemead		▪			▪	▪		▪		▪	▪								▪	▪	▪	
San Dimas		▪						▪	▪	▪	▪			▪					▪	▪	▪	
San Fernando		▪						▪			▪										▪	
San Gabriel		▪									▪			▪					▪	▪	▪	▪
San Marino		▪		▪							▪			▪					▪	▪	▪	
Santa Clarita		▪						▪		▪	▪							▪	▪	▪	▪	
Santa Fe Springs		▪	▪						▪	▪	▪			▪					▪		▪	
Santa Monica		▪									▪			▪							▪	
Sierra Madre		▪									▪			▪							▪	
Signal Hill									▪		▪			▪						▪	▪	
South El Monte				▪						▪	▪		▪							▪	▪	
South Gate		▪							▪		▪			▪					▪	▪	▪	
South Pasadena		▪		▪	▪						▪			▪						▪	▪	
Temple City		▪		▪			▪	▪		▪	▪							▪	▪	▪	▪	
Torrance		▪									▪			▪					▪		▪	
Vernon		▪									▪			▪							▪	
Walnut		▪		▪			▪	▪	▪	▪	▪		▪				▪	▪	▪	▪	▪	
West Covina		▪		▪					▪		▪							▪	▪	▪	▪	
West Hollywood				▪				▪			▪	▪		▪				▪		▪	▪	
Westlake Village		▪	▪		▪			▪		▪	▪						▪	▪		▪	▪	
Whittier		▪									▪		▪						▪	▪	▪	
TOTAL		72	12	24	8	2	5	37	21	37	85	4	16	42	6	4	21	21	49	76	88	9

Notes: ▪ A red dot indicates new services.

Public Works - Page 2

GENERAL SERVICES AGREEMENT

THIS GENERAL SERVICES AGREEMENT ("Agreement"), dated for purposes of reference only, June 1, 2020, is made by and between the County of Los Angeles, hereinafter referred to as the "County", and the City of Rolling Hills, hereinafter referred to as the "City."

RECITALS:

(a) The City is desirous of contracting with the County for the performance by its appropriate officers and employees of City functions.

(b) The County is agreeable to performing such services on the terms and conditions hereinafter set forth.

(c) Such contracts are authorized and provided for by the provisions of Section 56½ of the Charter of the County of Los Angeles and Section 51300, *et seq.*, of the Government Code.

THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. The County agrees, through its officers, agents and employees, to perform those City functions, which are hereinafter provided for.

2. The City shall pay for such services as are provided under this Agreement at rates to be determined by the County Auditor-Controller in accordance with the policies and procedures established by the Board of Supervisors.

These rates shall be readjusted by the County Auditor-Controller annually effective the first day of July of each year to reflect the cost of such service in accordance with the policies and procedures for the determination of such rates as adopted by the Board of Supervisors of County.

3. No County agent, officer or department shall perform for said City any

function not coming within the scope of the duties of such agent, officer or department in performing services for the County.

4. No service shall be performed hereunder unless the City shall have available funds previously appropriated to cover the cost thereof.

5. No function or service shall be performed hereunder by any County agent, officer or department unless such function or service shall have been requested in writing by the City on order of the City Council thereof or such officer as it may designate and approved by the Board of Supervisors of the County, or such officer as it may designate, and each such service or function shall be performed at the times and under circumstances which do not interfere with the performance of regular County operations.

6. Whenever the County and City mutually agree as to the necessity for any such County agent, officer or department to maintain administrative headquarters in the City, the City shall furnish at its own cost and expense all necessary office space, furniture, and furnishings, office supplies, janitorial service, telephone, light, water, and other utilities. In all instances where special supplies, stationery, notices, forms and the like must be issued in the name of the City, the same shall be supplied by the City at its expense.

It is expressly understood that in the event a local administrative office is maintained in the City for any such County agent, officer or department, such quarters may be used by the County agent, officer or department in connection with the performance of its duties in territory outside the City and adjacent thereto provided, however, that the performance of such outside duties shall not be at any additional cost to the City.

7. All persons employed in the performance of such services and functions for

the City shall be County agents, officers or employees, and no City employee as such shall be taken over by the County, and no person employed hereunder shall have any City pension, civil service, or other status or right.

For the purpose of performing such services and functions, and for the purpose of giving official status to the performance hereof, every County agent, officer and employee engaged in performing any such service or function shall be deemed to be an agent, officer or employee of said City while performing service for the City within the scope of this agreement.

8. The City shall not be called upon to assume any liability for the direct payment of any salary, wages or other compensation to any County personnel performing services hereunder for the City, or any liability other than that provided for in this agreement.

Except as herein otherwise specified, the City shall not be liable for compensation or indemnity to any County employee for injury or sickness arising out of his or her employment.

9. The parties hereto have executed an Assumption of Liability Agreement approved by the Board of Supervisors on December 27, 1977 and/or a Joint Indemnity Agreement approved by the Board of Supervisors on October 8, 1991. Whichever of these documents the City has signed later in time is currently in effect and hereby made a part of and incorporated into this agreement as set out in full herein. In the event that the Board of Supervisors later approves a revised Joint Indemnity Agreement and the City executes the revised agreement, the subsequent agreement as of its effective date shall supersede the agreement previously in effect between the parties hereto.

10. Each County agent, officer or department performing any service for the

City provided for herein shall keep reasonably itemized and in detail work or job records covering the cost of all services performed, including salary, wages and other compensation for labor, supervision and planning, plus overhead, the reasonable rental value of all County-owned machinery and equipment, rental paid for all rented machinery or equipment, together with the cost of an operator thereof when furnished with said machinery or equipment, the cost of all machinery and supplies furnished by the County, reasonable handling charges, and all additional items of expense incidental to the performance of such function or service.

11. All work done hereunder is subject to the limitations of the provisions of Section 23008 of the Government Code, and in accordance therewith, before any work is done or services rendered pursuant hereto, an amount equal to the cost or an amount 10% in excess of the estimated cost must be reserved by the City from its funds to ensure payment for work, services or materials provided hereunder.

12. The County shall render to the City at the close of each calendar month an itemized invoice which covers all services performed during said month, and the City shall pay County therefore within thirty (30) days after date of said invoice.

If such payment is not delivered to the County office which is described on said invoice within thirty (30) days after the date of the invoice, the County is entitled to recover interest thereon. Said interest shall be at the rate of seven (7) percent per annum or any portion thereof calculated from the last day of the month in which the services were performed.

13. Notwithstanding the provisions of Government Code Section 907, if such payment is not delivered to the County office which is described on said invoice within thirty (30) days after the date of the invoice, the County may satisfy such indebtedness,

including interest thereon, from any funds of any such City on deposit with the County without giving further notice to said City of County's intention to do so.

14. This Agreement shall become effective on the date herein-above first mentioned and shall run for a period ending June 30, 2025, and at the option of the City Council of the City, with the consent of the Board of Supervisors of County, shall be renewable thereafter for an additional period of not to exceed five (5) years.

15. In the event the City desires to renew this Agreement for said five-year period, the City Council shall not later than the last day of May 2025, notify the Board of Supervisors of County that it wishes to renew the same, whereupon the Board of Supervisors, not later than the last day of June 2025, shall notify the City Council in writing of its willingness to accept such renewal. Otherwise, such Agreement shall finally terminate at the end of the aforedescribed period.

Notwithstanding the provisions of this paragraph herein-above set forth, the County may terminate this Agreement at any time by giving thirty (30) days' prior written notice to the City. The City may terminate this Agreement as of the first day of July of any year upon thirty (30) days' prior written notice to the County.

16. This Agreement is designed to cover miscellaneous and sundry services which may be supplied by the County of Los Angeles and the various departments thereof. In the event there now exists or there is hereafter adopted a specific contract between the City and the County with respect to specific services, such contract with respect to specific services shall be controlling as to the duties and obligations of the parties anything herein to the contrary notwithstanding, unless such special contract adopts the provisions hereof by reference.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers.

Executed this 23rd day of March 2020.

The City of Rolling Hills,

By ______________________
Mayor

ATTEST:

City Clerk

By ______________________

THE COUNTY OF LOS ANGELES

By ______________________
Chair, Board of Supervisors

ATTEST:

CELIA ZAVALA
Executive Officer/Clerk
of the Board of Supervisors

By ______________________
Deputy

JUN 09 2020

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By Behnaz Tashakorian
Senior Deputy

Agenda Item No.: 8.G
Mtg. Date: 04/28/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: KARINA BAÑALES, CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: APPROVE PROPOSED CONTRACT UPDATES WITH THE LOS ANGELES COUNTY DEPARTMENT OF PUBLIC HEALTH AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT

DATE: April 28, 2025

BACKGROUND:
The County of Los Angeles has provided public health services to the City of Rolling Hills and the greater Los Angeles region under an existing contract since 1964, as authorized by the California Health and Safety Code (Attachment B). The contract has not been updated since it was executed, resulting in outdated language and provisions that no longer reflect changes in applicable law or modern public health practices.

On October 22, 2024, the Los Angeles County Board of Supervisors approved an updated agreement for public health services for all 85 cities, including Rolling Hills, that contract with the County for public health services (Attachment A). The updated agreement aims to incorporate current statutory language and align the contract language with modern public health practices. Key updates include revised statutory references, modernized provisions for public health service delivery, and a clear delineation of responsibilities between the City and County.

DISCUSSION:
The proposed Public Health Services Contract Agreement ensures that the County's Department of Public Health (DPH) will continue providing essential services, including enforcing public health statutes, issuing permits and licenses, conducting health and environmental inspections, and serving as the City's Health Officer and Environmental Health Department.

The Agreement requires the adoption of Los Angeles County Code, Title 11, into the City's municipal code to enable enforcement of public health regulations, cooperation with the County to facilitate the delivery of public health services, and coverage of costs associated with additional services or legal proceedings requested beyond the core services. The City fulfilled this requirement by adopting Ordinance No. 58 (1964) and Ordinance No. 359 (2019).

Approval of the Agreement will ensure that critical public health services continue to support the health and safety of Rolling Hills residents and visitors. The Agreement establishes an initial term ending on June 30, 2029, with automatic five-year renewals unless terminated by either party. The Department of Public Health anticipates that the Agreement will be fully executed by the spring of 2025.

The Agreement has been reviewed and approved as to form by the City Attorney.

FISCAL IMPACT:
There is no direct fiscal impact resulting from the approval of this contract. The City will not incur costs for the core public health services provided by the County under this Agreement. The City may be responsible for costs for additional services or legal proceedings requested beyond the core services outlined in the contract. Such services would be billed to the City at rates approved by the County Board of Supervisors.

RECOMMENDATION:
Approve as presented.

ATTACHMENTS:
Attachment A - CA_AGR_250428_LACo_DPH_2025-29.pdf
Attachment B - CA_AGR_630701_LACo_DPH_1963-68_E.pdf

Contract No. PH-005651

DEPARTMENT OF PUBLIC HEALTH
PUBLIC HEALTH SERVICES CONTRACT

THIS CONTRACT "Contract" is made and entered into on _______________

by and between	COUNTY OF LOS ANGELES (hereafter "County")
and	CITY OF ROLLING HILLS (hereafter "City")

THIS PUBLIC HEALTH SERVICES CONTRACT ("Contract") is made by and between the County of Los Angeles, hereinafter referred to as the "County", and the City of Rolling Hills hereinafter referred to as "City."

RECITALS:

The City desires to continue to contract with the County for the performance of public health services by the County's Department of Public Health ("Public Health"), for the County's Health Officer to act as the City's Health Officer, and for the County's Department of Public Health to serve as the City's Environmental Health Department.

The County agrees to continue performing such services on the terms and conditions set forth in this Contract.

This Contract is authorized by California Health and Safety Code Sections 101400 and 101405.

To effectuate public health services for the City, the County and its duly appointed Health Officer shall exercise the powers and duties that are conferred upon local health officers by law.

The County Health Officer shall fulfill the obligations and exercise the authority conferred by California Health and Safety Code Sections 101470 and 101475 within the territorial jurisdiction of the City in the performance of this Contract.

THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **TERM:** This Contract shall become effective upon date of execution, and replace all prior contracts for public health services between the City and County. This contract shall continue in full force and effect until June 30, 2029. Subject to Section 7 below, this Contract shall thereafter be automatically renewed for consecutive five (5) year terms, for an indefinite period, without further action by either City or County, unless City or County terminates the Contract in the manner set forth in Section 7.

2. **PUBLIC HEALTH SERVICES**: The County and the County's Health Officer shall observe and enforce within the territorial jurisdiction of the City all of the following:
   a. Orders, quarantine, and other regulations, concerning public health, prescribed by the California Department of Public Health ("CDPH").
   b. Statutes relating to public health.
   c. Provisions of Los Angeles County Code, Title 11, and any amendments thereto, as adopted by City by ordinance or resolution, to the same extent as they are enforced in the unincorporated area of the County.

3. **DESCRIPTION OF PUBLIC HEALTH FUNCTIONS**:
   a. The performance of all public health services, the standard of performance and other matters incidental to the performance of public health services and observation and enforcement of public health statutes, regulations, ordinances and CDPH orders and guidance shall be determined solely at the discretion of the County Health Officer and/or Director of County

Public Health. The control of County personnel under this Contract shall remain exclusively with the County.

b. The County agrees to continue to perform for the City such public health services as are authorized or mandated by state laws or regulations related to public health, to be performed by the local health officer or local enforcement agency.

    i. Pursuant to California Health and Safety Code section 101045, the County shall investigate health and sanitary conditions in detention facilities operated by the City, if any. County may bill and receive payment from City for inspection and reporting services in the manner provided by Paragraph 4, subsections (g) and (h) of this Contract.

    ii. For future enactments of state law or regulation, County agrees to perform public health services that impose a specific duty or obligation on the local health officer to observe or enforce. Should future state law statutory or regulatory enactment related to public health not impose a duty or obligation on the local health officer, City may request in writing that the County perform that public health service. Should County elect to perform that discretionary public health service for City, pursuant to such City request, then County may bill and receive payment from City for inspection and reporting services in the manner provided by Section 4, subsections (g) and (h) of this Contract.

c. The County agrees to continue to perform for the City such public health services as authorized or mandated by provisions of Title 11 of the Los Angeles County Code, and any amendments or additions thereto, that the City has adopted via ordinance or resolution.

    i. Should the County Board of Supervisors enact future provisions to or amend existing provisions of Title 11 of the Los Angeles County Code, County will inform the City of the newly enacted provision or amendment via email to the City's Manager, and describe the enacted new provision or amendment and the impact to the services performed under this Contract, if any.

ii. For future ordinances that may be enacted by the Board of Supervisors into Title 11 of the Los Angeles County Code, in order for the County to observe and enforce that enacted ordinance within the City, the City must approve the incorporation of the identical version of that new Title 11 provision into its municipal code via ordinance or by resolution of the City Council.

iii. Any future amendments to provisions of Title 11 of the Los Angeles County Code that exist in the City's Municipal Code at the date of the execution of this Contract, shall be incorporated by the City into its municipal code.

d. The County shall issue public health permits and licenses to permittees located within the City and collect the fees as provided for in Los Angeles County Code, Title 8, Chapter 8.04. Such fees shall be retained by County Public Health for the benefit of County as full compensation for the services performed by the Public Health Director and County Health Officer on behalf of the City.

  i. County may, from time to time, amend or alter the public health permit or license fees charged to those individuals or entities required to obtain a public health permit or license pursuant to either state statute or Los Angeles County Code, Title 8, Chapter 8.04.

  ii. City may not set, collect, or retain public health permit or license fees for any public health service performed by County under this Contract.

e. For the purpose of performing said functions, County shall furnish and supply all necessary labor, supervision, equipment, and supplies necessary to provide the public health services described in this Contract and as necessary to protect the public health, safety, and welfare as determined by Public Health in its sole discretion. All persons employed in the performance of public health services and functions under this Contract shall be County personnel.

4. **GENERAL TERMS**:

a. To facilitate the performance of public health services, City and County will cooperate and assist each other to fulfill the purpose and intent of this Contract.

b. Exhibit A of this Contract, which is attached hereto and incorporated herein, shall provide the language of the City's Municipal Code, as amended, that reflects the City's specific adoption of Division 1 of Title 11 of the Los Angeles County Code as of the effective date of this Contract. Exhibit A may be revised to reflect any changes to the City's Municipal Code regarding Title 11 of the Los Angeles County Code.

c. All persons employed in the performance of such public health duties, functions and services for City shall be County employees or personnel and no City employee shall be supplanted by County, and no person employed by County under this Contract shall have any City pension, civil service, or any status or right.

d. The City shall not be called upon to assume any liability for the direct payment of any salary, wages or other compensation to any County personnel performing services hereunder for the City, or be liable for compensation to or required to indemnify any County employee for injury or sickness arising out of his or her employment.

e. The parties have executed an Assumption of Liability Contract approved by the Board of Supervisors on December 27, 1977, and/or a Joint Indemnity Contract approved by the Board of Supervisors on October 8, 1991. Whichever of these documents the City has signed later in time is currently in effect and hereby made a part of and incorporated into this Contract by reference. In the event that the Board of Supervisors later approves a revised Joint Indemnity Contract, and the City executes the revised contract, the subsequent contract as of its effective date shall supersede the contract previously in effect between the parties hereto.

f. City is not required to separately reimburse County for the performance or enforcement of any City ordinance or resolution which adopts identical provisions of Los Angeles County Code, Title 11, and its amendments.

g. Should City request in writing additional public health services of the County, that are not required by statute, regulation or CDPH Order, or as provided in Title 11 of the Los Angeles County Code, the County may charge the City, at rates approved by the Board of Supervisors, an hourly rate that will reimburse the County for the costs for the provision of those specific public health services.

h. County, through its Director of Public Health, must render to City within twenty (20) calendar days after the close of each calendar month an itemized invoice which covers all extra services performed for City if such services were requested by the City in writing, during said month, and City must pay County within thirty (30) days after date of such invoice.

i. If a violation of public health statutes, regulations or ordinances results in a public health hazard within the City, County will notify the City Manager in writing. If the City elects to pursue legal prosecution or abatement, City shall provide to County contact information for counsel that will represent the City or the People in any legal proceeding to abate or mitigate the public health hazard. City shall bear the full cost of such proceedings. County may bill City on an hourly basis for time spent by County employees participating in such legal proceedings.

5. **NOTICES**: Notices hereunder must be in writing and may either be delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid, attention to the parties at the addresses listed below. Public Health Director, or the Director's designee, is authorized to execute all notices or demands which are required or permitted by County under this Contract.

Addresses and parties to be notified may be changed by providing at least ten (10) working days prior written notice to the other party.

A. Notices to County must be addressed as follows:

(1) Department of Public Health
Environmental Health – Administrative Headquarters
5050 Commerce Drive
Baldwin Park, California 91706
Attention: Director, Environmental Health
E-mail: EHAdmin@ph.lacounty.gov

(2) Department of Public Health
Contracts and Grants Division
5555 Ferguson Drive, 2nd Floor, Suite 210
Commerce, CA 90022
Attention: Division Director
Email: contracts-grants@ph.lacounty.gov

(3) Department of Public Health
Office of the Director
Attention: Director, Public Health
313 North Figueroa Street
Los Angeles, CA 90012
Email: DPHDirector@ph.lacounty.gov

B. Notices to City must be addressed as follows:

(1) City of Rolling Hills
Attention: City Manager
2 Portuguese Bend Road
Rolling Hills, CA 90274
Email: kbanales@cityofrh.net
Phone: (310) 377-1521

6. **GOVERNING LAW, JURISDICTION, AND VENUE**: This Contract will be governed by, and will be construed in accordance with, the laws of the State of California. City agrees and consents to the exclusive jurisdiction of the courts of the State of California or the United States Courthouse, Central District, Western Division, for all purposes regarding this Contract and further agrees and consents

that venue of any action brought under this Contract shall be exclusively in the County of Los Angeles.

7. **TERMINATION FOR CONVENIENCE**: The performance of services under this Contract may be terminated, with or without cause, in whole or in part, from time to time when such action is deemed by County or City to be in their own best interest. Termination of services hereunder shall be effectuated by the delivery of an advance written Notice of Termination of the entire Contract by one party to the other at least one hundred and eighty (180) calendar days prior to July 1 of the following calendar year. The termination of services may only be effective on July 1 of the calendar year, so as to assure no lapse in public health and local health officer services to the residents of City.

8. **ALTERATION OF TERMS/AMENDMENTS**: The body of this Contract and any Exhibits attached hereto, and documents incorporated by reference, fully expresses all understandings of the parties concerning all matters covered and shall constitute the total Contract. No addition to, or alteration of, the terms of this Contract, whether by written or verbal understanding of the parties, their officers, employees or agents, shall be valid and effective unless made in the form of a written amendment to this Contract which is formally approved and executed by the parties in the same manner as this Contract.

9. **INDEPENDENT CONTRACTOR STATUS**: This Contract is by and between the County and City and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between the County and City. The employees and agents of one party shall not be, or be construed to be, the employees or agents of the other party for any purpose whatsoever.

10. **NO INTENT TO CREATE A THIRD-PARTY BENEFICIARY CONTRACT**: Notwithstanding any other provision of this Contract, the parties do not in any way intend that any person shall acquire any rights as a third-party beneficiary under this Contract.

11. **VALIDITY**: If any provision of this Contract or the application thereof to any person or circumstance is held invalid, the remainder of this Contract and the application of such provision to other persons or circumstances shall not be affected thereby.

12. **WAIVER**: No waiver by the County of any breach of any provision of this Contract shall constitute a waiver of any other breach or of such provision. Failure of the County to enforce at any time, or from time to time, any provision of this Contract shall not be construed as a waiver thereof. The rights and remedies set forth in this paragraph shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Contract.

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IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Contract to be subscribed by its Director of Public Health, and Contractor has caused this Contract to be subscribed in its behalf by its duly authorized officer, the month, day, and year first written above.

CITY OF ROLLING HILLS

By: _______________________________
Karina Bañales
City Manager

Date: ____________________________

APPROVED AS TO FORM
BY THE OFFICE OF THE CITY ATTORNEY

PATRICK T. DONEGAN, City Attorney

By: _______________________________
City Attorney

Date: ____________________________

ATTEST:
CHRISTIAN HORVATH, City Clerk

By: _______________________________
City Clerk

Date: ____________________________
(AFFIX CORPORATE SEAL HERE)

COUNTY OF LOS ANGELES

By: _______________________________
Barbara Ferrer, Ph.D., M.P.H., M.Ed.
Director

Date:______________________________

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

DAWYN R. HARRISON, County Counsel

APPROVED AS TO CONTRACT
ADMINISTRATION:
Department of Public Health

By: _______________________________
Contracts and Grants Division

Date:______________________________

#07642:db

Exhibit A:

CITIES - HEALTH OFFICER - ADOPTION OF COUNTY CODE

ROLLING HILLS

ADOPTION OF OUR COUNTY CODE TITLE 8 & TITLE 11
8.04.020 - County ordinance adopted. Title 11, entitled "Health and Safety," of the Los Angeles County Code, as amended and in effect on November 1, 2018, is adopted by reference as the Public Health and Safety Code of the City. A copy of the County Health and Safety Code has been deposited in the office of the City Clerk and shall be maintained by the City Clerk for use and examination by the public. In the event there is any inconsistency between the provisions of Title 11 of the Los Angeles County Code and other provisions of this code, the other provisions of this code shall prevail. (Ord. 58 §2, 1964). (Ord. No. 359, § 1, 1-14-2019)

CITY MUNICIPAL CODE EXCLUSION OF SPECIFIC PUBLIC HEALTH SERVICES
None

AGREEMENT - HEALTH SERVICES

FILE
No. 57

No. 7221

THIS AGREEMENT, made and entered into this 1st day of JULY, 19 63, by and between the COUNTY OF LOS ANGELES, State of California, hereinafter called the "County," and the CITY OF ROLLING HILLS, Los Angeles County, California, a municipal corporation, hereinafter called the "City,"

WITNESSETH:

THAT WHEREAS, Sections 480, 481 and 482 of the Health and Safety Code of the State of California authorize the Board of Supervisors of the County to contract with the City for the performance by the Health Officer and other employees of the County of any or all functions relating to the enforcement in the City of all ordinances thereof relating to public health and sanitation, and the making of all inspections and the performance of all functions in connection therewith at cost;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, it is hereby agreed as follows:

FIRST: The County agrees to render such public health services as authorized by Sections 480 and 482 of the Health and Safety Code of the State of California and as may be required by the City as provided by its ordinances now in effect or hereafter adopted. Copies of

APPROVED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES
MAY 28 '63
GORDON T. NESVIG
CLERK OF THE BOARD

all ordinances now in effect, or hereafter adopted, and all amendments thereto, shall be promptly supplied the County of Los Angeles. It is understood that the City, upon proper resolution by the City Council, shall make request in writing to the County Health Officer for performance of services required under ordinances now in effect or later to be enacted.

SECOND: The City agrees to pay the cost as defined in Paragraph Ninth hereof, for the enforcement of said ordinance or ordinances, or in its election, the provisions in Paragraph Fifteenth. Costs of services rendered under Paragraph Fifth shall be paid pursuant to Paragraph Ninth. Services performed under Paragraph Sixteenth shall be paid for in the manner of election as provided for therein.

THIRD: It is expressly and mutually agreed that the City shall compensate the County for court time in the enforcement of local ordinances on the basis of the cost of performing said work as defined in Paragraph Ninth hereof, reduced by the amount recovered by witness fees.

FOURTH: No services to be compensated for pursuant to Paragraphs Third and Ninth hereof shall be performed unless said City shall have available funds previously appropriated to cover the costs hereof.

FIFTH: In the event the City desires to have rodent control and extermination measures undertaken by the County, it is expressly and mutually agreed that the City shall compensate the County for the cost of providing said service, as defined in Paragraph Ninth hereof. Further, it is expressly understood that the City shall notify the County Health Officer of its intent to avail itself of rodent control or extermination; that the City shall set aside a sum sufficient to cover the cost of rodent control or extermination; that the County Health Officer shall be notified of the amount set aside for the control and suppression of rodents; and that the County shall not exceed the amount set up by the City unless expressly authorized in writing to do so by the City.

SIXTH: The County agrees to submit to the City during the life of this agreement periodic statements in duplicate for services rendered during the period covered, and the City agrees to pay the cost thereof within thirty (30) days after receipt of such billing. If the City desires monthly billing it shall notify the County in writing, otherwise billing periods shall be fixed by the County.

SEVENTH: It is expressly agreed between the parties hereto that nothing herein contained shall be construed to bind the City to designate or demand of the County, or the County to furnish any particular number of inspections or visits.

EIGHTH: Performance hereunder shall commence on JULY 1, 19 63, and this contract shall remain in full force and effect to July 1, 19 68, and unless then terminated shall be renewed without further action of the contracting parties from year to year. Either party hereto shall have the right to terminate this agreement at the end of any fiscal year by giving written notice of such intention to so do, such notice to be given not less than thirty (30) days prior to the end of any fiscal year.

NINTH: The City agrees to pay the County the cost of performing all services covered by this agreement, except as otherwise provided in Paragraph Fifteenth hereof. Costs shall include salaries of employees engaged in performing said services, a pro-rate of vacation and sick leave, supervision of such employees while so employed, the County Retirement Contribution and Workmen's Compensation Insurance Premiums on salaries, traveling expenses, supplies, plus a pro-rate of all indirect expenses. If the cost of providing i
the services changes, the City shall be notified of each such change in writing.

TENTH: For the purpose of performing said functions, County shall furnish and supply all necessary labor, supervision, equipment, communication facilities, and supplies necessary to maintain the level of service to be rendered hereunder.

ELEVENTH: Notwithstanding anything hereinbefore contained, it is agreed that in all instances where special supplies, stationery, notices, forms, and the like must be issued in the name of said City, the same shall be supplied.

by said City at its own cost and expense.

TWELFTH: All persons employed in the performance of such services and functions for said City shall be County employees, and no City employee as such shall be taken over by said County, and no person employed hereunder shall have any City pension, civil service, or any status or right.

For the purpose of performing such services and functions, and for the purpose of giving official status to the performance thereof, every County officer and employee engaged in performing any such service and function shall be deemed to be an officer or employee of said City while performing service for said City, which service is within the scope of this agreement and is a municipal function.

THIRTEENTH: City shall not be called upon to assume any liability for the direct payment of any salaries, wages, or other compensation to any County personnel performing services hereunder for said City, or any liability other than that provided for in this agreement.

Except as herein otherwise specified, the City shall not be liable for compensation or indemnity to any County employee for injury or sickness arising out of his employment.

FOURTEENTH: County, its officers and employees, shall not be deemed to assume any liability for intentional or negligent acts of said City or of any officer or employee thereof.

FIFTEENTH: In the event City by ordinance adopts the provisions of the Public Health Code of County (Ordinance No. 7583), the Health Officer shall perform the services necessary to enforce said ordinance provisions in the City to the same extent as the County Ordinance is enforced in unincorporated territory, and shall issue the permits and collect the fees provided for in Section 750 of said Public Health Code.

Said fees shall be retained by the Health Officer for the benefit of County as full compensation for the services performed by the Health Officer in the enforcement of said ordinance provisions, except that any court time spent in the enforcement thereof shall be compensated for in accordance with Paragraph Third hereof. In the event and whenever County Ordinance No. 7583 is amended to change the amount or amounts of any of the said permit fees, City shall at once amend its ordinance to provide permit fees in the exact amount as those designated in the County Ordinance as amended.

In the event that the City elects to set, collect and retain its own permit fees, it shall so notify the County Health Officer, and shall thereafter pay the cost of the service under this paragraph pursuant to Paragraph Ninth.

SIXTEENTH: The County agrees to enforce the provisions of Division 13, Part 2 of the Health and Safety Code of the State of California, relating to the sanitation, maintenance, use and occupancy of mobile homes and mobile home parks and as may be requested pursuant to such sections by the City. It is understood that any such requests shall be in writing, directed to the County Health Officer and specifically designate the services to be required pursuant to any or all of the above sections of the Health and Safety Code. Such notification to the County Health Officer from the City shall indicate the election of the City that the City agrees either to pay the cost as defined in Paragraph Ninth hereof for the enforcement of said provisions of Division 13, Part 2 of the Health and Safety Code or that the City desires the County Health Officer to collect and retain the annual operating permit fees as prescribed in Division 13, Part 2 as full compensation for services performed by the County Health Officer.

INWITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above written.

CITY OF ROLLING HILLS

BY ______________
MAYOR

ATTEST:

____
City Clerk

COUNTY OF LOS ANGELES

ATTEST:

GORDON T. NESVIG
Clerk of the
Board of Supervisors

(SEAL)

BY WARREN M. DORN
Chairman, Board of Supervisors

WINIFRED BERNSTEIN
Deputy

APPROVED AS TO FORM
HAROLD W. KENNEDY, County Counsel

BY ______________
Deputy

4/63

Agenda Item No.: 8.H
Mtg. Date: 04/28/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: KARINA BAÑALES, CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: APPROVE A LETTER TO THE LOS ANGELES COUNTY BOARD OF SUPERVISORS REQUESTING ACTION REGARDING THE LOS ANGELES COUNTY SHERIFF DEPARTMENT'S STAFFING AND HIRING SHORTFALLS

DATE: April 28, 2025

BACKGROUND:

At the February 21, 2025, Los Angeles County Board of Supervisors meeting, Sheriff Robert Luna reported that the Los Angeles County Sheriff's Department (LASD) faces a significant staffing crisis, with over 1,400 vacant deputy positions, with the Department operating at only 76% of its required staffing levels. To address these shortages, the Department has relied heavily on mandatory overtime to cover shifts, which contributes to exhaustion and burnout among deputies. This situation has raised concerns among cities that contract with LASD for law enforcement services, as public safety remains a top priority.

DISCUSSION:

At the March 24, 2025 City Council meeting, Mayor Pro Tem Bea Dieringer requested that the City join many other contract cities in submitting a letter to Supervisor Janice Hahn and the Board of Supervisors. The letter would urge the County to support and prioritize efforts to enhance recruitment, expedite hiring processes, and implement strategies to improve retention among LASD personnel. These actions are essential to ensuring the department can maintain adequate staffing levels and continue providing effective public safety services.

Therefore, it is requested that the City Council consider sending the attached letter to support these initiatives and address public safety needs.

FISCAL IMPACT:

There is no fiscal impact associated with this item.

RECOMMENDATION:

Authorize the Mayor to sign a letter to Supervisor Janice Hahn, urging the County to address staffing shortages in the Los Angeles Sheriff’s Department.

ATTACHMENTS:
CC_COR_250428_LetterToSupHahn_LASD_StaffShortages_F

City of Rolling Hills INCORPORATED JANUARY 24, 1957

2 PORTUGUESE BEND ROAD
ROLLING HILLS, CA 90274
(310) 377-1521
FAX (310) 377-7288

April 28, 2025

Honorable Janice Hahn
Supervisor, 4th District
Los Angeles County Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Subject: Deputy Shortages in Los Angeles County Sheriff's Department

Dear Supervisor Hahn,

Public safety remains the most important issue in our community. As one of the 44 cities that contract with the Sheriff's Department for police response and patrol services, we are concerned that the Sheriff's Department no longer has sufficient staffing to properly secure our neighborhoods.

At the LA County Board of Supervisors hearing on February 21, Sheriff Luna indicated that the Department has more than 1,400 vacant deputy positions. He said deputies "are doing 100% of the work, with only 76% of the personnel."

We know that our local Sheriff's station's leadership is doing the best with the number of deputies they have available, but our requests for more deputies and less dependency on overtime hours have not been granted.

We have seen firsthand the physical and mental fatigue our deputy sheriffs are experiencing due to excessive overtime demands. Many of them work nearly 100 hours of overtime every month. We fear the next greater crisis will be the loss of deputy personnel to other agencies that offer a better-balanced workload, where overtime is not a constant mandate but a choice.

Our County will soon be in the global spotlight, hosting the Olympics and World Cup. We don't want to send a message to the world that our communities are not safe due to insufficient deputy positions. These events should be an opportunity to highlight our cities' and our county's strengths, placing them as premier tourist destinations. With the conditions as they are, we are not confident that our community has the number of deputy sheriffs available to keep us and our visitors safe.

We urge you to match the sentiments of our Sheriff and call this what it is, **a staffing crisis at the Los Angeles County Sheriff's Department. Please take immediate steps that will reduce the number of vacancies and support retention efforts for deputy sheriff positions.**

Our community leaders are depending on you to act immediately on this issue and report your progress so that we can assure our residents and businesses that the Sheriff's Department's staffing crisis is on its way to resolution.

Sincerely,

Jeff Pieper
Mayor

CC:
Rolling Hills City Council
Marcel Rodarte, Contract Cities Association, Executive Director
Captain Kimberly Guerrero, Captain, LACSD Lomita Station

Agenda Item No.: 13.A
Mtg. Date: 04/28/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: ROBERT SAMARIO, FINANCE DIRECTOR

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: RECEIVE AND FILE THE CITY OF ROLLING HILLS AUDITED ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2024

DATE: April 28, 2025

BACKGROUND:

Each year, the City prepares a financial report covering all funds and operations. The financial report provides the City Council and the public with a measure of the financial condition of the City and the results of operations for the fiscal year. The financial statements are audited each year by an independent CPA firm to ensure that the financial statements are fairly presented.

The accompanying financial statements are referred to as the "Annual Comprehensive Financial Report" (ACFR) (Attachment A). As the name implies, the ACFR provides a "comprehensive" presentation of the City's finances. The ACFR is prepared in accordance with standards promulgated by the Governmental Accounting Standards Board (GASB) and has been audited by an independent certified public accounting firm. Based on their audit, the firm expresses an opinion as to whether the financial statements are free of any material misstatement and can, thus, be relied upon by the readers of the financial statement.

DISCUSSION:

The attached financial statements for the fiscal year ended June 30, 2024, are not only required to be prepared each year, but they also provide important information regarding the financial health of the City, and whether the financial health improved or deteriorated during the fiscal year.

The City's financial operations are organized into various funds. By far, the largest and most important fund is the General Fund, which accounts for a variety of unrestricted revenues, primarily taxes, that pay for core local governmental services, such as law enforcement, planning, building safety, emergency preparedness, and administration. Since the revenues are unrestricted, the City has considerable discretion on how these funds are spent.

The other funds largely account for revenues that are restricted to specified purposes, typically the enabling legislation that imposed the taxes. These funds include Proposition A, Proposition C, Measure R, and Measure M. All of these revenues are derived from special sales tax measures approved by Los Angeles County voters over the last few decades and are restricted to transit and transportation purposes.

The City also uses a separate fund to account for solid waste services provided under contract by a private waste hauling company. These services are paid for by City residents through their property taxes billed by Los Angeles County on behalf of the City. This operation is reported as an Enterprise Fund in the annual financial statements, which means the charges for the services must be determined based on the full cost to provide the services.

A summary of the City's financial position and results of operations is provided below.

CITY-WIDE ANALYSIS

The City-wide statements present all City operations in two categories. The governmental activities category includes all City funds except for the Refuse Collection Fund. In addition, this category is almost entirely made up of the General Fund, which is where most City services, along with tax revenues that primarily pay for those services, are reported.

The net position of the City’s governmental activities increased by $1,234,645. The business-type activities include refuse collection operations. Refuse collection services are considered a utility and, as such, are typically fully funded from direct charges to customers utilizing these services. For this reason, they tend to operate much like the private sector and thus are classified as a “business-type activity.” Refuse charges are added to the tax roll each year and are billed by the County of Los Angeles in conjunction with the billing for property taxes. For fiscal year 2023-24, the direct charges totaled $1,005.434, which fully covered the cost of operations.

GENERAL FUND

By far, the largest of the governmental funds is the General Fund, for which most of the City’s operations are accounted. The General Fund’s financial position increased by $10,808 after transferring $390,424 to the City's capital funds for large capital improvement projects. Excluding capital transfers, the General Fund realized an operating surplus of $377,232. Capital transfers are an intentional use of General Fund reserves to fund capital improvement projects.

Property Tax revenues are the largest General Fund revenue at $1,432,117, making up 51.7% of total General Fund revenues of $2,770,370. Property Tax revenues increased from the prior year total of $1,378,663 by 53,454 (3.9%), which is a moderate growth for a revenue that historically grows by 3-6% per year. This growth is reflective of the strong real estate market over the last few years, driven by low interest rates, strong demand, and a high volume of sales activity.

The City issues permits for building and construction projects undertaken by City residents. In general, these revenues are tied to the economy and the housing market. As real estate prices increase, there tends to be an increase in residential building activity. Over the last few years, building-related revenues have stabilized in the $500,000 to $600,000 range. For example, in fiscal year 2021-22, revenues totaled $518,309 and $578,476 in fiscal year 2022-23. In the current year, revenues totaled $537,787.

The City receives an allocation from the State of California called the Motor Vehicle License Fee (MVLF). The MVLF is a tax imposed in lieu of a local personal property tax on automobiles. The MVLF is imposed at a rate of 2% on a vehicle's market value, adjusted by a depreciation schedule specified in state law. Pursuant to the State Constitution, VLF revenue is allocated to local governments. Approximately 75% of MVLF is split between cities and counties. The remaining 25% of local government VLF funds are restricted to funding various health, mental health, and social services programs shifted to the counties as part of the 1991 realignment. In fiscal year 2023/24, the City's allocation totaled $274,520, an increase from last year of approximately 2%.

RESULTS OF AUDIT

The City's financial records and annual financial report are subject to an audit by an independent CPA firm. At the conclusion of the audit, the auditors issue an opinion letter which indicates whether or not the financial statements are free of material misstatement and whether they can be relied upon. Based on their audit, the City received an "unmodified" opinion, which means the financial statements can indeed be relied upon. This opinion letter is included within the financial statements.

The auditors also provide the City Council with two other letters separate from the opinion letter, which are not included within the financial report document. The first is a report on internal controls (Attachment B). Although the auditors do not express an opinion on internal controls, they do a fair amount of testing in this area to determine if the City's internal control procedures can be relied upon for purposes of conducting their audit. For example, if internal controls were weak, the auditors would have to perform more substantive test work to reach a comfort level sufficient to issue an unmodified opinion. As a result of the auditor's testing and evaluation of internal controls, the first letter indicates that no material weaknesses were noted. The second letter contains certain areas the auditors are required to communicate to the audit committee or the City Council (Attachment C). Based on their audit, there were no items that required special communication other than the normal information required under government auditing standards. Both letters are attached.

FISCAL IMPACT:
None.

RECOMMENDATION:
Approve as presented.

ATTACHMENTS:
Attachment A - CL_AGN_250428_CC_ACFR Final.pdf
Attachment B - CL_AGN_250428_CC_Report on IC.pdf
Attachment C - CL_AGN_250428_CC_Audit Communication Letter.pdf
CL_AGN_250428_CC_PowerPoint_FY24_Audit.pdf

LSL

CITY OF ROLLING HILLS, CALIFORNIA

FOR THE YEAR ENDED JUNE 30, 2024

FINANCIAL STATEMENTS

Focused on YOU

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CITY OF ROLLING HILLS, CALIFORNIA

Financial Statements

For the Year Ended June 30, 2024

PREPARED BY:

THE CITY OF ROLLING HILLS, CALIFORNIA

FINANCIAL SERVICES DEPARTMENT

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CITY OF ROLLING HILLS, CALIFORNIA

Financial Statements

For the Year Ended June 30, 2024

Table of Contents

CITY OF ROLLING HILLS, CALIFORNIA

Financial Statements

For the Year Ended June 30, 2024

Table of Contents

Page Number

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

LSL

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Rolling Hills, 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 Rolling Hills, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the 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, the 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- 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 for the General Fund and major special revenue funds, and the required pension and other postemployment benefits schedules, as listed on the table of contents, presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 accompanying combining and individual fund financial statements and schedules (supplementary information) 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.

To the Honorable Mayor and Members of the City Council
City of Rolling Hills, California

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 supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 4, 2025, on our consideration of the 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 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 the 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.

LSL, LLP

Irvine, California
April 4, 2025

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The following narrative provides an overview and analysis of the financial activities of the City of Rolling Hills for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the City's financial statements.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $8,611,248. (net position). Of this amount, $3,676,662 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of $5,650,804. Of this amount $428,322 is unassigned and available for spending at the City's discretion. An additional $3,043,761 is assigned for emergencies and other contingencies pursuant to City policy.

- General Fund revenues exceeded expenditures by $377,232 before interfund transfers, and expenditures were $356,286 below budget. After operating transfers, the General Fund's fund balance decreased by $10,808.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements contain the following three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements and 3) Notes to the Financial Statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private sector business. These statements include all assets and liabilities of the City 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 considered regardless of when cash is received or paid.

The statement of net position presents information on all of the City's assets, deferred inflows/outflows of resources and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change regardless of the timing of related cash flows. Thus, some of the revenues and expenses reported in this statement will have no effect on cash until some future fiscal period.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions that are intended to recover some or all of their costs through user fees and charges (business-type activities).

Governmental activities. With the exception of refuse services, all of the City's basic services are reported in this category, including the general administration, public safety, planning and development, recreation and public works. Property taxes, sales tax, real estate transfer tax, licenses and permits, franchise fees, charges for services, interest income, grants, contributions from other agencies, and other revenues finance these activities.

Business-type activities. The City charges a fee to customers to cover all or most of the costs of certain services it provides. The City's Refuse Collection operation is reported in this category.

The government-wide financial statements can be found on pages 15 to 17 of this report.

Fund Financial Statements

The fund financial statements provide detailed information about the City's most significant funds. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds*.* Most of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and 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 financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The difference between the results in the Governmental Fund financial statements to those in the Government wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

In addition to the major funds reported separately on the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance, the City also maintains 7 special revenue funds and one capital project fund. Data from these funds are combined into a single, aggregated presentation referred to as other governmental funds.

Individual fund data for each of these non-major governmental funds are provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for all of its governmental and proprietary funds. A budget comparison statement has been provided for the General Fund to demonstrate compliance with this budget. This comparison can be found on page 48 of this report.

The basic governmental fund financial statements can be found on pages 18 to 21 of this report.

Proprietary funds*.* When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Within the category of proprietary funds are Enterprise Funds and Internal Service Funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its Refuse activity. Internal service funds are an accounting devise used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its Municipal Self Insurance costs and accumulated reserves. Because these services predominantly benefit governmental rather than business-type functions, this fund has been included within the governmental activities in the government-wide financial statement.

The basic proprietary fund financial statements can be found on pages 22 to 24 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 to 45 of this report.

Other Information

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 58 to 65 of this report.

Governmental-wide Financial Analysis

Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. The City's net position for fiscal years 2022/23 and 2023/24are shown in Table 1 below. As of June 30, 2024, total assets and deferred outflows exceeded total liabilities and deferred inflows by $8,586,750. This is an increase from prior year of $1.3 million, most of which is attributable to the additional investments in capital assets. Overall, the City's financial position has been very stable over the last few years.

Table 1
City of Rolling Hills
Net Position

	Government Activities		Business Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	$ 8,608,725	$ 7,415,842	$ 24,498	$ 496,140	$ 8,633,223	$7,911,982
Capital assets	2,250,730	1,448,092	-	-	2,250,730	1,448,092
Total Assets	10,859,455	8,863,934	24,498	496,140	10,883,953	9,360,074
Deferred outflows of resources:						
Pension/OPEB related items	532,682	662,387	-	-	532,682	662,387
Liabilities:						
Current and other liabilities	1,434,960	1,738,064	-	472,085	1,434,960	2,210,149
Total Liabilities	1,434,960	1,738,064	-	472,085	1,434,960	2,210,149
Deferred inflows of resources:						
Lease related items	1,277,254	384,989	-	-	1,277,254	384,989
Pension related items	93,173	75,163	-	-	93,173	75,163
	1,370,427	460,152	-	-	1,370,427	460,152
Net position:						
Invested in capital assets	2,250,730	1,448,092			2,250,730	1,448,092
Restricted	2,683,856	2,349,147			2,683,856	2,349,147
Unrestricted	3,652,164	3,530,866	24,498	24,055	3,676,662	3,554,921
Total Net Position	$ 8,586,750	$ 7,328,105	$ 24,498	$ 24,055	$ 8,611,248	$7,352,160

Of the total net position shown in the bottom section of Table 1, $2,250.730 (26.2%) reflects its investment in capital assets. An additional $2,683,856 (31.2%) of the net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of $3,652,164 (42.5%) is unrestricted and may be used to meet the government's ongoing obligations. Of this amount, approximately $3 million has been designated by City Council for emergencies, such natural disasters, economic downturns such as the Great Recession in 2008, and other unexpected events that may call upon City financial resources.

Changes in Net Position

A summary of the changes to the net position is provided in Table 2 below.

Table 2
City of Rolling Hills
Changes in Net Position

	Government Activities		Business Activities		Total Primary Government	
	2024	**2023**	**2024**	**2023**	**2024**	**2023**
Revenues:						
Program revenues:						
Charges for Services	$ 580,852	$ 715,829	$1,005,434	$ 744,696	$ 1,586,286	$ 1,460,525
Operating Grants and contributio	1,193,368	636,687	-	-	1,193,368	636,687
Capital Contributions and grants	4,139	42,938	-	-	4,139	42,938
General revenues:						
Property taxes	1,432,117	1,378,565	-	-	1,432,117	1,378,565
Franchise taxes	12,110	14,846	-	-	12,110	14,846
Other taxes	99,903	78,287	-	-	99,903	78,287
Motor vehicle in-lieu - unrestricte	274,520	263,988	-	-	274,520	263,988
Use of money and property	372,247	148,992	4	195	372,251	149,187
Other	12,522	89,437	-	-	12,522	89,437
Total Revenues	3,981,778	3,369,569	1,005,438	744,891	4,987,216	4,114,460
Expenses:						
General government	1,202,109	1,557,286	-	-	1,202,109	1,557,286
Public safety	437,115	416,983	-	-	437,115	416,983
Planning and development	873,285	652,808	-	-	873,285	652,808
Public works	234,624	439,496	-	-	234,624	439,496
Refuse collection	-	-	980,995	944,664	980,995	944,664
Total Expenses	2,747,133	3,066,573	980,995	944,664	3,728,128	4,011,237
Excess (Deficiency) Before Transfers	1,234,645	302,996	24,443	(199,773)	1,259,088	103,223
Transfers	24,000	(214,759)	(24,000)	214,759	-	-
Increase (Decrease) in Net Position	1,258,645	88,237	443	14,986	1,259,088	103,223
Net Position - Beginning -Restated	7,328,105	7,239,868	24,055	9,069	7,352,160	7,248,937
Net Position - Ending	$8,586,750	$7,328,105	$ 24,498	$ 24,055	$ 8,611,248	$ 7,352,160

Governmental Activities. As previously noted, the governmental activities category includes all City funds except for the Refuse Collection Fund. In addition, this category almost entirely is made up of the General Fund, which is where most city services, along with tax revenues that primarily pay for those services, are reported.

As shown in Table 2 above, the net position of the City's governmental activities, which includes all funds except the Refuse Fund, increased by $1.3 million. Given the expectations going into the year, as further described later, these are very good results.

Business-Type Activities. The program for the business-type activities includes refuse collection operations. Refuse collection services are considered a utility and, as such, are typically fully funded from direct charges to customers utilizing these services. For this reason, they tend to operate much like the private sector and thus are classified as a "business-type activity." In the case of the City's refuse operation, rates are set to cover the payments to the payments to the contracted refuse hauler, which for fiscal year 2023-24 totaled $980,995.

The net result of operations was a increase in net position of $14,986, increasing the net position to $24,055.

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of fiscal year 2022-24, the City's governmental funds in total reported combined ending fund balances of $5,650,804, which indicates a strong financial position, largely due to the General Fund. This is a decrease of $261,831 from last fiscal year. The decrease is largely attributable to the City's investment in capital improvements. These costs are reflected both in the General Fund as Transfers Out to the Capital Improvement Fund of $236,186 and to the CalOES Capital Grants Fund of $154,238. These transfers cover the capital outlay costs incurred in these two funds, in addition to grants funds received in the CalOES Capital Grants Fund. This use of General Fund reserves (fund balance) is both appropriate and needed and, as such, represents a planned drawdown of reserves. In the case of the Capital Grants Fund, approximately 75% of eligible costs are reimbursable from CalOES and FEMA.

By far the largest of the governmental funds is the General Fund, in which where most of the City's operations are accounted for. The General Fund's financial position increased by $10,808 to a net position at June 30, 2024 of $4,643,854 for the reason explained in the preceding paragraph. Excluding transfers, the General Fund realized an operating surplus of $377,232. The favorable operating results is primarily the result of expenditure savings due to turnover and vacancies in staff.

General Fund Revenue Highlights

The breakdown of General Fund revenues is shown in Table 3 below.

As shown in the accompanying table, Property Tax revenues is the largest revenue at $1,432,117, making up 51.6% of total General Fund revenues of $2,770,370. Property Tax revenues increased from the prior year total of $1,378,564 by $53,553 (3.9%), which is a moderate growth for a revenue that historically grows by 3-6% per year. This moderate growth is reflective perhaps of a slowdown in sales due to the sharp increase in interest rates.

Table 3
CITY OF ROLLING HILLS
General Fund Revenues
Fiscal Year Ended 6/30/2024

	Adopted Budget	Actual Revenues	Variance
Property Taxes	$ 1,496,250	$ 1,432,117	$ (64,133)
Sales Taxes	13,905	36,863	22,958
Property Transfer Tax	56,222	63,040	6,818
Other Taxes	1,000	-	(1,000)
Motor Vehicle In Lieu	269,267	274,520	5,253
Construction & Demo Permits	5,600	7,900	2,300
Building & Other Permits	600,000	537,787	(62,213)
Variance, Planning & Zoning	67,000	23,342	(43,658)
Animal Control Fees	150	696	546
Franchise Fees	13,000	12,110	(890)
Fines & Traffic Violations	3,500	5,877	2,377
Cost Reimbursements	7,200	5,250	(1,950)
RHCA Lease Revenue	69,000	58,712	(10,288)
Interest on Investments	110,000	231,554	121,554
PARS Earnings	20,000	42,638	22,638
Public Safety Aug Fund	1,200	1,441	241
Miscellaneous Revenue	5,000	12,523	7,523
Transfers In - Refuse	24,000	24,000	-
TOTALS	$ 2,762,294	$ 2,770,370	$ 8,076

The City issues permits for building and construction projects undertaken by City residents. These revenues are highly tied to the economy and housing market. As real estate prices increase, there tends to be an increase in residential building activity. Over the last few years, building-related revenues have stabilized at $500,000 to $600,000. In fiscal year 2021-22 revenues totaled $518,309 and last fiscal year and to $578,476. In the current fiscal year they totaled $537,787.

The City receives an allocation from the State of California called the Motor Vehicle License Fee (MVLF). The MVLF is a tax imposed in lieu of a local personal property tax on automobiles. The MVLF is imposed at a rate of 2% on a vehicle's market value, adjusted by a depreciation schedule specified in state law. Pursuant to the State Constitution, VLF revenue is allocated to local governments. Approximately 75% of MVLF is split between cities and counties. The remaining 25% of local government VLF funds are restricted to funding various health, mental health, and social services programs shifted to the counties as part of the 1991 realignment. In fiscal year 2023-24, the City's allocation totaled $274,520. This revenue is largely affected by the number in, and dollar increase of, car sales. With the recent rise in interest rates, car sales, as with real estate, will likely decrease to some degree.

The CALOES Fund on the City's governmental funds balance sheet is a major fund. This fund accounts for major capital projects funded at 75% by federal grants. The two largest projects are to move utility infrastructure underground. Thus, the $593,960 in expenditures this year and last year will ultimately be reimbursed by CalOES and FEMA as reflected in the $681,690 Due from Other Governments shown on the Balance Sheet.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements but in greater detail.

Ending unrestricted net position for the Refuse Collection - Enterprise Fund is $24,498. The total change in net position for the Refuse Collection - Enterprise Fund was a net position increase of $443.

Ending unrestricted net position for the Municipal Self Insurance Fund - Internal Service Fund was unchanged at $275,795.

General Fund Budgetary Highlights

The fiscal year 2023-24 adopted budget totaled $2.8 million as shown in the Table 4below. The amended budget, which reflects budget amendments, mostly to capital transfers, totaled $4.45 million.

Table 4

General Fund Expenditures - Budget Vs Actual

Fiscal Year Ended June 30, 2023

	Adopted Budget	Amended Budget	Actuals	Variance
City Administration	$ 957,138	$ 1,063,827	$ 801,625	$ 262,202
Finance	154,400	154,400	164,592	(10,192)
Planning	858,801	858,801	873,469	(14,668)
Public Safety	270,000	317,578	299,474	18,104
City Properties	181,100	189,200	172,329	16,871
Non-Departmental	134,018	141,618	57,090	84,528
Transers Out	250,000	1,727,160	390,424	1,336,736
Totals	**$ 2,805,457**	**$ 4,452,584**	**$ 2,759,003**	**$1,693,581**

In contrast, expenditures totaled $2.8 million, resulting in savings of $1,693,581. By far the largest savings is in Transfers Out. The budget reflects the total expected amount of capital improvement costs that will be funded by the General Fund. However, because the work generally takes more than one year to complete, the transfers are typically under spent, and the unspent budget dollars will be carried forward into next fiscal year. The other department with a large savings is the City Administration Department at $262,202. This total is made up of a number of accounts in which expenditures were below expectations, but it is largely the result of savings in salaries and benefits stemming from vacancies.

Capital Asset and Debt Administration

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2024 amounts to $2,250,730. This investment includes land for the City Hall campus, tennis courts, Poppy Trail land, Hesse's Gap, Hix Ring and Storm Hill Park. Additional information on the City of Rolling Hills capital assets can be found in Note 5 on page 35 of this report.

Long-Term Debt

The City has no bonded indebtedness. At the end of the current fiscal year, the City's compensated absences decreased from $64,353 to $45,905.

Other Post-Employment Health Care Benefits

The City offers its retired employees medical benefits through CalPERS, which provides medical insurance benefits to eligible retirees. Through CalPERS, the City pre-funds these benefits while the employees are actively working. Pursuant to GASB Statement 78, adopted during fiscal year 2017-18, the City is required to recognize a liability for any unfunded accrued liabilities as determined by an actuary. As of June 30, 2024, the City's total accrued liability was $502,564. However, this liability was offset by the prefunded investments held by CalPERS on the City's behalf which totaled $681,770. As a result, the City's net position was a net surplus/asset of $179,206, which is included on the Statement of Net Position. See Note 10 on pages 42 to 44.

Pension Plan Obligations

The City provides a defined benefit pension plan to its employees which is administered by CalPERS. Details of this pension plan can be found in Note 9 found on pages 37 to 41. Pursuant to GASB Statement 68, the City reports any unfunded accrued liabilities in its financial statements. As of June 30, 2024, the net pension liability was $814,568. However, the City has a established a Pension Stabilization Trust Fund to supplement the funding of its pension obligations. The balance in the trust as of June 30, 2023 was $487,206. As such, the plan is approximately 60% funded.

Economic Factors and Next Year's Budgets

The City almost exclusively provides services to the residents of the Rolling Hills Community Association. In addition, it has not retail or commercial businesses within its City limits. As such, the City only typically receives less than $25,000 annually from sales taxes, which are derived entirely from online sales transactions; and its regular and ongoing operations are primarily funded from property taxes assessed on residential properties. Since assessed values grow at 2% or less per state law, and are only re-assessed to market value when properties are sold, growth in property taxes tends to range between 3-6% in normal conditions. In fiscal year 2022-24, property taxes grew 3.9%.

One of the key services provided to the community are related to residential building activity, which generate revenues from building and construction-related permits and fees. These revenues make up approximately 20% of total revenues. Unlike property taxes, building revenues are tied to economic conditions and can be significantly impacted by major economic downturns or other event, such as the recent increase in interest rates. However, in spite of the sharp increase in interest rates, we have not seen a significant reduction in large building projects in fiscal year 2023-24.

The City also receives funding from the state for vehicle licensing fees of approximately $274,000 and $112,000 in other taxes.

The City Council adopted the Fiscal Year 2024-25 budget in June 2024, and the following factors were considered in preparing the budget:

- Property taxes are expected to grow by 5%.
- A continued favorable trend in building activity and a commensurate increase in building related revenues is assumed. However, the recent increase in interest rates have resulted in some waning of revenues.
- Much needed capital improvements are included in the budget, which are being funded from reserves.
- At June 30, 2024. the General Fund's reserves totaled $4,643,854. This represents 177% of the fiscal year 2024-25 General Fund expenditure budget of $2,623,299. Of the $4,643,854, $3,043,761 is set aside as a contingency reserve. The balance is earmarked for capital improvements.

Contacting the City's Financial Department

This financial report is designed to provide a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Department at the City of Rolling Hills, 2 Portuguese Bend Road, Rolling Hills, California 90274.

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CITY OF ROLLING HILLS, CALIFORNIA
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	**Business-Type Activities**	**Total**
ASSETS			
Cash and investments	$ 5,752,455	$ 9,167	$ 5,761,622
Receivables (net of uncollectibles):			
Accounts	13,288	-	13,288
Taxes	78,005	15,331	93,336
Accrued interest	13,872	-	13,872
Due from other governments	796,939	-	796,939
Leases	1,277,254	-	1,277,254
Restricted assets:			
Cash and investments	487,206	-	487,206
Net OPEB asset	179,206	-	179,206
Capital assets (not being depreciated)	1,892,082	-	1,892,082
Capital assets (net of accumulated depreciation)	358,648	-	358,648
Total assets	**10,859,455**	**24,498**	**10,883,953**
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related	332,701	-	332,701
OPEB-related	199,981	-	199,981
Total deferred outflows of resources	**532,682**	**-**	**532,682**
LIABILITIES			
Accounts payable	302,983	-	302,983
Accrued liabilities	44	-	44
Deposits payable	241,460	-	241,460
Noncurrent liabilities:			
Due within one year:			
Compensated absences	30,000	-	30,000
Due in more than one year:			
Net pension liability	814,568	-	814,568
Compensated absences	45,905	-	45,905
Total liabilities	**1,434,960**	**-**	**1,434,960**
DEFERRED INFLOWS OF RESOURCES			
Pension-related	6,772	-	6,772
OPEB-related	86,401	-	86,401
Lease-related	1,277,254	-	1,277,254
Total deferred inflows of resources	**1,370,427**	**-**	**1,370,427**
NET POSITION			
Invested in Capital Assets	2,250,730	-	2,250,730
Restricted:			
Public safety	90,758	-	90,758
Community development projects	114,910	-	114,910
Public works	684,638	-	684,638
Capital projects	801,209	-	801,209
Pension Rate Stabilization Fund	813,135	-	813,135
OPEB asset	179,206	-	179,206
Unrestricted	3,652,164	24,498	3,676,662
Total net position	**$ 8,586,750**	**$ 24,498**	**$ 8,611,248**

See Notes to Financial Statements.

		Program Revenues		
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	$ 1,202,109	$ 5,946	$ -	$ -
Public safety	437,115	5,877	608,189	4,139
Development services	873,285	569,029	-	-
Public works	234,624	-	585,179	-
Total governmental activities	**2,747,133**	**580,852**	**1,193,368**	**4,139**
Business-type activities:				
Refuse Collection Fund	980,995	1,005,434	-	-
Total business-type activities	**980,995**	**1,005,434**	**-**	**-**
Total primary government	**$ 3,728,128**	**$ 1,586,286**	**$ 1,193,368**	**$ 4,139**

General revenues and transfers:
General revenues:
Property taxes
Sales taxes
Franchise taxes
Other taxes
Motor vehicle in lieu - unrestricted
Use of money and property
Other
Transfers

Total general revenues and transfers

Change in net position

Net position-beginning

Net position-ending

See Notes to Financial Statements.

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (1,196,163)	$ -	$ (1,196,163)
181,090	-	181,090
(304,256)	-	(304,256)
350,555	-	350,555
(968,774)	**-**	**(968,774)**
-	24,439	24,439
-	**24,439**	**24,439**
(968,774)	**24,439**	**(944,335)**
1,432,117	-	1,432,117
36,863	-	36,863
12,110	-	12,110
63,040	-	63,040
274,520	-	274,520
372,247	4	372,251
12,522	-	12,522
24,000	(24,000)	-
2,227,419	**(23,996)**	**2,203,423**
1,258,645	**443**	**1,259,088**
7,328,105	24,055	7,352,160
$ 8,586,750	**$ 24,498**	**$ 8,611,248**

See Notes to Financial Statements.

CITY OF ROLLING HILLS, CALIFORNIA
Balance Sheet
Governmental Funds
June 30, 2024

	General	Special Revenue Fund CAL/OES	Total Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and investments	$ 3,653,774	$ -	$ 1,822,886	$ 5,476,660
Receivables (net of allowance for uncollectible):				
Accounts	5,710	-	7,578	13,288
Taxes	78,005	-	-	78,005
Interest	13,872	-	-	13,872
Due from other governments	115,249	681,690	-	796,939
Leases	1,277,254	-	-	1,277,254
Due from other funds	681,975	-	-	681,975
Restricted assets:				
Cash and investments	487,206	-	-	487,206
Total assets	**$ 6,313,045**	**$ 681,690**	**$ 1,830,464**	**$ 8,825,199**
LIABILITIES				
Accounts payable	$ 150,433	$ 3,101	$ 138,949	$ 292,483
Accrued liabilities	44	-	-	44
Deposits payable	241,460	-	-	241,460
Due to other funds	-	674,386	7,589	681,975
Total liabilities	**391,937**	**677,487**	**146,538**	**1,215,962**
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	681,179	-	681,179
Lease related	1,277,254	-	-	1,277,254
Total deferred inflows of resources	**1,277,254**	**681,179**	**-**	**1,958,433**
FUND BALANCES (DEFICITS)				
Restricted	487,206	-	1,691,515	2,178,721
Assigned	3,043,761	-	-	3,043,761
Unassigned	1,112,887	(676,976)	(7,589)	428,322
Total fund balances (deficits)	**4,643,854**	**(676,976)**	**1,683,926**	**5,650,804**
Total liabilities, deferred inflows of resources, and fund balances (deficits)	**$ 6,313,045**	**$ 681,690**	**$ 1,830,464**	**$ 8,825,199**

See Notes to Financial Statements.

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds		$ 5,650,804
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		2,250,730
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related	332,701	
Deferred outflows-OPEB related	199,981	
Deferred inflows-pension related	(6,772)	
Deferred inflows-OPEB related	(86,401)	
Total deferred outflows and inflows related to postemployment benefits		439,509
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.		
Net OPEB asset	179,206	
Miscellaneous revenues	681,179	
Total other long-term assets		860,385
Internal service funds provide services to other funds on a cost-reimbursement basis. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Activities.		275,795
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Compensated absences	(75,905)	
Net pension liability	(814,568)	
Total long-term liabilities		(890,473)
Net position of governmental activities		**$ 8,586,750**

CITY OF ROLLING HILLS, CALIFORNIA
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	General	Special Revenue Fund CAL/OES	Total Nonmajor Funds	Total Governmental Funds
REVENUES				
Taxes	$ 1,818,650	$ -	$ -	$ 1,818,650
Licenses and permits	545,687	-	-	545,687
Intergovernmental	1,441	4,139	510,748	516,328
Charges for services	29,288	-	-	29,288
Use of money and property	332,905	-	31,662	364,567
Fines and forfeitures	5,877	-	-	5,877
Miscellaneous	12,522	-	-	12,522
Total revenues	**2,746,370**	**4,139**	**542,410**	**3,292,919**
EXPENDITURES				
Current:				
General government	1,196,195	-	-	1,196,195
Public safety	299,474	4,665	132,976	437,115
Planning and development	873,469	-	-	873,469
Public works	-	-	247,124	247,124
Capital outlay	-	589,295	235,552	824,847
Total expenditures	**2,369,138**	**593,960**	**615,652**	**3,578,750**
Excess (deficiency) of revenues over (under) expenditures	**377,232**	**(589,821)**	**(73,242)**	**(285,831)**
OTHER FINANCING SOURCES (USES)				
Transfers in	24,000	154,238	236,186	414,424
Transfers out	(390,424)	-	-	(390,424)
Total other financing sources (uses)	**(366,424)**	**154,238**	**236,186**	**24,000**
Net change in fund balances	**10,808**	**(435,583)**	**162,944**	**(261,831)**
Fund balances (deficit)-beginning	4,633,046	(241,393)	1,520,982	$ 5,912,635
Fund balances (deficit)-ending	**$ 4,643,854**	**$ (676,976)**	**$ 1,683,926**	**$ 5,650,804**

See Notes to Financial Statements.

CITY OF ROLLING HILLS, CALIFORNIA
Reconciliation of the Statement of Revenues, Expenses and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2024

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds:		$ (261,831)
Governmental funds report capital outlays are expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.		
Capital outlay	815,032	
Depreciation/amortization expense	(12,395)	
Total adjustment		802,637
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		
Earned but unavailable other revenues	681,180	
Total adjustment		681,180
Internal service funds provide services to other funds on a cost-reimbursement basis. The net revenue of certain activities of internal service funds is reported with governmental activities.		**7,680**
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences	(11,552)	
Changes in pension liabilities and related deferred outflows and inflows of resources	39,867	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	664	
Total adjustment		28,979
Change in net position of governmental activities		**$ 1,258,645**

See Notes to Financial Statements.

CITY OF ROLLING HILLS, CALIFORNIA
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Municipal Self Insurance
ASSETS	
Cash and investments	$ 275,795
Total assets	**275,795**
NET POSITION	
Unrestricted	275,795
Total net position	**$ 275,795**

CITY OF ROLLING HILLS, CALIFORNIA
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Municipal Self Insurance
OPERATING REVENUES	
Interest revenue	$ 7,680
Change in net position	**7,680**
Net position-beginning	268,115
Net position-ending	**$ 275,795**

CITY OF ROLLING HILLS, CALIFORNIA
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	Municipal Self Insurance
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	$ 7,680
Net increase (decrease) in cash and cash equivalents	**7,680**
Cash and cash equivalents-beginning	268,115
Cash and cash equivalents-ending	**$ 275,795**

I. SIGNIFICANT ACCOUNTING POLICIES

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Rolling Hills, California (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Description of Entity

The accompanying basic financial statements present the financial activity of the City. The City is the level of government primarily accountable for activities relevant to the operations of the City of Rolling Hills, California.

The City was incorporated on January 25, 1957, under the provisions of the State of California. The City operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, sanitation, animal control, culture and recreation, public improvement planning and zoning, and general administrative services.

The Rolling Hills Community Association is not a part of the City's reporting entity because the City has no accountability for fiscal matters of the Rolling Hills Community Association.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City’s proprietary funds function and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for various functions concerned.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

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

The City reports the following major governmental funds:

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

The Cal/OES special revenue fund is used to track funding for the California Governor's Office of Emergency Services grant activity and operations.

The City reports the following major proprietary fund:

The Refuse Collection Fund is used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Additionally, the City reports the following fund types:

- The internal service fund accounts for the financing of goods and services provided by one department to other departments on a cost reimbursement basis. The City's internal service fund is for self-insurance.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the government's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting these definitions are reported as non-operating revenues and expenses.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position or Equity

Cash and Investments

All cash and investments, except those that are held by fiscal agents, are held in a City pool. These pooled funds are available upon demand and, therefore, are considered cash and cash equivalents for purposes of the statement of cash flows. Investments held by fiscal agents with an original maturity of three months or less are also considered cash equivalents and are shown as restricted assets for financial statement presentation purposes.

Investments for the City are reported at fair value. The City's policy is generally to hold investments until maturity.

Receivables and Payables

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" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". All trade and property tax receivables are shown net of allowance for uncollectibles.

Prepaid Costs

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the purchases method.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities columns in the government-wide financial statements. The City defines capital assets as assets with an initial, individual cost of more than $5,000 (amount not rounded) and an estimated useful life in excess of one year.

Capital Assets

Such assets are recorded at historical cost when purchased or constructed. Donated capital assets are recorded at acquisition value at the date of acquisition.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, equipment, and infrastructure of the primary government are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Building improvements	7-50
Improvements other than buildings	20
Computer equipment	5-20
Equipment and vehicles	5-20
Furniture and fixtures	20

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences

It is the City's policy to permit employees to accumulate a limited amount of earned but unused vacation, which will be paid to employees in the period taken or upon separation from City's service. All vacation pay is accrued when incurred in the government-wide financial statements. In governmental funds, the cost of vacations is recognized when payments are made to employees.

Accumulated sick leave benefits are not recognized as liabilities of the City. The City's policy is to record sick leave as an operational expense in the period taken, since such benefits do not vest, nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and governmental fund balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has two items that qualify for reporting in this category. They are deferred outflows relating to the net pension obligation and deferred outflows related to other post-employment benefits reported in the government-wide statement of net position. These outflows are the results of contributions made after the measurement period, the net difference between projected and actual earnings on plan investments, changes in actuarial assumptions, differences between expected and actual experiences, and adjustments due to differences in proportions. The amounts for contributions made after the measurement period will be recognized in the subsequent fiscal year; the net difference between projected and actual earnings on plan investments will be amortized over five years; and all remaining deferrals will be amortized over the remaining expected average remaining service life.

In addition to liabilities, the statement of financial position or governmental fund balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents 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. The government has three items that qualify for reporting in this category. The government may report one item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category, accordingly, unavailable revenue, is reported only in the governmental funds balance sheet and is related to grant revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The other items that qualifies for reporting in this category are deferred inflows relating to the net pension obligation and other post-employment benefits reported in the government-wide statement of net position. These inflows are the result changes in actuarial assumptions, differences between expected and actual experiences, adjustments to proportions, and differences in the proportionate share of contributions. These amounts are deferred and amortized over the remaining service life. Lastly, leases related items for the amount of the lease receivable plus any lease payments related to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term.

Fund Equity

In the fund financial statements, government funds report the following fund balance classification:

Nonspendable includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through resolution. The City has no committed fund balance as of June 30, 2024.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The assigned balance is set aside with the intent to be used for a specific purpose by the City Council through resolution.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes.

An individual governmental fund could include non-spendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications.

The City established certain a minimum fund balance policy as follows:

The General Fund, Community Facilities Fund, and Underground Utility Fund shall maintain unrestricted fund balance (amount remaining after non-spendable and restricted fund balance) equivalent to a minimum of 100% of originally adopted annual expenditures (excluding one-time expenditures greater than $25,000) before transfers plus any City Council approved committed or assigned fund balance.

Fund Equity Flow Assumptions

Sometimes the government 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, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government'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 fund balance. Unassigned fund balance is applied last.

Net Position Flow Assumption

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted 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 government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Property Tax

Property tax revenue is recognized on the basis of GASB Code Section P70, that is, in the fiscal year for which the taxes have been levied providing they become available. Available means due or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period.

The County of Los Angeles collects property taxes for the City. Tax liens attach annually as of 12:01 AM on the first day in January prior to the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property, as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, by December 10 and April 10, respectively. Unsecured personal property taxes become due on March 1 each year and are delinquent, if unpaid, on August 31.

NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pension Plans

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD): June 30, 2022

Measurement Date (MD): June 30, 2023

Measurement Period (MP): July 1, 2022 to June 30, 2023

Other Post-Employment Benefits Plan

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan), the assets of which are held by the California Public Employees' Retirement System (CalPERS), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD): June 30, 2023

Measurement Date (MD): June 30, 2023

Measurement Period (MP): July 1, 2022 to June 30, 2023

NOTE 2: CASH AND INVESTMENTS

As of June 30, 2024, cash and investments were reported in the accompanying financial statements as follows:

Cash and investments:	
Governmental activities	$ 5,752,455
Business-type activities	9,167
Total cash and investments	5,761,622
Restricted cash and investments:	
Governmental activities	487,206
Total cash and investments	$ 6,248,828

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Cash and investments as of June 30, 2024, consisted of the following:

Cash on hand	$ 1,500
Demand deposits	269,508
Restricted investments (Section 115 Trust)	487,206
Investments	5,490,614
Total Cash and Investments	$ 6,248,828

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under provisions of bond indentures. Interest income earned on pooled cash and investments is allocated annually to the various funds based on average daily cash balances. Interest Income from cash and investments with fiscal agents is credited directly to the related fund.

A. Deposits

As of June 30, 2024, the carrying amount of the City's deposits was $269,508 and the bank balance was $213,079. The $56,429 difference represents outstanding checks and deposits in transit.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to $250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

B. Investments

Under provision of the City's investment policy, and in accordance with the California Government Code, the following investments are authorized:

- U.S. Treasury Bonds, Notes and Bills
- Money Market Savings Accounts
- Local Agency Investment Fund (State Pool)
- Deposit of Funds

C. Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy.

D. Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

E. Pension Rate Stabilization Program Section 115 Trust

In July 2018, the City Council authorized participation in the PARS Pension Rate Stabilization Program Section 115 Trust in order to mitigate rising pension costs through CalPERS. The initial funding amount was $185,000. The program has been established as a multiple employer trust so that public agencies regardless of size can join the program and receive the necessary economies of scale to keep administrative feels low and avoid any setup costs. The trust permits the City, under Federal and State law, to invest in a more diversified array of investments to maximize investment returns long term. The balance of the Trust at June 30, 2024 is $487,206 and is reported as restricted cash and investments.

F. Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City mitigates its credit risk generally by following its three primary investment objectives, in order, of safety, liquidity and yield. The California Government Code generally limits allowable investments to those classes of investments with lower risk (and therefore lower yields). The City's investment policy further restricts these investments to the highest quality within a category and excludes certain otherwise allowable investments as not meeting the City's liquidity requirement.

Credit risk is measured by the assignment of a rating by a nationally recognized statistical rating organization.

As of June 30, 2024, all securities were investment grade and were legal under State and City law. Investments in U.S. government securities are not considered to have a credit risk and, therefore, their credit quality is not disclosed As of June 30, 2024, the City's investments in external investment pools and money market mutual funds are unrated.

G. Custodial Credit Risk

The 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 deposits or will not be able to recover collateral securities that are in the possession of an outside party.

As of June 30, 2024, $487,206 of the City's deposits or investments were exposed to custodial credit risk, although deposits are classified as local agency collateralized deposit account.

H. Concentration of Credit Risk

The City is in compliance with restrictions imposed by its investment policy, which limits certain types of investments. As of June 30, 2024, in accordance with GASB Statement No. 40, if the City has invested more than 5% of its total investments in any one issuer then it is exposed to credit risk. The Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this.

As of June 30, 2024, none of the City's deposits or investment were exposed to concentration of credit risk.

I. Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy establishes a maximum maturity of three years for all individual investments.

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2024, the City had the following investments and original maturities:

	Investment Maturities (in Years)			
	1 year or less	1 - 3 years	3 - 5 years	Fair Value
Investments:				
Local Agency Investment Fund	$ 635,651	$ -	$ -	$ 635,651
Money Market Saving Accounts	576,455	-	-	576,455
Certificates of Deposits	409,114	957,019	1,916,513	3,282,646
U.S. Treasury Securities	508,657	-	-	508,657
Restricted investments:				
Money Market Saving Accounts	487,206	-	-	487,206
	$ 2,617,082	$ 957,019	$ 1,916,513	$ 5,490,614

J. Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. At June 30, 2024, all of the City's investments are valued using Level 1 inputs, with the exception of the Local Agency Investment Fund and money market funds, which are considered to be uncategorized.

NOTE 3: RECEIVABLES

Receivables at June 30, 2024, for the City's individual major funds, and non-major and internal service funds in the aggregate, including applicable allowances for uncollectible accounts, are detailed below. All receivables are expected to be collected within one year, except for delinquent property taxes.

Accounts Receivable	General Fund	CAL/OES Fund	Non-major Governmental Funds	Refuse Collection Fund	Total
Accounts	$ 5,710	$ -	$ 7,578	$ -	$ 13,288
Property, sales, and franchise taxes	78,005	-	-	-	78,005
Taxes assessed for rubbish collection	-	-	-	15,331	15,331
Interest	13,872	-	-	-	13,872
Due from other governments	115,249	681,690	-	-	796,939
Total Receivables	$ 212,836	$ 681,690	$ 7,578	$ 15,331	$ 917,435

NOTE 4: INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

A. Interfund Transfers

Individual fund operating transfers for the fiscal year ended June 30, 2024, are as follows:

Funds	Transfers Out: General Fund	Transfers Out: Refuse Collection Fund	Total
Transfers In:			
General Fund	$ -	$ 24,000	$ 24,000
Cal/OES	154,238	-	154,238
Non-Major Funds	236,186	-	236,186
Total	$ 390,424	$ 24,000	$ 414,424

Of the $390,424 transferred out of the General Fund, $236,186 was transferred to the non-major Capital Improvement Fund for capital projects and $154,238 to the Cal/OES Fund. The Refuse Collection Fund transferred out $24,000 to the General Fund to cover administrative expenditures in the current fiscal year.

B. Due To/From Other Funds

Receivable Fund	Payable Fund	Totals
General Fund	Cal/OES Fund	$ 674,386
General Fund	Nonmajor Governmental Funds	7,589
		$ 681,975

The amounts loaned from the General Fund to the Cal/OES Fund and to other Nonmajor Governmental Funds were to eliminate negative cash balances as of June 30, 2024.

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Governmental activities:				
Capital assets, not being depreciated				
Land	$ 564,040	$ -	$ -	$ 564,040
Construction-in-progress	513,010	815,032	-	1,328,042
Total capital assets, not being depreciated	1,077,049	815,032	-	1,892,082
Capital assets, being depreciated				
Land Improvements	176,139	-	-	176,139
Machinery, equipment, and vehicles	11,987	-	-	11,987
Storm Drain	363,350	-	-	363,350
Fixtures	26,591	-	-	26,591
Total capital assets, being depreciated	578,067	-	-	578,067
Less accumulated depreciation				
Land Improvements	176,139	-	-	176,139
Machinery, equipment, and vehicles	10,501	1,200	-	11,701
Storm Drain	9,084	9,084	-	18,168
Fixtures	11,300	2,111	-	13,411
Total accumulated depreciation	207,024	12,395	-	219,419
Total capital assets, being depreciated, net	371,043	12,395	-	358,648
Total governmental activities capital assets	$ 1,448,092	$ 827,427	$ -	$ 2,250,730

During the fiscal year ended June 30, 2024, depreciation expense was $12,395 and allocated to general government functional expense.

NOTE 6: LEASES

A. Leases Receivable and Deferred Inflows of Resources

The City entered into a 72 month-lease as Lessor for the use of a building at No. 1 Portugueses Bend Road and other near related common areas. An initial lease receivable was recorded in the amount of $379,989. As of June 30, 2024, the value of the lease receivable is $1,277,254. The value of the deferred inflow of resources as of June 30, 2024, was $1,277,254, and the City recognized lease revenue of $58,712 during the fiscal year.

The principal and interest payments that are expected to maturity are as follows:

	Governmental Activities		
June 30	Principal	Interest	Total Payments
2025	$ 58,712	$ 10,279	$ 68,991
2026	61,104	7,887	68,991
2027	63,593	5,398	68,991
2028	66,184	2,807	68,991
2029	64,009	6,706	70,716
Thereafter	963,651	102,186	1,065,837
Totals	$ 1,277,254	$ 135,263	$ 1,412,517

NOTE 7: COMPENSATED ABSENCES

The following is a summary of changes in compensated absences of the City for the fiscal year ended June 30, 2024:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Compensated Absences	$ 64,353	$ 33,773	$ 22,221	$ 75,905	$ 30,000

Liabilities for compensated absences are typically liquidated by the General Fund.

NOTE 8: LIABILITY, INSURED PROGRAMS AND WORKERS' COMPENSATION PROTECTION

A. Description of Self-Insured Pool Pursuant to Joint Powers Agreement

The City is a member of the California Joint Powers Insurance Authority (the Authority). The Authority is composed of 126 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

B. Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to $100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from $100,000 to $500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from $500,000 to $50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is $50 million per occurrence. Subsidence losses also have a $50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: https://cjpia.org/coverage/risk-sharing-pools/.

Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to $75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from $75,000 to $200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from $200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

NOTE 8: LIABILITY, INSURED PROGRAMS AND WORKERS' COMPENSATION PROTECTION (CONTINUED)

For 2023-24 the Authority's pooled retention is $1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to $1 million. Coverage from $1 million to $5 million is purchased through reinsurance policies, and Employer's Liability losses from $5 million to $10 million are pooled among members.

C. Purchased Insurance

Pollution Legal Liability Insurance

The City participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a $250,000 deductible. The Authority has an aggregate limit of $20 million.

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City property currently has all-risk property insurance protection in the amount of $1,633,455. There is a $10,000 deductible per occurrence except for non-emergency vehicle insurance which has a $2,500 deductible.

Crime Insurance

The City purchases crime insurance coverage in the amount of $1,000,000 with a $2,500 deductible. The fidelity coverage is provided through the Authority.

D. Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2023-24.

NOTE 9: PENSION PLAN OBLIGATIONS

A. General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's cost-sharing multiple-employer defined benefit pension plans administered by the 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 statute and City resolution. 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. The City has a Miscellaneous cost-sharing plan including the Classic Tier and PEPRA Tier.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service.

NOTE 9: PENSION PLAN OBLIGATIONS (CONTINUED)

The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Below is a summary of the plans' provisions and benefits in effect at June 30, 2024, for which the City has contracted:

Major Benefit Options	Miscellaneous	Misc. PEPRA
Hire date	Prior to January 1, 2013	January 1, 2013 and thereafter
Benefit Provision		
Benefit formula	2% @60	2% @62
Social Security	Yes	No
Full/Modified	Modified	Modified
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	Minumum 50 yrs	
Monthly benefits, as a % of eligible compensation	1.092% to 2.418%	1.0% to 2.5%
Required employer contribution rates	26.740%	8.670%
Required employee contribution rates	6.920%	7.250%

New entrants are not allowed in the Miscellaneous Classic Tier.

Contribution Description

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 either the Miscellaneous or 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 City 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 contributions recognized as a reduction to the net pension liability for all Plans was $119,805.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2024, the City reported net pension liability for its proportionate shares of the net pension liability of the Plan was $814,568.

NOTE 9: PENSION PLAN OBLIGATIONS (CONTINUED)

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability for the 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. The City's proportionate share of the net pension liability for the Plan as of June 30, 2022 and 2023, was as follows:

Proportion - June 30, 2022	0.00795%
Proportion - June 30, 2023	0.01709%
Change	0.0091%

At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 99,088	$ -
Changes of assumptions	51,594	-
Differences between expected and actual experience	43,656	6,772
Net difference between projected and actual earnings on OPEB plan investments	138,363	-
Total	$ 332,701	$ 6,772

The $99,088 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal year ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 71,022
2026	47,375
2027	104,474
2028	3,970
Total	$ 226,841

NOTE 9: PENSION PLAN OBLIGATIONS (CONTINUED)

Actuarial Assumptions

For the measurement period ended June 30, 2023 (the measurement date), the total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and services
Mortality rate table	Derived using CalPERS' membership data for all funds
Post-retirement benefit increase	The lesser of contract COLA or 2.30% until purchasing power protection allowance floor on purchasing power applies, 2.30% thereafter

The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2023 that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

NOTE 9: PENSION PLAN OBLIGATIONS (CONTINUED)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return [1, 2]
Global equity-cap-weighted	30.00%	4.54%
Global equity-non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

[1] An expected inflation of 2.30% used for this period.

[2] Figures are based on the 2021-22 Asset Liability Management study

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability of the Plan, calculated using the discount rate for the 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 1% point lower (5.90 percent) or 1% point higher (7.90 percent) than the current rate:

	Discount Rate -1 Percent (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1 Percent (7.90%)
Proportionate share of net pension liability	$ 1,379,093	$ 814,568	$ 422,845

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

C. Pension Rate Stabilization Program Section 115 Trust

The City holds investments in a Section 115 Trust for pension stabilization. The current market value of the trust is $487,206. This trust fund is not included in the calculation of the net pension liability, as the assets are not in the custody of the plan administrator, CalPERS. Refer to Note 2 for additional information.

NOTE 10: OTHER POST-EMPLOYMENT HEALTH CARE BENEFITS

A. Plan Description

The City provides retiree medical benefits through an agent multiple-employer defined benefit healthcare plan, administered by the California Public Employees' Retirement System (CalPERS) which provides medical insurance benefits to eligible retirees. A separate financial report is not available for the plan. Employees are eligible for retiree health benefits if they retire from the City on or after age 60 with at least 5 years of service with the City and are eligible for a PERS pension.

B. Employees Covered

Membership of the plan consisted of 6 eligible active employees and 6 enrolled eligible retirees at June 30, 2024. These amounts do not reflect current retirees not enrolled in the CalPERS health plan who are eligible to enroll in the plan at a later date.

C. Contributions

The contribution requirements of plan members and the City are established and may be amended by the City Council. The City must agree to make a defined monthly payment towards the cost of each retiree's coverage. The actual contribution is based on projected pay-as-you-go financing requirements. For the measurement dated ended June 30, 2023, the City's contributions were $37,566 in total payments, which were recognized as a reduction to the OPEB liability.

D. Net OPEB Asset

The City's net OPEB asset was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2023 to determine the June 30, 2024 total OPEB liability, based on the following actuarial methods and assumptions:

Inflation:	2.50% per year
Investment Return / Discount Rate:	6.25% per year
Healthcare Trend:	4.00% per year
Payroll Increase:	2.75% per year

2017 CalPERS Mortality for Active Miscellaneous Employees

Retirement Rates: 2021 CalPERS 2.0% @ 62 Rates for Miscellaneous Employees (adjusted to reflect a minimum retirement age of 52 for those hired after 2012)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Assumed Gross Return
All Equities	40.00%	7.55%
All Fixed Income	43.00%	4.25%
Real Estate Investment Trusts	8.00%	7.25%
All Commodities	4.00%	7.55%
Treasury Inflation Protected Securities (TIPS)	5.00%	3.00%
Total	100.00%	

NOTE 10: OTHER POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

E. Discount Rate

The discount rate used to measure the total OPEB liability was 6.25 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

F. Changes in the OPEB Liability (Asset)

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2023	$ 564,108	$ 658,510	$ (94,402)
Changes recognized for the measurement period:			
Service cost	29,610	-	29,610
Interest on total OPEB liability	34,812	23,449	11,363
Changes of assumptions	5,769	-	5,769
Differences between expected and actual experience	(89,027)		(89,027)
Contributions-employer	-	42,708	(42,708)
Benefit payments, including refunds of employee contributions	(42,708)	(42,708)	-
Administrative expense	-	(189)	189
Net changes during 2023-24	(61,544)	23,260	(84,804)
Balance at June 30, 2024	$ 502,564	$ 681,770	$ (179,206)

G. Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

	Discount Rate -1 Percent (5.25%)	Current Discount Rate (6.25%)	Discount Rate +1 Percent (7.25%)
Plan's net OPEB (asset)	$ (130,866)	$ (179,206)	$ (220,035)

NOTE 10: OTHER POST-EMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

H. Sensitivity of the Net OPEB Asset to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB asset of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2023:

	1% Decrease	Current Heathcare Cost Trend Rate	1% Increase
Plan's net OPEB (asset)	$ (225,158)	$ (179,206)	$ (124,266)

I. OPEB Plan Fiduciary Net Position

CalPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained from CalPERS' website at www.calpers.ca.gov.

J. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of $197,630. As of fiscal year ended June 30, 2024, the City reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	$ 37,566	$ -
Changes of assumptions	65,486	-
Differences between expected and actual experience	31,550	86,401
Net difference between projected and actual earnings on pension plan investments	65,379	-
Total	$ 199,981	$ 86,401

The $37,566 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2023 measurement date will be recognized as a reduction of the net OPEB liability/(asset) during the fiscal year ending June 30, 2025. All other deferred items will be amortized and recognized in pension expense as follows:

Fiscal year ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	$ 14,051
2026	12,693
2027	30,238
2028	3,268
2029	(126)
Thereafter	15,890
Total	$ 76,014

NOTE 11: DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. Pursuant to the IRC 457 subsection (g); all amounts of compensation deferred under the deferred compensation plan, all property, or rights are solely the property and rights of the employee and beneficiaries of the plan. Deferred compensation funds are not subject to the claims of the City’s general creditors; consequently, the assets and related liabilities of the plan are not included within the City’s financial statements. The ending investment balance of the plan as of June 30, 2024, was $238,709.

NOTE 12: COMMITMENTS AND CONTINGENCIES

A. Litigation

In the opinion of the California Joint Powers Insurance Authority, there are no known claims which would exceed the City's applicable coverage. The City's management is not aware of any lawsuits or claims that would have a material adverse effects on the financial position of the City.

B. Grants

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies. While no matters of non-compliance were disclosed by prior year's audits of the financial statements or by a prior year single audit of a Federal grant program; grantor agencies may subject grant programs to additional compliance tests, which may result in disallowed costs. In the opinion of management, future disallowances of current or prior grant expenditures, if any, would not have a material adverse effect on the financial position of the City.

NOTE 14: SUBSEQUENT EVENTS

The City evaluated subsequent events for recognition and disclosure through April 4, 2025, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2024, that required recognition or disclosure in these financial statements.

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STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. General Budget Policies

The City Council is required to adopt an annual budget resolution by July 1 of each fiscal year. Annual budgets are adopted and presented for reporting purposes on a basis consistent with generally accepted accounting principles.

The City Council reviews a tentative budget and adopts a final budget after a public hearing is conducted to receive comments prior to adoption. The City's governing board satisfied these requirements.

Expenditures may not exceed the total annual budgeted amount in any category without the approval of the City Council. Throughout the fiscal year, monthly financial reports comparing actual figures with budgeted figures are prepared and distributed to the City Manager and members of the City Council. As these reports are reviewed, attention is drawn to variations between budgeted amounts and actual amounts and if necessary the City Council considers the need for increases in expenditure categories. The original adopted budgets are revised by the City Council during the year to give consideration to these modified expenditure categories and to unanticipated income. It is this final revised budget including all revisions and amendments approved by the City Council subsequent to the initial budget adoption that is presented in the financial statements.

The level of appropriated budgetary control is the total adopted budget which is defined as the total budget for all funds and divisions. The City Manager may authorize transfers of appropriations within the sub-categories of the major expenditure categories of the adopted budget. Supplemental appropriations during the year must be approved by the City Council.

The Community Facilities, Transit, Measure R, CLEEP, Measure M Local Return, LA County Measure W, SB 1383 Grant, and LEAP Grant Fund special revenue funds did not adopt a budget for the fiscal year ended June 30, 2024. Additionally, the Underground Utility and Capital Projects capital project funds did not adopt a budget for the fiscal year ended June 30, 2024.

Unexpended or unencumbered appropriations lapse at the end of the fiscal year. Encumbered appropriations are reappropriated in the subsequent year's budget by action of the City Council.

Excess of Expenditures over Appropriations

For the year ended June 30, 2024, total expenditures exceeded appropriations in the planning and development function of the General Fund by $14,668. Total expenditures did not exceed appropriations in the General Fund.

Additionally, expenditures exceeded appropriations in the public safety function of the Cal/OES by $4,665. Total expenditures did not exceed appropriations in the Cal/OES Fund.

B. Deficit Fund Balance

At June 30, 2024, The City reported deficit fund balances in the following funds:

Fund Name	Fund Type	Deficit	Cause
CAL/OES Fund	Major Special Revenue Fund	$ (676,976)	(a)
LEAP Grant Fund	Nonmajor Special Revenue Fund	(7,589)	(a)

(a) Deficit due to timing differences between grant receipts and disbursements, and is expected to be eliminated through future grant revenues.

CITY OF ROLLING HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
General Fund
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	$ 1,849,644	$ 1,849,644	$ 1,818,650	$ (30,994)
Licenses and permits	605,600	605,600	545,687	(59,913)
Intergovernmental	1,200	1,200	1,441	241
Charges for services	74,350	74,350	29,288	(45,062)
Use of money and property	199,000	199,000	332,905	133,905
Fines and forfeitures	3,500	3,500	5,877	2,377
Miscellaneous	5,000	5,000	12,522	7,522
Total revenues	**2,738,294**	**2,738,294**	**2,746,370**	**8,076**
EXPENDITURES				
Current:				
General government	1,411,656	1,534,045	1,196,195	337,850
Public safety	270,000	317,578	299,474	18,104
Planning and development	858,801	858,801	873,469	(14,668)
Capital outlay	15,000	15,000	-	15,000
Total expenditures	**2,555,457**	**2,725,424**	**2,369,138**	**356,286**
Excess (deficiency) of revenues over (under) expenditures	**182,837**	**12,870**	**377,232**	**364,362**
OTHER FINANCING SOURCES (USES)				
Transfers in	24,000	24,000	24,000	-
Transfers out	(250,000)	(1,727,160)	(390,424)	1,336,736
Total other financing sources (uses)	**(226,000)**	**(1,703,160)**	**(366,424)**	**1,336,736**
Net change in fund balances	**$ (43,163)**	**$ (1,690,290)**	**10,808**	**$ 1,701,098**
Fund balances (deficit)-beginning			4,633,046	
Fund balances (deficit)-ending			**$ 4,643,854**	

CITY OF ROLLING HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
CAL/OES
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ -	$ 4,771,565	$ 4,139	$ (4,767,426)
Total revenues	**-**	**4,771,565**	**4,139**	**(4,767,426)**
EXPENDITURES				
Current:				
Public safety	-	-	4,665	(4,665)
Capital outlay	-	3,232,705	589,295	2,643,410
Total expenditures	**-**	**3,232,705**	**593,960**	**2,638,745**
Excess (deficiency) of revenues over (under) expenditures	**-**	**1,538,860**	**(589,821)**	**(2,128,681)**
OTHER FINANCING SOURCES (USES)				
Transfers in	-	51,311	154,238	102,927
Total other financing sources (uses)	**-**	**51,311**	**154,238**	**102,927**
Net change in fund balances	**$ -**	**$ 1,590,171**	**(435,583)**	**$ (2,025,754)**
Fund balances (deficit)-beginning			(241,393)	
Fund balances (deficit)-ending			**$ (676,976)**	

CITY OF ROLLING HILLS, CALIFORNIA
Cost-Sharing Multiple Employer Miscellaneous Plan
Schedule of Proportionate Share of the Net Pension Liability
As of June 30, for the Last Ten Fiscal Years

	2024	2023	2022	2021	2020
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Proportion of the Net Pension Liability	0.01709%	0.00795%	0.00723%	0.00699%	0.00672%
Proportionate Share of the Net Pension Liability	$ 814,568	$ 918,010	$ 391,149	$ 759,963	$ 688,971
Covered Payroll	$ 596,903	$ 432,749	$ 470,458	$ 522,620	$ 458,829
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	136.47%	212.13%	83.14%	145.41%	150.16%
Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	76.68%	76.68%	88.29%	75.10%	75.30%

Notes to Schedule of Proportionate Share of the Net Pension Liability:

Changes of Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees such as Golden Handshakes, service purchases, and other prior service costs. Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors. Additionally, the figures above do not include any liability impact that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes of Assumptions: There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

	2019	2018	2017	2016	2015
	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
	0.00679%	0.00633%	0.00611%	0.00539%	0.00678%
	$ 622,418	$ 627,859	$ 528,827	$ 369,954	$ 421,924
	$ 408,643	$ 492,817	$ 465,123	$ 453,661	$ 410,896
	152.31%	127.40%	113.70%	81.55%	102.68%
	75.30%	73.30%	74.10%	78.30%	81.00%

CITY OF ROLLING HILLS, CALIFORNIA
Cost-Sharing Multiple Employer Miscellaneous Plan
Schedule of Plan Contributions
As of June 30, for the Last Ten Fiscal Years

	2024	2023	2022	2021	2020
Actuarially Determined Contribution	$ 99,088	$ 119,805	$ 105,332	$ 92,977	$ 84,285
Contribution in Relation to the Actuarially Determined Contribution	(99,088)	(119,805)	(105,332)	(92,977)	(84,285)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 513,651	$ 596,903	$ 432,749	$ 470,458	$ 522,620
Contributions as a Percentage of Covered Payroll	19.29%	20.07%	24.34%	19.76%	16.13%

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022-23 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:	Market Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation:	2.30%
Salary Increases:	Varies by Entry Age and Service
Retirement Age:	The probabilities of Retirement are based on the 2021 CalPERS Experience Study for the period of 2001 to 2019.
Mortality:	The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020.

2019	2018	2017	2016	2015
$ 68,379	$ 54,671	$ 53,328	$ 45,578	$ 34,611
(68,379)	(54,671)	(53,328)	(45,578)	(34,611)
$ -	$ -	$ -	$ -	$ -
$ 458,829	$ 408,643	$ 492,817	$ 465,123	$ 453,661
14.90%	13.38%	10.82%	9.80%	7.63%

CITY OF ROLLING HILLS, CALIFORNIA
Schedule of Changes in the Net OPEB Asset and Related Ratios
As of June 30, for the Last Ten Fiscal Years (1)

	2024	2023	2022	2021
Measurement Date	6/30/2023	6/30/2022	6/30/2022	6/30/2021
Total OPEB Liability:				
Service cost	$ 29,610	$ 28,818	$ 15,651	$ 15,232
Interest on the total OPEB liability	34,812	33,605	26,260	25,506
Changes of benefit terms	(42,708)	(42,708)	(33,632)	(18,424)
Changes in assumptions	5,769	(466)	-	(10,483)
Experience (gains)/losses	(89,027)	-	46,340	-
Changes in assumptions	-	-	79,174	-
Net change in total OPEB liability	(61,544)	19,249	133,793	11,831
Total OPEB liability - beginning	564,108	544,859	411,066	399,235
Total OPEB liability - ending (a)	**502,564**	**564,108**	**544,859**	**411,066**
Plan Fiduciary Net Position:				
Contribution - employer	42,708	-	-	18,424
Net investment income	23,449	47,066	129,273	40,568
Benefit payments	(42,708)	-	(33,632)	(18,424)
Administrative expense	(189)	(191)	(239)	(308)
Investment Gains/Losses	-	(141,514)	-	(6,790)
Other	-	-	-	-
Net change in plan fiduciary net position	23,260	(94,639)	95,402	33,470
Plan fiduciary net position - beginning	658,510	753,149	657,747	624,277
Plan fiduciary net position - ending (b)	**681,770**	**658,510**	**753,149**	**657,747**
Net OPEB Liability/(Asset) - ending (a) - (b)	**$ (179,206)**	**$ (94,402)**	**$ (208,290)**	**$ (246,681)**
Plan fiduciary net position as a percentage of the total OPEB liability	135.66%	116.73%	138.23%	160.01%
Covered payroll	$ 596,903	$ 432,749	$ 470,458	$ 522,620
Net OPEB asset as a percentage of covered payroll	30.02%	21.81%	44.27%	47.20%

Notes to Schedule of Changes in Net OPEB Asset and Related Ratios:

Changes in assumptions: None.

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

2020 6/30/2019	2019 6/30/2018	2018 6/30/2017
$ 19,302	$ 18,785	$ 18,282
24,323	22,828	20,310
(18,424)	(18,424)	(17,715)
(879)	-	-
(22,094)	-	-
22,803	-	-
25,031	23,189	20,877
374,204	351,015	330,138
399,235	**374,204**	**351,015**
18,424	18,424	17,715
37,919	35,713	37,288
(18,424)	(18,424)	(17,715)
(125)	(1,017)	(449)
3,053	(1,742)	-
-	542	-
40,847	33,496	36,839
583,430	549,934	513,095
624,277	**583,430**	**549,934**
$ (225,042)	**$ (209,226)**	**$ (198,919)**
156.37%	155.91%	156.67%
$ 458,829	$ 408,643	$ 492,817
49.05%	51.20%	40.36%

CITY OF ROLLING HILLS, CALIFORNIA
Schedule of Plan Contributions
As of June 30, for the Last Ten Fiscal Years (1)

	2024	2023	2022	2021
Actuarially Determined Contribution	$ 37,566	$ 42,708	$ 33,632	$ 18,424
Contribution in Relation to the Actuarially Determined Contributions	(37,566)	(42,708)	(33,632)	(18,424)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 513,651	$ 596,903	$ 432,749	$ 470,458
Contributions as a percentage of covered-employee payroll	7.31%	7.15%	7.77%	3.92%

Notes to Schedule:

Methods and assumptions used to determine contributions:

Valuation Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal
Amortization Valuation Method/Period	Level percent of payroll over a closed rolling 15-year period
Asset Valuation Method	Market value
Inflation	2.50%
Payroll Growth	2.75%
Investment Rate of Return	6.25% per annum
Healthcare cost-trend rates	4.00%
Retirement Age	2021 CalPERS 2.0%@62 Rates for Miscellaneous Employees
Mortality	2021 CalPERS Mortality for Active Miscellaneous Employees

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

2020	2019	2018
$ 18,424	$ 18,424	$ 17,422
(18,424)	(18,424)	(17,422)
$ -	$ -	$ -
$ 522,620	$ 458,829	$ 408,643
3.53%	4.02%	4.26%

	Special Revenue Funds			
	Community Facilities Fund	Transit Fund	Measure R	COPS
ASSETS				
Cash and investments	$ 9,754	$ 224,789	$ 202,464	$ 102,311
Receivables (net of allowance for uncollectible):				
Accounts	-	2,909	2,188	-
Total assets	**$ 9,754**	**$ 227,698**	**$ 204,652**	**$ 102,311**
LIABILITIES				
Accounts payable	$ -	$ 89,000	$ -	$ 24,835
Due to other funds	-	-	-	-
Total liabilities	**-**	**89,000**	**-**	**24,835**
FUND BALANCES (DEFICITS)				
Restricted	9,754	138,698	204,652	77,476
Unassigned	-	-	-	-
Total fund balances (deficits)	**9,754**	**138,698**	**204,652**	**77,476**
Total liabilities, deferred inflows of resources, and fund balances (deficits)	**$ 9,754**	**$ 227,698**	**$ 204,652**	**$ 102,311**

	Special Revenue Funds			
	CLEEP	Measure M Local Return	LA County Measure W	SB 1383 Grant
ASSETS				
Cash and investments	$ 13,282	$ 210,677	$ 28,657	$ 98,527
Receivables (net of allowance for uncollectible):				
Accounts	-	2,481	-	-
Total assets	**$ 13,282**	**$ 213,158**	**$ 28,657**	**$ 98,527**
LIABILITIES				
Accounts payable	$ -	$ -	$ 4,266	$ 17,762
Due to other funds	-	-	-	-
Total liabilities	**-**	**-**	**4,266**	**17,762**
FUND BALANCES (DEFICITS)				
Restricted	13,282	213,158	24,391	80,765
Unassigned	-	-	-	-
Total fund balances (deficits)	**13,282**	**213,158**	**24,391**	**80,765**
Total liabilities, deferred inflows of resources, and fund balances (deficits)	**$ 13,282**	**$ 213,158**	**$ 28,657**	**$ 98,527**

CITY OF ROLLING HILLS, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds	Capital Projects Funds		
	LEAP Grant Fund	**Underground Utility Fund**	**Capital Projects Fund**	**Total Nonmajor Funds**
ASSETS				
Cash and investments	$ -	$ 684,638	$ 247,787	$ 1,822,886
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	7,578
Total assets	**$ -**	**$ 684,638**	**$ 247,787**	**$ 1,830,464**
LIABILITIES				
Accounts payable	$ -	$ -	$ 3,086	$ 138,949
Due to other funds	7,589	-	-	7,589
Total liabilities	**7,589**	**-**	**3,086**	**146,538**
FUND BALANCES (DEFICITS)				
Restricted	-	684,638	244,701	1,691,515
Unassigned	(7,589)	-	-	(7,589)
Total fund balances (deficits)	**(7,589)**	**684,638**	**244,701**	**1,683,926**
Total liabilities, deferred inflows of resources, and fund balances (deficits)	**$ -**	**$ 684,638**	**$ 247,787**	**$ 1,830,464**

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CITY OF ROLLING HILLS, CALIFORNIA
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	Community Facilities Fund	Transit Fund	Measure R	COPS
REVENUES				
Intergovernmental	$ -	$ 81,693	$ 27,772	$ 186,159
Use of money and property	272	6,231	5,636	2,849
Total revenues	**272**	**87,924**	**33,408**	**189,008**
EXPENDITURES				
Current:				
Public safety	-	-	-	132,976
Public works	-	89,000	-	-
Capital outlay	-	-	-	-
Total expenditures	**-**	**89,000**	**-**	**132,976**
Excess (deficiency) of revenues over (under) expenditures	**272**	**(1,076)**	**33,408**	**56,032**
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	-
Total other financing sources (uses)	**-**	**-**	**-**	**-**
Net change in fund balances	**272**	**(1,076)**	**33,408**	**56,032**
Fund balances (deficit)-beginning	9,482	139,774	171,244	21,444
Fund balances (deficit)-ending	**$ 9,754**	**$ 138,698**	**$ 204,652**	**$ 77,476**

CITY OF ROLLING HILLS, CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds			
	CLEEP	**Measure M Local Return**	**LA County Measure W**	**SB 1383 Grant**
REVENUES				
Intergovernmental	$ -	$ 31,359	$ 103,765	$ 80,000
Use of money and property	371	5,894	3,940	(20,018)
Total revenues	**371**	**37,253**	**107,705**	**59,982**
EXPENDITURES				
Current:				
Public safety	-	-	-	-
Public works	-	-	158,124	-
Capital outlay	-	-	-	-
Total expenditures	**-**	**-**	**158,124**	**-**
Excess (deficiency) of revenues over (under) expenditures	**371**	**37,253**	**(50,419)**	**59,982**
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	-	-
Total other financing sources (uses)	**-**	**-**	**-**	**-**
Net change in fund balances	**371**	**37,253**	**(50,419)**	**59,982**
Fund balances (deficit)-beginning	12,911	175,905	74,810	20,783
Fund balances (deficit)-ending	**$ 13,282**	**$ 213,158**	**$ 24,391**	**$ 80,765**

CITY OF ROLLING HILLS, CALIFORNIA
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds	Capital Projects Funds		
	LEAP Grant Fund	**Underground Utility Fund**	**Capital Projects Fund**	**Total Nonmajor Funds**
REVENUES				
Intergovernmental	$ -	$ -	$ -	$ 510,748
Use of money and property	-	19,064	7,423	31,662
Total revenues	**-**	**19,064**	**7,423**	**542,410**
EXPENDITURES				
Current:				
Public safety	-	-	-	132,976
Public works	-	-	-	247,124
Capital outlay	-	-	235,552	235,552
Total expenditures	**-**	**-**	**235,552**	**615,652**
Excess (deficiency) of revenues over (under) expenditures	**-**	**19,064**	**(228,129)**	**(73,242)**
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	236,186	236,186
Total other financing sources (uses)	**-**	**-**	**236,186**	**236,186**
Net change in fund balances	**-**	**19,064**	**8,057**	**162,944**
Fund balances (deficit)-beginning	(7,589)	665,574	236,644	1,520,982
Fund balances (deficit)-ending	**$ (7,589)**	**$ 684,638**	**$ 244,701**	**$ 1,683,926**

CITY OF ROLLING HILLS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
COPS
For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 165,000	$ 165,000	$ 186,159	$ 21,159
Use of money and property	-	-	2,849	2,849
Total revenues	**165,000**	**165,000**	**189,008**	**24,008**
EXPENDITURES				
Current:				
Public safety	165,000	165,000	132,976	32,024
Total expenditures	**165,000**	**165,000**	**132,976**	**32,024**
Net change in fund balances	**$ -**	**$ -**	**56,032**	**$ 56,032**
Fund balances (deficit)-beginning			21,444	
Fund balances (deficit)-ending			**$ 77,476**	

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

To the Honorable Mayor and Members of the City Council
City of Rolling Hills, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Rolling Hills, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 4, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

To the Honorable Mayor and Members of the City Council
City of Rolling Hills, California

Purpose of This Report

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

LSL, LLP

Irvine, California
April 4, 2025

LSL

April 4, 2025

To the Honorable Mayor and Members of the City Council
City of Rolling Hills, 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 Rolling Hills, California (the "City") for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 7, 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 financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 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 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 estimates of the net pension liability and net other postemployment benefits liability are based on actuarial valuation estimates. We evaluated the methods, assumptions, and data used to develop the actuarial valuation estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

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. We are pleased to report that no such misstatements were identified during the course of our audit.

To the Honorable Mayor and Members of the City Council
City of Rolling Hills, California

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 April 4, 2025.

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 City'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 City'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 management's discussion and analysis, the budgetary comparison schedules for the General Fund and the major special revenue funds, and the required pension and other postemployment benefits schedules, 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 fund financial statements and 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.

To the Honorable Mayor and Members of the City Council
City of Rolling Hills, California

Future GASB Pronouncements

The following Government Accounting Standards Board (GASB) pronouncements will be effective for the following fiscal years' audits and should be reviewed for proper implementation by management:

Fiscal Year 2024-2025

GASB Statement No. 101, *Compensated Absences.*

GASB Statement No. 102, *Certain Risk Disclosures.*

Fiscal Year 2025-2026

GASB Statement No. 103, *Financial Reporting Model Improvements.*

GASB Statement No. 104, *Disclosure of Certain Capital Assets.*

Future Projects

Comprehensive Project, *Revenue and Expense Recognition.*

Major Project, *Going Concern Uncertainties and Severe Financial Stress.*

Major Project, *Infrastructure Assets.*

Practice Issue, *Classification of Nonfinancial Assets.*

Practice Issue, *Risks and Uncertainties Disclosures.*

Practice Issue, *Subsequent Events.*

Restriction on Use

This information 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.

Very truly yours,

LSL, LLP

CITY OF ROLLING HILLS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2024

Purpose of Agenda Item

- To hear a report on the City's audited Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024
- Receive and file

Background

- Why are audited financial statements prepared?
  - Required by State Controller and possibly by City’s Muni Code
- How do they differ from other financial reports prepared by staff during the year and at year end?
  - Interim reports focus on a comparison of revenues and expenditures to budget
  - ACFR focuses on the financial condition (health) of the entity and whether the financial condition improved or deteriorated during the fiscal year

Key Contents of ACFR

- Management’s Discussion & Analysis (MD&A)
- Entity-wide financial statements
- Fund financial statements (major funds)
- Footnotes
- Individual fund financial statements

FINANCIAL HIGHLIGHTS
ENTITY-WIDE

ENTITY-WIDE

FINANCIAL CONDITION

	Govt'l Activities	Business Activities	Total
Assets			
Current and Other Assets	$ 8,608,725	$ 24,498	$ 8,633,223
Capital Assets	2,250,730	-	2,250,730
Deferred Outflows	532,682	-	532,682
Total Assets	11,392,137	24,498	11,416,635
Liabilities			
Current and Other Liabilities	1,434,960	-	1,434,960
Deferred Outflows	1,277,254	-	1,277,254
Total Liabilities	2,712,214	-	2,712,214
Net Position			
Invested in Capital Assets	2,250,730	-	2,250,730
Restricted	2,683,856	-	2,683,856
Unrestricted	3,652,164	24,498	3,676,662
Total Net Position	**$ 8,586,750**	**$ 24,498**	**$ 8,611,248**

ENTITY-WIDE

RESULTS OF OPERATIONS

	Govt'l Activities	Business Activities	Total
Revenues			
Taxes	$1,544,130	$ -	$ 1,544,130
Operating Grants	1,193,368	-	1,193,368
Charges for Services	580,852	1,005,434	1,586,286
Other	663,428	4	663,432
Total Revenues	3,981,778	1,005,438	4,987,216
Expenses			
Greneral Government	1,202,109	-	1,202,109
Public Safety	437,115	-	437,115
Planning & Development	873,285	-	873,285
Public Works	234,624	-	234,624
Refuse Collection	-	980,995	980,995
Total Expenses	2,747,133	980,995	3,728,128
Excess (Deficiency)	1,234,645	24,443	1,259,088
Transfers	24,000	(24,000)	-
Increase (Decrease) in Net Position	1,258,645	443	1,259,088
Net Position - Beginning (Restated)	7,328,105	24,055	7,352,160
Net Position - Ending	$8,586,750	$ 24,498	$ 8,611,248

GENERAL FUND HIGHLIGHTS

GENERAL FUND

REVENUES

	Adopted Budget	Actual Revenues	Variance
Property Taxes	$ 1,496,250	$ 1,432,117	$ (64,133)
Sales Taxes	13,905	36,863	22,958
Property Transfer Tax	56,222	63,040	6,818
Other Taxes	1,000	-	(1,000)
Motor Vehicle In Lieu	269,267	274,520	5,253
Construction & Demo Permits	5,600	7,900	2,300
Building & Other Permits	600,000	537,787	(62,213)
Variance, Planning & Zoning	67,000	23,342	(43,658)
Animal Control Fees	150	696	546
Franchise Fees	13,000	12,110	(890)
Fines & Traffic Violations	3,500	5,877	2,377
Cost Reimbursements	7,200	5,250	(1,950)
RHCA Lease Revenue	69,000	58,712	(10,288)
Interest on Investments	110,000	231,554	121,554
PARS Earnings	20,000	42,638	22,638
Public Safety Aug Fund	1,200	1,441	241
Miscellaneous Revenue	5,000	12,523	7,523
Transfers In - Refuse	24,000	24,000	-
TOTALS	$ 2,762,294	$ 2,770,370	$ 8,076

GENERAL FUND EXPENDITURES

	Adopted Budget	Amended Budget	Actuals	Variance
City Administration	$ 957,138	$ 1,063,827	$ 802,184	$ 261,643
Finance	154,400	154,400	164,592	(10,192)
Planning	858,801	858,801	873,469	(14,668)
Public Safety	270,000	317,578	299,474	18,104
City Properties	181,100	189,200	172,329	16,871
Non-Departmental	134,018	141,618	57,090	84,528
Transers Out	250,000	1,727,160	390,424	1,336,736
Totals	**$ 2,805,457**	**$ 4,452,584**	**$ 2,759,562**	**$1,693,022**

General Fund Summary

	Amended Budget	Actuals	Variance
Operating Revenues	$ 2,728,383	$ 2,770,370	$ 41,987
Operating Expenditures	(2,725,424)	(2,369,138)	356,286
Operating Surplus (Deficit)	2,959	401,232	398,273
Capital Transfers	(1,727,160)	(390,424)	1,336,736
Net Increase (Decrease)	$ (1,724,201)	$ 10,808	$ 1,735,009

AUDIT RESULTS

AUDIT RESULTS

- Unmodified ("Clean") opinion
- No material weaknesses or significant deficiencies in the system of internal controls

QUESTIONS/DISCUSSION

Agenda Item No.: 13.B
Mtg. Date: 04/28/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: ROBERT SAMARIO, FINANCE DIRECTOR

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: APPROVE A PROFESSIONAL SERVICES AGREEMENT WITH VASQUEZ AND COMPANY TO PROVIDE AUDIT SERVICES FOR THE THREE FISCAL YEARS ENDING JUNE 30, 2025, JUNE 30, 2026, AND JUNE 30, 2027 AND AUTHORIZE THE CITY MANAGER TO EXECUTE THE AGREEMENT

DATE: April 28, 2025

BACKGROUND:
Each year, the City is required to have an audit performed on its financial statements by an independent certified public accounting firm.

Over the last nine fiscal years, the City's annual audit has been performed by LSL, CPAs. While the City has been pleased with their services, best practices dictate that the City change auditors every 5-7 years. As such, two years ago, the City conducted an RFP for audit services but received no responses. Last year, the City again conducted an RFP, which again yielded no bidders.

This year, staff reached out to several qualified firms and garnered interest in submitting a bid. Generally, the reason for not receiving bids in the past was that the current audit fees were seen as being below market, and prospective audit firms believed they could not compete with those fees. However, this year we did not invite the current audit firm, LSL, to bid, which led to some interest in the audit.

DISCUSSION:
The City received two proposals for audit services covering the three fiscal years ending June 30, 2025 through June 30, 2027, one from Price, Paige & Company (Attachment B) and the second from Vasquez & Company (Attachment A). Both firms have extensive experience in audits of local governments and are among the leaders in providing such services in California.

The proposed fees for the three years ending June 30, 2027, from Vasquez & Company totaled $140,635, and from Price, Paige & Company totaled $151,696. The difference in fees amounts to $11,061 over a three-year period.

Given that the two firms are comparably qualified to conduct the audits, staff is recommending Vasquez & Company due to their lower overall fees.

The Agreement has been reviewed and approved as to form by the City Attorney.

FISCAL IMPACT:
None.

RECOMMENDATION:
Approve as presented.

ATTACHMENTS:
Attachment A - CL_AGN_250428_CC_VasquezProposal.pdf
Attachment B - CL_AGN_250428_CC_PricePaige&Co_Proposal.pdf
Attachment C - CA_AGR_250428_VasquezCo_Audits_2025-27_F.pdf

Revised Proposal to Provide Professional Auditing Services

City of Rolling Hills

Submitted by:
Cristy Canieda
Partner, Government Practice Leader
Vasquez & Company LLP
655 N. Central Avenue, Suite 1550
Glendale, CA 91203
Tel: (213) 873-1720
Fax: (213) 873-1777
Email: ccanieda@vasquezcpa.com

April 23, 2025

VASQUEZ
+ COMPANY LLP

Table of Contents

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www.vasquez.cpa

213-873-1700
OFFICE

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\ SAN DIEGO
\ IRVINE
\ SACRAMENTO
\ FRESNO
\ PHOENIX
\ LAS VEGAS
\ MANILA, PH

VASQUEZ
+ COMPANY LLP

Transmittal Letter

April 23, 2025

Robert Samario
Finance Director
City of Rolling Hills
2 Portuguese Bend Road
Rolling Hills, CA 90274

RE: Vasquez Revised Proposal to Provide Professional Financial Statement Auditing Services to the City of Rolling Hills

Vasquez & Company LLP ("Vasquez," "we," "us," or "our") is pleased to submit our proposal to audit the financial statements of the City of Rolling Hills (the "City") for the three fiscal years beginning with fiscal year ending June 30, 2025, with the option of auditing its annual financial statements for each of the two (2) subsequent fiscal years.

Statement of Understanding

Our Firm's understanding of the scope of services is as follows:

- Perform an audit and render an auditor's report on the Basic Financial Statements of the City in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States.
  - As part of our audit, we will render a report on the basic financial statements that will include both Government-Wide Financial Statements and Combining Fund Financial Statements and also apply limited audit procedures to Management's Discussion and Analysis (MD&A), if provided and required supplementary information pertaining to the General Fund and each major fund of the City.
  - We will render our auditor's reports on the City's internal control over financial reporting and compliance with relevant laws and regulations and other matters based on our audit of the financial statements.
  - Prepare and word-process the City's general-purpose financial statements.
- Prepare the Annual State Controller's Report for the City
- Issue a Management Letter that includes recommendations for improvements in internal control, accounting procedures, and other significant observations that are considered to be non-reportable conditions.

- Perform agreed-upon procedures pertaining to the City's GANN Limit and render a letter annually to the City regarding compliance.
- Provide guidance on implementing new GASB and OMB requirements and specifics of Federal and State of California regulations pertaining to local government financial reporting.

Upon request and specifically after our audits, we will be pleased to make a presentation to the City Council, during which we will discuss our audit approach, scope, and results. We pride ourselves on our ability to convey complex information in an informative fashion, free of bias, such that Management and the City Council can evaluate the significance of the information and determine action plans as may be appropriate.

Management can be assured our audits will be performed in the following:

- Generally accepted auditing standards in the United States of America,
- The standards applicable to financial audits contained in the most current version of the Government Auditing Standards, issued by the Comptroller General of the United States,

Why Vasquez?

Experienced Firm:

- Experienced in serving the financial and compliance needs of over 80 municipalities in California.
- Experience assisting government agencies achieve the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting.

Experienced Leaders:

- Cristy A. Canieda, Vasquez Government Practice Leader, formerly with PwC, will lead our delivery of services to the City. She will direct and supervise the auditors in performing the engagement, review the audit results, and provide technical expertise as appropriate.
- Roger Martinez, Vasquez Partner, formerly with KPMG, will act as the engagement quality control reviewer and objectively evaluate the engagement team's significant judgments and conclusions in formulating the auditor's report.

Information Technology Expertise:

Our audit approach includes an on-site and off-site review of the City's Information Technology (IT) general controls by IT professionals with more than 20 years of experience to assess whether the standards of security, integrity, continuity, and control are conducive to reliable processing, consistent with the City's technology standards and appropriate to safeguard your information assets.

Our Internal Control-Based Audit Approach:

- Our professionals, with extensive experience in performing financial and compliance audits of local municipalities and other public agencies in California, will bring an unbiased, fresh perspective to the City's systems, operations, and practices. Our experience will allow us to assess your risk and compare your existing policies and practices to those used by other efficient, reputable agencies. We will focus on the critical areas of your operations.
- Our audit approach is unique in evaluating and testing key internal accounting controls rather than merely performing substantive tests. This approach provides critically important information to City management about the effectiveness of its internal controls.

Communication with the City:

- We will hold regularly scheduled status meetings to keep you abreast of our progress.
- We will provide you with meaningful status reports.
- We will take a proactive approach to develop practical solutions to identified challenges.
- Team members, including the engagement and quality control partners, will be available year-round.

Addressing Critical Accounting Matters:

Recognizing that your interests are best served by highly qualified, knowledgeable, and trained accountants and auditors, we offer our staff and our clients:

- Frequent training in current technical matters and subjects of importance to local governments' finance, accounting, and auditing aspects, such as new GASB standards and OMB requirements.
- Specifics of Federal and State of California regulations about local government accounting, reporting, and compliance.

Timeliness:

- We understand and appreciate the importance of adhering to agreed-upon timelines and meeting deadlines.
- We structure our audit approach to recognize issues early, plan for the orderly completion of our work, and avoid end-of-audit surprises.
- We commit to performing the work within the agreed timeframe

New GASB Pronouncement Experience:

- Our team has assisted clients in adopting applicable Governmental Accounting Standards Board (GASB) statements.
- Our firm assists clients in assessing their readiness to implement the new standards and guiding them through the implementation.

Providing an Effective and Efficient Audit:

Our risk-based approach, high-caliber management team, and experienced staff ensure that critical issues are not overlooked but promptly identified, communicated to you, and resolved to the City's satisfaction.

Affirmations:

This proposal is a firm and irrevocable offer for the three fiscal years beginning with fiscal year ending June 30, 2025.

Vasquez is committed to providing the City with the highest customer service, and we trust that you will find us qualified to provide the City with professional financial statement auditing services. If you have any questions or need further assistance, please call me using the contact information below.

VASQUEZ & COMPANY LLP

Cristy A. Canieda

Cristy A. Canieda, Partner – Government Practice Leader
655 N. Central Avenue, Suite 1550
Glendale, CA 91203
Tel.: 213-873-1720
Email: ccanieda@vasquezcpa.com

General Requirements

a) Independence

Vasquez meets the independence requirements of the auditing standards generally accepted in the United States of America and the *Government Auditing Standards*, published by the United States General Accounting Office ("Yellow Book") as it relates to the City.

Vasquez does not have any professional relationships involving the City or any of its agencies or component units.

AICPA Government Audit Quality Center

Vasquez is an AICPA Governmental Audit Quality Center (GAQC) member. Membership in the AICPA GAQC demonstrates our commitment to quality in the performance of governmental audits. Leveraging the Center's benefits enables us to access resources designed to enhance audit quality and apply audit best practices.

Quality Control

Vasquez has an extensive quality control program designed to monitor compliance with audit and accounting professional standards and firm policies. Our client service approach requires the active involvement of experienced partners and managers in the consulting and audit engagements to ensure that critical issues are identified and resolved on a timely basis.

Performance Monitoring and Assessment

The objective of the engagement performance element of our quality control is to provide reasonable assurance that:

- Engagements are consistently performed in accordance with applicable professional standards and regulatory and legal requirements,
- Our firm or engagement partner issues reports that are appropriate in the circumstances.

Policies and procedures for engagement performance address all phases of the design and execution of the engagement, including engagement performance, supervision responsibilities, and review responsibilities. Policies and procedures require that consultation take place when appropriate. Also, our firm has established criteria against which all engagements are to be evaluated to determine whether an engagement quality control review should be performed.

We satisfy the above objectives by establishing and maintaining the following policies and procedures:

- Planning for engagements meets professional, regulatory, and firm requirements.
- Qualified engagement team members review work performed by other team members on a timely basis.
- Vasquez establishes procedures addressing the nature, timing, extent, and documentation of the engagement quality control review.
- Vasquez establishes criteria for the eligibility of engagement quality control reviewers.
- Vasquez requires that consultation take place when appropriate; that sufficient and appropriate resources are available to enable appropriate consultation to take place; that all the relevant facts known to the engagement team are provided to those consulted; that the nature, scope, and conclusions of such consultations are documented; and that conclusions resulting from such consultations are implemented.

Management follow-up procedure internally called "Voice of the Client" to set the tone of "how we did" and "where we can improve."

b) License to Practice in California

Vasquez is licensed to conduct public accounting in California. All "key" engagement team members are properly licensed Certified Public Accountants in California. Vasquez certifies that it will inform the City of any suspension, termination, lapse, non-renewals, or restrictions of its licenses, certificates, or other required documents upon notification.

DCA - Search Details

c) Firm Qualifications and Experience

Vasquez and Company LLP is a Limited Liability Partnership established in 1969 and registered with the State of California Department of Consumer Affairs, with over 55 years of experience in performing financial, compliance, and performance audits, internal control reviews, fraud investigations, and risk assessments of government agencies. Our specialists also have technical expertise in transportation compliance, construction contracts and leasing, affordable housing, HUD-funded low-income housing, and local governance.

As a regional firm with former partners and managers with international accounting firms, we offer a superior service characterized by timely, personalized attention. Our professionals deliver innovative yet practical solutions that help clients gain a competitive advantage. The following represents a partial list of benefits that would be available to the City as a client of the firm:

- Specialty and expertise in financial, compliance, internal, and performance audits,
- Knowledge of Government "best practices"
- Extensive partner involvement,
- Practical information about current trends,
- Routine consultation throughout the year,
- Cutting-edge technology is utilized to minimize audit costs for you,
- Quality assurance built into all aspects of the engagement, from staffing to planning, execution, and reporting.

Firm Resources

Since its inception, Vasquez has focused on serving governmental entities. As a result, the government industry comprises the largest portion of the industries we serve today.

Partners		7
Directors/		7
Manager		22
Supervisors		25
Senior Auditors		65
Staff Auditors		124
	Professionals	250
	Administrators	30
	Total	280

Government Practice Group

The Vasquez Government Practice Group comprises over 150 professionals trained and experienced in serving government entities, specializing in California cities, municipal water, transportation, education, and other special districts.

The Vasquez Government Practice Group comprises professionals from international accounting firms seeking to focus on their chosen industry – mainly government and nonprofit – and work with greater autonomy in a progressive, agile, and client-centric environment. The Vasquez leadership consists of eight (8) partners, each previously working with one or more global accounting firms. This experience emphasizes quality, innovation, performance standards, opportunity, discipline, and professional growth.

Office Locations

We will serve the City from our Headquarters in Glendale, CA. The selected team members will be assigned to the engagement on a full-time basis and will remain on the team for the duration of the engagement. Any key team member reassignment will be discussed with the City in advance and will be acknowledged in writing.

Headquarters	Fresno	Irvine	Las Vegas
655 N. Central Avenue, Suite 1550 Glendale, CA 91203 t) 213-873-1700 f) 213-873-1777	1444 Fulton Street Fresno, CA 93721 t) 559-663-0213	7545 Irvine Center Dr., Suite 200 Irvine, CA 92618 t) 949-623-8798	3753 Howard Hughes Parkway Paradise, Unit 200 Las Vegas, NV 89169 t) 702-784-7644
Manila	**Phoenix**	**Sacramento**	**San Diego**
29F Rufino Tower 6784 Ayala Avenue Makati City, 1226 Philippines	Two North Central Avenue, Suite 1800 Phoenix, AZ 85004 t) 602-759-7319	1215 K Street 17th Floor Sacramento, CA 95814 t) 916-503-3269 f) 916-503-2401	333 H Street Suite 5000 Chula Vista, CA 91910 t) 619-254-6605 f) 213-873-1777

Peer Review

Vasquez is a member of the AICPA Division of Firms and received a Peer Review Rating of "Pass" without comment - the highest rating from the AICPA on its peer review dated May 5, 2023. This peer review covered several government engagements similar in size and complexity to the City. A copy of the peer review opinion follows:

AICPA

National Peer
Review Committee

May 05, 2023

Gilbert Vasquez
Vasquez & Company, LLP
655 N Central Ave Ste 1550
Glendale, CA 91203

Dear Gilbert Vasquez:

It is my pleasure to notify you that on May 03, 2023, the National Peer Review Committee accepted the report on the most recent System Review of your firm. The due date for your next review is December 31, 2025. This is the date by which all review documents should be completed and submitted to the administering entity.

As you know, the report had a peer review rating of pass. The Committee asked me to convey its congratulations to the firm.

Thank you for your cooperation.

Sincerely,

Michael Wagner

Michael Wagner
Chair, National PRC

+1.919.402.4502

cc: James Dougherty, Roger Martinez

Firm Number: 900010138115 Review Number: 597388

220 Leigh Farm Road, Durham, NC 27707-8110
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aicpaglobal.com | cimaglobal.com | aicpa.org | cima.org

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Certified Public Accountants

Liberty Plaza II
5057 Keller Springs Road, Suite 350
Addison, Texas 75001
Tel: 972-931-6803
jlkrosenberger.com

Report on the Firm's System of Quality Control

December 21, 2022

To the Partners of Vasquez & Company, LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Vasquez & Company, LLP (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

The nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

The Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards* including compliance audits under the Single Audit Act and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Vasquez & Company, LLP applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended June 30, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Vasquez & Company LLP has received a peer review rating of *pass*.

JLK Rosenberger, LLP

Federal or State Desk or Field Reviews/Disciplinary Actions

As a mid-size firm with hundreds of clients, Vasquez works with regulatory agencies on a regular basis. Vasquez has not had any disciplinary action taken against the firm during the past three (3) years with state regulatory bodies or professional organizations, nor any pending or settled litigation within the past three (3) years.

National Resources

Vasquez is a client of the RSM Professional Services+ Practice. As clients, we have access to the Professional Services+ Collaborative, a globally connected community that provides an ecosystem of capabilities, collaboration, and camaraderie to help professional services firms grow and thrive in a rapidly changing business environment. As participants, we have the opportunity to interact and share best practices with other professional service firms across the U.S. and Canada.

Range of Services

Vasquez is a full-service firm focused on serving government agencies and other nonprofit organizations. Below is a graph of the different lines of business and service areas.

Audit
- Compliance Audits
- Financial statement audits
- Financial statement review
- Financial statement compilation
- Forensic audit
- Agreed-Upon Procedures
- Forecasts & projections
- Benefit Plans

Tax
- IRS Representation
- Return of Organization Exempt from Income Tax
- California Exempt Organization Annual Information Return
- Annual Registration Renewal Fee Report

Risk
- Corporate governance
- Enterprise risk management
- Sarbanes-Oxley consulting
- Regulatory Compliance
- IT risk & advisory
- Security & privacy
- Fraud

Advisory
- Internal Control review
- Strategic planning
- Organizational analysis
- Internal audit
- Political accounting & compliance
- Outsourced accounting
- Offshore accounting
- Outsourced CFO/Controller
- Systemized IT Risk projects
- Business process and strategic analysis
- Data analysis

Performance
- Business intelligence/corporate performance management
- Performance improvement & implementation
- Performance audit
- Expense reduction analysis

Government Experience

Vasquez provides audit services to approximately 100 government agencies on an annual basis. Our audits are performed in accordance with auditing standards generally accepted in the United States, Government Auditing Standards, OMB Uniform Guidance, and the Office of the State Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts (when applicable).

GASB Pronouncements

Our firm encourages the early adoption of all applicable Government Accounting Standards Board (GASB) statements. Some of these standards have been monumental in establishing new financial reporting requirements for state and local governments throughout the United States and restructured much of the information presented in the past.

As a client of the RSM Professional Services+ Practice, Vasquez personnel are routinely updated through RSM's formal and informal relationships with the officials of most key federal departments.

Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

We are proposing an engagement team with substantial experience in auditing governmental entities for both financial and compliance audits for the City. Our industry-focused staff has undergone training courses dedicated to governmental accounting, auditing, and financial reporting, and specialized training in the compliance requirements of OMB Uniform Guidance regarding changes in Single Audit requirements. In addition, our partners have conducted training for professional organizations on Uniform Guidance.

Management Letter Comments

Providing value-added management letter comments is a priority for Vasquez. Our auditors/consultants' unique experience enables us to provide meaningful assistance beyond what most audit firms can provide. We do this through many different forms, but it comes primarily in identifying issues before becoming major problems for our clients. In addition, we meet with our clients throughout the year to better understand their challenges. As a result, our clients have realized many benefits, including improved operational efficiencies, security, and proactive prevention of potential future audit issues.

List of Local Government Clients

Vasquez performs numerous financial and compliance audits of governmental organizations. These audits include risk assessments conducted pursuant to a structured approach based on the standards outlined in the COSO Principles.

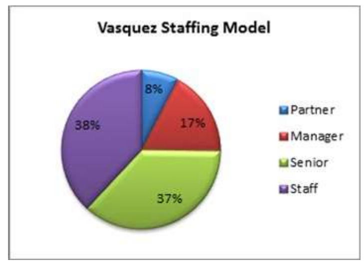
Our audits are performed in accordance with auditing standards generally accepted in the United States, Government Auditing Standards, OMB Uniform Guidance, and the Office of the State Controller's Minimum Audit Requirements and Reporting Guidelines for California Special Districts (when applicable). The list of clients that Vasquez served in the past as well as clients that we currently serve is as follows:

Clients		
City of Agoura Hills	City of Malibu	Desert Water Agency
City of Alhambra	City of Maywood	Encina Wastewater Authority
City of Antelope Valley	City of Modesto	Hidden Valley Municipal Water District
City of Arcadia	City of Montebello	Imperial County Transportation Commission
City of Avalon	City of Irwindale	Los Angeles County Metropolitan Transportation Authority
City of Artesia	City of La Puente	Metropolitan Water District of Southern California
City of Azusa	City of Monterey Park	Moulton Niguel Water District
City of Baldwin Park	City of Moreno Valley	Municipal Water District of Orange County
City of Bell	City of Needles	Needles Public Utility Authority
City of Bell Gardens	City of Norwalk	Orange County Sanitation District
City of Beverly Hills	City of Palos Verdes Estates	Plumas County Transportation Commission
City of Calabasas	City of Pico Rivera	Pomona Valley Transportation Authority
City of Carson	City of Pomona	Port of Long Beach
City of Commerce	City of Rosemead	Santa Barbara Metropolitan Transit
City of Compton	City of San Fernando	San Bernardino County Transportation Authority
City of Covina	City of Santa Fe Springs	Santa Clara Valley Water District
City of Cudahy	City of Santa Monica	San Gabriel Basin Water Quality Authority
City of Culver City	City of Simi Valley	San Gabriel Valley Council of Governments
City of Diamond Bar	City of South El Monte	San Joaquin Regional Transit District
City of Downey	City of South Gate	Southern California Association of Governments
City of El Monte	City of Torrance	Southern California Regional Rail Authority
City of Hawthorne	City of Vernon	SunLine Transit Agency

Clients		
City of Hidden Hills	City of Walnut	United Water Conservation District
City of Huntington Park	City of West Hollywood	Upper San Gabriel Valley Municipal Water District
City of Industry	City of Westlake	Victor Valley Wastewater Reclamation Authority
City of Inglewood	Alameda Corridor-East Construction Authority	
City of Lawndale	Antelope Valley Transit Authority	Water Replenishment District of Southern California
City of Long Beach	California American Water	

Partner, Supervisory and Staff Qualifications and Experience

Our senior engagement team members are responsible for ensuring the delivery of quality work. They will engage in regularly scheduled meetings with you, answer questions, provide guidance, and help ensure issues are identified and resolved promptly.



Vasquez has built its reputation on close partner involvement and strong client relationships. However, the ultimate success of our client relationships is largely attributable to one key component – our people. Our engagement teams are structured with extensive partner involvement. As a result, our average partner-to-staff leverage ratio is higher than most other firms. As a result, our budgeted hours include higher partner involvement than what you may have experienced in the past.
Beyond partner leadership and support, an audit is only as good as the people doing the bulk of the work daily. Therefore, we are committed to providing a staff resource pool that embodies the attributes you expect of your auditor, including technical expertise in GASB, knowledge of government and utility industries, and soft skills such as respect, empathy, and timely response to questions.

Continuing Professional Education Program

To ensure that our professional staff remains up to date on the latest audit and accounting developments and meets the requirements for maintaining active licensure in good standing, we see that our professional staff receives the required number of CPE hours within the established period. Vasquez also conducts in-house seminars for the professional staff.

Our team is held to a high standard of quality; we offer the following CPE Programs for our staff:

- Continuing Education courses provided by the American Institute of Certified Public Accountants (AICPA), which the firm sponsors live and in-house for its staff and clients, conducted by highly qualified professionals from the AICPA and the California CPA Education Foundation.
- Attendance at conferences and seminars related to government accounting sponsored by:
    - Government Finance Officers Association
    - Association of Local Government Auditors and the
    - California Society of Municipal Finance Officers
    - RSM US Alliance.

Staff Continuity

Vasquez will not replace key management personnel unless circumstances beyond our control occur (e.g., personnel leaving the firm). Changes to the designated project team shall not be made without the prior written approval of the City. Each person to be assigned to the engagement has been chosen for their ability to repeat future years' engagements. A synopsis of the team members and their respective roles, followed by their resumes, is as follows:

Team Member	Role
Cristy Canieda, CPA, CGMA Partner	Cristy Canieda, Vasquez Government Practice Leader, with over thirty (30) years of public accounting experience, will lead the service delivery team and supervise the auditors in performing the audit engagement and provide technical assistance as appropriate. Cristy oversees all the firm's municipal audit engagements and serves as a Technical Reviewer for the GFOA Certificate of Excellence in Financial Reporting Program. Cristy's experience includes City of Baldwin Park, City of Carson, City of Norwalk, and the City of Torrance.
Roger Martinez, CPA Quality Control Partner	Roger Martinez, Vasquez Partner, with over twenty-five (25) years of public accounting experience, will be responsible for the technical reviewer for the engagement and will work closely with the Lead Partner to review and evaluate the audit fieldwork and reports. Roger's experience includes the City of Long Beach, City of Vernon, City of Norwalk and the City of La Puente.
Rhoda Dollaga, CPA Senior Audit Manager	Rhoda Dollaga, Vasquez Senior Audit Manager with eight (8) years of public accounting experience, will work closely with the Partner to plan, coordinate, and review the fieldwork for the City's annual financial and compliance audits. In addition, she will supervise the day-to-day activities and task accomplishments, monitor progress, and ensure schedule compliance. Rhoda's experience includes the City of Baldwin Park, City of Cudahy, City of El Monte, City of Long Beach, City of Montebello, City of Simi Valley, City of Modesto, City of West Hollywood, City of Norwalk and the City of Vernon.
Jason Tagasa, CISA IT Manager	Jason Tagasa, Vasquez IT Manager, formerly with EY with over ten (10) years of experience in IT consulting and auditing, will perform audit procedures pertaining to the City's financial systems and Information Technology. Jason's IT risk-based controls assessment approach for evaluating and testing internal controls provides added assurance to management and the Governing Board.

CRISTY A. CANIEDA, CPA, CGMA

Partner, Government Practice Leader
Vasquez & Company LLP
655 N. Central Avenue, Suite 1550
Glendale, CA 91203
Tel: 213-873-1720
Email: ccanieda@vasquezcpa.com

Areas of Expertise

Cristy's areas of expertise include overseeing all aspects of financial and compliance audits including internal control reviews and Single Audits performed in accordance with Office of Management and Budget Federal Uniform Guidance, program specific audits, financial statement reviews, forecasts and projections to government agencies; preparation of comprehensive annual financial reports, State Controller's reports.

Prior Experience

- City of Baldwin Park
- City of Carson
- City of Culver City
- City of El Monte
- City of Hawthorne
- City of Huntington Park
- City of Long Beach
- City of Lynwood
- City of Montebello
- City of Moreno Valley
- City of Norwalk
- City of Pico Rivera
- City of Simi Valley
- City of Torrance
- City of West Hollywood
- Coachella Valley Association of Governments
- Community Development Commission of Los Angeles County
- Imperial County Local Transportation Authority
- Jurupa Community Special District
- La Habra Heights Water District
- La Puente Valley County Water District
- Los Angeles Community College District
- Los Angeles County Metropolitan Transportation Authority
- Orange County Water District
- Rancho California Water District
- San Gabriel Valley Council of Governments
- Southern California Association of Governments
- SunLine Transit Agency
- Upper San Gabriel Valley Municipal Water District
- Water Replenishment District of Southern California

Professional Background and Affiliations

Cristy's professional background includes Diehl, Evans & Company and Audit Manager and Manager, Tech. Standards and Continuing Education with PwC. She is a Certified Public Accountant licensed to practice in the State of California.

Educational Background

Cristy received her Bachelor of Science in Accountancy and Associate in Government Auditing from Enverga University and her Master's in Business Administration from Ateneo Graduate School of Business. She remains current on accounting matters by attending conferences and continuing education courses which are heavily focused on subjects applicable to governmental accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements. She maintains compliance with the continuing education requirements of the AICPA and the California Board of Accountancy.

Continuing Professional Education

Following are the continuing professional education courses completed by Cristy Canieda in the past three (3) years:

Title	Subject Code	Date
Public Sector: Auditing Alternative Investments	A.A.	06/19/24
State and Local Government: Review of New Audit Templates	A.A.	04/02/24
Audit Documentation	A.A.	03/01/24
2024 Government & Nonprofit Updates	A.A.	02/15/24
RSM Audit Methodology Refresher	A.A.	02/09/24
2024 CSMFO Conference	A.A.	1/30/24-2/1/24
Fraud Auditing and Investigation	Fraud	01/27/2024
Ethics for California CPAs	Ethics	01/21/2024
Audit Year End Audit Alert	A.A.	12/12/2023
Accounting and Auditing for Lessors under ASC 842, Leases	A.A.	10/19/2023
Q3 State and Local Governments A&A Updates – 2023	G.V.	10/10/2023
Government Audit Reviewers' Training	G.V.	09/14/2023
USC Annual SEC and Financial Reporting Institute Conference	A.A.	06/01/2023
Audit Year-End Alert	A.A.	12/01/2022
En Route to Govt Season	G.V.	08/24/2022 08/26/2022
Q2 Update	A.A.	07/21/2022
State & Local A&A Update	A.A.	07/13/2022
GASB's Lease Standards: Are you Ready	GV	02/01/2022
How to Review State and Local Government File	G.V.	07/26/2021
Q2 State and Local Governments Update	G.V.	07/13/2021
3rd Annual NFP Training	A.A.	06/02/2021
Q1 State and Local Governments Update	G.V.	05/25/2021
2021 Annual Required GAQC Webcast	G.V.	05/04/2021
Audits of Employee Benefit Plan Update	A.A.	04/20/2021
CSMFO Annual Conference	G.V.	02/16/2021 02/18/2021
PPP Documentation & Testing	A.A.	01/15/2021
FASB Update	A.A.	01/07/2021
GASB Update	G.V.	01/05/2021

ROGER A. MARTINEZ, CPA

Partner, Audit Practice Leader
Vasquez & Company LLP
Tel: 213-873-1703
Email: ram@vasquezcpa.com

Areas of Expertise

Roger's areas of expertise overseeing all aspects of financial and compliance audits including internal control reviews and Single Audits performed in accordance with Office of Management and Budget Uniform Guidance, program-specific audits, financial statement reviews, and forecasts to government agencies.

Representation of Experience

- City of Long Beach
- City of Vernon
- City of Adelanto
- City of Cudahy
- City of El Monte
- City of Huntington Park
- City of Norwalk
- City of La Puente
- University of California System
- Alameda Corridor – East Construction Authority
- Alameda Corridor Transportation Authority
- California State University System
- California State Teachers' Retirement System
- California State Treasurer's Office
- Los Angeles County Employees Retirement Association
- Los Angeles County Metropolitan Transportation Authority
- Los Angeles Unified School District
- Los Angeles Water and Power
- Los Angeles World Airports
- Los Angeles Community College District
- Metropolitan Water District of Southern California
- Port of Los Angeles
- San Gabriel Valley Council of Governments
- San Gabriel Basin Water Quality Authority
- San Joaquin Transit Agency
- Southern California Regional Rail Authority
- SunLine Transit Agency

Professional Background and Affiliations

Roger is a member of the American Institute of Certified Public Accountants, the California Society of Certified Public Accountants, the Los Angeles Chamber of Commerce, and the Association of Latino Professionals in Finance and Accounting. He has held many board memberships with private companies and nonprofit organizations. He is currently on the Advisory Board for the Salvation Army and Los Angeles County Medical Association.

Educational Background

Roger received his Bachelor of Arts, Major in Economics and Minor in Accounting from the University of California, Los Angeles. He remains current on accounting matters by attending conferences and continuing education courses applicable to governmental accounting and financial reporting, as well as federal and state regulatory matters and auditing requirements. He maintains compliance with the continuing education requirements of the AICPA and the California Board of Accountancy.

Continuing Professional Education

Following are the continuing professional education courses completed by Roger Martinez in the past three (3) years:

Course Title	Subject Code	Date
Navigating Business Interruption Claims	AA	12/09/2024
EBPAQC 2024 Designated Audit Quality Partner Planning	AA	07/24/2024
AICPA & CIMA Portfolio Valuation Forum	AA	06/13/2024
FASB Update for Private Companies and Not-for-Profit Organizations	AA	06/10/2024
Employee Benefit Plans Audit Training	AA	05/30/2024
PwC's Q1 2024 Quarterly Accounting Webcast	AA	03/13/2024
Audit Documentation Refresher	AA	03/01/2024
2024 Government and Nonprofit Updates Training	AA	02/15/2024
Charting the course: Board governance in 2024 and beyond	AA	02/1/2024
Health industries accounting hot topics webcast	AA	12/14/2023
Materiality in Planning a Governmental Audit	GV	6/29/2023
Introduction to Governmental Audit and Accounting Issues	GV	6/28/2023
Governmental Funds and Proprietary Funds (Yellow Book Compliant	GV	6/28/2023
Following the Money - How COVID-19 Transformed Fraud Response	GV	11/17/2022
2022 Annual Required GAQC Webcast	GV	11/09/2022
Quarterly Accounting Webcast Series - Fall 2022	AA	10/13/2022
What Federal Agencies are Finding in Single Audit QCRs	GV	10/12/2022
Cybersecurity - Risks and mitigating solutions	OT	10/02/2022
Comprehensive EBP Training (Day 2)	AA	08/16/2022
Quarterly Accounting Update - Summer 2022	AA	07/14/2022
40th Annual SEC and Financial Reporting institute Conference - Panel 2: Current Financial Reporting Practice Issues	AA	06/02/2022
40th Annual SEC and Financial Reporting institute Conference - Keynote Presentation: "The Ever-Evolving Landscape of ESG Reporting"	AA	06/02/2022
40th Annual SEC and Financial Reporting institute Conference - Panel 4: Current Auditing Practice Issues	AA	06/02/2022
40th Annual SEC and Financial Reporting institute Conference - Panel 5: Current ESG Practice Issues + Conference	AA	06/02/2022
Planning a State and Local Government Audit	GV	3/22/2022
SEC Update 2022 Webcast	AA	1/18/2022
Lessee Accounting under ASC 842, Leases	AA	1/13/2022
Q4 State Local Governments A&A Updates 2021	GV	1/11/2022

RHODA DOLLAGA, CPA

Audit Senior Manager
Vasquez & Company LLP

Area of Expertise

Rhoda's practice is focused on participation in all aspects of financial and compliance audits, including internal control reviews, Single Audits performed in accordance with Office of Management and Budget Uniform Guidance, program-specific audits, financial statement reviews, forecasts, and projections to government agencies, preparation of comprehensive annual financial reports and State Controller's reports.

Representation of Experience

- City of Baldwin Park
- City of Cudahy
- City of El Monte
- City of Long Beach
- City of Modesto
- City of Montebello
- City of Norwalk
- City of Palos Verdes Estates
- City of San Fernando
- City of Simi Valley
- City of South El Monte
- City of Vernon
- City of West Hollywood

Educational Background

Rhoda received her Bachelor of Science in Accounting from the University of the East. She remains current on accounting matters by attending conferences and continuing education courses focused on governmental accounting and financial reporting, federal and state regulatory matters, and auditing requirements. She has maintained compliance with the continuing education requirements of the AICPA and the California Board of Accountancy.

Continuing Professional Education

Following are relevant continuing professional education courses completed by Rhoda Dollaga in the past three (3) years:

Title	Subject Code	Date
Compliance- Results of Test and Reporting (60817)	GV	05/29/2024
Compliance Testing (60818)	GV	05/21/2024
Compliance- Evaluation of Risk and Performing Test of Controls (60816)	GV	05/14/2024
Q1 State Local Governments A&A Updates - 2024 (61555)	GV	05/13/2024
Q1 Not-for-Profit A&A update - 2024 (61544)	GV	04/25/2024
Audits of Employee Benefit Plans Update - 2024 (67147)	AA	04/23/2024
SLG: Review of New Audit Templates (61553)	AA	04/02/2024
PwC's Q1 2024 Quarterly accounting webcast	AA	03/19/2024
First look at the SEC climate disclosure rules	AA	03/12/2024
Vasquez & Company LLP: RSM Audit Documentation Refresher	AA	03/01/2024
Vasquez & Company LLP: RSM Audit Sampling Refresher	AA	02/21/2024
2024 Government and Nonprofit Accounting Updates Training	AA	02/15/2024
CSMFO Annual Conference 2024	AA	02/02/2024
GOV Orb – Just the FAQs	AA	01/05/2024
Q4 State Local Governments A&A Updates - 2023	AA	01/04/2024
Q3 Audit Update 2023	AA	10/24/2023
Accounting & Auditing for Lessors under ASC 842, Leases	AA	10/19/2023
SLG Pension and OPEB Audit Issues	GV	10/09/2023
Ethics for California CPAs	E	09/02/2023
Fraud Prevention	F	09/01/2023
Stopping Fraud Before It Stops You	F	05/23/2023
Year in Washington, D.C.: Federal Updates	T	05/23/2023
Up in the Air: Accounting for Subscription-Based IT	GV	05/23/2023
Common Errors from GFOA's Certificate of Achievement Program	GV	05/22/2023
Accounting and Auditing Year in Review	GV	05/22/2023
Fiduciary Activities	GV	05/21/2023
Without You Here: Accounting for Compensated Absences	GV	05/21/2023
2023 State and Local Government Audit Planning Considerations	GV	05/18/2023
Q1 State Local Governments A&A Updates – 2023	GV	05/16/2023
GOV Orb - Maps, Leads, and Trees - Oh My!	GV	05/04/2023
GOV Orb - Planning the Path to a Successful Audit	GV	11/14/2022
The Impact of SAS 145 on State and Local Government Audits	GV	11/11/2022
Governmental Accounting & Auditing Encore Virtual Conference	GV	05/24/2022
Q1 State Local Governments A&A Updates - 2022	GV	05/16/2022
Q1 Current Acctg. Practice Issues and Recent Developments - 2022	AA	04/19/2022
Q1 Current Acctg. Practice Issues and Recent Developments - 2022	AA	04/19/2022
Quarterly Accounting Update- Spring 2022	AA	04/14/2022
Quarterly Accounting Update- Spring 2022	AA	04/14/2022
Critical Audit Matters	AA	04/01/2022
Lessee Accounting under ASC 842, Leases	AA	01/13/2022
Q4 State Local Governments A&A Updates- 2021	GV	01/05/2022

JASON TAGASA, CISA

I.T. Manager

Area of Expertise

Jason's practice is focused on participating in internal audit, compliance, IT risk assurance and financial auditing engagements. He is skilled at audits of various mobile, network and infrastructure systems, databases, ERP applications and data management systems.

- IT Risk Assessment
- Internal controls assessment and optimization
- Business Process and Operations Review
- SOC Reports
- Regulatory guidance and compliance (SOX)
- Project and Program Management
- Disaster recovery and business continuity
- IT Security and vulnerability assessments
- Internal Audit Support

Professional Background and Affiliations

Jason's professional background includes IT senior auditor with EY. He is a Certified Information Systems Auditor (CISA).

Representation of Experience

- City of Carson
- City of Culver City
- City of El Monte
- City of Modesto
- City of Norwalk
- City of Palos Verdes
- City of Simi Valley
- City of Torrance
- City of West Hollywood
- City of Needles

Educational Background

Jason received his Bachelor of Science in Accounting from the University of Santo Tomas. He remains current on accounting matters by attending conferences and continuing education courses which are focused on information systems and financial reporting, as well as federal and state regulatory matters and auditing requirements.

Continuing Professional Education

Following are relevant continuing professional education courses completed by Jason Tagasa in the past three (3) years:

Title	Subject Code	Date
CRISC Cert Prep: 1 Governance	T	5/24/2024
CRISC Cert Prep: 2 IT Risk Assessment	T	5/22/2024
CRISC Cert Prep: 3 Risk Response and Reporting	T	5/22/2024
How Managers Create a Culture of Belonging	T	5/21/2024
Equity First: The Path to Inclusion and Belonging	T	5/21/2024
Project Management Foundations	T	5/21/2024
Certified in Risk and Information Systems Control (CRISC) Exam Tips	T	5/20/2024
CRISC Cert Prep: 4 Information Technology and Security	T	5/20/2024
CRISC Cert Prep Audio Review	T	5/15/2024
Prepare for the Certified in Risk and Information Systems Control (CRISC) Certification Exam (2021)	T	5/3/2023
Cert Prep: Agile Analysis (IIBA®-AAC)	T	4/26/2023
Audit Year End Alert- 2022 (45144)	GV	12/1/2022
GOV Orb - Planning the Path to a Successful Audit (62502)	GV	11/14/2022
Yellowbook CPE Compliance (60616)	GV	11/2/2022
Q1 Current Accounting Practice Issues and Recent Developments - 2022 (45615)	AA	4/12/2022
Lessee Accounting under ASC 842, Leases (45467)	AA	1/13/2022
Planning a State & Local Government Audit (65601)	GV	3/22/2022

Similar Engagements with Other Governmental Entities

Client Contact	Engagement Description	Engagement Partners
City of Norwalk 12700 Norwalk Blvd Norwalk, CA 90650 Jana Stuard, Finance Director JStuard@norwalkca.gov (562) 929-5748	Annual financial and compliance audit, Single Audit (Uniform Guidance), GANN Appropriation Limit, Transit Fund Audit, Financing Authority audit, Childcare Program Audit, JPA audit, and Management letter. **GFOA Award.** 900 Hours Year: FY 2022 to current	C. Canieda Lead Partner R. Martinez QC Partner
City of Carson 701 Carson St b24 Carson, CA 90745 William Jefferson, Finance Director wjefferson@carsonca.gov (310) 952-1700	Annual financial and compliance audit, Single Audit (Uniform Guidance), State Controller's Report, AQMD Fund audit, Measure W audit. **GFOA Award.** 800 Hours Year: FY 2021 to current	C. Canieda Lead Partner L. Narciso QC Partner
City of Torrance 3031 Torrance Blvd, Torrance, CA 90503 Sheila Poisson, Director of Finance SPoisson@TorranceCA.gov (310) 618-5854	Annual financial, compliance audit, Single Audit (Uniform Guidance), AQMD Fund audit. **GFOA Award.** 700 Hours Year: FY 2021 to FY 2023	C. Canieda Lead Partner L. Narciso QC Partner
City of Simi Valley 2929 Tapo Canyon Rd Simi Valley, CA 93063 Marvin Lopez, Assistant Finance Director Mlopez@simivalley.org (805) 583-6803	Annual financial and compliance audit, Single Audit (Uniform Guidance), GANN Appropriation Limit, Simi Valley Library compliance, Public Service Center for Sanitation and Waterworks compliance, Management letter. **GFOA Award.** 600 Hours Year: 2015-23	L. Narciso Lead Partner C. Canieda QC Partner
City of West Hollywood 8300 Santa Monica Blvd., West Hollywood, CA 90069 Lorena Quijano, Director of Finance and Technology Services LQuijano@weho.org (323) 848-6451	Annual financial, compliance audit, Single Audit (Uniform Guidance), GANN Limit, State Controller's Report. **GFOA Awards**. 523 Hours Year: 2021 to current	C. Canieda Lead Partner L. Narciso QC Partner

Specific Audit Approach

As part of an audit engagement, we leverage a formal project management methodology to help ensure that all tasks are planned effectively and ultimately completed on time and that any changes in the schedule will be properly documented and authorized.

Embedded within your audit team are experienced project managers who have strong project management skills. These Vasquez team leaders will provide highly collaborative project management expertise and consultation to the City to ensure no surprises during the audit. Additionally, Vasquez will continuously look for ways to improve the management and execution of the audit. We want to ensure that audit planning, scheduling, and budgeting are executed properly and timely.

At each phase of our engagement, our client service standards guide us toward providing an exceptional customer experience – one in which we become a trusted adviser and bring innovative ideas and solutions that deliver value to you.

- **We understand.** Our audit and consulting professionals follow our CaseWare process, which provides a thorough understanding of your business, current situation, needs, and expectations to ensure no surprises at each phase of the engagement.
- **We communicate.** Our team is trained to communicate with consistent and open dialogue at the right time to the right people.
- **We collaborate.** We collaborate to bring together the right expertise to meet your needs, resolve emerging issues proactively, and bring innovative ideas and solutions that deliver value to you.
- **We deliver.** We deliver what we promise – on time, on budget, and with the highest quality.

At Vasquez, we want to build strong relationships with our clients and continuously seek to understand ways to ensure that our services align with their needs. We believe it is important to strive for continuous improvement in interacting with and delivering services to clients. We do this, in part, by adhering to defined client service standards and seeking feedback on our performance from our clients.

Every financial statement audit engagement presents a different set of challenges. No two organizations are the same, and therefore, we must tailor the audit to each organization based on the specific risks identified.

Our audit approach is based on a risk assessment process which is planned and executed by experienced auditors. The results as depicted below form the basis for our audit strategy and procedures, and ultimately yield practical comments for strengthening internal controls and improving practices, as well as our opinion on the financial statements and our auditor's reports on internal control and compliance with laws and regulations.

Risk Assessment

The design of an effective audit plan depends on the audit team's ability to identify and assess the risk that the financial statements contain a material misstatement, whether caused by error or fraud. The risk assessment process will include:

- Obtaining an understanding of the City and the environment in which they operate. This includes efforts to understand the events, conditions, and organizational activities that might reasonably be expected to have a significant effect on the risks of material misstatement. An understanding of the City and the environment will often involve consideration of the regulatory environment, business objectives and strategies, and selection of an application of accounting principles.
- Considering information gathered during the engagement acceptance and continuance evaluation, including prior reports, audit planning activities, previous audits, and other non-audit engagements performed for the City.
- Inquiring from the audit committee, management, and others within the City about risks of material misstatement.
- Obtaining an understanding of the City's internal controls over financial reporting.
- Performing analytical procedures, such as a comparison of the City's current financial statement account balances to prior year financial statements and budgeted amounts and/or comparison of current relevant financial ratios to industry ratios or prior year ratios.

Developing an Audit Strategy

In developing an audit strategy, we may decide to perform tests of the City's internal control over certain systems and processes. We assess the desirability of adopting such a strategy by considering cost/benefit considerations, the volume of transactions, and prior-year control testing results. If test results indicate that the City's internal controls are effective, we may decide to reduce the level of substantive tests that it performs as a basis for its opinion.

a) Proposed segmentation of the engagement

Phase I Phase II Phase III Phase IV

Audit Planning

- Familiarize ourselves with operating environment.
- Perform risk assessment procedures.
- Perform preliminary analytical review.
- Identify major programs for Single Audit testing.
- Develop Audit Plan
- Discuss and agree on financial statement format.
- Reevaluate the progress of the audit and make any changes on audit approach and procedures, if necessary.
- Advise City personnel on new accounting and auditing pronouncements, if needed.
- Provide SAS 114 Planning Communication to Audit Committee/City Council,

Internal Control Evaluation

- Assess internal control environment.
- Perform IT Controls testing and evaluation.
- Perform Fraud evaluation procedures.
- Evaluate design and implementation of key controls.
- Test controls over financial reporting and administration of federal funds.
- Identify internal control strengths and weaknesses.
- Draft internal control management letter comments.
- Draft auditor's internal control report (GAGAS and Uniform Guidance).

Substantive Testing

- Plan and perform substantive audit procedures, including confirmations, vouching, reconciliations, inspections, observations, inquiring and analytical procedures.
- Perform substantive compliance audit tests over federal and other programs.
- Conduct final analytical review.
- Consider Audit Evidence Sufficiency.
- Conclude on critical accounting matters.

Completion

- Perform completion procedures.
- Perform overall evaluation of the financial statements and disclosures.
- Update and finalize management letter.
- Perform Single Audit administrative matters (Data Collection Form/Federal Audit Clearinghouse)
- Conduct Exit Conference with management, including discussion of proposed audit adjustments, internal control and compliance findings and management letter.
- Issue auditors' reports and management letter.
- Presentation of the audit results to the those charged with Governance.

Phase I – Audit Planning

The planning phase lays the foundation for the direction of our audit efforts. It encompasses the following steps:

- Conducting entrance conferences with the appropriate City management personnel. The agenda would include, but need not be limited to, the following:
  - The application of generally accepted accounting principles
  - Concerns of City management
  - Report requirements, refinements, and deadlines
  - Initial audit approach and timing schedule
  - Assistance by City personnel
  - Establishment of principal contacts
  - Progress reporting process
  - Consideration of Fraud in a Financial Statement Audit
  - The auditors' responsibility for fraud prevention
  - Scheduling inquiries of management and others (including non-accounting personnel) about the risk of fraud
  - We believe it is important for us to assist the City in implementing new accounting, auditing, and compliance requirements. It is for that reason we intend to schedule training with City personnel involved in all phases of the audit for them to have a clear understanding of the latest technical changes for their respective areas as well as have a clear understanding of the audit requirements and timeline.

Expanding our understanding of the City and its operating environments. We will accomplish this by familiarizing ourselves and updating our knowledge of applicable background information pertinent to the City, its component units, their mission, funding sources, and structure.

Through our background knowledge of the City and our fact-finding process, we will develop an in-depth understanding of the areas of concern. We will be able to meet with City management to discuss areas that might have a significant impact on the timing and completion of the audits or that may be of particular concern to management. We will review such areas in-depth to obtain an early understanding and resolution of any "problem" areas that may impede our progress and to develop our overall approach so that the City will have sufficient time to develop the data necessary for the completion of the audit with a minimum amount of disruption of the day-to-day routine.

Our planning process will include a specific review of computer activities performed by City personnel to:

- Determine the organizational and operational controls over the data being processed, including, but not limited to, system development and maintenance controls, hardware controls, and access controls.
- Evaluate the degree of "control consciousness" among personnel.
- Determine the potential impact of general control strengths and weaknesses.
- Consider the possibility of management override of controls.

Our principal sources of information for this review will be interviews with responsible accounting and computer operations personnel, reviews of program documentation for the City's system, and direct observations made by our audit team.

- The audit team will use our analytical review techniques to identify other areas that may require attention. Until the year-end account balances are finalized, our review will focus on budgets compared to actual/projected information. We can thus identify sensitive areas to determine whether they are indeed areas requiring extra attention. We will also focus on unusual fluctuations occurring within individual funds to identify accounts and areas that merit further investigation.

Based on our understanding of the City's operating environment, through our analytical review and other planning procedures, we will meet with City personnel to highlight areas to be emphasized

- during the audit. We will concentrate our efforts on the identified areas of audit concern and areas that we know to be important to City management. Some of our preliminary audit concerns are elaborated as follows:
  - Compliance with applicable laws, regulations, and reporting requirements
  - Receipt of all revenue to which the City is entitled.
  - Purchase authorizations within budgetary limitations.
  - Adequate safeguarding of City cash, investments, and inventory assets.
- We will work directly with the appropriate City personnel to discuss the financial statements and footnotes in accordance with all authoritative accounting systems and interpretations. Accordingly, we will meet to discuss and agree upon the format for the individual and general-purpose financial statements and any additional requirements that may be relevant because of recent or pending professional pronouncements. (See "Phase IV - Completion" for a more in-depth discussion of our financial reporting capabilities.)

Interim Audit Testing

Our audit approach is flexible and tailored to fit the City's evolving needs. We will work with you to review the current audit schedule to determine the best approach for the various phases of the financial statement audit. We provide you with the option of an interim audit effort or after year-end. There are several advantages to performing interim testing, such as:

- It shifts the timing of our testing into less busy periods of the year for your staff and our staff.
- It allows us to focus on the high-risk areas before the year-end close, providing more time to deal with issues.
- It allows us to judge the quality of the interim period, rather than solely year-end, financial statement information, and cut-offs, which allows more opportunity for us to identify and for the City to implement best practices over internal controls and processes.

There are advantages to performing interim audit testing, and, as we stated previously, we will work with you to determine the best approach, and you will control this process.

Phase II – Control Evaluation

Understanding how key systems and processes contribute to your overall processing environment and affect the reliability of financial information is a primary element of our audit approach. Our objective is to assess whether the standards of security, integrity, continuity, and control are conducive to reliable processing, consistent with the City's technology standards, and appropriate to safeguard your information assets.

I.T. General Controls

I.T. General Controls are pervasive controls within the I.T. environment. The following types of I.T. General Controls are typically addressed in our audit approach:

- **Logical security (access to programs and data)—**includes the components of management governance over Information Technology (policies and procedures, monitoring), application configuration (passwords, service accounts, super users, user identification/authentication), and security of the physical assets.
- **Change control management—**assesses program changes (upgrades, service patches, source code) moved into the production environment, and the processes applied to ensure the appropriate initiation, authorization, segregation, testing, and approval are evident.

- **Data backup and recovery—**reviews that the data backup process and ability to recover data for the financially significant applications, databases, spreadsheets, and operating systems for the given opinion period are complete, tested, and maintained, including the handling of errors.
- **Job processing—**tests for the completeness of data interfacing into financially significant applications and the change management processes for handling errors, script changes, and interface edits.
- **Security administration—**addresses the user access provisioning (new hire onboarding, position/role changes, employee separation) for the financially significant applications, databases, spreadsheets, and operating systems, along with management's review of access for completeness, segregation of responsibilities, and accuracy.

Out testing of IT application controls provides strong audit evidence and streamlines the audit process.

I.T. Application Controls

I.T. Application Controls apply to the business processes they support. These controls are embedded within the software applications to prevent or detect unauthorized transactions. When combined with manual controls, application controls verify the completeness, accuracy, authorization, and validity of processing transactions. Our methodology for assessing application controls is as follows:

- Define materiality by the system, such as utility billing, cashiering, purchasing and disbursements, revenues, payroll, and asset management, using business process mapping as a starting point.
- Map various transaction types to identify key controls and determine if the control is an application control or manual control.
- Utilize our proprietary questionnaires to help verify and test various automated controls.
- Through inquiry, review of written policies and procedures, and on-site testing, evaluate application security controls, which are controls to verify that minimum access to applications is allowed for individuals to perform their job.
- Through inquiry, review of written policies and procedures, and on-site testing, evaluate input controls that ensure that transactions are initially recorded, entered, and accepted by the application accurately and completely.
- By developing and testing a sample of transactions, evaluate processing controls, which ensure that transactions are processed by the application programs accurately and completely.
- Through inquiry and review of written policies and procedures, evaluate output controls, which ensure that output is complete and is delivered (standard or customized) to the appropriate parties in an appropriate manner.
- Through inquiry, review of written policies and procedures, and tests of a sample of transactions, evaluate interface controls, which ensure that transactions between multiple systems are secure, and integrity of the information transmitted is maintained, accurate and complete.

Phase III – Substantive Testing

Sampling is one of the methods we use to obtain efficiency in the audit process. In designing and implementing a sampling plan, we consider the specific audit objective to be achieved and determine that the audit procedures to be applied will achieve that objective. We will:

- Define the objective of the test.
- Define the population to be sampled, the population element to be examined (sampling unit), and what an error is.

- Determine which sampling technique is most appropriate.
- Determine the appropriate sample size and select a sample intended to represent the population.
- Examine each sample item to determine whether it represents an error or an exception.

Substantive Testing – The purpose of the substantive tests is to provide reasonable assurance of the validity of the information produced by the accounting system. These tests will include various detailed tests, such as inspection of underlying source documents, confirmations, and reconciliations. We will also perform analytical procedures, including ratio analysis, comparisons of actual-to-budget information, and other procedures. Specifically, tests that we have found to be effective and efficient for the City audits include confirmation of cash, investments, grants receivable, loan balances and debt, tests of subsequent receipts for selected receivables, and unrecorded liabilities for payables.

Consideration of Fraud – The primary responsibility for preventing and detecting fraud rests with those charged with governance and management. It is important that management, with the oversight of those charged with governance, places a strong emphasis on fraud prevention, which may reduce opportunities for fraud to occur, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment. This involves a commitment to creating a culture of honesty and ethical behavior, which can be reinforced by active oversight by those charged with governance. Oversight by those charged with governance includes considering the potential to override controls or other inappropriate influence over the financial reporting process.

We are responsible for obtaining reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Accordingly, as part of our audit planning process, we will perform procedures to obtain information that will be used for identifying the risks of material misstatement due to fraud, such as the following:

- Discussions with management and others within the City. These discussions would focus on obtaining an understanding of management's: (a) assessment of the risk that the financial statements may be materially misstated due to fraud, including the nature, extent, and frequency.
- of such assessments; (b) process for identifying, responding to, and monitoring the risks of fraud in the City, including any specific risks of fraud that management has identified or that have been brought to its attention, or classes of transactions, account balances, or disclosures for which a risk of fraud is likely to exist; (c) communication, if any, to those charged with governance regarding its processes for identifying and responding to the risks of fraud in the City; and (d) communication, if any, to employees regarding its views on business practices and ethical behavior. We will also make inquiries of management and others within the City as appropriate to determine whether they have knowledge of any actual, suspected, or alleged fraud affecting the City.
- Discussions with those charged with governance. We will obtain an understanding of how those charged with governance exercise oversight of management's processes for identifying and responding to the risks of fraud in the City and the internal control that management has established to mitigate these risks.
- Evaluation of unusual or unexpected relationships identified. Unusual or unexpected relationships, variances, or balances that we may identify during our preliminary analytical review procedures will be evaluated for an indication of risks of material misstatement due to fraud.
- Discussions among our audit team members. This discussion will involve exchanging ideas or brainstorming among our audit team members about how and where the City's financial statements might be susceptible to material misstatement due to fraud, how management could perpetrate and conceal fraudulent financial reporting, and how assets of the City could be misappropriated.

Adjusting Journal Entries – Adjusting journal entries proposed by our auditors, if any, will be discussed and explained to the Finance Director and others as appropriate. It is our practice to discuss issues and proposed audit entries with the program manager or management personnel immediately responsible for the program to ensure that we have not misunderstood that situation. This will ensure that the proposed entry or management comment and recommendation are accepted by the immediate manager and ensure that the recommendation is feasible and makes business sense. It is also our policy to address issues and resolve them as they arise rather than at the end of the audit. In short, there will not be any surprises.

Our work plan's final element is the regular reporting to City management personnel to apprise them of our progress. We believe communication is vital. Therefore, we have stressed the importance of continuous close relationships throughout this proposal and have indicated the various points we will meet for specific discussions and decisions.

Any and all potential exceptions or findings will be immediately discussed with knowledgeable personnel and summarized in weekly status meetings to ensure accuracy of any findings, time for management to correct noted deficiencies and the avoidance of any surprises.

Phase IV - Reporting

- Review federal, state, and other grant reporting requirements,
- Determine which internal control findings are significant deficiencies or material weaknesses,
- Prepare findings and draft the auditors' reports,
- Review draft reports with City management, and
- Evaluate management feedback and proposed corrective actions, make revisions as necessary, and finalize the report.

Ample time will be provided for management review of all reports in draft form.

Management Letter
After our audit, separate from any significant internal control deficiencies or items of noncompliance we may have identified and included in the respective auditors' reports, we will also provide our comments and observations for improvements to operating, accounting, and business practices. The diverse experience of our personnel and the fresh perspectives of our team members, combined with their independent and objective viewpoints, will likely yield valuable information. The findings and other comments will contain, as warranted and appropriate:

- Specific recommendations for improving accounting practices and procedures and the internal accounting and administrative controls.
- Comments on the design, controls, and audit trails of new and redesigned automated systems and suggestions to improve processing methods and procedures.
- Suggestions for operational improvements or cost efficiencies noted during our examination.
- Comments relative to ensuring compliance with the applicable laws, rules, and regulations, including Office of Management and Budget (OMB) and U.S. Government Accountability Office (GAO) guidance and regulations.
- Comments regarding the implementation of the new GASB pronouncements.

Other comments, recommendations, or observations regarding best practices that we believe may be of interest

b) Level of staff and number of hours to be assigned to each proposed segment of the engagement

	Hours				
	Planning	Internal control Evaluation	Substantive testing	Completion and Reporting	Total
Partner	6	2	7	21	36
Senior Manager	10	36	8	28	81
Supervisor	2	20	20	8	50
Audit Senior	9	60	120	64	253
	26	118	155	121	420

VASQUEZ
+ COMPANY LLP

c) Sample sizes and the extent to which statistical sampling is to be used in the engagement

Non-statistical sampling is most often employed in our internal control testing and compliance testing procedures during the Single Audit. The extent of testing and sampling depends on many factors, including environmental controls, the program's complexity, previous audit findings, changes in federal statutes, and the number of locations at which controls are administered. Our sampling plan will conform to the AICPA's guidance for testing compliance. The number of sample sizes will depend on the assessment of controls and the inherent risk of noncompliance in a major program.

d) Extent of use of information technology in the engagement

All staff members are skilled at utilizing public sector software programs and have extensive experience with cloud computing, AI, and data science. Our audit personnel have a wealth of experience in evaluating complex computerized accounting systems of governmental agencies. They are proficient at:

- Analyzing an organization's information systems.
- Determine the controls and audit processes required to provide assurance that the information produced is reliable and that the system and data contained therein are secure.

Our audit staff generates all fund trial balances, lead sheets, and detailed working papers on laptop computers through either downloads or input of individual fund general ledger information. This process significantly reduces the time City personnel must spend preparing audit schedules.

The following tools are utilized in the audit process:

Our Tools

Vasquez utilizes CaseWare electronic audit workpapers for a more efficient and intelligent audit process. CaseWare is also useful for financial analysis and reporting, including financial statement preparation.

To help manage the data flow for our testing, we utilize the Vasquez Citrix ShareFile, a secure and regulatory compliant tool, to manage the many requests more effectively and efficiently for information necessary to conduct an engagement of this size.

Office 365 provides access to Office applications, online productivity services, and business services such as web conferencing, hosted email, and online storage.

We use IDEA software to analyze data in unique ways and the audit sampling process.

DataSnipper allows us to conduct automated document matching, text recognition, and document review and management.

e) Type and extent of analytical procedures to be used in the engagement

Non-statistical sampling is most often employed in our internal control testing and compliance testing procedures during the Single Audit. The extent of testing and sampling depends on many factors, including environmental controls, the program's complexity, previous audit findings, changes in federal statutes, and the number of locations at which controls are administered. Our sampling plan will conform to the AICPA's guidance for testing compliance. The number of sample sizes will depend on the assessment of controls and the inherent risk of noncompliance in a major program.

f) Approach to be taken to gain and document an understanding of the City's internal control structure

Analytical review techniques will be utilized to identify other areas that might require attention. Until the year-end account balances are finalized, our review will focus on budgets compared to actual/projected information. We can, thus, identify certain sensitive audit areas to determine whether they are indeed areas requiring extra attention. We will also focus on unusual fluctuations occurring within individual funds to identify accounts and areas that merit further investigation.

Based on our understanding of the City's operating environment, through our analytical review and other planning procedures, we will meet with the City personnel to highlight areas to be emphasized during the audit. We will concentrate our efforts on the identified areas of audit concern and areas we know are important to the City Officials. Some of our preliminary audit concerns are elaborated as follows:

- Compliance with applicable laws, regulations, and reporting requirements
- All matters of compliance with GASB statements and interpretations
- Receipt of all revenue to which the City is entitled.
- Purchases are authorized and within budgetary limitations.
- Encumbrances and liabilities are recorded and charged to proper budgetary accounts.
- Proper accounting and disclosure of developer agreements and similar commitments
- Proper accounting for capital assets, including infrastructure assets.
- Proper recording of outstanding obligations

g) Approach to be taken in determining laws and regulations that will be subject to audit test work

An audit performed in accordance with *Government Auditing Standards* requires auditors to report on the City's internal control over financial reporting and on compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. Accordingly, we will test the City's compliance with certain regulations, such as compliance with budget preparation and budgetary requirements, investment reporting, and compliance with other contracts, such as bond covenants and grant agreements.

We will consider the requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Award (Uniform Guidance) when performing all Single Audit test work. This means we will coordinate the Single Audit testing of major federal programs with the testing of internal controls and systems in conjunction with the financial statement audit. Each major program requires a separate opinion on compliance with federal rules and regulations. The scope of our testing will be sufficient and specific enough to allow opinions on each of the City's major programs. In addition, we will perform risk assessment procedures, including:

- Review of prior years' reported findings
- Consideration of the extent of continuing or new personnel assigned to administer each major federal program.

h) Approach to be taken in drawing audit samples for purposes of tests of compliance

The extent of testing and sampling depends on many factors, including environmental controls, the program's complexity, previous audit findings, changes in federal statutes, and the number of locations at which controls are administered. <u>Our sampling plan will conform to the AICPA's guidance for testing compliance.</u> However, the number of sample sizes will depend on assessing controls and the inherent risk of noncompliance in a major program.

Identification of Anticipated Potential Audit Problems

We do not expect any potential audit problems to arise. We tailor our services based on identified risks and address issues to meet the specific needs of our clients. We have implemented the following steps to prevent deliverability issues.

1. Equipment—All our auditors have the necessary equipment to work anywhere in the world. Our team members are provided with scanners, printers, monitors, and other equipment to ensure our personnel can work remotely.
2. Communication—Vasquez has digital phone lines linked to our personnel's computers and cell phones. This ensures that our personnel respond to our clients' needs within 24 hours.
3. Office 365 – Vasquez has fully implemented the Office 365 suite. This allows our personnel to collaborate with clients in a cloud-based environment. Some of these hub-based products include Microsoft Teams, SharePoint, and other video conferencing tools.
4. Audit and research tools – Vasquez uses CaseWare, an audit software package that allows teams to virtually work on projects in a secure environment. Our managers and partners can simultaneously oversee the work done by an engagement team.
5. Secured data room – Vasquez uses Citrix ShareFile to securely transfer data between clients and audit teams without file size restrictions. The portal has a document management process flow that easily tracks all the documents requested by the audit team so that all our clients have to do is drag and drop them into the portal. In addition, our clients and engagement teams get a daily update of all the documents that have been uploaded and those that are still open. This data flow allows us to monitor the progress of the audit at all times.
6. RSM Professional Services+ Practice – As a member of the PS+ Collaborative, we utilize the same tools, software, methodology, and specialists as the 5th largest accounting firm in the country. This allows us to stay current with the latest developments relevant to our clients, collaborate with firms across the country, and provide technical resources to our clients on the latest industry developments.
7. AICPA G400 – As a member of the top 1% of CPA firms in the country, we stay on top of all the latest developments in the audit profession, including how to address government funding and how to conduct a remote audit properly.
8. Global and multi-location experience – Vasquez has served clients with multiple locations in the US and worldwide for decades. This experience has taught us how to conduct procedures in a remote environment.
9. Flexibility – If our client records are not available electronically, we have the flexibility to send auditors to the client's site to audit records live.

Report Format

An example of an Annual Comprehensive Financial Report awarded the GFOA Certificate can be found at the following location for public access:

Sample Report

City of Modesto ACFR (https://www.modestogov.com/ArchiveCenter/ViewFile/Item/4280)

Contract Requirements

- 8.2. Endorsements – 8.2.5. – We are unable to provide a waiver of subrogation on professional liability insurance.
- 8.3. Deductibles and Self Insured Retentions – Our deductible is $150,000 and we mark this information as confidential.

Fees

Our fees for the services outlined in this proposal are based on our estimates of the time needed to complete the project at our standard hourly rates. The fees are based on the assumption that unexpected circumstances will not be encountered during the audit, along with the following:

1. City staff are available to answer questions within the agreed timeframe.
2. No instances of fraud that will require additional procedures.
3. City staff to prepare all financial statements/schedules.
4. All information requested is provided within the agreed timeframe.
5. No (0) major programs subject to the Single Audit Act.
6. The information provided is complete and correct for the year under audit.
7. Other unforeseen events such as:
   a. Accounting problems.
   b. Fraud.
   c. Changes in your business or business environment.
   d. Contractual difficulties with suppliers, third-party service providers, or clients.

	Year Ended June 30th				
	Contract Period			Option Years	
Basic Reports to be Issued	2025	2026	2027	2028	2029
City Audit, including ACFR and Memo of Internal Controls	$ 42,500	$ 43,775	$ 45,088	$ 46,442	$ 47,834
Annual Report of City Financial Transactions to State Controller	2,500	2,575	2,652	2,732	2,814
GANN Limit	500	515	530	546	562
Subtotal	$ 45,500	$ 46,865	$ 48,270	$ 49,720	$ 51,210

Hourly rates for additional scope of service:

	Auditors Standard Hourly Billing Rates				
	Contract Period			Option Years	
Position	2024-2025	2025-2026	2026-2027	2025-2027	2026-2028
Partner	$ 375	$ 390	$ 405	$ 420	$ 435
Manager	225	235	245	255	265
Senior	200	210	220	230	240
Staff	175	185	195	205	215
Clerical	140	145	150	155	160

www.vasquez.cpa

Vasquez & Company LLP has over 55 years of experience in performing audit, accounting & consulting services for all types of nonprofit organizations, for-profit companies, governmental entities and publicly traded companies

PRICE PAIGE & COMPANY
Certified Public Accountants

PROPOSAL FOR PROFESSIONAL AUDIT SERVICES

FOR

CITY OF ROLLING HILLS

FOR THE YEARS ENDING
JUNE 30, 2025, 2026 AND 2027

Submitted
March 28, 2025

By

Fausto Hinojosa, CPA, CFE
Managing Partner
Price Paige & Company
Certified Public Accountants

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TABLE OF CONTENTS

PRICE PAIGE & COMPANY
Certified Public Accountants

The Place to Be

March 28, 2025

Robert Samario
Finance Director
City of Rolling Hills
2 Portuguese Bend Road
Rolling Hills, CA 90274

Dear Mr. Samario and Auditor Selection Committee:

Thank you for considering Price Paige & Company for your audit services. It is our pleasure to present to you our proposal to provide professional audit services to the City of Rolling Hills (the City) for the years ending June 30, 2025, 2026 and 2027, with the option to renew for two subsequent fiscal years. When presented with viable alternatives, it is not always easy for entities such as the City to identify the accounting firm that can best meet their overall auditing needs. Over the past 40 years, we have developed significant expertise in governmental auditing and accounting. Our deep knowledge of the municipal environment has allowed us to develop more robust audit procedures that enhance the effectiveness of our audits.

Our audit professionals are highly qualified and have extensive experience and expertise in governmental auditing and accounting. The firm has been a member of the AICPA Government Audit Quality Center since its inception, and all our accountants take a minimum of 80 hours of continuing professional education every two years specifically related to the auditing and accounting services we provide. This commitment to learning yields a direct benefit to the clients we work with. Additionally, our firm has a well-earned reputation for ensuring audit engagements are performed in accordance with professional standards and, just as importantly, on time. We are committed to communicating effectively to ensure that we address your questions comprehensively. As demonstrated by our resumes and considerable involvement by the firm's audit principal, we feel that our firm has the resources, knowledge and expertise to meet and service the needs of the City. We can assure you that we fully understand the scope of work to be performed, and we wish to emphasize our commitment to meeting and exceeding all your expectations. We are committed to providing these services in accordance with the City's required timelines. Additional information about our firm's audit department and the services we offer can be found on our website, www.ppc.cpa.

We trust that this proposal to provide professional audit services will adequately summarize our approach to client service and identify those attributes that set Price Paige & Company apart from others. We appreciate the opportunity to submit this proposal to serve you and would be pleased to furnish any additional information regarding our firm or answer any other specific questions or concerns you may have. I am an audit principal for our firm, and I am authorized to make representations regarding this proposal. I may be reached at (559) 299-9540 or via email at *fausto@ppcpas.com.*

Sincerely,

Fausto Hinojosa, CPA, CFE
Managing Partner
Price Paige & Company
Certified Public Accountants

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tel 559.299.9540
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FIRM HISTORY AND QUALIFICATIONS

Established in 1976 and located in Clovis, California, Price Paige & Company consists of five partners each of whom is a Certified Public Accountant. The principals of the firm have more than 90 years of combined experience in public accounting. Our firm is comprised of over 60 professional, paraprofessional and administrative staff. More than 50% of Price Paige & Company's practice is in auditing and attestation services, primarily in the governmental and not-for-profit sectors. In addition, we provide services to many businesses in accounting, tax and management consultation in all areas.

Price Paige & Company is recognized in the community and by our peers as experts in the areas of governmental and not-for-profit auditing, attestation and accounting. Our proven commitment to excellence allows us to work with clients in the timeliest and most cost-effective manner possible. Our auditors are not seasonal; that is, they are not "tax accountants" who perform audits in the "off-season." They focus exclusively on providing audit services, and they receive over 80 hours of continuing education every two years, specifically related to improving their audit skills. The experience of our team allows us to conduct very efficient and effective audits.

We currently provide auditing, attestation and accounting services to more than 60 governmental agencies and 75 not-for-profit organizations annually, many of which are federal single audits. The breadth and scope of single audits we have conducted is significant, and we have experience auditing organizations with an excess of $100 million dollars of federal funding.

We will assign a team of personnel from our firm to your account to provide the range of services you have requested. This team is kept abreast of any significant developments that arise through our normal association with you. The most important aspect of this approach is to provide continuity to the engagement. We understand that the audit process requires two-way communication, and we accept our responsibility to listen to our client's concerns and deliver timely and effective solutions.

Proactive Rather than Reactive Approach to Client Service

A primary objective of our client service is to make positive contributions to our client's profitable operations, organizational efficiency and productivity. We work hard at anticipating problems and ensuring there are no surprises. We are creative and will always present alternatives for our client's evaluation rather than relying on the "textbook solution." We will schedule frequent meetings and utilize our management recommendation letters as tools for communication with you.

Smart Technologies

We use sophisticated data analysis software (IDEA) that allows us to perform specific fraud-detection tests on large amounts of data; in some cases, testing 100% of the transaction population. Some of the specific tests we perform include the following: duplicate payment tests, matching of employee and vendor addresses to identify potential conflicts and review of purchase orders to identify potential bid splitting. We believe our creative use of this value-added software tool allows us to perform more effective audits and gives our clients increased confidence in their financial reporting. For example, we have successfully implemented this data analysis software and testing at Fresno Unified School District, which is the third largest school district in the state, with a budget in excess of $800 million dollars.

All our audit engagements are performed utilizing a paperless and digital approach. Our auditing software allows us to increase our efficiency and provide a streamlined workflow. Documents and files can easily be retrieved and forwarded to our clients without the need for photocopying.

External Peer Review

The successful peer reviews our firm has received and our Engagement Quality Control Review program serve as evidence of our commitment to meeting the standards of care and performance applicable to our auditing, attestation and accounting practice, which demonstrate the extra measures we take to ensure continued successful compliance with our client's expectations about our quality and competence.

For your consideration, a copy of the firm's Peer Review Report is included in this proposal as listed on the table of contents. The firm received a "pass" report, and the review included specific not-for-profit, governmental and Uniform Guidance engagements.

We Conduct Peer Reviews

In addition to receiving successful peer reviews, **Price Paige & Company also *conducts* peer reviews** of other accounting firms. Essentially, we "audit" other auditors to ensure auditing and accounting standards are met. Being a peer reviewer requires us to understand the technical accounting rules, especially in the governmental and not-for-profit environments. We leverage our experience as technical peer reviewers in our audit engagements so that we can perform effective and efficient audits for all our clients.

Mandatory Qualifications

Licensure and Certification — The associates of Price Paige & Company are licensed Certified Public Accountants, certified by the California State Board of Accountancy (License #PART 8241). All team members assigned to the engagement comply with the 80-hour continuing education requirements promulgated by *Government Auditing Standards* issued by the U.S. Government Accountability Office.

Independence — Our firm is independent with respect to the City as defined by applicable standards generally in the United States as well as *Government Auditing Standards* issued by the U.S. Government Accountability Office.

No Conflict of Interest — Our firm's established policy is that we do not submit proposals for auditing, attestation or accounting services if there is a known conflict of interest with the potential client. There are no current or potential conflicts of interest with anyone (employees, management, officers or directors) within the City.

No Disciplinary Actions — Price Paige & Company has **never had any disciplinary actions** taken nor are any pending with the Federal or State regulatory bodies or professional organizations. In addition, we are pleased to affirm that we have never had an unresolved dispute related to accounting or auditing matters that resulted in disengagements. We work closely with our clients to develop solutions that are consistent with the accounting rules and auditing standards issued by the U.S. Government Accountability Office.

Additional Confirmations of Understanding

File Retention — We will retain working papers for seven (7) years following the completion of the audit.

Equal Opportunity Employer — Price Paige & Company is an equal opportunity employer. All employees are treated on their merits, without regard to race, age, sex, marital status or other factors not applicable to their position. Employees are valued according to how well they perform their duties, their demonstrated abilities and their enthusiasm toward maintaining the firm's standards of service.

Liability Coverage — Price Paige & Company maintains comprehensive General Liability Coverage and Errors and Omissions Insurance with a limit of at least $3,000,000. All required certificates of insurance will be provided to the City's management, should our firm be the successful bidder.

VALUE-ADDED SERVICES AND SUPPORT

The role of accountants has evolved over time in response to the client's needs. Our firm has made it a practice to be proactive with clients by providing value-added services, all of which are included as part of our audit engagement. Below are some of the value-added benefits that we provide to our clients at **no additional charge**.

Consultation on Accounting Matters

We provide our clients with guidance on technical accounting matters. We encourage our clients to communicate with us regarding any technical accounting matter, as it allows us to be proactive in the audit process. If the technical accounting questions are outside the scope of the audit or require significant research, we will communicate with management the appropriate cost for their approval before proceeding with any additional services.

Client Training

We believe it is important to give our clients access to a full range of information to help them stay aware of current accounting developments and financial reporting issues. As part of our client service program, we will periodically hold client training seminars and summary courses aimed at providing our clients with an understanding of relevant accountancy issues. Training sessions we have offered included the following topics: understanding and mitigating the risk of fraud, reading and understanding governmental and non-profit financial statements and understanding the impact of unrelated business taxable income activities.

At the request of our clients, we expect to offer more client training sessions on some of the following topics in the future:

- current and pending government accounting pronouncements,
- differences in grant accounting vs. GAAP accounting,
- understanding the risk of fraud in an organization.

As part of the value-added service included in our client engagements, we invite our clients and their board members to attend the training sessions, which we anticipate offering remotely through webinar or digital conferences.

Approach to Communication and Expectations of Our Clients

In order to meet and exceed your expectations, we are diligent about maintaining open communication throughout the entire engagement. In our experience, this results in a more effective engagement. Our approach depends on the timely response and assistance of the City. This cooperation will further ensure our work is completed in an efficient and cost-effective manner.

Additional Services Provided

In addition to financial statement audits, we also offer the following services: Internal Control Review, Forensic Accounting, Fraud Investigation, Agreed-Upon Procedures, Financial Statement Review and Financial Statement Compilations.

TEAM QUALIFICATIONS AND EXPERIENCE

We have an outstanding team of professionals who have established themselves as qualified competent individuals. We can assure you that each of our professionals is experienced in governmental accounting, GASB accounting pronouncements and Single Audit requirements. Following is a brief overview of their experience. Detailed experience for each of these professionals can be found in Team Resumes as listed on the table of contents.

	Years of Auditing / Accounting Experience
Audit Partner	
Fausto Hinojosa, CPA, CFE*	35
Quality Control Partner	
Joshua Giosa, CPA	18
Senior Audit Manager	
Osvaldo Gutierrez, CPA	17
Audit Manager	
Anthony Gonzales, CPA	10

* Denotes a reviewer in Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting Program.

Availability of Personnel and Time Requirements

Our level of staffing is more than sufficient to ensure that you receive a timely, efficient service. Should any of the above members of our team become unavailable, we will provide another equally qualified individual from our firm.

Continuity of Professional Staff and Succession Planning

Continuity of staff on engagements is as important to us as it is to our clients. Continuity promotes a thorough understanding of your needs and goals and helps us help you. A smooth transition from your existing firm to our firm will be accomplished as follows:

Communication — We stress communication early on with your staff to determine expectations, time frame for delivery of information and our extent and availability of assistance. We provide a written list of detailed information needed during our engagement, including critical due dates.

Experience — Members of our engagement team are very experienced in the operational, administrative and accounting and compliance issues related to governmental entities.

Quality — The firm maintains a rigorous quality control review process that includes not only a detailed review by a quality control manager and engagement partner but also an Engagement Quality Control Review (EQCR) as defined by AICPA standards.

Audit Approach — Our audit approach emphasizes effective up-front planning to identify issues for timely resolution.

FAUSTO HINOJOSA

Certified Public Accountant
Certified Fraud Examiner
California License # 66479

Present Position

Audit Partner

Education and Experience

Fausto is Audit Partner in charge of audit and forensic consulting engagements for Price Paige & Company. For over thirty years his practice has focused on audit and accounting, fraud investigation, forensic consulting, and litigation support services. Fausto serves as the Managing Partner for the Firm and is responsible for providing strategic leadership. He has worked professionally in the accounting field since graduating from California State University, Fresno, in 1990. He became a Certified Public Accountant in 1994 and a shareholder with Price Paige & Company in 1997. A Certified Fraud Examiner, Fausto has investigated numerous allegations of fraud and has been designated a fraud expert in various legal proceedings.

After more than 30 years in the profession, Fausto has developed significant expertise specifically in the areas of audit risk assessment, governmental and not-for-profit auditing, fraud detection and prevention, federal/state grant compliance and internal controls.

Fausto is the former Chair of the local Government Accounting and Auditing Committee for the California Society of CPAs and currently serves on the state committee. In addition, Fausto is a reviewer for the Government Finance Officers Association "Certificate of Achievement for Excellence in Financial Reporting" program. As the former Chair for the State Board of Accountancy Qualifications Committee, Fausto conducted audit workpaper reviews of CPA candidates in order to make licensure recommendations to the Committee.

Fausto is a former Adjunct Professor at Fresno Pacific University, where he taught an upper-division auditing course. He is a frequent lecturer to the California Society of CPAs and other professional organizations, business and civic groups on governmental and not-for-profit accounting and auditing, preventative fraud measures and the unique audit requirements for federal award programs under the Single Audit Act.

Professional Organizations and Community Involvement

- California Board of Accountancy Peer Review Oversight Committee — Vice Chair
- State Board of Accountancy Qualifications Committee — Past Chair
- Fresno Chapter of California Society of CPAs — Past President
- Association of Certified Fraud Examiners — Member
- American Institute of Certified Public Accountants — Member
- Government Accounting and Auditing Committee of the Fresno Chapter — Past Chair
- State Government Accounting and Auditing Committee of the California Society of CPAs — Member
- Government Finance Officers Association — ACFR Reviewer

JOSHUA GIOSA

Certified Public Accountant
California License # 119801

Present Position

Quality Control Partner

Education and Experience

Joshua began his accounting career at Price Paige & Company in January 2007 after graduating from California State University, Fresno. In June 2005, he received a Bachelor of Science in Business Administration with an option in Accountancy and became a Certified Public Accountant in 2013.

Joshua is a partner for many of the firm's municipal audits and all its consultation clients. Although his governmental auditing background dates to 2007, since 2011 he has worked almost exclusively with governmental agencies, including the planning, performing, and reviewing of financial statement audits, which often also includes the compilation of their financial statements. He has performed and overseen substantial grant compliance work on both federal and state programs, has conducted several single audits, and has prepared numerous State Controller reports.

Beginning in 2017, Joshua shifted his focus from auditing to consulting governmental agencies, including counties, municipalities, and special districts. During this time, he has worked very closely with finance department personnel to support their primary objective of providing timely and accurate information to the decision-makers of a given entity. Responsibilities have included assisting clients with closing their financial records and preparing audit schedules in preparation for their annual audits, preparing monthly bank reconciliations and any other reconciliations requested by management for internal purposes, providing guidance for implementing new accounting pronouncements, and providing guidance for improving internal controls. Additionally, he has assisted municipalities in implementing new accounting software and developing a new chart of accounts and fund structures. Joshua has extensive knowledge of the Government Accounting Standards Board pronouncements and has assisted his clients in the most complex of transactions.

Community and Affiliations

Joshua is a member of the American Institute of Certified Public Accountants, the California Society of CPAs and the Government Finance Officers Association. He is currently serving on the Board of Directors as the Treasurer for North Fresno Rotary Endowment and president of Bullard Youth Softball League. He was formerly on the Board of Directors as the Treasurer for Big Brothers Big Sisters of Central California and Fresno's Rotary Storyland/Playland. Joshua is also an honorary member of the North Fresno Rotary Club.

Continuing Education

Joshua is in compliance with the continuing education requirements of the AICPA and Government Auditing Standards. Josh recently developed a training program for PPC staff and conducted training in courses such as *Accounting and Auditing of GASB 54*, *Auditing Enterprise Revenue and Receivables*, and *Risk Assessment for Government Agencies*. Recently attended courses include: *Governmental Auditing and Accounting Update, Advanced Financial Report, and Advanced Governmental Accounting.*

OSVALDO GUTIERREZ

Certified Public Accountant
California License # 122553

Present Position

Senior Audit Manager

Education and Experience

Osvaldo began his accounting career after graduating with an accounting degree from California State University, Fresno, in 2008 and became a Certified Public Accountant in 2014.

Prior to joining Price Paige & Company as an audit manager, Osvaldo worked with a large local public accounting firm at varying levels of responsibility up to and including audit manager and also spent two years in the private industry.

Osvaldo's extensive governmental accounting experience includes many years working directly with some of the largest municipalities in the Central Valley, including various counties, cities, special districts and transportation authorities. Osvaldo's specific experience includes managing multiple team members in the conducting of financial statements and federal single audits. Osvaldo has extensive knowledge of new and existing GASB pronouncements and prides himself on teaching and training clients as a part of the normal audit process. Osvaldo has performed audits and reviews for clients in a variety of industries, ensuring that all aspects of the engagement are completed from the planning process through the drafting, review and issuance of the financial statements.

Osvaldo also serves as an internal auditor for a local school district where he performs both financial and compliance audits, fraud prevention and investigations, policy and process improvement, and other duties as needed. He also performs consulting work to other municipalities as well that focus on internal controls, fraud investigations, and operational efficiencies

Community and Affiliations

Osvaldo is a member of the American Institute of Certified Public Accountants, the Government Finance Officers Association (GFOA) and the California Society of Certified Public Accountants, where he served as the Fresno chapter President (2020/2021).

Continuing Education

Osvaldo is in compliance with the continuing education requirements of the AICPA and Government Auditing Standards and continues to take relevant courses to stay up to date on all relevant matters. He also serves as an instructor for in-house continuing education seminars.

ANTHONY GONZALES

Certified Public Accountant
California License # 1400083

Present Position

Audit Manager

Education and Experience

Anthony began his public accounting career as an intern with Price Paige & Company in January 2015 after graduating from California State University, Fresno, with a Bachelor of Science in Business Administration (Accountancy option). While working toward his degree, he interned for a statewide not-for-profit organization, where he gained valuable experience in the organization's accounting and finance department.

Anthony earned his Certified Public Accountant (CPA) license in May 2019 and now serves as an Audit Manager, overseeing audits for a wide range of governmental entities in California, including counties, cities, and special districts. In this role, he manages audit engagements, provides technical expertise, and ensures compliance with Government Auditing Standards and relevant regulatory requirements. Additionally, Anthony provides consulting services to similar entities, assisting in financial reporting, internal controls, and regulatory compliance.

Throughout his career, Anthony has developed specialized expertise through both formal training and hands-on experience. His areas of proficiency include performing audits in accordance with Generally Accepted Auditing Standards (GAAS) and Government Auditing Standards (GAGAS), single audit compliance in accordance with OMB Uniform Guidance 2 CFR Subpart 2, State Controller's reports, financial statement preparation in compliance with Yellow Book and GASB standards, and data extraction and analysis techniques.

Community and Affiliations

Anthony is a member of the American Institute of Certified Public Accountants (AICPA), the Government Finance Officers Association (GFOA), and the California Society of CPAs (CalCPA). In addition, he actively supports the accounting profession through his volunteer service on the Qualifications Committee for the California Board of Accountancy (CBA), where he has served since March 2023.

Continuing Education

Anthony meets the continuing education requirements of the AICPA and Government Auditing Standards. Recent courses attended include:

- Professional Conduct & Ethics: Dealing with Ethical Crises
- Financial Statement Analysis Techniques
- GAO Standards – Yellow Book Compliance
- SEFAs: Schedule of Expenditures of Federal Awards and the Requirements Under the Uniform Guidance
- Yellow Book and Single Audit Deficiencies
- Auditor Considerations: The Coronavirus State and Local Fiscal Recovery Funds Program
- Internal Control and Fraud in Governments and Nonprofits

Additionally, Anthony has delivered training sessions to fellow CPAs and accounting professionals on topics such as governmental accounting, the 2018 Yellow Book, and the Uniform Guidance.

RELEVANT PRIOR EXPERIENCE

After evaluating our relevant experience, we are certain you will agree that Price Paige & Company is highly qualified to serve you. We have been successfully performing audit and attestation engagements since 1976. We have since continued to build on our reputation as a well-respected firm in and around the San Joaquin Valley and throughout California, with the qualifications and experience necessary to provide unequaled performance. Following is a list of several of our clients for whom we have provided similar services and our primary contact for each:

Reference Name: City of Tulare
Contact: Mark Roberts, Chief Executive Officer
Address: 411 E. Kern Avenue, Tulare, CA 93274
Phone: (559) 684-4255
Email: *mroberts@tulare.ca.gov*
Services Provided: Financial Statement Audit (Single Audit/Uniform Guidance), Consulting
Dates: June 30, 2022 through Present

Reference Name: City of Ripon
Contact: Lisa Roos, City Clerk/Finance Director
Address: 259 N. Wilma Avenue, Ripon, CA 95366
Phone: (209) 599-2108
Email: *lroos@cityofripon.org*
Services Provided: Financial Statement Audit (Single Audit/Uniform Guidance), Pension Audit (GAAS), State Controller's Report
Dates: June 30, 2016 through Present

Reference Name: City of Los Banos
Contact: Brent Kuhn, CPA, Interim Finance Director
Address: 520 J Street, Los Banos, CA 93635
Phone: (209) 827-7000
Email: *brent.kuhn@losbanos.org*
Service Provided: ACFR Audit (Single Audit/Uniform Guidance), Received Certificate of Achievement for Excellence in Financial Reporting for its ACFR for the Fiscal Year Ended June 30, 2020 from GFOA
Dates: June 30, 2014 through Present

Reference Name: City of Fresno
Contact: Ruthie Quinto, Assistant City Manager
Address: 2600 Fresno Street, Fresno, CA 93721
Phone: (559) 621-2489
Email: *Ruth.quinto@fresno.gov*
Services Provided: Measure P Financial Statement Audit, Internal Control Evaluation and Special Projects
Dates: June 30, 2022 through Present

Reference Name: City of Kingsburg
Contact: Alma Colado, Finance Director
Address: 1401 Draper Street, Kingsburg, CA 93611
Phone: (559) 897-5821
Email: *acolado@cityofkingsburg-ca.gov*
Service Provided: ACFR Audit (Single Audit/Uniform Guidance), Received Certificate of Achievement for Excellence in Financial Reporting for its ACFR for the Fiscal Year Ended June 30, 2020 from GFOA, State Controller's Report
Dates: June 30, 2012 through Present

SCOPE OF SERVICES

As our experience indicates, we clearly understand the scope of services to be provided. You can be assured that we will design a service-specific approach to ensure compliance with all applicable standards and ensure that the City receives high-quality, efficient and effective service.

Standards/Publications to be Followed

The financial and compliance audits will be performed in accordance with the following auditing standards:

- Generally Accepted Auditing Standards (AICPA)
- *Government Auditing Standards* (U.S. Comptroller General)
- Provisions of the Single Audit Act Amendments of 1996 (Single Audit)
- OMB Uniform Guidance Title 2 U.S. Code of Federal Regulations Part 200
- All other applicable federal, state and local laws and regulations

Services to be Performed

The following services will be provided to the City for the years ending June 30, 2025, 2026 and 2027.

1. We will audit the City's basic financial statements in accordance with Generally Accepted Auditing Standards (GAAS) in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.
2. We will express an opinion on the financial statements as to whether they present fairly, in all material respects, the financial position of the City and the changes in financial position in conformity with generally accepted accounting principles (GAAP), and issue an independent auditor's report stating this opinion.

   We will provide an "in-relation-to" opinion on the combining and individual fund and supporting schedules based on auditing procedures applied during the audit of the general-purpose financial statements and the combining and individual fund financial statements and schedules.
3. We will issue a Single Audit report on compliance with requirements that could have a direct and material effect on each major program and internal control over compliance in accordance with OMB Uniform Guidance 2 CFR Part 200 We will also prepare the related Data Collection Forms for Reporting on Audits of States, Local Governments and Non-Profit Organizations (Form SF-SAC).

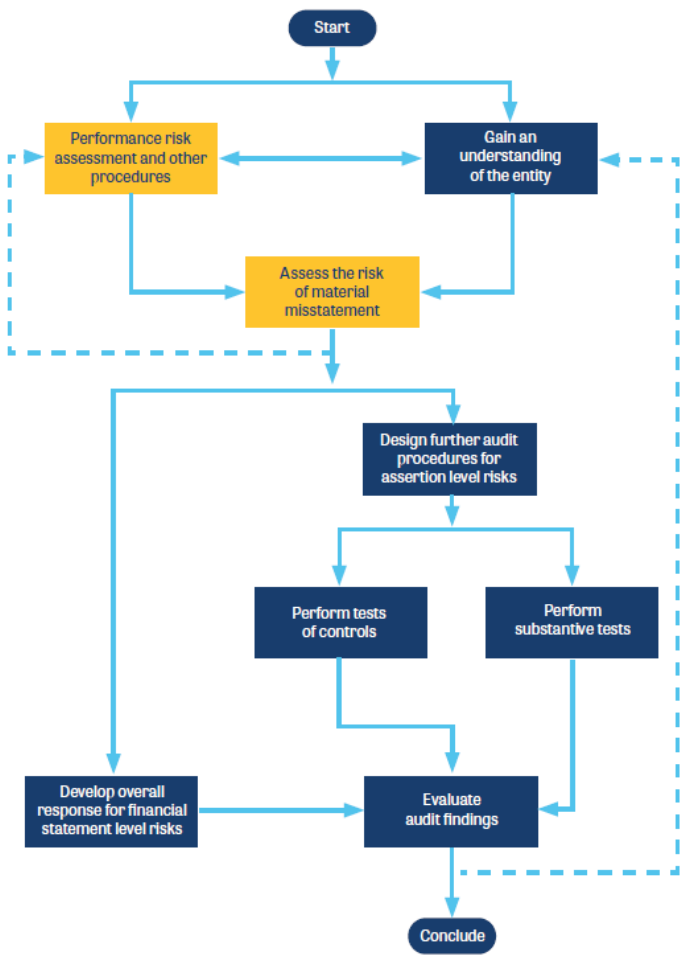
   We will issue an "in-relation-to" report on the schedule of expenditures of federal awards based on the auditing procedures applied during the audit of the financial statements.
4. We will report on internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, in accordance with *Government Auditing Standards*.
5. We will make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which we become aware to the appropriate level of management and/or governance.
6. We may provide management letters that would include findings, observations, opinions, comments and/or recommendations with regard to systems of internal control, accounting systems compliance with laws, rules and regulations, or any other matters that may come to our attention during the course of the examination.
7. We will prepare a written communication to the audit committee which will include the following information: (1) auditor's responsibility under generally accepted auditing standards, (2) significant accounting policies, (3) management judgments and accounting estimates, (4) significant audit adjustments, (5) disagreements with management, (6) management consultation with other accountants, (7) difficulties encountered in performing the audit.
8. We will test compliance with Proposition 111, Article XIII.B Review of Appropriation Limit Calculations for the City and prepare a GANN Limit calculation.
9. We will prepare and submit the State Controller's Office Financial Transactions Report.

AUDIT APPROACH

We are confident that we will provide high-quality services based on our experience in working with municipalities and other governmental entities of similar size and scope to yours. Our high client satisfaction rate can be attributed to our effective communication and our efficient proprietary audit methodology.

Audit Procedures and Phases of the Engagement

Price Paige & Company provides value to our clients by creating a custom audit approach that is based on a client's specific needs, risks and opportunities. Our audit approach under generally accepted audit standards is depicted in the graphic below.



Our professional responsibility is to obtain sufficient audit evidence before an opinion is rendered on any financial statement. To achieve this, we will conduct our work in the following phases:

- Audit Planning and Risk Assessment (Summer 2025, and thereafter, annually)
- Year-End Fieldwork (commence by October 2025, and thereafter, annually)
- Reporting (issuance no later than December 19, 2025, and thereafter, annually)
- Closing Conferences and Formal Presentation (at regularly scheduled City Council meeting)

Details about each of these phases are listed on the following pages.

Audit Planning and Risk Assessment

No other phase of the process affects the success of an engagement more than the time spent on planning the general scope and direction of the audit, including assessing the risks of financial statement misstatements. We will schedule audit planning and interim fieldwork to be done prior to final fieldwork with your personnel.

We will hold a planning session with the key members of our engagement team and your personnel.

During our planning session with management, we will also address *Statement on Auditing Standards (SAS) No.* 99, "Consideration of Fraud in a Financial Statement Audit." This auditing standard requires that we conduct certain meetings and interviews and perform and document certain procedures for identifying and responding to fraud risks.

As part of the audit planning and risk assessment phase of the audit, we will request a meeting with management to discuss our planned audit approach and any significant audit and accounting issues, as well as address any concerns.

As part of that process, we will conduct a pre-audit conference with appropriate management personnel to discuss the scope and timing of the audit.

The risk assessment audit standards require assessments based on an understanding of the internal controls over your financial reporting and our determination of the areas that present risks of material misstatement to your financial statements. We will then design our audit approach to include tests of the specific internal controls and substantive audit procedures that are tailored to the identified risks. Our risk assessment includes consideration of the factors depicted on the chart below.

Year-End Fieldwork

During the year-end phase of our audit, we will complete our audit work based on the audit programs designed specifically for the City. This will include the results of our risk assessment and interim testing results, and we will issue a report on the financial statements in a timely and efficient manner.

Reporting

This phase will include the following:

- reviewing the financial statements and reconciling them to underlying audited records,
- evaluating the financial statements for compliance with GAAP requirements,
- formulating an opinion as to the fair presentation of the financial statements and
- preparing a management letter with recommendations and communication letter to management.

We will immediately submit to management a written report of all irregularities and illegal acts, or indications of illegal acts, of which we become aware.

Audit Focus

Based on our audit experience with similar municipalities, the primary areas of the audit on which we will focus include:

- Cash and investments
- Receivables and revenue
- Capital assets
- Accounts payable and expenditures
- Cost allocation
- Long-term debt
- Pension liability
- Grant compliance
- Implementation of pronouncements of the Governmental Accounting Standards Board (GASB)

Closing Conferences and Formal Presentation

We believe regular communication with management will be a critical part of the success of our audit engagement. Therefore, we will provide regular updates to management regarding the progress of the audit during meetings with key personnel.

Additionally, the engagement partner will meet with management to review any potential adjusting journal entries, drafts of the management comment letter, communication with those charged with governance (SAS 114) letters and a draft of the financial statements.

We will complete our work in sufficient time to meet the applicable deadlines. We will make a formal presentation of the audit results and reports to the City Council and management at one of the regularly scheduled meetings of the Council, and will remain available to respond to their questions.

SINGLE AUDIT APPROACH

Our firm's approach to the Single Audit requirements, as specified in the Single Audit Act and OMB Uniform Guidance 2 CFR 200 Subpart F, are as follows:

Objectives

The objectives of the Single Audit are to determine the following:

- The financial statements of the reporting entity are presented in accordance with GAAP.
- The reporting entities internal control systems provide reasonable assurance that it is managing Federal financial assistance programs in compliance with applicable laws and regulations.
- The reporting entity has complied with laws and regulations that have a material effect on the financial statements and on each major Federal assistance program.

Procedures

- Identify major and non-major programs and assess inherent and control risks.
- Perform substantive tests of compliance and tests of internal control over compliance for all major programs as required by the OMB Uniform Guidance 2 CFR 200 Subpart F.
- Sample sizes will adhere to the guidance found in the sampling chapter of the "AICPA Audit Guide, *Government Auditing Standards* and Uniform Guidance Audits".

Reports

The following reports relating to Federal assistance programs will be issued separately:

- Report on supplementary Schedule of Expenditures of Federal Awards. The schedule presents total expenditures for each program.
- Report on internal controls used in administering Federal financial assistance programs.
- Report on compliance with laws and regulations, identifying all findings of noncompliance and questioned costs, and expressing an opinion and other assurances on compliance.
- Report on fraud, abuse, or illegal acts, or indications of such acts, if discovered.

Submission

- The Data Collection Form and audit package will be prepared and transmitted to the Federal Audit Clearinghouse by the required deadline.

COST PROPOSAL

Description of Services	Total $ FY 2024-25	Total $ FY 2025-26	Total $ FY 2026-27	(Estimated) Total $ FY 2027-28	(Estimated) Total $ FY 2028-29
City Financial Statements	$ 48,900	$ 48,900	$ 50,856	$ 50,856	$ 52,890
Appropriations Limitation Calculation	1,000	1,000	1,040	1,040	1,082
Single Audit*	-	-	-	-	-
Total All-Inclusive Maximum Price	**$ 49,900**	**$ 49,900**	**$ 51,896**	$ 51,896	$ 53,973

* The fee estimate for a Single Audit is $8,000 for one major program. If there is more than one major program, the fee is $8,000 per additional program.

Staff Classification	Quoted Hourly Rate (2024-25)	Hours	Total
Partner	400	12	$ 4,800
Manager	275	24	6,600
Supervisor	230	30	6,900
Senior	180	50	9,000
Audit Staff	120	175	21,000
Support Staff	80	20	1,600
			$ 49,900

Our proposed fees are based upon our current understanding of the work to be performed as outlined under the Scope of Services, and we give you a “Total All-Inclusive Maximum Price” for these services. These fees are made with the following assumptions: 1) the City’s books will be properly closed and reconciled, 2) records will be complete and readily available at the start of the engagement and 3) representations made to us during this proposal process will remain effective throughout the engagement.

In the event disclosures in the audit engagement indicate extraordinary circumstances that warrant more intensive and detailed services, we will provide to management in writing and in advance the reasons for the additional services together with the firm’s estimate of costs, and a statement that no work will be performed without advance approval by the City. Any and all additional work as agreed in advance by the firm will be compensated for at the same rate quoted in this cost proposal.

Report on the Firm's System of Quality Control

To the Partners of
PRICE PAIGE & COMPANY
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Price Paige & Company (the firm) in effect for the year ended April 30, 2024. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards,* including compliance audits under the Single Audit Act.

As part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

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Peer Review Report
Page 2 of 2

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Price Paige & Company in effect for the year ended April 30, 2024, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass, pass with deficiency(ies)* or *fail*. Price Paige & Company has received a peer review rating of *pass*.

GYL LLP

Ontario, California
October 17, 2024

CITY OF ROLLING HILLS

AGREEMENT FOR PROFESSIONAL AUDIT SERVICES

THIS AGREEMENT FOR PROFESSIONAL AUDIT SERVICES ("Agreement") is made on this 28th day of April 2025, by and between the **CITY OF ROLLING HILLS**, a municipal corporation, 2 Portuguese Bend Road, Rolling Hills, California 90274 ("CITY") and Vasquez and Company LLP, 655 N. Central Avenue, Suite 1550, Glendale, CA 91203 (hereinafter referred to as the "CONTRACTOR").

RECITALS

A. The CITY proposes to contract for professional services as outlined below;

B. The CONTRACTOR is willing to perform such services and has the necessary qualifications by reason of experience, preparation, and organization to provide such services;

C. NOW, THEREFORE, the CITY and the CONTRACTOR, mutually agree as follows:

1. **SERVICES.** The CONTRACTOR shall perform those services set forth in "Exhibit A," which is attached hereto and incorporated herein by reference.

2. **TERM OF AGREEMENT.** The term of this Agreement shall commence upon execution by both parties and shall expire June 30, 2028, unless extended in writing in advance by both parties. The CITY reserves the right to extend the term of this Agreement for two (2) additional one-year terms subject to the satisfactory negotiation of terms, including a price acceptable to both the CITY and the CONTRACTOR.

3. **TIME OF PERFORMANCE.** The services of the CONTRACTOR are to commence upon receipt of a notice to proceed from the CITY and shall continue until all authorized work is completed to the CITY's satisfaction, in accordance with the schedule incorporated in "Exhibit A," unless extended in writing by the CITY.

4. **PAYMENT FOR SERVICES.** The CONTRACTOR shall be compensated in an amount as described in the schedule of fees included within and pursuant to this Agreement as described in "Exhibit A." Compensation shall under no circumstances be increased except by written amendment of this Agreement. The CONTRACTOR shall be paid within thirty (30) days of presentation of an invoice to the CITY for services performed to the CITY's satisfaction. The CONTRACTOR shall submit invoices monthly describing the services performed, the date services were performed, a description of reimbursable costs, and any other information requested by the CITY.

5. **CONTRACT ADMINISTRATION.**

5.1. **The CITY's Representative.** Unless otherwise designated in writing, Cristy Canieda shall serve as the CITY's representative for the administration of the project. All activities performed by the CONTRACTOR shall be coordinated with this person.

5.2. **Manager-in-Charge.** For the CONTRACTOR, Cristy Canieda shall be in charge of the project on all matters relating to this Agreement and any agreement or approval made by her shall be binding on the CONTRACTOR. The Manager-in-Charge shall not be replaced without the written consent of the CITY.

5.3. **Responsibilities of the CITY.** The CITY shall provide all relevant documentation in its possession to the CONTRACTOR upon request in order to minimize duplication of efforts. The CITY's staff shall work with the CONTRACTOR as necessary to facilitate performance of the services.

5.4. **Personnel.** The CONTRACTOR represents that it has or will secure at its own expense all personnel required to perform the services under this Agreement. All of the services required under this Agreement will be performed by the CONTRACTOR or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. The CONTRACTOR reserves the right to determine the assignment of its own employees to the performance of the CONTRACTOR's services under this Agreement, but the CITY reserves the right, for good cause, to require the CONTRACTOR to exclude any employee from performing services on the CITY's premises.

6. TERMINATION.

6.1. **Termination for Convenience.** Either party may terminate this Agreement without cause and in its sole discretion at any time by giving the other party thirty (30) days' written notice of such termination. In the event of such termination, the CONTRACTOR shall cease services as of the date of termination and shall be compensated for services performed to the CITY's satisfaction up to the date of termination.

6.2. **Termination for Cause.** All terms, provisions, and specifications of this Agreement are material and binding, and failure to perform any material portion of the work described herein shall be considered a breach of this Agreement. Should the Agreement be breached in any manner, the CITY may, at its option, terminate the Agreement not less than five (5) days after written notification is received by the CONTRACTOR to remedy the violation within the stated time or within any other time period agreed to by the parties. In the event of such termination, the CONTRACTOR shall be responsible for any additional costs incurred by the CITY in securing the services from another contractor.

7. **INDEMNIFICATION.** The CONTRACTOR shall indemnify, defend, and hold harmless the CITY, and its officers, employees, and agents ("CITY indemnitees"), from and against any and all causes of action, claims, liabilities, obligations, judgments, or damages, including reasonable attorneys' fees and costs of litigation ("claims"), arising from the CONTRACTOR's negligent or wrongful acts, errors, or omissions in the performance of the services under this Agreement. In the event the CITY indemnitees are made a party to any action, lawsuit, or other adversarial proceeding alleging negligent or wrongful conduct on the part of the CONTRACTOR:

7.1. The CONTRACTOR shall provide a defense to the CITY indemnitees or at the CITY's option reimburse the CITY indemnitees their costs of defense, including reasonable attorneys' fees, incurred in defense of such claims; and

7.2. The CONTRACTOR shall promptly pay any final judgment or portion thereof rendered against the CITY indemnitees with respect to claims determined by a trier of fact to have been the result of the CONTRACTOR's negligent or wrongful performance.

8. **INSURANCE REQUIREMENTS.**

8.1. The CONTRACTOR, at the CONTRACTOR's own cost and expense, shall procure and maintain, for the duration of the contract, the following insurance policies:

8.1.1. **Workers' Compensation Coverage**. The CONTRACTOR shall maintain Workers' Compensation Insurance and Employer's Liability Insurance for its employees in accordance with the laws of the State of California in the amount of not less than one million dollars ($1,000,000). In addition, the CONTRACTOR shall require any and every subcontractor to similarly maintain Workers' Compensation Insurance and Employer's Liability Insurance in accordance with the laws of the State of California for all of the subcontractor's employees. Any notice of cancellation or non-renewal of all Workers' Compensation policies must be received by the CITY at least thirty (30) days prior to such change. The insurer shall agree to waive all rights of subrogation against the CITY, its officers, agents, employees, and volunteers for losses arising from work performed by the CONTRACTOR for City.

This provision shall not apply if the CONTRACTOR has no employees performing work under this Agreement. If the CONTRACTOR has no employees for the purposes of this Agreement, the CONTRACTOR shall sign the "Certificate of Exemption from Workers' Compensation Insurance" which is attached hereto and incorporated herein by reference as "Exhibit C."

8.1.2. **General Liability Coverage**. The CONTRACTOR shall maintain commercial general liability insurance in an amount of not less than two million dollars ($2,000,000) per occurrence for bodily injury, personal injury, and property damage. If a commercial general liability insurance form or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to the work to be performed under this Agreement or the general aggregate limit shall be at least twice the required occurrence limit.

8.1.3. **Automobile Liability Coverage**. The CONTRACTOR shall maintain automobile liability insurance covering bodily injury and property damage for all activities of the CONTRACTOR arising out of or in connection with the work to be performed under this Agreement, including coverage for owned, hired, and non-owned vehicles, in an amount of not less than one million dollars ($1,000,000) combined single limit for each occurrence. If CONTRACTOR or CONTRACTOR's employees will use personal autos in any way on this project, CONTRACTOR shall obtain evidence of personal auto liability coverage for each such person.

8.1.4. **Professional Liability Coverage**. The CONTRACTOR shall maintain professional errors and omissions liability insurance for protection against claims alleging negligent acts, errors, or omissions which may arise from the CONTRACTOR's operations under this Agreement, whether such operations be by the CONTRACTOR or by its employees, subcontractors, or subconsultants. The amount of this insurance shall not be less than one million dollars ($1,000,000) on a claims-made annual aggregate basis, or a combined single-limit-per-occurrence basis.

8.1.5. **Self Insured Retention/Deductibles**. All policies required by this Agreement to name the CITY as additional insured shall allow CITY, to satisfy the self-insured retention ("SIR") and/or deductible of the policy in lieu of the CONTRACTOR (as the named insured) should CONTRACTOR fail to pay the SIR or deductible requirements. The amount of the SIR or deductible shall be subject to the approval of the City Attorney and the City Manager. CONTRACTOR understands and agrees that satisfaction of this requirement is an express condition precedent to the effectiveness of this Agreement. Failure by CONTRACTOR as primary insured to pay its SIR or deductible constitutes a material breach of this Agreement. Should CITY pay the SIR or deductible on CONTRACTOR'S behalf upon the CONTRACTOR'S failure or refusal to do so in order to secure defense and indemnification as an additional insured under the policy, CITY may include such amounts as damages in any action against CONTRACTOR for breach of this Agreement in addition to any other damages incurred by CITY due to the breach.

8.2. **Endorsements**. Each general liability and automobile liability insurance policy shall be issued by insurers possessing a Best's rating of no less than A-:VII. Each general liability insurance policy shall be endorsed with the specific language of Section 8.2.1 below. CONTRACTOR also agrees to require all contractors, and subcontractors to do likewise.

8.2.1. "The CITY, its elected or appointed officers, officials, employees, agents, and volunteers are to be covered as additional insureds with respect to liability arising out of work performed by or on behalf of the CONTRACTOR, including materials, parts, or equipment furnished in connection with such work or operations."

8.2.2. This policy shall be considered primary insurance as respects the CITY, its elected or appointed officers, officials, employees, agents, and volunteers. Any insurance maintained by the CITY, including any self-insured retention the CITY may have, shall be considered excess insurance only and shall not contribute with this policy.

8.2.3. This insurance shall act for each insured and additional insured as though a separate policy had been written for each, except with respect to the limits of liability of the insuring company.

8.2.4. CONTRACTOR acknowledges that the insurance coverage and policy limits set forth in this section constitute the minimum amounts of coverage required. Any insurance proceeds available to the CITY in excess of the limits and coverage required in this agreement and which is applicable to a given loss, will be available to the CITY.

8.2.5. Except for professional errors and omissions liability insurance, the insurer waives all rights of subrogation against the CITY, its elected or appointed officers, officials, employees, or agents regardless of the applicability of any insurance proceeds, and agrees to require all subcontractors to do likewise.

8.2.6. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the City, its elected or appointed officers, officials, employees, agents, or volunteers.

8.2.7. The insurance provided by this policy shall not be suspended, voided or reduced in coverage or in limits except after thirty (30) days' written notice has been submitted to the CITY and approved of in writing, except in the case of cancellation, for which ten (10) days' written notice shall be provided.

8.2.8. Contractor agrees to provide immediate notice to City of any claim or loss against Contractor arising out of the work performed under this agreement. City assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve City.

8.3. **Deductibles and Self-Insured Retentions**. Any deductibles or self-insured retentions must be declared to and approved by the CITY. At the CITY's option, the CONTRACTOR shall demonstrate financial capability for payment of such deductibles or self-insured retentions.

8.4. **Certificates of Insurance**. The CONTRACTOR shall provide certificates of insurance with original endorsements to the CITY as evidence of the insurance coverage required herein. Certificates of such insurance shall be filed with the CITY on or before commencement of performance of this Agreement. Current certification of insurance shall be kept on file with the CITY at all times during the term of this Agreement. The CONTRACTOR shall provide written evidence of current automobile coverage to comply with the automobile insurance requirement.

8.5. **Failure to Procure Insurance**. Failure on the part of the CONTRACTOR to procure or maintain required insurance shall constitute a material breach of contract under which the CITY may terminate this Agreement pursuant to Section 6.2 above.

9. **ASSIGNMENT AND SUBCONTRACTING.** The parties recognize that a substantial inducement to the CITY for entering into this Agreement is the professional reputation, experience, and competence of the CONTRACTOR. Assignments of any or all rights, duties, or obligations of the CONTRACTOR under this Agreement will be permitted only with the express consent of the CITY. The CONTRACTOR shall not subcontract any portion of the work to be performed under this Agreement without the written authorization of the CITY. If the CITY consents to such subcontract, the CONTRACTOR shall be fully responsible to the CITY for all acts or omissions of the subcontractor. Nothing in this Agreement shall create any contractual relationship between the CITY

and subcontractor nor shall it create any obligation on the part of the CITY to pay or to see to the payment of any monies due to any such subcontractor other than as otherwise is required by law.

10. **COMPLIANCE WITH LAWS, CODES, ORDINANCES, AND REGULATIONS.** The CONTRACTOR shall use the standard of care in its profession to comply with all applicable federal, state, and local laws, codes, ordinances, and regulations.

10.1. **Taxes**. The CONTRACTOR agrees to pay all required taxes on amounts paid to the CONTRACTOR under this Agreement, and to indemnify and hold the CITY harmless from any and all taxes, assessments, penalties, and interest asserted against the CITY by reason of the independent contractor relationship created by this Agreement. In the event that the CITY is audited by any Federal or State agency regarding the independent contractor status of the CONTRACTOR and the audit in any way fails to sustain the validity of a wholly independent contractor relationship between the CITY and the CONTRACTOR, then the CONTRACTOR agrees to reimburse the CITY for all costs, including accounting and attorneys' fees, arising out of such audit and any appeals relating thereto.

10.2. **Workers' Compensation Law**. The CONTRACTOR shall fully comply with the workers' compensation law regarding the CONTRACTOR and the CONTRACTOR's employees. The CONTRACTOR further agrees to indemnify and hold the CITY harmless from any failure of the CONTRACTOR to comply with applicable workers' compensation laws. The CITY shall have the right to offset against the amount of any compensation due to the CONTRACTOR under this Agreement any amount due to the CITY from the CONTRACTOR as a result of the CONTRACTOR's failure to promptly pay to the CITY any reimbursement or indemnification arising under this Section.

10.3 **Licenses.** The CONTRACTOR represents and warrants to the CITY that it has all licenses, permits, qualifications, insurance, and approvals of whatsoever nature which are legally required of the CONTRACTOR to practice its profession. The CONTRACTOR represents and warrants to the CITY that the CONTRACTOR shall, at its sole cost and expense, keep in effect or obtain at all times during the term of this Agreement any licenses, permits, insurance, and approvals which are legally required of the CONTRACTOR to practice its profession. The CONTRACTOR shall maintain a City of West Hollywood business license, if required under CITY ordinance.

11. **CONFLICT OF INTEREST.** The CONTRACTOR confirms that it has no financial, contractual, or other interest or obligation that conflicts with or is harmful to performance of its obligations under this Agreement. The

CONTRACTOR shall not during the term of this Agreement knowingly obtain such an interest or incur such an obligation, nor shall it employ or subcontract with any person for performance of this Agreement who has such incompatible interest or obligation.

12. **NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY.** The CONTRACTOR represents and agrees that it does not and will not discriminate against any employee or applicant for employment because of race, religion, color, medical condition, sex, sexual orientation and/or gender identity, national origin, political affiliation or opinion, or pregnancy or pregnancy-related condition.

13. **RECORDS AND AUDITS.** The CONTRACTOR shall maintain accounts and records, including personnel, property, and financial records, adequate to identify and account for all costs pertaining to this Agreement and such other records as may be deemed necessary by the CITY or any authorized representative as described in "Exhibit A." All records shall be made available at the request of the CITY, with reasonable notice, during regular business hours.

14. **OWNERSHIP OF DOCUMENTS.** It is understood and agreed that the CITY shall own all documents and other work product of the CONTRACTOR, except the CONTRACTOR's notes and work papers, which pertain to the work performed under this Agreement. The CITY shall have the sole right to use such materials in its discretion and without further compensation to the CONTRACTOR, but any re-use of such documents by the CITY on any other project without prior written consent of the CONTRACTOR shall be at the sole risk of the CITY. The CONTRACTOR shall at its sole expense provide all such documents to the CITY upon request.

15. **INDEPENDENT CONTRACTOR.** The CONTRACTOR is and shall at all times remain as to the CITY a wholly independent CONTRACTOR. Neither the CITY nor any of its agents shall have control over the conduct of the CONTRACTOR or any of the CONTRACTOR's employees or agents, except as herein set forth. The CONTRACTOR shall not at any time or in any manner represent that it or any of its agents or employees are in any manner agents or employees of the CITY. The CONTRACTOR shall have no power to incur any debt, obligation, or liability on behalf of the CITY or otherwise act on behalf of the CITY as an agent.

16. **NOTICE.** All Notices permitted or required under this Agreement shall be in writing, and shall be deemed made when delivered to the applicable party's representative as provided in this Agreement. Additionally, such notices may be given to the respective parties at the following addresses, or at such other addresses as the parties may provide in writing for this purpose.

Such notices shall be deemed made when personally delivered or when mailed forty-eight (48) hours after deposit in the U.S. mail, first-class postage prepaid, and addressed to the party at its applicable address.

CITY OF ROLLING HILLS
2 Portuguese Bend Road
Rolling Hills, CA 90274

Attention: Finance Director

CONTRACTOR: Vasquez and Company

Attention: Cristy Canieda, Partner

17. **GOVERNING LAW.** This Agreement shall be governed by the laws of the State of California.

18. **ENTIRE AGREEMENT; MODIFICATION.** This Agreement supersedes any and all other agreements, either oral or written, between the parties, and contains all of the covenants and agreements between the parties. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, oral or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein. Any agreement, statement, or promise not contained in the Agreement, and any modification to the Agreement, will be effective only if signed by both parties.

19. **WAIVER.** Waiver of a breach or default under this Agreement shall not constitute a continuing waiver of a subsequent breach of the same or any other provision under this agreement. Payment of any invoice by the CITY shall not constitute a waiver of the CITY's right to obtain correction or replacement of any defective or noncompliant work product.

20. **EXECUTION.** This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least one copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

21. **AUTHORITY TO ENTER AGREEMENT.** The CONTRACTOR has all requisite power and authority to conduct its business and to execute, deliver, and perform this Agreement. Each party warrants that the individuals who have signed this Agreement have the legal power, right, and authority to make this Agreement and to bind each respective party.

IN WITNESS WHEREOF, the parties have executed this Agreement the 28th day of April, 2025.

CONTRACTOR: Vasquez & Company

____

Cristy A. Canieda

CITY OF ROLLING HILLS:

____

Robert Samario, Finance Operations Lead Consultant

____

Karina Bañales, City Manager

ATTEST:

____

Christian Horvath, City Clerk

Exhibit A – SCOPE OF WORK

Exhibit B

Certificate of Exemption from Workers' Compensation Insurance

TO:	City of Rolling Hills
SUBJECT:	Sole Proprietor/Partnership/Closely Held Corporation with No Employees

Please let this memorandum notify the City of Rolling Hills that I am a

- ☐ sole proprietor
- ☐ partnership
- ☐ closely held corporation

and do not have any employees whose employment requires me to carry workers' compensation insurance. Therefore, I do not carry worker's compensation insurance coverage.

Contractor Signature ______________________________

Printed Name of Contractor ______________________________

Date ______________________________

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 13.C
Mtg. Date: 04/28/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: SAMANTHA CREW, MANAGEMENT ANALYST

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: RECIEVE AND FILE AN UPDATE ON POTENTIAL ADDITIONAL LOCATIONS FOR THE OUTDOOR EMERGENCY SIREN SYSTEM TO IMPROVE AND ENSURE CITYWIDE COVERAGE

DATE: April 28, 2025

BACKGROUND:
The City of Rolling Hills has been working closely with HQE Systems, Inc. (HQE) to finalize the installation of the Emergency Outdoor Siren Notification System, an important capital improvement project designed to strengthen the City's emergency alerting capabilities. This initiative stemmed from the Block Captain Communication Project and has been strongly supported by both the Block Captains and the Honbo family.

At the March 24, 2025, City Council meeting, HQE provided an overview of the March 4, 2025, siren test and shared technical recommendations, including suggestions for strategic system expansion. During the test, HQE identified several areas within the City that lacked sufficient sound coverage.

In response, the City Council directed staff to collaborate with HQE and the Rolling Hills Community Association (RHCA) to identify potential locations for additional siren poles. Council emphasized the importance of addressing community concerns, particularly those related to view preservation and requested a plan from HQE that includes proposed site locations and photos of each area.

DISCUSSION:
In response to City Council direction, HQE Systems conducted supplemental sound testing on April 4, 2025, in select areas previously identified as having limited or no coverage during the March 4 siren system test. To carry out this assessment, HQE used speakers mounted on tripods to simulate siren tones. The testing was not intended to be loud, limited to targeted locations, and completed within approximately four hours. This effort is part of HQE's ongoing work to refine sound coverage data and inform the potential placement of additional siren units.

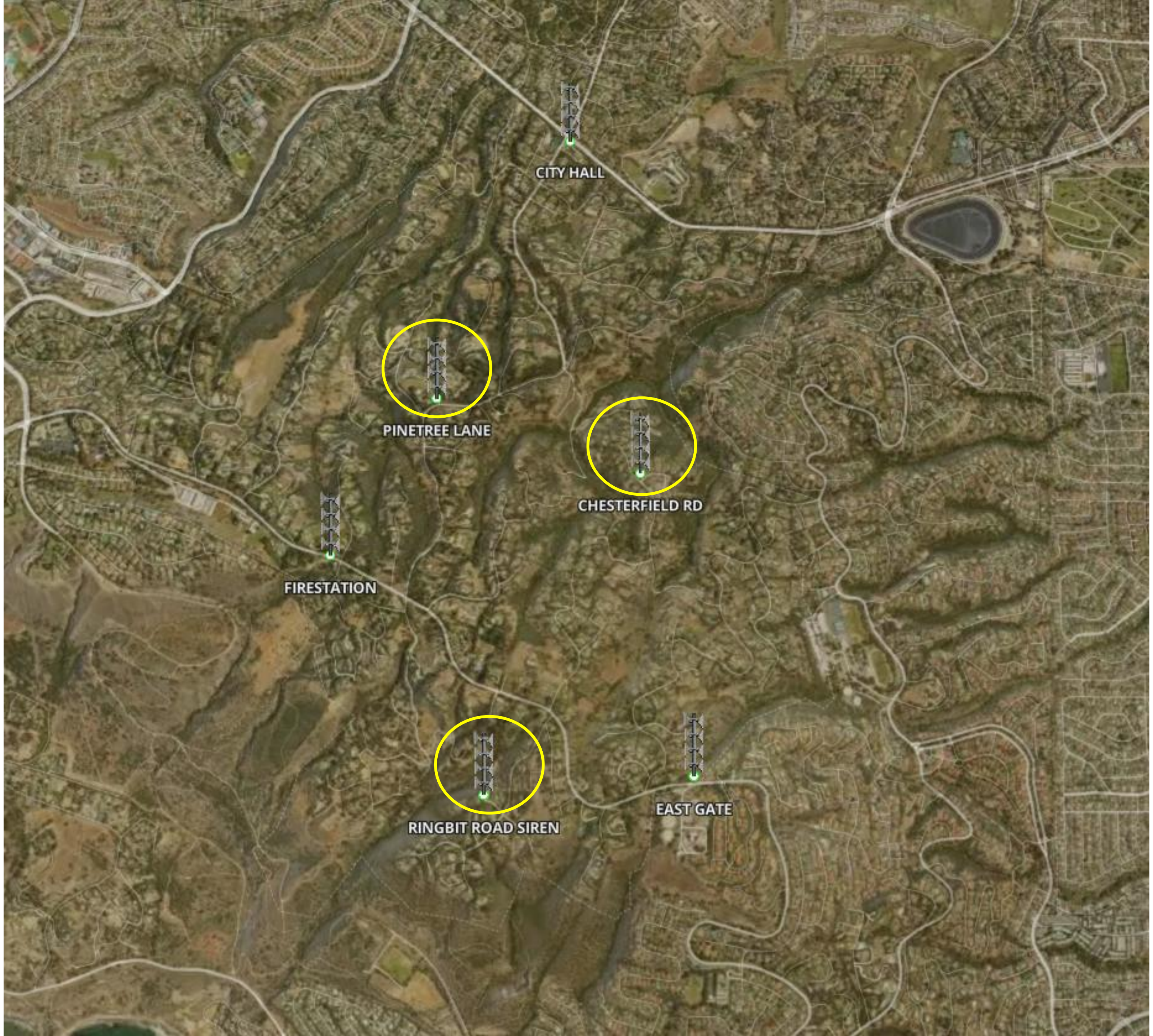
This evening, HQE will present their proposed site plan (Attachment A) and provide an overview of the installation process, including projected timelines, permitting requirements, and next steps for implementation.

FISCAL IMPACT:
None.

RECOMMENDATION:
Receive and file. Provide direction to staff and HQE.

ATTACHMENTS:
Attachment A - PW_SIR_250428_HQE_Proposed_PoleExpansionSites.pdf

Three new siren sites circled.



Ringbit Road Siren:

60ft pole
11ft direct burial
4xLS-120 speakers
Omni-directional
Solar panel
Electronics box

*same as current installations

Chesterfield Siren:

30ft galvanized steel pole
4xLS-60 speakers
Omni-directional
Solar panel
Electronics box

Pinetree Lane Siren:

30ft galvanized steel pole
4xLS-30 speakers
Omni-directional
Solar panel
Electronics box

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 15.A
Mtg. Date: 04/28/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: DISCUSS THE CITY HALL ADA IMPROVEMENT PROJECT REMAINING OPTIONS AS PRESENTED ON MARCH 24, 2025 AND PROVIDE DIRECTION FOR STAFF

DATE: April 28, 2025

BACKGROUND:

On May 31, 2023, the City Hall ADA Improvement project plans were re-submitted to Los Angeles County Building & Safety (LACBS) after addressing initial plan review comments. The expectation was that reviews and approvals by LACBS would be completed in July 2023 and ready to solicit construction bids in late summer.

On June 26, 2023, staff presented an update on the status of the City Hall ADA Improvement project to the City Council. Due to a backlog at LACBS, as well as coordination with other County departments requiring project review, the plan check continued through November 2023.

On November 9, 2023, the City received notification from Pacific Architecture and Engineering (PAE) that LACBS had returned plan review comments requesting ADA upgrades/grading in the parking lot and path of travel to the sidewalk at Palos Verdes Drive North, additional structural details, and some other minor comments. PAE also informed staff that the Los Angeles County Health and Fire Departments required payment of fees for their portion of the plan check before documents could be finalized. While LACBS can waive review fees for public projects, the other departments cannot.

PAE notified the City that the plan review comments required additional design work outside the existing project scope; therefore, additional budget is required to complete the improvement plans for this project. Staff requested and received a comprehensive itemized cost to complete the additional service requests covering plan completion through LACBS approval. This additional service request is attached.

On January 9, 2024, City Staff met with PAE to discuss the additional costs addressing

LACBS comments. The City also contacted LACBS to discuss several plan review comments and determine if any of the requested ADA improvements would be required for the City Hall Improvement project or could be waived/deferred.

At the January 22, 2024, City Council meeting, City Staff updated the Council on the project and presented a list of eight additions to the scope from PAE. Based on internal discussion as well as information provided by LACBS staff, the recommendation included removing three of the proposed scope changes. Two of these were specific to the preparation of the ADA Parking layout ($3,000) and preparation of the path of travel ($4,000) per plan check comments. The City Council voted 4/1, with Councilmember Black dissenting, to approve five additions to the scope of work at a not-to-exceed amount of $11,500.

At the February 12, 2024, City Council meeting, the Council voted 4/1, with Councilmember Black dissenting, to approve Resolution No. 1356 authorizing a budget modification for the $11,500.

On October 28, 2024, the City Council, on a 3/2 vote with Councilmembers Black and Wilson dissenting, approved the 5th Amendment to PAE's agreement and an additional $4,000 via a budget amendment to cover costs associated with LA County Building and Safety's plan check review.

In November and December 2024, City staff went back and forth with the Rolling Hills Community Association's Architectural Committee regarding their desire to change the already approved plans by the City Council. Staff worked with Mayor Pieper and attempted to provide options to gain the Committee's approval. The Committee ultimately felt that "maintaining the exterior of the building as-is was the best option, as the exterior massing is balanced as currently built. The Committee noted that the City Hall building is the first impression many people get of the City and Should be an example of the architectural standards of Rolling Hills."

Subsequent to the Architectural Committee's decision and discussions with Mayor Pieper, in early January 2025, staff began working on proposed changes to the plans being requested as follows:

- Eliminate the front lobby expansion and maintain the existing building facade
- Place the public ADA All Gender Restroom in the vault, use what space is needed. Remainder space can be used for office storage. Include door from outside building for this restroom (south side of building) and ADA path of travel to this restroom. Keep indoor door as noted from work room
- Keep door from City Council Chambers through new coffee room if feasible
- Keep door from office/workspaces to Vault if needed to access storage space

Staff requested that PAE provide a proposal for modifying the plans to incorporate the above changes. On January 31, 2025, PAE submitted its proposal (attached) in the amount of $53,035.

Staff also contacted the CJPIA and held a meeting with Disability Access Consultants who provide the Authority and their cities with guidance on ADA projects. The biggest takeaway from the consultants was that the path of travel accessibility from the parking space and corner of Portuguese Bend Road / Palos Verdes Drive North to City Hall would also need to be addressed and should be handled prior to any proposed work on the building.

DISCUSSION:
On March 24, 2025, staff presented three options for the City Council to consider as it relates to this project:

1. While appreciating the input from the RHCA Architectural Committee, defer to LA County Building and Safety to complete the plan check review that began in 2024.
2. Modify the existing plans and draft a 6th Amendment to PAE's contract for the work based on the Architectural Committee decision.
3. Upon completion of the plan check, close out the project and transition to a phased approach in which staff addresses smaller ADA issues within the building over time.

That evening, the Council voted to not pursue a 6th Amendment with PAE therefore removing option 2.

The Council requested that this item be brought back after the Tennis Court ADA (TCADA) project bids were presented and reviewed to help the Council gain an understanding of what the potential cost implications may be before making any determination on which option to pursue related to City Hall.

The TCADA low bidder came in at $770,396 or $770,396 including a 10% contingency. The City Council had appropriated approximately $300,000 in the Capital Improvement Fund for the project and the FY 23/24 Carryover Budget was $293,708.75. The Council previously approved $103,950 for construction management services and staff attributes any of Alan Palermo's time on this project to the capital fund. Combined expenses for both through February 2025 were $15,198.75. The remaining TCADA balance is $278,510 and will be applied to both the construction management and construction costs.

To assist with the TCADA fiscal impact, the RHCA board has previously agreed to contribute 50% of the associated cost for the ADA/Retaining Wall. The RHCA has allocated $400,000 for the ADA component and will review and consider additional funding if required.

The City Council received the TCADA bid report on April 14, 2025 and voted to reject all bids. Staff will reissue the bid on or around April 29, 2025.

While the RHCA will be a contributor to the TCADA costs, that would not the case as it relates to a potential City Hall ADA project. Staff seeks input from the City Council on whether to:

1. Express appreciation for the RHCA Architectural Committee's input, but defer to LA County Building and Safety to complete the plan check review that began in 2024 so that staff can prepare a bid to gain an understanding of potential costs or;
2. Upon completion of County plan check, close out the project and transition to a phased approach in which staff addresses smaller ADA issues within the building over time.

Staff requests direction on how to proceed.

FISCAL IMPACT:
Total Cost for PAE through the 5th Amendment currently is a not-to-exceed amount of $211,723.01.

NOTE:
This not-to-exceed total includes services outside the design scope of the City Hall ADA

Improvement Project. The not-to-exceed total includes:

- $4,096.43 (part of Amendment No. 1) was for the evaluation of the existing emergency generator and providing recommendations
- $58,897.01 (Amendment No. 2) was for a Solar Power System, of which only $28,286.63 of this budget was used before the project was put on hold as the City evaluated other options
- $20,293 of the $96,485 budget (Amendment No. 3) remains unused/allocated for bid phase support and Construction Administration support.

The total amount paid for this to March 31, 2025 is: $117,841.25

RECOMMENDATION:
Receive and file. Provide direction to staff.

ATTACHMENTS:

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 15.B
Mtg. Date: 04/28/2025

TO: **HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**

FROM: **KARINA BAÑALES, CITY MANAGER**

THRU: **KARINA BAÑALES, CITY MANAGER**

SUBJECT: **RECEIVE AND FILE CODE ENFORCEMENT QUARTERLY REPORT FOR THE FIRST QUARTER OF 2025 (JANUARY 1 TO MARCH 31)**

DATE: **April 28, 2025**

BACKGROUND:
The Code Enforcement Division provides quarterly updates on cases, including dead vegetation and other code violations, for the first quarter of 2025. The attachments summarize cases opened and closed during the quarter, as well as a cumulative list of open cases (see Attachments 1, 2, and 3).

DISCUSSION:
During the first quarter of 2025, 16 code enforcement cases were opened. Of these, 10 cases have been closed, including 5 related to overgrown vegetation or dead trees. There are currently 6 new cases remaining, 4 of which also involve overgrown vegetation or dead trees.

In total, code enforcement is now managing 12 open cases, with 5 involving issues of overgrown vegetation or dead trees. Each case varies in complexity, and some require more time to resolve. When property owners are unresponsive and remain out of compliance, cases are referred to the City Attorney's office for further action.

FISCAL IMPACT:
Code enforcement services is provided contractually, and payment is made from the General Fund.

RECOMMENDATION:
Receive and file.

ATTACHMENTS:
CE_QRP_2025_Q1_Open.pdf
CE_QRP_2025_Q1_Closed.pdf
CE_QRP_2025_Q1_ALL Open.pdf

Code Cases Report
2025 Quarterly Report
Open Cases

01/01/2025 - 03/31/2025

Case Date	Address of Violation	Description	Main Status	Case #
3/27/2025	8 Bowie Rd.	Misc Debris | Fire Hazard	Open	447
3/20/2025	4 Maverick Ln.	Dead tree	Open	446
2/27/2025	77 Portuguese Bend Rd.	Dried/Overgrown vegetation	Open	443
2/6/2025	6 Saddleback Rd.	Dead palm fronds	Open	439
2/6/2025	1 Acacia	Dead vegetation	Open	438
1/14/2025	8 Quail Ridge Rd N	Unpermitted Building	Open	401

Total Records: 6 **4/24/2025**

Code Cases Report
2025 First Quarterly Report
Closed Cases

01/01/2025 - 03/31/2025

Case Date	Case Closed	Address of Violation	Description	Main Status	Case #
3/27/2025	4/22/2025	6 Ringibit W.	Dead tree located on a slope	Closed	448
3/11/2025	3/31/2025	28 Caballeros Rd.	Overnight Parking	Closed	445
2/20/2025	4/15/2025	67 Saddleback Rd.	Overgrown palm fronds	Closed	440
2/4/2025	2/20/2025	48 Saddleback Rd.	Overgrown palm fronds	Closed	437
1/30/2025	3/6/2025	88 Saddleback rd	Dead tree along the roadside	Closed	436
1/30/2025	4/1/2025	44 Portuguese Bend Road	Dead tree along roadside	Closed	435
1/23/2025	3/25/2025	12 Crest Road E	Pine trees sprouted on property	Closed	434
1/21/2025	3/20/2025	59 Eastfield Dr.	Dead vegetation	Closed	433
1/14/2025	02/20/2025	25 Portuguese Bend Road	Dead Tree	Closed	432
1/7/2025	1/14/2025	74 Saddleback Rd.	Overgrown/dried vegetation	Closed	431

Total Records: 10 **4/24/2025**

Code Cases Report
2025 First Quarterly Report
All Open Cases

01/01/2020 - 03/31/2025

Case Date	Address of Violation	Description	Main Status	Case #
3/27/2025	8 Bowie Rd.	Misc Debris | Fire Hazard	Open	447
3/20/2025	4 Maverick Ln.	Dead tree	Open	446
2/27/2025	77 Portuguese Bend rd.	Dried/Overgrown vegetation	Open	443
2/6/2025	6 Saddleback Rd.	Dead palm fronds	Open	439
2/6/2025	1 Acacia	Dead vegetation	Open	438
1/14/2025	8 Quail Ridge Rd N	Unpermitted Building	Open	401
12/19/2024	20 Portuguese Bend Rd.	Fallen tree/ dead vegetation	Open	429
9/19/2024	10 Saddleback Road	Unpermitted loft	Open	422
7/24/2024	6 Upper Blackwater Cyn Rd	Illegal basement	Open	413
11/2/2023	17 Eastfield Drive	Unpermitted construction	Open	382
6/22/2023	4 Possum Ridge Rd.	Unpermitted work/grading	Open	364
6/13/2023	7 Chuckwagon Rd.	Aggressive Animal (Dog)	Open	361

Total Records: 12 **4/24/2025**

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 16.A
Mtg. Date: 04/28/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: CONFERENCE WITH LABOR NEGOTIATOR:
GOVERNMENT CODE SECTION 54957.6
CITY NEGOTIATOR: MAYOR PIEPER
UNREPRESENTED EMPLOYEE: CITY MANAGER

DATE: April 28, 2025

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
None.

ATTACHMENTS:

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 16.B
Mtg. Date: 04/28/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: PUBLIC EMPLOYEE PERFORMANCE EVALUATION: PURSUANT TO GOVERNMENT CODE SECTION 54957 TITLE: CITY ATTORNEY

DATE: April 28, 2025

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
None.

ATTACHMENTS:

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 16.C
Mtg. Date: 04/28/2025

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER

THRU: KARINA BAÑALES, CITY MANAGER

SUBJECT: PUBLIC EMPLOYEE APPOINTMENT:
GOVERNMENT CODE SECTION 54957
TITLE: CITY ATTORNEY

DATE: April 28, 2025

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
None.

ATTACHMENTS:

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 16.D
Mtg. Date: 04/28/2025

TO:	**HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**
FROM:	**CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER**
THRU:	**KARINA BAÑALES, CITY MANAGER**
SUBJECT:	**CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION GOVERNMENT CODE SECTION 54956.9(D)(1) THE CITY FINDS, BASED ON ADVICE FROM LEGAL COUNSEL, THAT DISCUSSION IN OPEN SESSION WILL PREJUDICE THE POSITION OF THE CITY IN THE LITIGATION. (3 CASES)** **A. NAME OF CASE: CONNIE ANDERSEN, ET AL. V. CALIFORNIA WATER COMPANY, ET AL. (SEAVIEW CASE) CASE NO.: 24STCV20953** **B. NAME OF CASE: CITY OF ROLLING HILLS V. SCE CPUC DOCKET NO. C.24-10-008** **C. NAME OF CASE: CITY OF ROLLING HILLS V. SOCALGAS CPUC DOCKET NO. C.24-10-009**
DATE:	**April 28, 2025**

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
None.

ATTACHMENTS:

City of Rolling Hills INCORPORATED JANUARY 24, 1957

Agenda Item No.: 16.E
Mtg. Date: 04/28/2025

TO:	**HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL**
FROM:	**CHRISTIAN HORVATH, CITY CLERK / EXECUTIVE ASSISTANT TO CITY MANAGER**
THRU:	**KARINA BAÑALES, CITY MANAGER**
SUBJECT:	**CONFERENCE WITH LEGAL COUNSEL - INITIATION OF LITIGATION GOVERNMENT CODE SECTION 54956.9(D)(1) THE CITY FINDS, BASED ON ADVICE FROM LEGAL COUNSEL, THAT DISCUSSION IN OPEN SESSION WILL PREJUDICE THE POSITION OF THE CITY IN THE LITIGATION. (1 CASE) RECOMMENDATION: NONE.**
DATE:	**April 28, 2025**

BACKGROUND:
None.

DISCUSSION:
None.

FISCAL IMPACT:
None.

RECOMMENDATION:
None.

ATTACHMENTS: