



## CITY OF COSTA MESA

### REGULAR CITY COUNCIL AND SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY AND HOUSING AUTHORITY\*

#### Agenda

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**Tuesday, February 20, 2024**

**6:00 PM**

**City Council Chambers  
77 Fair Drive**

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**\*Note: All agency memberships are reflected in the title "Council Member"  
4:00 P.M. Closed Session**

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As a courtesy, and technology permitting, members of the public may also attend online. Technical difficulties may occur from time to time and unless required by the Brown Act, the meeting will continue despite the technical difficulties for participants using the online option.

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[pwd=\\_XoNBT2uciL7zrDsfj4A9Q9srLgExg.bQEU-le6VvXjPDeL](https://us06web.zoom.us/j/81879579049?pwd=_XoNBT2uciL7zrDsfj4A9Q9srLgExg.bQEU-le6VvXjPDeL)

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- During the Public Comment Period, use the “raise hand” feature located in the participants’ window and wait for city staff to announce your name and unmute your line when it is your turn to speak. Comments are limited to 3 minutes, or as otherwise directed.

Participate via telephone: (For both 4:00 p.m. and 6:00 p.m. meetings)

Call: 1 669 900 6833 Enter Webinar ID: 818 7957 9049/ Password: 608584

During the Public Comment Period, press \*9 to add yourself to the queue and wait for city staff to announce your name/phone number and press \*6 to unmute your line when it is your turn to speak. Comments are limited to 3 minutes, or as otherwise directed.

Note, if you have installed a zoom update, please restart your computer before participating in the meeting.

Additionally, members of the public who wish to make a written comment on a specific agenda item, may submit a written comment via email to the City Clerk at [cityclerk@costamesaca.gov](mailto:cityclerk@costamesaca.gov). Comments received by 12:00 p.m. on the date of the meeting will be provided to the City Council, made available to the public, and will be part of the meeting record.

Please know that it is important for the City to allow public participation at this meeting. If you are unable to participate in the meeting via the processes set forth above, please contact the City Clerk at (714) 754-5225 or [cityclerk@costamesaca.gov](mailto:cityclerk@costamesaca.gov) and staff will attempt to accommodate you. While the City does not expect there to be any changes to the above process for participating in this meeting, if there is a change, the City will post the information as soon as possible to the City’s website.



Note that records submitted by the public will not be redacted in any way and will be posted online as submitted, including any personal contact information. All pictures, PowerPoints, and videos submitted for display at a public meeting must be previously reviewed by staff to verify appropriateness for general audiences. No links to YouTube videos or other streaming services will be accepted, a direct video file will need to be emailed to staff prior to each meeting in order to minimize complications and to play the video without delay. The video must be one of the following formats, .mp4, .mov or .wmv. Only one file may be included per speaker for public comments, for both videos and pictures. Please e-mail to the City Clerk at [cityclerk@costamesaca.gov](mailto:cityclerk@costamesaca.gov) NO LATER THAN 12:00 Noon on the date of the meeting. If you do not receive confirmation from the city prior to the meeting, please call the City Clerks office at 714-754-5225.

Note regarding agenda-related documents provided to a majority of the City Council after distribution of the City Council agenda packet (GC §54957.5): Any related documents provided to a majority of the City Council after distribution of the City Council Agenda Packets will be made available for public inspection. Such documents will be posted on the city's website and will be available at the City Clerk's office, 77 Fair Drive, Costa Mesa, CA 92626.

All cell phones and other electronic devices are to be turned off or set to vibrate. Members of the audience are requested to step outside the Council Chambers to conduct a phone conversation.

Free Wi-Fi is available in the Council Chambers during the meetings. The network username available is: CM\_Council. The password is: cmcouncil1953.

As a LEED Gold Certified City, Costa Mesa is fully committed to environmental sustainability. A minimum number of hard copies of the agenda will be available in the Council Chambers. For your convenience, a binder of the entire agenda packet will be at the table in the foyer of the Council Chambers for viewing. Agendas and reports can be viewed on the City website at <https://costamesa.legistar.com/Calendar.aspx>.

In compliance with the Americans with Disabilities Act, Assistive Listening headphones are available and can be checked out from the City Clerk. If you need special assistance to participate in this meeting, please contact the City Clerk at (714) 754-5225. Notification at least 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting. [28 CFR 35.102.35.104 ADA Title II].

En conformidad con la Ley de Estadounidenses con Discapacidades (ADA), aparatos de asistencia están disponibles y podrán ser prestados notificando a la Secretaria Municipal. Si necesita asistencia especial para participar en esta junta, comuníquese con la oficina de la Secretaria Municipal al (714) 754-5225. Se pide dar notificación a la Ciudad por lo mínimo 48 horas de anticipación para garantizar accesibilidad razonable a la junta. [28 CFR 35.102.35.104 ADA Title II].

**CLOSED SESSION - 4:00 P.M.**

**CALL TO ORDER**

**ROLL CALL**

**PUBLIC COMMENTS** Members of the public are welcome to address the City Council only on those items on the Closed Session agenda. Each member of the public will be given a total of three minutes to speak on all items on the Closed Session agenda.

**CLOSED SESSION ITEMS:**

1. CONFERENCE WITH REAL PROPERTY NEGOTIATOR  
Pursuant to California Government Code Section 54956.8  
APN:139-031-62,139-651-14  
Property:1683 Sunflower Avenue, Costa Mesa, CA 92626  
Agency Negotiator: Lori Ann Farrell Harrison, City Manager  
Negotiating Parties: Brent Stoll, Rose Equities
2. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION – ONE CASE  
Pursuant to California Government Code Section 54956.9 (d)(1)  
City of Grants Pass, Petitioner v. Johnson, et al., Respondents,  
9th Cir. Ct. of Appeals Nos. 20-35752 & 20-35881 (Johnson v. Grants Pass),  
United States Supreme Court Case # 23-175.
3. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION – ONE CASE  
Pursuant to California Government Code Section 54956.9 (d)(1)  
Moyer v. City of Costa Mesa, Orange County Supreme Court Case No.  
30-2022-01248290.
4. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATION OF LITIGATION - ONE CASE  
Pursuant to California Government Code Section 54956.9 (d)(2), Anticipated Litigation.

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**REGULAR MEETING OF THE CITY COUNCIL AND SUCCESSOR AGENCY  
TO THE REDEVELOPMENT AGENCY AND HOUSING AUTHORITY**

**FEBRUARY 20, 2024 – 6:00 P.M.**

**JOHN STEPHENS**  
Mayor

**JEFFREY HARLAN**  
Mayor Pro Tem - District 6

**ANDREA MARR**  
Council Member - District 3

**MANUEL CHAVEZ**  
Council Member - District 4

**LOREN GAMEROS**  
Council Member - District 2

**ARLIS REYNOLDS**  
Council Member - District 5

**DON HARPER**  
Council Member - District 1

**KIMBERLY HALL BARLOW**  
City Attorney

**LORI ANN FARRELL HARRISON**  
City Manager

**CALL TO ORDER**

**NATIONAL ANTHEM AND PLEDGE OF ALLEGIANCE**

**MOMENT OF SOLEMN EXPRESSION**

[Per Council Policy 000-12, these presentations are made by community volunteers stating their own views. The City Council disclaims any intent to endorse or sponsor the views of any speaker.]

**ROLL CALL**

**CITY ATTORNEY CLOSED SESSION REPORT**

**PRESENTATIONS:**

1. [Proclamation: 2024 Black History Month](#) [24-047](#)  
Attachments: [Proclamation: 2024 Black History Month](#)

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2. [Proclamation: 211 OC Month](#)

[24-063](#)

Attachments: [Proclamation: 211 OC Month](#)

**PUBLIC COMMENTS – MATTERS NOT LISTED ON THE AGENDA**

Comments on Consent Calendar items may also be heard at this time.

Comments are limited to 3 minutes, or as otherwise directed.

**COUNCIL MEMBER COMMITTEE REPORTS, COMMENTS, AND SUGGESTIONS**

Each council member is limited to 3 minutes. Additional comments will be heard at the end of the meeting.

1. Council Member Harper
2. Council Member Marr
3. Council Member Reynolds
4. Council Member Chavez
5. Council Member Gameros
6. Mayor Pro Tem Harlan
7. Mayor Stephens

**REPORT – CITY MANAGER**

**REPORT – CITY ATTORNEY**

**CONSENT CALENDAR**

All matters listed under the Consent Calendar are considered to be routine and will be acted upon in one motion. There will be no separate discussion of these items unless members of the City Council, staff, or the public request specific items to be discussed and/or removed from the Consent Calendar for discussion.

1. [PROCEDURAL WAIVER: WAIVE THE FULL READING OF ALL 24-032 ORDINANCES AND RESOLUTIONS](#)

RECOMMENDATION:

City Council and Housing Authority approve the reading by title only and waive full reading of Ordinances and Resolutions.

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2. **READING FOLDER** **24-033**

RECOMMENDATION:

City Council receive and file Claims received by the City Clerk: Joseph Arriola, Timothy Campagna, Khosrow Jahanbin, Debbie Kaste, William Laidlaw, Walter MacDonald, Kamran Moghaddam, Tomsit Ungrangsee.

3. **ADOPTION OF WARRANT RESOLUTION** **24-034**

RECOMMENDATION:

City Council approve Warrant Resolution No. 2711.

**Attachments:** [Summary Check Register 12-28-2023](#)  
[Summary Check Register 1-08-2024](#)  
[Summary Check Register 1-11-2024](#)  
[Summary Check Register 1-18-2024](#)

4. **MINUTES** **24-035**

RECOMMENDATION:

City Council approve the minutes of the regular meeting of January 16, 2024.

**Attachments:** [01-16-2024 Draft Minutes](#)

5. **AMENDMENT NUMBER FOUR TO PROFESSIONAL SERVICES AGREEMENT (PSA) WITH KEYSER MARSTON ASSOCIATES (KMA) FOR AFFORDABLE HOUSING CONSULTING SERVICES** **24-027**

RECOMMENDATION:

Staff recommends the City Council:

1. Approve and authorize the City Manager and City Clerk to execute Amendment No. 4 to the Professional Services Agreement (PSA) with Keyser Marston Associates, Inc. (KMA) to increase the not-to-exceed amount by \$55,300 for a total of \$155,300, in substantially the same form as attached and in such final form as approved by the City Attorney.
2. Authorize the City Manager or designee and City Clerk to execute future amendments to the agreement, so long as such amendments are within the existing City budget.

**Attachments:** [1. PSA Amend. No. 4](#)

6. [SPENDING AUTHORIZATION APPROVAL FOR ON-CALL 24-046 ENVIRONMENTAL, TECHNICAL AND STAFFING SERVICES LIST](#)

RECOMMENDATION:

Staff recommends the Council:

1. Approve and authorize the City Manager and City Clerk to authorize spending authority with each consulting firm listed below through June 30, 2025, in such final form as approved by the City Attorney for on-call environmental, technical, and staffing services:
  - Dudek
  - ECORP Consulting, Inc.
  - Environmental Science Associates
  - FCS International, Inc.
  - Galvin Preservation Associates, Inc.
  - LSA Associates, Inc.
  - Michael Baker International
  - PlaceWorks, Inc.
  - PSOMAS
  - Sagecrest Planning and Environmental
  - Stantec Consulting Services
  - The Natelson Dale Group, Inc.
2. Authorize the City Manager and City Clerk to execute future amendments and spending authority with the above-listed firms including any potential increases in compensation as long as the amendments are pass-through costs from entitlement application deposit accounts or within the City's annual budget.

**Attachments:** [1. PSA Environmental List](#)

7. [ADAMS AVENUE AND PINECREEK DRIVE INTERSECTION 24-026 PROJECT, FEDERAL PROJECT NO. CML-5312\(104\), CITY PROJECT NO. 23-11](#)

RECOMMENDATION:

Staff recommends the City Council:

1. Adopt plans, specifications, and working details for the Adams Avenue and Pinecreek Drive Intersection Project, Federal Project No. CML-5312(104), City Project No. 23-11, and find the project categorically exempt from CEQA.
2. Approve a Public Works Agreement (PWA) in the amount of \$2,877,242, and a ten percent (10%) contingency in the amount of \$287,724 to Gentry General Engineering, Inc., 320 West Tropica Rancho Road, Colton, California 92324.
3. Approve a Professional Services Agreement (PSA) in the amount of \$209,762 and a ten percent (10%) contingency in the amount of \$20,976, to Interwest Consulting Group, Inc., 444 North Cleveland Avenue, Loveland, Colorado 80537, for construction management services for the Adams Avenue and Pinecreek Drive Intersection Project.
4. Approve a budget transfer, authorizing the use of the Measure "M2" Fairshare Fund from the Citywide Street Improvements project budget (400015) in the amount of \$705,500, and appropriation of \$750,000 from the Traffic Impact Fee Fund balance, to the Adams Avenue and Pinecreek Drive Intersection Project.
5. Authorize the City Manager and the City Clerk to execute the PWA and the PSA and any future amendments to the agreement within Council authorized limits.

**ENVIRONMENTAL DETERMINATION:**

The proposed project is exempt from the California Environmental Quality Act (CEQA). The project involves an organizational or administrative activity of government that will not result in direct or indirect physical change in the environment. The proposed project is categorically exempt under Section 15301 relating to the operation, repair, maintenance, permitting, and/or minor alteration of existing public facilities. A Notice of Exemption was prepared by City Staff and was filed and posted at the Orange County Clerk-Recorder Department on March 4, 2022. The Notice of Exemption was subsequently posted to the Office of Planning and Research on March 22, 2022.

The proposed project is categorically excluded from the National Environmental Policy Act (NEPA). Per the Code of Federal Regulations 23 CFR 771.117(c)(3),

the construction of bicycle and pedestrian lanes, paths, and facilities are considered actions that meet the criteria for categorical exclusions from NEPA and are deemed to not have any significant environmental impacts. A Preliminary Environmental Study classifying the project as categorically excluded was submitted to the California Department of Transportation (Caltrans) on December 20, 2021. On December 21, 2021, Caltrans provided concurrence with the NEPA determination of Categorical Exclusion.

**Attachments:** [1. Bid Abstract](#)  
[2. Interwest Proposal](#)

8. **AWARD MAINTENANCE SERVICES AGREEMENTS FOR AS 24-048  
NEEDED FIRE EQUIPMENT MAINTENANCE, ANNUAL INSPECTION  
AND TESTING SERVICES**

RECOMMENDATION:

Staff recommends the City Council:

1. Award Maintenance Services Agreements (MSAs) to Bit Pros, Incorporated, and Performance Truck Repair, Incorporated, for as needed fire equipment maintenance, annual inspection and testing services for a five-year period, for an annual amount of \$200,000.
2. Authorize a ten percent (10%) contingency of \$20,000 annually for unforeseen costs and approval for Consumer Price Index (CPI) escalation and de-escalation.
3. Authorize the City Manager and City Clerk to execute the agreements and future amendments to the agreements within Council authorized limits.

**Attachments:** [1. MSA - Performance Truck Repair](#)  
[2. MSA - Bit Pros Inc](#)



9. [APPROVE INCREASES IN PURCHASING AUTHORITY TO 24-049 AGREEMENTS FOR VEHICLE PARTS AND SERVICES](#)

RECOMMENDATION:

Staff recommends the City Council:

Approve and authorize the City Manager to execute change orders that would authorize an increase in purchase authority of up to \$175,000 to each of the following purchase orders for services and vehicle parts for the remainder of the current fiscal year and annually thereafter:

- Ford Motor Company
- NAPA Auto Parts
- South Coast Emergency Vehicle Services
- Southern California Fleet Services

10. [RESIDENTIAL PERMIT PARKING PROGRAM - JOANN STREET AND 24-050 FEDERAL AVENUE](#)

RECOMMENDATION:

Staff recommends the City Council:

Adopt the proposed Resolution No. 2024-xx, approving the implementation of a Resident Permit Parking (RPP) only restriction on Joann Street between Placentia Avenue and Federal Avenue and on Federal Avenue between Joann Street and Darrell Street, and authorizing the Transportation Services Manager to extend the restriction within a 1,000-foot radius as needed, based on a qualifying petition from affected residents and Council-adopted guidelines.

**Attachments:** [1. Joann and Federal Permit Parking Resolution](#)  
[2. Revised Guidelines and Policies July 2022](#)  
[3. Joann and Federal Map](#)

11. DESIGNATION OF CITY NEGOTIATORS FOR THE COSTA MESA 24-052  
CITY FIRE MANAGEMENT ASSOCIATION (CMFMA) MEET AND  
CONFER AND AUTHORIZATION TO PROCEED WITH THE  
FINANCIAL ANALYSIS OF THE CURRENT MOU PER THE  
TRANSPARENCY IN LABOR NEGOTIATIONS COUNCIL POLICY

RECOMMENDATION:

Staff recommends the City Council:

1. Designate City Manager Lori Ann Farrell Harrison as the City's Principal Negotiator, Deputy City Manager Alma Reyes, Human Resources Manager Kasama Lee, Human Resources Administrator Fanni Acosta and Finance Director Carol Molina as the City's representatives in negotiations with the CMFMA.
2. Authorize staff to have the independent fiscal analysis of the current CMFMA 2017-2024 Memorandum of Understanding (MOU) completed per the requirements of the Transparency in Labor Negotiations Council Policy.

**AT THIS TIME COUNCIL WILL ADDRESS ANY ITEMS PULLED FROM THE CONSENT  
CALENDAR**

-----END OF CONSENT CALENDAR-----

**PUBLIC HEARINGS:**

(Pursuant to Resolution No. 05-55, Public Hearings begin at 7:00 p.m.)

1. [REVIEW OF THE PLANNING COMMISSION'S DECISION TO DENY 24-031 PLANNING APPLICATION 22-22 FOR A CONDITIONAL USE PERMIT TO OPERATE A RETAIL CANNABIS STOREFRONT BUSINESS WITH DELIVERY LOCATED AT 1858 NEWPORT BOULEVARD \("EVOLV HERBAL"\)](#)

**RECOMMENDATION:**

Staff recommends the City Council review the Planning Commission's decision to deny Planning Application 22-22.

**Attachments:** [Agenda Report](#)

- [1. Resolution for Approval](#)
- [2. Resolution for Denial](#)
- [3. Filed Review Application](#)
- [4. Applicant supplemental letter](#)
- [5. Planning Commission approved minutes](#)
- [6. Planning Commission Resolution](#)
- [7. Planning Commission Public Comments](#)

**OLD BUSINESS: NONE.**

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**NEW BUSINESS:**

1. [CITY OF COSTA MESA, COSTA MESA FINANCING AUTHORITY, 24-045 AND COSTA MESA HOUSING AUTHORITY FINANCIAL STATEMENTS, AND HOUSING SUCCESSOR ANNUAL REPORT FOR THE PERIOD ENDING JUNE 30, 2023.](#)

**RECOMMENDATION:**

1. Staff recommends the City Council receive and file the following reports for the fiscal year ended June 30, 2023:
  - a. Annual Comprehensive Financial Report (ACFR) (Attachment 1).
  - b. Air Quality Improvement Fund Compliance Report (Attachment 2).
  - c. Audit Communication Letter (Attachment 3).
  - d. Independent Accountant's Report on Agreed-Upon Procedures Applied to Appropriation Limit Worksheets (Attachment 4).
2. Staff recommends the City Council and Costa Mesa Financing Authority receive and file the Costa Mesa Financing Authority audited financial statements for the fiscal year ended June 30, 2023 (Attachment 5).
3. Staff recommends the City Council and Housing Authority receive and file the following reports for the fiscal year ended June 30, 2023:
  - a. Independent Financial Audit of the Costa Mesa Housing Authority, including the Low and Moderate Income Housing Asset Fund (Attachment 6); and
  - b. The Fiscal Year 2022-23 Housing Successor Annual Report prepared under the California Health and Safety Code Section 34176.1 as the housing successor and Section 34328 as a housing authority (Attachment 7).

**Attachments:** [1. FY 2022-23 Annual Comprehensive Financial Report](#)  
[2. FY 2022-23 Air Quality Improvement Fund Compliance Report](#)  
[3. FY 2022-23 Audit Communication Letter](#)  
[4. FY 2022-23 Report on Agreed-Upon Procedures Applied to Appropriation Limit Worksheets](#)  
[5. FY 2022-23 Costa Mesa Financing Authority Financial Statements](#)  
[6. FY 2022-23 Costa Mesa Housing Authority Financial Statements](#)

2. [URBAN MASTER PLAN SCREENING REQUEST \(UMP-21-007\) FOR A 24-038 MIXED-USE DEVELOPMENT AT THE CITY'S SENIOR CENTER TO CONSTRUCT AND OPERATE A 60-UNIT AFFORDABLE SENIOR HOUSING PROJECT LOCATED AT 695 WEST 19TH STREET](#)

RECOMMENDATION:

Staff recommends the City Council review and provide feedback on the proposed 60-unit mixed-use development at 695 West 19th Street located in the 19 West Urban Plan area.

**Attachments:** [Agenda Report](#)

- [1. Urban Plan Summary](#)
- [2. Applicant Letter](#)
- [3. Conceptual Plans](#)
- [4. Parking Analysis](#)

3. ["THE 12" GYM NOISE STUDY](#) [24-037](#)

RECOMMENDATION:

Staff recommends the City Council receive and file the noise study report prepared by Sound Media Fusion related to resident concerns regarding potential noise ordinance violations from business operations at "The 12" gym, located at 140 East 17th Street, Suite B, in Costa Mesa.

**Attachments:** [Agenda Report](#)

- [1. Letter to Wendy Simao](#)
- [2. Noise Study](#)
- [3. PA-92-46 and RA-92-07 Report](#)
- [4. ZA-02-29 Report](#)
- [5. ZA-18-59 Report](#)

4. [ADOPTION OF THE MEMORANDUM OF UNDERSTANDING 24-053  
BETWEEN THE CITY OF COSTA MESA \(CITY\) AND THE COSTA  
MESA FIREFIGHTERS ASSOCIATION \(CMFA\) AND THE ADOPTION  
OF ACCOMPANYING SALARY RESOLUTION FOR CMFA](#)

RECOMMENDATION:

Staff recommends the City Council:

1. Approve and Adopt the Memorandum of Understanding between the City of Costa Mesa and CMFA.
2. Approve and Adopt Resolution Number 2024-XX revising the pay ranges for CMFA.
3. Authorize the City Manager and members of the City's Negotiation Team to execute the Memorandum of Understanding documents.

**Attachments:** [1. CMFA Resolution](#)  
[2. CMFA 2024 MOU](#)

5. [ADOPT RESOLUTION APPROVING FY 2024-25 RECOGNIZED 24-002 OBLIGATION PAYMENT SCHEDULE \(ROPS\) FOR THE COSTA MESA SUCCESSOR AGENCY AND THEN APPROVE DISSOLUTION OF THE SUCCESSOR AGENCY TO THE COSTA MESA REDEVELOPMENT AGENCY](#)

RECOMMENDATION:

Staff recommends the City Council/Successor Agency Board:

1. Approve a Resolution of the City Council/Successor Agency Board of the City of Costa Mesa, California, approving the Recognized Obligation Payment Schedule (ROPS) in the amount of \$0 for the Fiscal Year 2024 -25 (Attachment 1 and Exhibit A).
2. Approve a Resolution of the City Council/Successor Agency Board of the City of Costa Mesa, California, requesting the Oversight Board, Orange County Auditor-Controller and California Department of Finance approve of the dissolution of the Successor Agency to the Costa Mesa Redevelopment Agency (Attachment 2).
3. Direct the submission of the Resolutions to the Orange County Auditor-Controller and the California State Department of Finance.

**Attachments:** [1. Resolution ROPS FY 2023-24](#)  
[2. Resolution to Dissolve the Successor Agency](#)  
[3. Exhibit A -ROPS Payment Schedule 24-25](#)

**ADDITIONAL COUNCIL/BOARD MEMBER COMMITTEE REPORTS, COMMENTS, AND SUGGESTIONS**

**ADJOURNMENT**



# CITY OF COSTA MESA

## Agenda Report

77 Fair Drive  
Costa Mesa, CA 92626

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**File #:** 24-047

**Meeting Date:** 2/6/2024

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**TITLE:**

Proclamation: 2024 Black History Month

**DEPARTMENT:** City Manager's Office





**WHEREAS**, Black History Month started in 1926 when distinguished Black author and founder of the Association for the Study of African American Life and History, Dr. Carter G. Woodson, launched Negro History Week to celebrate and showcase the historical contributions of Black Americans; and

**WHEREAS**, Dr. Carter G. Woodson selected the second week of February because it included the birthdays of Frederick Douglass and Abraham Lincoln, which had been notable dates for the Black community since the start of the twentieth century; and

**WHEREAS**, in 1976, it evolved into a month-long celebration, when President Gerald Ford officially recognized the month of February as Black History Month to highlight the contributions that Black Americans have made in every field, from science, the arts to politics, and religion; and

**WHEREAS**, the Black History Month theme for 2024, African Americans and the Arts, explores the key influence African Americans have had in the fields of visual and performing arts, literature, fashion, folklore, language, film, music, architecture, culinary and other forms of cultural expression; and

**WHEREAS**, Black History Month is a time for all Americans to reflect on both the history and teachings of Black Americans and to focus on the progress, richness, and diversity of Black American achievements; and

**WHEREAS**, Black History is not just about the struggles Black families have been through, but rather it is a time of rejoicing, celebrating accomplishments, integrity, leadership, and determination, and showing true character; and

**WHEREAS**, the City of Costa Mesa continues to work toward becoming a more inclusive community in which all citizens are respected and recognized for their contributions and potential contributions to our community; and

**WHEREAS**, the City of Costa Mesa is proud to honor the history and contributions of Black Americans in our community, throughout our state and nation.

**NOW, THEREFORE, I**, John B. Stephens, Mayor of the City of Costa Mesa, do hereby proclaim the month of February 2024 as **Black History Month** in the City of Costa Mesa and encourage all residents to join me in celebrating the diversity and character of our community and to continue to work towards the ideals of equality, freedom, and justice.

**Dated** this 6<sup>th</sup> day of February 2024.

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John B. Stephens, Mayor of the City of Costa Mesa



# CITY OF COSTA MESA

## Agenda Report

77 Fair Drive  
Costa Mesa, CA 92626

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**File #:** 24-063

**Meeting Date:** 2/20/2024

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**TITLE:**

Proclamation: 211 OC Month

**DEPARTMENT:**

City Manager's Office



**WHEREAS,** 2-1-1 OC is a trusted information and referral service that provides individuals across the county with connections to community, health, and disaster-related services; and

**WHEREAS,** by dialing the three-digit code (2-1-1), Orange County residents can speak with highly trained staff 24 hours a day, 365 days a year, and receive real-time assistance in over 150 languages; and

**WHEREAS,** 2-1-1 OC services the entire county and is available via phone, text, and web, and is tailored to provide people of all income levels, languages, and cultural backgrounds with unique resources specific to their concerns and geographic location; and

**WHEREAS,** 2-1-1 OC consistently assists with identifying emerging needs and can relay valuable insights to public officials at local, regional, and state levels; and

**WHEREAS,** 2-1-1 OC provides emergency operations during times of natural and other disasters, including providing accurate and timely information for preparations and longer-term referrals for follow-up services, as evidenced by its role in supporting the Orange County Office of Emergency Services during wildfires and other natural disasters; and

**WHEREAS,** since 2006, 2-1-1 OC call specialists have assisted with more than 5,400,000 requests for help, averaging 300,000 per year to locate community, health, and disaster-related services; and

**WHEREAS,** during uncertain economic times, the demand for rapid response assistance and complex case management increases significantly; and

**WHEREAS,** 2-1-1 OC has demonstrated its capabilities as an experienced responder able to scale its infrastructure and offer new services quickly, such as addressing rising food insecurity and assisting people for whom online forms present language, digital literacy, or internet access challenges; and

**WHEREAS,** the City of Costa Mesa commits to promoting the 2-1-1 OC service so that all Costa Mesa residents have equitable access to this critical service providing anti-poverty, housing support, family and child support, aging and disability, health equity, and disaster resource connections; and

**NOW, THEREFORE, I,** John B. Stephens, Mayor of the City of Costa Mesa, do hereby proclaim the month of February 2024 as **2-1-1 OC Month** in the City of Costa Mesa. Recognizing the occasion is crucial to promoting and strengthening 2-1-1 OC, which provides Orange County community members with free and confidential referrals to needed resources.

**Dated** this 20<sup>th</sup> day of February 2024.

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John B. Stephens, Mayor of the City of Costa Mesa



# CITY OF COSTA MESA

## Agenda Report

77 Fair Drive  
Costa Mesa, CA 92626

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**File #:** 24-032

**Meeting Date:** 2/20/2024

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**TITLE:**

**PROCEDURAL WAIVER: WAIVE THE FULL READING OF ALL ORDINANCES AND RESOLUTIONS**

**RECOMMENDATION:**

City Council and Housing Authority approve the reading by title only and waive full reading of Ordinances and Resolutions.



# CITY OF COSTA MESA

## Agenda Report

77 Fair Drive  
Costa Mesa, CA 92626

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**File #:** 24-033

**Meeting Date:** 2/20/2024

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**TITLE:**

**READING FOLDER**

**DEPARTMENT:** City Manager's Office/City Clerk's Division

**RECOMMENDATION:**

City Council receive and file Claims received by the City Clerk: Joseph Arriola, Timothy Campagna, Khosrow Jahanbin, Debbie Kaste, William Laidlaw, Walter MacDonald, Kamran Moghaddam, Tomsit Ungrangsee.



# CITY OF COSTA MESA

## Agenda Report

77 Fair Drive  
Costa Mesa, CA 92626

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**File #:** 24-034

**Meeting Date:** 2/20/2024

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**TITLE:**

**ADOPTION OF WARRANT RESOLUTION**

**DEPARTMENT:** Finance Department

**PRESENTED BY:** Carol Molina, Finance Director

**CONTACT INFORMATION:** Carol Molina at (714) 754-5243

**RECOMMENDATION:**

City Council approve Warrant Resolution No. 2711.

**BACKGROUND:**

In accordance with Section 37202 of the California Government Code, the Director of Finance or their designated representative hereby certify to the accuracy of the following demands and to the availability of funds for payment thereof.

**FISCAL REVIEW:**

Funding Payroll Register Nos. 23-26 for \$3,922,875.42, 23-26 "A" for \$0.00 24-01 for \$3,539,072.95, 24-02 for \$3,337,783.79; and City operating expenses for \$4,644,027.06.

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246083	12/22/23	P	CalPERS Long-Term Care Program	0000006287	85.42
		Line Description: Payroll Deduction 23-26			
0246084	12/22/23	P	Pamela Lilly	0000025324	750.00
		Line Description: Payroll Deduction 23-26			
0246085	12/22/23	P	State of California	0000001546	760.97
		Line Description: Payroll Deduction 23-26			
TOTAL					\$1,596.39

282,877.93
37,856.80
144,753.69
(9,000.00)
944,874.19
1,596.39
1,402,959.00

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246054	12/22/23	O	Southern California Edison Company. <i>Line Description:</i> Overflow	0000004088	0.00
TOTAL					0.00



Bank: DDP1  
Cycle: ADDEP1

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
016752	12/19/23	P	US Bank	0000002228	282,877.93
<i>Line Description:</i>					
Range Supplies					
Tuition/PC 832/Pham					
Lodging/EVOC/Working					
Tuition for Officers					
Tuition/Blood Evidence					
Tuition/MMASC Conf/Wang					
Tuition/Adv Peer Support					
Tuition/CATO Conf Officers					
Airfare/ABC-OTS Grant/Smith					
Refund of Hotel Deposit/Olson					
Lodging/CALNENA Meeting Ruffal					
Lodging/Fingerprint Officer Co					
Lodging/SWAT Team Leader/Peter					
Lodging/Shooting Incident Reco					
Tuition/Public Records Act/Cha					
Dais/Snacks-Council					
Annual Energy Conf Reg					
reMarkable Monthly Fee					
Catering-City/District Liaison					
ICSC 24 Conf Booth Space Renta					
Tuition/Traffic Safety					
Parking Fee/POST Mgt Seminar					
Tuition/Drug Abuse Recognition					
Batteries, Tools, Antenna					
ICMA Conf-Travel					
Credit-Conf Lodging					
Business Mtg-Directors/Nwpt CM					
League of Cal Cities Conf-Lodg					
League of Cal Cities Conf-Meal					
League of Cal Cities Conf-Trav					
Personal Charge (Reimb Attachd					
Candy/Prizes for Events					
RTC					
Monthly Membership					
IACP Conference Hotel Room					
Membership-Reena Leffingwell					
Pre-meeting Food					

Payment Ref	Date	Status	Remit To	Remit ID		Payment Amt
			Line Description:			
			Pre-meeting Water			
			Prime Monthly Fee			
			Dept Meeting Lunch			
			Dept Office Supplies			
			Food/Drinks-Meetings			
			Food/Drinks-Committee Mtg			
			Storage Bins-Event Equipment			
			Name Plates-Public Mtgs/Partit			
			MMASC Membership Renewal			
			Accessibility Software Online			
			Vendor-Hispanic Heritage Mo Ev			
			MMASC Memberhsip Renewal			
			Candy Participants Community I			
			Intercom System Code Enforceme			
			MMASC Registration SM Katie An			
			Trainer Belt, Khaki Pants, Sto			
			Restoration Signs			
			Backpack Sprayer-Irrigating Sm			
			Pro Dev-CEQA-UCSD Extended Stu			
			Small Tools			
			Bulldog Clips for Flyers Wagon			
			Reconnection-Ne Br/As AI-OK			
			Moving Outreach Client into Ho			
			Pro Dev Mailing			
			Prime Membership			
			Ride Share Clients			
			Mileage App Subscription			
			iCloud Storage Subscription			
			Reconnection Client Do Ow IN			
			Water Bottle Outreach Clietns			
			Desk Top Dry Erase Board			
			IACP Conference Hotel Room			
			ICMA Membership-CM			
			ICMA/League of CA-Pro Dev			
			Business Mtg Food/Refreshm-CMO			
			Hispanic Heritage Event Reresh			
			Food for Trump Incident			
			Ice/Water/Plate for Trump Inci			
			Bodi Check-Up			

Bank: DDP1  
Cycle: ADDEP1

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
			<i>Line Description:</i>		
			Bodi Follow Up/X-Rays		
			Bodi Yearly Exam/Meds		
			4x Registration COPSWEST Expo		
			Detergents Cleaning Solutions		
			Replace Broken Microwave Jail		
			Coffee-CMO		
			Hotel Stay Deposit		
			reMarkable Monthly Fee		
			ICMA Conf Flight-Dep CM		
			Refund-Event Registration		
			Paper Supplies-Central Svs		
			Refund-Price Change (Flight)		
			Refreshments-Legal Aid Workshp		
			Refreshments-SOY Back to Schoo		
			Reg-Deputy City Manager (ICMA)		
			MAIT Equipment		
			Traffic Equipment		
			Animal Srvs Supplies		
			Animal Srvs-Supplies		
			DUI Checkpoint Light		
			Barktober Fest Supplies		
			OC Reg/NY,LA Times/CC-Mos Fees		
			Animal Srvs Food & Supplies		
			Animal Srvs Office Supplies		
			Animal Srv Special Event Suppl		
			Water-Conference Room Meeting		
			Frames for Employee Recognitio		
			Monthly Cloud Subscription		
			Annual Subscription Premier		
			Annual Subscription InShot App		
			IACP Conference Hotel Room		
			IACP Conference Hotel Room		
			City Council Meeting-Meal		
			Drink Dispenser-Event-Salem		
			Giveaways-Sustain. Decathalon		
			WEL Dual Cert Prgm Reg-Sus Mgr		
			Tactical Patrol Bag 37 Liters		
			Canva Yearly Charge		
			City Council Letter to State		

Bank: DDP1  
Cycle: ADDEP1

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
		Line Description:	Red Tape Red Carpet Reg Form		
			MMASC Yrly Membership-DCM/SrMA		
			Health Fair		
			Venue for Interviews		
			Conference Lodging		
			Water at Conference		
			Event Supplies		
			Office Supplies		
			Canva Yearly Charge		
			Special Event Supplies		
			WILS-Annual Membership		
			Pro Dev-Women in Leisure Svs		
			Job Advertisement		
			Equip-Rec Class		
			Office Supplies		
			Rec Games-Seniors		
			Supp-Sr Ctr Events		
			Supplies-NHCC Events		
			Emergency Supp-Center		
			Supplies-Halloween Event		
			Food/Supp-Health Fair Expo		
			Supplies-Breakfast w Santa		
			Trivia Maker-Special Events		
			Pumpkins-LEAP Trick or Treat		
			Registration-Senior Symposium		
			Refund-Cambro Deposit		
			Coffee-Knowledge/Health Fair		
			Arts/Crafts Supp-Scarecrow Fes		
			Reg-Lifeguard Instructor Train		
			Office Supp-Fields/Cash Box		
			Sporting Equip-Adult Basketbal		
			Health Fair		
			Office Supplies		
			Oral Board Meal		
			Job Advertisement		
			Webinar Training		
			Conference Lodging		
			Training Refreshments		
			Oral Board Refreshments		

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
		Line Description:	Purchase Reimbursements		
			Rec Equip-LEAP		
			Tools/Equip-LEAP		
			Health Equip-LEAP		
			Office Supp-ROCKS		
			Art/Crafts Supp-LEAP		
			Art/Crafts Supp-Artventure		
			Sandwiches, Utensils, Coffee		
			Registration City Clerk Employ		
			Office Supp-ROCKS		
			Rec Equip-Day Camp		
			Rec Equip-Youth Sports		
			Office Supp-Youth Sports		
			Rec Equip-Mobile Recreation		
			Participant Clothing-Day Camp		
			JBL Tunebuds x3		
			Apple USB-C Charging Cable		
			Mounting Kit for HPE Aruba		
			Mount Pro Triple Monitor Desk		
			Standard Wildcard SSL Renewal		
			JSAIX 100W USB Charging Cables		
			Norton 360 Deluxe Subs Renewal		
			Mouse for Staff		
			Headphones for Staff		
			Office Supplies for Staff		
			Refreshments Business Meeting		
			Supplies for CyberSecurity Tra		
			Adapter Cable		
			4K Display Port		
			Monthly Fee On-Line Meeting PI		
			Monthly Fee On-Line Queing Sys		
			Monthly Fee for On-Line Meetin		
			Credit for Closed Account		
			Annual Conference-Coronado		
			Rec Equip-ROCKS		
			Office Supp-ROCKS		
			Drawing Supp-ROCKS		
			Art/Crafts Supp-ROCKS		
			Monthly Tablet Subscription		

Bank: DDP1  
Cycle: ADDEP1

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
		Line Description:	Credit for Cancellation of Mic		
			Food/Supp-Teen Center		
			Rec Equip-Teen Center		
			Smoke Alarm for Sta 5		
			Uniforms		
			Food/Supp-Day Camp		
			Rec Equip-Day Camp		
			Participant Clothing-Day Camp		
			Event Equipment		
			Pro Dev Training		
			Art Event/Supplies		
			Rec Equip-Community Gardens		
			Kitchen Equipment-DRC		
			Rec Supp-Scarecrow Festival		
			Office Supplies-Sr Rec Supervi		
			Facility Reservation FDC		
			Wall Clock Planning Area		
			Cannabis Cloud Base Storage		
			Cannabis Software Applicaiton		
			Refund for FDCS Plan Communit		
			1-Year URL Subscription for fd		
			10 Custom Name Tags Planning C		
			Cannabis Software Apps for Sub		
			International City/Council Man		
			Planning Commission Business M		
			Ticket/Attendance Economic For		
			Purchase Reimbursement		
			Rec Equip-ROCKS		
			Office Equip-ROCKS		
			Atrs/Crafts Supp-ROCKS		
			Snacks and Classroom Supplies		
			Printable ID Cards for aed Pro		
			Food-Pre-meeting		
			Parking-OC Arts Award Ceremony		
			Supp/Food-Staff-Scarecrow Fest		
			October Meeting Arnold & Ben		
			Luke Senger PC832 Certificatio		
			Snacks-Art Crawl		
			Decor-Access CM Wicked Dance		

Bank: DDP1  
Cycle: ADDEP1

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
		Line Description:	Parking-Arts OC Award Ceremony		
			CFA Grad Shirts		
			CFA Class&Trianing Supplies		
			Public Ed Outreach Material		
			CERT Decathlon Perpetual Plaqu		
			Food-Knowledge/Health Fair		
			Food-Veterans Social Group		
			Refreshment-Veterans Social Gr		
			Frames		
			Stae of the Schools Breakfast		
			Uniform Shirt for Luke Senger		
			Water&Gatorade; Sta 1 3 4 5 6		
			Public Safety Open House Event		
			Supplies for Captain's Academy		
			Supplies for Promotion Ceremon		
			Water for Sta 4 Captains Acade		
			Health Items-DAC		
			Office Equip-DAC		
			Art/Crafts Supp-DAC		
			Office Supp-DAC/DRC		
			General Training-AFO Course		
			Rec Equip-Scarecrow Festival		
			Image Subs/Dues		
			Vacuum for Sta 5		
			Prime Memberships		
			File Sharing Platform		
			Bunk Rooms Inspections		
			Sta 1 Fridge Diagnosis		
			Graphic Making Subs Annual		
			Credit Applied Back to Card		
			Key Vault Per Captain Turner		
			Space Heater-Kristin Stevens		
			Sta 3 Washing Machine Repair		
			Lights for Outdoor CERT CFA CR		
			Portable Restroom for Annual O		
			TV Mount Sta 1 Captains Office		
			Tablet Mount Drink Holders App		
			Office Supplies		
			Supp-Craft Class		

Payment Ref	Date	Status	Remit To	Remit ID		Payment Amt
			<div>Line Description:</div> <div>Supp-Poker Class Supp-Emergency Bags Supp-Halloween Bash Supp-Special Events Supp-LEAP Trick or Treat Supp-Pumpkin Carving Class Refreshments-Coffee Station Refreshements-Staff Training Supp/Refreshments-Health Fair Netflix/Spotify/Cricut Mon Fee Refreshments-Volunteer Meeting Conference Payment Membership Payment Water for Open House Credit for Double Payment Water&amp;Food for Open House Snacks&amp;Water Captain Academy Breakfast for Captain Academy Hotel at Cal Chiefs Conference Lunch Breakfs Captains Academy Lunches&amp;Snacks Captains Academ Transporation Cal Cheifs Confe Subs 1 yr Hotel;Cal Cities Conf Lunch; Cal Cities Conf. Registration FC Leadership Coffee for Command Staff Meeti Hotel; Cal Cities Cheif Stefan Transportation Cal Cities Conf Event Supplies External Speakers-Maint Room 2 Seminars-Qualified App Lices Water Tank-Asphalt Wacker Edger 6X6X1/4 Radius/10x3 Trow Department Meeting W2's and Envelopes Monthly Connection Fee Budget Award Application CSMFO Annual Conference 2024</div>			





Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
016753	12/19/23	O	US Bank <i>Line Description: Overflow</i>	0000002228	0.00
016754	12/19/23	O	US Bank <i>Line Description: Overflow</i>	0000002228	0.00
016755	12/19/23	O	US Bank <i>Line Description: Overflow</i>	0000002228	0.00
016756	12/19/23	O	US Bank <i>Line Description: Overflow</i>	0000002228	0.00
TOTAL					0.00

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
016757	12/22/23	P	Alisa Ochoa	0000029944	300.00
			Line Description: Arts Comm Mtg Oct-Dec 23		
016758	12/22/23	P	Allison Mann	0000001338	300.00
			Line Description: Arts Comm Mtg Oct-Dec 2023		
016759	12/22/23	P	Bryan Wadkins	0000005802	704.35
			Line Description: Exec Dev Crs Conf		
016760	12/22/23	P	CHC: Creating Healthier Communities	0000008015	10.00
			Line Description: Payroll Deduction 23-26		
016761	12/22/23	P	Charlene M Ashendorf	0000017428	300.00
			Line Description: Arts Comm Mtg Oct-Dec 2023		
016762	12/22/23	P	Costa Mesa Employees Association	0000006284	4,281.50
			Line Description: Payroll Deduction 23-26		
016763	12/22/23	P	Costa Mesa Executive Club	0000006286	145.00
			Line Description: Payroll Deduction 23-26		
016764	12/22/23	P	Costa Mesa Firefighters Association	0000001812	8,227.39
			Line Description: Payroll Deduction 23-26		
016765	12/22/23	P	Costa Mesa Police Association	0000001819	7,200.00
			Line Description: Payroll Deduction 23-26		
016766	12/22/23	P	Costa Mesa Police Management Assn	0000005082	315.00
			Line Description: Payroll Deduction 23-26		

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
016767	12/22/23	P	Deborah Wondercheck	0000029941	300.00
		Line Description: Arts Comm Mtg Oct-Dec 2023			
016768	12/22/23	P	Enterprise Rent A Car	0000002131	10,298.44
		Line Description: Undercover Car Rental			
		Undercover Car Rental			
		Undercover Car Rental			
		Undercover Car Rental			
		Undercover Car Rental			
		Undercover Car Rental			
		Undercover Car Rental			
016769	12/22/23	P	Erica Lucia	0000029943	300.00
		Line Description: Arts Comm Mtg Oct-Dec 2023			
016770	12/22/23	P	Hans Guenther	0000015579	80.00
		Line Description: Supervisory Course			
016771	12/22/23	P	Heidi Zuckerman	0000029942	300.00
		Line Description: Arts Comm Mtg Oct-Dec 2023			
016772	12/22/23	P	Jack R. Sweeney	0000030173	4,160.00
		Line Description: 3190 E Airport Loop Rent-Jan 2			
016773	12/22/23	P	Jake Jacobi	0000023514	87.62
		Line Description: Internal Affairs			
016774	12/22/23	P	Jose Morales	0000012449	500.00
		Line Description: Clothing Reimbursement			

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
016775	12/22/23	P	Mikelle Daily	0000029937	47.50
			Line Description: Principles of Gvt Contracts Bk		
TOTAL					\$37,856.80

Bank: CITY  
Cycle: ANNUAL

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0245936	12/19/23	P	Mercy House	0000003138	144,753.69
<i>Line Description:</i> CMBS Shelter Ops Sept 23					
TOTAL					<u>\$144,753.69</u>

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0245938	12/22/23	P	Admin Sure Inc	0000021568	16,640.00
		Line Description:	Workers Comp Claims Admin Fee		
0245939	12/22/23	P	Association of California Cities	0000003059	18,258.90
		Line Description:	2024 OC Membership		
0245940	12/22/23	P	Benefit Coordinators Corp	0000029594	41,975.40
		Line Description:	VSP Ins Prem Dental Ins Prem		
0245941	12/22/23	P	Bracken's Kitchen Inc	0000029468	16,326.56
		Line Description:	CMBS Meal Service 12/4-12/17		
0245942	12/22/23	P	D & R Office Works Inc	0000029056	25,916.34
		Line Description:	Office Furniture for Balearic		
0245943	12/22/23	P	Endemic Environmental Services Inc	0000021277	25,300.00
		Line Description:	FVP Wetland Maint/Rehab Nov 23		
0245944	12/22/23	P	Glenn Lukos & Associates Inc	0000011626	41,521.48
		Line Description:	FVP Vernal Pools Restoration FVP Vernal Pool Restoration		
0245945	12/22/23	P	LINA	0000015623	32,595.37
		Line Description:	LTD Ins Prem Dec 23 Retiree Life Ins Prem Dec 23 Active Life/AD&D Ins Prem Dec Voluntary Life Ins Prem Dec 23 NYL Admin Fee Nov 2023		

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0245946	12/22/23	P	Newport Center Animal Hospital	0000025961	21,000.00
		Line Description:	Animal Service Animal Shelter Nov 2023		
0245947	12/22/23	P	Ralph Andersen & Associates	0000005601	56,400.00
		Line Description:	Excutive Recruitment Excutive Recruitment Excutive Recruitment Excutive Recruitment Excutive Recruitment		
0245948	12/22/23	P	SCA of CA, LLC	0000029971	130,257.87
		Line Description:	Cleanstreets Sweeping Powerwashing Newport Blvd West Bi-Weekly Pressure Washing Bus CleanStreet Powerwashing		
0245949	12/22/23	P	The Code Group Inc	0000025073	23,397.78
		Line Description:	Consulting Staffing Srvs Consulting Staffing Srvs Consulting Plan Check Srvs Consulting Staffing Srvs Consulting Staff Srvs Plan Check Srvs		
0245950	12/22/23	P	Tyler Technologies Inc	0000027279	18,024.75
		Line Description:	My Civic Bundle (Citizen Engag		
0245951	12/22/23	P	Ware Disposal Inc	0000000255	27,519.26
		Line Description:	James St Trash Srvs Dec 2023 Bulky Item Dec Service Date Solid Waste Collect Srvs CF Scheduled Dump Day Events		



Bank: CITY

Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
			<i>Line Description:</i> Bulky Item Collection Late Fee Bulky Item Collection		
0245952	12/22/23	P	Water Heater Warehouse, LLC	0000030473	60,497.13
			<i>Line Description:</i> WATER HEATER REPLACEMENT WATER HEATER REPLACEMENT		
0245953	12/22/23	P	A & A Wiping Cloth Inc	0000018633	2,763.79
			<i>Line Description:</i> For Warehouse Floor Stock		
0245954	12/22/23	P	ARC	0000022726	57.73
			<i>Line Description:</i> PCS-Art on the Fifth PCS-Art on the Fifth		
0245955	12/22/23	P	AT & T Teleconference Services	0000001107	534.57
			<i>Line Description:</i> Teleconference Srvs Oct 23		
0245956	12/22/23	P	Advanced Monitoring Inc.	0000030363	960.00
			<i>Line Description:</i> FIRE ALARM MONITORING SERVICES		
0245957	12/22/23	P	Advanced Permit Services	0000023963	150.65
			<i>Line Description:</i> Refund Permit BX23-00447		
0245958	12/22/23	P	Agriserve Pest Control Inc	0000025268	1,450.00
			<i>Line Description:</i> Fruit Suppression Fruit Suppression Disease Suppression Fruit Suppression		
0245959	12/22/23	P	Ai Ley Tan	0000029642	750.00
			<i>Line Description:</i> Health Wellness November 2023		

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0245960	12/22/23	P	Akeso Occupational Health	0000029274	10.00
			Line Description: Health Screening		
0245961	12/22/23	P	Angel Auto Spa LLC	0000027465	3,820.61
			Line Description: City Car Washes-Nov 2023		
			CMPD Car Washes Nov 2023		
0245962	12/22/23	P	Aramark Correctional Services Inc	0000013108	569.00
			Line Description: Jail Food Svc 10/26-11/15/23		
0245963	12/22/23	P	B & H Photo Video Inc	0000006056	1,072.00
			Line Description: CMTV Portable Drives		
0245964	12/22/23	P	BOA Architecture	0000025376	3,500.00
			Line Description: Finance Intake Room Proj		
0245965	12/22/23	P	Balloonigami	0000030255	640.00
			Line Description: CAMP ENTERTAINMENT		
0245966	12/22/23	P	Bee Busters Inc	0000007572	110.00
			Line Description: Bee Colony Abatement City Park		
0245967	12/22/23	P	Blue Cosmo	0000026920	684.92
			Line Description: Satellite Phone Svcs Plan Dec		
0245968	12/22/23	P	Braden & Tucci	0000011833	275.00
			Line Description: Refund Subpoena 001-00370753		

Bank: CITY

Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0245969	12/22/23	P	Brooksley Bishop	0000030466	500.00
			Line Description: Violinist Thanksgiving Lunch		
0245970	12/22/23	P	Bureau Veritas North America Inc	0000016616	2,257.98
			Line Description: Fire Plan Review		
0245971	12/22/23	P	CBE	0000015149	349.14
			Line Description: COPIER MAINT 11/5-12/4/23 COPIER MAINT 11/5-12/4/23		
0245972	12/22/23	P	CPS HR Consulting	0000001791	440.00
			Line Description: Test Rental Services		
0245973	12/22/23	P	CSG Consultants Inc	0000001887	1,039.11
			Line Description: Consult-Plan Review Svs Nov 23		
0245974	12/22/23	P	California Forensic Phlebotomy Inc	0000001500	3,437.66
			Line Description: Blood Draw Srvs Nov 2023		
0245975	12/22/23	P	Calm.com, Inc	0000029324	1,524.00
			Line Description: Additional subscriptions		
0245976	12/22/23	P	Canon Financial Services Inc	0000023241	445.00
			Line Description: COPIER LEASE DEC 2023 COPIER LEASE Dec 23 COPIER LEASE Dec 2023		
0245977	12/22/23	P	Carl Warren & Company	0000001578	4,026.17
			Line Description: Consulting-Claims Admin		

Bank: CITY

Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0245978	12/22/23	P	Cassius Rutherford	0000026851	300.00
			Line Description: Park/Comm Svs Comm Oct-Dec 23		
0245979	12/22/23	P	Chambers Law Firm	0000029871	5.97
			Line Description: Refund Subpoena 001-00373554		
0245980	12/22/23	P	Cindys Jumpers LLC	0000029874	8,175.00
			Line Description: EQUIPMENT RENTAL		
			EQUIPMENT RENTAL Snoopy House		
			Train Ride Snoopy House		
0245981	12/22/23	P	CoStar Realty Information Inc	0000024413	600.00
			Line Description: Loopnet Looplink Dec 23		
0245982	12/22/23	P	Costa Mesa Auto Glass	0000010001	830.91
			Line Description: 733-Windiw Tint		
			782-Window Tint		
			739-Window Tint		
0245983	12/22/23	P	Costa Mesa Chamber of Commerce	0000004963	2,100.00
			Line Description: Registration for State of City		
0245984	12/22/23	P	Costa Mesa Moving Company Inc	0000011098	350.00
			Line Description: Movers: Relocate 15 filing cab		
0245985	12/22/23	P	Daniels Tire Service	0000001922	6,521.19
			Line Description: Warehouse Automotive Stock		
			Fleets Tire Junk		
			For Warehouse Automotive Stock		
			Credit on Account		

Bank: CITY  
Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
			<i>Line Description:</i> For Warehouse Automotive Stock For Warehouse Automotive Stock		
0245986	12/22/23	P	Dekra-Lite	0000016194	1,892.25
			<i>Line Description:</i> Holiday Decor Snoopy House		
0245987	12/22/23	P	Digital Magic Signs	0000012837	243.73
			<i>Line Description:</i> 783-Graphics		
0245988	12/22/23	P	Diversity Builder, Inc.	0000030353	465.75
			<i>Line Description:</i> Staff Training		
0245989	12/22/23	P	ECKERSALL LLC	0000025412	855.00
			<i>Line Description:</i> Senior GIS Analyst Nov 2023		
0245990	12/22/23	P	Eagle Print Dynamics	0000026736	414.03
			<i>Line Description:</i> Apparel/Uniforms City Clerks O		
0245991	12/22/23	P	Elizabeth Dorn Parker	0000029192	300.00
			<i>Line Description:</i> Park/Comm Svs Comm Oct-Dec 23		
0245992	12/22/23	P	Entenmann Rovin Company	0000002130	2,608.82
			<i>Line Description:</i> Badges CAP&Helmet Badges		
0245993	12/22/23	P	Entrust Janitorial LLC	0000030309	875.00
			<i>Line Description:</i> Janitorial Svcs @ 3190 Airport		
0245994	12/22/23	P	FM Thomas Air Conditioning Inc	0000017151	1,093.32

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Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
			Line Description: Replaced CFM Fixed Leak Taped Up Short Wire & Replaced		
0245995	12/22/23	P	Farhan Chowdhury	0000030269	120.00
			Line Description: Basketball Referee Basketball Referee		
0245996	12/22/23	P	Federal Technology Solutions Inc	0000024174	11,358.38
			Line Description: MATERIALS Cabling Work for installation SALES TAX (7.75%) CITY HALL FIBER OPTIC CABLE AU		
0245997	12/22/23	P	Fire Information Support Services Inc	0000006757	2,200.00
			Line Description: Professional Services Jul-Nov		
0245998	12/22/23	P	Fisher Derderian	0000030055	300.00
			Line Description: Arts Comm Mtg Oct-Dec 2023		
0245999	12/22/23	P	Fred M Boerner Motor Co	0000025932	571.21
			Line Description: Brakes- 555		
0246000	12/22/23	P	Fuel Pros Inc	0000026476	8,985.78
			Line Description: Monthly DO Inspection-PD Monthly DO Inspection-PD Repair Fuel Leak- Corp Yard Monthly DO Inspection-Corp Yar Monthly DO Inspection-CY Repairs-Corp Yard Monthly DO Inspection- CY Tank Repairs-Police Dept Monthly DO Inspection-PD		

Bank: CITY  
Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
			<i>Line Description:</i> Monthly Do Inspection-FS2 Monthly DO Inspection- FS6 Monthly DO Inpsection-FS6 Monthly DO Inspection-FS6 Monthly DO Inspection-FS2 Monthly DO Inspection- FS 2 Repairs-FS 2		
0246001	12/22/23	P	GBS Linens	0000023879	1,172.24
			<i>Line Description:</i> LAUNDRY-LINEN SERVICE		
0246002	12/22/23	P	GMS Elevator Services	0000028704	2,866.64
			<i>Line Description:</i> Elevator Maintenance & Repair Elevator Maintenance & Repair Elevator Maintenance & Repair Elevator Maintenance & Repair		
0246003	12/22/23	P	Galls LLC	0000002297	2,479.32
			<i>Line Description:</i> Uniform for CSI A. Panheco Uniform E. Peralta Partial Safety Vest for CSS L. Ramirez Safety Vest for CSS D. Rubio Uniform for Officer H. McMahon Uniform CM Fire Kenji Taniguch		
0246004	12/22/23	P	General Code LLC	0000030264	675.00
			<i>Line Description:</i> eCode360 Maint 11/1/23-6/30/24		
0246005	12/22/23	P	Government Tax Consulting LLC	0000030470	12,664.00
			<i>Line Description:</i> Covid Tax Consultant		
0246006	12/22/23	P	Image Concepts	0000026883	799.51
			<i>Line Description:</i> Uniform-Field Staff		

Bank: CITY  
Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246007	12/22/23	P	Interfinish Corporation	0000014766	13,530.00
			Line Description: Carpet Replacement @ Balearic		
0246008	12/22/23	P	Interwest Consulting Group Inc	0000021505	2,466.11
			Line Description: Plan Checking Consulting Svcs		
0246009	12/22/23	P	Irv Seaver Motorcycles	0000010272	1,564.14
			Line Description: 626-Clutch Replacement		
0246010	12/22/23	P	JC Motors	0000020143	2,000.46
			Line Description: Warehouse Automotive Stock		
0246011	12/22/23	P	James Shott & Assoc	0000029647	275.00
			Line Description: Refund Subpoena 0000373307		
0246012	12/22/23	P	James Snordan	0000029974	60.00
			Line Description: Basketball Referee		
0246013	12/22/23	P	Joe Mar Polygraph & Investigation	0000027462	1,000.00
			Line Description: Polygraph Exam Nov 23		
0246014	12/22/23	P	Kelly Brown	0000029489	300.00
			Line Description: Park/Comm Svcs Comm Oct-Dec 23		
0246015	12/22/23	P	Keyser Marston Associates Inc	0000002824	11,590.00
			Line Description: Consulting Svcs Inclusionary Housing		



Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246016	12/22/23	P	Knorr Systems Inc	0000005036	526.10
			Line Description: Carbon Dioxide Refill		
0246017	12/22/23	P	Los Angeles Times	0000003000	2,597.77
			Line Description: Notice Inviting Bids Advertise Legal Publications Nov 23		
0246018	12/22/23	P	Manufactured Home Inspection, INC.	0000030219	11,975.00
			Line Description: Rehab Grant-Hoai Pham-1973 New		
0246019	12/22/23	P	Material Damage Appraisal	0000003084	135.00
			Line Description: Claim Settlement DOL 8/20/23		
0246020	12/22/23	P	Mesa Smog	0000020735	500.00
			Line Description: Smog-212		
			Smog-731		
			Smog- 311		
			Smog- 735		
			Smog- 704		
			Smog- 708		
			Smog- 709		
			Smog- 533		
			Smog - 788		
			Smog- 766		
0246021	12/22/23	P	Michael Baker International Inc	0000024229	10,656.40
			Line Description: Consulting Svcs Vista Meridian Draft, Reports, Project Manage		
0246022	12/22/23	P	Michael Balliet	0000008858	7,825.00
			Line Description: Solid Waste Consulting Nov 23		

Bank: CITY

Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246023	12/22/23	P	National Data & Surveying Services	0000021249	435.00
			Line Description: ADT/Speed Counts-Various Locat ADT/Speed Counts-Various Locat		
0246024	12/22/23	P	National Safety Compliance Inc	0000020714	140.50
			Line Description: Controlled Substances & Alcoho		
0246025	12/22/23	P	NeWave Construction Inc	0000024108	9,062.50
			Line Description: New Cabinetry & Painting for C		
0246026	12/22/23	P	Nex Tech Systems Inc	0000020700	10,837.38
			Line Description: Two Solar Rectangular Rapid FI		
0246027	12/22/23	P	Nico Hospitality LLC	0000028926	9,114.60
			Line Description: Acacia Smith 8/8-8/17/2 Alma Terriquez 10/12-10/27/23 Alma Terriquez 9/16-9/26/23 Ashley Amburgey 8/14-8/21/23 Christina Overman 8/16-8/18/23 Cynthia Arellano 10/24-11/9/23 James Smith 8/24-8/25/23		
0246028	12/22/23	P	O Neil Storage	0000018395	137.63
			Line Description: Document Storage		
0246029	12/22/23	P	OakWest Services Inc	0000029497	11,285.69
			Line Description: Curb Enhancement for W 19th St		
0246030	12/22/23	P	Omari Smith	0000029906	60.00
			Line Description: Basketball Referee		

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246031	12/22/23	P	Orange County Mosquito & Vector Control	0000021750	151.90
		Line Description:	Inspection Treatment FVP Nov 2		
0246032	12/22/23	P	PSI	0000026194	233.28
		Line Description:	Pump and Coil Fuel		
0246033	12/22/23	P	Pacific Medical Waste	0000029793	186.54
		Line Description:	Biohazard Disposal Nov 2023		
0246034	12/22/23	P	Permit Management Solutions	0000024925	1,053.00
		Line Description:	Bldg Consulting Svcs		
0246035	12/22/23	P	Post Alarm Systems Inc	0000026907	120.08
		Line Description:	Fire Alarm System Monitoring D		
0246036	12/22/23	P	Premier Security Services Inc	0000002633	6,331.39
		Line Description:	22-65hr Str Card Reader Sales Tax 7.75% 12VDC 7am Battery Adams Rite Panic Bar Power Supply Charger Single Door Access Continental panel		
0246037	12/22/23	P	Priceless Pet Rescue	0000026000	1,575.00
		Line Description:	Animal Adoption Nov 23		
0246038	12/22/23	P	Priority Landscape Services LLC	0000026592	7,280.00
		Line Description:	Tree Care&Plantings Nov 23 Landscape Maint FVP Nov 23		

Bank: CITY

Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246039	12/22/23	P	Proactive Engineering Consultants Inc	0000028916	3,997.75
			<i>Line Description:</i> Westside Storm Drain Improveme		
0246040	12/22/23	P	Quadient Inc	0000028798	26.61
			<i>Line Description:</i> POSTAGE MACHINE SUPPLIES		
0246041	12/22/23	P	Red Wing Business Advantage Account	0000003772	216.30
			<i>Line Description:</i> Safety Shoes Jose Gutierrez		
			Safty Boots Eduardo Avila		
			Safty Boots Eduardo Avila		
0246042	12/22/23	P	Resource Building Materials	0000024350	1,066.72
			<i>Line Description:</i> Fill Sand for Sand Bags		
			Fill Sand for Sand Bags		
0246043	12/22/23	P	S Gordin Structural Design &	0000014546	840.00
			<i>Line Description:</i> Structural Investigation & Rep		
0246044	12/22/23	P	SHI International Corp	0000016007	9,471.74
			<i>Line Description:</i> SHIPPING		
			VERKADA CAMERAS		
			SALES TAX (7.75%)		
0246045	12/22/23	P	Scott Glabb	0000020105	300.00
			<i>Line Description:</i> Park/Comm Svs Comm Oct-Dec 23		
0246046	12/22/23	P	Sean Simon	0000029869	60.00
			<i>Line Description:</i> Basketball Referee		
0246047	12/22/23	P	Sharpline Solutions Inc	0000025805	1,897.74

Bank: CITY

Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
<i>Line Description:</i> Themoplastic Keep&Clear Legend					
0246048	12/22/23	P	Shaw HR Consulting Inc	0000021706	7,493.95
<i>Line Description:</i> Reasonable Accommodation					
Reasonable Accomodation					
Reasonable Accommodation					
Reasonable Accommodation					
Reasonable Accommodation					
Reasonable Accommodation					
0246049	12/22/23	P	Shayanne Wright	0000030053	300.00
<i>Line Description:</i> Park/Comm Svs Comm Oct-Dec 23					
0246050	12/22/23	P	Sims Orange Welding Supply Inc	0000004030	63.17
<i>Line Description:</i> Shop Supplies					
0246051	12/22/23	P	SoftwareONE Inc	0000024168	2,515.41
<i>Line Description:</i> GOVERNMENT LICENSE					
0246052	12/22/23	P	South Coast Emergency Vehicle Services	0000003643	553.91
<i>Line Description:</i> Stock-Conversion Kit					
0246053	12/22/23	P	Southern California Edison Company	0000004088	6,712.49
<i>Line Description:</i> 152 Baker 11/7-12/7/23					
2612 Harbor 11/14-12/13/23					
707 W 18th 11/3-12/5/23					
711 W 18th 11/3-12/5/23					
1990 Placentia 11/1/2-12/4/23					
1587 Sunflower 11/6-12/6/23					
3175 Airway 11/7-12/7/23					
Arlington Ped 11/7-12/7/23					
782 Shalimar 11/6-12/6/23					
744 James 11/3-12/5/23					

Bank: CITY  
Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
			<i>Line Description:</i> Signals 11/1-11/30/23 740 James 11/3-12/5/23 734 James 11/3-12/5/23 360 Ogle 11/8-12/10/23 745 W 18th 11/3-12/5/23 3190 Airport 11/7-12/7/23 1940 Placentia 11/3-12/5/23 308 University 567 W 18th11/3-12/5/23 BCC 11/3-12/5/23 350 Bristol 2590 Placentia B 11/3-12/5/23 717 & 721 James 11/3-12/5/23 2944 Bristol 11/14-12/13/23 1040 Paularino 11/15-12/14/23 1560 Adams 11/9-12/11/23 2293 Canyon 11/3-12/5/23 744 James A 11/3-12/5/23		
0246055	12/22/23	P	Southern California Fleet Services Inc	0000030072	8,600.42
			<i>Line Description:</i> 526-Alignment 526- Replace Wiring Harness Cl Stock- Exhaust Diffuser		
0246056	12/22/23	P	Southern California Gas Company	0000004092	669.20
			<i>Line Description:</i> Bridge Shelter11/9-12/9/23		
0246057	12/22/23	P	Sparkletts	0000015725	1,086.49
			<i>Line Description:</i> Water Delivery Svcs - HR Water Delivery Svcs - Public W Water Delivery Svcs - Finance Water Delivers Svcs - Dev. Svc Water Delivery Svcs - City Cle Water Delivery Svcs - City Man Water Delivery Svcs - City Cou Water Delivery Svcs - Parks		

Bank: CITY  
Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246058	12/22/23	P	Stancil Corporation	0000021230	4,787.00
			<i>Line Description:</i> Maintenance for Stancil Voice		
0246059	12/22/23	P	State of California Dept of Justice	0000001534	147.00
			<i>Line Description:</i> Livescan/Fingerprinting Servic		
0246060	12/22/23	P	Sunset Detectives	0000026756	8,279.75
			<i>Line Description:</i> Backgrounds		
			Backgrounds		
0246061	12/22/23	P	Susan Saxe Clifford PHD	0000003932	2,250.00
			<i>Line Description:</i> Pre-Employment Psych Exam		
			Pre-Employment Psych Exam		
			Pre-Employment Psych Exam		
			Pre-Employment Psych Exam		
			Pre-Employment Psych Exam		
0246062	12/22/23	P	Talimar Systems Inc	0000025939	605.34
			<i>Line Description:</i> Furniture @ 3190 E2 Airport Lp		
0246063	12/22/23	P	Teresa Neighbors	0000030480	7,500.00
			<i>Line Description:</i> TRAINING SERVICES		
0246064	12/22/23	P	Terry Wall	0000030052	300.00
			<i>Line Description:</i> Park/Comm Svs Comm Oct-Dec 23		
0246065	12/22/23	P	The Home Depot Credit Services	0000002560	8,926.99
			<i>Line Description:</i> Tools-Park Maint		
			General Supp-Bldg Maint		
			General Supp-Graffiti Abatemen		

Bank: CITY  
 Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
			<i>Line Description:</i> Westside Restoration Project Hardware Supp-Bldg Maint Hardware Supp-Park Maint Plumbing Supp-Bldg Maint Promo Items-Snoopy House General Supp-Street Maint Electrical Supp-Bldg Maint General Supp-Signs/Markings Tools- Fire Response/Control		
0246066	12/22/23	P	The Lincoln National Life Insurance Co	0000030039	14,620.50
			<i>Line Description:</i> Short Term Disability Insuranc		
0246067	12/22/23	P	The Lincoln National Life Insurance Co	0000030039	12,699.56
			<i>Line Description:</i> Accident Ins Prem Critical Illness Ins Prem		
0246068	12/22/23	P	The Rules Guys LLC	0000002952	2,752.50
			<i>Line Description:</i> Annual Maintenanance		
0246069	12/22/23	P	Time Warner Cable	0000011202	301.26
			<i>Line Description:</i> Equipment Fees PD 10/16-11/28/		
0246070	12/22/23	P	Top Team Photography	0000029932	4,625.00
			<i>Line Description:</i> SNOOY HOUSE PHOTOS		
0246071	12/22/23	P	Townsend Public Affairs Inc	0000021510	6,500.00
			<i>Line Description:</i> Grant Writing Svcs Dec 23		
0246072	12/22/23	P	Triton Technology Solutions Inc	0000021687	2,540.33
			<i>Line Description:</i> Audio / Video Technology Repai		



Bank: CITY  
Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246073	12/22/23	P	US Postmaster	0000004377	10,000.00
			Line Description: Bulk Mail PI 4000		
0246074	12/22/23	P	United Site Services of California Inc	0000015552	136.41
			Line Description: Portable Toilet 11/8-12/5/23		
			Portable Toilet Srvs Nov 23		
0246075	12/22/23	P	Verified First LLC	0000027240	50.00
			Line Description: Pre-Employment Credit Checks		
0246076	12/22/23	P	Verizon Wireless	0000008717	10,199.77
			Line Description: Public Works Cellphone		
			Cell Phones 10/16-11/15/23		
			Broadband Srvs 10/18-11/17/23		
0246077	12/22/23	P	Vulcan Materials Company	0000007403	445.74
			Line Description: Asphalt Potholes Sidewalk Ramp		
			Asphalt Potholes Sidewalk Ramp		
			Asphalt Potholes Sidewalk Ramp		
0246078	12/22/23	P	WLC Architects Inc	0000023955	2,250.00
			Line Description: CM FS1 HVAC Improvements		
0246079	12/22/23	P	Waterline Technologies Inc	0000014520	1,283.52
			Line Description: Pool Treatment		
			DRC Pool Treatment		
			DRC-Pool Treatment		
0246080	12/22/23	P	Waxie Sanitary Supply	0000004480	117.43
			Line Description: Warehouse Floor Stock		

Bank: CITY  
Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0246081	12/22/23	P	Westates Marking Devices	0000004505	1,075.50
<i>Line Description:</i> Name Plates, Ink & Self Inking					
0246082	12/22/23	P	Wittman Enterprises LLC	0000026639	12,782.00
<i>Line Description:</i> Nov 2023 Billing					
TOTAL					<u>\$944,874.19</u>

Bank: CITY  
Cycle: AWKLY

<u>Payment Ref</u>	<u>Cancel Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Date</u>	<u>Payment Amt</u>
0245873	12/21/2023	V	Cindys Jumpers LLC	0000029874	12/15/23	(9,000.00)
<i>Line Description:</i> Amount was incorrect. Reissuing in lower amount.						
TOTAL						(\$9,000.00)

Bank: CITY  
Cycle: AMNUAL

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246090	01/04/24	P	Merrimac Energy Group	0000021566	14,774.82
			Line Description:		
			Diesel Fuel-Corp Yard		
			Diesel Fuel-FS6		
			Diesel Fuel-FS1		
			Diesel Fuel-FS2		
			Diesel Fuel-FS5		
TOTAL					\$14,774.82

14,774.82  
678,613.74  
1,264.16  
20,055.23  
714,707.95

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246091	01/05/24	P	Aardvark	0000006632	19,049.39
		Line Description:	Replacement SWAT Vests, Ballis Sales Tax 7.75%		
0246092	01/05/24	P	Benefit Coordinators Corp	0000029594	42,567.60
		Line Description:	VSP Ins Prem Dental Ins Prem		
0246093	01/05/24	P	Bound Tree Medical LLC	0000011695	22,403.20
		Line Description:	Cabinet, Surface Surface Mount Wall Cabinet Fasplint Vacuum Large Bound Tree Expenses Surface Wall Mount Cabinet Auto Pulse Shoulder Restraint		
0246094	01/05/24	P	BrightView Landscape Services Inc	0000026055	203,723.40
		Line Description:	Citywide Landscape Maint Nov23 Irrigation Repairs Nov 2023		
0246095	01/05/24	P	Cabco Yellow Inc	0000028576	22,071.45
		Line Description:	SENIOR MOBILITY PROGRAM SENIOR MOBILITY PROGRAM		
0246096	01/05/24	P	Executive Facilities Services Inc	0000029510	48,685.14
		Line Description:	Janitorial Svcs - PD Janitorial Svcs - DRC Janitorial Svcs - NHCC Janitorial Svcs - FS#1-6 Janitorial Svcs - Balearic Janitorial Svcs - City Hall Janitorial Svcs - All Park Loc Janitorial Svcs - Bridge Shelf		

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
		Line Description:	Janitorial Svcs - Corp Yard (n Janitorial Svcs - Corp Yard (o Janitorial Svcs - PD Communica Janitorial Svcs - Senior Cente Janitorial Svcs - All Park Loc Janitorial Svcs - Police Sub-S		
0246097	01/05/24	P	Kazoni Construction	0000029763	130,282.84
		Line Description:	PD Indoor Range Upgrades		
0246098	01/05/24	P	Mobile Home Improvement	0000015213	17,975.00
		Line Description:	Rehab Grant- Kathy Caron 1845		
0246099	01/05/24	P	Moore Iacofano Goltsman Inc	0000016407	35,140.00
		Line Description:	FVP Master Plan Update Nov 23		
0246100	01/05/24	P	Orange County Treasurer Tax Collector	0000003489	17,417.25
		Line Description:	Parking Citation Process-Nov23		
0246101	01/05/24	P	ABC Bus, Inc	0000030250	973.00
		Line Description:	Mobile Command Unit - Washing		
0246102	01/05/24	P	ARC	0000022726	507.07
		Line Description:	Snoopy House Banner Snowball Fight		
0246103	01/05/24	P	AT & T Mobility	0000001107	93.90
		Line Description:	Comm Cell Phones Oct 12-Nov 11		
0246104	01/05/24	P	Agriserve Pest Control Inc	0000025268	225.00
		Line Description:	Insect Suppression		

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246105	01/05/24	P	Ardurra Group, Inc. <i>Line Description:</i> I-405 Improvement Project	0000030147	1,680.00
0246106	01/05/24	P	Athletic Field Specialists <i>Line Description:</i> Turf Application - City Sports	0000023215	2,660.00
0246107	01/05/24	P	B & H Photo Video Inc <i>Line Description:</i> AUDIO & VISUAL EQUIPMENT	0000006056	292.71
0246108	01/05/24	P	BearCom <i>Line Description:</i> HEADSET SHIPPING SALES TAX (7.75%)	0000001222	2,715.30
0246109	01/05/24	P	Bee Busters Inc <i>Line Description:</i> Bee Removal Bee Removal Bee Removal Bee Removal Bee Colony Abatement City Prop	0000007572	660.00
0246110	01/05/24	P	CAPF <i>Line Description:</i> Firefighters LTD-Jan 24	0000004755	2,419.00
0246111	01/05/24	P	CLEA <i>Line Description:</i> LTD Police Officers-Jan 24	0000004754	3,813.00
0246112	01/05/24	P	Connell Chevrolet <i>Line Description:</i> 511-Spoiler	0000001763	710.75

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246113	01/05/24	P	Continental Interpreting Services Inc	0000024355	1,300.00
			Line Description: 2 Interpreters for 12/5 City C		
0246114	01/05/24	P	Costa Mesa Lock & Key	0000001817	520.44
			Line Description: Duplicate Keys Lock&Key Service		
0246115	01/05/24	P	County of Orange	0000007209	301.03
			Line Description: Radio Repair August 23 Radio Repair Aug 2023 Radio Repair Aug 2023		
0246116	01/05/24	P	DLT Solutions LLC	0000007986	1,967.87
			Line Description: ANNUAL MAINTENANCE		
0246117	01/05/24	P	Davis Farr LLP	0000023871	9,756.00
			Line Description: TOT Audit		
0246118	01/05/24	P	Dekra-Lite	0000016194	13,042.06
			Line Description: LIT POLE MOUNTS SALES TAX (7.75%)		
0246119	01/05/24	P	Dell Computer Corp	0000001962	395.06
			Line Description: SOFTWARE ACQUISITION		
0246120	01/05/24	P	Dennis Grubb & Assoc. Willdan Engr. Co	0000030346	1,000.00
			Line Description: Finish Line Auto Club		



Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246121	01/05/24	P	ETE Fitness Equipment	0000029761	1,676.84
		Line Description:	DELIVERY FITNESS EQUIPMENT SALES TAX (7.75%)		
0246122	01/05/24	P	GB Industrial Battery Inc	0000030321	225.00
		Line Description:	New Battery for forklift (Raym		
0246123	01/05/24	P	GB Industrial Battery Inc	0000030321	4,929.00
		Line Description:	New Battery for forklift (Raym		
0246124	01/05/24	P	Galls LLC	0000002297	4,454.30
		Line Description:	Uniform Officer M. Anderson Safety Vest L. Rankin Safety Vest Officer Robertson Safety Vest Officers S. Ortiz Uniform Capt V. Bakkila Uniform for Detective J. Lopez Uniform D. Hendrick		
0246125	01/05/24	P	Interwest Consulting Group Inc	0000021505	196.32
		Line Description:	10/1-10/31/23 Building&Safety		
0246126	01/05/24	P	Irv Seaver Motorcycles	0000010272	1,643.42
		Line Description:	Stock-Oil Filter,Air Filter,Ba 626 Throttle Issues		
0246127	01/05/24	P	James Snordan	0000029974	60.00
		Line Description:	Basketball Refereee		
0246128	01/05/24	P	Kelly Spicers Stores	0000029500	533.34

Bank: CITY  
Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
			Line Description: Tabs With Myar		
0246129	01/05/24	P	MK Electric Inc	0000029674	12,452.58
			Line Description: Install new wiring @ Moon Park Install new wiring @ Vista Par		
0246130	01/05/24	P	Media Control Systems LLC	0000014983	1,600.00
			Line Description: ANNUAL SOFTWARE MAINTENANCE		
0246131	01/05/24	P	Mesa Smog	0000020735	100.00
			Line Description: Smog-339 Smog-151		
0246132	01/05/24	P	MetLife Legal Plans Inc	0000014707	4,384.50
			Line Description: MetLife Legal Dec 2023		
0246133	01/05/24	P	Office Depot	0000003394	6,976.67
			Line Description: Building-Office Supplies Telecom-Office Supplies Finance Office Supplies Police-Office Supplies Parks-Office Supplies Credit Planning-Office Supplies Police Records-Office Supplies Senior Center Office Supplies City Manager Office Supplies Fire&Rescue Office Supplies Supplies-Office Supplies CEO&COMMS Office Supplies Prop&Evid-Office Supplies Police CSI-Office Supplies		

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246134	01/05/24	P	Omari Smith	0000029906	60.00
		Line Description: Basketball Referee			
0246135	01/05/24	P	Paul's Pet Food Express	0000026626	263.71
		Line Description: Food & Supplies PSD Bodi K-9 Food PSD Aran			
0246136	01/05/24	P	Peace of Mind Financial Consulting Inc	0000029150	7,080.00
		Line Description: Monthly Svcs Dec 2023			
0246137	01/05/24	P	Permit Management Solutions	0000024925	624.00
		Line Description: Consulting Svcs			
0246138	01/05/24	P	Quadrant Systems Inc	0000003717	2,135.00
		Line Description: ANNUAL SUPPORT			
0246139	01/05/24	P	RSI Systems Inc	0000026185	897.00
		Line Description: KNOWBE4 SECURITY TRAINING SUBS			
0246140	01/05/24	P	Sean Simon	0000029869	60.00
		Line Description: Basketball Referee			
0246141	01/05/24	P	Sims Orange Welding Supply Inc	0000004030	559.28
		Line Description: Shop Supplies			
0246142	01/05/24	P	SiteOne Landscape Supply LLC	0000024133	570.27
		Line Description: Equipment for TAC			
0246143	01/05/24	P	Smashvent LLC	0000029395	695.00

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
			Line Description: ENTERTAINMENT For Camp		
0246144	01/05/24	P	South Coast Emergency Vehicle Services	0000003643	836.37
			Line Description: Srock- Inner Wheel Seal 526-Belts		
0246145	01/05/24	P	Southern California Fleet Services Inc	0000030072	6,614.87
			Line Description: 554- Smoke Opacity Testing Stock-Service Leveling Valve 767-Annual Smoke Opacity Testi 181-Annual Smoke Opacity Testi 171-Annnual Smoke Opacity Stock-Reciever Block Stock-Pump		
0246146	01/05/24	P	T Tactical Solutions Inc	0000026642	1,508.28
			Line Description: PAWS Antimicrobial Hand Wipes		
0246147	01/05/24	P	T-Mobile USA	0000021384	125.00
			Line Description: Phone Record Retrieval Record Retrieval Phone Record Retrieval		
0246148	01/05/24	P	The Intersect Group, LLC	0000030170	5,860.50
			Line Description: Temp Alexis L Week End 12/21 Temp Dustin C Week End 12/21 Temp Dustin C Week End 12/15 Temp Alexis L Week End 12/15		
0246149	01/05/24	P	Triton Technology Solutions Inc	0000021687	600.00
			Line Description: Audio / Video Technology Repai		

Bank: CITY  
Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246150	01/05/24	P	Verizon Wireless	0000008717	1,774.17
		Line Description: Broadband CalNet thru 10/31/23			
0246151	01/05/24	P	Verizon Wireless	0000008717	3,253.73
		Line Description: Cell&Hotspot 11/18-12/17/23			
		WIRELESS PHONE			
		Finance Cell Phones			
0246152	01/05/24	P	Wex Bank	0000014258	1,517.13
		Line Description: Fuel 11/7-12/5/2023			
TOTAL					\$678,613.74

Bank: CITY  
Cycle: APAY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246153	01/05/24	P	CalPERS Long-Term Care Program	0000006287	85.42
			Line Description: Payroll Deduction 24-01		
0246154	01/05/24	P	Pamela Lilly	0000025324	750.00
			Line Description: Payroll Deduction 24-01		
0246155	01/05/24	P	State of California	0000001546	428.74
			Line Description: Payroll Deduction 24-01		
TOTAL					\$1,264.16

Bank: DDP1  
Cycle: ADDEP1

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
016799	01/05/24	P	CHC: Creating Healthier Communities	0000008015	10.00
			Line Description: Payroll Deduction 24-01		
016800	01/05/24	P	Costa Mesa Employees Association	0000006284	4,217.84
			Line Description: Payroll Deduction 24-01		
016801	01/05/24	P	Costa Mesa Executive Club	0000006286	145.00
			Line Description: Payroll Deduction 24-01		
016802	01/05/24	P	Costa Mesa Firefighters Association	0000001812	8,227.39
			Line Description: Payroll Deduction 24-01		
016803	01/05/24	P	Costa Mesa Police Association	0000001819	7,140.00
			Line Description: Payroll Deduction 24-01		
016804	01/05/24	P	Costa Mesa Police Management Assn	0000005082	315.00
			Line Description: Payroll Deduction 24-01		
TOTAL					\$20,055.23

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246172	01/12/24	O	Time Warner Cable <i>Line Description: Overflow</i>	0000011202	0.00
TOTAL					0.00

8,340.90  
 1,821,981.96  
 (200.00)  
 (300.00)  
 (324.94)  
 (3,000.00)  
 (723,238.80)  
 (300.00)  
 (5.25)  


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 1,102,953.87



Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
016805	01/12/24	P	Andrew Harris	0000021289	575.00
		Line Description:	Data Analysis-Fire Svc		
016806	01/12/24	P	Brenda Green	0000021417	719.73
		Line Description:	Per Diem-Meals		
			League of CA Cities Conf-Miles		
			Mission Bay Resort-SD 2 Nights		
016807	01/12/24	P	Eliasar Maldonado	0000016255	184.75
		Line Description:	Counseling 144 Class		
016808	01/12/24	P	Gladys Gonzalez	0000027093	292.94
		Line Description:	Per Diem-Meals		
			League of CA Cities Conf-Miles		
016809	01/12/24	P	Jacob Banks	0000030484	24.00
		Line Description:	Standardized Fld Sobriety Test		
016810	01/12/24	P	Jennifer Le	0000027832	8.00
		Line Description:	Biz Meeting-City of Santa Ana		
016811	01/12/24	P	Jennifer Mistofsky	0000030486	8.84
		Line Description:	Comm Gardens Program Work-Mile		
016812	01/12/24	P	Jody Loughlin	0000029407	968.43
		Line Description:	Adult CORR OFC Training-Miles		
			Adult CORR OFC Training		
016813	01/12/24	P	Jonathan Smith	0000023435	598.01
		Line Description:	BPS Tactical Vest Carrier/Patr		

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
016814	01/12/24	P	Justin Horner	0000017579	1,180.00
		Line Description:	Chief OFC 3B-BTAC Training Data Analysis/PPT-Fire & EMS Chief OFC 3D-BTAC Training		
016815	01/12/24	P	Justin Pham	0000030485	40.00
		Line Description:	PC 832 Laws of Arrest-Meals		
016816	01/12/24	P	Kevin Humphreys	0000026928	575.00
		Line Description:	Interview & Interrogation		
016817	01/12/24	P	Kristofer Moore	0000025526	1,250.00
		Line Description:	Criminal Investigation-BCJ230 BCJ303-Terrorism BCJ210-Juvenile Justice		
016818	01/12/24	P	Luis Gomez	0000004237	570.99
		Line Description:	Traffic Collision Reconstructio		
016819	01/12/24	P	Maurilio Torres	0000025958	250.00
		Line Description:	Recertify Paramedic License		
016820	01/12/24	P	Omar Amaya	0000027488	250.00
		Line Description:	Recertify Paramedic License		
016821	01/12/24	P	Portia Neale	0000030483	559.00
		Line Description:	Fire 084-Driver/Operator 1B Int Wildlife Fire Behavior		

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
016822	01/12/24	P	Raja Sethuraman	0000005084	5.25
		Line Description: Parking-City Exec Club Lunch			
016823	01/12/24	P	Stacy Teran	0000029964	280.96
		Line Description: Per Diem-Meals			
		League of CA Cities Conf-Miles			
TOTAL					\$8,340.90

Payment Ref	Cancel Date	Status	Remit To	Remit ID	Payment Date	Payment Amt
016822	1/12/2024	V	Raja Sethuraman	0000005084	01/12/24	(5.25)
			Line Description: 1/12/2024 Void per Carol			
TOTAL						(\$5.25)

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
000185	01/09/24	P	Dance 4 Joy Ministries	0000029880	2,500.00
			Line Description: Viva Folkorico on the WestSide		
000186	01/09/24	P	Estancia High School Drama Dept	0000004953	3,000.00
			Line Description: 2023 CETA Theatre Festival		
000187	01/09/24	P	Project Hope Alliance	0000027373	2,500.00
			Line Description: 2023 Enrichment/Holiday Prgmg		
TOTAL					\$8,000.00

Bank: CITY  
Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246156	01/12/24	P	All American Asphalt	0000000971	867,513.33
		Line Description:	Proj 22-08/400015 Retention Proj 22-08/400015 Proj 22-08/400015 Retention Proj 22-08/400015 Retention Proj #21-03		
0246157	01/12/24	P	All City Management Services Inc	0000009480	26,232.89
		Line Description:	School Crossing Guard Services School Crossing Guard Services		
0246158	01/12/24	P	Bracken's Kitchen Inc	0000029468	16,326.56
		Line Description:	CMBS Meal Svc 12/18-12/31/23		
0246159	01/12/24	P	BrightView Landscape Services Inc	0000026055	200,935.75
		Line Description:	Landscape Maint Svs-Dec 23 Irrigation Repairs-Dec 23		
0246160	01/12/24	P	Davis Farr LLP	0000023871	25,980.00
		Line Description:	Audit Svc FY 22/23		
0246161	01/12/24	P	Dell Computer Corp	0000001962	18,281.07
		Line Description:	Sales Tax 7.75% Environmental Fee Mobile Precision 5680 Dell Latitude 5430 Rugged		
0246162	01/12/24	P	GMS Elevator Services	0000028704	29,700.00
		Line Description:	Retention Proj #20-03		
0246163	01/12/24	P	Lexipol LLC	0000017141	20,856.53

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
			Line Description: Annual Law Enforcement Policy		
0246164	01/12/24	P	Liebert Cassidy Whitmore	0000002960	16,068.00
			Line Description: GENERAL LEGAL SERVICES - HR LEGAL SERVICES - HR LEGAL SERVICES - HR LEGAL SERVICES - HR LEGAL SERVICES - HR		
0246165	01/12/24	P	Lyons Security Service Inc	0000027168	23,168.42
			Line Description: 24 Hr Lyons Security of Lions Security Srvs Whittier Element Security Srvs Wilson Elementar Security Srvs Rea Elementary		
0246166	01/12/24	P	Mesa Verde Partners	0000006080	62,375.00
			Line Description: Cart Wash Drainage Proj		
0246167	01/12/24	P	Place Works Inc	0000023119	152,800.47
			Line Description: Fairview Development Center		
0246168	01/12/24	P	Proactive Engineering Consultants Inc	0000028916	28,541.25
			Line Description: Westside Storm Drain Improveme WS/CW Storm Drain Update		
0246169	01/12/24	P	Sagecrest Planning & Environmental	0000025748	20,090.00
			Line Description: Consulting Srvs		
0246170	01/12/24	P	The Garland Company Inc	0000023333	46,606.69
			Line Description: Roofing Project No. 22-10 @ FS Roofing Project No. 22-10 @ FS		

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246171	01/12/24	P	Time Warner Cable	0000011202	19,685.20
		Line Description:	Equipment Charges-PD Internet Fiber Svs-Var Loc Cable Box Upgrade for 2nd Fl Internet Services-PD (Data) Internet Svs-City Hall (Data) 2310 Placentia A Internet/Cabl Cable Services City Hall Cable Services City Hall Bridge Shelter Fiber NCC Internet (New Bldg) HVAC Alarm-Basement at CH Cable Services City Hall		
0246173	01/12/24	P	WSP USA Environment & Infrastructure Inc	0000029873	37,273.43
		Line Description:	Environ&Infra Inc. NPDES Indus WSP USA Environment&Infrastruc Environment&Infra Inc NPDES In Environment&Infrast NPDES Indu		
0246174	01/12/24	P	Yunex LLC	0000029573	19,920.79
		Line Description:	17th & ORange-OH Signal Damage Callouts Oct 2023 TS Maintenance Oct 2023		
0246175	01/12/24	P	AGA Engineers Inc	0000028838	1,080.00
		Line Description:	On-Call Srvs 23-24		
0246176	01/12/24	P	ARC	0000022726	717.18
		Line Description:	Parks&Community Srvs		
0246177	01/12/24	P	AT & T	0000001107	160.50



Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
			Line Description: Internet-Skate Park Camera Internet-Fleet Svs		
0246178	01/12/24	P	Bob Hall & Associates	0000027193	6,760.00
			Line Description: Recruitment Consulting		
0246179	01/12/24	P	Bound Tree Medical LLC	0000011695	1,123.50
			Line Description: Sani-Hands ALC Antimicrobial A Adenosine, Lock Syringe		
0246180	01/12/24	P	Bureau Veritas North America Inc	0000016616	812.50
			Line Description: Consulting Plan Check Svs		
0246181	01/12/24	P	CAPF	0000004755	4,838.00
			Line Description: Firefighters LTD-Nov 23 Firefighters LTD-Dec 23		
0246182	01/12/24	P	CBE	0000015149	100.85
			Line Description: COPIER MAINT 12/5-1/4/24		
0246183	01/12/24	P	CLEA	0000004754	3,267.00
			Line Description: LTD Police Officers Dec 2023		
0246184	01/12/24	P	Canon Financial Services Inc	0000023241	627.35
			Line Description: COPIER LEASE		
0246185	01/12/24	P	Carelon Behavioral Health of California	0000030107	979.88
			Line Description: Employee Assistance Pro-Dec 23		

Bank: CITY  
Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246186	01/12/24	P	Carl Warren & Company	0000001578	1,165.77
			Line Description: Claim Administration		
0246187	01/12/24	P	City Net	0000029222	1,426.27
			Line Description: After Hour Outreach Svs		
0246188	01/12/24	P	Consolidated Office Systems	0000018680	514.75
			Line Description: Add'l Chair-6322-3 Vion Mid-Ba		
0246189	01/12/24	P	Continental Interpreting Services Inc	0000024355	700.00
			Line Description: 2 Spanish Interpreters-Study S		
0246190	01/12/24	P	Costa Mesa Lock & Key	0000001817	237.80
			Line Description: Duplicate Key		
			Remove and Replace Simplex Loc		
0246191	01/12/24	P	County of Orange	0000003486	5,171.32
			Line Description: AFIS Fees December 2023		
			Teletype Srvs Dec 2023		
0246192	01/12/24	P	Dell Marketing LP	0000001963	1,890.14
			Line Description: DELL Latitude 5430 Rugged		
0246193	01/12/24	P	Dennis Grubb & Assoc. Willdan Engr. Co	0000030346	577.70
			Line Description: Plan Check Svs Dec 2023		
0246194	01/12/24	P	Diversity Builder, Inc.	0000030353	465.75
			Line Description: EMPLOYEE TRAINING SERVICES		

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246195	01/12/24	P	Dixon Resources Unlimited	0000027441	2,493.75
			Line Description: Residential Permit Parking On-		
0246196	01/12/24	P	Endemic Environmental Services Inc	0000021277	13,285.00
			Line Description: FVP Wetlands Maint Rehab 12/1-		
0246197	01/12/24	P	Entenmann Rovin Company	0000002130	1,282.62
			Line Description: Retirement Badge Officer Condo Name Bars		
0246198	01/12/24	P	Entrust Janitorial LLC	0000030309	875.00
			Line Description: Janitorial Svcs @ 3190 Airport		
0246199	01/12/24	P	FM Thomas Air Conditioning Inc	0000017151	5,481.38
			Line Description: HVAC PM-December 23		
0246200	01/12/24	P	Fed Ex	0000002190	245.85
			Line Description: Shipping Fees		
			Shipping Fees		
			Express Shipping		
			Overnight Shipping		
0246201	01/12/24	P	Federal Technology Solutions Inc	0000024174	7,717.13
			Line Description: Airport Loop site cabling		
0246202	01/12/24	P	Ford Fleet Care	0000026262	4,807.21
			Line Description: Repairs-December		
			Parts-December		
0246203	01/12/24	P	Forensic Nurse Specialists Inc	0000014039	1,200.00

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
			Line Description: Victim Physical		
0246204	01/12/24	P	Galls LLC	0000002297	579.75
			Line Description: Uniform for M. Pham Credir on Double Billing Swat Swat Shoulder Patches Uniform Officer M. Luu		
0246205	01/12/24	P	Grainger	0000002393	1,346.03
			Line Description: Hardware 526-Heater Hose 526-Heater Hose Stock-Filter Hardware Hardware Hardware Hardware		
0246206	01/12/24	P	Hinderliter De Llamas & Associates	0000002537	14,100.00
			Line Description: Cannabis Consulting Srvs		
0246207	01/12/24	P	Interwest Consulting Group Inc	0000021505	6,225.00
			Line Description: Consultant Srvs Consulting Services-Design of		
0246208	01/12/24	P	Interwest Consulting Group Inc	0000021505	140.00
			Line Description: Consultant Srvs-Design of Fair		
0246209	01/12/24	P	Irv Seaver Motorcycles	0000010272	1,277.85
			Line Description: 625-Helmet SHOE RJ Air "R" LE		
0246210	01/12/24	P	Kaiser Precision LLC	0000029238	3,205.56

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
			Line Description: Vulcan UU Munitions Pole		
0246211	01/12/24	P	Kellys Pool Service	0000013443	450.00
			Line Description: Pool Service at DRC Pool Srvs at DRC		
0246212	01/12/24	P	Kimball Midwest	0000006819	2,114.16
			Line Description: Shop Supplies Shop Supplies Shop Supplies Shop Supplies Supplies for Comm		
0246213	01/12/24	P	LSA Associates Inc	0000003007	1,800.00
			Line Description: CW RESidential Parking Review		
0246214	01/12/24	P	La Quinta Costa Mesa	0000030047	2,322.00
			Line Description: Dunn G Lynn-1st Ext 11/24-12/4 Dunn G Lynn-2nd Ext 12/5-12/11		
0246215	01/12/24	P	LineGear Fire & Rescue Equipment	0000026007	376.05
			Line Description: Workrite Uniforms		
0246216	01/12/24	P	Long Beach BMW	0000015745	1,621.04
			Line Description: 627-Throttle Cleaning Rear Tir Stock-Ticket Book Box Adapter 625 Throttle Body Cleaning Clu		
0246217	01/12/24	P	Loomis	0000019082	615.60
			Line Description: ARMORED CAR SERVICES ARMORED CAR SERVICES		

Bank: CITY  
Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246218	01/12/24	P	Los Angeles Times	0000003000	1,846.90
			Line Description: Daily Pilot Display		
0246219	01/12/24	P	MMASC	0000010997	125.00
			Line Description: Membership Renewal		
0246220	01/12/24	P	Mesa Smog	0000020735	100.00
			Line Description: Smog-765		
			Smog- 700		
0246221	01/12/24	P	Mouse Graphics	0000001170	860.92
			Line Description: Large photo mural for Traffic		
0246222	01/12/24	P	National Data & Surveying Services	0000021249	105.00
			Line Description: ADT/Speed Counts-1637 Iowa St		
0246223	01/12/24	P	New Horizons Computer Learning Center	0000003319	3,000.00
			Line Description: Dedicated Class-Applications B		
			Dedicated Class-Applications B		
0246224	01/12/24	P	Norwood Management LLC	0000029243	13,261.00
			Line Description: January 2024 Rent		
0246225	01/12/24	P	Nutrien AG Solutions Inc	0000026392	399.54
			Line Description: Purchase of Soil Amendments		
0246226	01/12/24	P	Nyhart	0000021283	3,200.00
			Line Description: ACTUARIAL SERVICES		

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246227	01/12/24	P	O Neil Storage	0000018395	137.63
			Line Description: Offsite Records Storage		
0246228	01/12/24	P	Oracle America Inc	0000003419	2,586.14
			Line Description: MICROSOFT FOCUS VISUAL		
0246229	01/12/24	P	Paul's Pet Food Express	0000026626	324.94
			Line Description: Food Supplies for PSD Bodi		
			Food Supplies PSD Aran		
			Food Supplies for PSD Bodi		
			Food Supplies PSD Aran		
0246230	01/12/24	P	Permit Management Solutions	0000024925	936.00
			Line Description: Consulting Svs-Bldg Dept		
0246231	01/12/24	P	Prado Family Shooting Range	0000017668	4,300.00
			Line Description: Range Fees for Sept 2023		
			Range Fees Sept 2023		
			Range Fees Sept 2023		
0246232	01/12/24	P	Prudential Overall Supply	0000025480	317.12
			Line Description: Towel Svc November 2023		
0246233	01/12/24	P	Red Wing Business Advantage Account	0000003772	181.89
			Line Description: Safety Shoes Enrique Gomez		
0246234	01/12/24	P	Rosell Surveying & Mapping Inc	0000022724	1,000.00
			Line Description: On-Call Surveying Services As		

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246235	01/12/24	P	Shayanne Wright	0000030053	800.00
<div>Line Description: Parks/Art/Comm Commission</div> <div>Parks/Comm Svs Comm Apr-Jun 23</div> <div>Parks/Art/Comm Commission</div> <div>Parks/Comm Svs Comm Apr-Jun 23</div> <div>Park/Comm Svs Comm Oct-Dec 23</div> <div>Parks/Comm Svs Comm Apr-Jun 23</div> <div>Park/Comm Svs Comm Oct-Dec 23</div>					
0246236	01/12/24	P	So Cal Sandbags Inc	0000024349	988.75
<div>Line Description: Material for Parks</div>					
0246237	01/12/24	P	South Coast Emergency Vehicle Services	0000003643	444.41
<div>Line Description: 526-Hose &amp; O-Rings</div>					
0246238	01/12/24	P	South West Floor Co Inc	0000008705	3,350.00
<div>Line Description: Maintenance of gym &amp; stage flo</div>					
0246239	01/12/24	P	Southern California Edison Company	0000004088	7,849.15
<div>Line Description: FS #1 11/20-12/19/23</div> <div>1845 Park 11/28-12/27/23</div> <div>1860 Anaheim 11/28-12/27/23</div> <div>1071 Bristol 11/16-12/17/23</div> <div>348 E 17th 11/25-12/25/23</div> <div>735 Baker 11/20-12/19/23</div> <div>3120 Manistee 11/21-12/20/23</div> <div>555 1/2 Paularino 11/21-12/20/</div> <div>3190 1/2 Red Hill 11/8-12/7/23</div> <div>3349 Sakioka 11/25-12/25/23</div> <div>3351 Sakioka 11/25-12/25/23</div> <div>2301 Harbor 11/22-12/21/23</div> <div>695 W 19th 11/28-12/27/23</div>					



Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246240	01/12/24	P	Southern California Gas Company	0000004092	7,385.39
		Line Description:	Fire Sta #3 11/20-12/19/23 NHCC 11/20-12/19/23 1861 1/2 Anaheim 11/20-12/19/2 567 W 18th 11/20-12/19/23 Fire Sta #5 11/21-12/20/23 Fire Sta #2 11/22-12/21/23 St Ctr 11/20-12/19/23 DRC 11/20-12/19/23 717 James 11/20-12/19&10/20-11 721 James 11/20-12/19/23&10/20 Fire Sta #4 11/21-12/20/23 Fire Sta #1 11/25-12/26/23 BCC 11/25-12/26/23 Fire Sta #6 11/28-12/28/23 Comm 11/21-12/20/23 1870 Anaheim 11/20-12/19/23 2310 Placentia 11/21-12/20/23 2300 Placentia 11/21-12/20/23 PD 11/21-12/20/23		
0246241	01/12/24	P	Southern California Shredding Inc	0000025605	350.00
		Line Description:	On-Site Shredding Services On-Site Shredding Services-Fin On-Site Shredding Services CC		
0246242	01/12/24	P	Sparkletts	0000015725	132.89
		Line Description:	Water Delivery Svcs - Fire		
0246243	01/12/24	P	Spectrum Gas Products	0000012653	475.18
		Line Description:	St. 4 Medical Lg Cyl Rent St. 2 Medical Lg Cyl Rent St 1 Medical Lg Cyl Rent St 4 Oxygen Medical Sta. 5 Medical Lg Cyl Rent		

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
			Line Description: Sta 3 Medical Lg Cyl Rent St 3 Oxygen Medical		
0246244	01/12/24	P	The Counseling Team International	0000026352	1,602.50
			Line Description: Counseling Srvs Nov 23		
0246245	01/12/24	P	The Intersect Group, LLC	0000030170	2,553.28
			Line Description: Temp Dustin C Weekend 12/7 Temp Alexis L Weekend 12/7		
0246246	01/12/24	P	The Sayler Group Corp	0000030033	4,608.00
			Line Description: Trash&Debris Removal Caltrans		
0246247	01/12/24	P	Transportation Charter Services Inc	0000012681	1,836.00
			Line Description: TRANSPORTATION SERVICES TRANSPORTATION SERVICES		
0246248	01/12/24	P	Turnout Maintenance Company LLC	0000020182	165.00
			Line Description: Cleaned Fire Apparel Cleaned Fire Apparel		
0246249	01/12/24	P	US Bank	0000002228	5,135.34
			Line Description: Payroll 23-25		
0246250	01/12/24	P	Verizon Wireless	0000008717	8,410.19
			Line Description: WIRELESS PHONE 11/18-12/17 WIRELESS PHONE IT 11/18-12/17/ Braodband Srvs 10/24-11/23/23 WIRELESS PHONE 11/18-12/17/23 FIRE IPADS		

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246251	01/12/24	P	Wallop Water USA LLC	0000030376	2,199.77
		Line Description:	LABOR WATER STATION SERVICE SALES TAX (7.75%) WATER STATIONS SHIPPING DAMAGE WAIVER		
0246252	01/12/24	P	Ware Disposal Inc	0000000255	1,079.90
		Line Description:	CMBS Waste Svs January 2024		
0246253	01/12/24	P	Waterline Technologies Inc	0000014520	803.04
		Line Description:	DRC Pool Treatment		
0246254	01/12/24	P	Williams Data Management	0000018803	508.35
		Line Description:	DATA STORAGE 12/1-12/31/23		
0246255	01/12/24	P	Zoll Medical Corporation	0000021290	90.12
		Line Description:	Medical		
TOTAL					\$1,821,981.96

Bank: CITY  
Cycle: AWKLY

Payment Ref	Cancel Date	Status	Remit To	Remit ID	Payment Date	Payment Amt
0241815	1/11/2024	V	Shayenne Wright <i>Line Description: 1/11/24 V&amp;R Lost Check</i>	0000030053	03/24/23	(200.00)
0243653	1/11/2024	V	Shayenne Wright <i>Line Description: 1/11/24 V&amp;R Lost Check</i>	0000030053	07/14/23	(300.00)
0245332	1/11/2024	V	Paul's Pet Food Express <i>Line Description: 1/11/24 Did not receive check</i>	0000026626	11/03/23	(324.94)
0245621	1/11/2024	V	New Horizons Computer Learning Center <i>Line Description: 1/11/24 Did not receive check</i>	0000003319	11/22/23	(3,000.00)
0245845	1/11/2024	V	All American Asphalt <i>Line Description: 1/11/24 Damaged check</i>	0000000971	12/15/23	(723,238.80)
0246049	1/11/2024	V	Shayenne Wright <i>Line Description: 1/11/24 Lost Check</i>	0000030053	12/22/23	(300.00)
TOTAL						(\$727,363.74)

City of Costa Mesa Accounts Payable  
CCM OVERFLOW CHECK LISTING

Bank: CITY  
Cycle: AWKLY

<u>Payment Ref</u>	<u>Date</u>	<u>Status</u>	<u>Remit To</u>	<u>Remit ID</u>	<u>Payment Amt</u>
0246263	01/19/24	O	Southern California Edison Company <i>Line Description: Overflow</i>	0000004088	0.00
0246270	01/19/24	O	AT & T <i>Line Description: Overflow</i>	0000001107	0.00
0246271	01/19/24	O	AT & T <i>Line Description: Overflow</i>	0000001107	0.00
<b>TOTAL</b>					<b>0.00</b>

205,063.30  
1,217,507.52  
835.42  
1,423,406.24

Bank: CITY  
Cycle: APAY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246327	01/19/24	P	CalPERS Long-Term Care Program	0000006287	85.42
			Line Description: 24-02 Payroll Deduction		
0246328	01/19/24	P	Pamela Lilly	0000025324	750.00
			Line Description: 24-02 Payroll Deduction		
TOTAL					\$835.42

Bank: CITY  
Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246256	01/19/24	P	LINA	0000015623	32,441.05
		Line Description:	LTD Ins Prem Jan 24 Retiree Life Ins Prem Jan 24 Active Life/AD&D Ins Prem Jan Voluntary Life Ins Prem Jan 24 NYL Admin Fee Dec 2023		
0246257	01/19/24	P	Laser Technology Inc	0000014771	16,401.54
		Line Description:	LTI-20-20 Truspeed LR		
0246258	01/19/24	P	Mercy House	0000003138	360,684.96
		Line Description:	CMBS OPERATIONS OCTOBER CMBS OPERATIONS NOVEMBER		
0246259	01/19/24	P	NeWave Construction Inc	0000024108	27,187.50
		Line Description:	New Cabinetry & Painting for C		
0246260	01/19/24	P	Pinnacle Petroleum, Inc	0000029315	45,361.34
		Line Description:	Unleaded Fuel PD Unleaded Fuel-PD		
0246261	01/19/24	P	Siemens Industry Inc	0000002904	224,734.43
		Line Description:	Maintenance Services Agreement		
0246262	01/19/24	P	Southern California Edison Company	0000004088	184,183.39
		Line Description:	1624 Gisler 11/30-1/1/24 1587 Sunflower 12/7-1/7/24 1035 Park Crest 12/1-1/2/24 1990 Placentia 12/5-1/4/24 3129 Harbor 11/30-1/1/24 Park Maint Dec 23 885 Junipero 12/1-1/2/24		

Bank: CITY  
Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
			Line Description: Sunflower Plaza Dec 23 3175 Airway 12/8-1/8/24 1050 Arlington 12/8-1/8/24 782 Shalimar 12/7-1/7/24 Joann Bike Trail Dec 23 360 Ogle 12/11-1/9/24 Signals 11/3-12/05/23 EE/OBF Installment Charge Loan SD Fwy On/Off Dec 23 Newport Frwy/Baker Dec 23 19th/Newport Dec 23 Baker/Royal Palm Dec 23 EE/OBF Installment Charge Loan St Lights Dec 23 Fac & Equip Dec 23 Tennis Ctr 12/1-1/2/24 2570 Fairview 12/1-1/2/24 970 Arlington 12/1-1/2/24 980 Arlington 12/1-1/2/24 3190 1/2 Red Hill 12/8-1/9/24 900 Arlington 12/-1/2/24		
0246264	01/19/24	P	The Garland Company Inc	0000023333	30,683.63
			Line Description: Roofing Project No. 22-10 @ FS Roofing Project No. 22-10 @ FS		
0246265	01/19/24	P	Ware Disposal Inc	0000000255	17,472.76
			Line Description: Bulky Item Collection Nov 23 City Facilities Nov 23		
0246266	01/19/24	P	West Coast Arborists Inc	0000004498	48,534.70
			Line Description: Tree Maint 12/16-12/31/23 Tree Maint 11/16-11/30/23 Tree Maint 10/1-10/15/23		



Bank: CITY  
Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246267	01/19/24	P	Wetlands and Wildlife Care Center	0000030237	19,750.00
			Line Description: Wildlife Care 10/1-12/31/23		
0246268	01/19/24	P	ARC	0000022726	110.31
			Line Description: Police Department Santa Sleigh		
0246269	01/19/24	P	AT & T	0000001107	10,572.04
			Line Description: Red Phone Fire Sta#6		
			Jack Hamett Sports Complex		
			Fire Emergency Line		
			Estancia Park		
			Estancia Park		
			Wakeham Park		
			2310 Placentia Irrigation		
			NCC Fire Alarm		
			800 Mhz Radio Link		
			Red Phone Fire Sta#2		
			PRI Circuit Inbound Trunk		
			Metro Net		
			Local Usage		
			Smallwood Park		
			Smallwood Park		
			Wakeham Park		
			Outgoing Trunk Line		
			Outgoing Trunk Line		
			DID Trunk Line		
			DID Trunk Line		
			PD Emergency Line		
			PD Emergency Line		
			Balearic Center Fax		
			TeWinkle Park		
			TeWinkle Park		
			Cool Line for PD		
			Cool Line for PD		
			WSS Alarm		
			DRC Fire Alarm		

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
			Line Description: Senior Center Fire Alarm Syste DRC Alarm DRC Alarm Lions Park Baseball Field Senior Center Elevator Lions Park IT Computer Room IT Computer Room Senior Center Fire Alarm Syste DSL Line for Traffic Operation DSL Line for Traffic Operation FS1 Fire Alarm System 800 Mhz Radio Link		
0246272	01/19/24	P	AY Nursery	0000001142	1,594.70
			Line Description: Tree Purchases-Parkways		
0246273	01/19/24	P	Abound Food Care	0000029712	14,835.00
			Line Description: Basic SB1383 Compl Prog Nov 23 Basic SB1383 Compl Prog Oct 23 Basic SB1383 Compl Prog Dec 23		
0246274	01/19/24	P	Adamson Police Products	0000014519	3,064.82
			Line Description: Armag Steel Day Box 14x12x8 Armag Type 2 Steel Box Shipping Fee Sales Tax 7.75%		
0246275	01/19/24	P	Amtech Elevator Services	0000013616	2,925.00
			Line Description: Emergency Elevator Svcs @ City		
0246276	01/19/24	P	Barr & Clark Environmental	0000009300	1,130.00
			Line Description: LBP Testing-Rehab Grant-Nelson LBP Testing-Deadmon Residence		

Bank: CITY  
Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246277	01/19/24	P	Bucknam Infrastructure Group Inc	0000021371	2,355.00
			Line Description: 2024 Pavement Management Plan		
0246278	01/19/24	P	Bureau Veritas North America Inc	0000016616	5,687.50
			Line Description: Consulting Plan Check Svs Building-Labor		
0246279	01/19/24	P	CBE	0000015149	736.92
			Line Description: COPIER MAINTENANCE COPIER MAINT 12/5-1/4/24 COPIER MAINT 10/5-11/4/23 COPIER MAINTENANCE COPIER MAINT 12/5-1/4/24 COPIER MAINTENANCE COPIER MAINTENANCE		
0246280	01/19/24	P	Canon Financial Services Inc	0000023241	412.68
			Line Description: COPIER LEASE January 2024 COPIER LEASE January 2024		
0246281	01/19/24	P	Cintas Corporation #640	0000023262	450.36
			Line Description: KITCHEN CLEANING SUPPLIES KITCHEN CLEANING SUPPLIES		
0246282	01/19/24	P	Costa Mesa Auto Glass	0000010001	553.94
			Line Description: 748-Window Tint 740-Window Tint		
0246283	01/19/24	P	Costa Mesa United	0000015258	5,000.00
			Line Description: CM United Mesa Verde Classic		

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246284	01/19/24	P	County of Orange	0000003473	118.15
			Line Description: OC Waste & Recycling		
0246285	01/19/24	P	Enerspect Medical Solutions LLC	0000025375	7,612.70
			Line Description: Phillips Battery - Replacement		
0246286	01/19/24	P	Farhan Chowdhury	0000030269	180.00
			Line Description: Basketball Referee		
			Basketball Referee		
0246287	01/19/24	P	Image Concepts	0000026883	339.95
			Line Description: Safety Wear-Park Staff		
0246288	01/19/24	P	Irvine Ranch Water District	0000005112	1,090.05
			Line Description: 258 Brentwood 12/5-1/8/24		
			308 University 12/6-1/8/24		
			261 Monte Vista 12/5-1/8/24		
			220 E 23rd 12/6-1/8/24		
			170 Del Mar Irr 12/5-1/8/24		
			106 Del Mar 12/5-1/8/24		
			2603 Elden 12/5-1/8/24		
0246289	01/19/24	P	James Snordan	0000029974	195.00
			Line Description: Basketball Referee		
			Basketball Referee		
0246290	01/19/24	P	Jamison Engineering Contractors Inc	0000015713	4,500.00
			Line Description: Sump Pump Service		
0246291	01/19/24	P	Jeff Schoneman	0000030494	1,748.47

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
			Line Description: Claim Stlmnt-DOL 9/22/23		
0246292	01/19/24	P	Johnson Controls Fire Protection LP	0000026089	420.00
			Line Description: Sr Ctr-Fire Alarm Monitoring		
0246293	01/19/24	P	Kimball Midwest	0000006819	74.81
			Line Description: Shop Supplies		
0246294	01/19/24	P	LN Curtis & Sons	0000002983	621.89
			Line Description: Fightfighting Equipment (FFE)		
			Fightfighting Equipment (FFE)		
			Fightfighting Equipment (FFE)		
0246295	01/19/24	P	La Quinta Costa Mesa	0000030047	2,193.00
			Line Description: CP-SB 12/18-12/23		
			JC 12/15-12/17		
			JS-R 12/18-12/23/23		
			MS-MV 12/18-12/23		
0246296	01/19/24	P	Los Angeles Times	0000003000	1,605.78
			Line Description: Legal Advertising		
			Construction Advertisement 23-		
0246297	01/19/24	P	Merrimac Energy Group	0000021566	14,225.68
			Line Description: Diesel Fuel-FS5		
			Diesel Fuel-Corp Yard		
			Diesel Fuel-FS1		
			Diesel Fuel-FS2		
			Diesel Fuel- FS6		
0246298	01/19/24	P	Mesa Smog	0000020735	250.00
			Line Description: Smog-128		

Bank: CITY  
Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
			Line Description: Smog-750 Smog 600 Smog 509 Smog- 764		
0246299	01/19/24	P	MetLife Legal Plans Inc	0000014707	4,332.00
			Line Description: Metlife Legal Jan 2024		
0246300	01/19/24	P	Nutrien AG Solutions Inc	0000026392	11,024.17
			Line Description: Purchase of Chemicals		
0246301	01/19/24	P	Permit Management Solutions	0000024925	1,774.50
			Line Description: Consulting Srvs Consulting		
0246302	01/19/24	P	Phoenix Cars, LLC	0000030164	944.50
			Line Description: New Power Terminal		
0246303	01/19/24	P	Pivot Solutions LLC	0000030415	7,025.53
			Line Description: 783-Body Repair		
0246304	01/19/24	P	Prudential Overall Supply	0000025480	828.93
			Line Description: Fleet Uniform-Nov 23 St Traffic Op Uniform-Nov 23 Facility Uniform-Nov 23 Fleet Towel Svs-Nov 23 Parks Uniform-Nov 23		
0246305	01/19/24	P	Quadient Inc	0000028798	228.00
			Line Description: Postage Meter Annual Software		

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246306	01/19/24	P	RPW Services Inc	0000012440	2,880.00
		Line Description:	Citywide Pest & Weed Control		
0246307	01/19/24	P	SESAC	0000024352	2,749.00
		Line Description:	2024 Music License P&CS Event		
0246308	01/19/24	P	SHI International Corp	0000016007	1,370.00
		Line Description:	SOFTWARE ACQUISITION		
0246309	01/19/24	P	Scott Margarita Mair	0000030495	3,671.11
		Line Description:	Claim Stlmnt-DOL 8/20/23		
0246310	01/19/24	P	South Coast Emergency Vehicle Services	0000003643	5,834.02
		Line Description:	526-Belt, Hoses and Brakes		
0246311	01/19/24	P	Southern California Fleet Services Inc	0000030072	1,327.61
		Line Description:	380-Alignment		
0246312	01/19/24	P	Staples Advantage	0000024532	4,876.87
		Line Description:	Supplies-IT Supplies-HR Supplies-Parks Supplies-Police Records Supplies-City Clerk Supplies- PS Admin Supplies-Planning Supplies-Building Supplies-Finance		
0246313	01/19/24	P	State of California Dept of Justice	0000001534	2,244.00
		Line Description:	Fingerprint App Fees-Nov 23		

Bank: CITY  
Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246314	01/19/24	P	Switzer Assoc Leadership Solutions	0000029731	13,610.26
			Line Description: Team Building Workshop - Nov.		
0246315	01/19/24	P	The Lincoln National Life Insurance Co	0000030039	13,406.02
			Line Description: Critical Illness Jan 2024		
			Accident Jan 2024		
0246316	01/19/24	P	The Lincoln National Life Insurance Co	0000030039	14,515.20
			Line Description: STD Ins Prem Jan 2024		
0246317	01/19/24	P	Time Warner Cable	0000011202	920.95
			Line Description: 3175 Airway Ave B Internet Bri		
			HVAC Alarm-Library		
			Internet Svs-Fire Sta#4		
			Cable Services Bridge Shelter		
			Ethernet Fiber4 Svs-City Hall		
0246318	01/19/24	P	Triton Technology Solutions Inc	0000021687	1,200.00
			Line Description: SCALER REPLACEMENT		
0246319	01/19/24	P	Turnout Maintenance Company LLC	0000020182	42.33
			Line Description: Cleaned Fire Apparel		
0246320	01/19/24	P	US Bank	0000002228	6,619.74
			Line Description: Payroll 23-26		
0246321	01/19/24	P	US Postal Service	0000004376	10,000.00
			Line Description: Prepaid Item-Postage Meter		



Bank: CITY  
Cycle: AWKLY

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
0246322	01/19/24	P	United Site Services of California Inc	0000015552	6,440.95
			Line Description: FENCING RENTAL W/ Credit		
0246323	01/19/24	P	Verizon Wireless	0000008717	1,782.07
			Line Description: WIRELESS PHONE Public Works 11		
0246324	01/19/24	P	Vulcan Materials Company	0000007403	140.71
			Line Description: Asphalt Potholes Sidewalk Ramp		
0246325	01/19/24	P	West Coast Fence Co	0000021495	1,980.00
			Line Description: Security & Privacy Fencing @ F		
0246326	01/19/24	P	Westend	0000030496	3,700.00
			Line Description: CUP to MCUP P22-00030 PA-22-15		
TOTAL					\$1,217,507.52

Bank: DDP1  
Cycle: ADDEP1

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
016824	01/19/24	P	Andrea Pham	0000030015	786.86
			Line Description: Delivery Doc to Sign-Miles GFOA Certificate of Achievemen		
016825	01/19/24	P	Barbara Carpenter	0000000976	250.00
			Line Description: CM Leadership Award January 24		
016826	01/19/24	P	CHC: Creating Healthier Communities	0000008015	10.00
			Line Description: 24-02 Payroll Deduction		
016827	01/19/24	P	Costa Mesa Employees Association	0000006284	4,217.84
			Line Description: 24-02 Payroll Deduction		
016828	01/19/24	P	Costa Mesa Executive Club	0000006286	145.00
			Line Description: 24-02 Payroll Deduction		
016829	01/19/24	P	Costa Mesa Firefighters Association	0000001812	8,120.61
			Line Description: 24-02 Payroll Deduction		
016830	01/19/24	P	Costa Mesa Police Association	0000001819	7,080.00
			Line Description: 24-02 Payroll Deduction		
016831	01/19/24	P	Costa Mesa Police Management Assn	0000005082	315.00
			Line Description: 24-02 Payroll Deduction		
016832	01/19/24	P	Hadassa Jakher	0000027353	20.00
			Line Description: Refreshments-Broc's SC Dr Wall		
016833	01/19/24	P	Jennifer Ruffalo	0000021381	106.50

Bank: DDP1  
Cycle: ADDEP1

Payment Ref	Date	Status	Remit To	Remit ID	Payment Amt
<i>Line Description:</i> Fire Tech Summit-Redlands					
016834	01/19/24	P	Travel Costa Mesa	0000024750	184,011.49
<i>Line Description:</i> BIA Receipts Dec 2023					
TOTAL					\$205,063.30



# CITY OF COSTA MESA

## Agenda Report

77 Fair Drive  
Costa Mesa, CA 92626

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**File #:** 24-035

**Meeting Date:** 2/20/2024

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**TITLE:**

**MINUTES**

**DEPARTMENT:** City Manager's Office/City Clerk's Division

**RECOMMENDATION:**

City Council approve the minutes of the regular meeting of January 16, 2024.



## **REGULAR CITY COUNCIL AND SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY, AND HOUSING AUTHORITY JANUARY 16, 2024 - MINUTES**

**CALL TO ORDER** –The Closed Session meeting was called to order by Mayor Stephens at 4:04 p.m.

### **ROLL CALL**

Present: Council Member Chavez, Council Member Marr (Arrived 4:12 p.m.), Council Member Reynolds, Mayor Pro Tem Harlan, and Mayor Stephens.

Absent: Council Member Gameros and Council Member Harper.

### **PUBLIC COMMENTS**

Dennis D'Alessio spoke on case no. 4 regarding 1963 Wallace Ave.

Alisha Patterson spoke on case no. 4 regarding 1963 Wallace Ave.

Steve Cedar spoke on case no. 4 regarding 1963 Wallace Ave.

Steve Sheldon spoke on case no. 4 regarding 1963 Wallace Ave.

Grant Hermes spoke on case no. 2 regarding 440 Fair Dr. and 1779 Newport Blvd.

### **CLOSED SESSION ITEMS:**

#### **1. CONFERENCE WITH LABOR NEGOTIATORS**

Pursuant to California Government Code Section 54957.6 (a)

Agency Designated Representative: Lori Ann Farrell Harrison, City Manager and Alma Reyes, Deputy City Manager

Name of Employee Organization: Costa Mesa Firefighters Association (CMFA).

#### **2. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION – ONE CASE**

Pursuant to California Government Code Section 54956.9 (d)(1)

Name of Case: City of Costa Mesa; People of State of Cal. v. D'Alessio Investments LLC, et al.

440 Fair Dr. and 1779 Newport Blvd.

Orange County Superior Court Case No. 30-2020-01170520

**3. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION – ONE CASE**

Pursuant to California Government Code Section 54956.9 (d)(1)  
Name of Case: D'Alessio Investments LLC v. City of Costa Mesa  
Orange County Superior Court Case No. 30-2020-01132646

**4. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION – ONE CASE**

Pursuant to California Government Code Section 54956.9 (d)(1)  
Name of Case: City of Costa Mesa v. D'Alessio; 1963 Wallace Ave.  
Orange County Superior Court Case No. 30-2020-01133479

City Council recessed at 4:21 p.m. for Closed Session.

Closed Session adjourned at 5:48 p.m.

**CALL TO ORDER** –The Regular City Council and Successor Agency to the Redevelopment Agency, and Housing Authority meeting was called to order by Mayor Stephens at 6:00 p.m.

**NATIONAL ANTHEM AND PLEDGE OF ALLEGIANCE** – Led by Chara Wondercheck.

**MOMENT OF SOLEMN EXPRESSION** – Led by Ian Stevenson, Trellis.

**ROLL CALL**

Present: Council Member Chavez, Council Member Gameros, Council Member Marr Council Member Reynolds, Mayor Pro Tem Harlan and Mayor Stephens.

Absent: Council Member Harper.

**CITY ATTORNEY CLOSED SESSION REPORT** – No reportable action.

**PRESENTATIONS:**

The Mayor recognized Police Service Dog Bodi's Retirement.

The Mayor recognized Jennifer Le, Economic and Development Services Director.

**PUBLIC COMMENTS – MATTERS NOT LISTED ON THE AGENDA**

Ida Wolf requested the large ice machine and blinds to be fixed at the Senior Center, and spoke on the Soup Kitchen needing a fence.

Charlene Ashendorf spoke on the Art Exhibit opening at the Senior Center, and introduced Ellie Brouse, who spoke on her art exhibit.

Dr. Wes Smith, Superintendent, Newport Mesa Unified School District, praised the leadership in the City.

Flo Martin spoke on the Pledge of Allegiance and is thankful for living in the United States.

Speaker, spoke on Domestic Violence and assisting individuals and families.

Kim Hendricks spoke on Fairview Park.

Marc Vukceвич spoke on housing, Assembly Bill 413 regarding not parking within 20 feet of crosswalks and requested markings or signage, and spoke on bicycle and scooter storage.

Speaker, extended personal thanks to Ms. Le, thanked the Public Works Department for the installation of the raised crosswalks at Pomona Avenue and Sterling Avenue and at Meyer Place and Bay Street, and for the new Hawk signal and crosswalk at Wilson Park, thanked the City Manager and Parks and Community Services Department for opening up West Side park space, and thanked the Finance and Police Departments for the animal shelter contract.

Urson Russell, Costa Mesa Brief reporter, spoke on previous reports on Measure AA and Measure BB and is working on a follow up story regarding Fairview Park and future plans, and requested a meeting with Kelly Dalton, Fairview Park Administrator, City Manager Farrell Harrison, and/or Council Member Reynolds.

Latricia Ortiz spoke on receiving flyers for events at Shalimar Park and requested information on future activities, and spoke on street sweeping on Wednesdays and patrolling for parked cars.

Speaker, spoke on Fairview Park, archeological sites, and native species.

Cynthia McDonald spoke on the Environmental Impact Report for the Emergency Operations Center, and the proposed Helicopter Pad.

Alexander Haberbush, attorney, spoke against a proposed conditional use permit for a retail cannabis store at 1858 Newport Blvd, and spoke against the proliferation of cannabis businesses.

Speaker, congratulated Bodi on retirement, requested insurance for his future veterinary care, and spoke against the Helicopter Pad at the Emergency Operations Center.

## **COUNCIL MEMBER COMMITTEE REPORTS, COMMENTS, AND SUGGESTIONS**

Council Member Gameros wished all a Happy New Year and thanked all students for attending.

Council Member Marr wished all a Happy New Year and spoke on being available to meet with the public.

Council Member Reynolds shared optimism for the upcoming year, spoke on projects coming to fruition, spoke on the lighted crosswalk on Wilson Street, spoke on the Tenant Protection Ordinance workshop, and spoke on hearing from the public.

Council Member Chavez thanked staff for traffic slowing measures at Meyer Street and Pomona Avenue, spoke on street vendors blocking sidewalks and requested more patrolling between Wallace Avenue and Pomona Avenue on 19<sup>th</sup> Street, spoke on a lack of ticketing on Charle Street, and spoke on the Costa Mesa 311 App for reporting purposes.

Mayor Pro Tem Harlan thanked Costa Mesa United for the Charity Golf Tournament the Gordon Bowley Charity Classic, spoke on the Fairview Developmental Center Workshops, requested an update on the noise study for The 12 gym, and requested to remove the plexiglass in the Council Chambers.

Mayor Stephens spoke on attending the Apartment Association of Orange County meeting and being recognized for the Tenant Protection Ordinance, spoke on attending an event for the Orange County Youth Sports Foundation, spoke on the Arts and Learning Conservatory show called Music of the March at Barclay Theater, spoke on attending the Gordon Bowley Charity Classic event, congratulated Jake Knapp for playing his first PGA tour event, and spoke on adjourning the meeting in memory of Shawn Davidson.

**REPORT – CITY MANAGER – NONE.**

**REPORT – CITY ATTORNEY** – Ms. Hall Barlow reported that a mediated settlement has been reached for Leaman v. the City of Costa Mesa with no damages paid by the City and a waiver of costs only.

**CONSENT CALENDAR**

**MOVED/SECOND:** Council Member Chavez/Council Member Marr

**MOTION:** Approve the Consent Calendar except for Item Nos. 10 and 12.

The motion carried by the following roll call vote:

Ayes: Council Member Chavez, Council Member Gameros, Council Member Marr, Council Member Reynolds, Mayor Pro Tem Harlan, and Mayor Stephens.

Nays: None

Absent: Council Member Harper.

Abstain: None.

Motion carried: 6-0

**1. PROCEDURAL WAIVER: WAIVE THE FULL READING OF ALL ORDINANCES AND RESOLUTIONS**

**ACTION:**

City Council, Agency Board, and Housing Authority approved the reading by title only and waived full reading of Ordinances and Resolutions.

**2. READING FOLDER**

**ACTION:**

City Council received and filed Claims received by the City Clerk: George Abrina, Forrest Ascarrunz, Teresa Beck, Noreen Becker, Bryan Bennani, Automobile Club as Subrogee of Bryan Bennani, Andrea Grigsby, Amelia Salehpour, Antonio Urresti.



**3. ADOPTION OF WARRANT RESOLUTION**

**ACTION:**

City Council approved Warrant Resolution No. 2710.

**4. MINUTES**

**ACTION:**

City Council approved the minutes of the regular meeting of December 5, 2023 and the Study Session meeting of December 12, 2023.

**5. REVIEW AND APPROVE RECOMMENDED CITY COUNCIL MEETING CALENDAR FOR 2024**

**ACTION:**

City Council reviewed and approved City Council Meeting Calendar for 2024 and cancelled the Tuesday, November 5, 2024, City Council Meeting due to Election Day.

**6. APPROVAL OF MAYOR'S APPOINTMENTS TO THE TRANSPORTATION CORRIDOR AGENCIES**

**ACTION:**

City Council approved the Mayor's appointments to the Transportation Corridor Agencies (TCA): Appointee - Mayor John Stephens and Alternate - Councilmember Arlis Reynolds.

**7. SECOND READING AND ADOPTION OF ORDINANCE NO. 2024-01 AMENDING TITLE 13 (PLANNING, ZONING, AND DEVELOPMENT) OF THE COSTA MESA MUNICIPAL CODE TO MODIFY THE CITY'S OUTDOOR DINING PROVISIONS (CODE AMENDMENT PCTY-23-0002)**

**ACTION:**

City Council gave second reading to and adopted Ordinance No. 2024-01 approving Code Amendment PCTY-23-0002, amending Title 13 (Planning, Zoning, and Development) of the Costa Mesa Municipal Code to modify the City's Outdoor Dining provisions.

**8. AUTHORIZATION FOR THE RETIREMENT OF POLICE SERVICE DOG BODI AND THE SALE OF POLICE SERVICE DOG BODI TO OFFICER GEORGE MARIDAKIS**

**ACTION:**

1. City Council approved the retirement of Police Service Dog Bodi after five years of outstanding service to the community.
2. Authorized the City Manager or designee to execute the purchase agreement for the sale of Police Service Dog Bodi to Officer George Maridakis.

**9. AUTHORIZATION FOR THE PROCUREMENT OF DATA ANALYTICS SOFTWARE WITH PEREGRINE**

**ACTION:**

1. City Council approved the purchase of data analytics software based on pricing provided through a cooperative agreement with the City of Fremont, No.21-0113.
2. Authorized the purchase of data analytics software under the awarded Organized Retail Theft Prevention Grant (ORT) with Peregrine Technologies in the amount of \$315,000.
3. Authorized the City Manager and City Clerk to execute an agreement with Peregrine Technologies in a form approved by the City Attorney.

**11. PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES FOR THE KETCHUM-LIBOLT PARK EXPANSION PROJECT**

**ACTION:**

1. City Council awarded the Professional Services Agreement (PSA) to Architerra Design Group, Inc., 10221-A Trademark Street, Rancho Cucamonga, California in an amount not to exceed \$193,098 for the design of improvements and expansion of Ketchum-Libolt Park located at 2150 Maple Street, Costa Mesa.
2. Authorized an additional ten percent (10%) contingency in the amount of \$19,310 as needed for any unforeseen costs related to this project.
3. Authorized the City Manager and the City Clerk to execute the PSA and any future amendments to the agreement within Council authorized limits.

**13. ACCEPTANCE OF THE JACK HAMMETT SPORTS COMPLEX EXPANSION PROJECT, CITY PROJECT NO. 21-05**

**ACTION:**

1. City Council accepted the work performed by Horizons Construction Company International, Inc., 432 West Meats Avenue, Orange, California 92865, for the Jack Hammett Sports Complex Expansion Project, City Project No. 21-05, and authorized the City Clerk to file the Notice of Completion.
2. Authorized the City Manager to release the Labor and Material Bond seven (7) months after the filing date and release the Faithful Performance Bond at the conclusion of the one-year warranty period. Retention monies have been released pursuant to Public Contract Code 7107(c).

**14. CLEAN MOBILITY OPTIONS PILOT PROGRAM AND OCTA PROJECT V GRANT FOR COMMUNITY BASED TRANSIT**

**ACTION:**

1. City Council adopted Resolution No. 2024-01, approving participation in the Clean Mobility Options Voucher Pilot Program.

2. Adopted Resolution No. 2024-02, approving the submittal of a grant application for the Community-Based Transit/Circulators Program (Project V) under the Orange County Transportation Authority's (OCTA's) Comprehensive Transportation Funding Program (CTFP).

## **ITEMS PULLED FROM THE CONSENT CALENDAR**

### **10. PROFESSIONAL ARCHITECTURAL AND ENGINEERING SERVICES FOR THE SHALIMAR PARK EXPANSION PROJECT**

Public Comments: None.

**MOVED/SECOND:** Council Member Chavez/Council Member Reynolds

**MOTION:** Approve staff recommendation.

The motion carried by the following roll call vote:

Ayes: Council Member Chavez, Council Member Gameros, Council Member Marr, Council Member Reynolds, Mayor Pro Tem Harlan, and Mayor Stephens.

Nays: None

Absent: Council Member Harper.

Abstain: None.

Motion carried: 6-0

#### **ACTION:**

1. City Council awarded Professional Services Agreement (PSA) to Community Works Design Group, Inc., 7111 Indiana Avenue, Suite 300, Riverside, California in an amount not to exceed \$158,970 for the design of improvements and expansion of Shalimar Park.
2. Authorized an additional ten percent (10%) contingency in the amount of \$15,897 as needed for any unforeseen costs related to this project.
3. Authorized the City Manager and the City Clerk to execute the PSA and any future amendments to the agreement within Council authorized limits.

### **12. AWARD OF THE LED LIGHTING INSTALLATION AT CITY PARKS AND ATHLETIC FACILITIES PROJECT, CITY PROJECT NO. 23-09**

Public Comments:

Speaker, spoke on considering the impact on neighbors when lighting is installed.

Cynthia McDonald thanked staff for the Tennis Center lighting.

**MOVED/SECOND:** Mayor Pro Tem Harlan/Council Member Reynolds

**MOTION:** Approve staff recommendation.

The motion carried by the following roll call vote:

Ayes: Council Member Chavez, Council Member Gameros, Council Member Marr, Council Member Reynolds, Mayor Pro Tem Harlan, and Mayor Stephens.

Nays: None

Absent: Council Member Harper.

Abstain: None.

Motion carried: 6-0

**ACTION:**

1. City Council adopted plans, specifications, and working details for the LED Lighting Installation at City Parks and Athletic Facilities Project, City Project No. 23-09.
2. Authorized the City Manager and City Clerk to execute a Public Works Agreement (PWA) in the amount of \$759,700, and future contract amendments within City Council authorized limits to RMF Contracting, Inc., 1523 North Harmony Circle, Anaheim, California 92807.
3. Authorized a ten percent (10%) contingency in the amount of \$75,970 for unforeseen construction and miscellaneous costs related to the project.

-----**END OF CONSENT CALENDAR**-----

**PUBLIC HEARINGS:**

(Pursuant to Resolution No. 05-55, Public Hearings begin at 7:00 p.m.)

1. **REVIEW OF THE PLANNING COMMISSION'S DECISION TO DENY PLANNING APPLICATION 22-45 FOR A NEW PUBLIC CHARTER HIGH SCHOOL ("VISTA MERIDIAN GLOBAL ACADEMY") AND A MINOR CONDITIONAL USE PERMIT FOR SMALL CAR PARKING LOCATED AT 1620 SUNFLOWER AVENUE**

Presentation by Gabriel Villalobos, Assistant Planner.

Dr. Don Wilson, Superintendent, Vista Meridian Academy, spoke on the project, spoke on their Charter, and spoke on the school curriculum.

Mr. Joseph Smith, Land Use Consultant, spoke on the Conditional Use Permit and land use matters.

Eric Nguyen, Property Owner, spoke in support of the project.

Public Comments:

Written communications received from Daniel Bistany, Justin Nassie, Wallid Kazi, Anna Schlotzhauer and Jim Bergman, and Ed Salcedo.

Dr. Wes Smith, Superintendent, Newport Mesa Unified School District, Smith spoke on Proposition 39, the charter, the legal notices to the school district, spoke on the impact to the school district, expressed concern on the single ingress/egress, and requested the Council to deny the application.

Speaker, spoke in favor of the item.

Speaker, spoke on the legal notices to the school district, and spoke in opposition of the item.

Jeff Trader, Assistant Superintendent of Newport Mesa Unified School District, spoke on the average daily attendance, and spoke in opposition of the item.

Speaker, spoke in favor of the item.

Sue Ann Evans, legal counsel for Newport Mesa Unified School District, spoke in opposition of the item.

Victor Jimenez, Costa Mesa, spoke in opposition of the item.

Christine Flores spoke in favor of the item.

Toby Nguyen, Costa Mesa, spoke in opposition of the item.

Trent Speier, Principal of Vista Meridian Global Academy, spoke in favor of the item.

Speaker, spoke in opposition of the item.

Brianna Williams, spoke in favor of the item.

Robert Sterling, spoke in opposition of the item.

Dianne Russell, Costa Mesa, spoke in opposition of the item and on the flow of traffic.

Speaker, spoke in opposition of the item.

Dr. Liz Dorn Parker, spoke in opposition of the item.

Marc Vukceovich, questioned if the item creates a school zone.

Speaker, spoke in favor of the item.

Ricardo Vazquez spoke in favor of the item.

Speaker, spoke in favor of the item.

Speaker, spoke in opposition of the item.

Speaker, spoke in favor of the item.

City Council recessed into a break at 9:30.

City Council reconvened at 9:42.

The applicant requested a continuance of the item.

**MOVED/SECOND:** Mayor Stephens/Mayor Pro Tem Harlan

**MOTION:** Continue the item.

The motion failed by the following roll call vote:

Ayes: Mayor Pro Tem Harlan and Mayor Stephens.

Nays: Council Member Chavez, Council Member Gameros, Council Member Marr, and Council Member Reynolds.

Absent: Council Member Harper.

Abstain: None.

Motion failed: 2-4-1

**MOVED/SECOND:** Council Member Gameros/Council Member Chavez

**MOTION:** Uphold the Planning Commission's decision.

The motion carried by the following roll call vote:

Ayes: Council Member Chavez, Council Member Gameros, Council Member Marr, Council Member Reynolds, and Mayor Pro Tem Harlan.

Nays: Mayor Stephens.

Absent: Council Member Harper.

Abstain: None.

Motion carried: 5-1-1

**ACTION:**

City Council upheld the Planning Commission's decision to deny Planning Application 22-45.

**2. AN ORDINANCE AMENDING TITLE 13 (PLANNING, ZONING AND DEVELOPMENT) OF THE COSTA MESA MUNICIPAL CODE TO ESTABLISH AFFORDABLE HOUSING REQUIREMENTS FOR NEW RESIDENTIAL DEVELOPMENT PROJECTS**

Presentation by Nancy Huynh, Principal Planner.

Public Comments:

Written communications received from Priscilla Rocco, Jenn Tanaka, and Adam Wood, representing the Building Industry Association.

Jay Humphrey, Costa Mesa, spoke on in-lieu fees.

Adam Wood, Building Industry Association, spoke on State mandates, stated the ordinance is not incentive based, spoke on project threshold size, compared the ordinance to other cities, and spoke on exemptions for development agreements.

Jenn Tanaka spoke on Measure K and housing, spoke on in-lieu fees, and spoke on market rate housing.

Marc Vukceovich spoke on affordable housing and being competitive in the market.

Dianne Russell spoke in opposition of the ordinance as written.

Speaker, spoke on land value and expressed concern on the 10% and 5% thresholds in the ordinance.

George Sakioka spoke on land dedication, affordability, and allowing an exemption for development agreements.

Kathy Esfahani, Affordable Housing Coalition, spoke in opposition of the ordinance as written.

Christine Nolf spoke on increasing the inclusionary requirements.

Cynthia McDonald spoke in opposition of the ordinance as written.

Cesar Covarrubias, Executive Director of the Kennedy Commission, expressed concern on the in-lieu fees and the current requirements for affordable housing.

Speaker, Resilience Orange County, spoke on increasing the affordability percentages and spoke on renting affordability.

Speaker, spoke on increasing the affordability percentages and spoke on in lieu fees.

**MOVED/SECOND:** Mayor Pro Tem Harlan/Mayor Stephens

**MOTION:** Continue the item to a date uncertain and bring back the ordinance for Council consideration along with the in-lieu fee resolution.

**SUBSTITUTE MOTION/SECOND:** Council Member Marr/Council Member Reynolds

**SUBSTITUTE MOTION:** Approve staff recommendation with the following changes: set the project threshold at 15 units instead of 10 units, for rental projects onsite production required for projects greater than 50 units, set affordability requirements to be 60+ dwelling units per acre at 12% low income and 8% very low income and under 60 units per acre maintain the staff recommendation at 6% low income and 4% very low income, for ownership projects require payment of in lieu fees only, and change section 13-331 to read: "The following are the alternative options to fulfill the requirements of this chapter if onsite production of affordable units is determined by the director or their designee to be economically infeasible and would impose an extreme hardship, or if it is determined to lead to a better planning result and/or additional affordable units. The director or their designee's determination shall be made based upon evidence provided by the applicant."

Mayor Stephens requested the exception of Development Agreements.

Council Member Marr (1<sup>st</sup>) and Council Member Reynolds (2<sup>nd</sup>) agreed to the change.

Council Member Chavez requested a flat rate of 10 low income units and 5 very low income units at 50 units per acre.

Council Member Marr (1<sup>st</sup>) offered to change the motion to staff recommendation.

Council Member Chavez requested to exempt the South Coast Plaza property.

Council Member Marr (1<sup>st</sup>) did not agree to the change.

Discussion ensued on bringing the ordinance back with the in-lieu fee resolution at the same time.

**MOVED/SECOND:** Council Member Marr/Council Member Reynolds

**MOTION:** Continue meeting past midnight.

The motion carried by the following roll call vote:

Ayes: Council Member Chavez, Council Member Gameros, Council Member Marr, Council Member Reynolds, Mayor Pro Tem Harlan, and Mayor Stephens.

Nays: None

Absent: Council Member Harper.

Abstain: None.

Motion carried: 6-0

Mayor Pro Tem Harlan and Council Member Chavez spoke on not supporting the item due to wanting more time for consideration.



**SUBSTITUTE MOTION/SECOND:** Council Member Marr/Council Member Reynolds

**SUBSTITUTE MOTION:** Approve staff recommendation with the following changes: set the project threshold at 15 units instead of 10 units, for rental projects onsite production required for projects greater than 50 units, set affordability requirements to be 60+ dwelling units per acre at 11% low income or 7% very low income and under 60 dwelling units per acre at 6% low income or 4% very low income, for ownership projects require payment of in lieu fees only, an exception for Development Agreements reading: "Any residential project for which the city enters into a development agreement pursuant to California Government Code Section 65964 that provides affordable housing obligations equivalent to this chapter or alternative equivalent community benefits", and in section 13-331 "The following are the alternative options to fulfill the requirements of this chapter if onsite production of affordable units is determined by the director or their designee to be economically infeasible and would impose an extreme hardship, or if it is determined to lead to a better planning result and/or additional affordable units. The director or their designee's determination shall be made based upon evidence provided by the applicant."

The motion carried by the following roll call vote:

Ayes: Council Member Gameros, Council Member Marr, Council Member Reynolds, and Mayor Stephens.

Nays: Council Member Chavez and Mayor Pro Tem Harlan.

Absent: Council Member Harper.

Abstain: None.

Motion carried: 4-2-1

**ACTION:**

1. City Council found that the adoption of Ordinance No. 2024-02 is exempt from the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15061(b)(3), General Rule in that the affordable housing ordinance will not have a significant impact on the environment.
2. Gave first reading to Ordinance No. 2024-02 (PCTY-23-0001) modifying Title 13 (Planning, Zoning, and Development) of the Costa Mesa Municipal Code (CMMC) to establish affordable housing requirements for new residential developments.

**OLD BUSINESS: NONE.**

**NEW BUSINESS: NONE.**

**ADDITIONAL COUNCIL/BOARD MEMBER COMMITTEE REPORTS, COMMENTS, AND SUGGESTIONS – NONE.**

**ADJOURNMENT** – Mayor Stephens adjourned the meeting at 12:19 a.m. in memory of Shawn Davidson.

**Minutes adopted on this 6<sup>th</sup> day of February, 2024.**

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John Stephens, Mayor

ATTEST:

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Brenda Green, City Clerk

DRAFT



# CITY OF COSTA MESA

## Agenda Report

77 Fair Drive  
Costa Mesa, CA 92626

File #: 24-027

Meeting Date: 2/20/2024

### TITLE:

**AMENDMENT NUMBER FOUR TO PROFESSIONAL SERVICES AGREEMENT (PSA) WITH KEYSER MARSTON ASSOCIATES (KMA) FOR AFFORDABLE HOUSING CONSULTING SERVICES**

**DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES  
DEPARTMENT/PLANNING DIVISION**

**PRESENTED BY: NANCY HUYNH, PRINCIPAL PLANNER**

**CONTACT INFORMATION: NANCY HUYNH, PRINCIPAL PLANNER, (714) 754-5609**

### **RECOMMENDATION:**

Staff recommends the City Council:

1. Approve and authorize the City Manager and City Clerk to execute Amendment No. 4 to the Professional Services Agreement (PSA) with Keyser Marston Associates, Inc. (KMA) to increase the not-to-exceed amount by \$55,300 for a total of \$155,300, in substantially the same form as attached and in such final form as approved by the City Attorney.
2. Authorize the City Manager or designee and City Clerk to execute future amendments to the agreement, so long as such amendments are within the existing City budget.

### **BACKGROUND:**

KMA, an expert housing consultant with over 30 years of experience, was retained by the City in February 2021 to provide housing consulting services, specifically to assist staff with developing a draft affordable housing ordinance. The original consulting services scope of work included preparing a Financial Evaluation, a policy recommendations memorandum, attendance at meetings with staff and three public hearings at Planning Commission and City Council. The original agreement was for a not-to-exceed amount of \$50,000 and an estimated project timeline of approximately nine months.

Since approval, the PSA has been amended three times as follows:

- Amendment No. 1: Extend the terms of the contract through February 7, 2024;
- Amendment No. 2: Increase the contract amount by an additional \$20,000 using State-awarded LEAP funds; and
- Amendment No. 3: Increase the contract amount by an additional \$30,000 using State-awarded LEAP funds for a contract total of \$100,000.

The proposed affordable housing ordinance was presented to the Planning Commission at a public hearing on December 11, 2023. The Planning Commission recommended that the City Council give first reading of the proposed affordable housing ordinance. On January 16, 2024, City Council held a public hearing on the item and approved first reading of the affordable housing ordinance, directing staff to return with an in-lieu fee analysis concurrent with the second reading. The second reading of the ordinance is anticipated to be scheduled for City Council review and potential adoption at their March 5, 2024 regular meeting.

### **ANALYSIS:**

Under contract to the City, KMA has prepared the draft Financial Evaluation including creating multiple project prototypes and scenarios to determine the affordable housing requirement that the City could adopt without being “confiscatory” and without depriving a developer of a fair rate of return. KMA’s initial analysis and findings were presented to the City Council and Planning Commission in two joint study sessions in May and July 2023.

Based on the direction provided at the study sessions as well as feedback received from stakeholders, KMA updated their analyses to include more project prototypes than originally envisioned in order to more accurately reflect the range and types of likely housing projects in the City. As such, the previously approved contract amounts were expended to cover KMA’s additional work on the revised Financial Evaluation and associated attendance at meetings with stakeholders, staff, and decisionmakers over an extended project timeline.

Under the proposed contract amendment, KMA would complete the final tasks and documents necessary for final adoption of the Ordinance and approval of a Fee Resolution, as well as to assist staff with preparing implementation procedures and templates for a new Affordable Housing Program. Pending tasks and deliverables would include:

- Complete in-lieu fee study and finalize policy recommendation memorandum;
- Draft affordable housing guidelines;
- Draft affordable housing agreement and form templates;
- Assist staff with preparing Administrative Regulations; and
- Attend meetings including public hearings or other meetings with staff as needed.

The draft Agreement and scope of work are provided as Attachment 1 to this report.

The increase in the contract amount would be covered by State-awarded LEAP grant funds. As such, the amendment would not impact the City’s General Fund.

### **ALTERNATIVES:**

The alternative to the proposed City Council action is not to move forward with the additional funding for the subject agreement. In this case, no in-lieu fee analysis could be prepared or adopted and the Affordable Housing Program’s final documents would not be completed. As such, the Program could not be implemented and subject to a consistent set of guidelines and procedures.

**FISCAL REVIEW:**

There is no fiscal impact to the City's General Fund. The cost for this contract would be fully funded by the State awarded LEAP grant funds.

**LEGAL REVIEW:**

The agenda report and attached agreement has been reviewed and approved as to form by the City Attorney's Office.

**CITY COUNCIL GOALS AND PRIORITIES:**

This item supports the following City Council Goal:

- Diversify, Stabilize and Increase Housing to Reflect Community Needs

**CONCLUSION:**

Staff recommends the City Council:

1. Approve and authorize the City Manager and City Clerk to execute Amendment No. 4 to the Professional Services Agreement (PSA) with Keyser Marston Associates, Inc. (KMA) to increase the not-to-exceed amount by \$55,300 for a total of \$155,300, in substantially the same form as attached and in such final form as approved by the City Attorney; and
2. Authorize the City Manager or designee and City Clerk to execute future amendments to the agreement, so long as such amendments are within the existing City budget.

**AMENDMENT NUMBER FOUR TO  
PROFESSIONAL SERVICES AGREEMENT  
WITH  
KEYSER MARSTON ASSOCIATES, INC.**

This Amendment Number Four ("Amendment") is dated January 25, 2024 ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City") and KEYSER MARSTON ASSOCIATES, INC., a California corporation ("Consultant").

WHEREAS, City and Consultant entered into an agreement on February 8, 2021, for Consultant to provide consulting services in connection with affordable housing projects (the "Agreement"); and

WHEREAS, City and Consultant entered into Amendment One on February 8, 2023, to extended the term of the Agreement through February 7, 2024; and

WHEREAS, City and Consultant entered into Amendment Two on April 4, 2023, to increase Consultant's maximum compensation for a total amount not to exceed Seventy Thousand Dollars (\$70,000); and

WHEREAS, City and Consultant entered into Amendment Three on September 1, 2023, to increase Consultant's maximum compensation for a total amount not to exceed One Hundred Thousand Dollars (\$100,000); and

WHEREAS, City and Consultant now desire to amend the Agreement to increase compensation by Fifty-Five Thousand and Three Hundred Dollars (\$55,300), to provide for additional services related to the proposed Inclusionary Housing program; and

WHEREAS, Section 4.1 of the Agreement provides for the term of the Agreement to be amended if agreed to in writing by the parties; and

WHEREAS, City and Consultant desire to increase Consultant's maximum compensation and extend the term of the Agreement.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Section 1.1 of the Agreement is amended to add to the Scope of Services as more specifically set forth in Exhibit A.
2. Section 2.1 of the Agreement is amended to increase Consultant's compensation by \$55,300 as more specifically set forth in Exhibit A to this

Amendment. As of the effective date of this Amendment, Consultant's total compensation shall not exceed \$155,300.

3. The term of the Agreement shall be extended through February 7, 2025.
4. All terms not defined herein shall have the same meaning and use as set forth in the Agreement, as amended.
5. All other terms, conditions, and provisions of the Agreement, as amended, shall remain in full force and effect.
6. This Amendment may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

**IN WITNESS WHEREOF**, the Parties hereto have caused this Amendment to be executed by and through their respective authorized officers, as of the date first above written.

**CONSULTANT**

\_\_\_\_\_  
Kathleen Head  
President

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

**CITY OF COSTA MESA**

\_\_\_\_\_  
Lori Ann Farrell Harrison  
City Manager

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

**ATTEST:**

\_\_\_\_\_  
Brenda Green  
City Clerk

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

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Kimberly Hall Barlow  
City Attorney

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

APPROVED AS TO INSURANCE:

\_\_\_\_\_  
Ruth Wang  
Risk Management

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

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Silvia Kennerson  
Senior Management Analyst

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

DEPARTMENTAL APPROVAL:

\_\_\_\_\_  
Scott Drapkin  
Assistant Economic and Development Services Director

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

APPROVED AS TO PURCHASING:

\_\_\_\_\_  
Carol Molina  
Finance Director

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





## KEYSER MARSTON ASSOCIATES

### ADVISORS IN:

Real Estate  
Affordable Housing  
Economic Development

### BERKELEY

Debbie M. Kern  
David Doezema

### LOS ANGELES

Kathleen H. Head  
Kevin E. Engstrom  
Julie L. Romey  
Tim R. Bretz

### SAN DIEGO

Paul C. Marra  
Linnie A. Gavino

### EMERITUS

A. Jerry Keyser  
Timothy C. Kelly

January 18, 2024

Nancy Huynh

Principal Planner

City of Costa Mesa

77 Fair Drive

Costa Mesa, California 92626

Dear Ms. Huynh:

Keyser Marston Associates, Inc. (KMA) is pleased to submit the following proposal to the City of Costa Mesa (City) to provide additional services related to the proposed Inclusionary Housing program. The following proposal describes the proposed scope of services and estimated fees for the services to be provided.

## PROPOSED SCOPE OF SERVICES

KMA proposes to provide the following scope of services to the City on an as needed basis.

## Policy Recommendations

KMA proposes to a memorandum that summarizes the policy recommendations derived from the Inclusionary Housing: Financial Evaluation (Financial Evaluation) and the supplemental analysis KMA prepared in November 2023. The policy recommendations memorandum will be organized as follows:

1. The findings of the Financial Evaluation will be summarized.
2. The components of the recommended policies will be identified. The following policy recommendations for ownership and rental housing development will be included:
  - a. The financially feasible income targeting standards;
  - b. The percentage of housing units that should be set aside as Inclusionary Housing units;
  - c. Affordable housing production requirements; and
  - d. The alternative fulfillment options that will be available to projects that are subject to the Inclusionary Housing program requirements.
3. The role that the Government Code Section 65915 et seq. density bonus should play in establishing income and affordability requirements for the City's Inclusionary Housing program.
4. The implementation and administrative tools that should be created by the City after an Inclusionary Housing program is adopted.

### In-Lieu Fee Analysis

KMA proposes to prepare in-lieu fee analyses for apartment and ownership housing developments based on the Inclusionary Housing requirements included in the first reading of the ordinance that was approved by the City Council on January 16, 2024. The prototype residential projects used in the KMA Inclusionary Housing: Financial Evaluation will be used for analysis purposes. The in-lieu fee estimates will be determined using an "Affordability Gap" analysis methodology.

The basic parameters are:

1. Projects with 15 or more units are subject to the Ordinance.
2. The income and affordability requirements that will be applied in the analysis are set as follows:

- a. An 11% low income requirement is imposed on apartment projects developed at a density of 60 units per acre or more, and a 6% low income requirement is imposed on apartment projects developed at less than 60 units per acre.
- b. An 8% moderate income requirement is imposed on ownership housing developments.

KMA will present the in-lieu fee analysis findings in a memorandum that describes the methodology, assumptions, and findings.

### Administrative Procedures Manual – Apartment Development

The Administrative Procedures Manual for the developers of apartment developments will include the following chapters:

1. A template affordable housing agreement
2. An introduction to the Inclusionary Housing requirements
3. A presentation of the defined terms that are used in the Administrative Procedures Manual and pertinent affordable housing agreements
4. Program administration terms
5. Methodology for identifying eligible renters
6. Methodology for calculating the affordable rents
7. Policies related to complaints and appeals to the City
8. Descriptions of the monitoring and enforcement activities that will be undertaken by the City.

KMA will also prepare the following attachments for the City's use:

1. The current household income chart to be used in qualifying households to rent affordable units in projects subject to Inclusionary Housing requirements

2. The current utilities allowances to be used in calculating the affordable rents for units subject to Inclusionary Housing requirements
3. A sample annual tenant recertification form
4. A sample annual rental housing compliance report
5. An in-lieu fee calculation form

## Meeting Attendance

### MEETINGS WITH STAFF

On an as-needed basis KMA will meet with City staff virtually or in person. This proposal includes a budget allowance for a total of 20 hours of meeting time with City staff.

### PUBLIC MEETINGS

KMA proposes to participate in up to a total of 12 hours of public meetings with the community, the Planning Commission and the City Council. KMA will assist the City in preparing presentations for the meetings and will serve as the primary presenter for the financial components of the Inclusionary Housing program.

## PROPOSED BUDGET AND TIMING

The following table presents the estimated fee for each task included in this proposal:

Proposed Budget: Written Deliverables	
Tasks	Budget
Policy Recommendations Memorandum	\$5,000
In-Lieu Fee Analysis	10,000
Administrative Procedures Manual	25,000
Total Budget: Written Deliverables	\$40,000

Proposed Budget: Meeting Attendance	
<u>Meeting Attendance</u>	
Meetings with City Staff - (Up to 20 Hours)	\$6,100
Public Meeting Participation – (Up to 12 Hours)	3,700
Total Budget: Meeting Attendance	\$9,800

The total budget is estimated as follows:

Proposed Total Budget	
Tasks	Budget
Written Deliverables	\$40,000
Meeting Attendance	9,800
Contingency Allowance @ 10% of the Total Budget	5,500
Total Budget	\$55,300

The fee for the individual tasks may vary from these estimates, but the total budget will not be altered unless the work scope is expanded. If the scope of services changes materially, and/or the in person/virtual meeting time requested by the City exceeds a total of 32 hours, the budget will need to be adjusted accordingly.

The KMA hourly billing rate schedule that will be applied to this engagement is provided on the following page:

KMA Billing Rate Schedule	
Chairman, President, Managing Principals *	\$305.00
Senior Principals *	\$295.00
Principals *	\$275.00
Managers *	\$245.00
Senior Associates	\$205.00
Associates	\$185.00
Senior Analysts	\$170.00
Analysts	\$145.00
Technical Staff	\$105.00
Administrative Staff	\$90.00

\* Rates for individuals in these categories will be increased by 50% for time spent in court testimony.

KMA appreciates the opportunity to submit this proposal. Please do not hesitate to contact me if this proposal can be modified to better meet your needs.

Sincerely,

Keyser Marston Associates, Inc.



Kathleen Head



# CITY OF COSTA MESA

## Agenda Report

77 Fair Drive  
Costa Mesa, CA 92626

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**File #:** 24-046

**Meeting Date:** 2/20/2024

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**TITLE:**

**SPENDING AUTHORIZATION APPROVAL FOR ON-CALL ENVIRONMENTAL, TECHNICAL AND STAFFING SERVICES LIST**

**DEPARTMENT:** ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/PLANNING DIVISION

**PRESENTED BY:** SILVIA KENNERSON, SENIOR MANAGEMENT ANALYST

**CONTACT INFORMATION:** SILVIA KENNERSON, SENIOR MANAGEMENT ANALYST, (714) 754-5023

**RECOMMENDATION:**

Staff recommends the Council:

1. Approve and authorize the City Manager and City Clerk to authorize spending authority with each consulting firm listed below through June 30, 2025, in such final form as approved by the City Attorney for on-call environmental, technical, and staffing services:
  - Dudek
  - ECORP Consulting, Inc.
  - Environmental Science Associates
  - FCS International, Inc.
  - Galvin Preservation Associates, Inc.
  - LSA Associates, Inc.
  - Michael Baker International
  - PlaceWorks, Inc.
  - PSOMAS
  - Sagecrest Planning and Environmental
  - Stantec Consulting Services
  - The Natelson Dale Group, Inc.
2. Authorize the City Manager and City Clerk to execute future amendments and spending authority with the above-listed firms including any potential increases in compensation as long as the amendments are pass-through costs from entitlement application deposit accounts or within the City's annual budget.

**BACKGROUND:**

The City began the consultant “Request for Statement of Qualifications” (RFSQ) process in May 2019. RFSQ 19-02 was released on May 29, 2019, and proposals were due on July 1, 2019. After receiving proposals, the Economic and Development Services Department/Planning Division created a pre-qualified, on-call consultant list for a five-year period in April 2020, expiring on June 30, 2025. This on-call list streamlines the consulting selection process and overall project application timeframe to expedite technical, environmental studies and/or staffing services, and is used by the City to fulfill any demands on future or existing projects for technical review and California Environmental Quality Act (CEQA) related analysis and/or staffing.

Consultants assist the City of Costa Mesa in the development of and/or peer review of applicant submitted technical documents/studies for parking, traffic/transportation, noise and/or air quality. Consultants may also be responsible for the preparation of materials required as part of the initial environmental review process as well as responses to comments, and attendance at Planning Commission and City Council public hearings as “subject matter experts”. A sample list of the types of projects that consultants are requested to assist the City include:

Transportation/Traffic	Air Quality	Noise
Preparation or peer review of traffic study for proposed project Preparation or Peer Review of Parking study Peer review of CEQA /Environmental Assessment	Peer review of CEQA/Environmental Assessment Preparation or peer review of Greenhouse gas study	Peer Review of CEQA/Environmental Assessment Reports

Consultants that were selected to appear on this list demonstrated the firm’s qualifications for technical consulting services. While this on-call list is meant to serve the technical service needs for the City and streamline the contracting process for developer and/or City funded technical documents and staffing, the City reserves the right to circulate separate Requests for Proposals for projects exceeding \$100,000. Any firm on the on-call list is not precluded from these individual requests for proposals but will be assessed by the same rubric as all other proposals.

**ANALYSIS:**

In order to ensure an objective selection process, an evaluation committee was assembled, and all members evaluated proposals independently. Based on the City’s criteria and selection procedures set forth in the RFSQ, the evaluation committee recommended that agreements be awarded to the following firms:

- Dudek
- ECORP Consulting, Inc.
- Environmental Science Associates
- FCS International, Inc.
- Galvin Preservation Associates, Inc.
- LSA Associates, Inc.



- Michael Baker International
- PlaceWorks, Inc.
- PSOMAS
- Sagecrest Planning and Environmental
- Stantec Consulting Services
- The Natelson Dale Group, Inc.

**ALTERNATIVES:**

An alternative to the recommended City Council action would be to not move forward with the contracts for on-call consulting services. Due to the volume of work and large number of projects currently being managed by the Economic and Development Services Department staff, the City's ability to provide timely technical, environmental studies and/or staffing services would be compromised, and customers would experience significant delays.

**FISCAL REVIEW:**

Consultant services for the development of and/or peer review of technical documents/studies for parking, traffic/transportation, noise, air quality and/or staffing are utilized by the Economic and Development Services Department on an as-needed basis. The consultant's fees are paid for by project applicants as a "pass-through cost" and/or the City from the annual budget. Use of contract services are on an as needed basis and the cost of each service varies by subject and task.

**LEGAL REVIEW:**

The attached Professional Service Agreement (PSA) template was prepared by the City Attorney's Office and the staff report has been reviewed and approved as to form.

**CITY COUNCIL GOALS AND PRIORITIES:**

This item is administrative in nature.

**CONCLUSION:**

Staff recommends the City Council approve and authorize the City Manager and City Clerk to authorize spending authority with each consulting firm on the Economic and Development Services Department on-call environmental and staffing services list through June 30, 2025, in such final form as approved by the City Attorney so long as such amendments are paid by the applicant as a "pass-through cost" or within the City's annual budget.

**CITY OF COSTA MESA  
PROFESSIONAL SERVICES AGREEMENT  
WITH**

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THIS AGREEMENT is made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City"), and \_\_\_\_\_, a [state] [type of corporation] ("Consultant").

**W I T N E S S E T H :**

A. WHEREAS, City proposes to utilize the services of Consultant as an independent contractor to \_\_\_\_\_, as more fully described herein; and

B. WHEREAS, Consultant represents that it has that degree of specialized expertise contemplated within California Government Code Section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

C. WHEREAS, City and Consultant desire to contract for the specific services described in Exhibit "A" (the "Project") and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

D. WHEREAS, no official or employee of City has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

**1.0. SERVICES PROVIDED BY CONSULTANT**

1.1. Scope of Services. Consultant shall provide the professional services described in the City's Request for Proposal ("SOQ"), attached hereto as Exhibit "A," and Consultant's Response to City's SOQ (the "Response") attached hereto as Exhibit "B," both incorporated herein by this reference.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant's performance of this Agreement.

1.3. Performance to Satisfaction of City. Consultant agrees to perform all the work to the complete satisfaction of the City and within the hereinafter specified. Evaluations of the work will be done by the City Manager or his or her designee. If the quality of work is not satisfactory, City in its discretion has the right to:

- (a) Meet with Consultant to review the quality of the work and resolve the matters of concern;
- (b) Require Consultant to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other Federal, State and local

laws and ordinances applicable to the services required under this Agreement. Consultant shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Consultant's performance under this Agreement.

1.5. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical handicap, medical condition, marital status, sexual gender or sexual orientation, except as permitted pursuant to Section 12940 of the Government Code.

1.6. Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.7. Delegation and Assignment. This is a personal service contract, and the duties set forth herein shall not be delegated or assigned to any person or entity without the prior written consent of City. Consultant may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Consultant's sole cost and expense.

1.8. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

## **2.0. COMPENSATION AND BILLING**

2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "C," attached hereto and made a part of this Agreement (the "Fee Schedule"). Consultant's total compensation shall not exceed \_\_\_\_\_ Dollars (\$ \_\_\_\_\_.00).

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Consultant's Proposal unless the City or the Project Manager for this Project, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Consultant may submit invoices to the City for approval on a progress basis, but no more often than two times a month. Said invoice shall be based on the total of all Consultant's services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the services performed, the date of performance, and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City or its Project Manager for inspection and/or audit at mutually convenient times for a period of three (3) years from the Effective Date.

## **3.0. TIME OF PERFORMANCE**

3.1. Commencement and Completion of Work. The professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Said services shall be performed in strict compliance with the Project Schedule approved by City as set forth in Exhibit "D," attached hereto and incorporated herein by this reference. The Project Schedule may be amended by mutual agreement of the parties. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party.

#### **4.0. TERM AND TERMINATION**

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of \_\_\_\_\_ months, ending on \_\_\_\_\_, 20\_\_\_\_, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties. This Agreement may be renewed by two (2) additional one (1) year periods upon mutual written agreement of both parties.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Consultant. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the date of City's written notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein. In ascertaining the professional services actually rendered hereunder up to the effective date of termination of this Agreement, consideration shall be given to both completed work and work in progress, to complete and incomplete drawings, and to other documents pertaining to the services contemplated herein whether delivered to the City or in the possession of the Consultant.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps and reports, shall be delivered to the City within ten (10) days of delivery of termination notice to Consultant, at no cost to City. Any use of uncompleted documents without specific written authorization from Consultant shall be at City's sole risk and without liability or legal expense to Consultant.

#### **5.0. INSURANCE**

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by City:

- (a) Commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit.

- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers arising from work performed by Consultant for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.
- (d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars (\$1,000,000.00), combined single limits, per occurrence and aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retro date shall be prior to the start of the contract work. Consultant shall obtain and maintain, said E&O liability insurance during the life of this Agreement and for three years after completion of the work hereunder.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Costa Mesa and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Consultant pursuant to its contract with the City; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; automobiles owned, leased, hired, or borrowed by the Consultant."
- (b) Notice: "Said policy shall not terminate, be suspended, or voided, nor shall it be cancelled, nor the coverage or limits reduced, until thirty (30) days after written notice is given to City."
- (c) Other insurance: "The Consultant's insurance coverage shall be primary insurance as respects the City of Costa Mesa, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy."
- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of Costa Mesa, its officers, officials, agents, employees, and volunteers.
- (e) The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5.3. Deductible or Self Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance. Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement. The certificates of insurance shall be attached hereto as Exhibit "E" and incorporated herein by this reference.

5.5. Non-limiting. Nothing in this Section shall be construed as limiting in any way, the indemnification provision contained in this Agreement, or the extent to which Consultant may be held responsible for payments of damages to persons or property.

**6.0. GENERAL PROVISIONS**

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Consultant in the performance of this Agreement.

Consultant shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. Consultant or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONSULTANT:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Tel: \_\_\_\_\_  
Fax: \_\_\_\_\_  
Attn: \_\_\_\_\_

IF TO CITY:

City of Costa Mesa  
77 Fair Drive  
Costa Mesa, CA 92626  
Tel: (714) 754-  
Fax: (714) 754-  
Attn: \_\_\_\_\_

Provide courtesy copy to:  
City of Costa Mesa  
77 Fair Drive  
Costa Mesa, CA 92626  
Attn: Finance Department

6.5. Drug-free Workplace Policy. Consultant shall provide a drug-free workplace by complying with all provisions set forth in City's Council Policy 100-5, attached hereto as Exhibit "F" and incorporated herein by reference. Consultant's failure to conform to the requirements set forth in Council Policy 100-5 shall constitute a material breach of this Agreement and shall be cause for immediate termination of this Agreement by City.



6.6. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.7. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.

6.8. Assignment. Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.9. Indemnification and Hold Harmless. Consultant agrees to defend, indemnify, hold free and harmless the City, its elected officials, officers, agents and employees, at Consultant's sole expense, from and against any and all claims, actions, suits or other legal proceedings brought against the City, its elected officials, officers, agents and employees arising out of the performance of the Consultant, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the Consultant, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Consultant, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected officials, officers, agents and employees based upon the work performed by the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

6.10. Independent Contractor. Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its or employees are in any manner agents or employees of City. Consultant shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Consultant shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold City harmless from any failure of Consultant to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.11. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment

of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.12. Cooperation. In the event any claim or action is brought against City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require.

6.13. Ownership of Documents. All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other Project related items as requested by City or its authorized representative, at no additional cost to the City.

6.14. Public Records Act Disclosure. Consultant has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code Section 6250 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in the California Government Code Section 6254.7, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the Court.

6.15. Conflict of Interest. Consultant and its officers, employees, associates and sub-consultants, if any, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act (Government Code Sections 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Consultant and its officers, employees, associates and sub-consultants shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Consultant is not currently performing work that would require Consultant or one of its officers, employees, associates or sub-consultants to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.16. Responsibility for Errors. Consultant shall be responsible for its work and results under this Agreement. Consultant, when requested, shall furnish clarification and/or explanation as may be required by the City's representative, regarding any services rendered under this Agreement at no additional cost to City. In the event that an error or omission attributable to Consultant occurs, then Consultant shall, at no cost to City, provide all necessary design drawings, estimates and other Consultant professional services necessary to rectify and correct the matter to the sole satisfaction of City and to participate in any meeting required with regard to the correction.



6.17. Prohibited Employment. Consultant will not employ any regular employee of City while this Agreement is in effect.

6.18. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

6.19. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.20. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.21. Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.22. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.23. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.24. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.25. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.26. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.27. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CITY OF COSTA MESA,  
A municipal corporation

\_\_\_\_\_  
[Mayor or City Manager]

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

CONSULTANT

\_\_\_\_\_  
Signature

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

\_\_\_\_\_  
Name and Title

\_\_\_\_\_  
Social Security or Taxpayer ID Number

ATTEST:

\_\_\_\_\_  
City Clerk and ex-officio Clerk  
of the City of Costa Mesa

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

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

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

APPROVED AS TO INSURANCE:

\_\_\_\_\_  
Risk Management

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

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Project Manager

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

DEPARTMENTAL APPROVAL

\_\_\_\_\_  
Development Services and Economic Director

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

APPROVED AS TO PURCHASING:

\_\_\_\_\_  
Finance Director

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



# CITY OF COSTA MESA

77 Fair Drive  
Costa Mesa, CA 92626

## Agenda Report

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**File #:** 24-026

**Meeting Date:** 2/20/2024

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**TITLE:**

**ADAMS AVENUE AND PINECREEK DRIVE INTERSECTION PROJECT, FEDERAL PROJECT NO. CML-5312(104), CITY PROJECT NO. 23-11**

**DEPARTMENT:** PUBLIC WORKS DEPARTMENT/TRANSPORTATION SERVICES  
**DIVISION**

**PRESENTED BY:** RAJA SETHURAMAN, PUBLIC WORKS DIRECTO

**CONTACT INFORMATION:** JENNIFER ROSALES, P.E., TRANSPORTATION SERVICES  
**MANAGER (714) 754-5343**

**RECOMMENDATION:**

Staff recommends the City Council:

1. Adopt plans, specifications, and working details for the Adams Avenue and Pinecreek Drive Intersection Project, Federal Project No. CML-5312(104), City Project No. 23-11, and find the project categorically exempt from CEQA.
2. Approve a Public Works Agreement (PWA) in the amount of \$2,877,242, and a ten percent (10%) contingency in the amount of \$287,724 to Gentry General Engineering, Inc., 320 West Tropicana Rancho Road, Colton, California 92324.
3. Approve a Professional Services Agreement (PSA) in the amount of \$209,762 and a ten percent (10%) contingency in the amount of \$20,976, to Interwest Consulting Group, Inc., 444 North Cleveland Avenue, Loveland, Colorado 80537, for construction management services for the Adams Avenue and Pinecreek Drive Intersection Project.
4. Approve a budget transfer, authorizing the use of the Measure "M2" Fairshare Fund from the Citywide Street Improvements project budget (400015) in the amount of \$705,500, and appropriation of \$750,000 from the Traffic Impact Fee Fund balance, to the Adams Avenue and Pinecreek Drive Intersection Project.
5. Authorize the City Manager and the City Clerk to execute the PWA and the PSA and any future amendments to the agreement within Council authorized limits.

**ENVIRONMENTAL DETERMINATION:**

The proposed project is exempt from the California Environmental Quality Act (CEQA). The project involves an organizational or administrative activity of government that will not result in direct or indirect physical change in the environment. The proposed project is categorically exempt under Section 15301 relating to the operation, repair, maintenance, permitting, and/or minor alteration of

existing public facilities. A Notice of Exemption was prepared by City Staff and was filed and posted at the Orange County Clerk-Recorder Department on March 4, 2022. The Notice of Exemption was subsequently posted to the Office of Planning and Research on March 22, 2022.

The proposed project is categorically excluded from the National Environmental Policy Act (NEPA). Per the Code of Federal Regulations 23 CFR 771.117(c)(3), the construction of bicycle and pedestrian lanes, paths, and facilities are considered actions that meet the criteria for categorical exclusions from NEPA and are deemed to not have any significant environmental impacts. A Preliminary Environmental Study classifying the project as categorically excluded was submitted to the California Department of Transportation (Caltrans) on December 20, 2021. On December 21, 2021, Caltrans provided concurrence with the NEPA determination of Categorical Exclusion.

### **BACKGROUND:**

The Adams Avenue and Pinecreek Drive Intersection Project, Federal Project No. CML-5312(104), City Project No. 23-11, is a federally funded project that seeks to improve pedestrian and bicyclist accessibility and safety. It provides multi-modal intersection improvements at the intersection of Adams Avenue and Pinecreek Drive that encourage bicycling and improve mobility per the City's approved Active Transportation Plan (ATP).

The multi-modal improvements at the intersection of Adams Avenue and Pinecreek Drive will include the removal of existing right turn slip lanes, slurry seal improvements, new bicycle facilities, bicycle and pedestrian ramps, green bike boxes, new signalized crosswalk, new pavement striping and markings consisting of green thermoplastic conflict zones, and high visibility crosswalks.

The project will relocate the existing bus stop to the far side of the intersection and install new street lighting along the south side of Adams Avenue within the project's limits. In addition, the project includes extensive traffic signal modifications that include new signal poles, relocation of the signal cabinet outside of the sidewalk, Accessible Pedestrian Signals (APS), yellow retroreflective border backplates, Leading Pedestrian Intervals (LPIs), and video detection capable of detecting motorists and bicyclists.

The project is being implemented in partnership with Orange Coast College (OCC). OCC provided a total of \$250,000 in funding towards design and construction phases and granted required property easements to the City for the project. Staff made presentations to OCC Facilities Committee during various stages of design and received support for project implementation. The City's Active Transportation Committee (ATC) also reviewed the project design plans at various stages and provided their approval for the project. A community outreach meeting was held for the project during the design phase.

The contractor is required to complete all the tasks necessary to perform the scope of work as outlined in the contract documents, plans, and specifications. A copy of specifications and working details are available for review in the Office of the City Clerk.

Staff issued a Request for Proposals (RFP) to select a well-qualified consultant to manage the construction management operations of this project. A copy of the RFP is available for review in the Office of the City Clerk.

**ANALYSIS:****Project Construction:**

The City Clerk received and opened five (5) bids for this project on December 18, 2023. Gentry General Engineering, Inc. (Gentry), is the apparent low bidder with a base bid proposal of \$2,989,232. The bid abstract for this project is included as Attachment 1.

Staff have elected to authorize the alternative bid items for this project. The apparent low bidder using the base bid with the alternative bid items is also Gentry with a bid proposal of \$2,877,242.

Staff has analyzed the bid proposal submitted by Gentry and found no errors or irregularities. Staff recommends that City Council authorize the use of the alternative bid items and award a construction contract to the apparent lowest bidder, Gentry General Engineering, Inc. The license and references of Gentry have been checked and staff has found them to be in good standing.

Upon City Council authorization to execute the Public Works Agreement (PWA), Gentry will furnish the necessary bonds and insurance, which will be approved as to form by Risk Management. After the award and subsequent execution of the agreement, a "Notice to Proceed" will be issued.

**Project Construction Management and Inspection Support:**

On July 31, 2023, the City issued a Request for Proposals (RFP) for Construction Management and Inspection Support Services for the Adams Avenue and Pinecreek Drive Intersection Project. Eight (8) consultant proposals were received on August 25, 2023.

Proposals were reviewed for compliance with the City's RFP process, and the proposed consultants were evaluated based on project understanding, depth of experience, technical expertise, and associated evaluation criteria. After careful review of the proposals, staff determined that Interwest Consulting Group, Inc. (Interwest), was well qualified to perform the requested construction management and inspection services for the project. The proposal submitted by Interwest Consulting Group represents a thorough understanding of the project, complies with City requirements, and documents Interwest's technical ability and experience with similar projects. The fees proposed by Interwest were determined to be competitive and commensurate with the requested services. A copy of Interwest's proposal is included as Attachment 2.

Therefore, staff recommends that the City Council authorize the City Manager to execute the Professional Services Agreement (PSA) to Interwest Consulting Group, Inc., in the amount of \$209,762 for construction management and inspection support services.

**Contingency and Funding:**

Staff requests approval of ten percent (10%) contingency towards construction and construction management services. Staff also request approval of additional funding from the traffic impact fee and Measure M Fairshare accounts for the project.

**ALTERNATIVES:**

The alternative would be to reject all bids, re-advertise, and re-bid the construction project. Staff has determined that re-advertising and re-bidding the project will not result in lower bids and will delay the project and adversely affect the project's federal grant funding. In addition, the alternative to reject all proposals and re-advertise the RFP for construction management services will not result in lower proposals and will only delay the project.

**FISCAL REVIEW:**

The available funding for the construction of the project is \$1,940,280. The additional funding required to execute the contracts is \$1,455,424. Staff is requesting appropriation of \$750,000 from the Traffic Impact Fee fund balance and transfer of \$705,500 of Measure "M2" Fairshare funds from Citywide Street Improvements project.

**LEGAL REVIEW:**

The City Attorney's Office has reviewed this agenda report and approves it as to form and has reviewed and approved the proposed Public Works Agreement and Professional Services Agreement.

**CITY COUNCIL GOALS AND PRIORITIES:**

This item supports the following City Council Goal:

- Strengthen the Public's Safety and Improve the Quality of Life

**CONCLUSION:**

Staff recommends the City Council:

1. Adopt plans, specifications, and working details for the Adams Avenue and Pinecreek Drive Intersection Project, Federal Project No. CML-5312(104), City Project No. 23-11.
2. Approve a Public Works Agreement (PWA) in the amount of \$2,877,242, and a ten percent (10%) contingency in the amount of \$287,724 to Gentry General Engineering, Inc., 320 West Tropicana Rancho Road, Colton, California 92324.
3. Approve a Professional Services Agreement (PSA) in the amount of \$209,761.80 and a ten percent (10%) contingency in the amount of \$20,976, to Interwest Consulting Group, Inc., 444 North Cleveland Avenue, Loveland, Colorado 80537, for construction management services for the Adams Avenue and Pinecreek Drive Intersection Project.
4. Approve a budget transfer, authorizing the use of the Measure "M2" Fairshare Fund from the Citywide Street Improvements project budget (400015) in the amount of \$705,500, and appropriation of \$750,000 from the Traffic Impact Fee Fund balance, to the Adams Avenue and Pinecreek Drive Intersection Project.
5. Authorize the City Manager and the City Clerk to execute the PWA and the PSA and any future amendments to the agreement within Council authorized limits.

# ATTACHMENT 1

## CITY OF COSTA MESA PUBLIC WORKS DEPARTMENT

### ADAMS AVENUE AND PINECREEK DRIVE INTERSECTION PROJECT

FEDERAL PROJECT NO. CML-5312(104)  
CITY PROJECT NO. 23-11

BID RESULTS  
BID OPENING RESULTS: DECEMBER 18, 2023

<i><b>Bidder</b></i>	<i><b>City</b></i>	<i><b>Total Base Bid</b></i>	<i><b>Total Base Bid + Alternative Bid</b></i>
1. GENTRY GENERAL ENGINEERING, INC.	COLTON	\$2,989,232.00	<b>\$2,877,242.00</b>
2. ONYX PAVING COMPANY, INC.	ANAHEIM	\$3,069,000.00	\$2,881,500.00
3. ALL AMERICAN ASPHALT	CORONA	\$3,011,643.00	\$2,966,305.50
4. EXCEL PAVING COMPANY	LONG BEACH	\$3,198,721.00	\$3,193,111.00
5. HARDY & HARPER, INC.	LAKE FOREST	\$3,829,750.00	\$3,822,700.00

<i><b>Lowest Responsive Bidder</b></i>	<b>\$2,877,242.00</b>
<i><b>Average</b></i>	<b>\$3,148,171.70</b>





# CITY OF COSTA MESA



Proposal – Construction Management and  
Inspection Support Services for Adams Ave and  
Pinecreek Drive Intersection Project (Federal  
Project No. CML-5312(104), City Project No. 23-01)

*August 25, 2023*

**MAIN PROPOSAL CONTACT:**  
**Shelby Sieracki**  
**Account Manager**  
**626.224.2055**  
**[ssieracki@interwestgrp.com](mailto:ssieracki@interwestgrp.com)**

**[www.interwestgrp.com](http://www.interwestgrp.com)**





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# I | Cover Letter



A SAFEbuilt COMPANY

1 Jenner, Suite 160  
Irvine, CA 92618  
P (714) 899-9039

August 25, 2023

City of Costa Mesa, Finance Department  
77 Fair Drive, 1st Floor  
Costa Mesa, CA 92626

ATTN: Ramin Nikoui

**RE: RFP for Construction Management and Inspection Support Services for Adams Ave and Pinecreek Drive Intersection | Federal Project No. CML-5312 (104), City Project No. 23-01**

Dear Selection Committee,

Interwest Consulting Group (Interwest) is pleased to present our qualifications in response to the City of Costa Mesa's (City) Request for Proposal (RFP) to perform Construction Management and Inspection Support Services for the Adams Ave and Pinecreek Drive Intersection Project, Federal Project No. CML-5312 (104), City Project No. 23-01.

We are uniquely qualified to perform the requested services as evidenced by our proven track record and testimony of our past and current clients. We pride ourselves in building long, sustaining relationships in the Cities we work with— providing solutions that will strengthen your community. We believe that the extensive knowledge and experience held by our proposed team qualify us to be the best to perform the services requested.

Interwest brings nearly two decades of expert-level Construction Management and Inspection service to partner with the City. Through this partnership, the City will benefit from our team's extensive construction industry knowledge as well as:

- **Dedicated Local Partner:** We have appreciated the opportunity to serve the City of Costa Mesa since 2012, having provided On-Call Building Plan Review and Inspection, Traffic Engineering support, and Public Works support. Most recently, our team has provided Right-of-Way support services on the Adams project through our Real Estate division.
- **Best Practices:** Our team is excited about this opportunity to share their best practices during the process of delivering this high-profile and eagerly awaited community project. With a commitment to delivering construction management in a manner consistent with the City's adopted Customer Care Standards, Interwest's team will successfully manage the project's quality, cost and schedule.
- **Industry Experts:** These construction management experts are critical thinkers and solution-oriented leaders who know how to navigate through the scheduled tasks while mitigating risk on a day-to-day basis. As evidenced by our proven track record and testimony of past and current clients, our expert team knows that details matter when managing a project such as this Adams Ave and Pinecreek Drive Intersection, inclusive of the Federal grant requirements and compliance with the Caltrans Local Assistance Procedures Manual (LAPM).

Our goal is to provide experts in the industry who can perform services in a seamless manner by customizing our services to correspond with our clients' expectations and needs. We strive to work collaboratively with the Department of Public Works and other City personnel, applicants, and designers to resolve issues as efficiently as possible to expedite processes with our focus being the successful delivery of services. We remain committed and flexible to provide the City with exemplary services that meet their individual needs.

To assure our continued exemplary services to the City, we propose **Steve Kooyman, PE** as **Project Manager** for this engagement. Steve has extensive construction management experience with municipal Public Works and CIP projects. Over his career, he has worked as the Public Works Director of Rancho Santa Margarita; City Engineer for Brea; Assistant Public Works Director for the City of San Juan Capistrano; and Deputy Director with the County of El Dorado. He has in-depth knowledge of construction contract requirements for public works projects, including the APWA standard plans and specifications within the "Greenbook" and Caltrans requirements. As Resident Engineer, **Tyrone Chesaneck, PE**, will lead our team of qualified inspectors to provide these services to the City. Tyrone will be responsible for all matters related to our personnel and operations, and provide plan reviews, inspection, quality assurance materials testing, compliance with the LAPM and State and Federal requirements, and contract administration under the overall supervision of the City's Project Manager.

**Shelby Sieracki** will continue to act as your **Account Manager** for the City. Shelby will be responsible for ensuring increasing levels of client satisfaction throughout the life of the contract by performing periodic Client Health Checks, a service uniquely provided by Interwest.

**Proposal Main Contact**  
Shelby Sieracki  
Account Manager  
ssieracki@interwestgrp.com  
626.224.2055

**Project Manager**  
Steve Kooyman, PE  
Project Manager  
skooyman@interwestgrp.com  
530-318-1066

**Project Office:** 1 Jenner, Suite 160, Irvine, Ca 92618

Interwest will be providing services from our project office in Irvine, CA, which is also the closest office in proximity to the City of Costa Mesa. Additionally, Interwest will be partnering with our subconsultant teams Ninyo & Moore to provide material testing services, and Avant Garde, Inc. (DBE Certified Firm) to provide Labor Compliance.

We appreciate the opportunity to present our qualifications to provide these services to the City of Costa Mesa and its community and we are confident that the Interwest team is exceedingly qualified to partner with the City once again to ensure the successful delivery of the new Intersection Project in your community.

As President of Interwest Consulting Group, I am authorized to sign any agreements that may result from this proposal and will provide contract support to the proposed Interwest team. Should you have any questions, please contact me at 619.372.9962 or pmeschino@interwestgrp.com.

Respectfully Submitted,



Paul Meschino, President

## 02 / Background and Project Summary Section

### Background and Project Summary

Interwest understands the City of Costa Mesa is seeking a qualified firm for construction management services for the federally funded Adams Avenue and Pinecreek Drive Intersection Project. It is our understanding that these services generally include inspection, contract administration, soils and materials testing, and other services as outlined in the attached scope of work. The Adams Avenue and Pinecreek Drive Intersection Project is federally funded via the Orange County Transportation Authority (OCTA) Bicycle Corridor Improvement Program (BCIP) grant, contributions from Coast Community College District, and local City funds. Interwest follow all federal requirements and compliance with the LAPM throughout execution of the project.

We are proposing an individual who is a registered Professional Engineer to serve as the construction Resident Engineer. **Tyrone Chesanek, PE**, will lead our team of qualified inspectors to provide these services to the City. Tyrone will be responsible for all matters related to our personnel and operations, and provide plan reviews, inspection, quality assurance materials testing, and contract administration under the overall supervision of the City's Project Manager. Additionally, we will be partnering with our subconsultant **Ninyo and Moore** to provide a certified laboratory for soil and material testing services, and **Avant Garde, Inc.** to provide labor compliance, ensuring all services and requirements are met.

Services will be provided to support and supplement your existing staff. All staff will maintain a high level of customer service to the community, support the efficiency within the department. Interwest Consulting Group has over **20 years of experience** providing the construction management and inspection services requested in the RFP. Our team is comprised of highly experienced, customer-service-oriented professionals who have successfully served our client jurisdictions.

### Key Objectives

There are several important areas requiring special attention for construction management and inspection to ensure project success.

- **Standardization & Maintenance of Project Documentation:** To effectively combat claims, it is important that the resident engineer and inspector follow a uniform standard to ensure that potentially volatile issues are dealt with in a timely and accurate manner. Interwest has instituted such a system and has a proven track record of helping its clients to avoid costly claims.
- **Monitoring Quality & Objectiveness of Field Personnel:** Our construction supervisors routinely check the files and performance of our construction inspectors. Regular training meetings are conducted to discuss changes in rules and regulations. Storm water compliance rules and the requirements of the general construction permitted on City projects are of critical importance.
- **Public Relations:** Public works projects that impact residents and businesses present unique, non-technical challenges that must be addressed throughout the life of a project. Interwest will work closely with these stakeholders to make them aware of the project, its status, and any changes. Our assigned staff possess the non-technical skillset needed to navigate the public relations arena.

## 03 / Project Approach and Methodology

### 1. Project Familiarity

Interwest stands capable and ready to provide our exceptional services to the City and its community. Pursuant to the RFP, we understand that the project consists of constructing pedestrian and bicycle improvements at and in the vicinity of the Adams Avenue intersection as defined by the attached plans (Appendix B), and project bid set (Appendix C). Additionally, the project will specifically benefit the



over 25,000 students and adults that attend Orange Coast College, will enhance the traffic patterns, improve pedestrian and bicycle connectivity at the intersection, and reduce conflicts between vehicles, pedestrians, and bicyclists.

Our team has the following qualifications that make us the best choice in providing these services to the City:

- Diverse roadway and streetscape engineering and construction management experience working on federal projects. Direct extensive experience and a successful track record of completing federal construction projects.
- Being knowledgeable about federal procedures and requirements. Being thoroughly acquainted with the latest revisions of the Caltrans Local Assistance Procedures Manual (LAPM).
- Having the capability to provide complete technical and administrative services to ensure successful project completion on time and under budget. Providing coordination oversight for all activities taken by outside entities in connection with the project including utility companies, OCTA, and Orange Coast College.

## 2. Potential Issues and Response

- **Potential Issue #1:** Signal and Lighting Equipment Procurement and Delivery – The timing of the shop drawing approvals, manufacturing, and delivery of the equipment to the site is a major factor with respect to completing the signal modification work at the Adams Ave. and Pinecreek Ave. intersection within the Contract 90 WD's. The proposed plan includes removing several existing signal poles with equipment and installing 7 new signal poles with equipment as well as modifying several existing signal poles. The Specifications call out long lead items to commence within fourteen (14) weeks after date of Contract. However, current lead times for signal procurement, manufacturing, and delivery is running around 24+ weeks. This will have an impact on the schedule, which will need to be discussed with the Contractor as part of the Pre-Construction Meeting and submittal review.
- **Recommended Response:** We would suggest that the signal submittal be provided to the City and CM/RE team as soon as the Contract is executed, if not before to begin the review and acceptance process, which could take 2 weeks. Additionally, we would recommend that the City issue two NTP's as follows: 1) NTP#1 to initiate the signal submittal, procurement, manufacturing and delivery process; 2) NTP#2 – Once the signal equipment delivery date has been scheduled, after the submittals have been approved with no exceptions, issue NTP#2 to start the 90 WD's. This should allow some float in the schedule depending on the estimated delivery date of the signal equipment. The Interwest Team is very familiar with the traffic signal and lighting submittal and procurement process and will assist the City to expedite the work.
- **Potential Issue #2:** Existing Utility Locations and Coordination – The plans show various underground utilities within the vicinity of the proposed work requiring excavation. Additionally, there are several utilities called out for adjustments by the specific utility co. (AT&T and Charter). This could cause delay issues if the specific utility location and schedule for adjustments/relocation is not addressed early as part of the initial stages of construction. One specific area of concern is the installation of the new signal foundations. This is critical to assure that no existing underground utilities exist within the new foundation area that would require relocation or movement of the new signal foundation.
- **Recommended Response:** We would recommend that the Contractor provide a pothole plan prior to potholing for City and CM/RE review as part of the Pre-Construction submittals. This would allow both the Contractor and City/CM/RE/EOR and Inspection Team to mutually agree on where the utility exploration should be done as well as format and information to be provided within a certain timeframe for final assessment. Based on the Specifications, this work is covered under Bid Item #1 – Mobilization, so the costs of the work should be covered. As for the adjustments by other utility

companies, the initial coordination for this work should be discussed at the pre-construction meeting in detail with the Contractor's baseline schedule. The final notices for relocation should be sent out as part of the pre-construction phase with the approved baseline schedule form the Contractor and potential conflict locations. A further notice can be submitted once the pothole data is obtained. The Interwest Team has extensive experience working with Contractor's and Utility companies with respect to locating and relocating utilities with respect to potential conflicts with well thought-out solutions to avoid potential claims and delay. Our team will minimize the claims and delay impacts.

## 04 / Qualifications, Organization, and Key Staff Experience

### Qualifications of Key Staff

We pride our success in effective communication. We are committed to a "no surprises" approach built upon presenting ideas, asking questions, and identifying and addressing issues early on in the process. We propose options, seek direction, and implement solutions in close coordination with the City. We welcome this opportunity to help maintain the quality of life and unique character that makes the City a desirable community, and we believe our planning team will provide superior resources for meeting your immediate needs and long-term goal.

Led by Resident Engineer, Tyrone Chesaneck, PE, the Interwest Team stands ready and capable to provide the City of Costa Mesa with the expert-level service our clients have come to expect from Interwest and our team members. We possess extensive professional capabilities which allow us to innovate, create, and implement effective solutions with your agency, all while keeping the community's interests in mind.

Summaries of qualifications and experience for the proposed key Interwest staff are provided below and detailed résumés for all key proposed staff are also included at the end of this proposal.

### 1. Relevant Experience, Specific Qualifications, and Technical Expertise of Resident Engineer, Inspector and Team Experience

Resident Engineer / Construction Manager



Tyrone Chesaneck, PE

RESIDENT ENGINEER // CONSTRUCTION MANAGER

Experienced Deputy Public Works Director managing Facility and Parks CIP, Facility Maintenance, Street and Utility CIP, Facilities Management, Stores, Fleet Services, Environmental Program, and Streetlights. Assisted in planning, directing, supervising, and coordinating departmental operations; assigned work activities, projects and programs; monitored workflow; reviewed and evaluated work products, methods and procedures. Prepared and presented staff reports to City Council, Council Committees, boards, commissions and numerous civic organizations representing the Department. Assisted with the preparation of operating and capital improvement budgets, including long-term maintenance management Supervised and assisted subordinate supervisors in the operations and maintenance of City infrastructure, and established long-range plans and goals. Participated in recommending the appointment of personnel; provided staff training; worked with employees to correct deficiencies, implemented discipline procedures, and recommended employee terminations.

### RECENT PROJECT EXPERIENCE

- *Bristol Street Widening at Seventeenth Street / Santa Ana, CA / Principal Engineer*
- *Grand Avenue Street Widening & Stormdrain at Grand Avenue / Santa Ana, CA / Principal Engineer*
- *Santa Ana Fire Station 1 New Facility Project / Santa Ana, CA / Principal Engineer*
- *Bristol Street Widening & Stormdrain at First Street / Santa Ana, CA / Principal Engineer*
- *North Flower Bridge Widening Project / Santa Ana, CA / Principal Engineer*
- *First Street Bridge Widening Project / Santa Ana, CA / Principal Engineer*

## Project Manager



Steve Kooyman, PE  
PROJECT MANAGER

Steve is a registered Civil Engineer with 30 years of civil engineering experience and has spent a vast amount of his career serving numerous jurisdictions throughout Northern and Southern California regions. Steve provides Project Management and Construction Management and Inspection Services to our clients throughout Southern California. He has assisted several Cities in delivering various Public Works Capital Improvement Program projects from Preliminary Planning/Environmental (PAED), Design (PS&E review), Bid and Award, and into Construction (Project Management/Construction Management) for watermain replacement, sewer replacement, storm drain replacement, street rehabilitation, ADA and sidewalk replacement, facilities improvements, parks and landscape, masterplan development, and has assisted the Cities with coordination and project delivery for Caltrans/City Cooperative Agreement projects. His background has provided him with the knowledge of city engineering policies and procedures, which is a proven asset when providing technical assistance to engineers, architects, contractors, city personnel, and the public.

## RECENT PROJECT EXPERIENCE

- *SR 57/Lambert Road Interchange Improvements | Brea, CA | Project and Construction Manager*
- *Country Hills Subdivision Water and Pavement Improvements | Brea, CA | Construction Manager*
- *Imperial Highway and Berry Street Intersection Improvements | Brea, CA | Project and Construction Manager*
- *Puente Street., Gemini Ave. and Titan Way Improvements | Brea, CA | Project Manager*
- *Tracks at Brea Bike Trail Improvements | Brea, CA | City Engineer*

## Project Support Team



Dinukshi S. Kane, MBA, BSEE, EIT  
ASSISTANT CONSTRUCTION MANAGER

Dinukshi brings nearly 20 years of experience in the areas of construction management, inspection, planning, schedule analysis, project management, contract administration and compliance, state and federal grant administration, budget tracking, and engineering design for various Public Works transportation, utility, and facilities improvements.

She has a diverse project background experience on large, complex, high-value construction projects. She has worked on large \$2B complex projects as well as medium to small Public Works projects (\$250k to \$79M) as a Project and Construction Manager with a great track record of successfully completing the projects for various municipalities and government agencies.

## RECENT PROJECT EXPERIENCE

- *Eastside Access Improvements Project | LA Metro Transportation Authority | Project Manager*
- *Annual Slurry Seal and Overlay Project | City of Santa Clarita | Construction Manager*



John Welch

CONSTRUCTION INSPECTOR (PRIMARY INSPECTOR)

John brings more than 20 years of experience in the areas of construction management, inspection, planning, schedule analysis, project management, contract administration and compliance, field engineering, and quality assurance for a variety of public works, residential and transportation projects.

John's diverse background has given him insight into serving cities and government agencies on large, complex, high-value construction projects. His experience ranges from small city projects to multi-million-dollar projects, including highways, street improvements, and airport taxiways. John is able to collaboratively work with all parties ensuring projects are well managed and brought to a successful completion.

#### RECENT PROJECT EXPERIENCE

- Harbor Blvd. Median Island Installation | City of Anaheim, CA | Inspector
- Broadway and Anaheim Blvd. Rehabilitation, PCC Sidewalks, Storm Drain, AC paving and re-striping | City of Anaheim, CA | Inspector
- Pinyon Hills (Phelan) Widening and Signal Improvements | Caltrans | Inspector



Alison Luedtke, QSP, CESSWI, NASSCO ITCP

CONSTRUCTION INSPECTOR (SECONDARY INSPECTOR AND BMP)

Alison has more than 19 years of experience in public works inspection. She began her career in 2004 working for the City of Escondido where she worked on various capital improvements projects and private development projects. Private development projects include subdivisions of various size and commercial grading projects as well as various utility right of way permits. Inspection experience includes mass grading, fine grading for individual lots, sediment and erosion control inspection, new post construction BMP's, new water mains and services, new sewer mains and laterals, new storm drain infrastructure, the construction of new roads, curb gutter and sidewalk, the installation of streetlights. Responsibilities include reading and interpreting project plans and specifications, creating daily inspection reports, maintaining project files, reviewing, negotiating and processing change orders, processing RFI's and submittals, preparing progress payments, coordinate third party inspections, creating final punch lists, processing record drawings and project closeout.

#### RECENT PROJECT EXPERIENCE

- CMP Replacement Project Carlsbad Blvd. North of Island Way | City of Carlsbad | Inspector
- Grape Street Neighborhood Improvement Project | City of Escondido, CA | Inspector
- Daly Ranch Road Rehab | City of Escondido, CA | Inspector

#### Subconsultant Team

Due to the page limit restrictions, Interwest has only provided staff biographies and resumes of our key subconsultant team members. Additional resumes of our proposed subconsultant team can be provided upon award of contract.



**NINYO AND MOORE**

**Randy Reichert**  
**PROJECT MANAGER**

As a Construction Inspector and Project Manager for Ninyo & Moore, Mr. Reichert provides In-depth knowledge in testing methods, inspection and standards relating to concrete and hot mix asphalt (HMA) production and placement operations. Has extensive experience working on state and interstate highway transportation project.

**RECENT PROJECT EXPERIENCE**

- *Valley Boulevard, Resurfacing I Industry, CA / Project Manager for Construction Materials Testing*
- *Pacific Coast Highway and Hawthorne Boulevard Intersection Improvements, I Torrance, CA / Project Manager for Construction Materials Testing*
- *City of West Hollywood Mid-City Pavement Repair, / West Hollywood, CA / Project Manager for Construction Materials Testing*

**AVANT GARDE**

**Lissette Montoya**  
**PROGRAM DIRECTOR**

Ms. Montoya has more than 20 years of comprehensive expertise in project management and analysis, funding management, grant administration, public relations, and community outreach programs. She is experienced in issues impacting City governments and contract administration. Ms. Montoya is the Vice-President and CFO of AVANT-GARDE. She has experience in identifying federal and state fund allocation balances, programming funds, and administers long-and-short range programs consistent with the economic capabilities of the City. Ms. Montoya directs the Program Management team to ensure that projects are developed in accordance with policy and procedural requirements, assists in determining eligible projects for various funding sources, and manages development and capital improvement programs/projects from conception to completion. Ms. Montoya has assisted various agencies in performing a variety of analyses and studies to identify State and Federal funding options; performed time-critical and confidential studies related to fiscal and administrative requirements of grant programs; assisted in the grants solicitation process; planned and coordinated the implementation of awarded grants to ensure that the City was in compliance with applicable laws and regulations, and monitored and audited grant expenses. Under her direction, our team has successfully monitored federal and state funding for municipal agencies throughout Southern California and written grants to secure over \$501.6 million in funding for government agencies.

**2 - 3. Team Management and Disciplines of Project Team**

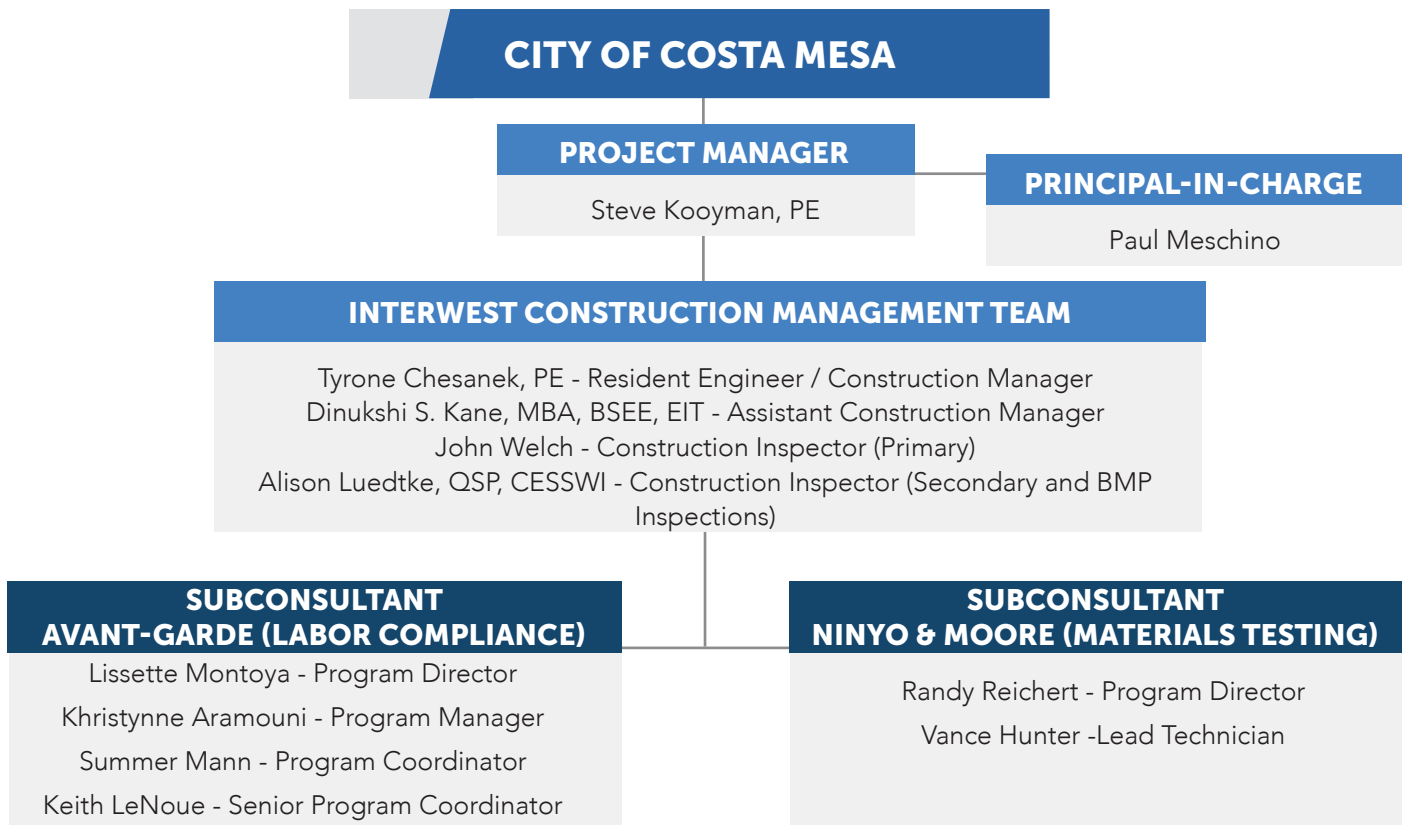
Our team is proposing **Tyrone Chesanek, PE**, as Resident Engineer for this opportunity with the City of Costa Mesa. Tyrone has experience directly managing similar federally funded projects administered through Caltrans. Additionally, he has in-depth knowledge of the latest edition of the Local Assistance Procedures Manual and the individual's time is appropriately committed to this project.

Our priority is to ensure the best possible experience working with our team—with minimum impact on the City of Costa Mesa and its community. During the project management and construction process, all disciplines work as a team on each project, lead by a supervisor who oversees all reviews, consults with Interwest staff and City staff as needed, as well as applicants. Our construction management and inspection procedures allow oversight and coordination with all management disciplines. The supervisors of the Interwest Team dedicated to the City of Costa Mesa — Steve Kooyman, PE and Tyrone Chesanek, PE — have worked together to effective lead construction teams on a multitude of municipal federally funded contracts over the last five years.

#### 4 - 8. Overall Organization of Team, Structure and Budget

Our services are provided in a cost-effective manner and can be adjusted to remain within the City budget constraints. We will communicate regularly with the City and monitor and evaluate our areas of responsibility to make recommendations for cost savings where possible.

Our committed team members, including subconsultants, **will provide exceptional service to the City of Costa Mesa.** We have significant direct experience working as municipal employees and as contract staff members in jurisdictions throughout California. Individually, the professionals selected to serve the City excel in each of their backgrounds. As a team, they possess the professional capability to innovatively create and implement effective solutions to serve the interests of your community. The organizational chart provided below highlights our key personnel, company roles, areas of expertise, and the organization of our project team.



## 05 / Scope of Services to be Provided

### Project Approach and Scope of Work

The Interwest Team ("Team") will follow the Scope of Work/Tasks and approach for the project pursuant to the RFP as follows:

#### General Services:

The Interwest Team will provide continuous technical and administrative services throughout the project duration from pre-construction phase to post construction phase to ensure the project is completed within schedule and budget. Additionally, the Interwest Team will provide coordination and oversight for all activities taken by outside entities in connection with the project (i.e., utility companies, OCTA, Orange County College, and Caltrans Local Assistance Program Manager) with continuous coordination with the City's Project Manager. Furthermore, the Interwest Team will continue to comply with the Caltrans Local Assistance Procedures Manual (LAPM) on a regular basis and check on updates to the Manual.

#### TASK 0 –INITIAL-CONSTRUCTION PHASE

##### 0.1) Constructability Review of Construction Documents

a. Our Team will complete a thorough Constructability, Quality Assurance/Quality Control (QA/QC), and Value Engineering review effort in coordination with the City and designer on the Plans and Specifications. Additionally, the Team will drive/walk the Project site, complete a photo record of existing conditions, and check measurements to assist the constructability review. We will create a report of findings which would include recommended alternative solutions with potential cost savings as well as time savings during construction.

b. Collectively our Team will use the organization's expertise to review all layers of the detailed plans, from curb, gutter, sidewalk repairs, ADA curb ramps, median improvements, signal improvements, and signing and striping and coordinate the Plans with the Specifications for consistency.

##### 0.2) Utility Coordination

a. Our Team will assist the City with Utility Notices to all potentially affective utilities and specifically reach out to each potentially impacted utility to make sure they are part of the work plan and provide USA information in a prompt manner

b. Our Team will also check the plans to ensure that all base utility map information (record or grid) provided by the Utility Companies are addressed on the plans.

##### 0.3) Project Bid Documents

a. Our Team will thoroughly review all final bid documents for consistency between the General and Supplemental Provisions from the City and the Technical Specifications from the design consultant and provide final comments/edits as needed with recommended solutions to reduce potential cost and working day overruns.

b. Our Team will prepare a final baseline delivery schedule with milestone tasks, activity dates, durations, etc., for pre-construction, construction, and post-construction phases of the work in coordination with the Contractors' baseline schedule.

c. Our Team will assist the City with the initial public outreach efforts.

##### 0.4) Pre-Construction Stage

a. Our Team will coordinate with the City and relay any special concerns and specification requirements, required permits, utility coordination, and state and federal agency requirements, once the Contract

Agreement, Bonds, and Insurance documents have been approved by the City and prior to the pre-construction conference. Additionally, we will assist the City in preparing the Final Utility Notices (Notice to Relocate or Adjust) to all effective Utility companies within the Project area.

b. Our Team will coordinate with the City and discuss the date/time for the Pre-Construction Conference with the Contractor with an anticipated Notice to Proceed date. Upon mutually agreeing to the date and time of this conference, we will prepare the agenda for this meeting for City review and send out the Pre-Construction Conference Notice with agenda to the Contractor. The notice will contain all specification requirements that the Contractor is required to submit to the City prior to the conference date (i.e., baseline schedule, submittal matrix, initial 4-week look-ahead schedule).

c. Our Team will set-up the initial project control system in compliance with the LAPM and seek an initial pre-audit from Caltrans to assure the filing and control system meets the requirements.

d. Our Team will coordinate the review and comments on all submittals from the Contractor with the City and Engineer of Record prior to the pre-construction meeting. This includes the review of the initial submittal log, baseline schedule, storm water control plan, and traffic control plan. Additionally, we will discuss the long-lead time signal equipment bid item with the Contractor to make sure the submittal is timely, and the order has been placed.

e. Our Team will coordinate and facilitate the Pre-Construction Conference, discuss all items on the agenda, relay any special items of concern (i.e, public notices, traffic control, noise, BMP's, working times, permits, CPR (Labor Provisions) and EEO requirements, etc..). All minutes of the meeting will be captured and provided to the City for review prior to final posting. The final minutes of the conference will be posted or provided to the Contractor for concurrence.

f. Our Team will also reach-out to all affected Utilities Companies to invite them to the Pre-Construction Conference or initiate individual meetings to relay schedule, contractor information, scope of work and coordination.

g. Our team will assist the City with the public notices to relay the project scope, schedule, and contractor information to the adjacent business', residences, and stakeholder agencies.

## **TASK 1 – CONSTRUCTION PHASE**

### **1.1) Contract Administration/Management**

a. Our Team will follow strict guidelines and recommendations, including the Public Works Contract and Supplemental provisions from the City as well as Federal requirements per the LAPM, to ensure the project is completed according to the plans and specifications and the Federal requirements with sound and proven ethical contracting practices. Throughout the contract, our team will ensure that all construction complies with the contract documents, inclusive of the codes, city standards, Greenbook, and state and federal requirements. All potential delays to the contract schedule due to change orders or weather days will be tracked in accordance with the contract documents and relayed to the City.

b. The Interwest Construction Manager/Resident Engineer (CM/RE) will be the main point of contact with the City and perform the work as a representative of the City pursuant to all City requirements during the duration of the contract. All construction matters will be discussed between the Contractor and CM and any issues (potential claims, CCO's, disputes) will be relayed and discussed with the City with recommended resolutions.

c. Our Team will utilize Procore or City preferred filing control system per LAPM throughout the performance of the contract for all document management, reporting, meetings, reports, RFIs, submittals, non-conformance reports, shop drawings, certified payroll, and insurance compliance. Our Team could also use other cloud-based platforms, such as Microsoft One Drive as directed by the City to capture, document, and share all contractual documents.

### **1.2) Reports and Communications**

a. Our Team will update the City weekly on the progress of the projects and document all communications

and reports. We will consistently gather pertinent information from the design consultant, the City, the contractor, and any other entity involved in this project to ensure all the facts are collected, documented, and reported as required by the City. Monthly progress reports will be generated that will capture the following:

- 1. Summary of the previous month's main accomplishments and current construction activities.
- 2. Overall Contractor's conformance to contract schedule and quality requirements.
- 3. Identification of key problems, action items, and issues, as well as recommendation for solutions.
- 4. Summary of progress payments, change orders, disputes, submittals, RFIs, and Notices of Noncompliance.
- 5. Photographs of representative project activities.

b. Our Team will also coordinate meetings with the City, Consultant, and Contractor on a weekly basis to ensure the City remains updated.

c. Interwest will provide a web-based dashboard with key performance indicators (KPI) that will provide an updated picture of the project with the latest project information. Some of the KPIs that could be included are schedule deviation, budget deviation, % of RFIs answered, change order request resolutions, and others. This dashboard will be shared with City and contractor as a way to quickly show where we are in the project and assist with making quick and impactful decisions.

### **1.3) Photo Documentation**

a. Our Team will not only review the contractors' photos and videos of existing conditions and progress but will also create our internal library to document existing conditions and the progress of all trades on working days. All media will be documented on Procore or City preferred platform. The media will also be used to document non-conformance, safety, BMP's, and equipment.

### **1.4) Construction Progress Meetings**

a. The CM/RE and Inspection Team will conduct weekly progress meetings with the City, Consultant, and Contractor to track progress and status of significant items that could put the project at risk. The Team will create and distribute agendas, track attendance, collect meeting minutes, and share them within two business days. We will evaluate whether it is necessary to take a more proactive approach and assist in conducting meetings with specific trades or subconsultants to ensure the whole team is aware of other project-site activities. This information will be included in the monthly progress reports as required by the City.

### **1.5) Shop Drawings and Submittal Review**

a. The CM/RE will ensure that all required submittals and federal tracking forms per LAPM are received and evaluated prior to implementation. We will conduct a preliminary review of all submittals for accuracy and contract adherence. The CM/RE will also facilitate the distribution of submittals to the City or City Engineer and Consultant for review, acceptance, and/or approval. Submittals will be logged, tracked and monitored with targeted response times and dates. Submittals that are not acceptable will be sent back to the contractor for correction. The submittal log will show submission status, rejections, and approvals. If submittals are not reviewed or answered in a reasonable time frame, the CM will track and follow up with the right party for approval. The CM will work directly with the Consultant on all shop drawing submittals. The status of submittals and shop drawings will be documented in Procore or City preferred platform.

### **1.6) Plans and Specifications Interpretation**

a. Our Team will continually review the plans and specifications for constructability issues and conformance during construction. The Team will ensure in coordination with the City, Consultant, and other project delivery team members/agencies, and stakeholders that all work conforms to the Project construction documents, City Codes and Ordinances, APWA "Greenbook", AWWA Standards, City Public Works Standards, state and federal requirements as applicable, ADA requirements, OSHA



Construction Safety Orders, and NPDES requirements, and all applicable CA Labor Code and Federal Labor Law requirements, throughout the duration of the Project. We will be an advisor, advocate, and provide professional services with the best interest of the City in mind.

b. All RFI will be reviewed and responded to in a timely manner, per the construction contract terms. Any technical RFI's will be submitted to the City or the Consultant for response.

### **1.7) Progress Payments**

a. The CM/RE and Inspection Team will complete a thorough analysis with field measurements of all quantities constructed or in progress with calculations. The CM/RE will also document any materials on site and analyze the schedule of values to determine work in place and make payment recommendations to the City. Additionally, Interwest will consider the latest schedule, certification of payment to subcontractors, and payroll reports to make recommendations to the City on progress payments to subcontractors. This documentation will be part of the Progress Payment and Change Order back-up and will be saved in Procore or another City preferred platform. If the contractor is not submitting all the necessary back up documentation accurately, the CM will return the payment applications for corrections before submitting the payment recommendation to the City. Any other reports associated with federal funding will be also included.

b. The CM will check with the City on receipt of 20-day preliminary notices from various material suppliers and sub-contractors to assure payment is being made and obtain affidavit of payment from the Contractor as part of the Payment Application.

### **1.8) Contractor's Claims and Contract Change Orders (CCO)**

a. Our Team will document and track any potential change orders, obtain justification, validate the need, conduct value engineering, and create internal estimates of quantities, costs, and duration to consult with the City with recommendations and assist the Project Manager with all negotiations. All Owner-initiated CCO's will be reviewed with the City with recommendation/cost/schedule impacts from the CM and subsequently initiated by the City. All potential change order will be documented and tracked to mitigate any risks associated with contract changes and resolved in a timely manner. All Request of Change Orders will be included in a CCO log and provided to the City regularly. The CM, with assistance from the Inspector, will review and check the approved baseline schedule from the Contractor on a regular basis and make the necessary adjustment to the schedule in coordination with the Inspector's and Contractor's dailies.

### **1.9) Schedule and Weekly Statement of Working Days (WSWD)**

a. The CM/RE will monitor the approved baseline schedule and project progress throughout the duration of the contract and review and compare the schedule to the 3-4 week look-ahead schedule from the Contractor. Any deviations from the approved baseline will be discussed with the Contractor to determine if the approved baseline schedule needs to be updated and submitted to reflect any changes.

b. The CM/RE will prepare the WSWD at the end of each work week to capture the progress to date from the Daily Report, schedule items, working days, non-working days (inclement weather days), and CCO days, delay days, time extensions, and updated date of completion, and provide to the City the following Monday.

### **1.10) Construction Inspection Services**

a. Our highly experienced inspection staff will work with the selected contractor in all phases of quality control, including the preparatory, initial, and follow-up phases to ensure the construction is done according to the plans and specifications. The Interwest Inspector will review the 3-week look ahead to understand what activities will be completed in the near future. The inspector will study the specifications, drawings, LAPM, and any approved submittals for a clear understanding of the tasks and materials. The Inspector will also review any materials delivered to the site to ensure the approved

are installed. Lastly, the inspector will track the installation of any materials to ensure they meet the manufacturer's recommendations and is in accordance with the LAPM. This approach will ensure that the City meets the project's overall intent and complies with the Federal requirements.

b. The Interwest Inspector will also conduct a cursory review of any daily reports, payment applications, media, and any additional reports to ensure they accurately reflect the on-site conditions and activities.

### **1.11) Progress Payments**

a. The Inspector will complete a thorough analysis with field measurements of all quantities constructed or in progress with calculations and coordinate the quantities constructed to date with the Contractor for concurrence prior to payment application request. Additionally, the Inspector will gather all material tickets (i.e., AC tonnage, PCC CY) from the hauling trucking company employee and confirm quantities as placed. All material logs and tickets will be filed in accordance with LAPM.

### **1.12) Contractor's Claims and Change Orders**

a. The Inspector will inform the CM/RE of any Potential Change Orders (PCO) that might arise during construction to discuss and evaluate the merits and if warranted, obtain a price from the Contractor and relay this to the City. If a reasonable price cannot be mutually reached with City concurrence, the work would be performed via Time and Materials and tracked. The Time and Materials PCO would not commence (unless it's an emergency) until the Contractor has relayed its work force to complete the extra work to the satisfaction of the Inspector with oversight from the CM and City. All PCO's will be documented and tracked to mitigate any risks associated with contract changes and resolved in a timely manner. All Request of Change Orders and PCO's will be included in a PCO/RCO log and provided to the City regularly by the CM.

### **1.13) Daily Reports**

a. The Inspector will complete a Daily Report for each day of work and for non-working days, which will capture the Contractor's workforce (labor, equipment, material), work performed, issues, progress of bid items, and photo documentation. The Daily Reports will be provided to the CM for QA/QC and concurrence and uploaded into Procore or City preferred platform. Additionally, the Inspector will capture all events within a field daily logbook.

### **1.14) Material Testing and QAP**

a. The CM/RE with Inspector will coordinate all required field material testing and laboratory testing work with the sub-consultant (Ninyo and Moore) in conformance with the City's QAP as provided in Appendix D of the RFP.

### **1.15) Labor Compliance**

a. The CM/RE in coordination with the Labor Compliance sub-consultant Avant Garde will complete all required Federal and State labor compliance requirements and review of CPR. Additionally, the inspector and Labor Compliance field officer will conduct monthly field interview with the Contractor's work force as well as sub-contractor work force in accordance with the State and Federal labor code and Davis Bacon requirements.

### **1.16) Utility Coordination**

a. The Inspector will coordinate will all utility companies affected by the project and ensure that the Contractor is also involved to schedule their work within its schedule. All utility issues or conflicts will be discussed with a recommended resolution with the Contractor and utility company, documented and provided to the CM/RE and City for further evaluation.

### **1.17) Safety and Traffic Control**

a. The Inspector will ensure that all safety requirements are being adhered to by the Contractor and

will attend the Contractor's weekly safety meeting with updated training discussions. Additionally, the Inspector will monitor and assess the Contractor's traffic control per the approved Traffic Control Plan (CA MUTCD) and discuss potential issues that require immediate attention by the Contractor prior to commencing the work.

### **1.18) Public Notices**

a. The Inspector will coordinate and work with the business and residents in the project area on a daily basis. All scheduling items, any conflicts, complaints will be discussed with the public and or other agencies in coordination with the Contractor to assure the public concerns are being properly addressed. The Inspector will discuss the public issues with the CM/RE for further input/resolution and relayed to the City.

### **1.19) NPDES/BMP Compliance**

a. The Inspector will complete a BMP checklist for each working day and monitor and relay deficiencies to the Contractor for NPDES conformance. Additionally, 7-day weather forecast reports from NOAA will be discussed at each weekly meeting to discuss adjustments to the BMPs for inclement weather. The Inspector will also monitor the sweeping efforts by the Contractor as well as other dust control measures to minimize air quality impacts.

### **1.20) DBE Compliance**

a. The CM/RE with Inspector will monitor and verify that the DBE Prime or sub-contractor performs a Commercially Useful Function (CUF) throughout the duration of the Contract.

### **1.21) As-Built Set**

a. The Inspector will mark up the Construction Set of plans on a regular basis and confer with the contractor on changes to the plans.

### **1.22) Final Report**

a. The Inspector with CM/RE will complete a Final Report in accordance with the LAPM that summarizes all issues and items during the construction duration and provide said report to the City for future potential Federal/State audit.

## **TASK 2 – PROJECT CLOSEOUT**

### **2.1) Final Punch-List and Final Acceptance**

a. The CM/RE and Inspection team will schedule, coordinate, and conduct a final site walk-through with the City, Consultant and Contractor to ensure all punch-list items for the entire project are identified and addressed before acceptance. If all punch-list items are considered complete, the CM/RE will provide documentation as required to recommend a Notice of Acceptance to the City Engineer.

### **2.2) Final Contract Processing – The CM/RE will complete the final Contract acceptance work in coordination with the City as follows:**

a. Stop Notices - The CM/RE will consult with the City regarding the disposition of both Preliminary and Stop Notices. This will include complete follow-through until resolution between the Contractor and suppliers and/or subcontractors is achieved.

b. The CM/RE will ensure the warranty bond for the warranty period is received by the Contractor that guarantees 100% of the final contract price of the work completed for the one-year period after the Notice of Completion is filed and recorded.

c. The CM/RE will ensure all material and equipment warranties have been obtained from the Contractor and review said warranties to ensure they comply with the manufacturer's submittal, product, and are in accordance with the Contract Documents.



- d. The CM/RE and Inspector will work with the Contractor to ensure all red-line changes to the Contract Plans are complete and accurate and have been incorporated into the field as-built set and will provide the redline as-builts to the Engineer of Record and assist with transferring the delta changes in CADD for final processing and delivery to the City Engineer for approval of the Record Drawings.
- e. The CM/RE will check with the Labor Compliance consultant to ensure all CPRs and required documents are complete and up to date as of the last day of work.
- f. The CM/RE will prepare and submit an acceptance statement to the Contractor to sign and date either accepting the work and final payment with no conditions or with exceptions. All exceptions will be brought to the attention of the City with a recommendation and response.
- g. The CM/RE will prepare a proposed Final Payment Estimate and submit it to the Contractor for acceptance prior to submitting the final pay application for acceptance by the City.
- h. The CM/RE will notify and document any potential claims against the City before issuing a recommendation for acceptance.
- i. The CM/RE will complete a final archive assessment for all files and provide them to the City Engineer electronically on a thumb drive in accordance with the LAPM (Exhibit 17-O, 17-F, and other required forms/files).

### TASK 3 – ONE-YEAR WARRANTY INSPECTION

#### 3.1) Warranty Inspection

- a. The CM/RE and Inspection Team will schedule, coordinate, and conduct a warranty site walk-through with the City 2-3 months prior to the one-year warranty period end date to ensure there are no issues with the project, unless issues are discovered prior to this timeframe. If there are warranty issues that relate to the Contractor's work, the CM/RE will prepare the notice of defective work with the itemized list for City review and concurrence. This notice will be submitted to the Contractor requesting a time to cure the issues and means/methods to correct the issues. A final warranty site walk with the City will be completed to obtain final warranty period acceptance and if accepted, a recommendation will be provided to the City to release the warranty bond.

## 06 / Experience & Record of Success on Similar Federal Projects

### Relevant Project Experience

Interwest has provided construction management and inspection services for the past 21 years, and our proposed project staff has many years of combined relevant municipal experience. We have cultivated a reputation for cost-effective services provided by highly-qualified and customer-focused professional consultants. Below is a representative list of Southern California municipal clients to whom Interwest staff currently provides comparable services; additional client listings are available upon request.

CLIENT AGENCY	YEAR STARTED/ COMPLETED	SERVICES PROVIDED
City of Brea	2019-Present	Project Management, Construction Management and Inspection
City of Costa Mesa	2007-Present	Interim Public Works Director, Civil Engineering, Traffic Engineering, Construction Management and Inspection
City of Culver City	2014-2020	Construction Management, Public Works Inspection
City of Eastvale	2010-Present	City Engineering, Construction Management, Public Works Inspection Engineering Plan Check, Engineering Support, NPDES, Transportation Planning, Traffic Engineering, Drainage Engineering, Grant Administration

CLIENT AGENCY	YEAR STARTED/ COMPLETED	SERVICES PROVIDED
City of Fountain Valley	2017-Present	Engineering Plan Review, Construction Management, Construction Inspection
City of Gardena	2018-2020	Construction Management, Construction Inspection
City of Grand Terrace	2015-Present	Interim Public Works Director Services, Engineering Plan Check, Construction Inspection, Project Management, Real Estate, Building Plan Check
City of Santa Ana	2019-2022	Construction Management, Public Works Inspection
City of Maywood	2016-2020	Construction Management and Inspection Traffic Engineering, Interim Public Works Director Services, Civil Engineering
City of Moreno Valley	2017-Present	Engineering Plan Check, Construction Management, Construction Inspection
City of Newport Beach	2013-2022	Construction Management, Public Works Inspection
City of Palm Springs	2015-2020	Construction Management, Public Works Inspection
City of Rancho Mirage	2015-2019	Interim Public Works Director Services, Project Management, Construction Management and Construction Inspection

## References

### **CITY OF SANTA ANA // WARNER AVENUE WIDENING PROJECT, PHASE 1**

**REFERENCE: KENNY NGUYEN, SENIOR CIVIL ENGINEER | 714.647.5632 | KNGUYEN@SANTA-ANA.ORG**

Interwest is providing construction management and inspection services for this project, which aims to widen a 1-mile segment of Warner Avenue, a regionally significant arterial roadway in the City of Santa Ana. Phase 1 involves an area of 0.3 miles along Warner Avenue between Main Street and Oak Street, widening the roadway from four to six lanes, with three lanes in each direction. The project also includes stormwater drainage improvements and the undergrounding of utilities to enhance community beautification. Safety and accessibility features include narrow travel lanes, raised medians landscaped parkways, wider sidewalks, AADA-compliant curb ramps, and protected bike lanes.

### **CITY OF SOUTH PASADENA // CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES**

**REFERENCE: KRISTINE COURDY, DEPUTY PUBLIC WORKS DIRECTOR | 626.403.7240 | KCOURDY@SOUTHPASADENACA.GOV**

Interwest provided construction management and inspection services for the City of South Pasadena on street improvement projects including the following:

**Bushnell Avenue, Diamond Avenue, and Lyndon St. Street Improvement Project** - Interwest provided construction management and inspection services on this project which included repair of damaged asphalt pavement by grinding and overlay with conventional asphalt, installation of Petromat, reconnection of curb drains, localized repairs of damaged curb/gutter, sidewalk, and driveways, replacement of ADA access ramps, adjustment of manholes and utility covers, replacement of water services, valves, meter boxes, and fire hydrants, resetting of survey monuments, replacement of existing signs, thermoplastic striping, and other associated elements of work. Work on Diamond Avenue was in close proximity to a high school, so the construction involved restricted working hours and close coordination with school officials. The project began in June 2019 with a budget of \$1.1 million and was completed in October 2019 without any change orders.

## **CITY OF BREA // SR 57 & LAMBERT ROAD INTERCHANGE IMPROVEMENTS**

### **REFERENCE: MICHAEL HO, PE | 714.990.7657 | MICHAELH@CI.BREA.CA.US**

The Project entails the construction of the SR 57 & Lambert Road Interchange which includes the re-alignment of the Northbound off-ramp, new Northbound on-ramp loop with bridge, widening of Lambert Road west (new right turn lane), widening of Northbound on-ramp, widening and extension of Southbound off-ramp, widening of Lambert Road east (new right turn lane) for Southbound on-ramp, widening and extension of Southbound on-ramp and bridge widening at Railroad Crossing, SR 57/ Lambert Bridge widening, Retaining walls, sound walls, and other various signal and street median improvements, SB1, and Federal Grants.

The City's lead role was utility relocation, design, R/W and Landscape phase. Caltrans lead role was PAED phase and construction phase (AAA). Interwest oversaw the pre-construction phase, managed the OCTA M2 and SB1 grants, coordination with Caltrans for Cooperative Agreements and Maintenance Agreements, coordination with the Utility Companies, managing the Design consultant for the City, managing the R/W acquisition and demolition work, reviewing all RFI's, CCO's, and Submittals in coordination with Caltrans and Design Consultant and attended the bi-weekly construction meetings, billing/invoicing processing, and schedule review. The project cost was approximately \$79 Million for Construction Phase, Landscape Phase, Utility Relocation, Construction Management and Inspection.

## **CITY OF RANCHO PALOS VERDES // ON-CALL CONSTRUCTION MANAGEMENT AND INSPECTION SERVICES**

**REFERENCE: CHARLES EDER, SENIOR ENGINEER | 310.544.5282 | CHARLESE@RPVCA.GOV**

Interwest has provided on-call construction management and inspection services to the City of Rancho Palos Verdes since 2016.

**Residential Streets Rehabilitation Project Area 8 Phase I** - Interwest provided construction management and inspection services on the Area 8 Residential Street Rehabilitation Project, Phase I. This resurfacing project had a duration of 45 working days, with 10 additional days for pre/post-construction tasks, for a combined total of 55 working days. The engineer's estimate for the entire project was \$2.2 million. Interwest's inspector was required for 10 hours per day and our project manager/construction manager was required for 2 hours per day. Tasks included furnishing all necessary labor, materials, equipment and other incidental and appurtenant work necessary to remove and replace sidewalk, ramps, driveway aprons, curb & gutter, crack routing and sealing, and AC repairs at various locations throughout the City. All work was performed in strict conformance with the contract documents, permits from regulatory agencies with jurisdiction, and applicable regulations.

## **CITY OF BREA // COUNTRY HILLS SUBDIVISION PAVEMENT AND WATER IMPROVEMENTS, CIP 7322 (2022)**

**CONTACT: MICHAEL HO, PE, PUBLIC WORKS DIRECTOR/CITY ENGINEER | 714.990.7698 | MICHAELH@CITYOFBREA.NET**

This Project included removing and replacement of 57 ADA ramps and misc. curb and gutter work, 40,000 SF of AC R&R, 690,000 SF AC grinding, over 20,000 LF (9,800 TN's) HMA overlay, traffic control, and erosion control measures within various streets in the Country Hills subdivision area. The project also included replacement of 19,300 LF C-900 8" water mains and appurtenances, 500 1"-2" copper water services, 40 FH's. This project was a 245 day, \$5.2 million contract that was completed in October 2022. Interwest performed all Construction Management services under the on-call CM&I Professional Services Agreement (PSA) with the City.

## **CITY OF COSTA MESA // ON-CALL CONSTRUCTION & INSPECTION SERVICES**

**CONTACT: RAJA SETHURAMAN, PUBLIC SERVICES DIRECTOR | 714.754.5173 | RAJA.SETHURAMAN@COSTAMESACA.GOV**

Interwest has provided a variety of public works services to the City of Costa Mesa since 2016, including

construction management and inspection services on the following projects.

**Arlington Drive Improvements, Measure M OCTA and Storm Channel Improvement Project** - This was a project funded by multiple sources including OCTA and Drainage Improvement funds, which required continuous documentation and adherence with OCTA procedures. This project consisted of reducing the potential for major storm damage within the areas west of Newport Boulevard and Arlington Drive behind the Orange County Fairgrounds. Construction included a complete increase in storm drain sizing followed by the construction of a bio-swale for low flows and the reduction of pavement through Arlington Drive to a length of 4,800 lineal feet. Additionally, a multi-purpose, bike/pedestrian and skating recreational trail was constructed meandering along the bio-swale south of Arlington Drive, and safety-lit crossings were added to protect pedestrian traffic between the existing schools and a park north of the street crossing to the fairgrounds on the south side. Aesthetically pleasing landscaping along the project length was another positive addition to the affected area. Tasks included finalizing the plans and specifications for bidding purposes, advertising for bids, and administratively presenting the project to the City Council for award.

## 07 / Financial Capacity

We understand that the City may request sufficient data to evaluate the firm's financial capabilities.

Interwest Consulting Group also receives financial support through our parent company, SAFEbuilt. SAFEbuilt is backed by private equity—The Riverside Company—out of Cleveland, Ohio, giving us a robust annual budget. Since its founding in 1988, The Riverside Company has invested in more than 800 acquisitions. As of 2022, Riverside's global investment portfolio includes more than 140 companies with 300+ employees. Riverside has 15 offices and makes investments across North America, Europe, and the Asia-Pacific region. The firm's investors include some of the world's leading pension funds, endowments, funds of funds, insurance companies, and banks.

With Riverside's backing, our financial strength affirms our ability to deliver services consistently for the contract's duration and beyond.

## 08 / Fee Schedule

Interwest Consulting Group has provided the Fee Schedule as a separate submittal, per instruction of the RFP.

## 09 / Disclosure

Interwest has provided a variety of Building & Safety and Public Works services to the City of Costa Mesa as a result of competitive and sole source RFPs and RFQs. We have no current or past business or personal relationships with any Costa Mesa elected official, appointed official, City employee, or their family members.

## 10 / Professional Services Agreement

The Interwest Contract and Legal team have carefully reviewed the contract terms presented in the Sample Consultant Agreement in the RFP. We respectfully request the option to discuss the following agreement term sections with the City during contract negotiations:

19. INDEMNIFICATION	1.6. Delegation and Assignment
31. PERS ELIGIBILITY INDEMNIFICATION	6.9. Indemnification and Hold Harmless
1.3. Warranty	6.11. Ownership of Documents

On the following pages, Interwest has provided all required City Forms in Appendix F, as well as key resumes of our management team. Due to the page limit, Interwest will be happy to provide additional resumes upon request.

## Steve Kooyman, PE

### Construction Manager and Inspection Division Manager | Project Manager

Steve is a registered Civil Engineer with 30 years of civil engineering experience and has spent a vast amount of his career serving numerous jurisdictions throughout Northern and Southern California regions. Steve provides Project Management and Construction Management and Inspection Services to our clients throughout Southern California. He has assisted several Cities in delivering various Public Works Capital Improvement Program projects from Preliminary Planning/Environmental (PAED), Design (PS&E review), Bid and Award, and into Construction (Project Management/Construction Management) for watermain replacement, sewer replacement, storm drain replacement, street rehabilitation, ADA and sidewalk replacement, facilities improvements, parks and landscape, masterplan development, and has assisted the Cities with coordination and project delivery for Caltrans/City Cooperative Agreement projects. His background has provided him with the knowledge of city engineering policies and procedures, which is a proven asset when providing technical assistance to engineers, architects, contractors, city personnel, and the public.

### PROJECT SPECIFIC EXPERIENCE (Last 3 Years)

#### Arovista Park Modernization Project, CIP 7978 / City of Brea, CA

**Contact:** Michael Ho, PE, Public Works Director, 714.990.7698

**Value:** \$26M **Construction Completion Date:** Anticipated September 2024

Steve is the project manager overseeing and managing the design architect/engineering firms to develop the Plans and Specifications to modify the existing 14+ acre park in Brea. Bid Documents are anticipated to be completed in June 2023.

#### Senior Center and Pioneer Hall Roof, CIP 7965 / City of Brea, CA

**Contact:** Michael Ho, PE, Public Works Director, 714.990.7698

**Value:** \$360K **Construction Completion Date:** Anticipated September 2023

Steve is the project manager overseeing the completion of the Plans and Specifications for a 12,400 SF re-roof project. Bid Documents were completed in March 2023.

#### Traffic Signal Modification, Project CIP 7717 / City of Brea, CA

**Contact:** Michael Ho, PE, Public Works Director, 714.990.7698

**Value:** \$320K **Construction Completion Date:** Anticipated September 2023

Steve is the project manager overseeing and managing two design engineering firms to develop the Plans and Specifications to modify the existing signals at three intersections in the City. Bid Documents were completed in April 2023.

#### Brea Boulevard Street Improvements, CIP 7299 / City of Brea, CA

**Contact:** Michael Ho, PE, Public Works Director, 714.990.7698

**Value:** \$700K **Construction Completion Date:** Anticipated October 2023

Steve is the project manager overseeing and managing the design engineering firm to develop the Plans and Specifications for a ¾ miles main arterial street rehabilitation project, which includes milling 2" deep 30,000 sf of pavement, placement of 250,000 SF Type II Slurry, removing and replacement of 12 ADA ramps, and other AC and PCC street improvements along Brea Blvd from Imperial Highway to Fir Street. Bid Documents were completed in April 2023.



A SAFEbuilt® COMPANY

### YEARS OF EXPERIENCE: 30

### EDUCATION:

- BS, Civil Engineering, California State University, Chico

### CERTIFICATIONS

- CA Registered Civil Engineer, 55757
- NV Registered Civil Engineer, 13015
- QSD/QSP Training

### PROFESSIONAL AFFILIATIONS

- National and Orange County ASCE Member

### AREAS OF EXPERTISE

- Civil Engineering
- Public Works
- Program Management
- Construction Management
- Master Scheduling
- Master Budgeting



**South Brea Water and Sewer Replacement Project, CIP 7454, 7466, 7626 / City of Brea, CA****Contact:** Michael Ho, PE, Public Works Director, 714.990.7698**Value:** \$5.4M **Construction Completion Date:** Anticipated April 2023

Steve is the project manager for the replacement of 14,850 LF 8" C-900 water mains and appurtenances, 300 1"-2" copper water services, 32 FH's, 1,794 LF of 6-8" VCP sewer mains, 28 ADA ramps and miscellaneous curb and gutter work, 2,800 SF of AC R&R, 174,00 SF AC grinding, 1,850 TN's ARHM overlay, 384,000 SF Type II slurry, traffic control, and erosion control measures within various streets in the South Brea subdivision area.

**SR 57/Lambert Road Interchange Improvements, CIP 7251 / City of Brea, CA****Contact:** Michael Ho, PE, Public Works Director, 714.990.7698**Value:** \$55M **Construction Completion Date:** Anticipated August 2023

Steve was the project manager and construction manager for the City on the Caltrans/City Cooperative Agreement Project to improve the SR57/Lambert Interchange with the construction of new loop on ramp and bridge, extension of existing UC bridge, widening Lambert Road, re-alignment of on and off ramps, and various retaining and sound walls.

**Country Hills Subdivision Pavement and Water Improvements, CIP 7322 / City of Brea, CA****Contact:** Michael Ho, PE, Public Works Director, 714.990.7698**Value:** \$5.3M **Completion Date:** October 2022

Steve was the project manager and construction manager for the replacement of 19,300 LF C-900 8" water mains and appurtenances, 500 1"-2" copper water services, 40 FH's, 57 ADA ramps and miscellaneous curb and gutter work, 40,000 SF of AC R&R, 690,000 SF AC grinding, 9,800 TN's HMA overlay, traffic control, and erosion control measures within various streets in the Country Hills subdivision area.

**Napoli Tract Pavement and Water Improvements, CIP 7458 / City of Brea, CA****Contact:** Michael Ho, PE, Public Works Director, 714.990.7698**Value:** \$1.3M **Completion Date:** August 2021

Steve was the project manager for the replacement of 15,600 LF 8"-10" C-900 water mains and appurtenances, 265 1" copper water services, 32 FH's, 3 pressure regulating stations, 530 LF of 8" sewer main, 22 ADA ramps and miscellaneous curb and gutter work, 159,480 SF AC grinding, 1,550 TN's ARHM overlay, traffic control, and erosion control measures within various streets in the Napoli Tract subdivision area.

**North Hills Subdivision East and West Water and Pavement Improvements, CIP 7459-7460 / City of Brea, CA****Contact:** Michael Ho, PE, Public Works Director, 714.990.7698**Value:** \$5.2M **Completion Date:** August 2021

Steve was the project manager for the replacement of 15,600 LF 8"-10" C-900 water mains and appurtenances, 265 1" copper water services, 32 FH's, 3 pressure regulating stations, 530 LF of 8" sewer main, 22 ADA ramps and miscellaneous curb and gutter work, 159,480 SF AC grinding, 1,550 TN's ARHM overlay, traffic control, and erosion control measures within various streets in the Napoli Tract subdivision area.

**Eagle Hills Tract Water and Pavement Improvements, CIP 7467 / City of Brea, CA****Contact:** Michael Ho, PE, Public Works Director, 714.990.7698**Value:** \$3.0M **Completion Date:** December 2020

Steve was the project manager for the replacement of 9,960 LF 8"-10" C-900 water mains and appurtenances, 189 1"-2" copper water services, 20 FH's, 1 pressure regulating station, 34 ADA ramps and miscellaneous curb and gutter work, 400,000 SF AC grinding, 4,800 TN's AC HMA overlay, traffic control, and erosion control measures within various streets in the Eagle Hills Tract subdivision area.

**Puente Street, Gemini and Titan Way Water and Pavement Improvements, CIP 74311, 7464 & 7453 / City of Brea, CA****Contact:** Michael Ho, PE, Public Works Director, 714.990.7698**Value:** \$4.7M **Completion Date:** December 2020

Steve was the project manager for the replacement of 6,900 LF 12" C-900 water mains and appurtenances, 46 1"-3" copper water services, 24 FH's, 10 ADA ramps and miscellaneous curb and gutter work, replacement of stamped concrete medians, 124,000 SF AC grinding, 4,100 TN's ARHM and 9,200 TN's AC Base Course overlay, traffic control, and erosion control

## Tyrone J. Chesanek, P.E.

### CONSTRUCTION MANAGER

Experienced Deputy Public Works Director managing Facility and Parks CIP, Facility Maintenance, Street and Utility CIP, Facilities Management, Stores, Fleet Services, Environmental Program, and Streetlights. Assisted in planning, directing, supervising, and coordinating departmental operations; assigned work activities, projects and programs; monitored workflow; reviewed and evaluated work products, methods and procedures. Prepared and presented staff reports to City Council, Council Committees, boards, commissions and numerous civic organizations representing the Department. Assisted with the preparation of operating and capital improvement budgets, including long-term maintenance management. Supervised and assisted subordinate supervisors in the operations and maintenance of City infrastructure, and established long-range plans and goals. Participated in recommending the appointment of personnel; provided staff training; worked with employees to correct deficiencies, implemented discipline procedures, and recommended employee terminations. Coordinated Departmental activities with other departments, outside agencies, and private organizations. Provided staff assistance to the Public Works Director; prepared and presented staff reports.

### PROFESSIONAL HISTORY

#### Project/Construction Manager / Interwest / 2021 - Present

##### Project/Construction Manager for the following cities:

##### Fountain Valley

- PD Facility Remodel - \$2.5 million – Project/Construction Manager
- Universal Playground & Recreation Area Project - \$2 million – Project/Construction Manager
- City Hall Finance Office Remodel - \$40 thousand – Project/Construction Manager
- City Hall Entry Security Project - \$50 thousand – Project/Construction Manager
- Fire Station 1 Project - \$10 million – Project Management
- IT UPS/AC/Generator Project - \$700 thousand – Project Management

##### Brea

- **South Brea Water Sewer Project - \$5.4 million – Construction Manager**

##### Costa Mesa

- Fairview Road – Fair to Newport Blvd Rehabilitation Project \$2 million – Project Manager (Federal Project)
- Fire Station 3 Renovation - \$250 thousand – Construction Manager

##### Oceanside

- Navigation Center - \$7.1 million – Project Management
- El Camino Bridge Abutment Repair - \$60 thousand – Construction Management
- Butler Street Stormdrain Relining Project - \$200 thousand – Project/Construction Management
- Code Enforcement Relocation Project - \$500 thousand – Project/Construction Management

#### Deputy Public Works Director / City of Santa Ana / 2019 – 2021

##### Building Projects:

Southwest Senior Remodel Project - \$250 thousand



**A SAFEbuilt COMPANY**

**Years of Experience: 32**

##### Education

- BS, Civil Engineering, University of Texas – El Paso, 1988

##### License / Certification

- CA Registered Civil Engineer - 59426

##### Areas of Expertise

- Street Widening
- Underground Infrastructure
- Bridges
- Facility CIP
- Facility Maintenance (City Hall, City Yard, SARTC, Police Administration, Jail, Stores)
- Facility Management (City Yard, Santa Ana Regional Transportation Center)
- Construction Engineering
- Fleet
- Environmental Program
- Stores
- Streetlights

##### Specialized Skills & Training

- Microsoft Office
- Primavera Project Planner
- Uniform Building Code
- Standard Specifications for Public Construction
- Title 24, American Disabilities Act
- Caltrans Specification and Plans

Santa Ana Senior Center Remodel Project - \$250 thousand  
 Walnut Pump Station Project - \$5 million  
 City Manager Office Remodel Project - \$150 thousand  
 HR Office Remodel Project - \$100 thousand  
 Council Chamber Remodel Project - \$200 thousand  
 Council Meeting Room Remodel Project - \$50 thousand  
 Ross Annex Chiller Replacement Project - \$700 thousand  
 PD Evidence Freezer and Refrigerator Storage Replacement Project - \$90 thousand  
 Corporate Yard Roof Replacement Project - \$250 thousand  
 Water Department Office Remodel Project - \$50 thousand  
 OC Fire Station 72 Sink Hole Mitigation Project - \$60 thousand  
 OC Fire Station 70 Roof Replacement Project - \$80 thousand

**Construction Engineering and Facility CIP Responsibilities:** Supervised, and trained engineers, construction managers, and inspectors for an annual CIP of \$20-\$25 million, which included facility design and construction, street widening and rehabilitation, stormdrain, water, sewer, traffic signal, and streetlight infrastructure design and construction. Supervised Senior Civil Engineers and consultants on periodically review project progress. Worked collaboratively with several City departments to plan, gather input and exchange ideas during the project. Coordinated related interdepartmental projects. Conducted special studies, analyses on public works CIP, prepared reports, and recommendations. Performed divisional budgets and Capital Improvement Project budgets. Determined availability of funding for various projects or services. Monitored the progress of ongoing capital improvement projects. Supervised and evaluated performance of subordinates and trained and mentored staff. Made personnel recommendations for the division. Supervised the preparation of plans, specifications, cost estimates, and other contract documents for all capital outlay and maintenance projects within the City. Prepared requests for proposals and review bids submitted by outside consultants. Used current computer software applications to prepare reports, estimates, agreements, written requests to City Council with recommendations, technical analyses, Requests for Proposals, and other documents. Responded to public requests. Filled in for the Public Works Director during his absence. Supervised and reviewed all construction contracting performed by the City, directed the inspection and survey of all capital contracts. Monitored and periodically prepare reports on all phases of capital construction contracts administered by the division. Mitigated issues with the public.

#### Principal Civil Engineer / City of Santa Ana / 2011 – 2019

##### Major Projects:

Bristol Street Widening at Seventeenth Street - \$2.9 million  
 Bristol Street Widening at Fifteenth Street - \$2.2 million  
 Bristol Street Widening at Warner Avenue - \$2.5 million  
 Bristol Street Widening & Stormdrain at First Street - \$3.5 million  
 Grand Avenue Street Widening & Stormdrain at Grand Avenue – 4.5 million  
 Santa Ana Fire Station 1 New Facility Project – \$3 million  
 West End Pump Station Remodel Project - \$2 million  
 Memory Lane Bridge Widening Project - \$10 million  
 North Flower Bridge Widening Project - \$2 million  
 First Street Bridge Widening Project - \$5 million  
 Pacific Electric Park Project - \$2 million  
 Memory Lane Park Project - \$800 thousands  
 Santa Ana Zoo Necropsy Facility Project - \$500 thousand  
 Santa Ana Zoo Restroom Remodel Project - \$200 thousand  
 Santa Ana Zoo Anteater Exhibit Project - \$700 thousand

**Construction Engineering and Facility CIP Responsibilities:** Supervised, and trained engineers, construction managers, and inspectors for an annual CIP of \$20-\$25 million, which included facility design and construction, street widening and rehabilitation, stormdrain, water, sewer, traffic signal, and streetlight infrastructure design and construction. Supervised Senior Civil Engineer and consultants on periodically review project progress. Worked



collaboratively with several City departments to plan, gather input and exchange ideas during the project. Coordinated related interdepartmental projects. Conducted special studies and analyses on public works CIP, prepared reports and recommendations. Performed divisional budgets and Capital Improvement Project budgets. Determined availability of funding for various projects or services. Monitored the progress of ongoing capital improvement projects. Supervised and evaluated performance of subordinates and trained and mentored staff. Made personnel recommendations for the division. Supervised the preparation of plans, specifications, cost estimates, and other contract documents for all capital outlay and maintenance projects within the City. Prepared requests for proposals and review bids submitted by outside consultants. Used current computer software applications to prepare reports, estimates, agreements, written requests to City Council with recommendations, technical analyses, Requests for Proposals, and other documents. Responded to public requests. Filled in for the Public Works Director during his absence. Supervised and reviewed all construction contracting performed by the City, directed the inspection and survey of all capital contracts. Monitored and periodically prepare reports on all phases of capital construction contracts administered by the division. Mitigated issues with the public.

**Environmental Program Responsibilities:** Supervised and trained NPDES Manager. Supervised the management of the City's Urban Stormwater/NPDES Program in accordance with federal, state, and local laws and regulations. Supervise the management the City's Illegal Discharges/Illicit Connections Program, Water Quality Management Program (WQMP), Total Maximum Daily Load (TMDL) compliance program, municipal inspection program including but not limited to construction and commercial/industrial facilities, stormdrain facility inspection/cleaning program, and other related programs. Performed an annual Program Effectiveness Assessment (PEA) of the City's stormwater program for submittal to the Santa Ana Regional Water Quality Control Board. Participate in the development, implementation, and administration of goals, objectives, policies, procedures, and priorities for stormwater compliance programs. Participated in the development and administration of the assigned program budget; forecasts additional funds needed; directs the monitoring of and approval of expenditures; and recommends budget adjustments, as necessary. Supervised staff, prioritized and reviewed work, evaluated employee performance, and provided technical guidance and training. Assisted in the recruitment and hiring of staff. Managed consultant contracts and monitors the work performed, reviewed and approved invoices. Prepared requests for qualifications and requests for proposals; reviewed proposals to ensure conformity with state law, local ordinances, and departmental policies. Performed research, compiles, and analyzes data, and prepared technical reports relating to water quality compliance projects, permits, and programs. Acted as the City representative for the stormwater quality program, prepared a variety of reports/presentations for meetings with regulatory agencies, County, local jurisdictions, and other organizations. Attended and participated in professional group meetings and committees. Kept apprised of new trends and innovations in the field of stormwater management. Maintained storm drain facility asset inventory. Oversaw the construction of the Santa Ana Delhi Diversion, which diverts non-stormwater to the sewer and removes trash from the bay.

**Streetlight Responsibilities:** Developed goals, objectives, policies, and priorities for Streetlight Maintenance and Smart City opportunities. Over saw the purchase of SCE streetlights. Provided training for a safe working environment and building security. Monitored and evaluated the efficiency and effectiveness of service delivery methods. Planed, directed, coordinated and monitored the work of staff and outside contractors in the purchase, maintenance and repair of Streetlights. Developed Capital Improvement Projects (CIP) to establish appropriate replacement cycles and costs. Ensured financial sustainability and balanced budgets. Researched and identified federal, state and local grants to leverage local dollars. Managed maintenance agreements. Provided for the oversight and management of streetlight maintenance contracts. Analyzed energy usage of City Streetlights and devised and implemented energy conservation measures. Ensured safe and legal work practices. Prepared Requests for City Council Actions and other documents and reports; made presentations as needed. Developed, administered and monitored budgets.

## **APPENDIX F**

### **Required City Forms**

Adams Avenue and Pinecreek Drive Intersection Project

Federal Project No. CML-5312(104)

City Project No. 23-01



**VENDOR APPLICATION FORM  
FOR  
RFP No. \_\_\_\_\_ for \_\_\_\_\_**

TYPE OF APPLICANT: ☐ NEW ☒ CURRENT VENDOR

Legal Contractual Name of Corporation: Interwest Consulting Group

Contact Person for Agreement: Paul Meschino

Corporate Mailing Address: PO Box 18330

City, State and Zip Code: Boulder CO, 80308

E-Mail Address: pmeschino@interwestgrp.com

Phone: 619.372.9962 Fax: 714.899.9030

Contact Person for Proposals: Steve Kooyman, PE

Title: Project Manager E-Mail Address: skooyman@interwestgrp.com

Business Telephone: 530-318-1066 Business Fax: 714.899.9030

Is your business: (check one)

☐ NON PROFIT CORPORATION ☒ FOR PROFIT CORPORATION

Is your business: (check one)

☒ CORPORATION ☐ LIMITED LIABILITY PARTNERSHIP  
☐ INDIVIDUAL ☐ SOLE PROPRIETORSHIP  
☐ PARTNERSHIP ☐ UNINCORPORATED ASSOCIATION

**Names & Titles of Corporate Board Members**

(Also list Names &amp; Titles of persons with written authorization/resolution to sign contracts)

Names	Title	Phone
Mundt, Bradley J.	Director	714.899.9039
Giordano, Christopher	CEO	714.899.9039
Meschino, Paul (Signing Authority)	President	619.372.9962
Burke, Elizabeth	Vice President / Secretary	714.899.9039
Haynes, Daniel J.	Vice President / Treasurer	714.899.9039
Schlachet, Loren J.	Vice President	714.899.9039

Federal Tax Identification Number: 73-1630909City of Costa Mesa Business License Number: Interwest will obtain a Costa Mesa Business License upon award of contract.

(If none, you must obtain a Costa Mesa Business License upon award of contract.)

City of Costa Mesa Business License Expiration Date: N/A

**COMPANY PROFILE & REFERENCES****Company Legal Name:**

Company Legal Status (corporation, partnership, sole proprietor etc.): Interwest Consulting Group, Inc.

Active licenses issued by the California State Contractor's License Board: N/A

Business Address: 1 Jenner, Suite 160, Irvine, CA 92618

Website Address: <https://interwestgrp.com/>

Telephone Number: 714.899.9039

Facsimile Number: 714.899.9039

Email Address: iw-bids@interwestgrp.com

Length of time the firm has been in business: 21 Years

Length of time at current location: 3 years in Irvine office; 20 in Orange County

Is your firm a sole proprietorship doing business under a different name: \_\_\_Yes ☒No

If yes, please indicate sole proprietor's name and the name you are doing business under:

Federal Taxpayer ID Number: 73-1630909

Regular Business Hours: 8 AM to 5 PM

Regular holidays and hours when business is closed: Closed Saturdays and Sundays, New Years Day Memorial Day, 4th of July, Labor Day, Thanksgiving and day after Thanksgiving, Christmas Day

**Contact person in reference to this solicitation:** Paul Meschino

Telephone Number: 619.372.9962

Facsimile Number: 714.899.9039

Email Address: pmeschino@interwestgrp.com

**Contact person for accounts payable:** Mike Marr

Telephone Number: 970.829.0049

Facsimile Number: 714.899.9039

Email Address: mmarr@interwestgrp.com

**Name of Project Manager:** Steve Kooyman, PE

Telephone Number: 530.318.1066

Facsimile Number: 714.899.9039

Email Address: skooyman@interwestgrp.com

## COMPANY PROFILE & REFERENCES (Continued)

Submit the company names, addresses, telephone numbers, email, contact names, and brief contract descriptions of at least three clients, preferably other municipalities for whom comparable projects have been completed or submit letters from your references which include the requested information.

**Company Name:** City of Costa Mesa

Contact Name: Raja Sethuraman, Public Services Director

Contract Amount: N/A

Email: RAJA.SETHURAMAN@COSTAMESACA.GOV

Address: 77 Fair Dr, Costa Mesa, CA 92626

**Brief Contract Description:**

This was a project funded by multiple sources including OCTA and Drainage Improvement funds, which required continuous documentation and adherence with OCTA procedures. This project consisted of reducing the potential for major storm damage within the areas west of Newport Boulevard and Arlington Drive behind the Orange County Fairgrounds.

**Company Name:** City of Santa Ana

Telephone Number: 714.647.5632

Contact Name: Kenny Nguyen, Senior Civil Engineer

Contract Amount: N/A

Email: KNGUYEN@SANTA-ANA.ORG

Address: 20 Civic Center Plaza, Santa Ana, CA 92702

**Brief Contract Description:**

Interwest is providing construction management and inspection services for this project, which aims to widen a 1-mile segment of Warner Avenue, a regionally significant arterial roadway in the City of Santa Ana. Phase 1 involves an area of 0.3 miles along Warner Avenue between Main Street and Oak Street, widening the roadway from four to six lanes, with three lanes in each direction.

**Company Name:** South Pasadena

Telephone Number: 626.403.7240

Contact Name: Khristine Courdy, Deputy Public Works Director

Contract Amount: \$1.1M

Email: KCOURDY@SOUTHPASADENACA.GOV

Address: 1414 Mission Street, South Pasadena, CA 91030

**Brief Contract Description:**

Interwest provided construction management and inspection services on this project which included repair of damaged asphalt pavement by grinding and overlay with conventional asphalt, installation of Petromat, reconnection of curb drains, localized repairs of damaged curb/gutter, sidewalk, and driveways, replacement of ADA access ramps, adjustment of manholes and utility covers, replacement of water services, valves, meter boxes, and fire hydrants, resetting of survey monuments.

**Company Name:** City of Brea

Telephone Number: 714.990.7657

Contact Name: Michael Ho, PE

Contract Amount: \$79M

Email: MICHAELH@CI.BREA.CA.US

Address: 1 Civic Center Circle, Brea, CA 92821

**Brief Contract Description:**

The Project entails the construction of the SR 57 & Lambert Road Interchange which includes the re-alignment of the Northbound off-ramp, new Northbound on-ramp loop with bridge, widening of Lambert Road west (new right turn lane), widening of Northbound on-ramp, widening and extension of Southbound off-ramp, widening of Lambert Road east (new right turn lane) for Southbound on-ramp, widening and extension of Southbound on-ramp and bridge widening at Railroad Crossing, SR 57/ Lambert Bridge widening, Retaining walls, sound walls, and other various signal and street median improvements.

**Company Name:** Rancho Palos Verdes

Telephone Number: 310.544.5282

Contact Name: Charles Eder

Contract Amount: \$2.2M

Email: CHARLESE@RPVCA.GOV

Address: 30940 Hawthorne Blvd, Rancho Palos Verdes, CA 90275

**Brief Contract Description:**

Interwest provided construction management and inspection services on the Area 8 Residential Street Rehabilitation Project, Phase I. This resurfacing project had a duration of 45 working days, with 10 additional days for pre/post-construction tasks, for a combined total of 55 working days. The engineer's estimate for the entire project was \$2.2 million. Interwest's inspector was required for 10 hours per day and our project manager/construction manager was required for 2 hours per day. Tasks included furnishing all necessary labor, materials, equipment and other incidental and appurtenant work necessary to remove and replace sidewalk, ramps, driveway aprons, curb & gutter, crack routing and sealing, and AC repairs at various locations throughout the City. All work was performed in strict conformance with the contract documents, permits from regulatory agencies with jurisdiction, and applicable regulations.

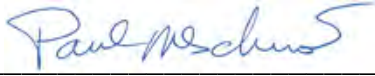
**EX PARTE COMMUNICATIONS CERTIFICATION**

Please indicate by signing below one of the following two statements. **Only sign one statement.**

I certify that Proposer and Proposer's representatives have not had any communication with a City Councilmember concerning informal **RFP No. 23-01** **FOR** \_\_\_\_\_ at any time after **November 09, 2020**.

Construction Management and Inspection Support Services for  
Adams Ave and Pinecreek Drive Intersection Project

**Date:** August 25, 2023



**Signature**

Paul Meschino

**Print**

**OR**

I certify that Proposer or Proposer's representatives have communicated after **November 09, 2020** with a City Councilmember concerning informal **RFP No. \_\_\_\_\_** **FOR** \_\_\_\_\_. A copy of all such communications is attached to this form for public distribution.

**Date:** \_\_\_\_\_

**Signature**

**Print**



### **DISCLOSURE OF GOVERNMENT POSITIONS**

Each Proposer shall disclose below whether any owner or employee of Contractor currently hold positions as elected or appointed officials, directors, officers, or employees of a governmental entity or held such positions in the past twelve months. List below or state "None."

None

## DISQUALIFICATION QUESTIONNAIRE

The Contractor shall complete the following questionnaire:

Has the Contractor, any officer of the Contractor, or any employee of the Contractor who has proprietary interest in the Contractor, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or safety regulation?

Yes \_\_\_\_\_ No ✓

If the answer is yes, explain the circumstances in the following space.





# CITY OF COSTA MESA

## Agenda Report

77 Fair Drive  
Costa Mesa, CA 92626

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**File #:** 24-048

**Meeting Date:** 2/20/2024

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**TITLE:**

**AWARD MAINTENANCE SERVICES AGREEMENTS FOR AS NEEDED FIRE EQUIPMENT MAINTENANCE, ANNUAL INSPECTION AND TESTING SERVICES**

**DEPARTMENT:** PUBLIC WORKS DEPARTMENT, MAINTENANCE SERVICES  
**DIVISION**

**PRESENTED BY:** RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR

**CONTACT INFORMATION:** ROBERT RYAN, MAINTENANCE SERVICES MANAGER (714) 754-5123

**RECOMMENDATION:**

Staff recommends the City Council:

1. Award Maintenance Services Agreements (MSAs) to Bit Pros, Incorporated, and Performance Truck Repair, Incorporated, for as needed fire equipment maintenance, annual inspection and testing services for a five-year period, for an annual amount of \$200,000.
2. Authorize a ten percent (10%) contingency of \$20,000 annually for unforeseen costs and approval for Consumer Price Index (CPI) escalation and de-escalation.
3. Authorize the City Manager and City Clerk to execute the agreements and future amendments to the agreements within Council authorized limits.

**BACKGROUND:**

The Equipment Maintenance Section of Public Works maintains over three hundred vehicles, including over forty pieces of fire equipment. The fire equipment requires regular maintenance, routine repairs and after-hours response for emergency repairs. Regular inspection and annual testing are required for all of the apparatus utilized for emergency and fire response. Proper maintenance, inspection and testing of fire apparatus is essential in ensuring timely and appropriate response to any emergency that may arise.

The Public Works Department is committed to serving the public by providing high quality services and continually maintaining, testing and improving the City's emergency response apparatus. This commitment is fulfilled utilizing a combination of City staff assigned to the Equipment Maintenance Section and outside vendors and services.

The City's inventory of equipment and vehicles is aging with many units in service being past their recommended service life. Reduced production, increased demand and supply chain issues have made the procurement of new emergency response vehicles difficult, resulting in the need to keep these units in frontline service in order to meet the needs of the City. These aging units require more frequent attention and repairs. Having additional resources will assist Equipment Maintenance with keeping these vital pieces of equipment in service.

The City's existing agreement for as needed fire equipment maintenance, annual inspection and testing services expired.

### **ANALYSIS:**

On January 8, 2024, the Purchasing Division advertised an Invitation for Bid (IFB) No. 24-05 for Fire Equipment Maintenance, Annual Inspection and Testing as required by the City of Costa Mesa Municipal Code. The IFB was posted on the Planet Bids website.

Purchasing received two bids from Bit Pros, Inc. and Performance Truck Repair, Inc. Both bids were comprehensive and met all the requirements of the IFB. Bit Pros, Inc. has performed fire equipment maintenance, annual inspection and testing services for the City for the past four years and has provided adequate resources and response times. Performance Truck Repair, Inc. is known to City staff and is a current service provider to a number of government agencies including the City of Long Beach and the Los Angeles County Fire Department. The use of multiple vendors will provide better coverage to address after hour emergency calls for mechanical service and limit downtime of the existing fleet.

Upon review of the submitted bids, staff has determined that both Bit Pros, Inc. and Performance Truck Repair, Inc. be awarded Maintenance Services Agreements based on their qualifications and experience.

### **ALTERNATIVES:**

The City Council could choose not to authorize the MSA; reject all bids and re-advertise the IFB. This is not recommended as it would, most likely, not provide lower or more comprehensive responses. In addition, the lack of outside vendors to provide support services and testing could delay repairs and increase downtime of emergency apparatus, which could compromise timely response to emergency and life-saving situations.

### **FISCAL REVIEW:**

Services for fire equipment maintenance, annual inspection and testing services are utilized by Equipment Maintenance and Fire on an as-needed bases. Sufficient funding is included in the adopted budget for Fiscal Year 2023-2024. Additional funding will be included in future proposed budgets.

### **LEGAL REVIEW:**

The City Attorney's Office has reviewed this report, prepared the MSAs and approves them as to form.

**CITY COUNCIL GOALS AND PRIORITIES:**

This agreement works toward achieving the following City Council goals:

- Strengthen the public's safety and improve the quality of life.

**CONCLUSION:**

Staff recommends the City Council:

1. Award Maintenance Services Agreements (MSAs) to Bit Pros, Incorporated, and Performance Truck Repair, Incorporated, for as needed fire equipment maintenance, annual inspection and testing services for a five-year period for an annual amount of \$200,000.
2. Authorize a ten percent (10%) contingency annually for unforeseen costs and approval for Consumer Price Index (CPI) escalation and de-escalation.
3. Authorize the City Manager and City Clerk to execute the agreements and future amendments to the agreements within Council authorized limits.

**CITY OF COSTA MESA  
MAINTENANCE SERVICES AGREEMENT  
WITH  
PERFORMANCE TRUCK REPAIR**

THIS MAINTENANCE SERVICES AGREEMENT ("Agreement") is made and entered into this 20th day of February, 2024 ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City"), and Performance Truck Repair, Inc. ("Contractor").

**W I T N E S S E T H :**

A. City proposes to utilize the services of Contractor as an independent contractor to provide maintenance of City property, as more fully described herein; and

B. Contractor represents that it has the experience and expertise to properly perform such services and holds all necessary licenses to practice and perform the services; and

C. City and Contractor desire to contract for the services and desire to set forth their rights, duties and liabilities in connection with the performance of such services; and

D. No official or employee of City has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

**1.0. SERVICES PROVIDED BY CONTRACTOR**

1.1. Scope of Services. Contractor shall provide the services described in the City's Invitation for Bid ("IFB"), attached hereto as Exhibit "A," and Contractor's response to City's IFB (the "Proposal") attached hereto as Exhibit "B," both incorporated herein (the "Services").

1.2. Prevailing Wage Requirements.

- (a) Prevailing Wage Laws. Contractor is aware of the requirements of Chapter 1 (beginning at Section 1720 et seq.) of Part 7 of Division 2 of the California Labor Code, as well as Title 8, Section 16000 et seq. of the California Code of Regulations ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. This project is a "maintenance" project and requires compliance with the Prevailing Wage Laws. Contractor shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.
- (b) Payment of Prevailing Wages. Contractor shall pay the prevailing wage rates for all work performed under this Agreement. When any craft or classification is omitted from the general prevailing wage determinations,

Contractor shall pay the wage rate of the craft or classification most closely related to the omitted classification. A copy of the general prevailing wage rate determination is on file in the Office of the City Clerk and is incorporated into this Agreement as if fully set forth herein. Contractor shall post a copy of such wage rates at all times at the project site(s).

- (c) Legal Working Day. In accordance with the provisions of Labor Code Section 1810 et seq., eight (8) hours is the legal working day. Contractor and any subcontractor(s) of Contractor shall comply with the provisions of the Labor Code regarding eight (8)-hour work day and 40-hour work week requirements, and overtime, Saturday, Sunday, and holiday work. Work performed by Contractor's or any subcontractor's employees in excess of eight (8) hours per day, and 40 hours during any one week, must include compensation for all hours worked in excess of eight (8) hours per day, or 40 hours during any one week, at not less than one and one-half times the basic rate of pay. Contractor shall forfeit as a penalty to City Twenty-Five Dollars (\$25.00), or any greater penalty set forth in the Labor Code, for each worker employed in the execution of the work by Contractor or by any subcontractor(s) of Contractor, for each calendar day during which such worker is required or permitted to the work more than eight (8) hours in one calendar day or more than 40 hours in any one calendar week in violation of the Labor Code.
- (d) Apprentices. Contractor shall comply with the provisions of Labor Code Section 1777.5 concerning the employment of apprentices on public works projects. Contractor shall be responsible for ensuring compliance by its subcontractors with Labor Code Section 1777.5.
- (e) Payroll Records. Pursuant to Labor Code Section 1776, Contractor and any subcontractor(s) shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by Contractor or any subcontractor in connection with this Agreement. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following: (1) The information contained in the payroll record is true and correct; and (2) The employer has complied with the requirements of Sections 1771, 1881, and 1815 of the Labor Code for any work performed by his or her employees on this project. The payroll records shall be certified and shall be available for inspection at all reasonable hours in accordance with the requirements of Labor Code Section 1776.
- (f) Registration with DIR. Contractor and any subcontractor(s) of Contractor shall comply with the provisions of Labor Code Section 1771 and Labor Code Section 1725.5 requiring registration with the DIR.

1.3. Performance to Satisfaction of City. Contractor agrees to perform all the work to the complete satisfaction of City. Evaluations of the work will be done by City's Maintenance Services Manager or his or her designee. If the quality of work is not satisfactory, City in its



discretion has the right to:

- (a) Meet with Contractor to review the quality of the work and resolve the matters of concern;
- (b) Require Contractor to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. Compliance with Applicable Law. Contractor warrants that it shall perform the services required by this Agreement in compliance with all applicable federal and state employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other applicable federal, state and local laws and ordinances applicable to the services required under this Agreement. Contractor shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Contractor's performance under this Agreement.

1.5. Non-Discrimination. In performing this Agreement, Contractor shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military or veteran status, except as permitted pursuant to section 12940 of the Government Code.

1.6. Non-Exclusive Agreement. Contractor acknowledges that City may enter into agreements with other contractors for services similar to the Services in this Agreement or may have its own employees perform services similar to those Services contemplated by this Agreement.

1.7. Delegation and Assignment. Contractor may not delegate or assign this Agreement, in whole or in part, to any person or entity without the prior written consent of City. Contractor may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Contractor's sole cost and expense.

## 2.0. COMPENSATION AND BILLING

2.1. Compensation. Contractor shall be paid in accordance with the fee schedule set forth in Exhibit B. Contractor's total compensation shall not exceed two hundred thousand dollars (\$200,000.00). Thereafter, Contractor may annually, 30 days prior to the end of the contract year, request an increase to the prices based upon the differences between the CPI-U for the Los-Angeles-Long Beach-Anaheim statistical area comparing the immediately preceding October CPI-U with the October twelve months before that date.

2.2. Additional Services. Contractor shall not receive compensation for any services provided outside the Scope of Services set forth in this Agreement without amending this

Agreement as provided herein. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Contractor may submit invoices to the City for approval on a progress basis, but no more often than two times a month. Said invoice shall be based on the total of all Contractor's services which have been completed to City's sole satisfaction. City shall pay Contractor's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the Services performed, the date of performance, and the associated time for completion.

2.4. Records and Audits. Records of Contractor's Services shall be maintained in accordance with generally recognized accounting principles and shall be made available to City for inspection and/or audit at mutually convenient times throughout the term of this Agreement through three (3) years after its termination.

### **3.0. TIME OF PERFORMANCE**

3.1. Commencement and Completion of Work. The Services shall be performed in strict compliance with Exhibits A and B. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, pandemics (excluding COVID-19) or any other conditions beyond the reasonable control of a party.

### **4.0. TERM AND TERMINATION**

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of three years, ending on February 19, 2027, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties. The city has the option to extend the contract for up to two additional one-year periods.

4.2. Notice of Termination. City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Contractor. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Contractor shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay Contractor for reasonable costs incurred and Services satisfactorily performed up to and including the date of City's written notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein.

### **5.0. INSURANCE**

5.1. Minimum Scope and Limits of Insurance. Contractor shall obtain, maintain, and

keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by City:

- (a) Commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00) per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00) combined single limit per accident for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California. Contractor agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers arising from work performed by Contractor for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Costa Mesa and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of Contractor pursuant to its contract with City; products and completed operations of Contractor; premises owned, occupied or used by Contractor; automobiles owned, leased, hired, or borrowed by Contractor."
- (b) Notice: "Said policy shall not terminate, be suspended, or voided, nor shall it be cancelled, nor the coverage or limits reduced, until thirty (30) days after written notice is given to City."
- (c) Other insurance: "Contractor's insurance coverage shall be primary insurance as respects the City of Costa Mesa, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy."
- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of Costa Mesa, its officers, officials, agents, employees, and volunteers.

- (e) Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5.3. Deductible or Self Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance. Contractor shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement.

5.5. Non-limiting. The insurance provisions contained in this Agreement shall not be construed as limiting in any way, the indemnification provisions contained in this Agreement, or the extent to which Contractor may be held responsible for payments of damages to persons or property.

## 6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Contractor shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Contractor called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Contractor in the performance of this Agreement.

Contractor shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. Contractor or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or mail and shall be addressed as set forth below. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 48 hours after deposit

in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONTRACTOR:

Performance Truck Repair  
892 W Tenth Street  
Covina, CA 91724  
Tel: (714) 327-7499  
Attn: David Killackey, Sr.

IF TO CITY:

City of Costa Mesa  
77 Fair Drive  
Costa Mesa, CA 92626  
Tel: (714) 754-  
Attn: Robert Ryan

Courtesy copy to:

City of Costa Mesa  
77 Fair Drive  
Costa Mesa, CA 92626  
Attn: Finance Dept. | Purchasing

6.5. Drug-free Workplace Policy. Contractor shall provide a drug-free workplace by complying with all provisions set forth in City's Council Policy 100-5, attached hereto as Exhibit "C" and incorporated herein by reference. Contractor's failure to conform to the requirements set forth in Council Policy 100-5 shall constitute a material breach of this Agreement and shall be cause for immediate termination of this Agreement by City.

6.6. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.7. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.

6.8. Assignment. Contractor shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Contractor's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Contractor of Contractor's obligation to perform all other obligations to be performed by Contractor hereunder for the term of this Agreement.

6.9. Indemnification and Hold Harmless. Contractor agrees to defend, indemnify, hold free and harmless the City, its elected officials, officers, agents and employees, at Contractor's sole expense, from and against any and all claims, actions, suits or other legal proceedings brought against the City, its elected officials, officers, agents and employees arising out of the performance of the Contractor, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall

apply without any advance showing of negligence or wrongdoing by the Contractor, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Contractor, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected officials, officers, agents and employees based upon the work performed by the Contractor, its employees, and/or authorized subcontractors under this Agreement, whether or not the Contractor, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Contractor shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Contractor's Proposal, which shall be of no force and effect.

6.10. Independent Contractor. Contractor is and shall be acting at all times as an independent contractor and not as an employee of City. Contractor shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Contractor or any of Contractor's employees, except as set forth in this Agreement. Contractor shall not, at any time, or in any manner, represent that it or any of its or employees are in any manner agents or employees of City. Contractor shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Contractor and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Contractor shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Contractor further agrees to indemnify and hold City harmless from any failure of Contractor to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Contractor under this Agreement any amount due to City from Contractor as a result of Contractor's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.11. PERS Eligibility Indemnification. In the event that Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Contractor shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.12. Cooperation. In the event any claim or action is brought against City relating to Contractor's performance or services rendered under this Agreement, Contractor shall render any reasonable assistance and cooperation which City might require.

6.13. Conflict of Interest. Contractor and its officers, employees, associates and subcontractors, if any, will comply with all conflict of interest statutes of the State of California applicable to Contractor's services under this Agreement, including, but not limited to, the Political Reform Act (Government Code Sections 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Contractor and its officers, employees, associates and subcontractors shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Contractor is not currently performing work that would require Contractor or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.14. Prohibited Employment. Contractor will not employ any regular employee of City while this Agreement is in effect.

6.15. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

6.16. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.17. Binding Effect. This Agreement binds and benefits the parties and their respective permitted successors and assigns.

6.18. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Contractor and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.19. Headings. Headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.20. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement and have had an adequate opportunity to review each and every provision of the Agreement and submit the same to counsel or other consultants for review and comment. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.21. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.22. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.23. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.24. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.25. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

[Signature page follows.]



**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

**CONTRACTOR**

\_\_\_\_\_  
David Killacky, Sr.  
President, Performance Truck Repair, Inc.

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

\_\_\_\_\_  
David Killacky, Jr.  
Vice President, Performance Truck Repair, Inc.

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

**CITY OF COSTA MESA**

\_\_\_\_\_  
Lori Ann Farrell Harrison  
City Manager

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

**ATTEST:**

\_\_\_\_\_  
Brenda Green  
City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Kimberly Hall Barlow  
City Attorney

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

**APPROVED AS TO INSURANCE:**

\_\_\_\_\_  
Ruth Wang  
Risk Management

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

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Robert Ryan  
Project Manager

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

DEPARTMENTAL APPROVAL:

\_\_\_\_\_  
Raja Sethuraman  
Public Works Director

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

APPROVED AS TO PURCHASING:

\_\_\_\_\_  
Carol Molina  
Finance Director

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

**EXHIBIT A**  
**INVITATION FOR BID**  
**FOR FIRE EQUIPMENT MAINTENANCE, ANNUAL INSPECTION AND TESTING**

**EXHIBIT B**  
**CONTRACTOR'S PROPOSAL**

**EXHIBIT C**  
**CITY COUNCIL POLICY 100-5**

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## BACKGROUND

Under the Federal Drug-Free Workplace Act of 1988, passed as part of omnibus drug legislation enacted November 18, 1988, contractors and grantees of Federal funds must certify that they will provide drug-free workplaces. At the present time, the City of Costa Mesa, as a sub-grantee of Federal funds under a variety of programs, is required to abide by this Act. The City Council has expressed its support of the national effort to eradicate drug abuse through the creation of a Substance Abuse Committee, institution of a City-wide D.A.R.E. program in all local schools and other activities in support of a drug-free community. This policy is intended to extend that effort to contractors and grantees of the City of Costa Mesa in the elimination of dangerous drugs in the workplace.

## PURPOSE

It is the purpose of this Policy to:

1. Clearly state the City of Costa Mesa's commitment to a drug-free society.
2. Set forth guidelines to ensure that public, private, and nonprofit organizations receiving funds from the City of Costa Mesa share the commitment to a drug-free workplace.

## **POLICY**

The City Manager, under direction by the City Council, shall take the necessary steps to see that the following provisions are included in all contracts and agreements entered into by the City of Costa Mesa involving the disbursement of funds.

1. Contractor or Sub-grantee hereby certifies that it will provide a drug-free workplace by:
  - a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in Contractor's and/or sub-grantee's workplace, specifically the job site or location included in this contract, and specifying the actions that will be taken against the employees for violation of such prohibition;

<b>SUBJECT</b>	<b>POLICY NUMBER</b>	<b>EFFECTIVE DATE</b>	<b>PAGE</b>
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- b. Establishing a Drug-Free Awareness Program to inform employees about:
  - 1. The dangers of drug abuse in the workplace;
  - 2. Contractor's and/or sub-grantee's policy of maintaining a drug-free workplace;
  - 3. Any available drug counseling, rehabilitation and employee assistance programs; and
  - 4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- c. Making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement required by subparagraph A;
- d. Notifying the employee in the statement required by subparagraph 1 A that, as a condition of employment under the contract, the employee will:
  - 1. Abide by the terms of the statement; and
  - 2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;
- e. Notifying the City of Costa Mesa within ten (10) days after receiving notice under subparagraph 1 D 2 from an employee or otherwise receiving the actual notice of such conviction;
- f. Taking one of the following actions within thirty (30) days of receiving notice under subparagraph 1 D 2 with respect to an employee who is so convicted:
  - 1. Taking appropriate personnel action against such an employee, up to and including termination; or
  - 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health agency, law enforcement, or other appropriate agency;

<b>SUBJECT</b>	<b>POLICY NUMBER</b>	<b>EFFECTIVE DATE</b>	<b>PAGE</b>
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- g. Making a good faith effort to maintain a drug-free workplace through implementation of subparagraphs 1 A through 1 F, inclusive.
2. Contractor and/or sub-grantee shall be deemed to be in violation of this Policy if the City of Costa Mesa determines that:
  - a. Contractor and/or sub-grantee has made a false certification under paragraph 1 above;
  - b. Contractor and/or sub-grantee has violated the certification by failing to carry out the requirements of subparagraphs 1 A through 1 G above;
  - c. Such number of employees of Contractor and/or sub-grantee have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that the contractor and/or sub-grantee has failed to make a good faith effort to provide a drug-free workplace.
3. Should any contractor and/or sub-grantee be deemed to be in violation of this Policy pursuant to the provisions of 2 A, B, and C, a suspension, termination or debarment proceeding subject to applicable Federal, State, and local laws shall be conducted. Upon issuance of any final decision under this section requiring debarment of a contractor and/or sub-grantee, the contractor and/or sub-grantee shall be ineligible for award of any contract, agreement or grant from the City of Costa Mesa for a period specified in the decision, not to exceed five (5) years. Upon issuance of any final decision recommending against debarment of the contractor and/or sub-grantee, the contractor and/or sub-grantee shall be eligible for compensation as provided by law.



**CITY OF COSTA MESA  
MAINTENANCE SERVICES AGREEMENT  
WITH  
BIT PROS INC. DBA BIT PROS FIRE SERVICES**

THIS MAINTENANCE SERVICES AGREEMENT ("Agreement") is made and entered into this 20th day of February, 2024 ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City"), and BIT Pros, Inc. dba BIT Pros Fire Services a corporation ("Contractor").

**W I T N E S S E T H :**

A. City proposes to utilize the services of Contractor as an independent contractor to provide maintenance of City property, as more fully described herein; and

B. Contractor represents that it has the experience and expertise to properly perform such services and holds all necessary licenses to practice and perform the services; and

C. City and Contractor desire to contract for the services and desire to set forth their rights, duties and liabilities in connection with the performance of such services; and

D. No official or employee of City has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

**1.0. SERVICES PROVIDED BY CONTRACTOR**

1.1. Scope of Services. Contractor shall provide the services described in the City's Invitation for Bid ("IFB"), attached hereto as Exhibit "A," and Contractor's response to City's IFB (the "Proposal") attached hereto as Exhibit "B," both incorporated herein (the "Services").

1.2. Prevailing Wage Requirements.

- (a) Prevailing Wage Laws. Contractor is aware of the requirements of Chapter 1 (beginning at Section 1720 et seq.) of Part 7 of Division 2 of the California Labor Code, as well as Title 8, Section 16000 et seq. of the California Code of Regulations ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. This project is a "maintenance" project and requires compliance with the Prevailing Wage Laws. Contractor shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.
- (b) Payment of Prevailing Wages. Contractor shall pay the prevailing wage rates for all work performed under this Agreement. When any craft or

classification is omitted from the general prevailing wage determinations, Contractor shall pay the wage rate of the craft or classification most closely related to the omitted classification. A copy of the general prevailing wage rate determination is on file in the Office of the City Clerk and is incorporated into this Agreement as if fully set forth herein. Contractor shall post a copy of such wage rates at all times at the project site(s).

- (c) Legal Working Day. In accordance with the provisions of Labor Code Section 1810 et seq., eight (8) hours is the legal working day. Contractor and any subcontractor(s) of Contractor shall comply with the provisions of the Labor Code regarding eight (8)-hour work day and 40-hour work week requirements, and overtime, Saturday, Sunday, and holiday work. Work performed by Contractor's or any subcontractor's employees in excess of eight (8) hours per day, and 40 hours during any one week, must include compensation for all hours worked in excess of eight (8) hours per day, or 40 hours during any one week, at not less than one and one-half times the basic rate of pay. Contractor shall forfeit as a penalty to City Twenty-Five Dollars (\$25.00), or any greater penalty set forth in the Labor Code, for each worker employed in the execution of the work by Contractor or by any subcontractor(s) of Contractor, for each calendar day during which such worker is required or permitted to the work more than eight (8) hours in one calendar day or more than 40 hours in any one calendar week in violation of the Labor Code.
- (d) Apprentices. Contractor shall comply with the provisions of Labor Code Section 1777.5 concerning the employment of apprentices on public works projects. Contractor shall be responsible for ensuring compliance by its subcontractors with Labor Code Section 1777.5.
- (e) Payroll Records. Pursuant to Labor Code Section 1776, Contractor and any subcontractor(s) shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by Contractor or any subcontractor in connection with this Agreement. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following: (1) The information contained in the payroll record is true and correct; and (2) The employer has complied with the requirements of Sections 1771, 1881, and 1815 of the Labor Code for any work performed by his or her employees on this project. The payroll records shall be certified and shall be available for inspection at all reasonable hours in accordance with the requirements of Labor Code Section 1776.
- (f) Registration with DIR. Contractor and any subcontractor(s) of Contractor shall comply with the provisions of Labor Code Section 1771 and Labor Code Section 1725.5 requiring registration with the DIR.

1.3. Performance to Satisfaction of City. Contractor agrees to perform all the work to the complete satisfaction of City. Evaluations of the work will be done by City's Maintenance

Services Manager or his or her designee. If the quality of work is not satisfactory, City in its discretion has the right to:

- (a) Meet with Contractor to review the quality of the work and resolve the matters of concern;
- (b) Require Contractor to repeat the work at no additional fee until it is satisfactory; and/or
- (c) Terminate the Agreement as hereinafter set forth.

1.4. Compliance with Applicable Law. Contractor warrants that it shall perform the services required by this Agreement in compliance with all applicable federal and state employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation insurance and safety in employment; and all other applicable federal, state and local laws and ordinances applicable to the services required under this Agreement. Contractor shall indemnify and hold harmless City from and against all claims, demands, payments, suits, actions, proceedings, and judgments of every nature and description including attorneys' fees and costs, presented, brought, or recovered against City for, or on account of any liability under any of the above-mentioned laws, which may be incurred by reason of Contractor's performance under this Agreement.

1.5. Non-Discrimination. In performing this Agreement, Contractor shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military or veteran status, except as permitted pursuant to section 12940 of the Government Code.

1.6. Non-Exclusive Agreement. Contractor acknowledges that City may enter into agreements with other contractors for services similar to the Services in this Agreement or may have its own employees perform services similar to those Services contemplated by this Agreement.

1.7. Delegation and Assignment. Contractor may not delegate or assign this Agreement, in whole or in part, to any person or entity without the prior written consent of City. Contractor may engage a subcontractor(s) as permitted by law and may employ other personnel to perform services contemplated by this Agreement at Contractor's sole cost and expense.

## **2.0. COMPENSATION AND BILLING**

2.1. Compensation. Contractor shall be paid in accordance with the fee schedule set forth in Exhibit B. Contractor's total compensation shall not exceed two hundred thousand dollars (\$200,000.00). For the first two years, the pricing shall be fixed in the amounts set forth in Exhibit B. Thereafter, Contractor may annually, 30 days prior to the end of the contract year, request an increase to the prices based upon the differences between the CPI-U for the Los-Angeles-Long Beach-Anaheim statistical area comparing the immediately preceding October CPI-U with the October twelve months before that date.

2.2. Additional Services. Contractor shall not receive compensation for any services provided outside the Scope of Services set forth in this Agreement without amending this Agreement as provided herein. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable.

2.3. Method of Billing. Contractor may submit invoices to the City for approval on a progress basis, but no more often than two times a month. Said invoice shall be based on the total of all Contractor's services which have been completed to City's sole satisfaction. City shall pay Contractor's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail, the Services performed, the date of performance, and the associated time for completion.

2.4. Records and Audits. Records of Contractor's Services shall be maintained in accordance with generally recognized accounting principles and shall be made available to City for inspection and/or audit at mutually convenient times throughout the term of this Agreement through three (3) years after its termination.

### **3.0. TIME OF PERFORMANCE**

3.1. Commencement and Completion of Work. The Services shall be performed in strict compliance with Exhibits A and B. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, pandemics (excluding COVID-19) or any other conditions beyond the reasonable control of a party.

### **4.0. TERM AND TERMINATION**

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of three years, ending on February 19, 2027, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties. The city has the option to extend the contract for up to two additional one-year periods.

4.2. Notice of Termination. City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing written notice to Contractor. The termination of this Agreement shall be deemed effective upon receipt of the notice of termination. In the event of such termination, Contractor shall immediately stop rendering services under this Agreement unless directed otherwise by the City.

4.3. Compensation. In the event of termination, City shall pay Contractor for reasonable costs incurred and Services satisfactorily performed up to and including the date of City's written notice of termination. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein.

### **5.0. INSURANCE**

5.1. Minimum Scope and Limits of Insurance. Contractor shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, rated "A," Class X, or better in the most recent Best's Key Insurance Rating Guide, and approved by City:

- (a) Commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than One Million Dollars (\$1,000,000.00) per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit.
- (b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars (\$1,000,000.00) combined single limit per accident for bodily injury and property damage.
- (c) Workers' compensation insurance as required by the State of California. Contractor agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers arising from work performed by Contractor for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

5.2. Endorsements. The commercial general liability insurance policy and business automobile liability policy shall contain or be endorsed to contain the following provisions:

- (a) Additional insureds: "The City of Costa Mesa and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of Contractor pursuant to its contract with City; products and completed operations of Contractor; premises owned, occupied or used by Contractor; automobiles owned, leased, hired, or borrowed by Contractor."
- (b) Notice: "Said policy shall not terminate, be suspended, or voided, nor shall it be cancelled, nor the coverage or limits reduced, until thirty (30) days after written notice is given to City."
- (c) Other insurance: "Contractor's insurance coverage shall be primary insurance as respects the City of Costa Mesa, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of Costa Mesa shall be excess and not contributing with the insurance provided by this policy."
- (d) Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of Costa Mesa, its officers, officials,

agents, employees, and volunteers.

- (e) Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5.3. Deductible or Self Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. No policy of insurance issued as to which the City is an additional insured shall contain a provision which requires that no insured except the named insured can satisfy any such deductible or self-insured retention.

5.4. Certificates of Insurance. Contractor shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement.

5.5. Non-limiting. The insurance provisions contained in this Agreement shall not be construed as limiting in any way, the indemnification provisions contained in this Agreement, or the extent to which Contractor may be held responsible for payments of damages to persons or property.

## 6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification. The terms of this Agreement shall prevail over any inconsistent provision in any other contract document appurtenant hereto, including exhibits to this Agreement.

6.2. Representatives. The City Manager or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Contractor shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Contractor called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Project Managers. City shall designate a Project Manager to work directly with Contractor in the performance of this Agreement.

Contractor shall designate a Project Manager who shall represent it and be its agent in all consultations with City during the term of this Agreement. Contractor or its Project Manager shall attend and assist in all coordination meetings called by City.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile or mail and shall be addressed as set forth below. Such communication shall be deemed served

or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile; and c) 48 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

IF TO CONTRACTOR:

BIT Pros, Inc.,  
670 Oppen Street  
Escondido, CA 92029  
Tel: (760) 839-2641  
Attn: Leah Christianson

IF TO CITY:

City of Costa Mesa  
77 Fair Drive  
Costa Mesa, CA 92626  
Tel: (714) 754-  
Attn: Robert Ryan

Courtesy copy to:

City of Costa Mesa  
77 Fair Drive  
Costa Mesa, CA 92626  
Attn: Finance Dept. | Purchasing

6.5. Drug-free Workplace Policy. Contractor shall provide a drug-free workplace by complying with all provisions set forth in City's Council Policy 100-5, attached hereto as Exhibit "C" and incorporated herein by reference. Contractor's failure to conform to the requirements set forth in Council Policy 100-5 shall constitute a material breach of this Agreement and shall be cause for immediate termination of this Agreement by City.

6.6. Attorneys' Fees. In the event that litigation is brought by any party in connection with this Agreement, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.7. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Orange County, California.

6.8. Assignment. Contractor shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Contractor's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Contractor of Contractor's obligation to perform all other obligations to be performed by Contractor hereunder for the term of this Agreement.

6.9. Indemnification and Hold Harmless. Contractor agrees to defend, indemnify, hold free and harmless the City, its elected officials, officers, agents and employees, at Contractor's sole expense, from and against any and all claims, actions, suits or other legal proceedings brought against the City, its elected officials, officers, agents and employees arising

out of the performance of the Contractor, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the Contractor, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Contractor, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected officials, officers, agents and employees based upon the work performed by the Contractor, its employees, and/or authorized subcontractors under this Agreement, whether or not the Contractor, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Contractor shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Contractor's Proposal, which shall be of no force and effect.

6.10. Independent Contractor. Contractor is and shall be acting at all times as an independent contractor and not as an employee of City. Contractor shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Contractor or any of Contractor's employees, except as set forth in this Agreement. Contractor shall not, at any time, or in any manner, represent that it or any of its or employees are in any manner agents or employees of City. Contractor shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Contractor and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Contractor shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Contractor further agrees to indemnify and hold City harmless from any failure of Contractor to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Contractor under this Agreement any amount due to City from Contractor as a result of Contractor's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.11. PERS Eligibility Indemnification. In the event that Contractor or any employee, agent, or subcontractor of Contractor providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Contractor shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Contractor or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Contractor and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to



any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.12. Cooperation. In the event any claim or action is brought against City relating to Contractor's performance or services rendered under this Agreement, Contractor shall render any reasonable assistance and cooperation which City might require.

6.13. Conflict of Interest. Contractor and its officers, employees, associates and subcontractors, if any, will comply with all conflict of interest statutes of the State of California applicable to Contractor's services under this Agreement, including, but not limited to, the Political Reform Act (Government Code Sections 81000, *et seq.*) and Government Code Section 1090. During the term of this Agreement, Contractor and its officers, employees, associates and subcontractors shall not, without the prior written approval of the City Representative, perform work for another person or entity for whom Contractor is not currently performing work that would require Contractor or one of its officers, employees, associates or subcontractors to abstain from a decision under this Agreement pursuant to a conflict of interest statute.

6.14. Prohibited Employment. Contractor will not employ any regular employee of City while this Agreement is in effect.

6.15. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

6.16. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.17. Binding Effect. This Agreement binds and benefits the parties and their respective permitted successors and assigns.

6.18. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Contractor and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.19. Headings. Headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.20. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement and have had an adequate opportunity to review each and every provision of the Agreement and submit the same to counsel or other consultants for review and comment. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.21. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.22. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.23. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.24. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement.

6.25. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

[Signature page follows.]

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

**CONTRACTOR**

\_\_\_\_\_  
Chad Christianson  
President, Bit Pros, Inc.

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

\_\_\_\_\_  
Leah Christianson  
CFO/Secretary, Bit Pros, Inc.

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

**CITY OF COSTA MESA**

\_\_\_\_\_  
Lori Ann Farrell Harrison  
City Manager

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

**ATTEST:**

\_\_\_\_\_  
Brenda Green  
City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Kimberly Hall Barlow  
City Attorney

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

**APPROVED AS TO INSURANCE:**

\_\_\_\_\_  
Ruth Wang  
Risk Management

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

APPROVED AS TO CONTENT:

\_\_\_\_\_  
Robert Ryan  
Project Manager

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

DEPARTMENTAL APPROVAL:

\_\_\_\_\_  
Raja Sethuraman  
Public Works Director

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

APPROVED AS TO PURCHASING:

\_\_\_\_\_  
Carol Molina  
Finance Director

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

**EXHIBIT A**  
**INVITATION FOR BID**  
**FOR FIRE EQUIPMENT MAINTENANCE, ANNUAL INSPECTION AND TESTING**

**EXHIBIT B**  
**CONTRACTOR'S PROPOSAL**

**EXHIBIT C**  
**CITY COUNCIL POLICY 100-5**

<b>SUBJECT</b>	<b>POLICY NUMBER</b>	<b>EFFECTIVE DATE</b>	<b>PAGE</b>
DRUG-FREE WORKPLACE	100-5	8-8-89	1 of 3

## **BACKGROUND**

Under the Federal Drug-Free Workplace Act of 1988, passed as part of omnibus drug legislation enacted November 18, 1988, contractors and grantees of Federal funds must certify that they will provide drug-free workplaces. At the present time, the City of Costa Mesa, as a sub-grantee of Federal funds under a variety of programs, is required to abide by this Act. The City Council has expressed its support of the national effort to eradicate drug abuse through the creation of a Substance Abuse Committee, institution of a City-wide D.A.R.E. program in all local schools and other activities in support of a drug-free community. This policy is intended to extend that effort to contractors and grantees of the City of Costa Mesa in the elimination of dangerous drugs in the workplace.

## **PURPOSE**

It is the purpose of this Policy to:

1. Clearly state the City of Costa Mesa's commitment to a drug-free society.
2. Set forth guidelines to ensure that public, private, and nonprofit organizations receiving funds from the City of Costa Mesa share the commitment to a drug-free workplace.

## **POLICY**

The City Manager, under direction by the City Council, shall take the necessary steps to see that the following provisions are included in all contracts and agreements entered into by the City of Costa Mesa involving the disbursement of funds.

1. Contractor or Sub-grantee hereby certifies that it will provide a drug-free workplace by:
  - a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in Contractor's and/or sub-grantee's workplace, specifically the job site or location included in this contract, and specifying the actions that will be taken against the employees for violation of such prohibition;



<b>SUBJECT</b>	<b>POLICY NUMBER</b>	<b>EFFECTIVE DATE</b>	<b>PAGE</b>
DRUG-FREE WORKPLACE	100-5	8-8-89	2 of 3

- b. Establishing a Drug-Free Awareness Program to inform employees about:
  - 1. The dangers of drug abuse in the workplace;
  - 2. Contractor's and/or sub-grantee's policy of maintaining a drug-free workplace;
  - 3. Any available drug counseling, rehabilitation and employee assistance programs; and
  - 4. The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
- c. Making it a requirement that each employee to be engaged in the performance of the contract be given a copy of the statement required by subparagraph A;
- d. Notifying the employee in the statement required by subparagraph 1 A that, as a condition of employment under the contract, the employee will:
  - 1. Abide by the terms of the statement; and
  - 2. Notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction;
- e. Notifying the City of Costa Mesa within ten (10) days after receiving notice under subparagraph 1 D 2 from an employee or otherwise receiving the actual notice of such conviction;
- f. Taking one of the following actions within thirty (30) days of receiving notice under subparagraph 1 D 2 with respect to an employee who is so convicted:
  - 1. Taking appropriate personnel action against such an employee, up to and including termination; or
  - 2. Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health agency, law enforcement, or other appropriate agency;

<b>SUBJECT</b>	<b>POLICY NUMBER</b>	<b>EFFECTIVE DATE</b>	<b>PAGE</b>
DRUG-FREE WORKPLACE	100-5	8-8-89	3 of 3

- g. Making a good faith effort to maintain a drug-free workplace through implementation of subparagraphs 1 A through 1 F, inclusive.
2. Contractor and/or sub-grantee shall be deemed to be in violation of this Policy if the City of Costa Mesa determines that:
  - a. Contractor and/or sub-grantee has made a false certification under paragraph 1 above;
  - b. Contractor and/or sub-grantee has violated the certification by failing to carry out the requirements of subparagraphs 1 A through 1 G above;
  - c. Such number of employees of Contractor and/or sub-grantee have been convicted of violations of criminal drug statutes for violations occurring in the workplace as to indicate that the contractor and/or sub-grantee has failed to make a good faith effort to provide a drug-free workplace.
3. Should any contractor and/or sub-grantee be deemed to be in violation of this Policy pursuant to the provisions of 2 A, B, and C, a suspension, termination or debarment proceeding subject to applicable Federal, State, and local laws shall be conducted. Upon issuance of any final decision under this section requiring debarment of a contractor and/or sub-grantee, the contractor and/or sub-grantee shall be ineligible for award of any contract, agreement or grant from the City of Costa Mesa for a period specified in the decision, not to exceed five (5) years. Upon issuance of any final decision recommending against debarment of the contractor and/or sub-grantee, the contractor and/or sub-grantee shall be eligible for compensation as provided by law.



# CITY OF COSTA MESA

## Agenda Report

77 Fair Drive  
Costa Mesa, CA 92626

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**File #:** 24-049

**Meeting Date:** 2/20/2024

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**TITLE:**

**APPROVE INCREASES IN PURCHASING AUTHORITY TO AGREEMENTS FOR VEHICLE PARTS AND SERVICES**

**DEPARTMENT:** PUBLIC WORKS DEPARTMENT/MAINTENANCE SERVICES DIVISION

**PRESENTED BY:** RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR

**CONTACT INFORMATION:** ROBERT RYAN, MAINTENANCE SERVICES MANAGER (714)  
754-5123

**RECOMMENDATION:**

Staff recommends the City Council:

Approve and authorize the City Manager to execute change orders that would authorize an increase in purchase authority of up to \$175,000 to each of the following purchase orders for services and vehicle parts for the remainder of the current fiscal year and annually thereafter:

- Ford Motor Company
- NAPA Auto Parts
- South Coast Emergency Vehicle Services
- Southern California Fleet Services

**BACKGROUND:**

In order to maintain and repair over 300 pieces of equipment, vehicles and emergency response apparatus, the Equipment Maintenance section of the Public Works Department has purchase orders for services and vehicle parts with the above referenced vendors. Each of the above agreements was executed through a formal bidding process and cooperative agreements that met all requirements set forth in the City of Costa Mesa Municipal Code, Section 2-164(c) and Section 2-165 (5) and all requirements set forth by the State of California.

The following are current authorization limits for the above vendor contracts:

- Ford Motor Company - Cooperative Agreement with a \$100,000 threshold;
- NAPA Auto Parts - Cooperative Agreement with a \$100,000 threshold;
- South Coast Emergency Vehicle Services - Sole Source with a \$100,000 threshold;

- Southern California Fleet Services - Competitively bid with a \$100,000 threshold.

**ANALYSIS:**

The Equipment Maintenance section has seen a significant increase in the cost of services, automotive and truck parts. The cost of parts has increased by an average of 15% over the past year. This increase is due to a number of factors, including the rising cost of raw materials, increased demand for parts, supply chain disruptions, freight costs and economic factors.

In addition to the increase in the cost of parts, the City's inventory of equipment and vehicles is ageing with many units in service being past their recommended service life. Reduced production, increased demand and supply chain issues have made the procurement of new government vehicles difficult resulting in the need to keep these vehicles in frontline service to meet the needs of the City. These aging vehicles require more frequent attention, parts, and repairs.

The current purchase limits are already being met this fiscal year due to the above factors. In order to continue to maintain vehicles and ensure the supply of parts, staff requests increases in purchasing authority above the current City Manager threshold. Increasing the purchase orders to \$175,000 will provide the required funding to accommodate City's equipment maintenance needs.

**ALTERNATIVES:**

An alternative to the recommended City Council action would be to not approve the increase in contract authority to the above referenced purchase orders. However, this alternative is not recommended as it would severely impact public safety and daily City operations.

**FISCAL REVIEW:**

Staff has identified sufficient funding in the FY 2023-24 Public Works Department operating budget to accommodate increases for the current fiscal year. Additional funding up to the approved limit will be included in future fiscal year budgets.

**LEGAL REVIEW:**

The City Attorney's Office has reviewed this agenda report and approves it as to form.

**CITY COUNCIL GOALS AND PRIORITIES:**

This item supports the following City Council Goal:

- Strengthen the Public's Safety and Improve the Quality of Life.

**CONCLUSION:**

Staff recommends the City Council:

Approve and authorize the City Manager to execute change orders that would authorize an increase in purchase authority of up to \$175,000 to each of the following purchase orders for services and vehicle parts for the remainder of the current fiscal year and annually thereafter:

- Ford Motor Company

- NAPA Auto Parts
- South Coast Emergency Vehicle Services
- Southern California Fleet Services



# CITY OF COSTA MESA

77 Fair Drive  
Costa Mesa, CA 92626

## Agenda Report

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**File #:** 24-050

**Meeting Date:** 2/20/2024

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**TITLE:**

**RESIDENTIAL PERMIT PARKING PROGRAM - JOANN STREET AND FEDERAL AVENUE**

**DEPARTMENT:** PUBLIC WORKS DEPARTMENT/ TRANSPORTATION  
**SERVICES DIVISION**

**PRESENTED BY:** RAJA SETHURAMAN, PUBLIC WORKS DIRECTOR

**CONTACT INFORMATION:** JENNIFER ROSALES, TRANSPORTATION SERVICES  
**MANAGER, (714) 754-5343**

**RECOMMENDATION:**

Staff recommends the City Council:

Adopt the proposed Resolution No. 2024-xx, approving the implementation of a Resident Permit Parking (RPP) only restriction on Joann Street between Placentia Avenue and Federal Avenue and on Federal Avenue between Joann Street and Darrell Street, and authorizing the Transportation Services Manager to extend the restriction within a 1,000-foot radius as needed, based on a qualifying petition from affected residents and Council-adopted guidelines.

**BACKGROUND:**

At the July 19, 2022 regular meeting, the City Council approved the amendments to the Costa Mesa Municipal Code (CMMC) incorporating proposed changes to the RPP program through a Public Hearing process. The RPP program's revised guidelines and policies were approved by the City Council at the aforementioned meeting.

In December 2023, a petition was received from the residents of Joann Street and Federal Avenue requesting the implementation of a Resident Permit Parking only restriction. The petition was signed by 13 out of 13 households that would be directly affected by the requested parking restriction. These residents expressed concerns for the lack of on-street parking due to external impacts.

**ANALYSIS:**

According to the revised RPP program guidelines adopted by the City Council (Attachment 2), new requests for RPP will be limited to areas experiencing external parking impacts such as commercial areas, neighboring cities, Fairgrounds, and regional recreational areas. All housing types within impacted areas are eligible for permits.

Following the request for a new RPP zone, Transportation Services staff conducted several parking surveys during various times to determine the source and level of parking impacts. The parking surveys found that Estancia High School students are utilizing Joann Street and Federal Avenue for

parking during school hours which qualifies as an external parking impact to Joann Street and Federal Avenue as described in the revised RPP program guidelines. In addition, neighborhood parking intrusions are considered significant if 70 percent or more of available parking is utilized by vehicles at any time.

Staff conducted a parking occupancy survey and found that during the times when external impacts were present, more than 70 percent of available parking was utilized on the subject streets. Staff found that the requirements in the RPP guidelines for consideration of establishing resident permit parking on the subject streets have been met. A map (Attachment 3) of the location of the subject area under consideration is provided.

If resident permit parking is approved for this neighborhood zone, residents on these streets will have the opportunity to purchase permits through the online parking permit management system. After a majority of households purchase at least one permit, signs will be posted restricting parking on the affected streets to only vehicles with a valid permit and letters will be sent to residents with an anticipated enforcement target date (approximately one month after the installation of signs).

If the City Council approves the implementation of a residential permit parking only restriction on the subject streets, it is possible that the effect of this restriction would shift some parking intrusion onto other nearby streets. Therefore, the attached resolution provides the Transportation Services Manager with the authority to extend the limits of the permit parking area up to 1,000 feet in distance from the subject street, as necessary to address continued resident concerns. This action will be based on each “extended” area meeting the criteria in the Council adopted RPP guidelines including a qualifying petition.

#### **ALTERNATIVES:**

One alternative would be to not approve the resolution. However, this alternative would leave externally impacted streets of Joann Street and Federal Avenue without any residential permit parking restriction and will result in continued resident concerns for the lack of available street parking due to external parking intrusions.

#### **FISCAL REVIEW:**

If the resolution is approved, the annual operating costs of administering the program for this neighborhood zone are anticipated to be cost-neutral.

#### **LEGAL REVIEW:**

The City Attorney’s Office has reviewed this report, prepared the proposed resolution and approves them both as to form.

#### **CITY COUNCIL GOALS AND PRIORITIES:**

This project supports the following City Council goals:

- Achieve long-term fiscal sustainability.
- Strengthen the public’s safety and improve the quality of life.
- Advance environmental sustainability and climate resiliency.

**CONCLUSION:**

Staff recommends the City Council:

Adopt the proposed Resolution No. 2024-xx, approving the implementation of a Resident permit parking (RPP) only restriction on Joann Street between Placentia Avenue and Federal Avenue and on Federal Avenue between Joann Street and Darrell Street, and authorizing the Transportation Services Manager to extend the restriction within a 1,000-foot radius as needed, based on a qualifying petition from affected residents and Council-adopted guidelines.



**RESOLUTION NO. 2024-xx**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, DESIGNATING RESIDENTIAL PERMIT PARKING ON JOANN STREET BETWEEN PLACENTIA AVENUE AND FEDERAL AVENUE AND ON FEDERAL AVENUE BETWEEN JOANN STREET AND DARRELL STREET AND AUTHORIZING THE TRANSPORTATION SERVICES MANAGER TO EXTEND THE RESIDENT ONLY PARKING RESTRICTION WITHIN A 1,000 FOOT RADIUS AS NEEDED**

THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA DOES HEREBY FIND AND DECLARE AS FOLLOWS:

WHEREAS, the Costa Mesa City Council has determined that parking is a limited resource on specific streets in Costa Mesa; and

WHEREAS, Section 10-221 of the Costa Mesa Municipal Code provides for the designation of permit only parking areas by resolution of the City Council; and

WHEREAS, the City Council finds that residential permit only parking is needed on Joann Street between Placentia Avenue and Federal Avenue and on Federal Avenue between Joann Street and Darrell Street ("Designated Streets"); and

WHEREAS, the City Council finds that the Transportation Services Manager should be authorized to extend and/or modify the limits of said prohibitions within a 1,000 foot radius of the above Designated Street to serve the best interests of the neighborhood without further City Council action; and

WHEREAS, Sections 10-82 and 10-83 of the Costa Mesa Municipal Code set forth provisions for enforcement and obedience to Code regulations.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF COSTA MESA that parking is hereby prohibited on the Designated Streets, at all times, to vehicles without a permit.

BE IT FURTHER RESOLVED that the Transportation Services Manager is hereby authorized to extend and/or modify the limits of said parking prohibition within a 1,000 foot radius of the Designated Streets to serve the best interests of the neighborhood, provided that the approval of such extension or modification is in accordance with City requirements.

BE IT FURTHER RESOLVED that, pursuant to Section 10-82 of the Costa Mesa Municipal Code, signs shall be posted to give notice of said parking prohibition.

**PASSED, APPROVED AND ADOPTED this 20<sup>th</sup> day of February, 2024.**

\_\_\_\_\_  
John Stephens, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Brenda Green, City Clerk

\_\_\_\_\_  
Kimberly Hall Barlow, City Attorney

**THIS PAGE IS RESERVED FOR CITY CLERK'S OFFICE**

STATE OF CALIFORNIA   )  
COUNTY OF ORANGE   )       ss  
CITY OF COSTA MESA   )

I, BRENDA GREEN, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. 24-xx and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the 20<sup>th</sup> day of February, 2024, by the following roll call vote, to wit:

AYES:           COUNCIL MEMBERS:

NOES:           COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this 20<sup>th</sup> day of February, 2024.

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Brenda Green, City Clerk

July 19, 2022

## CITY COUNCIL GUIDELINES AND POLICIES FOR CONSIDERATION OF INSTALLATION OR REMOVAL OF RESIDENT ONLY PERMIT PARKING

The City of Costa Mesa's Resident Permit Parking (RPP) Program was developed with the following guiding principles:

- **Equitable access:** Develop equitable programs that appropriately balance the parking needs of all residents, businesses, and visitors, while enabling the on-street parking supply to serve the community fairly, and enhance access for all.
- **Sustainable solutions:** Implement financially sustainable strategies that modernize and streamline parking program management.
- **Efficient program management:** Create an efficient and adaptable parking system that is optimized for the City's current needs, but can be incrementally updated and adjusted over time.

The RPP program is aligned with the Attorney General's opinion and develops an equitable solution that serves the needs of all Costa Mesa residents. The 2016 California Attorney General's opinion (#14-304), states ***"In issuing long-term residential parking permits, local authorities may not distinguish among residents based on the type of dwelling in which they live."***

Resident only permit parking will be limited to areas experiencing external parking demand which includes impacts from commercial areas, neighboring cities, the Orange County Fairgrounds, schools, and recreational facilities. At the onset of this RPP program, a phased renewal process will be implemented for existing residential parking permit streets from the prior RPP program (prior to 2021).

Requests for new RPP zones will be reviewed and evaluated by Transportation Services staff using the following guidelines and policies:

- Permit eligibility includes Costa Mesa residents of all housing types in compliance with the 2016 California Attorney General's opinion and removes the limitation of the program to only single family, R-1 zones.
- RPP eligibility zones are limited to areas experiencing external parking demand which includes impacts from commercial areas, neighboring cities, the Orange County Fairgrounds, schools, and recreational facilities.
- Requests for installation or removal of resident only permit parking will be considered as a neighborhood permit zone system established with a recommended minimum street-frontage of about 2,000 feet instead of on a street-by-street basis. The Transportation Services Manager or designee will determine the appropriate length of a neighborhood permit zone.
- When considering requests to implement resident permit parking, the City will conduct parking occupancy surveys to determine the utilization of on-street parking.

A 70% parking occupancy threshold of all available on-street parking and visible off-street parking is required for consideration of new neighborhood permit zones.

- A petition signed by a majority (51% or greater) of households is required to install or remove neighborhood permit zones for resident permit parking.
  - For petitions in rental complexes, the residents, property managers, and property owners will participate in the petition survey. If the units in a multi-family property are individually owned, each owner would be included in the petitioning.
- Only one signature per household will be considered.
- Upon receipt of a valid (majority) petition for a neighborhood permit zone, the City will send notification of the resident only permit parking installation or removal request to all households in the affected neighborhood zone.
- If the Transportation Services Manager approves the install or removal of a neighborhood permit parking zone per these guidelines and policies, a recommendation will be forwarded to the City Council for final action. Once final action has been taken by the City Council, no further changes or requests for changes in resident permit parking for this neighborhood zone will be considered for a minimum period of one year.
- Resident permit parking will be implemented in accordance with the provisions of the Costa Mesa Municipal Code summarized below:
  - One (1) resident parking permit per eligible driver based on verification of residence and vehicle registration and maximum of four (4) permits per dwelling.
  - Permits are non-transferable and strictly associated with the vehicle's license plate number.
  - Maximum of one hundred (100) guest parking permits per year to each eligible household. Each guest pass is for one-time use only. Staff will consider guest passes for special events on a case-by-case basis.
  - Parking permits are valid only for the zone in which issued.
  - An annual resident permit parking fee structure with an escalating rate structure and low cost permits for qualifying low income residents will be implemented with the amount of annual permit fees subject to change annually. The current fee structure is provided as an attachment and subject to change annually.

*City Council Approved July 19, 2022*

## **EXHIBIT A**

### **CITY OF COSTA MESA RESIDENTIAL PARKING PERMIT PROGRAM ANNUAL FEES**

#### **FISCAL YEAR 2022-2023**

##### **Fee Structure Per Dwelling Annual Residential Parking Permit Fees**

Residential Parking Permit - 1st \$25

Residential Parking Permit - 2nd \$50

Residential Parking Permit - 3rd \$75

Residential Parking Permit - 4th \$100

100 Guest Permits \$25

##### **Annual Residential Parking Permit Fees for Qualifying Low Income**

##### **Residents**

Residential Parking Permit - 1st \$5

Residential Parking Permit - 2nd \$10

Residential Parking Permit - 3rd \$25

Residential Parking Permit - 4th \$50

100 Guest Permits \$25









# CITY OF COSTA MESA

77 Fair Drive  
Costa Mesa, CA 92626

## Agenda Report

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**File #:** 24-052

**Meeting Date:** 2/20/2024

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**TITLE:**

**DESIGNATION OF CITY NEGOTIATORS FOR THE COSTA MESA CITY FIRE MANAGEMENT ASSOCIATION (CMFMA) MEET AND CONFER AND AUTHORIZATION TO PROCEED WITH THE FINANCIAL ANALYSIS OF THE CURRENT MOU PER THE TRANSPARENCY IN LABOR NEGOTIATIONS COUNCIL POLICY**

**DEPARTMENT:** CITY MANAGER'S OFFICE- HUMAN RESOURCES DIVISION

**PRESENTED BY:** KASAMA LEE, HUMAN RESOURCES MANAGER

**CONTACT INFORMATION:** KASAMA LEE, HUMAN RESOURCES MANAGER (714) 754-5169

**RECOMMENDATION:**

Staff recommends the City Council:

1. Designate City Manager Lori Ann Farrell Harrison as the City's Principal Negotiator, Deputy City Manager Alma Reyes, Human Resources Manager Kasama Lee, Human Resources Administrator Fanni Acosta and Finance Director Carol Molina as the City's representatives in negotiations with the CMFMA.
2. Authorize staff to have the independent fiscal analysis of the current CMFMA 2017-2024 Memorandum of Understanding (MOU) completed per the requirements of the Transparency in Labor Negotiations Council Policy.

**BACKGROUND:**

Per the Transparency in Labor Negotiations Council Policy, the City Council must designate a Principal Negotiator who "shall have extensive prior experience in negotiating public employee collective bargaining agreements and shall be free from any actual or potential conflict of interest with respect to the bargaining unit." The City shall also be represented by legal counsel whether or not legal counsel is designated as the Principal Negotiator.

The City Council may also designate one more employee(s) to be present during negotiations and to assist the Principal Negotiator as the City Council and/or Principal Negotiator deem appropriate.

**ANALYSIS:**

Staff recommends that City Council designate City Manager Lori Ann Farrell Harrison as the City's Principal Negotiator, Deputy City Manager Alma Reyes, Human Resources Manager Kasama Lee, Human Resources Administrator Fanni Acosta and Finance Director Carol Molina as the City's



representatives in negotiations with the CMFMA. Staff also recommends that Liebert Cassidy Whitmore Partner Peter Brown serve as legal counsel during negotiations with CMFMA.

Furthermore, Section 2 Economic Analysis of the policy requires that the Finance Director prepare an economic analysis that must be verified by an independent auditor. Staff recommends that the City Council authorize staff to have the independent fiscal analysis of the current CMFMA MOU completed per the requirements of the policy.

**ALTERNATIVES:**

An alternative is to propose other designated representative(s).

**FISCAL REVIEW:**

The funds are budgeted in the General Fund in the Human Resources Division budget for outside legal counsel for negotiations.

**LEGAL REVIEW:**

The City Attorney's Office has reviewed the report and approved as to form.

**CITY COUNCIL GOALS AND PRIORITIES:**

This item supports the following City Council Goals:

- Recruit and Retain High Quality Staff
- Strengthen the Public's Safety and Improvement Quality of Life

**CONCLUSION:**

Staff recommends the City Council:

1. Designate City Manager Lori Ann Farrell Harrison as the City's Principal Negotiator, Deputy City Manager Alma Reyes, Human Resources Manager Kasama Lee, Human Resources Administrator Fanni Acosta and Finance Director Carol Molina as the City's representatives in negotiations with the CMFMA.
2. Authorize staff to have the independent fiscal analysis of the current CMFMA 2017-2024 Memorandum of Understanding (MOU) completed per the requirements of the Transparency in Labor Negotiations Council Policy



# CITY OF COSTA MESA

## Agenda Report

77 Fair Drive  
Costa Mesa, CA 92626

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**File #:** 24-031

**Meeting Date:** 2/20/2024

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**TITLE:**

REVIEW OF THE PLANNING COMMISSION'S DECISION TO DENY PLANNING APPLICATION 22-22 FOR A CONDITIONAL USE PERMIT TO OPERATE A RETAIL CANNABIS STOREFRONT BUSINESS WITH DELIVERY LOCATED AT 1858 NEWPORT BOULEVARD ("EVOLV HERBAL")

**DEPARTMENT:** ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/ PLANNING DIVISION

**PRESENTED BY:** MICHELLE HALLIGAN, SENIOR PLANNER

**CONTACT INFORMATION:** MICHELLE HALLIGAN, SENIOR PLANNER, (714) 754-5608

**RECOMMENDATION:**

Staff recommends the City Council review the Planning Commission's decision to deny Planning Application 22-22.



## Agenda Report

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**Item #: 24-031**

**Meeting Date: 2/06/2024**

**TITLE: REVIEW OF THE PLANNING COMMISSION'S DECISION TO DENY PLANNING APPLICATION 22-22 FOR A CONDITIONAL USE PERMIT TO OPERATE A RETAIL CANNABIS STOREFRONT BUSINESS WITH DELIVERY LOCATED AT 1858 NEWPORT BOULEVARD ("EVOLV HERBAL")**

**DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/PLANNING DIVISION**

**PRESENTED BY: MICHELLE HALLIGAN, SENIOR PLANNER**

**CONTACT INFORMATION: MICHELLE HALLIGAN, SENIOR PLANNER, (714) 754-5608**

**RECOMMENDATION:**

Staff recommends that the City Council review the Planning Commission's decision to deny Planning Application 22-22.

**APPLICANT OR AUTHORIZED AGENT:**

The applicant/authorized agent is Mark Adams, on behalf of "Evolv Herbal" and the property owner, 1858 Newport Boulevard Trust.

**BACKGROUND:**

The subject site is an 8,800-square-foot property located at 1858 Newport Boulevard, generally bounded by Flower Street to the north, Broadway to the south, and a public alley to the east. Existing development on the subject property consists of a one-story, 2,280-square-foot single-tenant commercial building oriented toward Newport Boulevard. An existing surface parking lot located behind the building, with direct access from an alley, provides on-site parking. The site is zoned C2 (General Business District) and is surrounded by other commercially-zoned properties to the north and south, and across Newport Boulevard to the west. The properties to the east are zoned Multiple-Family Residential District, High Density (R2-HD) and Off-Street Parking District (P), and are developed with residential and surface parking uses, respectively.

The proposed use is a retail cannabis storefront with delivery establishment ("Evolv Herbal") that would occupy the entire building. The application includes exterior improvements to bring the existing structure into compliance with current building and safety codes, parking, and landscaping requirements. As proposed, the cannabis retail establishment would operate Monday through Sunday, between the hours of 7 AM and 10 PM, subject to conditions of approval as well as State and local laws pertaining to cannabis retail uses.

**ANALYSIS:**

Pursuant to CMMC Sections 13-28(B) and 13-200.93(c)(1), subject to the approval of the Planning Commission, a Conditional Use Permit (CUP) is required for the establishment of cannabis retail storefronts and non-storefronts (delivery) in a commercial zone. To obtain a CUP, an applicant must demonstrate that the proposed use is substantially compatible with surrounding developments, is consistent with the applicable General Plan provisions/policies, and will not be detrimental to the health, safety, and welfare of the public or otherwise injurious to property in the immediate area.

A detailed description of the proposed use, operations, and improvements to the property are described in the December 11, 2023 Planning Commission staff report and attachments, linked below:

<https://costamesa.legistar.com/LegislationDetail.aspx?ID=6448846&GUID=BDB8224D-526E-4D60-AA3F-6769350F8CA3>

The Planning Commission meeting minutes are provided as an attachment to this report and the meeting video is linked below:

[https://costamesa.granicus.com/player/clip/4071?view\\_id=14&redirect=true&h=3afc5737bffd6e2094027c9beeb28f56c](https://costamesa.granicus.com/player/clip/4071?view_id=14&redirect=true&h=3afc5737bffd6e2094027c9beeb28f56c)

***Public Comment***

Forty-four public comment letters were submitted to the Planning Commission regarding the proposed cannabis business, including four letters in support of the application and 37 opposing the application. At the December 11, 2023 Planning Commission meeting, both support and opposition for the project was expressed by public speakers. Members of the public, in written and spoken testimony, referred to negative impacts to the health, safety, and welfare of the public and properties in the vicinity of the proposed use, as well as over-concentration of cannabis storefronts on Newport Boulevard. The Planning Commission public comment letters are provided in Attachment 7.

***Planning Commission Review***

The application was heard by the Planning Commission on December 11, 2023. After receiving staff's presentation and recommendation for approval, the Planning Commission asked questions of staff and then opened the public hearing. The applicant provided a presentation and responded to questions asked by members of the Planning Commission. The Planning Commission then heard and considered public comments before closing the public hearing. Several members of the community testified that the proposed concentration of cannabis businesses would be detrimental to the immediate neighborhood. Several Planning Commissioners noted a proximity concern in that the proposed cannabis retail storefront would be located adjacent to an operating cannabis storefront and a property where there is an approved CUP for a cannabis storefront that is not yet operating, as well as its proximity to another proposed cannabis storefront. In consideration of the proposed application's proximity to a currently operating cannabis storefront and a property with an approved Conditional Use Permit for a cannabis storefront, the majority of Planning Commissioners identified that the proposed project would be inconsistent with General Plan Land Use Policy LU-1.1, to "provide for the development of a mix and balance of housing opportunities, commercial goods and services, and employment opportunities in consideration of the needs of the business and residential segments of the community", and Policy LU-6.1, to "encourage a mix of land uses that maintain and improve the City's long-term fiscal health."

Alternatively, three Planning Commissioners discussed that the proposed cannabis retail storefront application was consistent with the City's cannabis retail storefront provisions, that the proposed use is compatible with the adjacent commercial businesses and is consistent with the intent of the C2 Zoning District.

Ultimately, the Planning Commission voted 4-3 to deny the CUP application determining that the required findings for approval could not be made. The Planning Commission Resolution for denial is provided as Attachment 6.

### ***Call for Review***

On December 15, 2023, Mayor Stephens submitted an application to call up for review the Planning Commission decision, which is provided as Attachment 3 to this report. The purpose of the call for review was to allow the applicant "a fair de novo hearing based upon the relevant issues under the Costa Mesa Municipal Code."

### ***City Council "De Novo" Hearing***

Pursuant to CMMC Chapter 9, Appeal and Review Procedures, the City Council shall conduct a new or "de novo" review of the matter. The City Council may exercise its independent judgment and discretion in making a decision, and the call for review hearing is not limited to the grounds stated for the review or the evidence that was previously presented to the Planning Commission. The City Council's decision on the matter is the final decision.

Staff has provided as attachments a draft Resolution for denial based on the Planning Commission's December 11, 2023 decision. A draft Resolution for approval including potential conditions of approval is also attached; however, required findings for approval have not been included. If the Council chooses to approve the application, the Council should articulate its basis for approving the project consistent with each required Conditional Use Permit finding. Pursuant to the Costa Mesa Municipal Code (CMMC), to approve a CUP, the final review authority shall find that the evidence presented in the administrative record substantially supports the following findings:

- *The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area;*
- *Granting the conditional use permit will not be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood; and*
- *Granting the conditional use permit will not allow a use, density or intensity which is not in accordance with the general plan designation and any applicable specific plan for the property.*

### **ENVIRONMENTAL DETERMINATION:**

If considered for City Council approval, the project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, for the

permitting and/or minor alteration of Existing Facilities, involving negligible or no expansion of the existing or prior use. This project site contains an existing commercial building that has been used continuously for commercial activities. The application does not propose an increase in commercial floor area or otherwise expand the prior commercial use. Furthermore, none of the exceptions that bar the application of a categorical exemption pursuant to CEQA Guidelines Section 15300.2 applies. Specifically, the project would not result in a cumulative impact; would not have a significant effect on the environment due to unusual circumstances; would not result in damage to scenic resources; is not located on a hazardous site or location; and would not impact any historic resources.

If the project is denied by the City Council, the project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15270(a) for projects that a public agency rejects or disapproves.

### **ALTERNATIVES:**

The City Council has the following alternatives:

1. Uphold the Planning Commission's decision and adopt a Resolution to deny the application;
2. Overturn the Planning Commission's decision and approve the application subject to conditions of approval, and direct staff to prepare a Resolution for approval reflecting the City Council's findings;  
or
3. Remand the request back to the Planning Commission.

### **FISCAL REVIEW:**

There are no fiscal impacts with this agenda item.

### **LEGAL REVIEW:**

The City Attorney has reviewed and approved this report as to form.

### **PUBLIC NOTICE:**

Pursuant to Title 13, Section 13-29(d), of the Costa Mesa Municipal Code, three types of public notification have been completed no less than 10 days prior to the date of the public hearing:

1. **Mailed notice.** A public notice was mailed to all property owners and occupants within a 500-foot radius of the project site. The required notice radius is measured from the external boundaries of the property.
2. **On-site posting.** A public notice was posted on each street frontage of the project site.
3. **Newspaper publication.** A public notice was published once in the Daily Pilot newspaper.

Public comments received prior to the February 6, 2024 City Council meeting, may be viewed at this link: [CITY OF COSTA MESA - Calendar \(legistar.com\)](https://legistar.com/calendar/city-of-costa-mesa/).

### **CITY COUNCIL GOALS AND PRIORITIES:**

This item is administrative in nature.

**CONCLUSION:**

The subject review is intended to provide the City Council with an opportunity to review the Planning Commission's decision to deny a conditional use permit application for the Evolv Herbal cannabis retail storefront.

**RESOLUTION NO. 2024-xx**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, TO OVERTURN THE PLANNING COMMISSION'S DECISION AND APPROVE PLANNING APPLICATION 22-22 FOR A RETAIL CANNABIS STOREFRONT BUSINESS WITH DELIVERY LOCATED AT 1858 NEWPORT BOULEVARD (EVLV HERBAL)**

THE CITY COUNCIL OF THE CITY OF COSTA MESA HEREBY FINDS AND DECLARES AS FOLLOWS:

WHEREAS, Planning Application 22-22 was filed by Mark Adams representing Evlv Herbal, the authorized agent for the property owner, 1858 Newport Boulevard Trust, requesting approval of the following:

A Conditional Use Permit to operate a storefront retail and cannabis delivery business within an existing 2,280-square-foot commercial building located at 1858 Newport Boulevard. The business would sell pre-packaged cannabis and pre-packaged cannabis products directly to customers onsite and through delivery, subject to conditions of approval and other City and State requirements;

WHEREAS, a duly noticed public hearing was held by the Planning Commission on December 11, 2023 with all persons having the opportunity to speak for and against the proposal, and the project was denied by the Planning Commission on a 4-3 vote;

WHEREAS, on December 15, 2023 Mayor Stephens filed a request for the City Council review of the Planning Commission's decision;

WHEREAS, a duly noticed public hearing was held by the City Council on February 6, 2024 with all persons having the opportunity to speak for and against the appeal;

WHEREAS, pursuant to the California Environmental Quality Act (CEQA), the project is exempt from the provisions of CEQA per Section 15301 (Class 1), for Existing Facilities;

WHEREAS, the CEQA categorical exemption for this project reflects the independent judgement of the City of Costa Mesa.

WHEREAS, the City Council has considered all public comments which have been received either in writing or at the public hearing.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COSTA MESA HEREBY RESOLVES as follows:



BE IT RESOLVED that based on the evidence in the record and the findings contained in Exhibit A, the City Council hereby denies Planning Application 22-22 with respect to the property described above.

BE IT FURTHER RESOLVED that the Costa Mesa City Council does hereby find and determine that adoption of this Resolution is expressly predicated upon the activity as described in the staff report for Planning Application 22-22 and upon applicant's compliance with each and all of the conditions in Exhibit B, and compliance with all applicable federal, State, and local laws. Any approval granted by this resolution shall be subject to review, modification or revocation if there is a material change that occurs in the operation, or if the applicant fails to comply with any of the conditions of approval.

BE IT FURTHER RESOLVED that if any section, division, sentence, clause, phrase or portion of this resolution, or the document in the record in support of this resolution, are for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions.

**PASSED AND ADOPTED this 6th day of February, 2024.**

\_\_\_\_\_  
John Stephens, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Brenda Green, City Clerk

\_\_\_\_\_  
Kimberly Hall Barlow, City Attorney

STATE OF CALIFORNIA   )  
COUNTY OF ORANGE    )       ss  
CITY OF COSTA MESA    )

I, BRENDA GREEN, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. 2024-XX and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the 6<sup>th</sup> day of February 2024, by the following roll call vote, to wit:

AYES:           COUNCIL MEMBERS:

NOES:           COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this 7<sup>th</sup> day of February 2024.

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Brenda Green, City Clerk

## EXHIBIT A

### **FINDINGS**

- A. Pursuant to CMMC Section 13-29(g), when granting an application for a conditional use permit, the review authority shall find that the evidence presented in the administrative record substantially meets required findings.

**Finding:** *“The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area”.*

**Facts in Support of Finding:**

**Finding:** *“Granting the conditional use permit will not be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood”.*

**Facts in Support of Finding:**

**Finding:** *“Granting the conditional use permit will not allow a use, density or intensity which is not in accordance with the general plan designation and any applicable specific plan for the property”.*

**Facts in Support of Finding:**

- B. The project is categorically exempt from the provisions of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15301, for the permitting and/or minor alteration of Existing Facilities, involving negligible or no expansion of the existing or prior use. This project site contains an existing commercial building that has been used continuously for commercial activities. The application does not propose an increase in commercial floor area or otherwise expand the prior commercial use. The project is consistent with the applicable General Plan land use designation as well as with the applicable zoning designation. Furthermore, none of the exceptions that bar the application of a categorical exemption pursuant to CEQA Guidelines Section 15300.2 applies.
- C. The project is subject to a traffic impact fee, pursuant to Chapter XII, Article 3 Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

## **EXHIBIT B**

### **CONDITIONS OF APPROVAL**

#### **General**

- Plng.
1. The use of this property as a cannabis storefront business shall comply with the approved plans and terms described in the resolution, these conditions of approval, and applicable sections of the Costa Mesa Municipal Code (CMMC). The Planning Commission may modify or revoke any planning application based on findings related to public nuisance and/or noncompliance with conditions of approval [Title 13, Section 13-29(o)].
  2. Approval of the planning/zoning application is valid for two years from the effective date of this approval and will expire at the end of that period unless the applicant establishes the use by one of the following actions: 1) a building permit has been issued and construction has commenced, and has continued to maintain a valid building permit by making satisfactory progress as determined by the Building Official, 2) a certificate of occupancy has been issued, or 3) the use is established and a business license has been issued. A time extension can be requested no less than 30 days or more than sixty (60) days before the expiration date of the permit and submitted with the appropriate fee for review to the Planning Division. The Director of Development Services may extend the time for an approved permit or approval to be exercised up to 180 days subject to specific findings listed in Title 13, Section 13-29 (k) (6). Only one request for an extension of 180 days may be approved by the Director. Any subsequent extension requests shall be considered by the original approval authority.
  3. No person may engage in any cannabis business or in any cannabis activity within the City including delivery or sale of cannabis or a cannabis product unless the person:
    - a. Has a valid Cannabis Business Permit from the City;
    - b. Has paid all Cannabis Business Permit and all application fees and deposits established by resolution of the City Council, including annual Community Improvement Division inspection deposits;
    - c. Has obtained all applicable planning, zoning, building, and other applicable permits from the relevant governmental agency which may be applicable to the zoning district in which such cannabis business intends to operate;
    - d. Has obtained a City business license pursuant to Chapter I of the Municipal Code;
    - e. Is in compliance with all requirements of the Community Improvement Division regarding the property;
    - f. Has obtained any and all licenses required by State law and/or regulations; and
    - g. Has satisfied all CUP conditions of approval.

4. Any change in the operational characteristics of the use shall be subject to Planning Division review and may require an amendment to the Conditional Use Permit, subject to either Zoning Administrator or Planning Commission approval, depending on the nature of the proposed change.
5. No cultivation of cannabis is allowed anywhere on the premises.
6. The uses authorized by this Conditional Use Permit must be conducted in accordance with all applicable State and local laws, including, but not limited to compliance with the most current versions of the provisions of the California Code of Regulations that regulate the uses permitted hereby. Any violation thereof shall be a violation of the conditions of this permit and may be cause for revocation of this permit.
7. Except for operations allowed by this Conditional Use Permit and under an active Cannabis Business Permit and State Type 10 license, no permit holder or any of its employees shall sell, distribute, furnish, and/or otherwise provide any cannabis or cannabis product to any person, firm, corporation, group or any other entity, unless that person or entity is a lawful, bona fide customer, or it possesses all currently valid permits and/or licenses required by both the State of California and applicable local governmental entity to lawfully receive such cannabis and to engage in a "cannabis activity" as defined by Costa Mesa Municipal Code sec. 9-485. The permit holder shall verify that the recipient, regardless of where it is located, of any cannabis or cannabis product sold, distributed, furnished, and/or otherwise provided by or on behalf of the permit holder, possesses all required permits and/or licenses therefor.
8. The applicant, the property owner and the operator (collectively referred to as "indemnitors") shall each jointly and severally defend, indemnify, and hold harmless the City, its elected and appointed officials, agents, officers and employees from any claim, legal action, or proceeding (collectively referred to as "proceeding") brought against the City, its elected and appointed officials, agents, officers or employees arising out of City's approval of the project, including but not limited to any proceeding under the California Environmental Quality Act. The indemnification shall include, but not be limited to, damages, fees and/or costs awarded against the City, if any, and cost of suit, attorney's fees, and other costs, liabilities and expenses incurred in connection with such proceeding whether incurred by the applicant, the City and/or the parties initiating or bringing such proceeding. This indemnity provision shall include the indemnitors' joint and several obligation to indemnify the City for all the City's costs, fees, and damages that the City incurs in enforcing the indemnification provisions set forth in this section.
9. If any section, division, sentence, clause, phrase or portion of this approval is for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions.
10. The use shall operate in accordance with the approved Security Plan. Any changes to the Security Plan must be submitted to the Planning Division with

a written explanation of the changes. If the Director determines that changes are substantial, a modification to the Cannabis Business Permit and/or amendment to the CUP may be required.

11. A parking and security management plan, including techniques described in Operational Condition of Approval No. 7, must be approved by the Director of Economic and Development Services or designee prior to any grand opening or other high-volume event on the subject property.
- Bldg. 12. Development shall comply with the requirements of the following adopted codes: 2022 California Residential Code, 2022 California Building Code, 2022 California Electrical Code, 2022 California Mechanical Code, 2022 California Plumbing Code, 2022 California Green Building Standards Code and 2022 California Energy Code (or the applicable adopted, California Residential Code, California Building Code, California Electrical Code, California Mechanical Code, California Plumbing Code, California Green Building Standards and California Energy Code at the time of plan submittal or permit issuance) and California Code of Regulations also known as the California Building Standards Code, as amended by the City of Costa Mesa. Requirements for accessibility to sites, facilities, buildings and elements by individuals with disability shall comply with chapter 11B of the 2022 California Building Code.
- CBP 13. The operator shall maintain a valid Cannabis Business Permit and a valid Business License at all times. The Cannabis Business Permit application number associated with this address is MQ-21-41. Upon issuance, the Cannabis Business Permit will be valid for a two-year period and must be renewed with the City prior to its expiration date, including the payment of permit renewal fees. No more than one Cannabis Business Permit may be issued to this property.
14. The use shall operate in accordance with the approved Business Plan. Any changes to the Business Plan must be submitted to the Planning Division with a written explanation of the changes. If the Director determines that changes are substantial, a modification to the Cannabis Business Permit and/or amendment to the CUP may be required.
15. A Cannabis Business Permit may be revoked upon a hearing by the Director of Economic and Development Services or designee pursuant to Section 9-120 of the CMMC for failing to comply with the terms of the permit, the applicable provisions of the CMMC, State law or regulation and/or any condition of any other permit issued pursuant to this code. Revocation of the Cannabis Business Permit shall trigger the City's proceedings to revoke the Conditional Use Permit and its amendments. The Conditional Use Permit granted herein shall not be construed to allow any subsequent owner/operator to continue operating under PA-22-22 until a valid new Cannabis Business Permit is received from the City of Costa Mesa.
16. A change in ownership affecting an interest of 51 or more percent, or an incremental change in ownership that will result in a change of 51 or more percent over a three year period, shall require submittal and approval of a

- new Cannabis Business Permit. A change in ownership that affects an interest of less than 51 percent shall require approval of a minor modification to the Cannabis Business Permit.
- State
17. The business must obtain any and all licenses required by State law and/or regulation prior to engaging in any cannabis activity at the property.
  18. The applicant shall obtain State License Type 10 prior to operating. The uses authorized by this Conditional Use Permit must be conducted in accordance with all applicable State and local laws, including, but not limited to compliance with the most current versions of the provisions of the California Code of Regulations that regulate the uses permitted hereby. Any violation thereof shall be a violation of the conditions of this permit and may be cause for revocation of this permit.
  19. Suspension of a license issued by the State of California, or by any of its departments or divisions, shall immediately suspend the ability of a cannabis business to operate within the City, until the State of California, or its respective department or division, reinstates or reissues the State license. Should the State of California, or any of its departments or divisions, revoke or terminate the license of a cannabis business, such revocation or termination shall also revoke or terminate the ability of a cannabis business to operate within the City. This Conditional Use Permit will expire and be of no further force and effect if any State issued license remains suspended for a period exceeding six (6) months. Documentation of three violations during routine inspections or investigations of complaints shall result in the Community Improvement Division scheduling a hearing before the Director of Development Services to consider revocation of the Cannabis Business Permit.
  20. Third parties are prohibited from providing delivery services for non-storefront retail.
  21. Persons under the age of twenty-one (21) years shall not be allowed on the premises of this business, except as otherwise specifically provided for by state law and CMMC Section 9-495(h)(6). It shall be unlawful and a violation of this CUP for the owner/operator to employ any person who is not at least twenty-one (21) years of age.
- PD
22. Every manager, supervisor, employee or volunteer of the cannabis business must submit fingerprints and other information specified on the Cannabis Business Permit for a background check by the Costa Mesa Police Department to verify that person's criminal history. No employee or volunteer may commence paid or unpaid work for the business until the background checks have been approved. No cannabis business or owner thereof may employ any person who has been convicted of a felony within the past 7 years, unless that felony has been dismissed, withdrawn, expunged or set aside pursuant to Penal Code sections 1203.4, 1000 or 1385, or who is currently on probation or parole for the sale, distribution, possession or manufacture of a controlled substance.
- CID
23. Should any employee, volunteer or other person who possesses an identification badge be terminated or cease their employment with the

business, the applicant shall return such identification badge to the City of Costa Mesa Community Improvement Division within 24 hours, not including weekends and holidays.

24. The property owner and applicant shall use “Crime Prevention Through Environmental Design” techniques to reduce opportunities for crime, loitering and encampments on the property as deemed appropriate by the Community Improvement Manager and Director of Economic and Development Services.
- Finance 25. This business operator shall pay all sales, use, business and other applicable taxes, and all license, registration, and other fees and permits required under State and local law. This business operator shall cooperate with the City with respect to any reasonable request to audit the cannabis business’ books and records for the purpose of verifying compliance with the CMMC and this CUP, including but not limited to a verification of the amount of taxes required to be paid during any period.
26. The following records and recordkeeping shall be maintained/conducted:
  - a. The owner/operator of this cannabis business shall maintain accurate books and records, detailing all of the revenues and expenses of the business, and all of its assets and liabilities. On no less than an annual basis, or at any time upon reasonable request of the City, the owner/operator shall file a sworn statement detailing the number of sales by the cannabis business during the previous twelve month period (or shorter period based upon the timing of the request), provided on a per-month basis. The statement shall also include gross sales for each month, and all applicable taxes paid or due to be paid.
  - b. The owner/operator shall maintain a current register of the names and the contact information (including the name, address, and telephone number) of anyone owning or holding an interest in the cannabis business, and separately of all the officers, managers, employees, agents and volunteers currently employed or otherwise engaged by the cannabis business. The register required by this condition shall be provided to the City Manager upon a reasonable request.
  - c. The owner/operator shall maintain an inventory control and reporting system that accurately documents the present location, amounts, and descriptions of all cannabis and cannabis products for all stages of the retail sale process. Subject to any restrictions under the Health Insurance Portability and Accountability Act (HIPPA), the owner/operator shall allow City officials to have access to the business’s books, records, accounts, together with any other data or documents relevant to its permitted cannabis activities, for the purpose of conducting an audit or examination. Books, records, accounts, and any and all relevant data or documents will be produced no later than twenty-four (24) hours after receipt of the City’s request, unless otherwise stipulated by the City.
  - d. The owner/operator shall have in place a point-of-sale tracking system to track and report on all aspects of the cannabis business including,



but not limited to, such matters as cannabis tracking, inventory data, and gross sales (by weight and by sale). The owner/operator shall ensure that such information is compatible with the City's record-keeping systems. The system must have the capability to produce historical transactional data for review by the City Manager or designees.

- Insp.
27. The City Manager or designees may enter this business at any time during the hours of operation without notice, and inspect the location of this business as well as any recordings and records required to be maintained pursuant to Title 9, Chapter VI or under applicable provisions of State law. If the any areas are deemed by the City Manager or designee to be not accessible during an inspection, not providing such access is cause for the City to begin a cannabis business permit (CBP) and/or conditional use permit (CUP) and/or business license revocation process as prescribed by the applicable Municipal Code revocation procedures.
  28. Inspections of this cannabis business by the City will be conducted, at a minimum, on a quarterly basis. The applicant will pay for the inspections according to the adopted Fee Schedule.
  29. Quarterly Fire & Life Safety Inspections will be conducted by the Community Risk Reduction Division to verify compliance with the approved operation. The applicant will pay for the inspection according to the Additional Required Inspections as adopted in the Fee Schedule.
  30. Annual Fire & Life Safety Inspections will be conducted by the Fire Station Crew for emergency response pre-planning and site access familiarization. The applicant will pay for the inspection according to the adopted Fee Schedule.
  31. Pursuant to Title 9, Chapter VI, it is unlawful for any person having responsibility for the operation of a cannabis business, to impede, obstruct, interfere with, or otherwise not to allow, the City to conduct an inspection, review or copy records, recordings or other documents required to be maintained by a cannabis business under this chapter or under State or local law.

#### **Prior to Issuance of Building Permits**

1. Plans shall be prepared, stamped and signed by a California licensed Architect or Engineer.
2. The conditions of approval and ordinance or code provisions of Planning Application 22-22 shall be blueprinted on the face of the site plan as part of the plan check submittal package.

3. Prior to the Building Division issuing a demolition permit, the applicant shall contact the South Coast Air Quality Management District (AQMD) located at:  
21865 Copley Dr.  
Diamond Bar, CA 91765-4178  
Tel: 909- 396-2000  
Or visit its website:  
<http://www.costamesaca.gov/modules/showdocument.aspx?documentid=23381>. The Building Division will not issue a demolition permit until an Identification Number is provided by AQMD.
4. Odor control devices and techniques shall be incorporated to ensure that odors from cannabis are not detected outside the property, anywhere on adjacent property or public right-of-way. Building and mechanical permits must be obtained from the Building Division prior to work commencing on any part of the odor control system.
5. Plan check submittal shall include demolishing unpermitted construction. Plan check submittal shall include air quality/odor control device specification sheets. Plan check submittal shall also include a bike rack, trash enclosure, wrought iron or other high quality perimeter fencing in the rear, parking lot striping in conformance with CMMC and Transportation Division requirements, a landscape and irrigation plan that includes drought tolerant plants, living ground cover, updated plantings in the front setback, and at least three new 24-inch box size trees in the parking lot that are not palm trees.
6. No signage shall be installed until the owner/operator or its designated contractor has obtained permits required from the City. Business identification signage shall be limited to that needed for identification only. Business identification signage shall not include any references to cannabis, whether in words or symbols. All signs shall comply with the CMMC.
7. The plans and business operator shall comply with the requirements of the applicable California Fire Code, including any referenced standards as amended by the City of Costa Mesa.
8. The Traffic Impact Fee as calculated by the Transportation Services Division shall be paid in full.
9. Construction documents shall include a temporary fencing and temporary security lighting exhibit to ensure the site is secured during construction and to discourage crime, vandalism, and illegal encampments.
10. The applicant shall submit a lighting plan to the Planning Division for review and approval. The lighting plan shall show locations of all security lighting. As determined by the Director of Economic and Development Services or their designee, a photometric study may be required to demonstrate compliance with the following: (a) lighting levels on the property including the parking lot shall be adequate for safety and security purposes (generally, at least 1.0 foot candle), (b) lighting design and layout shall minimize light spill at the adjacent residential property line and at

other light-sensitive uses (generally, no more than 0.5-footcandle at the property line), and (c) glare shields may be required to prevent light spill.

11. Two (2) sets of detailed landscape and irrigation plans, which meet the requirements set forth in Costa Mesa Municipal Code Sections 13-101 through 13-108, shall be required as part of the project plan check review and approval process. Plans shall be forwarded to the Planning Division for final approval prior to issuance of building permits.

#### **Prior to Issuance of a Certificate of Use/Occupancy**

1. The operator, contractors, and subcontractors must have valid business licenses to do business in the City of Costa Mesa. Final occupancy and utility releases will not be granted until all such licenses have been obtained.

#### **Prior to Issuance of Cannabis Business Permit**

1. The applicant shall contact the Planning Division for a facility inspection and provide a matrix of conditions of approval explaining how each was met prior to issuance of a Cannabis Business Permit.
2. The applicant shall pay the Planning Commission public notice fee (\$1 per notice post card) and the newspaper ad publishing cost.
3. The final Security Plan shall be consistent with the approved building plans.
4. Each entrance to the business shall be visibly posted with a clear and legible notice stating the following:
  - a. That smoking, ingesting, or otherwise consuming cannabis on the premises or in the areas adjacent to the cannabis business is prohibited;
  - b. That no person under the age of twenty-one (21) years of age is permitted to enter upon the premises of the cannabis business unless the business holds a retail medical cannabis license (M-license) issued by the state;
  - c. That loitering by persons outside the facility both on the premises and within fifty (50) feet of the premises is prohibited; and
  - d. The premise is a licensed cannabis operation approved by the City of Costa Mesa. The City may also issue a window/door sticker, which shall be visibly posted.
5. The owner/operator shall obtain and maintain at all times during the term of the permit comprehensive general liability insurance and comprehensive automotive liability insurance protecting the permittee in an amount of not less than two million dollars (\$2,000,000.00) per occurrence, combined single limit, including bodily injury and property damage and not less than two million dollars (\$2,000,000.00) aggregate for each personal injury liability, products-completed operations and each accident, issued by an insurance provider admitted and authorized to do business in California and shall be rated at least A-:viii in A.M. Best & Company's Insurance Guide. Such policies of insurance shall be endorsed to name the City of Costa

Mesa as an additional insured. Proof of said insurance must be provided to the Planning Division before the business commences operations. Any changes to the insurance policy must be submitted to the Planning Division within 10 days of the date the change is effective.

6. The applicant shall submit an executed Retail Cannabis Business Permit Defense and Indemnity Agreement on a form to be provided by the City.
7. The applicant shall post signs within the parking lot directing the use of consideration such as no loud voices, loud music, revving car engines, etc. The language of the parking lot signs shall be reviewed and approved by the Planning Division prior to installation.

### **Operational Conditions**

1. No product deliveries to the facility shall occur after 10:00 PM and before 7:00 AM.
2. Onsite sales hours of operations are limited to 7:00 AM to 10:00 PM Monday through Sunday.
3. The applicant shall submit an updated delivery vehicle list each quarter with the quarterly update to the employee roster which is required pursuant to the CBP. The number of delivery vehicles parked onsite shall not exceed the number of available onsite surplus parking spaces. Delivery vehicles shall not be parked on City streets.
4. At least one licensed security guard shall be onsite at all times.
5. The operator shall maintain free of litter all areas of the property under which applicant has control.
6. The use shall be conducted, at all times, in a manner that will allow the quiet enjoyment of the surrounding neighborhood. The operator shall institute appropriate security and operational measures as necessary to comply with this requirement.
7. If parking shortages or other parking-related problems develop, the business owner or operator will be required to institute appropriate operational measures necessary to minimize or eliminate the problem in a manner deemed appropriate by the Director of Economic and Development Services or designee. Temporary or permanent parking management strategies include, but are not limited to, reducing operating hours of the business, hiring an additional employee trained in traffic control to monitor parking lot use and assist with customer parking lot circulation, and offering discounts for online and phone orders.
8. While working, employees shall not park on residential streets unless doing so temporarily to make a cannabis delivery.
9. All employees must wear an identification badge while on the premises of the business, in a format prescribed by the City Manager or designee. When on the premises, badges must be clearly visible and worn on outermost clothing and above the waist in a visible location.

10. The operator shall ensure that all vehicles are properly maintained, all delivery drivers have a good driving record, and each driver conducts a visual inspection of the vehicle at the beginning of each shift.
11. The operator shall ensure that deliveries are grouped to minimize total vehicle trips.
12. During each delivery stop, the delivery vehicle shall be parked in a safe manner (i.e., not impeding traffic circulation), the engine shall be turned off and the vehicle shall be locked.
13. Delivery/vendor vehicle loading and unloading shall only take place within direct unobstructed view of surveillance cameras, located in close proximity to the limited access door, as shown on an exhibit approved by the Director of Economic and Development Services or designee. No loading and unloading of cannabis products into or from the vehicles shall take place outside of camera view. The security guard shall monitor all on-site loading and unloading of vehicles. Video surveillance cameras shall be installed on the exterior of the building with direct views of the vendor entry door and the entire parking lot. Any modifications or additional vehicle loading and unloading areas shall be submitted to the Director of Economic and Development Services or designee for approval.
14. Delivery/vendor vehicle standing, loading and unloading shall be conducted so as not to interfere with normal use of streets, alleys, sidewalks, driveways and on-site parking.
15. The sale, dispensing, or consumption of alcoholic beverages on or about the premises is prohibited.
16. No outdoor storage or display of cannabis or cannabis products is permitted at any time.
17. Cannabis shall not be consumed on the property at any time, in any form.
18. The owner/operator shall prohibit loitering on and within fifty (50) feet of the property.
19. No cannabis or cannabis products, or graphics depicting cannabis or cannabis products, shall be visible from the exterior of the property, or on any of the vehicles owned or used as part of the cannabis business.
20. The owner or operator shall maintain air quality/odor control devices by replacing filters on a regular basis, as specified in the manufacturer specifications.
21. If cannabis odor is detected outside the building, the business owner or operator shall institute corrective measures necessary to minimize or eliminate the problem in a manner deemed appropriate by the Director of Economic and Development Services.
22. Cannabis liquid or solid waste must be made unusable and unrecognizable prior to leaving a secured storage area and shall be disposed of at facility approved to receive such waste.
23. Waste disposal to the exterior trash enclosure shall be limited between the hours of 8 AM and 8 PM to prevent noise impacts to residents. No cannabis products shall be disposed in the onsite trash enclosure. If any damaged or expired cannabis products must be disposed, the owner or operator shall

return the damaged or expired cannabis products to the original licensed distributor or vendor and follow all applicable State and City regulations.

24. The vehicle gate shall remain closed between the hours of 10 PM and 7 AM, except when temporary access is needed for trash collection, maintenance, or employee access. KnoxBox access shall be provided to the Costa Mesa Fire Department and Costa Mesa Police Department.
25. Each transaction involving the exchange of cannabis goods between the business and consumer shall include the following information: (1) Date and time of transaction; (2) Name and employee number/identification of the employee who processed the sale; (3) List of all cannabis goods purchased including quantity; and (4) Total transaction amount paid.
26. All cannabis products shall be secured in a locked container during transportation between the facility and delivery and vendor vehicles. Prior to a vendor's arrival, vendors are required to give notice to facility personnel. Upon arrival, authorized facility personnel shall escort the vendor to the facility.

**RESOLUTION NO. 2024-xx**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, TO UPHOLD THE PLANNING COMMISSION'S DECISION AND DENY PLANNING APPLICATION 22-22 FOR A RETAIL CANNABIS STOREFRONT BUSINESS WITH DELIVERY LOCATED AT 1858 NEWPORT BOULEVARD (EVLV HERBAL)**

THE CITY COUNCIL OF THE CITY OF COSTA MESA HEREBY FINDS AND DECLARES AS FOLLOWS:

WHEREAS, Planning Application 22-22 was filed by Mark Adams representing Evlv Herbal, the authorized agent for the property owner, 1858 Newport Boulevard Trust, requesting approval of the following:

A Conditional Use Permit to operate a storefront retail and cannabis delivery business within an existing 2,280-square-foot commercial building located at 1858 Newport Boulevard. The business would sell pre-packaged cannabis and pre-packaged cannabis products directly to customers onsite and through delivery, subject to conditions of approval and other City and State requirements;

WHEREAS, a duly noticed public hearing was held by the Planning Commission on December 11, 2023 with all persons having the opportunity to speak for and against the proposal, and the project was denied by the Planning Commission on a 4-3 vote;

WHEREAS, on December 15, 2023 Mayor Stephens filed a request for the City Council review of the Planning Commission's decision;

WHEREAS, a duly noticed public hearing was held by the City Council on February 6, 2024 with all persons having the opportunity to speak for and against the appeal;

WHEREAS, pursuant to the California Environmental Quality Act (CEQA), the project is exempt from the provisions of the California Environmental Quality Act (CEQA) per Section 15301 (Class 1), for Existing Facilities, and Section 15270(a) for projects that a public agency rejects or disapproves.

WHEREAS, the CEQA categorical exemption for this project reflects the independent judgement of the City of Costa Mesa.

WHEREAS, the City Council has considered all public comments which have been received either in writing or at the public hearing.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COSTA MESA  
HEREBY RESOLVES as follows:

BE IT RESOLVED that based on the evidence in the record and the findings  
contained in Exhibit A, the City Council hereby denies Planning Application 22-22 with  
respect to the property described above.

BE IT FURTHER RESOLVED that if any section, division, sentence, clause,  
phrase or portion of this resolution, or the document in the record in support of this  
resolution, are for any reason held to be invalid or unconstitutional by a decision of any  
court of competent jurisdiction, such decision shall not affect the validity of the remaining  
provisions.

**PASSED AND ADOPTED this 6th day of February 2024.**

\_\_\_\_\_  
John Stephens, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Brenda Green, City Clerk

\_\_\_\_\_  
Kimberly Hall Barlow, City Attorney



STATE OF CALIFORNIA   )  
COUNTY OF ORANGE    )       ss  
CITY OF COSTA MESA    )

I, BRENDA GREEN, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. 2024-XX and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the 6th day of February 2024, by the following roll call vote, to wit:

AYES:           COUNCIL MEMBERS:

NOES:           COUNCIL MEMBERS:

ABSENT:        COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this 7th day of February 2024.

---

Brenda Green, City Clerk

## EXHIBIT A

### **FINDINGS**

- A. Pursuant to CMMC Section 13-29(g), when granting an application for a conditional use permit, the reviewing authority shall find that the evidence presented in the administrative record substantially meets certain required findings. The Applicant failed to meet the burden to demonstrate that the proposed project would comply with all of the requirements of Section 13-29(g)(2) and therefore the Planning Commission was unable to make the required findings to approve the proposed use for each and every reason set forth herein below:

**Finding:** *The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area.*

**Facts in Support of Findings for Denial:** The proposed use is found to be incompatible with the adjacent land uses and general area, and be materially detrimental to other properties within the area in that the project proposes the operation of a cannabis retail storefront to be located adjacent to a cannabis storefront that is currently operating at 1854 Newport Boulevard, and adjacent to another cannabis storefront that was recently approved, but not yet operating, at 1860 Newport Boulevard. Based on the concentration of the same type of commercial uses to be located within close proximity, the proposed use would conflict with the necessary mix and balance of commercial goods and services in consideration of the needs of the business community, as stipulated by the General Plan (Policy LU-1.1). Additionally, based on the proposed concentration of similar uses, the proposed use would not “encourage a mix of land uses that maintain the City’s long-term fiscal health” (Policy LU-6.1), and thereby would be fiscally materially detrimental to the adjacent commercial district.

**Finding:** *Granting the conditional use permit will not be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.*

**Facts in Support of Finding for Denial:** The proposed cannabis retail storefront would be materially detrimental to the general welfare of the public and otherwise injurious to property or improvements within the immediate neighborhood in that based on the proposed concentration of the same commercial uses to be located within the same general area, the proposed cannabis retail storefront would result in an imbalanced and non-resilient local commercial district.

**Finding:** *Granting the conditional use permit will not allow a use, density or intensity which is not in accordance with the general plan designation and any applicable specific plan for the property.*

**Facts in Support of Finding for Denial:** The General Plan Policy LU-1.1 stipulates that development should provide for a mix and balance of commercial goods and services in consideration of the needs of the business community. The proposed cannabis retail storefront would result in a use, density and intensity that is not in conformance with General Plan Policy LU-1.1 in that the project proposes the operation of a cannabis retail storefront to be located adjacent to a cannabis storefront that is currently operating at 1854 Newport Boulevard, and adjacent to another cannabis storefront that was recently approved at 1860 Newport Boulevard. Based on the concentration of the same type of commercial uses to be located within close proximity, the proposed use would not contribute to the necessary mix and balance of commercial goods and services in consideration of the needs of the business community and be fiscally materially detrimental to the adjacent properties by reducing local commercial diversity. Relying heavily on a specific land use will result in problematic fiscal health for the commercial district.



# City of Costa Mesa

RESERVE FOR FILING STAMP

ATTACHMENT 3

CITY CLERK

23 DEC 15 AM 9:41

CITY OF COSTA MESA

File with: City Clerk

City of Costa Mesa

77 Fair Drive

Costa Mesa, CA 92626

714-754-5225

☐ Appeal of Planning Commission Decision:

\$1,220.00 (Tier 1)<sup>1</sup>

\$3,825.00 (Tier 2)<sup>2</sup>

☐ Appeal of Non-Planning Commission Decision:

\$690.00 (Tier 1)<sup>1</sup>

\$3,825.00 (Tier 2)<sup>2</sup>

## APPLICATION FOR APPEAL OR REVIEW

Applicant Name\*

Evolve Herbal

Address

1858 Newport Blvd., Costa Mesa CA 92626

Phone

REQUEST FOR: ☐ APPEAL

☒ REVIEW\*\*

Decision of which appeal or review is requested: (give application number, if applicable, and the date of the decision, if known.)

PA-22-22, denied by PC, 12/11/23

Decision by:

Reasons for requesting appeal or review:

To provide the applicant with a fair de novo hearing based upon the relevant issues under the Costa Mesa Municipal Code

Date:

12/15/23

Signature:

\*If you are serving as the agent for another person, please identify the person you represent and provide proof of authorization.

\*\*Review may be requested only by Planning Commission, Planning Commission Member, City Council, or City Council Member

For office use only – do not write below this line

SCHEDULED FOR THE CITY COUNCIL/PLANNING COMMISSION MEETING OF:

If appeal or review is for a person or body other than City Council/Planning Commission, date of hearing of appeal or review

Updated September 2023

<sup>1</sup> Includes owners and/or occupants of a property located within 500 feet of project site (excluding owners and/or occupants of the project site).

<sup>2</sup> Includes the project applicant, owners and/or occupants of the project site, and owners and/or occupants of a property located greater than 500 feet from the site.



633 West Fifth Street  
 Los Angeles, CA 90071  
 tfinney@falawyers.com | 310-729-7266  
 sarnold@falawyers.com | 213-718-3468

December 22, 2023

On Behalf of Mr. Mark Adams  
 CEO  
 Evolv Herbal, LLC  
 1858 Newport Blvd.  
 Costa Mesa, CA 92626  
 markjrs13@yahoo.com  
 562-209-0111

City Council  
 c/o City Clerk  
 City of Costa Mesa  
 77 Fair Drive  
 Costa Mesa, CA 92626  
 714-754-5225

Dear Honorable Mayor and City Council Members,

I represent Mr. Mark Adams and Evolv Herbal and am submitting this Letter of Appeal of the decision of the Costa Mesa City Planning Commission (Planning Commission) to deny the Conditional Use Permit (CUP) and thereby, Conditional Business Permit (CBP), filed by Evolv Herbal, located at 1858 Newport Blvd., Costa Mesa, CA 92626, on December 11, 2023 to the City Council of Costa Mesa per (CMMC). Evolv Herbal has diligently followed all legal requirements, ordinances, and regulations outlined by the CMMC and State of California for operating a storefront retail cannabis dispensary. We appreciate the Planning Commission's review and consideration of our CBP and CUP applications but seek a fair de novo hearing on our applications based upon the relevant issues and CMMC. Our commitment to compliance is unwavering, and we want to ensure that we address any specific issues that might have arisen during the evaluation.

In summary, Evolv Herbal's CUP Application was in full compliance with the CMMC and the Costa Mesa City Planning Department Staff Report recommended approval of their CUP Application. (See City of Costa Mesa Planning Commission Agenda Report, Meeting Date: December 11, 2023, Item Number PH-4 and Resolution No. PC-2023- A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA APPROVING PLANNING APPLICATION 22-22 FOR A STOREFRONT RETAIL CANNABIS BUSINESS (EVOLV HERBAL) WITH DELIVERY IN THE C2 ONE AT 1858 NEWPORT BOULEVARD). The FINDINGS and CONDITIONS OF APPROVALS (Exhibits A and B of the Staff Report) provide detailed information regarding the Evolv Herbal Application,

all of which were and are consistent with the CMMC and California state law. Additionally, the City of Costa Mesa approved both of the neighboring storefront retail cannabis stores, whose applications were nearly identical but with less stringent security measures. Further, based on the location of sensitive uses in the local area, a “Goldie Lox Effect” resulted in the concentration of storefront retail cannabis operations which prevented the broad diaspora of such operations across the City, which further supports the tenets of the CMMC and General Plan of Costa Mesa. Finally, Evolv Herbal has acted in good faith, engaged in diligent community outreach in conjunction with its CUP Application, and has the most seasoned staff and professionals of any storefront retail cannabis operation in the City, having not only operated and owned medical and retail cannabis operations for almost 2 decades but has also been extremely active in nonprofit and educational programs regarding the safe use of cannabis, emphasizing the use of cannabis with lower psychoactive concentrations and higher concentrations of non-psychoactive medical grade cannabis with significant health benefits. As such, the City Council is compelled and urged to overturn the decision of the Planning Commission and approve Evolv Herbal’s CUP Application.

Pursuant to Sections 5 and 7 of Article XI of the California Constitution and the provisions of Division 10 of the Business and Professions Code, the City of Costa Mesa (“City”) is authorized to adopt ordinances that establish standards, requirements and regulations for local licenses and permits for cannabis and cannabis-related activity. In conjunction therewith, the City passed Ordinances No. 2021-08 and No. 2021-09 on November 3, 2020, known as Measure Q. These ordinances provide for the licensing, permitting, and establishment of retail cannabis storefront and non-storefront uses to implement the City’s retail cannabis tax and regulation measure, voted for by a majority of the City’s voters. The Ordinances were exempt from the California Environmental Quality Act (“CEQA”). *Lucas v. City of Pomona* (2023) 92 Cal.App.5<sup>th</sup> 508. The CMMC also did not place a restriction on the number of retail cannabis storefronts within the City.

The City Website specifically confirms that the City Ordinances in the CMMC do not limit the number of storefront permits that may be granted, and that the number of applications under review is based solely on City staff’s capacity to review and process applications in a timely manner. While the Ordinances state that the City Council has the authority to establish a cap on the number of storefronts allowed in the City, the City Council has not specifically done so at the time of the denial of our applications, nor since.

The Ordinances go on to state that storefronts are allowed in commercial zones, which the planned location for Evolv Herbal at 1858 Newport Blvd., Costa Mesa, CA 92626 is as it would be located in a C-2 General Business Zone. Further, storefronts are required to be 1,000 feet away from K-12 schools, playgrounds, child daycare facilities, and homeless shelters, and 600 feet away from youth centers, which the planned location for Evolv Herbal is. The Ordinances establish that all such distances are measured in a straight line (“as the crow flies”) from the licensed premises of the proposed storefront locations to the closest property line of the sensitive use(s), and that all such distances are measured without regard to the boundaries of the City and/or intervening structures or other barriers.

While not required of the relevant Ordinances, Evolv Herbal engaged in focused community outreach in conjunction with their application process. They mailed and delivered 257 letters to the surrounding community in which they provided the personal contact information for the CEO, Mr. Mark Adams, in case a community member had questions or concerns. They also walked the neighborhood adjacent to the proposed location of the dispensary and met neighbors personally to discuss the project. Evolv Herbal's core mission is to create and provide a safe and responsible environment that caters to a mature customer base and focuses on overall health and well-being in Costa Mesa by providing safe access to high grade, safe cannabis.

Mr. Adams, their CEO, got involved in cannabis in 2006 when his grandfather was diagnosed with cancer and his doctor prescribed cannabis to alleviate his pain. Through this experience, Mark felt an obligation to help people, especially the elderly, to have access to safe and legal cannabis and so he started a nonprofit cannabis collective in 2006. He has since spent the last 17 years successfully operating every facet of the cannabis industry, including over 10 retail locations, indoor and outdoor cultivation, delivery, product manufacturing, and distribution to over 200 stores. He has also dedicated hundreds of hours to nonprofit public advocacy groups committed to the responsible, safe, and legal use of cannabis, including Americans for Safe Access, Project CBD, and the Medical Cannabis Association, serving as its Chapter Director, where he successfully worked with the cities of Long Beach, Los Angeles, Oakland, and Berkeley, and the states of California, Colorado, and Washington to mandate laboratory testing and labeling on all cannabis flower and products to ensure that no one unknowingly overmedicate using cannabis. He also has worked with international cannabis experts to create analytical laboratories to research safety and potency, including working on isolating the non-psychoactive components of the cannabis plant. His team made all these findings publicly accessible.

Of particular importance, the Ordinances do not establish a merit-based review process. Prospective applicants must meet all minimum requirements set forth in CMMC Ordinance Nos. 2021-08 and 2021-09 and be granted a CUP through a discretionary review process of the City Planning Commission in order to be issued a CBP. CUP findings that the Planning Commission must consider under the CMMC at Title III, Section 13-28(b) include:

- a.** The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area.
- b.** Granting the conditional use permit or minor conditional use permit will not be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.
- c.** Granting the conditional use permit or minor conditional use permit will not allow a use, density or intensity which is not in accordance with the general plan designation and any applicable specific plan for the property.

The California Code of Civil Procedure Section 1094.5 requires that administrative commission decisions must be supported by substantial evidence, and whether a public commission or agency abused its discretion in exercising such if it did so to an end or purpose not justified by

substantial evidence, and clearly against reason, once considering all the facts and circumstances. CA CIV CODE Section 1094.5 (2012). There are a host of cases supporting that the Costa Mesa City Planning Commission abused its discretion in denying the CUP of Evolv Herbal based upon this clear California Civil Code section that we are prepared to site if necessary in a legal forum in opposition to this denial. We do not site the lengthy and dispositive stare decisis of California case law supporting the abuse of discretion by the Planning Commission as we prefer to urge the Costa Mesa City Council to grant us a fair de novo review of the CMMC's tenets with respect to Evolv Herbal's CUP application in order to avoid the unnecessary cost, resources, and delay caused by litigation.

The proposed development of the Evolv Herbal dispensary is substantially compatible with developments in the same general area and will not be materially detrimental to other properties within the area. Rather, by granting Evolv Herbal the CUP, it will improve the area given is aesthetically pleasing exterior façade and interior design. Their building plans will provide an extremely secure and safe facility with a beautifully landscaped parking lot and will offer safe, easy, and discreet off-street access.

Granting Evolv Herbal a CUP will not be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood, rather it will make high quality, medical grade products available to adults within the community and will increase the value of properties within the immediate neighborhood given its design and estimated value. Evolv Herbal's dispensary will have an open, airy, safe facility that has a clean and welcoming design built with sustainable materials with quality workmanship. They will provide ADA accessible counters, in addition to being fully ADA compliant. Their security plan includes former law enforcement officers maintaining onsite presence throughout all operating hours, a sophisticated alarm system with motion and glass break sensors, controlled access through commercial-grade locks, and FOB-activated systems, and a network of 28 high definition cameras that exceed minimum requirements continuously monitoring critical areas. Finally, Evolv Herbal works individually with each of its customers to maximize their health and safety with their products, with a special emphasis on elderly patients, offering a wide range of low psychoactive products focusing on the health benefits of their products.

Granting the CUP to Evolv Herbal will not allow a use, density or intensity which is not in accordance with the general plan designation and any applicable specific plan for the property as it is the dispensary is a use, density, and intensity that is accord with the general plan and specific plan for the property. Locating a few of the dispensaries in the same confined area per Reference No. PA 22-22, keeps the business interests diverse and balanced. The Evolv Herbal project is also exempt from CEQA as cited in the CMMC and in the case reference above.

Given the above, the Planning Commission misused and abused its discretion in denying Evolv Herbal its CUP in the December 11 2023 hearing.

We believe transparency and fairness are crucial in the decision-making process, thus this Letter of Appeal supports our compliance with the CMMC, as well as testimonials from community



members expressing support for Evolv Herbal. Our establishment will not only adhere to the highest standards in the cannabis industry, but also contribute positively to the local community.

Again, our review of the CMMC, the City of Costa Mesa General Plan, California state law, and the Costa Mesa City Planning Department staff report supporting approval of Evolv Herbal's CUP Application for the storefront retail cannabis operation compel the City Council to approve their application. We kindly request a fair de novo hearing on our applications based upon the relevant issues and Costa Mesa Municipal Code of our CBP and CUP applications and the opportunity to discuss any concerns in person. Thank you for your time and consideration. We remain optimistic that Evolv Herbal will become a valuable, law-abiding, and contributing corporate citizen to the community of Costa Mesa.

Very truly yours,

A handwritten signature in black ink, appearing to read 'T. Finney', written over a faint circular stamp.

Tal C. Finney, Esq., of  
FINNEY ARNOLD LLP

**MEETING MINUTES OF THE CITY OF  
COSTA MESA PLANNING COMMISSION**

**December 11, 2023**

**CALL TO ORDER**

The Chair called the meeting to order at 6:00 p.m.

**PLEDGE OF ALLEGIANCE TO THE FLAG**

Commissioner Rojas led the Pledge of Allegiance.

**ROLL CALL**

Present: Chair Adam Ereth, Vice Chair Russell Toller, Commissioner Angely Andrade, Commissioner Karen Klepack, Commissioner Jonny Rojas, Commissioner Vivar, Commissioner Jon Zich

Absent: None

Officials Present: Director of Economic and Development Services Jennifer Le, Assistant Director of Development Services Scott Drapkin, Assistant City Attorney Tarquin Preziosi, Principal Planner Nancy Huynh, Assistant Planner Christopher Aldana, Contract Planner Michelle Halligan, City Engineer Seung Yang and Recording Secretary Anna Partida

**ANNOUNCEMENTS AND PRESENTATIONS:**

None.

**PUBLIC COMMENTS – MATTERS NOT LISTED ON THE AGENDA:**

Alexander Haberbush, spoke on oversaturation of cannabis storefronts in the City and urged the Commission to consider the longer-term effects of approving so many store fronts.

**COMMISSIONER COMMENTS AND SUGGESTIONS:**

Commissioner Vivar thanked staff for their hard work. He thanked his fellow Commissioners on their work and dedication to the community.

Commissioner Rojas echoed Commissioner Vivar. He thanked staff and his fellow Commissioners.

Commissioner Zich echoed his fellow Commissioners and thanked the public for their attendance.

Commissioner Andrade echoed her fellow Commissioners thanking everyone in attendance, encouraged the public to provide feedback on what they would like for the future of Costa mesa and she shared her excitement for the Snoopy House event.

Vice Chair Toler echoed his fellow Commissioners and thanked everyone in attendance, spoke on the 405-Improvement Project, he informed the public on regular Wednesday night bike ride put on by Lillordag bike ride.

Chair Ereth echoed his fellow Commissioners by thanking the staff and fellow Commissioners. He also thanked the public for their attendance.

The Chair called for a five-minute break due to technical difficulties at 6:17p.m.

The Chair called the meeting back into order at 6:22p.m.

#### **CONSENT CALENDAR:**

**No member of the public nor Commissioner requested to pull a Consent Calendar item.**

#### **1. APPROVAL OF MEETING MINUTES: NOVEMBER 27, 2023**

**MOVED/SECOND:** Toler/Rojas

**MOTION:** Approve recommended action for Consent Calendar Item No. 1.

The motion carried by the following roll call vote:

Ayes: Ereth, Toler, Andrade, Klepack, Rojas, Vivar, Zich

Nays: None

Absent: None

Abstained: None

Motion carried: 7-0

**ACTION:** Planning Commission approved the minutes of the regular meeting of the November 27, 2023.

#### **PUBLIC HEARINGS:**

The Chair announced there would be a reordering of the Agenda.

#### **3. MINOR CONDITIONAL USE PERMIT APPLICATION ZA-22-11 FOR A DRIVE THROUGH OPERATION AND A REDUCTION OF REQUIRED PARKING; DEVELOPMENT REVIEW (PDVR-23-0003) TO ALLOW THE DEMOLITION OF AN EXISTING 25,159-SQUARE-FOOT COMMERCIAL BUILDING AND TO CONSTRUCT A NEW 2,913-SQUARE-FOOT RAISING CANES RESTAURANT**

**WITH 1,303-SQUARE-FEET OF COVERED OUTDOOR PATIO AREA; MINOR MODIFICATION PMND-23-0003 TO ALLOW FOR A DECREASE OF 20% IN REQUIRED FRONT YARD/LANDSCAPE SETBACK; FOR A PROPERTY LOCATED AT 1595 OLD NEWPORT BOULEVARD**

**Project Description:** Zoning Application 22-11, Development Review PDVR-23-0003, and Minor Modification PMND-23-0003 is a request to demolish an existing 25,159-square-foot furniture store and to construct a new 2,913-square-foot drive-through restaurant (Raising Cane's) and a 1,303-square-foot outdoor patio. The proposed hours of operation are 9 a.m. to 2 a.m. Sunday through Wednesday, 9 a.m. to 3:30 a.m., Thursday through Saturday. The proposed request also involves a reduction of the drive-through lane width from the standard 11-foot width to 10-foot, a deviation from the required parking by seven spaces, and a 20% reduction in the required front building setback.

**Environmental Determination:** The project is exempt from the provisions of the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15303 (Class 3), for new construction and conversion of small structures, and section 15332 (Class 32) in-fill development projects.

Two ex-parte communications reported.

Commissioner Zich visited the site, spoke with a member of the public and visited a different location.

Chair Ereth had two phone calls with the applicant.

Commissioner Vivar made a motion. Seconded by Commissioner Ereth.

**MOVED/SECOND:** Vivar/Rojas

**MOTION:** To continue the item to January 8, 2024 Planning commission meeting.

The motion carried by the following roll call vote:

Ayes: Ereth, Toler, Andrade, Rojas, Klepack, Vivar Zich

Nays: None

Absent: None

Recused: None

Motion carried: 7-0

**ACTION:** The Planning Commission continued the item to the January 8, 2024 Regular Planning Commission Meeting.

**4. PLANNING APPLICATION 22-22 FOR A CONDITIONAL USE PERMIT TO OPERATE A RETAIL CANNABIS STOREFRONT BUSINESS WITH DELIVERY LOCATED AT 1858 NEWPORT BOULEVARD ("EVOLV HERBAL") 23-1485 RECO**

**Project Description:** Planning Application 22-22 is a request for a Conditional Use Permit to allow a 2,280-square-foot retail cannabis storefront with delivery within an existing single-story commercial building located at 1858 Newport Boulevard.

**Environmental Determination:** The project is exempt from the provisions of the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15301 (Class 1), Existing Facilities.

Five ex-parte communications reported.

Commissioner Zich stated he held a phone call with applicant Mark Adams and spoke with one member of the public.

Commissioner Andrade received an email correspondence from the applicant, Mark Adams.

Commissioner Vivar held a phone call with the attorney representing the east side residents and received an email from Mark Adams.

Commissioner Klepack spoke with Mark Adams briefly after the last Planning Commission meeting.

Commissioner Ereth received an email from Mark Adams and an attorney for East Side Residents.

Michelle Halligan, Contract Planner, presented the staff report.

The Commission asked questions of staff including discussion of: neighboring parcel at 115 Flower Street, increased risk of crime, property value, already approved Conditional Use Permits (CUPS) located near the proposed location, and the previous tenant.

#### **The Chair opened the Public Hearing.**

Mark Adams, applicant, stated he had read and agreed to the conditions of approval.

The Commission asked questions of the applicant including discussion of: percentage of sale of medical vs. recreational products, what sets Evolve Herbal apart from other Cannabis storefronts, outreach to neighboring businesses, reasons the applicant caters to an older demographic, community outreach, nearby businesses, the applicants business plan, the applicants response to community concerns, cannabis banking institutions, age demographics, local employee recruitment, labor unions, and potential issues having the word 'herbal' in their business name.

#### **The Chair opened public comments.**

Francine Howard spoke in opposition of the item.

Alexander Haberbush spoke in opposition of the item.

Tracy Mitcham spoke in opposition of the item.

Speaker four spoke in opposition of the item.

Janis Brownsburg spoke in opposition of the item.

Speaker six, spoke on accessibility for the disabled and the discouragement of cannabis storefronts calling the police.

Kristine Trolley, spoke in opposition of the item.

Iggy Israel, spoke in opposition of the item.

Janet Locus spoke in opposition of the item.

**The Chair closed public comments.**

The Commission asked questions of the applicant and staff including discussion of: public outreach letters, public noticing, financial impacts for homeowners near cannabis storefronts, tax revenue from cannabis retailers, current codes and recommendation from the council.

**The Chair closed the Public Hearing.**

Commissioner Ereth made a motion. Seconded by Commissioner Vivar.

The Commission discussed the motion including: competing use, Land Use Policy 1.1 and 3.1, mix and balances of goods and services, Councils' goals regarding City fiscal health, Planning Commission's role in the City, current ordinance and project adverse impacts.

Commissioner Zich made a substitute motion to Approve. Seconded by Vice Chair Toler.

The Commission discussed the motion including: current ordinance provisions, voice of the residents, Land-use Policies: 1.1, 6.15 and 3.1, expectations of Planning Commissioners and over concentration of cannabis storefronts.

**MOVED/SECOND:** Zich/Toler

**MOTION:** Approve staff's recommendation.

The motion failed by the following roll call vote:

Ayes: Toler, Klepack, Zich

Nays: Ereth, Andrade, Rojas, Vivar  
Absent: None  
Recused: None  
Motion failed: 3-4

Motion Failed.

Chair called the Question for the original motion.

**MOVED/SECOND:** Ereth/Vivar

**MOTION:** To Deny Planning Application 22-22.

The motion carried by the following roll call vote:

Ayes: Ereth, Andrade, Rojas, Vivar

Nays: Toler, Klepack, Zich

Absent: None

Recused: None

Motion carried: 4-3

**ACTION:** The Planning Commission adopted a resolution: to Deny Planning Application 22-22.

**RESOLUTION PC-2023-31 - A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA DENYING PLANNING APPLICATION 22-22 FOR A STOREFRONT RETAIL CANNABIS BUSINESS (EVLV HERBAL) WITH DELIVERY IN THE C2 ZONE AT 1858 NEWPORT BOULEVARD**

**1. ORDINANCE AMENDING TITLE 13 (PLANNING, ZONING AND DEVELOPMENT) OF THE COSTA MESA MUNICIPAL CODE TO ESTABLISH AFFORDABLE HOUSING REQUIREMENTS FOR NEW RESIDENTIAL DEVELOPMENT PROJECTS**

The Planning Commission review and recommendation to the City Council regarding a proposed code amendment that modifies Title 13 (Planning, Zoning, and Development) of the CMMC to establish affordable housing requirements. The proposed CMMC modifications would require certain residential development projects to provide a minimum percentage of their proposed dwelling units as affordable housing units, or pay a City-established in lieu-fee when applicable.

**Environmental Determination:** The ordinance is exempt from the provisions of the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15061(b)(3) (General Rule).

No ex-parte communications reported.

Nancy Huynh, Principal Planner, presented the staff report.

The Commission asked questions of staff including discussion of: affordable housing requirements set aside percentages, the amount of time a property will be considered affordable, tax credits, zoning for potential affordable ownership opportunities, rezoning, corridor areas, incentives for developers, and Density Bonus Law.

**The Chair opened the Public Hearing.**

**The Chair opened public comments.**

Adam Wood, spoke on incentives for developers, the City creating threshold of ten units, exemption of ownership and housing fund availability.

Jen Tanaka, thanked the staff for their work on the ordinance. She also requested that staff provide a redline version of the ordinance, past practice and Council Policy, Measure Y impacts on zoning changes, encouraged the City to not look at past practice development.

Speaker three, suggested a 40 unit or more project threshold. He spoke on challenges of small lot development and encouraged a decrease in set-aside percentages for developers.

Tim O'Brian encouraged a 5% very low and 10% low for affordable housing.

Dianne Russell thanked the staff for their work and spoke on set-aside requirements.

George Sakioka encouraged the City to allow developers to provide specific affordable areas within an apartment building.

Kathy Esfahani spoke on set-aside requirements and high-density requirements.

Cynthia McDonald asked that the City raise the set-aside requirements to at least 15% low income and 10% very low income with no threshold on all new housing projects.

Richard Huffman stated he supports the Costa Mesa Affordable Housing Coalition letter and the statements made by Cynthia McDonald. He spoke on housing as a right and asked that the City take advantage of the areas that would allow high density development.

Speaker ten spoke on set-aside requirements, neighboring cities set-aside numbers and encouraged the city to raise the set-aside requirements to at least 15% low income and 10% very low income.

Cesare Covarrubias spoke on set aside requirements and encouraged the City to raise the set-aside requirements to at least 15% low income and 10% very low income.



**The Chair closed public comments.**

The Commission asked questions of staff which included the comparison of neighboring cities percentages.

**The Chair closed the Public Hearing.**

The Chair asked the Commission if they have any proposed language changes.

Vice Chair Toler spoke on his research using the [inclusionaryhousing.org](https://inclusionaryhousing.org) calculator. He stated based on his research he suggests 60 dwelling units per acre and a two-acre minimum threshold, and for set-aside percentage to go up as density increases.

Chair Erath asked for staff opinion on a sliding scale for affordability. Staff responded stating it was a consideration. However, it did not match with how the Zoning Code is currently structured. Staff stated if the Planning Commission recommend a sliding scale, staff would present it to council. Chair Erath asked staff if zoning code changes were considered to accommodate high density. Staff responded stating the focus of the Housing Element and future rezoning is to create those residential land use categories and to identify zones where staff can allow those higher density ranges in areas of the City where it is compatible.

Commissioner Zich provided his comments on the Ordinance. He stated he was against creating more rental opportunities and would rather the City focus on creating more ownership opportunities. He commented that he does not agree with having residents in the market rate units pay more in order to fund the development of affordable housing units. He stated the Ordinance as written will not get the City to its RHNA allocation numbers.

Commissioner Andrade stated she agreed with Vice Chair Toler's suggestion for a sliding scale. She referenced a letter the Planning Commission received from the Costa Mesa Affordable Housing Coalition letter and identifying areas for high density housing development. She asked staff to consider the areas identified.

Chair Erath stated he strongly supports the creation of property ownership opportunities in the City of Costa Mesa. He expressed his thoughts on the benefits of property ownership within the community vs. providing more rental opportunities. He suggested 10% and 5% set-aside distribution. He stated that he does not agree to mandating higher percentages because from his determination it would take the City further away from its goal.

Commissioner Zich continued his comments by expressing his concerns with the approval of this ordinance. He stated that he understands there was an immense amount of work that went into the creation of this ordinance. However, he doesn't feel like it is ready for council review.

Chair Ereth continued his comments by expressing his understanding on the reasons behind the creation of this ordinance. He stated it was a necessary component for the City to get to where it needs to be pursuant to the Housing Element requirements. He asked staff to provide insight on the California Department of Housing and Community Development (HCD) housing requirements stipulated in the City's Housing Element. Staff responded with information on the process and objective of HCD.

Vice Chair Toler continued his comments, stating he agreed with most of Commissioner Zich's remarks. He provided these proposed ordinance modifications for consideration: a project threshold of 60 dwelling units per acre and a two-acre minimum site size, set-aside percentage to go up as density increases with a caveat for vacant land, Measure K sites only, exemption for ownership development, exemption on developments that provided benefits to the community, and set aside requirements of 10% and 5%. He finished his comments by expressing his concerns for housing in Costa Mesa.

Chair Ereth made a motion. Seconded by Commissioner Toler.

The Commission discussed the motion including: a 60 plus dwelling units per acre and a two-acre site size minimum threshold, set aside requirements of 10% and 5% and ownership projects exempted.

Commissioner Andrade made a substitute motion. Seconded by Commissioner Vivar.

The Commission discussed the substitute motion including: a 15% and 10% set aside requirement, with the option to make changes if needed in the future, and to keep everything else in previous motion.

**MOVED/SECOND:** Andrade/Vivar

**MOTION:** To send the Draft Ordinance to City Council with Planning Commissions recommended changes.

The motion failed by the following roll call vote:

Ayes: Andrade, Rojas, Vivar

Nays: Ereth, Toler, Kelpack, Zich

Absent: None

Recused: None

Motion failed: 3-4

The Planning Commission then considered the original motion.

**MOVED/SECOND:** Ereth/Toler

**MOTION:** To send the Draft Ordinance to City Council with Planning Commissions recommended changes.

The motion carried by the following roll call vote:

Ayes: Ereth, Toler, Rojas, Kelpack, Vivar

Nays: Andrade, Zich

Absent: None  
Recused: None  
Motion carried: 5-2

**ACTION:** The Planning Commission recommended that the City Council adopt the draft ordinance with the following recommended changes: a project threshold of 60 plus dwelling units per acre and a two-acre minimum site size, 10% low-income and 5% very-low income set-aside, and exemption of ownership projects.

**RESOLUTION PC-2023-32 – A RESOLUTION RECOMMENDING THAT THE CITY COUNCIL GIVE FIRST READING TO AN ORDINANCE AMENDING TITLE 13 (PLANNING, ZONING, AND DEVELOPMENT) OF THE COSTA MESA MUNICIPAL CODE TO ESTABLISH AFFORDABLE HOUSING REQUIREMENTS FOR NEW RESIDENTIAL DEVELOPMENT PROJECTS**

The Chair called for a break at 10:21p.m.

The Chair called the meeting back into order at 10:33p.m.

**2. POTENTIAL ORDINANCE TO AMEND TITLE 13 (PLANNING, ZONING AND DEVELOPMENT) OF THE COSTA MESA MUNICIPAL CODE AND REQUISITE MODIFICATIONS REQUIRED IN TITLE 9 (BUSINESS LICENSES) FOR MODIFICATIONS TO THE CITY’S RETAIL CANNABIS PROVISIONS**

The Planning Commission recommendation to the City Council regarding a proposed code amendment that would modify Title 13 (Planning, Zoning, and Development) of the CMMC regarding the City’s retail cannabis provisions. The Planning Commission will also consider any requisite code modifications required in Title 9 (Business Licenses) that are specifically applicable to the City’s retail cannabis program.

**Environmental Determination:** The ordinance is exempt from the provisions of the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15061(b)(3) (General Rule).

No ex-parte communications

Michelle Halligan, Contract Planner, presented the staff report.

**The Chair reopened the Public Hearing.**

**The Chair opened Public Comment.**

Keith Shineburg spoke on his experience application process and asked that the Commission make exceptions to those already in the queue.

Speaker two stated he opposed the cap and restriction on the Cannabis Ordinance. He stated he believes in protecting small businesses. He expressed that he did not think it was fair to cut off those already in the queue. He believes that the City would benefit from the tax revenue generated from these businesses.

Speaker three expressed her concerns with the ordinance. She continued to express her concerns for those already in the queue and the money they have spent.

**The Chair closed public comment.**

**The chair closed the public hearing.**

The Commission asked questions of staff including discussion of:

**Allowing the word cannabis on signage:**

Commissioner Vivar commented that he does not support allowing the word "cannabis" on signage. He argued that a member of the public can easily look up dispensaries. He was concerned the word "cannabis" would create an image for the City that residents do not want.

Commissioner Rojas stated he agreed with Commissioner Vivar.

Chair Erath suggested an 8.5 X 11-inch sign that business can put on their door.

Commissioner Kelpack stated she agreed with the door signage. She expressed her concerns for not allowing the business to advertise their products.

Vice Chair asked staff for clarification on what was already allowed on the storefront signage. Staff responded stating that the business was only allowed to provide their name, and the word "cannabis" was not allowed on any signage.

Chair Erath asked staff what the standard text, symbol and sign size allowed on the storefront door. Staff responded by saying they were not given direction for symbols but sign size and text can be discussed by the Commission.

Commissioner Vivar asked staff if illuminated signs would be allowed. Staff responded by stating that it would only be storefront door signage.

Chair Erath commented that he only supports allowing the word "cannabis" on storefront doors.

Commissioner Zich stated he agreed with Commissioner Kelpack's statements in regards to allowing businesses to advertise their products with the word "cannabis".

Vice Chair Toler stated he was against the word "cannabis" on primary signs. He however supports the word cannabis on storefront doors.

Commissioner Andrade agreed with not allowing the word on primary signage and instead only allowing the word "cannabis" on storefront doors.

Chair Ereth asked if there was a standard lettering size for store front doors. Staff suggested allowing the text size the business would like with in a specific signage size.

The Chair asked the Commission by a show of hands of those who agree with allowing the word "cannabis" on the door only. All seven commissioners agreed to allow that word "cannabis" on storefront doors.

**Adding limitations to prohibit the marketing of cannabis and cannabis products to youth:**

Commissioner Zich referenced 26151 California Business Code. He believes that covers and protects against advertising to minors. He asked staff to elaborate on that code and asked about specific examples.

Commissioner Vivar asked staff if there was a State law that prohibits minors on advertisements. Staff responded stating that it is something that could be added to the code and is generally restricted pursuant to State cannabis law.

Commissioner Andrade suggested not allowing advertisements that were attractive to children and not allowing emojis.

The Chair asked the Commission for a show of hands of those who agree that advertising cannot contain a depiction of a person under 20 years of age consuming cannabis or cannabis products and that advertising is not to be attractive to youth. All seven Commissioners agreed to those advertising rules.

**Strengthening of labor peace agreement requirements for cannabis store fronts:**

Commissioner Zich commented that he liked the approach set forth in the staff report and asked staff whether they felt they needed to add anything in to the ordinance.

All seven of the Commissioners agreed that the existing regulations were sufficient.

**Establishing provisions for notification and relocation assistance for existing businesses that would be displaced by retail cannabis uses:**

Commissioner Vivar spoke on Caltrans requirements for relocation. He stated it would promote a healthy mix and balance for the city and supports adding language for relocation assistance.

Vice Chair Toler commented that he agreed with the sentiment of Commissioner Vivar. However, he questions whether adding that condition would be fair, consistent and logical based on not having that same condition for other uses.

Commissioner Zich stated that the City should not be undertaking the responsibility of how property owners and business owners negotiate their agreements.

Commissioner Klepack agreed with Commissioner Zich's statements.

Commissioner Vivar stated he agrees with the ideas that were expressed. However, believes that businesses where the landlord is not allowing a business to renew a lease in preparation for a cannabis business should provide relocation assistance.

Chair Erath commented that although business displacement has happened, several retail cannabis storefront property owners have provided assistance or compensating to those displaced out of their own good will. He stated he recognizes that there are disadvantages for some existing businesses to possibly be displaced by future applications; however, he is not in favor of adding this type of assistance to the ordinance.

Commissioner Andrade suggested adding language conditioning property owners to provide a notice to the business being displaced.

Commissioner Vivar stated that there are different requirements for year leases vs. month to month leases.

Chair Erath commented that property owners are at their own discretion to enter in and out of contracts.

The Chair asked the commission to raise their hands if they agree that no recommendation for notification or relocation assistance for business to be displaced shall be included with the revised ordinance. The majority of the commission agreed.

Commissioner Zich provided a list of issues he feels the council needs to address. The list included: the definition of a youth center, separation from youth centric businesses, adding separation from parks not just playgrounds, changing the process of evaluating existing nonconforming uses applying for a conditional use permit and adding a separation from group and recovery homes.

Chair Erath made a motion to continue the item to January 22, 2024. Seconded by Vice Chair Toler.

**MOVED/SECOND:** Ereth/Toler

**MOTION:** To continue the item to the January 22, 2024 Regular Planning Commission meeting.

The motion carried by the following roll call vote:

Ayes: Ereth, Toler, Andrade, Rojas, Kelpack, Vivar, Zich

Nays: None

Absent: None

Recused: None

Motion carried: 7-0

The Chair explained the appeal process.

**OLD BUSINESS:**

None.

**NEW BUSINESS:**

None.

**DEPARTMENTAL REPORTS**

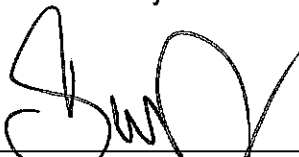
1. Public Works Report – None.
2. Development Services Report – None.

**CITY ATTORNEY'S OFFICE REPORT**

1. City Attorney – None.

**ADJOURNMENT AT 11:45 PM**

Submitted by:



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SCOTT DRAPKIN, SECRETARY  
COSTA MESA PLANNING COMMISSION

**RESOLUTION NO. PC-2023-31****A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA DENYING PLANNING APPLICATION 22-22 FOR A STOREFRONT RETAIL CANNABIS BUSINESS (EVLV HERBAL) WITH DELIVERY IN THE C2 ZONE AT 1858 NEWPORT BOULEVARD**

THE PLANNING COMMISSION OF THE CITY OF COSTA MESA, CALIFORNIA FINDS AND DECLARES AS FOLLOWS:

WHEREAS, in November 2020, the Costa Mesa voters approved Measure Q; which allows for storefront and non-storefront retail cannabis uses on commercially zoned properties meeting specific location requirements, and non-storefront retail cannabis uses on Industrial Park (MP) and Planned Development Industrial (PDI) zoned properties;

WHEREAS, on June 15, 2021, the City Council adopted Ordinance No. 21-08 and No. 21-09 to amend Titles 9 and 13 of the Costa Mesa Municipal Code (CMMC) to establish regulations for cannabis storefront and non-storefront uses;

WHEREAS, Planning Application 22-22 was filed by Mark Adams representing Evlv Herbal and authorized agent for the property owner, 1858 Newport Boulevard Trust, requesting approval of the following:

A Conditional Use Permit to operate a storefront retail and cannabis delivery business within an existing 2,280-square-foot commercial building located at 1858 Newport Boulevard. The business would sell pre-packaged cannabis and pre-packaged cannabis products directly to customers onsite and through delivery, subject to conditions of approval and other City and State requirements;

WHEREAS, a duly noticed public hearing was held by the Planning Commission on December 11, 2023 with all persons having the opportunity to speak for and against the proposal;

WHEREAS, pursuant to the California Environmental Quality Act (CEQA), the project is exempt from the provisions of the California Environmental Quality Act (CEQA) per Section 15301 (Class 1), for Existing Facilities, and Section 15270(a) for projects that a public agency rejects or disapproves; and

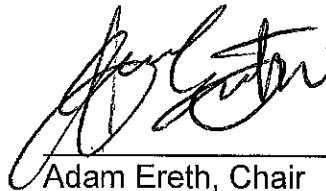
WHEREAS, the CEQA categorical exemption for this project reflects the independent judgement of the City of Costa Mesa.



NOW, THEREFORE, based on the evidence in the record and after considering public testimony, the Planning Commission hereby **DENIES** Planning Application 22-22 with respect to the property described above.

BE IT FURTHER RESOLVED that if any section, division, sentence, clause, phrase or portion of this resolution, or the document in the record in support of this resolution, are for any reason held to be invalid or unconstitutional by a decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions.

**PASSED AND ADOPTED this 11th day of December, 2023.**

A handwritten signature in black ink, appearing to read 'Adam Ereth', is written over a horizontal line.

Adam Ereth, Chair  
Costa Mesa Planning Commission

STATE OF CALIFORNIA )  
COUNTY OF ORANGE )ss  
CITY OF COSTA MESA )

I, Scott Drapkin, Secretary to the Planning Commission of the City of Costa Mesa, do hereby certify that the foregoing Resolution No. PC-2023-31 was passed and adopted at a regular meeting of the City of Costa Mesa Planning Commission held on December 11, 2023 by the following votes:

AYES: Ereth, Andrade, Rojas, Viviar

NOES: Toler, Klepack, Zich

ABSENT: None

ABSTAIN: None

  
\_\_\_\_\_  
Scott Drapkin, Secretary  
Costa Mesa Planning Commission

Resolution No. PC-2023-31

## EXHIBIT A

### FINDINGS

- A. Pursuant to CMMC Section 13-29(g), when granting an application for a conditional use permit, the reviewing authority shall find that the evidence presented in the administrative record substantially meets certain required findings. The Applicant failed to meet its' burden to demonstrate that the proposed project would comply with all of the requirements of Section 13-29(g)(2) and therefore the Planning Commission was unable to make the required findings to approve the proposed use for each and every reason set forth herein below:

**Finding:** *The proposed development or use is substantially compatible with developments in the same general area and would not be materially detrimental to other properties within the area.*

**Facts in Support of Findings for Denial:** The proposed use was found to be incompatible with the adjacent land uses and general area and be materially detrimental to other properties within the area in that the project proposes the operation of a cannabis retail storefront to be located adjacent to a cannabis storefront that is currently operating at 1854 Newport Boulevard, and adjacent to another cannabis storefront that was recently approved at 1860 Newport Boulevard. The Planning Commission believed that based on the concentration of the same type of commercial uses to be located within the same general area that the proposed use would conflict with the necessary mix and balance of commercial goods and services in consideration of the needs of the business community, as stipulated by the General Plan (Policy LU-1.1). Additionally, the Planning Commission believed that, based on the proposed concentration of similar uses, the proposed use would not "encourage a mix of land uses that maintain the City's long-term fiscal health (Policy LU-6.1), and would be fiscally materially detrimental to the adjacent commercial district.

**Finding:** *Granting the conditional use permit will not be materially detrimental to the health, safety and general welfare of the public or otherwise injurious to property or improvements within the immediate neighborhood.*

**Facts in Support of Finding for Denial:** The proposed cannabis retail storefront would be materially detrimental to the general welfare of the public and otherwise injurious to property or improvements within the immediate neighborhood in that based on the concentration of the same commercial uses to be located within the same general area that three adjacently located cannabis retail storefronts would result in an imbalanced and non-resilient commercial district.

**Finding:** *Granting the conditional use permit will not allow a use, density or intensity which is not in accordance with the general plan designation and any applicable specific plan for the property.*

**Facts in Support of Finding for Denial:** The General Plan Policy LU-1.1 generally stipulates that development should provide for a mix and balance of commercial goods and services in consideration of the needs of the business community. The proposed cannabis retail storefront would result in a use, density and intensity that is not in conformance with General Plan Policy LU-1.1 in that the project proposes the operation of a cannabis retail storefront to be located adjacent to a cannabis storefront that is currently operating at 1854 Newport Boulevard, and adjacent to another cannabis storefront that was recently approved at 1860 Newport Boulevard.

The Planning Commission believed that based on the proposed concentration of the same type of commercial uses to be located within the same general area that approval of the proposed retail storefront would conflict with the necessary mix and balance of commercial goods and services in consideration of the needs of the business community, as stipulated by the General Plan (Policy LU-1.1). Additionally, the Planning Commission believed that, based on the proposed concentration of similar uses, the proposed use would not “encourage a mix of land uses that maintain the City’s long-term fiscal health (Policy LU-6.1).

**From:** [PARTIDA, ANNA](#)  
**To:** [HALLIGAN, MICHELLE](#)  
**Subject:** FW: 1858 Newport Blvd  
**Date:** Friday, December 1, 2023 3:21:40 PM

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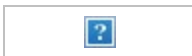
**From:** Daniel Morgan <daniel.morgan@marterraproperties.com>  
**Sent:** Friday, December 1, 2023 2:37 PM  
**To:** PC Public Comments <PCPublicComments@costamesaca.gov>  
**Subject:** 1858 Newport Blvd

Dear Planning Commission,

I am emailing you as a local business owner, resident, and parent. There is an absolute over-saturation of cannabis, especially on Newport Blvd. We have Nectar, Nice Guy, Culture, Secret Garden on Newport Blvd, and in very close proximity we have 420, SCSA and Catalyst. Our business (154 Broadway) and our neighbors have already been heavily impacted by the current Cannabis stores. I come to the office and find marijuana product trash in our yard on a nearly daily basis. We have a video of someone high out of their mind loitering and urinating on our property for hours in the middle of the night; just yesterday we had a man walking down the street high out of his mind in just his red underwear.

Every day, when I drive up and down the corridors of Costa Mesa, our kids ask about the brightly lit and decorated storefronts of various existing weed shops. We have more than enough as-is. It also seems that our staff is overloaded with Cannabis applications and is distracting from their ability to focus on more pertinent functions of our City, like approving more housing and other related building permits. Please vote no on this conditional use permit - it's literally 1 store away from an existing store.

**Daniel Morgan | Managing Principal**  
**Marterra Properties**  
154 Broadway, Costa Mesa, CA 92627  
T: (949) 413-0912  
[www.marterra.com](http://www.marterra.com)



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# LEX REX INSTITUTE

CONSTITUTIONAL ADVOCATES  
444 WEST OCEAN BOULEVARD, SUITE 1403  
LONG BEACH, CA 90802  
HTTP://WWW.LEXREX.ORG

ALEXANDER H. HABERBUSH, ESQ.  
DEBORAH L. PAULY, ESQ.

TELEPHONE (562) 435-9062  
FACSIMILE (562) 600-7570  
AHABERBUSH@LEXREX.ORG

December 5, 2023

*VIA EMAIL*

adam.ereth@costamesaca.gov  
russell.toler@costamesaca.gov

jon.zich@costamesaca.gov  
johnny.rojas@costamesaca.gov  
angely.vallarta@costamesaca.gov  
karen.klepack@costamesaca.gov  
jimmy.vivar@costamesaca.gov

**Re: Formal Objection to Proposed Conditional Use Permit (Reference No. PA-22-22) for Cannabis Retail Stores at 1858 Newport Blvd., Costa Mesa**

Dear Planning Commissioners,

I write to you as legal counsel representing concerned homeowners and business operators in the Eastside community of Costa Mesa, specifically regarding Reference No. PA-22-22. This communication serves as a formal objection to the proposed conditional use permit for the establishment of an additional cannabis retail store at 1858 Newport Blvd., a location situated at the crucial intersection of Newport and Broadway, directly across from the Triangle. My client has authorized me to appeal to City Council if the conditional use permit is approved.

In alignment with California land use and zoning laws, and as stipulated in the Costa Mesa Municipal Code, Chapter V (2023), it is imperative that any new development be substantially compatible with existing developments in the area and not materially detrimental to adjacent properties. The proposed plan, involving the establishment of three consecutive cannabis retail stores, fails to meet these critical criteria. This overconcentration significantly disrupts the diverse and balanced character of the Eastside Neighborhood, undermining the intended image for this key gateway area.

Telephone: (562) 435-9062 | 444 W. Ocean Blvd., Ste. 1403, Long Beach CA, 90802  
www.LexRex.org

To approve the permit, the this Commission must affirmatively find the following:

- A. The proposed development is substantially compatible with the developments in the same area and will not be materially detrimental to other properties.
- B. Granting the permit will not be materially detrimental to the public's health, safety, and welfare or injurious to property or improvements in the neighborhood.
- C. The permit will not allow a use, density, or intensity not in accordance with the general plan designation and applicable specific plan for the property.

None of these three criteria can be met.

**A. Compatibility with General Area Developments**

The proposed development of three consecutive cannabis retail stores at this location creates an overconcentration of similar businesses, fundamentally incompatible with the diverse and balanced character of the Eastside Neighborhood. This clustering of cannabis retailers disrupts the image and essence of a gateway to our community, disregarding the importance of maintaining a varied economic landscape. Moreover, the applicant has not conducted any outreach to neighbors, failing to gauge community understanding or address their concerns. This lack of engagement is a critical oversight in the planning process and speaks to the project's disconnect with community interests.

**B. Impact on Health, Safety, and General Welfare**

The effects of overconcentration of cannabis retailers are well-documented. Areas with a high density of cannabis businesses tend to experience increased rates of crime, including disturbances and public safety incidents. This places a considerable strain on local law enforcement resources and erodes the community's sense of security. Beyond the potential rise in crime, the overconcentration of these retailers leads to significant quality of life issues. The presence of multiple cannabis shops in close proximity causes increased traffic, noise, and loitering, thereby impacting the overall tranquility and residential nature of the neighborhood. Furthermore, the proliferation of cannabis retailers in such a concentrated area can deter potential homebuyers and investors, leading to a decline in property values. This not only affects individual homeowners but also has broader implications for the economic stability and attractiveness of the neighborhood.

**C. Inconsistency with General Plan Designation**

The establishment of three consecutive cannabis retail stores at this location is not in

accordance with the general plan designation, intensifying the area in a manner inconsistent with city planning. This overconcentration disrupts the intended balanced use of the area and the alley servicing the location is not equipped to handle the cumulative impacts of an additional store. The development, therefore, stands in direct conflict with the city's general plan and specific plans for the area, which are designed to ensure harmonious land use and community development.

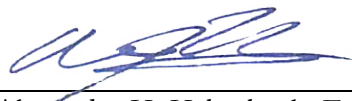
Moreover, the displacement of existing businesses for additional cannabis retail establishments, particularly in an area like the Eastside community, represents a detrimental shift in both the economic and social fabric of the neighborhood. This is contrary to the spirit of community development upheld by local and state regulations.

### **Conclusion**

In light of these concerns, it is clear that the proposed development under Reference No. PA-22-22 fails to meet the necessary criteria for the granting of a conditional use permit as stipulated by the Costa Mesa Municipal Code. We strongly urge the City Council to deny this application to preserve the integrity and welfare of the Eastside community. We trust that the Council will consider these points with the gravity they deserve and act in the best interests of the Costa Mesa community.

Very truly yours,

**LEX REX INSTITUTE**

By:   
\_\_\_\_\_  
Alexander H. Haberbush, Esq.



**Archived:** Thursday, December 7, 2023 12:11:34 PM

**From:** [PARTIDA, ANNA](#)

**Sent:** Wed, 6 Dec 2023 16:39:06

**To:** [HALLIGAN, MICHELLE](#)

**Subject:** FW: Project Support - Evolve Herbal, Newport Blvd. Costa Mesa

**Sensitivity:** Normal

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**From:** robert@landworksdevelopmentservices.com <robert@landworksdevelopmentservices.com>

**Sent:** Wednesday, December 6, 2023 3:33 PM

**To:** PC Public Comments <PCPublicComments@costamesaca.gov>

**Subject:** Project Support - Evolve Herbal, Newport Blvd. Costa Mesa

To whom it may concern,

I have been a residence of Costa Mesa and had a business in the city for close to 20 years and am in support of the approval of the application for this project.

Thank you,

Robert Lawrence

Landworks Development Services

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**Archived:** Thursday, December 7, 2023 12:11:35 PM

**From:** [PARTIDA, ANNA](#)

**Sent:** Wed, 6 Dec 2023 16:39:18

**To:** [HALLIGAN, MICHELLE](#)

**Subject:** FW: Mark Adams Support Letter

**Sensitivity:** Normal

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**From:** John <guardian66@protonmail.com>

**Sent:** Wednesday, December 6, 2023 3:59 PM

**To:** PC Public Comments <PCPublicComments@costamesaca.gov>

**Subject:** Mark Adams Support Letter

Dear Sir / Ma'am

I am writing to express my wholehearted support for the expansion project proposed by Evolv at 1858 Newport, Costa Mesa. Having been a patient of Mark Adams and his team since 2015, I have witnessed firsthand the positive impact of their services and am enthusiastic about the prospect of extending this support to a broader community.

Mark Adams is not just a business owner; he is a compassionate individual. Evolv is not based upon the recreational use of marijuana. Evolv ; unlike many other dispensaries employees folks who know the medication; and go above and beyond to help you with whatever ailment you're facing.

As a US Army Veteran of over 10 years and cancer survivor; I can say that Evolv and Mark have done more than I could ever repay them all for. They saved me. Mark created a business where you're not a number. This is why I have come to them exclusively for so long. I have personally seen the changes Evolv has made not only for their patients; but for the area they are currently in.

I'm one of many stories that Mark and Evolv have touched in the way they conduct business. Not only all of the therapeutic effects but the safety and the commitment to a safe environment Mark places on Evolv. I do not ever feel as though I am committing a crime in purchasing my medication. As I'm sure the individual reading this has felt.

The proposed expansion aligns with Mark's mission to create a safe and responsible environment that caters to a mature customer base and focuses on overall health and well-being. I believe that this expansion will enable him to reach more individuals in need of alternative and holistic solutions where otherwise they were too afraid or unable to make the trek to a reputable and safe business such as Mark and Evolv.

Mark's dedication to the community and his ability to provide high-quality, scientifically backed products make him a valuable asset. I sincerely hope that the Planning Department considers this recommendation and

supports the approval of Evolv Herbal's expansion project.

If you or any of your constituents have any questions about Mark Adam's proposal and my letter please contact me.

Very Respectfully,

John W Maletta.

[Guardian66@protonmail.com](mailto:Guardian66@protonmail.com)

Sent from [Proton Mail](#) for iOS

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**Archived:** Thursday, December 7, 2023 12:11:37 PM  
**From:** [PARTIDA, ANNA](#)  
**Sent:** Thu, 7 Dec 2023 08:41:29  
**To:** [HALLIGAN, MICHELLE](#)  
**Subject:** FW: 1858 Newport blvd cannabis retail  
**Sensitivity:** Normal

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**From:** Real Estate <careinvestor2002@gmail.com>  
**Sent:** Wednesday, December 6, 2023 6:00 PM  
**To:** PC Public Comments <PCPublicComments@costamesaca.gov>  
**Subject:** 1858 Newport blvd cannabis retail

How is it possible that this can be approved for a retail and delivery cannabis entrance??? Ingress and egress going two way in this residential alley??? Are you trying to have my kids ran over??? Seriously have some morals would you want to raise your family here? You're literally exposing my children to an unsafe environment.

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A concerned Costa Mesa resident,  
Chad Talbert

**Archived:** Thursday, December 7, 2023 12:11:38 PM

**From:** [PARTIDA, ANNA](#)

**Sent:** Wed, 6 Dec 2023 16:39:27

**To:** [HALLIGAN, MICHELLE](#)

**Subject:** FW: Evolv Herbal, LLC Ref. PA22-22 Mark Adams

**Sensitivity:** Normal

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**From:** denmarine@aol.com <denmarine@aol.com>

**Sent:** Wednesday, December 6, 2023 4:06 PM

**To:** PC Public Comments <PCPublicComments@costamesaca.gov>

**Subject:** Evolv Herbal, LLC Ref. PA22-22 Mark Adams

Mark Adams and his company has been a vital part of my wife's recovery from stage 3 breast cancer over the last 3 years, my wife Shelly is a disabled veteran and she choose not to use opiates for the pain and other pharmaceutical's loss of appetite while going through Chemo, radiation twice along with a hormone therapy over the last 3 years, My wife and I are very fortunate to discover Mark and his products that he tailored for her Cancer and recovery, he is an asset to any community seeking other avenues other than big Pharm.

Dennis Bastian

(562) 688-5942

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## HALLIGAN, MICHELLE

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**From:** PARTIDA, ANNA  
**Sent:** Thursday, December 7, 2023 11:29 AM  
**To:** HALLIGAN, MICHELLE  
**Subject:** FW: 1858 Newport Blvd. Costa Mesa

-----Original Message-----

From: Monica S. <monicasafarik@gmail.com>  
Sent: Thursday, December 7, 2023 11:15 AM  
To: PC Public Comments <PCPublicComments@costamesaca.gov>  
Subject: 1858 Newport Blvd. Costa Mesa

Dear Planning Department,

Our beautiful city of Costa Mesa already has a Motels saturation, we don't need to weave in the cannabis stores and increase the already high crime and homeless rates. If you drive on Newport Blvd at any time of day you can confirm my statement as the homeless and those under the influence of drugs and alcohol are laying on the sidewalk, littering and defecating on our streets and business lots.

I ask you to please spread out the locations of such stores where easy access is too detrimental to our streets. We already have too many stores selling the same type of products in our city.

Thankfully and respectfully,

Monica Safarik

Life is good 🍀

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## HALLIGAN, MICHELLE

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**From:** PARTIDA, ANNA  
**Sent:** Thursday, December 7, 2023 12:07 PM  
**To:** HALLIGAN, MICHELLE  
**Subject:** FW: Pot Shops

-----Original Message-----

From: patti kinsella <pakinsella@hotmail.com>  
Sent: Thursday, December 7, 2023 11:43 AM  
To: PC Public Comments <PCPublicComments@costamesaca.gov>  
Subject: Pot Shops

Why are so many Pot Shops being approved in Costa Mesa? It must be for the tax revenue.  
How sad that we will have more Pot Shops than Book Stores close by our homes and schools.

Regards,

Patricia

Sent from my iPhone

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**From:** Karen Torell Hoffman <ktorell@ca.rr.com>  
**Sent:** Thursday, December 7, 2023 2:49 PM  
**To:** PC Public Comments  
**Subject:** Over concentration of cannabis stores

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hello Commission Members,

Please block any further or pending Cannabis sales establishments on Newport Blvd. It appears two shops are already approved and in my estimation that is enough. I would not like to think that the only reason for businesses on the main drag through Costa Mesa is as a mecca for folks seeking Marijuana and other drug items. The map outlines a total of 4 stores in almost a row, that's total over-saturation!

Please do not approve any more than the two shops shown on the flyer I received from my neighbors.

Sincerely,

John P. Hoffman  
Karen Torell Hoffman  
249 Magnolia St. Costa Mesa, 92627

Costa Mesa, Eastside Home owners and Residents for over 55+ years

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**From:** Mary Gray <graycustom@aol.com>  
**Sent:** Thursday, December 7, 2023 2:05 PM  
**To:** PC Public Comments  
**Subject:** Please Deny Cannabis Store at Newport Blvd. Costa Mesa

Please Deny Cannabis Store at Newport Blvd. Costa Mesa

1848 Newport Blvd is the corner of my historical residential street Broadway. We already lost our donut shop.

Please Deny Cannabis Store at 1858 Newport Blvd. Costa Mesa.

I am honestly already shocked the city has allowed 2 Cannabis locations 1860 Newport Blvd and 1854 Newport Blvd. so close together.

We live on Broadway Street and would love to see the city be mindful of a family friendly walkable neighborhood for its residents.

Thank you for your consideration,

Mary Gray

231 Broadway

949-378-6260

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**PARTIDA, ANNA**

PH-4

**From:** Nolan Hopper <nolanhopper@yahoo.com>  
**Sent:** Friday, December 8, 2023 9:14 AM  
**To:** PC Public Comments  
**Subject:** Cannabis stores ...

As a veteran who needs medical marijuana i am thankful for the shops.

Why does Eastside Costa Mesa have to crap on everything that's not a restaurant? WHY IS IT OK FOR LIQUOR STORES AND BARS TO BE SIDE BY SIDE BY SIDEI?

WE NEED THESE STORES IN THE COMMUNITY. DONT STOP PROGRESS. STOP FEARING WHAT YOU DONT KNOW!

-Nolan H  
37 year resident

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**From:** Kylie Shockey <kyliemugg@gmail.com>  
**Sent:** Friday, December 8, 2023 9:38 AM  
**To:** PC Public Comments  
**Cc:** John Shockey  
**Subject:** Cannabis Store at 1858 Newport Blvd, Costa Mesa

Hello,

I'm writing about the cannabis store potentially opening at 1858 Newport Blvd in Costa Mesa. I am **AGAINST** the opening of this store. It will potentially increase crime to the area and is not the type of business we want in Costa Mesa. Since the cannabis store on the corner of Broadway and Newport Blvd has opened, we've seen an increase transient people on our street, and have had our front yard vandalized. We **DO NOT** want to see additional cannabis stores open on Newport Blvd.

Thank you,

Kylie Shockey

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**From:** Chris T Lambert <lambertchrist76@gmail.com>  
**Sent:** Friday, December 8, 2023 11:33 AM  
**To:** PC Public Comments  
**Subject:** 1858 Newport Blvd - Cannabis Store

Dear Members of the Planning Commission,

As a concerned resident of Costa Mesa, I would like to express my opposition to the cannabis retail stores expanding on Newport Blvd. There are already two approved shops on Newport Blvd and Broadway. We do not need more shops opening right next to each other. It'll cause too many traffic jams on a street that's already busy with parking concerns. It'll also ruin our reputation as a city and we'll be known as the city with a street strip of just cannabis shops. I don't understand why we need so many right next to each other. Generally, there wouldn't be four liquor stores neighboring each other or four bars right next to each other, so why is there going to be four cannabis shops right next to each other? They sell the same exact product! Please stop this increase of weed shops from happening on the same street!

Thank you,

Chris Lambert

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**From:** Donovan McNamer <mcnamerdonavan@gmail.com>  
**Sent:** Friday, December 8, 2023 12:38 PM  
**To:** PC Public Comments  
**Subject:** Cannabis Shop on Newport and Broadway

Dear Planning Commission Committee,

As an active member of the Costa Mesa community, I am deeply concerned about the proposed opening of the cannabis retail shops located on Newport Blvd and Broadway. I am not against opening cannabis retail stores in our city, but opening four shops right next to each other will not be a good look for our city. I cannot wrap my head around why there would be a plan to have four cannabis shops right next to each other. One or two cannabis shops next to each other is more than enough. We do not need to be known as a street that only accepts cannabis stores as a business. I've been a resident here for over 10 years and do not like the idea of our main street being taken over with cannabis shops opening right next to each other. Please retract this plan and put an end to this!

Regards,

Donavan McNamer

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**From:** Jime Chuck Neider <jcngolf@yahoo.com>  
**Sent:** Friday, December 8, 2023 1:53 PM  
**To:** PC Public Comments  
**Subject:** Deny Dispensary at 1858 Newport Blvd, Costa Mesa

Dear Planning Commission,

I am a concerned resident of Costa Mesa and I am urging you to reconsider the cannabis retail expansion on Newport Blvd and Broadway. I've seen cannabis shops opening in every corner, but this is on another level. The expansion plan on Newport Blvd does not make any sense because we already have one open. We do not need four cannabis shops right next to each other. It will cause a lot of traffic concerns and parking issues in our area. We already face high traffic concerns in our area, this will just add more issues along the way. Not to mention, they're selling the same products! We don't need more than two of these cannabis businesses right next to each other.

Please reject expanding more cannabis shops on Newport Blvd. I strongly believe that this will just create a bad image for our city.

Sincerely,  
Jim Neider

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**From:** Keith Cohen <pjsal13@yahoo.com>  
**Sent:** Friday, December 8, 2023 3:15 PM  
**To:** PC Public Comments  
**Subject:** Stop this opening! 1858 Newport Blvd Costa Mesa

Hello Planning Commission of Costa Mesa,

I was infuriated when I found out a new cannabis shop is planning to open without any outreach by applicant. I live very close to the cannabis store that's planning to open at 1858 Newport Blvd and I did not get a notice from the applicant that will be occupying this business. Why are the applicants not telling the surrounding residents of their future occupancy? This is outrageous and we need you to reconsider allowing this business to open. This will be causing so much stress to myself and the residents around this new store.

Please protect our community and deny this dispensary to open!

Best regards,  
Keith Cohen

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**From:** Marc Dorris <marcanineutube@gmail.com>  
**Sent:** Friday, December 8, 2023 4:55 PM  
**To:** PC Public Comments  
**Subject:** 1858 Newport Boulevard

Dear Planning Commission,

There are many concerns with the plan of opening four cannabis retail stores next to each other on Newport Blvd and Broadway. As a resident in this area, I am particularly concerned about traffic safety. To access the business parking, cars would have to drive towards the back and there's a very small/narrow alleyway. It's already hard to get in and out of this alleyway and adding more traffic flow will cause a great deal to the residents that need access to go home. This in turn will cause a dramatic change to our quality of life.

Another concern of mine are the pedestrians in our neighborhood. There's always residents walking around in the neighborhood. So when car traffic is heavily directed to where people generally walk it's a big concern of safety.

Please don't disrupt our quality of life by attracting traffic into our neighborhoods. We hope that you reconsider opening more cannabis shops in an area that already has a couple of shops existing. Please consider these shops elsewhere besides the neighborhood I'm residing in. By voicing our concerns, we hope you will oppose this plan of adding more cannabis shops.

Thank you,

Marc Dorris

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**From:** Karen Sas-Arnold <ksasarnold@gmail.com>  
**Sent:** Friday, December 8, 2023 6:54 PM  
**To:** PC Public Comments  
**Subject:** Deny - Cannabis Store @ 1858 Newport Blvd. Costa Mesa

Attention City Council:

We are totally against another Cannabis Store in our neighborhood. We are trying to understand why there are so many Cannabis Stores in a row down Newport Blvd! 1858 Newport Blvd would make three in a row ( 1860, 1854) with another pending at 1848 Newport Blvd. Four Cannabis Stores on Newport Blvd!! This is absolutely crazy! Is this what our City has become ....a destination for pot!!

Please do not let anymore Cannabis shops in our neighborhood.

Respectfully,

Fred & Karen Arnold  
279 E. 19th St  
Costa Mesa

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**From:** Kyllian Rue <ruekyllian@gmail.com>  
**Sent:** Friday, December 8, 2023 7:29 PM  
**To:** PC Public Comments  
**Subject:** Please reject this business from opening - 1858 Newport Blvd Costa Mesa

Dear Planning Commission Members,

This email is in regards to Cannabis Store 1858 Newport Blvd, Costa Mesa. I would like to voice my concerns towards this dispensary that's planning to open up. As a resident, I am hoping you will take our concerns into consideration and reject this opening.

We do not need another cannabis store opening next to each other. This will definitely cause traffic stops from people who are driving that's not from the area. Every time I drive on Newport Blvd, a lot of people are making sudden stops trying to find their destination already. Adding this cannabis shop on a full street will definitely cause more issues. This store will also cause major distractions for many drivers and affect many people who use this road as a commute to work.

I understand that recreational drugs are legal and have no problem with shops opening but please do not approve it for this area. It's already a challenge to drive on Newport Blvd already, don't add on more traffic and stress to the residents here. Please protect your residents and say NO to the opening of this shop.

Thank you for your time.

Best Regards,

Kyllian Rue

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**From:** Byron Wineke <byronwineke@gmail.com>  
**Sent:** Saturday, December 9, 2023 8:39 AM  
**To:** PC Public Comments  
**Subject:** Cannabis Store at 1858 Newport Blvd. Costa Mesa

To whom it may concern, I am a 58 year resident of Costa Mesa. I don,t believe there is a need for another cannabis dispensary in our city, and having 4 in such close proximity, is an overkill. We shouldn't become a center for this type of environment, as we are the rehab capital for Orange County. The city of Costa Mesa, can't possibly be desperate for revenues, and it should not allow another dispensary in the city. I stand completely against permitting another cannabis in the city, and this neighborhood in particular.

Thank you

Byron Wineke  
299 Broadway  
Costa Mesa  
Sent from my iPad

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**From:** Patricia Windsor <leanbeefpatty932@yahoo.com>  
**Sent:** Saturday, December 9, 2023 10:43 AM  
**To:** PC Public Comments  
**Subject:** Cannabis Store - Please reject this plan!

Dear Planning Commission Members,

Please stop the expansion of cannabis shops from happening! There's already a cannabis store on Newport Blvd and Broadway. We do not need a whole block to be filled with cannabis stores only! This will just attract the wrong idea for our city and disrupt the residents that will be affected by this expansion. Reject this plan of adding more shops on Newport Blvd, please!

Regards,  
Patricia Windsor

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**From:** Anne Newland <amnewlan@sbcglobal.net>  
**Sent:** Saturday, December 9, 2023 11:09 AM  
**To:** PC Public Comments  
**Subject:** Deny Cannabis store at 1858 Newport Blvd

I have been a resident of COSTA MESA since 1977 and I want to voice my concern about the excessive approval of cannabis stores in this city.

When I drive in and around COSTA MESA, the smell of cannabis being smoked by some other drivers is often noticeable, creating unsafe conditions on the roads, danger to pedestrians and drivers. When I walk in parks in Costa Mesa, same thing, some people are smoking cannabis everywhere. Is drinking alcohol allowed everywhere? I don't think so. But there is no control that I can see on smoking cannabis wherever they want to.

The city government may think it is going to get a lot of revenue from approving all these stores... But the problems stemming from having all of these stores is going to cost the city much more than the revenue they will produce ... Obviously, the city Council is unaware of the law of unintended consequences.

Just because 65% of voters approved opening cannabis stores in 2020 doesn't mean that the city should grant unlimited requests to open a multitude of these stores.

And I want to know who is voting to approve the cannabis stores so I can make sure never to vote for them. . They clearly do not have the best interest of COSTA MESA or COSTA MESA residents in mind.

Anne Newland

Sent from my iPad

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**From:** Clara King <cking82047@aol.com>  
**Sent:** Saturday, December 9, 2023 11:23 AM  
**To:** PC Public Comments  
**Subject:** Deny-Cannabis Store at 1858 Newport Blvd

As a resident of Costa Mesa I am writing to let you know of my concerns with regards to having too many cannabis dispensary stores located next to one another, the latest being the approval for another store currently proposed at 1858 Newport Blvd. I am not against having dispensaries, but feel that having two or more in the same general location may lead to too many people disrupting the general environment in the neighborhood that about the dispensaries.

Just as in any business, I wouldn't want to have the same type of store clustered together, but especially cannabis dispensaries where people may have a tendency to "hang around" the outside of the stores more than others. It's not an environment that residents would want who live nearby.

The dispensaries should be scattered throughout the city and not bunched in one area. Please consider the surrounding environment and the residents who live nearby and please take their concerns into consideration.

Clara King  
2139 Santa Ana Avenue  
Costa Mesa, CA 92627

Sent from my iPhone

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**From:** Malik Pacheco <angelsever5@proton.me>  
**Sent:** Saturday, December 9, 2023 12:02 PM  
**To:** PC Public Comments  
**Subject:** Dispensary/Weed store at 1858 Newport Blvd, Costa Mesa CA

Hello Planning Commission,

It is unbelievable that I have to voice my concerns about the expansion of cannabis shops on Newport Blvd and Broadway. There are already a couple of cannabis stores approved on the same street, we do not need one store right next to another that sells the same concept of products. As a resident in the area, I don't like that our city is promoting itself as a strip mall of just weed shops. Please stop this expansion from happening! Move these shops elsewhere and allow our streets to be filled with more family friendly businesses rather than a strip mall of marijuana businesses.

Best Regards,  
Malik Pecheko

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**From:** Marc Abelowitz <marcabelowitz@gmail.com>  
**Sent:** Saturday, December 9, 2023 4:38 PM  
**To:** PC Public Comments  
**Subject:** Weed Shop at 1858 Newport Blvd

To: Planning Commission

Please oppose adding more cannabis dispensary shops on Newport Blvd and Broadway. I am urging you to protect our community's image by not approving this plan. I've been living in Costa Mesa for over 20 years and this plan to increase more cannabis shops in the same block is probably the worst proposal I've seen living in this city. We do not need any more cannabis shops in this area. We already have one that's open and this is more than enough. Our reputation will be ruined if we allow these cannabis businesses to take over our whole block. If this happens, what will be next? Will the whole triangle square be converted to a cannabis only retail shopping center? Please don't turn our street and beautiful beach city into a recreational only street. Please diversify our block with more than just cannabis stores!

Sincerely,

Marc Abelowitz

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**From:** Connie Renfro <clrenfro@hotmail.com>  
**Sent:** Saturday, December 9, 2023 5:10 PM  
**To:** PC Public Comments  
**Subject:** Cannabis Store at 1858 Newport Blvd

I have been a resident of Costa Mesa since 1963 and have been dismayed at the changes I've seen in just the past few years, especially the proliferation of cannabis stores. The proposed concentration of three such stores side by side is disturbing, as it brings increased traffic and undesirable trade. The proposed area is surrounded by residents who have already been impacted by the stores already in business.

I urge you to deny the application.

Connie Renfro  
2139 Iris Pl  
Costa Mesa, CA 92627

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**From:** steve klaustermeier <klausto@att.net>  
**Sent:** Saturday, December 9, 2023 6:30 PM  
**To:** PC Public Comments  
**Subject:** Planning Action 22-22

We live in the house right behind the property at 1860, 1858, 1854. We had no say when the Nice Guys got their ok to move in. We have lived here 10+years & saw our beloved donut shop shut down & then a pot shop came. The only notice we got was a postcard from Nice Guys that said, "coming soon". We smell & have witnessed & taken photos of patrons smoking in the parking lot next to our house, even though they have "so-called security".

That said, we are good neighbors with the Jewelry store at 1860 since we moved in. We discussed the upcoming pot shop merger with their property and with the people that want to move in. The new tenants made it seem like no problem...lots of security...etc. It seemed like it might work ok, they promised 24-hour security, minimum lighting that won't shine in our windows & minimum traffic as they plan to have the front door on Newport Blvd. But it seems that even though they got the approval, it's moving super slow. This has been going on nearly a year. This was before the Nice Guys moved in. Now we are looking at 2 pot shops a 25+ yards away from each other.

Now we get another planning commission notice of another pot shop at the palm reader at 1858...3 shops all next to each other??? Wow...we really feel like we are in the Twilight Zone!

We think that this is getting out of hand with 3 stores on the main street through Costa Mesa. Not just locals but lots of visitors drive this corridor. We call this stretch of road from 19th to Harbor as "The Costa Mesa Strip"! What do you think the visitors will think about our city when they see this? I guess that the zoning laws seem to be the what's driving this decision & many of us think that the city may be on the take for some reason we can't understand. We think that the increased traffic in the alley with delivery service, more patrons smoking before they hit the road does not bode well. Our neighbors have a child...how will this affect her & her family going forward?

We are not political activists nor those that protest or disagree with everything for the principal. We are just really concerned about the safety of our little neighborhood & most importantly, our property value. Please tell me honestly, if you lived here, would you really agree to let this happen? I think not as you know what the impact will be for those of us in this neighborhood.

I hope you consider our words & think hard about what is right...thank you for listening.

Janis Bromberg  
Steve Klaustermeier  
115 Flower St.  
Costa Mesa, CA  
949.646.7025  
klausto@att.net

**From:** Moe Althani <summitseven82@outlook.com>  
**Sent:** Sunday, December 10, 2023 8:30 AM  
**To:** PC Public Comments  
**Subject:** NO MORE CANNABIS SHOPS!

Hello Planning Commission,

This email is about a dispensary that's planning to open at 1858 Newport Blvd in Costa Mesa. Newport Blvd is already a very busy street. I am pleading with you to stop the expansion of cannabis stores in this area that already has an existing cannabis store and another that's been approved. We do not need any more shops added to this particular area! Traffic and parking are already horrible in this area, having four cannabis stores in a row does not resolve anything but cause more issues. We do not need to be known as a city with a whole street dedicated to weed shops.

Please hear my concerns and take it in to consideration. STOP the expansion of cannabis retail shops on Newport Blvd!

-Moe Althani

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**From:** Lilia Wilkes <wilkeslilia@gmail.com>  
**Sent:** Sunday, December 10, 2023 1:49 PM  
**To:** PC Public Comments  
**Subject:** Fwd: Deny cannabis store at 1858 Newport Blvd.

City Planning Commission,

I agree with the rest of my neighbors that three retail cannabis shops and perhaps four are too many to have within a two block area. There is no reason to have "high density" location cannabis shops at all. Unless, of course, it's for the tax revenues for the City. But for those who will purchase cannabis, the City will get that one way or another. Please deny this cannabis store at 1858 Newport Blvd. and any other applicant within a three block area on Newport Blvd. No one needs more than one retail cannabis shop per City block.

Lilia V. Wilkes

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**From:** Britta Doostmard <brittalynn87@gmail.com>  
**Sent:** Sunday, December 10, 2023 8:45 AM  
**To:** PC Public Comments  
**Subject:** Cannabis store - proposed at 1858 Newport Blvd.

Hi there,

I'm writing to express my concern over how many cannabis stores are popping up in Costa Mesa. I'm 100% okay with a couple of them but all the sudden it seems they're everywhere along Newport Blvd. and surely we don't need 3-4 all in a row? We live in Eastside with our school aged children and also own a rental in the same area. I'm very concerned about the safety of Costa Mesa. I don't think this is the image the city is trying to pursue and I doubt it's helping our property values either. Please consider the families of Costa Mesa when you make your decisions on these approvals. I would love to see more family friendly small-businesses in their place. Thank you!

Best,  
Britta Doostmard

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**From:** Barbara Les <barbarales@aol.com>  
**Sent:** Sunday, December 10, 2023 3:04 PM  
**To:** PC Public Comments  
**Subject:** stop the proliferation of retail cannabis

With few restrictions for retail cannabis place in Costa Mesa our city will sadly decline. Look at the few other cities in Orange County that approved retail cannabis: Santa Ana, Fullerton and La Habra. All have more strict restrictions for the number of, location and size. Why take a beautiful family oriented city like Costa Mesa and CRAM so many retail cannabis stores inside the city limits? For the license fees? PLEASE reconsider this decision and don't say this is what the voters wanted b/c it truly is not the case.

I have been in front of you before on this topic. Planning commission points the finger at the city council and in turn they point to the voters. There are too many, too concentrated and besmirch the character of our city. Barbara Les

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**From:** Michelle West <mwest@robinsonfirm.com>  
**Sent:** Sunday, December 10, 2023 5:10 PM  
**To:** PC Public Comments  
**Subject:** DENY CANNABIS STORE at 1858 Newport Blvd., Costa Mesa

I am a long-time resident of Orange County and a lawyer in Newport Beach. In Costa Mesa, we have a lot of drug-addicted homeless people wandering the streets, engaging in property crimes and urinating and doing drugs on the sidewalk on Newport Blvd.

I understand that weed dispensaries do not necessarily mean that these people will frequent these business and I understand that these are legal businesses. I also know, from doing litigation for 20 years, that these businesses have security issues. I do not want 4 week dispensaries within 2 blocks of my house with the already problematic homeless and drug-addict situation in the area and with the lack of law enforcement addressing this. I do not see the need for so many cannabis dispensaries right next to each other in this area. Why? What is the need? There are plenty of dispensaries everywhere. I know that these businesses will increase crime, increase the number of homeless loitering and hanging out in the area and will only increase crime and bring down home values in the area.

This entire area will become a garbage dump and it is not fair to the schools in the area, the reputable establishments in the area and the homeowners.

Please STOP ALLOWING ALL THESE CANNABIS DISPENSARIES.

*Michelle M. West, Esq.*

*Partner*

**ROBINSON CALCAGNIE, INC.**

19 Corporate Plaza Drive  
Newport Beach, CA 92660

Tel: (949) 720-1288

Fax: (949) 720-1292

[mwest@robinsonfirm.com](mailto:mwest@robinsonfirm.com)

[www.robinsonfirm.com](http://www.robinsonfirm.com)

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**PARTIDA, ANNA**

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PH-4

**From:** Lupe Cleavinger <lupecleavinger@sbcglobal.net>  
**Sent:** Sunday, December 10, 2023 10:36 PM  
**To:** PC Public Comments  
**Subject:** Deny Pot Shop At 1858 Newport Blvd

Enough is enough! No more cannabis stores in our saturated city. We live in the 200 block of Broadway and we already have a cannabis store on our street at Newport and 17th nearby.

Sent from MRC's iPhone :0)

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**From:** Thien Pham <tphamoc@gmail.com>  
**Sent:** Sunday, December 10, 2023 10:59 PM  
**To:** PC Public Comments  
**Subject:** Broadway/Newport Blvd - Deny Weed Shop trying to open

Planning Commission,

Its very concerning to hear that there is a plan in place to add more weed shops next to my house. I feel like the two stores are more then enough. We already have one open on Broadway/Newport Blvd and one approved to be open. Why is there a plan to open two more shops in the same exact vicinity, literally right next door to each other?! My concern is the increase in crime rates it'll bring to our city. It might attract the wrong clients to our neighborhood. I hope that you would reconsider this plan to open more weed shops. Please reach out to me if you have any questions.

Thien Pham

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**From:** Sofia Lopez <lopez.sofia8020@gmail.com>  
**Sent:** Monday, December 11, 2023 9:15 AM  
**To:** PC Public Comments  
**Subject:** Tienda de Cannabis 1858 Newport Blvd Costa Mesa

Hola Comisión de Planificación,

Hay una tienda de cannabis que planea abrir en 1858 Newport Blvd en Costa Mesa. No hubo comunicación del solicitante indicando que se abrirá una tienda de cannabis. ¿Por qué abren tantas tiendas de cannabis en la misma cuadra? ¿Puedes hacer algo al respecto y negar su plan de abrir una tienda? No queremos que nuestro barrio esté lleno de tiendas de cannabis.

Gracias,  
Sofia Lopez

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**From:** Monika Vu <mrsmonikavu@gmail.com>  
**Sent:** Monday, December 11, 2023 9:31 AM  
**To:** PC Public Comments  
**Subject:** DENY Cannabis Store at 1858 Newport Blvd, Costa Mesa

Dear Planning Commission,

I urge you to DENY permitting the cannibas dispensary located at 1858 Newport Blvd, Costa Mesa.

I live on Broadway street and I strongly believe that having this many dispensaries especially right up against a residential neighborhood is a really bad idea.

I am not against cannabis, but I believe that dispensary locations should be away from neighborhoods. Just like I am not against alcohol, I certainly would not want a liquor store, nor 4 liquor stores side by side to be down the street from my house. EastSide Costa Mesa is a beautiful neighborhood and having 4 cannabis stores doesn't send a good message that we are a family friendly neighborhood that we have all worked so hard to create. I don't even want to walk down the street so my baby boy can avoid seeing it.

I have seen firsthand the crowd that has been drawn to the Mr. Guy dispensary located next door and it concerns me to have more as I have personally seen strange crowds increase there as well as drunk people from the bars heading there as well. The biggest concern is increased crime. Crime has already increased significantly in our area and we don't know yet how much crime can increase as a result of this. Please don't let it be too late and then we have to fix the problem later or worse that my family and neighbors have to move. If you want to approve a permit then please make it in an area without homes like High Seas on the other side of Triangle Square.

Adding these dispensaries would only make more of us in the neighborhood not want to bring business to Triangle Square as a result since we have seen strange crowds hanging outside these dispensaries. Please think twice and don't approve the permits.

Thank you,  
Monika Vu

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**From:** Kathryn Rollins <plumblines@hotmail.com>  
**Sent:** Monday, December 11, 2023 11:27 AM  
**To:** PC Public Comments  
**Subject:** Cannabis Store at 1858 Newport Blvd, Costa Mesa - DENY

To whom it may concern,

I understand the tax dollars a cannabis store bring may be enticing to the City of Costa Mesa. But, I'm asking as a concerned parent and long time homeowner of Eastside Costa Mesa that we not approve another store. We have Catalyst, Mr Nice Guy and Nector. We don't need more.

It's not good for the safety of our community, for our kids or for the positive growth of this City. It's not happening in Newport Beach or in Corona del Mar.

Thank you,  
Kathryn

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**From:** Harper williams <williams.harper4@yahoo.com>  
**Sent:** Monday, December 11, 2023 11:33 AM  
**To:** PC Public Comments  
**Subject:** STOP/REJECT Cannabis Companies from taking over our city! - 1858 Newport Blvd

Hi Planning Commission Members,

Please do not approve this new cannabis store (1858 Newport Blvd, Costa Mesa CA) that's trying to open. We do not need another marijuana shop next door to each other or saturating our neighborhood. Do not let them overtake our peaceful neighborhood. This is getting out of control, and we need you to reject this plan!

Regards,  
Harper Williams

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**PARTIDA, ANNA**

PH-4

**From:** Sully JW <8manzanilla76.12@gmail.com>  
**Sent:** Monday, December 11, 2023 11:48 AM  
**To:** PC Public Comments  
**Subject:** Address to DENY : Cannabis Store 1858 Newport Blvd , Costa Mesa

Attention: Planning Commission of Costa Mesa

December 11, 2023

To Whom It May Concern:

I am a longtime resident of Eastside Costa Mesa and am writing in reference to the proposed Cannabis Store at 1858 Newport Blvd., Costa Mesa.

I implore the planning commission to DENY this cannabis store be opened at this address, or anywhere in Eastside Costa Mesa. I have no interest in drugs being sold and distributed in my neighborhood. There are already TWO approved cannabis shops within a few blocks of one another - one at 1854 Newport Blvd which is open, and another at 1860 Newport Blvd - which is approved. There is a FOURTH cannabis shop pending at 1848 Newport Blvd. This is excessive, unnecessary and potentially unsafe for residents. I am also not interested in diminishing my property value.

As a concerned resident I am not interested in Eastside Costa Mesa becoming a gateway for drug distribution and the clientele and traffic it will attract in my neighborhood. This is a family friendly area, that has up until now been safe. I URGE THE PLANNING COMMISSION TO DENY approval for the CANNABIS store at 1858 Newport Blvd. in Costa Mesa.

Sincerely,

Sully Jacome  
Walnut St., Costa Mesa

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**PARTIDA, ANNA**

PH-4

**From:** W Lewis <woodcowoodie@gmail.com>  
**Sent:** Monday, December 11, 2023 11:52 AM  
**To:** PC Public Comments  
**Subject:** Pa-22-22

I own 126 Broadway and 130 Broadway and I oppose the pot shop at 1858 Newport Blvd. Glenda Lewis

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**From:** Stephanie.abel808 <Stephanie.abel808@proton.me>  
**Sent:** Monday, December 11, 2023 12:01 PM  
**To:** PC Public Comments  
**Subject:** STOP THIS PLAN FROM GETTING APPROVED!!!!

Stop the opening of 1858 Newport Blvd in Costa Mesa. What have our city become? I feel like greed is taking over if you're allowing more weed shops to open in an area that has weed shops. Stop this opening from happening! It's insane why this is even a plan in place

Stephanie Abel

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# CITY OF COSTA MESA

## Agenda Report

77 Fair Drive  
Costa Mesa, CA 92626

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**File #:** 24-045

**Meeting Date:** 2/20/2024

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**TITLE:**

**CITY OF COSTA MESA, COSTA MESA FINANCING AUTHORITY, AND COSTA MESA HOUSING AUTHORITY FINANCIAL STATEMENTS, AND HOUSING SUCCESSOR ANNUAL REPORT FOR THE PERIOD ENDING JUNE 30, 2023.**

**DEPARTMENT:** FINANCE DEPARTMENT

**PRESENTED BY:** CAROL MOLINA, FINANCE DIRECTOR

**CONTACT INFORMATION:** CAROL MOLINA, FINANCE DIRECTOR, (714) 754-5243

**RECOMMENDATION:**

1. Staff recommends the City Council receive and file the following reports for the fiscal year ended June 30, 2023:
  - a. Annual Comprehensive Financial Report (ACFR) (Attachment 1).
  - b. Air Quality Improvement Fund Compliance Report (Attachment 2).
  - c. Audit Communication Letter (Attachment 3).
  - d. Independent Accountant's Report on Agreed-Upon Procedures Applied to Appropriation Limit Worksheets (Attachment 4).
2. Staff recommends the City Council and Costa Mesa Financing Authority receive and file the Costa Mesa Financing Authority audited financial statements for the fiscal year ended June 30, 2023 (Attachment 5).
3. Staff recommends the City Council and Housing Authority receive and file the following reports for the fiscal year ended June 30, 2023:
  - a. Independent Financial Audit of the Costa Mesa Housing Authority, including the Low and Moderate Income Housing Asset Fund (Attachment 6); and
  - b. The Fiscal Year 2022-23 Housing Successor Annual Report prepared under the California Health and Safety Code Section 34176.1 as the housing successor and Section 34328 as a housing authority (Attachment 7).

**BACKGROUND:**

Federal Single Audit guidelines require a recipient of federal funds to have an independent annual financial audit and compliance audit of the federal programs. As such, the City has retained an independent public accounting firm of licensed certified public accountants, Davis Farr LLP, to complete an audit of the City's financial records. The goal of the financial statement audit is to

provide users with reasonable assurance from an independent source that the information presented in the financial statements is reliable and free of material misstatements. All the financial reports received unmodified opinions from Davis Farr LLP signifying that, without exception, the financial statements fairly present in all material respects the financial position of the City.

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)**

The ACFR is an audited summary report of the financial transactions of the City for Fiscal Year 2022-23. The report is presented to the City Council and designed to provide summary financial information.

The financial statements were prepared in conformity with generally accepted accounting principles (GAAP) as set by the Governmental Accounting Standards Board (GASB). The specific financial documents on which the auditor expresses an opinion include (1) the financial statements, and (2) notes to the basic financial statements, which include required supplementary information. These documents, along with the auditor's opinion letter and management's discussion and analysis, form the core of the ACFR. The additional documents within the ACFR include: the letter of transmittal jointly from the City Manager and Finance Director, the combining and individual fund statements, and a supplemental statistical section presenting detailed information to assist the reader in assessing the economic condition of the City.

The City's audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Such audits utilize sampling of data, inquiries of staff and management, testing of procedures and transactions, confirmation with outside parties, checking of certain internal files and documents, review of meeting minutes, specialized audit checklists, and numerous other accounting techniques. The auditors also considered the City's internal controls in determining what procedures to use and the size of samples to be selected and reviewed. In their report, the auditors indicated that the financial statements were free of material misstatements and all significant transactions were recognized in the proper period.

## **AIR QUALITY IMPROVEMENT FUND COMPLIANCE REPORT**

Assembly Bill 2766 (AB2766) authorized the South Coast Air Quality Management District (SCAQMD) to impose an annual vehicle registration fee and to distribute a portion of that revenue to all local jurisdictions within the South Coast Air Basin. These revenues are to be used solely to reduce air pollution from motor vehicles by implementing new programs and studies necessary for the implementation of the California Clean Air Act. The City's Air Quality Improvement Fund accounts for the use of these funds received from SCAQMD. The Air Quality Improvement Fund Compliance Report received an unmodified (clean) audit opinion.

## **AUDIT COMMUNICATION LETTER**

Audit clarity standards (AU-C) Section 260 requires defined and documented communications between the auditors and the City Council or Audit Committee. This letter provides an opportunity for the auditors to report on any difficulties or major concerns discovered during the audit and explain their role. They provide commentary on management's responsibilities for accounting policies, and they state that no significant difficulties were encountered in performing the audit, and no

disagreements occurred with management.

## **INDEPENDENT ACCOUNTANT'S REPORT ON AGREED-UPON PROCEDURES APPLIED TO APPROPRIATION LIMIT WORKSHEETS**

Section 1.5 of Article XIII B of the California Constitution requires that the City follow the procedures agreed upon by the State of California and the League of California Cities (as presented in the League publication entitled "Article XIII B Appropriations Limitation Uniform Guidelines") to determine the annual appropriations limit (known as the Gann Limit), which sets forth the maximum amount of special tax revenues an agency is allowed to spend. The auditors perform an "Agreed-Upon Procedure" where they recalculate the Gann Limit. They determined that the City has correctly calculated the Gann Limit.

## **COSTA MESA PUBLIC FINANCING AUTHORITY FINANCIAL STATEMENTS**

The Costa Mesa Public Financing Authority was created by a joint powers agreement between the City of Costa Mesa and the former Costa Mesa Redevelopment Agency, dated August 20, 1990, to provide financing for capital improvements, acquisition of capital improvements, and the purchase of local obligations. With the payoff of the Series 2006A Revenue Refunding Bonds in FY 2021/22 and no remaining principal balance, there was no necessity for financial statements in FY 2022/23.

## **COSTA MESA FINANCING AUTHORITY FINANCIAL STATEMENTS**

The Costa Mesa Financing Authority was created by a joint powers agreement between the City of Costa Mesa and the Costa Mesa Housing Authority, dated August 1, 2017. It was created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California to provide financing for capital improvements, acquisition of capital improvements, and the purchase of local obligations. Davis Farr LLP completed an audit of the Costa Mesa Financing Authority's (a component unit of the City of Costa Mesa) financial statements and the related notes to the financial statements.

## **COSTA MESA HOUSING AUTHORITY FINANCIAL STATEMENTS AND HOUSING SUCCESSOR ANNUAL REPORT**

On January 17, 2012, under the California Housing Authorities Law (HAL), Health and Safety Code (HSC) Section 34200, et seq., the City Council established the Costa Mesa Housing Authority (Housing Authority). Also on that date, the City Council selected the Housing Authority to be the housing successor and, as of February 1, 2012, to assume the housing assets, duties, functions, and obligations of the former Costa Mesa Redevelopment Agency (Former Agency). These actions occurred as a result of the dissolution of the Former Agency under Assembly Bill x1 26, the California Supreme Court's decision in California Redevelopment Association v. Matosantos, Assembly Bill 1484, and other subsequent dissolution legislation (together, "Dissolution Law"), which laws regulate the administration of successor agencies and housing successors due to the dissolution of all California redevelopment agencies. Further, under Section 34328 of the HAL, the Housing Authority also prepares and presents an annual report on its activities for the preceding year.

Under Section 34176, added by AB x1 26 and amended by AB 1484, the State Department of Finance (DOF) issued a decision letter in January 2013 that confirms the Housing Authority holds all

affordable housing assets of the Former Agency as listed in a Housing Asset Transfer schedule prepared by the Housing Authority and submitted to the DOF prior to August 1, 2012. Since dissolution, all housing assets are held and administered by the Housing Authority in the Low to Moderate Income Housing Asset Fund (LMIHAF) under the Dissolution Law, as per Sections 34176 and 34176.1. Under Section 34176.1(f), the Housing Successor is required to conduct an independent financial audit of LMIHAF and prepare an annual report for each fiscal year, and provide such reports to the governing body, within six months after the end of the fiscal year.

From inception, the Housing Authority's primary function had been to serve as the Housing Successor to the former Agency. Beginning in Fiscal Year (FY) 2018-19, the Housing Authority expanded services beyond the scope of LMIHAF by consolidating the City's existing homeless outreach program and establishing a new bridge shelter operation for homeless individuals.

### **ANALYSIS:**

Based on the results of their audit, Davis Farr LLP provided the City with an unmodified opinion on the financial statements, which indicates that the City's financial statements are free of material misstatements and are in accordance with GAAP. This is the best and highest audit opinion the City could receive.

### **GENERAL FUND FINANCIAL RESULTS**

FY 2022-23 General Fund revenues (before transfers) totaled \$177.6 million, an increase of \$11.9 million over the prior fiscal year. Summary is as follows:

- Property tax increased by \$4.4 million due to a strong housing market and an increase in overall property assessed valuations.
- Sales tax revenue increased by \$2.5 million compared to last fiscal year. This is due to strong job numbers and low unemployment rates which allowed consumption spending to remain solid.
- Transient occupancy tax (hotel tax) increased by \$1.5 million over the prior fiscal year due to increased room rates and a steady increase in travel and tourism.
- Other miscellaneous revenues increased by \$3.5 million of which \$1.5 million was from ambulance fees and other charges for services.

General Fund expenditures (before transfers) totaled \$149.8 million, approximately \$1.6 million below the budget. General Fund transfers-out totaled \$26.5 million and included \$9.4 million to the Capital Improvements Fund for capital improvement projects and the transfer for the 5% Capital Assets Needs (CAN) Ordinance; \$2.8 million to the Financing Authority Debt Service Fund for bond debt service payments; \$4.0 million to the Housing Authority for the homeless shelter and related program costs and the Housing Element and Visioning, of which \$1.6 million was for the homeless program; and \$6.2 million to the Internal Service Funds for various equipment, technology and vehicle purchases as well as a true-up per the City's Information Technology Needs Ordinance.

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**GENERAL FUND - FUND BALANCE**

The General Fund's fund balance increased by \$1.3 million. General Fund expenditures totaled \$149.8 million, which was an increase of \$9.8 million compared to last fiscal year; however, this was offset by \$177.6 million in General Fund revenues, an increase of \$11.9 million compared to last fiscal year.

As of June 30, 2023, the City has \$25.1 million committed for declared disasters, self-insurance, and economic uncertainty; \$14.4 million assigned for compensated absences, Police Retirement 1% Supplemental Plan, workers compensation claims, facilities reserve, strategic plan projects, prepaid items, and inventory; \$3.2 million for the Section 115 Trust for post-retirement benefits; and \$16.3 million in unassigned fund balance for a total of \$59.0 million.

**STATEMENT OF NET POSITION**Change in Net Position

On June 30, 2023, the Statement of Net Position which is in essence the City's overall balance sheet, and reflects the City's total assets and liabilities on an All Funds basis, reflects a positive \$59.3 million increase. This is primarily due to the deferred outflows and inflows of resources related to pension and other post-employment benefits (OPEB) liabilities.

Pensions and Retiree Medical Liabilities

The City's net pension liability increased by \$102.8 million to \$332.4 primarily due to CalPERS' rate of return earnings of -6.1% 2022. Three of the City's four pension plans are administered by CalPERS. The Police 1% Supplemental Plan is administered by the City and is paid on a pay-as-you-go basis.

In addition, FY 2022-23 is the sixth year the City is required to record the OPEB net liability on its financial statements, similar to the pension liability above. The City's net OPEB liability decreased by \$13.9 million to \$52.4 million due to changes in the discount rate. This plan is administered by the City and is paid to retirees on a pay-as-you-go basis.

**COSTA MESA FINANCING AUTHORITY FINANCIAL STATEMENTS**

The Financing Authority received an unmodified opinion from the auditors, Davis Farr LLP. This is the highest and cleanest attestation report given by independent auditors. The reports that deal with compliance information also received unmodified opinions and no findings were noted.

In Fiscal Year 2022-23, the Financing Authority continued to support debt service payments for the 2017 Lease Revenue Bonds, which were originally issued in October 2017 to fund the Donald Dungan Library, Norma Hertzog Neighborhood Community Center and Lions Park projects; and to advance the refund of the 2007 Certificates of Participation. On June 30, 2023, the 2017 bonds outstanding principal was \$21.3 million.

**COSTA MESA HOUSING AUTHORITY FINANCIAL STATEMENTS AND HOUSING SUCCESSOR ANNUAL REPORT**

An audit of the Housing Authority's financial activities, consisting of the LMIHAF activities and

homeless assistance programs, was completed as part of the City's overall financial audit by an independent certified public accounting firm, Davis Farr, LLP. The Housing Authority received an unmodified opinion. This is the highest attestation report given by independent auditors. The reports that deal with compliance information also received unmodified opinions with no findings. The audit results are incorporated as part of the City's Annual Comprehensive Financial Report (ACFR). The section in the City's audit/ACFR relating to the LMIHAF Audit is entitled: *Costa Mesa Housing Authority (A Component Unit of the City of Costa Mesa) Financial Statements Year ended June 30, 2023* (Attachment 6).

In FY 2022-23, the Housing Authority received approximately \$3.8 million in revenues and incurred \$4.3 million in expenditures. The General Fund provided a budgeted \$4.0 million transfer to the homeless outreach, bridge shelter programs, and the Housing Element and Visioning, which includes \$1.6 million for the homeless program. At June 30, 2023, the Housing Authority's available fund balance was \$8.3 million, all of which is restricted.

#### **ALTERNATIVES:**

Not applicable. The reports are for receive and file purposes.

#### **FISCAL REVIEW:**

There is no fiscal impact associated with receiving and filing the reports.

#### **LEGAL REVIEW:**

The City Attorney's Office has approved this report and approves it as to form.

#### **CITY COUNCIL GOALS AND PRIORITIES:**

This item supports the following City Council Goal:

- Achieve Long-Term Fiscal Sustainability

#### **CONCLUSION:**

1. Staff recommends the City Council receive and file the following reports for the fiscal year ended June 30, 2023:
  - a. Annual Comprehensive Financial Report (ACFR) (Attachment 1);
  - b. Air Quality Improvement Fund Compliance Report (Attachment 2);
  - c. Audit Communication Letter (Attachment 3); and
  - d. Independent Accountant's Report on Agreed-Upon Procedures Applied to Appropriation Limit Worksheets (Attachment 4).
2. Staff recommends the City Council and Costa Mesa Financing Authority receive and file the Costa Mesa Financing Authority audited financial statements for the fiscal year ended June 30, 2023 (Attachment 5).

3. Staff recommends the City Council and Housing Authority receive and file the following reports for the fiscal year ended June 30, 2023:
  - a. Independent Financial Audit of the Costa Mesa Housing Authority, including the Low and Moderate Income Housing Asset Fund (Attachment 6); and
  - b. The Fiscal Year 2022-23 Housing Successor Annual Report prepared under the California Health and Safety Code Section 34176.1 as the housing successor and Section 34328 as a housing authority (Attachment 7).



City Of Costa Mesa, California

# Annual Comprehensive Financial Report

FISCAL  
YEAR ENDED  
JUNE 30, 2023

**CITY OF COSTA MESA, CALIFORNIA**  
**Annual Comprehensive Financial Report**  
**Year ended June 30, 2023**

Prepared by: Finance  
Department

[www.costamesaca.gov](http://www.costamesaca.gov)

CITY OF COSTA MESA, CALIFORNIA  
Annual Comprehensive Financial Report  
Year ended June 30, 2023

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ANNUAL COMPREHENSIVE  
**FINANCIAL REPORT**  
INTRODUCTORY SECTION





# CITY OF COSTA MESA

77 FAIR DRIVE, P.O. BOX 1200, COSTA MESA, CA 92628-1200

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FROM THE OFFICE OF THE FINANCE DIRECTOR —CITY TREASURER

December 21, 2023

Honorable Mayor and Councilmembers:

The Annual Comprehensive Financial Report (ACFR) of the City of Costa Mesa (the City) for the fiscal year ended June 30, 2023, is hereby submitted. These statements have been prepared in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent public accounting firm of licensed certified public accountants.

This report consists of management's representations concerning finances of the City. Responsibility for both accuracy of the data, and completeness and fairness of presentation, including all disclosures, rests with management. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for preparation of financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

Management asserts that to the best of its knowledge and belief, the enclosed data is accurate in all material respects, and reported in a manner designed to present fairly the financial position and results of operations of various funds and component units of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's financial statements for the fiscal year ended June 30, 2023, have been audited by Davis Farr LLP, an independent public accounting firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2023, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and, evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component in the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.



GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the independent auditor's report.

### PROFILE OF THE GOVERNMENT

The City, incorporated in 1953, has an estimated population of 111,183 and a land area of 16.8 square miles. It is located in the southern coastal area of Orange County, California, and is bordered by the cities of Santa Ana, Newport Beach, Huntington Beach, Fountain Valley, and Irvine. The City is approximately 35 miles southeast of Los Angeles and 85 miles northwest of San Diego. At its nearest point, the City is approximately 1.5 miles from the Pacific Ocean. The City is also home to the world-renowned Henry and Renee Segerstrom Concert Hall, the Segerstrom Center for the Arts, the Orange County Fairgrounds, and the Orange County Museum of the Arts (OCMA).

The City has operated under the council-manager form of government since incorporation. Policy making and legislative authority are vested in the Mayor and City Council. The City Manager is responsible for implementing policies and ordinances approved by the City Council, overseeing the day-to-day operations of the City, and appointing department heads.

In November 2016, voters approved Measure EE regarding Voting District Formation and six voting districts were formed. Beginning in December 2018, the City Council transitioned from five Council Members elected at-large to seven Council Members. Each of the six districts elects one Council Member and the Mayor is elected at-large every two years. Council members are elected to four-year staggered terms.

The City is a "full service city" and provides a wide range of services including: police and fire protection; emergency medical aid; building safety regulation and inspection; land use planning and zoning; housing and community development; maintenance and improvement of streets and related structures; traffic safety, maintenance, and improvement; homeless street outreach and shelter services; and a full range of recreational and cultural programs. A "full-service city" is defined as a city that is financially responsible for the full set of basic tax-dependent municipal services within its jurisdiction including police, fire, parks and recreation, public works, and land-use planning.

The City maintains budgetary controls, the objective of which is to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Annual budgets are legally adopted for all governmental funds on a basis consistent with GAAP, except for certain special revenue and debt service funds for which annual budgets are not adopted. Budgetary control for management purposes is maintained as authorized by City Council.

The City Manager submits the budget to the City Council, who adopts it prior to the beginning of the fiscal year. Public hearings are conducted prior to budget adoption. Supplemental appropriations, when required during the fiscal year, are also approved by the City Council. Intra-functional and interfund budgetary amendments are approved by the City Manager subject to the total amount authorized by City Council.

### ECONOMIC CONDITION

During fiscal year 2022-23, the City continued to demonstrate resilience and strength economically. The City's local economy has fared better than both the nation and State of California based primarily on the strength of a strong retail base, local businesses, and the diverse types of industries located within the City.

Financial results at the end of the fiscal year, along with positive key economic indicators such as unemployment rates, taxable sales, and assessed property values, are indicative of the recent robust improvement to the local economy.

In fiscal year 2022-23, General Fund revenue, not including transfers, increased by \$11.9 million or 7.2 percent. This is primarily due to a strong housing market and retail sector. Home sales activity remained relatively strong in spite of rising interest rates. This was apparent in the increase in the City's median sales price on single family homes, which increased \$185,000 over last year for a median of \$1.3 million or 17% increase. Additionally, the City's overall property assessed valuation increased from added developments and improvements to properties that were prudent during the pandemic. Property tax revenue increased by \$4.4 million, or 8.9 percent, over the prior fiscal year as a result. Pent up demand for in-person retail and restaurant visits resulted in a significant increase to sales tax revenue. Costa Mesa is home to the renowned luxury retail center South Coast Plaza, Metro Pointe, and a variety of brick and mortar stores. Strong job numbers and low unemployment rates allowed consumption spending, thus sales tax revenue increased by \$2.5 million or 3.28 percent.

A recovery in the travel industry also contributed to the increase in general fund revenues. A notable shift from consumer spending to experiences, travel, and leisure, coupled with increases in room rates resulted in an increase of transient occupancy tax (TOT) revenue by \$1.5 million to \$9.8 million, or 17.5 percent over the prior fiscal year. TOT revenue not only fully rebounded but also surpassed pre-pandemic levels, signaling a recovery in the tourism sector.

General Fund expenditures increased by \$9.8 million or 7.0 percent compared to the prior year. The increase includes growth in the annual required CalPERS contributions and the restoration of staffing to pre-pandemic levels. For fiscal year 2022-23, the General Fund ended with a net operating positive of \$6.4 million including the transfers to the Internal Services Funds for the City's Capital, Technology, and Equipment Funds; Financing Authority Debt Service Fund for debt service payments; and the Housing Authority for homeless services programs costs. Operating transfers out from the General Fund increased by \$5.1 million over the prior fiscal year. The transfers were to fund various capital projects, partial cost of a fire apparatus, and the Housing Element and Visioning Plan. After the net of other financing uses, the General Fund ended with an increase of \$1.3 million to its fund balance for fiscal year 2022-23.

Fiscal year 2022-23 wasn't without economic headwinds. Record inflation caused by supply chain problems and pandemic-related economic monetary policy, continued to plague the economy. Gas prices reached over \$6.30 a gallon and the Federal Reserve Board continued to raise the Federal Funds Rate, which in turn raised the mortgage lending rates to levels not seen since 2000.

The outlook for fiscal year 2023-24 is a subdued one. Growth in the economy is expected to slow. The City is very cautiously expecting a stable outlook for the local economy. The City enjoys a strong, diverse local economy, well-funded emergency reserves, and a solid commitment to delivering top quality services to the community.

## MAJOR AND FUTURE DEVELOPMENT INITIATIVES

### **Major Developments (completed):**

*Halcyon House (former Symphony Apartments located at 595 Anton Blvd.)* – The five-story project consisting of 393 luxury apartment units and retail shops at the corner of Anton Boulevard and Avenue of the Arts was approved in 2015. Construction of Building A was completed in 2022 and Building B was completed early 2023.

*Anduril Headquarters (1375 Sunflower Street- former LA Times)* – The master plan for the 665,000 square foot office project was approved in August 2017. Construction for the campus is projected to be completed at the end of 2023. The City has worked with Anduril to develop a phased construction and operation plan that has allowed Anduril to occupy the completed buildings onsite. Anduril has been operating onsite since 2021.

*Audi Dealership Expansion (1275 Bristol Street)* – The site contains an existing two-story, 46,880-square-foot building occupied by automotive dealership (Audi Fletcher Jones). The two-story building addition includes additional ground-level service area (13 bays) and parts storage on the first level and indoor vehicle inventory display and offices on the second level. In addition, electrical service upgrades for the building addition, as well as additional electric vehicle (EV) charging stations are proposed. The project was completed in 2023.

*LUX Apartments (2277 Harbor Boulevard)* – The project consists of 200 apartment units, including 9 very low-income units. The project was completed in 2023.

### **Major Developments (approved/under construction):**

*Project Homekey (Motel 6 site – 2274 Newport Boulevard)* – The Motel 6 property located at 2274 Newport Blvd involves the acquisition and two-phase adaptive re-use of an 88-unit motel into permanent housing. All units will be converted to 300-square-foot studio apartments with new kitchenettes, countertops, flooring, paint, fixtures, appliances, and furniture. Additional common areas for residents will include a new outdoor patio, smoking area, dog run, and community garden to encourage social interaction among residents. Pedestrian access at Newport Blvd will be enhanced, encouraging residents to walk to nearby community and commercial amenities. Aesthetic improvements will include building façade enhancements, public art, and substantial upgrades to existing landscaped areas. This project will be developed in two phases. Phase I will be completed by Winter 2023 and includes conversion of 40 units into housing for individuals earning 30% or less than the Area Median Income, 30 of which are permanent supportive housing units serving homeless veterans and 10 of which are set aside for homeless individuals who meet the Mental Health Services Act (MHSA) eligibility criteria. Construction of Phase II will involve conversion of the remaining units and will commence once funding resources are identified.

*Vanguard University (55 Fair Drive)* – The university has an approved master plan to replace some of the existing buildings with more modern facilities, provide additional student housing, and replace some surface parking with a parking structure. This amendment reflects long range plans for the university and will take several years to complete. The 42,687 square foot 2-story student center is complete. Construction of the perimeter improvements along Fair Drive and Newport Boulevard including new fencing and freestanding sign have also been completed. Construction continues for the Freed Center, a new 61,006-square-foot gymnasium and events center which will consist of a multipurpose gymnasium and athletic facility with additional student facilities, anticipated to be completed in 2024.

*Avenue of the Arts Hotel Expansion (3350 Avenue of the Arts)* – The project is a hotel expansion of an existing 4 diamond hotel in North Costa Mesa. The new master plan includes an expanded parking structure, a new restaurant and hotel lobby, and six levels of 150 new

hotel rooms. Minor changes have been approved in 2023 to modify the design. Construction is anticipated to begin in 2024.

*The Plant (765-767 Baker Street and 2972 Century Place)* – This project consists of the proposed renovation of three existing commercial buildings (containing the former Car Mart and Plant Stand) totaling 19,100 square feet, for retail and restaurant uses surrounding a central courtyard area. In addition, new buildings are proposed consisting of two greenhouse structures which will contain food stall uses, and a four-story mixed use building with 48 residential units, 14 live/work units, and 2,570 square feet of workshop/maker office space above a two-level parking structure containing 170 parking spaces. Additionally, 39 on-site open parking spaces and 34 open parking spaces accessible from Century Place are proposed, for a total of 243 proposed parking spaces. This project was approved by the City Council September 2019.

*One Metro West (1683 Sunflower Avenue)* – The project is a mixed-use development that consists of residential, specialty retail, creative office, and recreational uses. The Project is proposed to include up to 1,057 dwelling units (anticipated to be rental units), 25,000 square feet of commercial creative office, 6,000 square feet of specialty retail, and 1.5-acres of public open space. All existing buildings, structures, parking areas, drive aisles, and hardscape/landscape improvements are proposed to be demolished. The proposed development includes three multi-family residential structures with a maximum building height of seven stories; one stand-alone office building up to four stories in height; tenant-serving commercial retail space integrated into one of the residential structures; open space; landscaping; streetscape improvements; and a Class-I bike trail system on Sunflower Avenue providing access to the Santa Ana River Trail. The proposed Project is subject to Measure Y, as codified in Article 22, Chapter IX of Title 13 (Zoning) of the Costa Mesa Municipal Code. The project was approved by City Council in 2021 through a development agreement. Commencement of the development is yet to be determined.

#### **Future Development (under review):**

*Senior Housing Project at Senior Center (Jamboree Housing ENA – 695 West 19<sup>th</sup> Street)* – In 2020 the City Council approved an Exclusive Negotiating Agreement (ENA) to partner with Jamboree Housing Corporation in determining the feasibility, and potential terms, for the right to acquire a long-term leasehold interest in an approximately 0.90-acre portion of the parking lot at the Senior Center property to develop a senior housing project. The conceptual density study plans envision the potential for 60 senior affordable dwelling units (59 plus one manager unit). An application for an Urban Master Plan Screening for the proposed project was submitted with ongoing discussions with the applicant as the City reviews and process the application.

*Hive Live (3333 Susan Street)* – A General Plan Screening application was processed for *Hive Live* - The proposed development (“Hive Live”) involves a General Plan Amendment, Zone Change, Specific Plan Amendment, a Development Agreement, Zone Change, and a Tentative Parcel Map. The proposed development is comprised of residential uses and a small resident-serving commercial component. The proposed project is anticipated to be constructed and occupied in three phases. The proposed site plan includes three multifamily residential buildings with integrated parking structures with a total of 1,050 rental units with a proposed site density is 74 dwelling units per acre. Three “wrap” parking structures are proposed with a minimum parking ratio of 1.5 parking spaces per unit and would be built in phases concurrently with the residential component of the project. In addition, an approximate 2,500-square-foot resident-serving retail component is proposed on the ground floor.

*Fairview Developmental Center – Specific Plan (2501 Harbor)* – Fairview Developmental Center (FDC) is a 109-acre property owned by the State of California located at 2501 Harbor in the City of Costa Mesa. The site was developed and previously operated by the State as a residence for developmentally disabled persons, but is now largely vacant. The site has been

the subject of discussion between various agencies over the years as to its future potential use and disposition. In anticipation of State's disposition, the City's Housing Element included this site as a housing opportunity site that may accommodate an estimated 2,300 housing units. It also included a "program" or future action calling for the City to continue to coordinate with the State to define future uses including establishment of a Specific Plan to allow for residential development at the site consistent with the Housing Element. In December 2022, State and City entered into an agreement to plan for the future reuse of the site pursuant to Senate Bill 188 (Government Code Section 14670.31), which outlines the general terms under which the State of California, through the Department of General Services and the Department of Developmental Services, will collaborate with the City to determine the future of the FDC site. This Government Code Section sets forth the State's goals and requirements for the disposition of the property and a land use planning process to be conducted by the City for the future use of the property and allocates \$3.5 million in funding for that intended purpose. In Summer of 2023, the City retained PlaceWorks for consultant services to assist in the community outreach efforts, drafting of the Specific Plan (SP) and General Plan Amendment (GPA), and completion of the environmental review process. The FDC - SP will be the basis for all future development applications on the site. Community outreach was initiated in Fall of 2023 and will continue throughout the planning process.

### DEBT ADMINISTRATION

The City accounts for general debt service under the following funds in the financial statements: the Public Financing Authority (PFA) Debt Service Fund and the Financing Authority (FA) Debt Service Fund. Sources of revenues for retirement of outstanding bonded indebtedness include general property and sales taxes.

In October 2017, the FA issued the 2017 Lease Revenue Bonds that refinanced the PFA Series 2007 Certificates of Participation (COP) and provided partial funding for the Lion's Park, Donald Dungan Library and Norma Hertzog Neighborhood Community Center projects. Standard & Poor's (S&P) rated the 2017 bonds AA+ upon initial issuance. On November 3, 2020, Standard & Poor's reaffirmed the 2017 bonds' AA+ long-term rating with a stable outlook. According to the final report, S&P "reviewed governance risks and consider them better than the sector standard because of the City's very strong management profile with strong financial policies and practices, and successful economic development efforts."

The City continuously reviews existing debt for refunding possibilities to lower total debt service requirements. The City has also adopted a comprehensive set of debt policies covering all aspects of debt issuance in order to consolidate information for debt obligations and maintain or improve its excellent credit standing.

### FINANCIAL REPORTING AWARDS

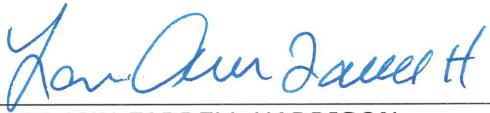
The Government Finance Officers Association (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the 25th consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement for Excellence in Financial Reporting, the City must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must also satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our June 30, 2023 Annual Comprehensive Financial Report continues to meet the Certificate of Achievement program requirements and it will be submitted to the GFOA to determine its eligibility for another award.

## ACKNOWLEDGMENTS

Special recognition is extended to the entire Finance Department for their ongoing dedication and support to all City departments and citizens on a daily basis. Special appreciation is also extended specifically to the Accounting Division staff who contributed to and participated in the coordination and preparation of this Annual Comprehensive Financial Report. In addition, our deepest appreciation is also extended to the Central Services Division staff for their assistance in the design of the report cover and printing of this document. Further, thanks are also extended to our independent auditors, Davis Farr LLP, for their continued oversight, expertise, and advice.

Respectfully submitted,



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LORI ANN FARRELL HARRISON  
City Manager



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CAROL MOLINA  
Finance Director



## **City of Costa Mesa List of Principal Officials**

**June 30, 2023**

### **Mayor**

John Stephens

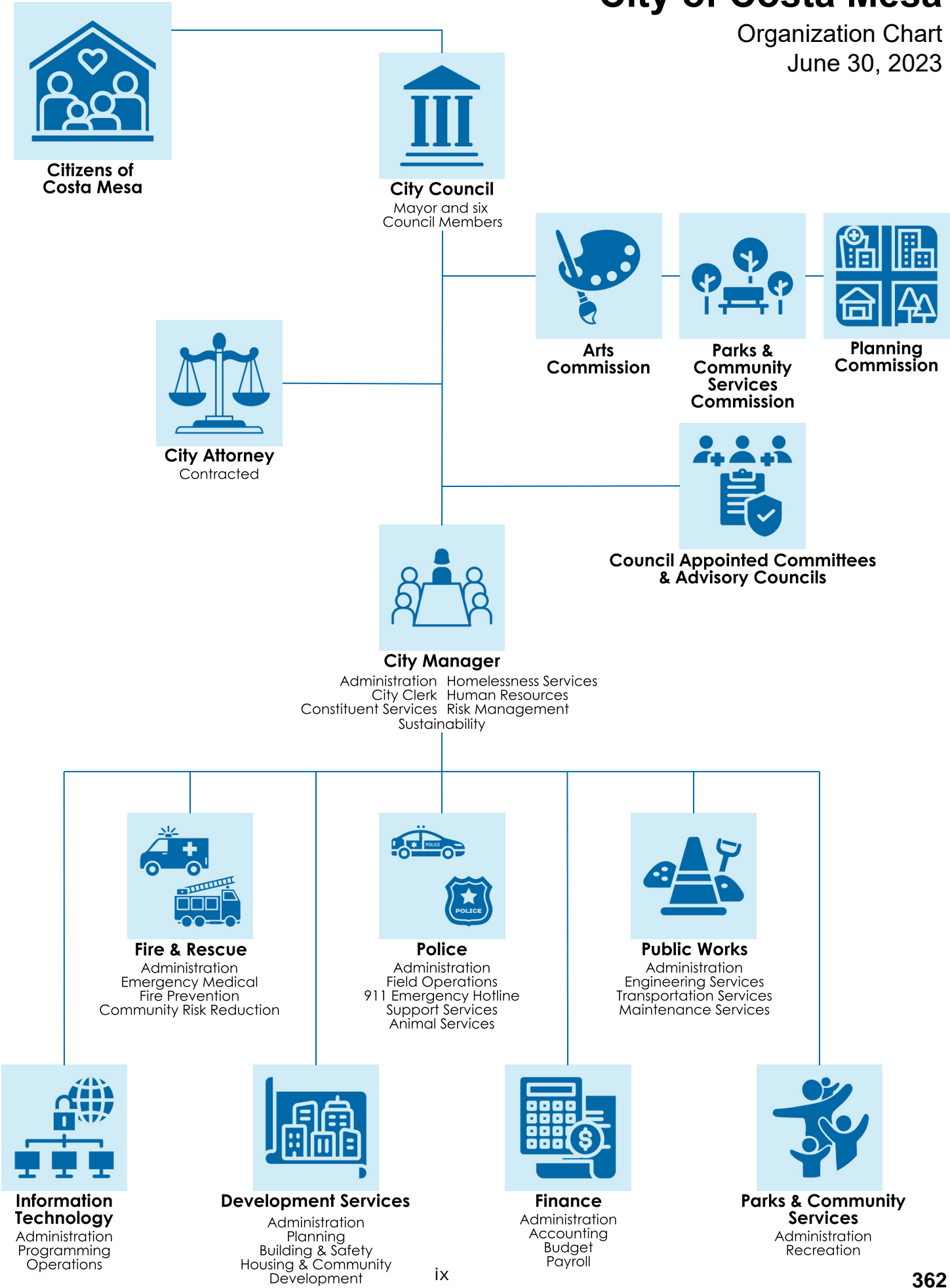
### **City Council**

Jeff Harlan  
Manuel Chavez  
Loren Gameros  
Don Harper  
Andrea Marr  
Arlis Reynolds

City Manager -----	Lori Ann Farrell Harrison
City Attorney (Contract) -----	Kimberly Barlow
Assistant City Manager -----	--Vacant
Deputy City Manager-----	--Alma Reyes
Development Services Director-----	Jennifer Le
Finance Director-----	Carol Molina
Information Technology Director -----	Steve Ely
Parks and Community Services Director -----	Jason Minter
Public Services Director-----	Raja Sethuraman
Fire Chief -----	Dan Stefano
Police Chief -----	Ronald Lawrence

# City of Costa Mesa

Organization Chart  
June 30, 2023







Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Costa Mesa  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

ANNUAL COMPREHENSIVE  
**FINANCIAL REPORT**  
INDEPENDENT AUDITOR'S REPORT



## **INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the City Council  
of the City of Costa Mesa  
Costa Mesa, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Costa Mesa (the City), as of and for the year June 30, 2023, 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 accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, 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 Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 opinion.

#### ***Emphasis of Matter***

During the year ended June 30, 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96: Subscription-Based Information Technology Arrangements. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

The City's 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 one year after the date that the financial statements are issued.

### ***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 GAAS 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 GAAS, 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, the pension and OPEB schedules, and the budgetary comparison schedules identified as Required Supplementary Information (RSI) in the accompanying table of contents be 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 *combining and individual nonmajor fund financial statements and schedules* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The *combining and individual nonmajor fund financial statements and schedules* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the *combining and individual nonmajor fund financial statements and schedules* are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the Annual Comprehensive Financial Report. The other information comprises the *introductory section* and *statistical section* but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Report on Summarized Comparative Information**

We have previously audited the City's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 30, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results

of that testing, and not to provide an opinion on the effectiveness of 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 the City's internal control over financial reporting and compliance.

A handwritten signature in blue ink, appearing to read "Davis Fan".

Irvine, California  
December 21, 2023

ANNUAL COMPREHENSIVE  
**FINANCIAL REPORT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS



## MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Costa Mesa (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2023. We encourage all readers to consider information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i–vii of this report.

### FINANCIAL HIGHLIGHTS

- Assets and deferred outflows of resources of the City's primary government exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2023 by \$110.9 (*net position*). Of this amount, \$166.2 million (*unrestricted net position deficit*) primarily resulted from implementations of Governmental Accounting Standards Board (GASB) Statement Nos. 68, 71 and 73 for pensions, and GASB Statement No. 75 for Postemployment Benefit Other than Pensions (OPEB). These statements established standards for measuring and recognizing liabilities for defined benefit plans.
- In the government-wide financial statements, total net position increased by \$59.3 million from the prior fiscal year total of \$51.6 million.
- In the fund financial statements, the governmental funds reported a combined ending fund balance of \$139.9 million, an increase of \$22.4 million in comparison with the prior year total of \$117.5 million.
- At the end of fiscal year 2023, the General Fund's unassigned fund balance was \$15.6 million or 10.4 percent of general fund expenditures of \$149.8 million. Unassigned fund balance may be used to meet the government's ongoing obligations.
- At June 30, 2023, the City reported \$332.4 million in pension liabilities and \$52.4 million in OPEB liabilities.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other required supplementary information in addition to the basic financial statements themselves.

#### 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.

The *statement of net position* presents information on all assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with difference between assets/deferred outflows of resources and liabilities/deferred inflows of resources 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 to show 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 occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).



Both *government-wide financial statements* distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). Governmental activities include general government, protection of persons and property, community programs, public services, and interest on long-term debt. The City has no business-type activities or discretely presented component units.

The basic government-wide financial statements can be found on pages 16-17 of this report.

## **Fund Financial Statements**

A *fund* is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

## **Governmental Funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances provide reconciliations to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 28 individual governmental funds. Information is presented separately in the governmental funds balance sheet and statement of revenues, expenditures, and changes in fund balances for the General, Capital Improvements and Gas Tax funds, all of which are considered to be major funds. Data from the other 25 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual operating and capital budget for its General, Special Revenue, and Capital Projects funds. Budgetary comparison statements have been provided for these fund types to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 19-24 of this report.

## **Proprietary Funds**

The City maintains one type of proprietary fund, *internal service funds*. Internal service funds are an accounting device used to accumulate and allocate costs internally among various City functions. The City uses internal service funds to account for equipment replacement, self-insurance (workers' compensation, general liability, unemployment), and information technology replacement functions. Because there are no business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as government-wide financial statements, only in more detail. Proprietary fund financial statements provide separate information for the Equipment Replacement, Self-Insurance, and Information Technology Replacement funds, all of which are considered to be nonmajor funds. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for each nonmajor internal service funds is provided in the form of *combining statements* in the supplementary schedules section of this report.

The basic proprietary fund financial statements can be found on pages 25-27 of this report.

## **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because resources of these funds are *not* available to support the City's own programs and services. The accounting method used for fiduciary funds is much like that used for proprietary funds. The basic fiduciary fund financial statements can be found on page 28-29 of this report.

## **Notes to the Basic Financial Statements**

The notes provide additional information that is essential to a full understanding of data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 30-75 of this report.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City. Required supplementary information can be found on pages 76-98 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information section. Combined and individual fund statements and schedules can be found on pages 102-128 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

City assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$110.9 million at June 30, 2023, an increase of \$59.3 million from 2022.

As in previous years, the City's net position continued to reflect the impact from implementations of GASB Statements No. 68, 71 and 73 for pension and GASB 75 for OPEB, all of which account for the City's defined benefit liabilities. The City's total defined benefit liability is estimated at \$386.5 million on the Statement of Net Position, an increase of \$88.8 million as compared to the prior year.

Another significant portion of the City's total net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less related outstanding debt used to acquire assets that are still in service. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

#### CONDENSED STATEMENT OF NET POSITION

	June 30, 2023	June 30, 2022	Increase/ (Decrease)	Percent Increase/ (Decrease)
<b>ASSETS:</b>				
Current and other assets	\$217,770,841	\$192,540,139	\$ 25,230,702	13.10%
Capital assets, net of accumulated depreciation	287,317,473	279,567,632	7,749,841	2.77%
Total assets	505,088,314	472,107,771	32,980,543	6.99%
Deferred outflows of resources	107,892,710	56,137,273	51,755,437	92.19%
<b>LIABILITIES:</b>				
Current and other liabilities	33,622,613	33,026,449	596,164	1.81%
Long-term liabilities	436,113,296	348,415,949	87,697,347	25.17%
Total liabilities	469,735,909	381,442,398	88,293,511	23.15%
Deferred inflows of resources	32,300,324	95,175,548	(62,875,224)	-66.06%
<b>NET POSITION:</b>				
Net investment in capital assets	258,068,790	249,096,798	8,971,992	3.60%
Restricted	19,027,696	28,232,693	(9,204,997)	-32.60%
Unrestricted	(166,151,695)	(225,702,393)	59,550,698	-26.38%
Total net position	<b>\$ 110,944,791</b>	<b>\$ 51,627,098</b>	<b>\$ 59,317,693</b>	<b>114.90%</b>

At the end of fiscal year 2022-23, the City continued to report positive balances in two out of three categories of net position for the government as a whole, as well as for its separate governmental activities. The unrestricted net position improved by \$59.6 million, ending the fiscal year with a balance of \$166.2 million primarily due to implementations of pension and OPEB accounting standards.

During the fiscal year 2022-23, the City's total net position increased by \$59.3 million.

<b>CHANGES IN NET POSITION</b>		
	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022</b>
<b>REVENUES:</b>		
Program Revenues:		
Charges for services	\$ 22,541,044	\$ 21,962,861
Operating contributions and grants	19,907,594	14,404,940
Capital contributions and grants	3,905,958	5,528,637
General Revenues:		
Taxes:		
Property taxes	53,806,587	49,706,079
Sales and use taxes	79,851,289	77,165,533
Transient occupancy tax	9,830,790	8,366,278
Franchise taxes	6,094,232	5,318,541
Business tax	1,907,551	1,468,202
Other intergovernmental, unrestricted	275,292	130,289
Investment income	1,821,815	(3,609,117)
Miscellaneous	3,345,453	1,718,804
Total revenues	203,287,605	182,161,047
<b>EXPENSES:</b>		
General Government	32,152,691	31,808,370
Protection of persons and property	76,378,672	98,324,072
Community programs	21,097,340	14,887,015
Public services	13,379,020	21,645,247
Interest on long-term debt	962,189	929,979
Total expenses	143,969,912	167,594,683
Change in net position	59,317,693	14,566,364
<b>NET POSITION, BEGINNING OF YEAR</b>	51,627,098	37,060,734
<b>NET POSITION, END OF YEAR</b>	<b>\$ 110,944,791</b>	<b>\$ 51,627,098</b>

## Governmental Activities

During the current year, net position for governmental activities increased \$59.3 million from the prior fiscal year ending balance of \$51.6 million. Total revenues of \$203.3 million were more than expenses and net transfers of \$144.0 million. Key factors in the City's net position included:

- Property tax revenue increased by \$4.1 million or 8.2 percent. The increase is due to a strong housing market, despite rising interest rates, increase in the City's single-family homes median sales price, and an increase in overall property assessed valuations from new developments and improvements to properties.
- Sales tax increased by \$2.7 million or 3.5 percent. Costa Mesa is primarily based on retail commercial business, sales tax from which is the City's largest revenue source. Sales tax revenues have exceeded pre-pandemic levels. Increased revenues are due to an increase in demand of consumer goods and restaurant visits, and increased prices as a result of inflation.
- Operating contributions and grants increased by \$5.5 million or 38.2 percent primarily due to one-time American Rescue Plan Act federal stimulus funding received in fiscal year 2021-22, however, revenue was not recognized because they were unspent in the prior fiscal year. The City was able to recognize \$4.8 million in FY 2022-23.
- Transient occupancy tax increased by \$1.5 million or 17.5 percent due to an increase in room rates and a shift from consumer spending to experiences, travel, and leisure.
- Investment income increased by \$5.4 million due to the GASB 31 adjustment.
- Overall expenses decreased by \$23.6 million or 14.1 percent from fiscal year 2021-22 due to the GASB 68 adjustment.

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As was noted earlier, the City uses fund accounting to ensure and demonstrate compliance with professional standards promulgated by oversight agencies and also due to 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 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 2022-23, the City's governmental funds reported combined ending fund balance of \$139.9 million, an increase of \$22.4 million in comparison with the prior fiscal year fund balance of \$117.5 million. Of this total amount:

- \$0.5 million represents *nonspendable fund balance* which includes amounts that cannot be used because they are either not spendable in form or legally or contractually required to remain intact.
- \$38.4 million represents *restricted fund balance* which includes amounts that can be spent only for specific purposes stipulated by external sources or through enabling legislation.

- \$25.1 million represents *committed fund balance* which includes amounts that can be used only for specific purposes determined by a formal action of the City Council. It includes legislation (City Council action) that can only be overturned by a subsequent council action requiring a voting consensus.
- \$59.3 million represents *assigned fund balance* which includes amounts that are designated or expressed by the City Council for certain purposes but do not require formal actions like resolutions or ordinances. City Council, via resolution, delegated the authority to establish, modify, or rescind a fund balance assignment to the Finance Director.
- The remaining \$17.3 million constitutes *unassigned fund balance*.

The General Fund is the primary operating fund of the City. At the end of fiscal year 2022-23, the General Fund's fund balance increased by \$1.3 million. While the total fund balance amounted to \$59.0 million, the unassigned fund balance was \$15.6 million. Key factors attributable to the increase in net position include:

- Property tax increased by \$4.4 million or 8.9 percent due to a strong housing market and an increase in overall property assessed valuations.
- Sales tax revenues increased by \$2.5 million or 3.3 percent from fiscal year 2021-22. This is due to strong job numbers and low unemployment rates which allowed consumption spending to remain solid.
- Transient occupancy tax increased by \$1.5 million or 17.5 percent due to increased room rates and a steady increase in travel and tourism.
- Overall, total revenues in the General Fund increased by \$11.9 million or 7.2 percent.
- General government and protection of persons and property expenditures increased by \$7.6 million in total. As the City implemented measures to resume its normal operations after the shutdown impacts of COVID.
- Overall, total expenditures in the General Fund increased by \$9.8 million or 7.0 percent over prior fiscal year.

### **Major Funds Other Than the General Fund**

The Capital Improvements Fund had \$31.5 million in fund balance at the end of the fiscal year which represents a net increase of \$9.7 million or 44.2 percent from the prior fiscal year. The increase in fund balance is mainly attributed to transfers in for various capital improvement projects as well as the true up of 5 percent of General Fund revenues towards capital projects per the City's Capital Asset Needs Ordinance requirement.

The Government Grants Fund had a fund balance of \$0.3 million at the end of the fiscal year which represents a net increase of \$1.4 million or 122.9 percent from the prior fiscal year. The increase in fund balance is due to reimbursed grant expenditures incurred in the prior year.

The Gas Tax Fund had a fund balance of \$17.6 million at the end of the fiscal year which represents a net increase of \$2.9 million or 19.8 percent from the prior fiscal year. Gas Tax revenues in the current year were \$5.5 million compared to \$2.6 million in expenditures.

The American Rescue Plan Act (ARPA) Fund had \$258,379 in fund balance at the end of the fiscal year which had a fund balance of \$50,329 in the prior fiscal year. The increase is due to interest earnings.

## **Proprietary Funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. The City also utilizes Internal Service Funds, which are a propriety fund type.

The unrestricted net position of the Internal Service Funds at the end of the fiscal year was \$25.3 million. Total net position increased by \$8.4 million from the prior fiscal year. The increase in net position is mainly attributed to transfers in for IT infrastructure projects and the self-insurance fund, as well as the true up of 1.5 percent of General Fund revenues to fund the City's technology needs.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

During fiscal year 2022-23 the actual revenues were \$1.4 million or 0.8 percent higher than the final amended budget. Year over year, sales tax and property tax revenue were \$2.5 million and \$4.4 million, respectively, higher than prior fiscal year. Additionally, transient occupancy tax and charges for services revenue received increased by \$1.5 million and \$1.9 million, respectively, compared to prior fiscal year.

Actual expenditures were \$0.6 million or 0.4 percent lower than originally estimated and final adjusted budget.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The City's investment in capital assets for its governmental activities (the City has no business-type activities or discretely presented component units) as of June 30, 2023, amounted to \$279.8 million net of accumulated depreciation and amortization. The investment in capital assets includes land, building improvements and structures, landscaping and sprinklers, machinery and equipment, intangible assets, park system and facilities, and road and storm drain infrastructure. The City's investment in capital assets for the current fiscal year increased by \$7.6 million. Major infrastructure asset additions during fiscal year 2022-23 were City Hall Elevator Modernization, Jack Hammett Field Upgrade, Wilson Street Improvement, Bristol Street Storm Drain Diversion Project, various building maintenance projects, various street rehabilitation projects, and other ongoing capital projects. Other assets capitalized included vehicle replacements and a variety of equipment purchases. During the fiscal year, capital assets not being depreciated increased by \$7.7 million and capital assets being depreciated or amortized increased by \$15.9 million.

**CAPITAL ASSETS**  
(NET OF DEPRECIATION)

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022*</b>
Land	\$ 34,579,306	\$ 34,579,306
Land rights related to streets	29,821,224	29,821,224
Construction in progress	19,137,403	11,423,851
Building improvements and structures	68,072,806	72,060,015
Machinery and equipment	18,357,725	11,358,371
Intangibles	226,556	334,106
Right-to-use-assets	1,014,403	1,362,246
Park system and facilities	9,216,778	6,704,889
Infrastructure- roads	94,574,275	99,147,982
Infrastructure- storm drains	12,316,997	12,968,796
<b>TOTALS</b>	<b>\$ 287,317,473</b>	<b>\$ 279,760,786</b>

\* Balance was restated to include subscription assets added due to the implementation of GASB 96

Construction in progress as of June 30, 2023 totaled \$19.1 million, \$7.7 million higher than the previous fiscal year. Generally, as the notice of completion (NOC) is filed on each project, the costs associated with each project will be deleted from the construction in progress capital asset category and added to the appropriate capital asset category in the year the NOC is filed. Construction in progress include some of the following projects with significant commitment balances:

<b>CONSTRUCTION COMMITMENTS</b>			
<b>CONSTRUCTION PROJECT</b>	<b>TOTAL BUDGET</b>	<b>SPEND TO DATE</b>	<b>REMAINING COMMITMENT</b>
Range Remodel/Update	2,448,550	1,444,287	1,004,263
Fairview Road Improvement 405/Adams	1,176,150	94,496	1,081,654
SB Newport Blvd Improvements Mesa Victoria	1,965,652	97,058	1,868,594
Newport NB 22th Bristol SB Bristol Mesa	2,131,786	94,186	2,037,600
Adams Ave Improvement	2,278,862	-	2,278,862
Jack Hammett Sports Complex	2,776,652	2,361,037	415,615
Ketchum-Libolt Park Expansion	1,297,520	6,940	1,290,580
Wilson Street Improvement	1,830,168	1,400,653	429,515
Fire Station #2	2,150,000	33,935	2,116,065
Fire Station #4	5,100,000	-	5,100,000
<b>TOTALS</b>	<b>\$ 23,155,340</b>	<b>\$ 5,532,592</b>	<b>\$ 17,622,748</b>

Additional information on capital assets can be found in note 7 on pages 50-51 of this report.

### Long-Term Debt

At year-end, the City had one outstanding bond issues: the Financing Authority 2017 Lease Revenue Bonds with an outstanding balance of \$21.3 million. Additionally, the City had \$25.5 million in other outstanding liabilities related to leases, loans, claims, and employee benefits.

Long-term liabilities had a net decrease of \$1.3 million, primarily due to a decrease in the City's outstanding liability claims and employee leave benefits.



## OUTSTANDING DEBT

	<b>Governmental Activities</b>	
	<b>2023</b>	<b>2022*</b>
Bonds Payable	\$ 24,124,512	\$ 26,102,279
Other Liabilities	25,483,202	24,756,616
<b>TOTALS</b>	<b>\$ 49,607,714</b>	<b>\$ 50,858,895</b>

\* Balance was restated to include subscription assets added due to the implementation of GASB 96

Additional information on the City's long-term debt can be found in notes 8 through 9 on pages 52-57 of this report.

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

During fiscal year 2022-23, the local economy recovered from the pandemic. The City showcased economic resilience, surpassing national and state trends due to robust retail, local businesses, and diverse industries, and strong financial management. Positive indicators like reduced unemployment, increased taxable sales, and higher property values marked significant local economic growth. Looking ahead to fiscal year 2023-24, the city anticipates a slowdown in economic growth, exercising cautious optimism for stability. Supported by a strong economy, robust reserves, and a commitment to quality service delivery, Costa Mesa prepares to navigate the anticipated economic challenges.

### **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances for all who have an interest in the government's funding streams and overall fiscal conditions. This report and other financial related information can be found on the City's website [www.costamesaca.gov](http://www.costamesaca.gov). Questions concerning any information provided in this report or requests for additional financial information should contact:

- by mail: Finance Department, City of Costa Mesa, P.O. Box 1200, Costa Mesa, California, 92628-1200
- by e-mail: [financeadmin@costamesaca.gov](mailto:financeadmin@costamesaca.gov)
- by phone: (714) 754-5243

ANNUAL COMPREHENSIVE  
**FINANCIAL REPORT**  
GOVERNMENT-WIDE FINANCIAL STATEMENTS



## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The Statement of Net Position and the Statement of Activities report information about the City as a whole and its activities. These statements include all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. All current year revenues and expenses are taken into account regardless of when cash is received or paid.

### **Statement of Net Position**

The Statement of Net Position presents information on all of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between assets/deferred outflows and liabilities/deferred inflows 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.

### **Statement of Activities**

The Statement of Activities presents information to show how the City'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 occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

CITY OF COSTA MESA, CALIFORNIA  
Statement of Net Position  
June 30, 2023  
(With Comparative Data for Prior Year)

	Governmental Activities	
	2023	2022
Assets:		
Cash and investments (note 2)	\$ 183,666,852	\$ 157,463,831
Cash and investments with fiscal agent (note 2)	481,295	460,281
Due from other governments	20,441,133	20,103,936
Accounts receivable	4,495,977	4,183,311
Interest receivable	878,395	382,959
Loans receivable, net (note 5)	496,321	608,294
Rent receivable	372,809	355,664
Leases receivable (note 6)	3,953,933	4,419,068
Inventories	234,360	339,236
Prepaid items	2,749,766	4,223,559
Capital assets (note 7):		
Nondepreciable	83,537,933	75,824,381
Depreciable, net of accumulated depreciation	203,779,540	203,743,251
Total assets	<u>505,088,314</u>	<u>472,107,771</u>
Deferred outflows of resources:		
Deferred outflows related to pensions (note 11)	96,668,625	42,824,533
Deferred outflows related to OPEB (note 14)	11,224,085	13,312,740
Total deferred outflows of resources	<u>107,892,710</u>	<u>56,137,273</u>
Liabilities:		
Accounts payable	7,081,402	9,418,820
Accrued liabilities	4,490,817	3,721,368
Accrued interest payable	251,727	262,935
Retentions payable	546,815	517,407
Deposits payable	3,254,566	2,952,644
Unearned revenue	17,997,286	16,153,275
Long-term liabilities:		
Portion due within one year (note 8)	7,710,029	7,258,181
Portion due beyond one year (note 8)	41,897,685	43,409,301
OPEB liability (note 14)	52,376,993	66,254,495
Police retirement 1% supplemental liability (note 12)	1,737,346	1,884,759
Net pension liability (note 11)	332,391,243	229,609,213
Total liabilities	<u>469,735,909</u>	<u>381,442,398</u>
Deferred inflows of resources:		
Deferred inflows related to leases (note 6)	3,811,601	4,338,750
Deferred inflows related to pensions (note 11)	12,271,830	87,708,150
Deferred inflows related to OPEB (note 14)	16,216,893	3,128,648
Total deferred inflows of resources	<u>32,300,324</u>	<u>95,175,548</u>
Net position:		
Net investment in capital assets	258,068,790	249,096,798
Restricted for:		
Protection of persons and property	1,672,814	1,333,365
Community programs	10,118,512	6,796,140
Public services	7,236,370	20,103,188
Unrestricted	(166,151,695)	(225,702,393)
Total net position	<u>\$ 110,944,791</u>	<u>\$ 51,627,098</u>

See notes to financial statements

CITY OF COSTA MESA, CALIFORNIA  
Statement of Activities  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

Functions/programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position	2023	2022
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants		
Governmental activities:						
General government	\$ 34,980,361	\$ -	\$ 306,283	\$ -	\$ (34,674,078)	\$ (30,904,940)
Protection of persons and property	73,222,044	8,548,513	9,721,551	-	(54,951,980)	(87,757,663)
Community programs	21,336,759	5,440,973	3,936,078	-	(11,959,708)	(4,300,777)
Public services	13,468,557	8,551,558	5,943,681	3,905,958	4,932,640	(1,804,886)
Interest on long-term debt	962,189	-	-	-	(962,189)	(929,979)
Total governmental activities	<u>\$ 143,969,910</u>	<u>\$ 22,541,044</u>	<u>\$ 19,907,593</u>	<u>\$ 3,905,958</u>	<u>(97,615,315)</u>	<u>(125,698,245)</u>
General revenues:						
Taxes:						
Property taxes					53,806,587	49,706,079
Sales and use taxes					79,851,289	77,165,533
Transient occupancy tax					9,830,790	8,366,278
Franchise taxes					6,094,232	5,318,541
Business tax					1,907,551	1,468,202
Other intergovernmental, unrestricted					275,292	130,289
Investment income (loss)					1,821,815	(3,609,117)
Miscellaneous					<u>3,345,452</u>	<u>1,718,804</u>
Total general revenues					<u>156,933,008</u>	<u>140,264,609</u>
Change in net position					59,317,693	14,566,364
Net position - beginning of year					<u>51,627,098</u>	<u>37,060,734</u>
Net position - end of year					<u>\$ 110,944,791</u>	<u>\$ 51,627,098</u>

See notes to financial statements

ANNUAL COMPREHENSIVE  
**FINANCIAL REPORT**  
FUND FINANCIAL STATEMENTS



## **GOVERNMENTAL FUNDS**

### **Major Governmental Funds**

#### **GENERAL FUND**

The General Fund must be classified as a major fund in the accompanying fund financial statements and is used to account for all general revenues of the City not specifically levied or collected for some special purpose, and for expenditures related to the rendering of general services by the City. The General Fund is used to account for all resources not required to be accounted for in another fund.

#### **SPECIAL REVENUE FUNDS**

##### **Government Grants**

Established to account for receipt and disbursement of grant monies provided by Federal, State, and County governmental agencies for various programs.

##### **Gas Tax Fund**

Established to account for the receipt and disbursement of funds required to be used for construction and maintenance of the City's road network system. Financing is provided by the City's share of State gasoline taxes, including allocations from the Highway Users Tax Account (HUTA) and the Road Maintenance and Rehabilitation Account (RMRA).

##### **American Rescue Plan Act (ARPA)**

Established to account for the receipt and disbursement of grant monies under the American Rescue Plan Act.

#### **CAPITAL PROJECTS FUNDS**

##### **Capital Improvements Fund**

Established to account for the construction of capital facilities financed by the City's General Fund and various governmental grants.

### **Nonmajor Governmental Funds**

Nonmajor governmental funds constitute all other governmental funds which include eleven Special Revenue Funds, nine Capital Projects Funds, and one Debt Service Fund.

CITY OF COSTA MESA, CALIFORNIA  
Balance Sheet  
Governmental Funds  
June 30, 2023  
(With Comparative Data for Prior Year)

		Special Revenue	
		Government	
	General	Grants	Gas Tax
<u>Assets:</u>			
Cash and investments	\$ 49,067,828	\$ 9,402,572	\$ 17,175,492
Cash and investments with fiscal agents	-	-	-
Due from other governments	16,739,461	185,515	689,813
Accounts receivable, net	3,961,743	-	-
Interest receivable	737,245	6	20,796
Loans receivable, net	257	-	-
Leases receivables	2,519,207	-	-
Rent receivable	372,809	-	-
Due from other funds (note 3)	54,037	-	-
Inventories	85,157	-	-
Prepaid items	373,530	-	-
Total assets	<u>\$ 73,911,274</u>	<u>9,588,093</u>	<u>17,886,101</u>
<u>Liabilities:</u>			
Accounts payable	\$ 4,290,768	\$ 117,400	\$ 171,837
Accrued liabilities	4,252,010	7,843	24,094
Retentions payable	-	-	85,516
Deposits payable	3,215,658	-	-
Due to other funds (note 3)	-	-	-
Unearned revenue	-	9,200,000	-
Total liabilities	<u>11,758,436</u>	<u>9,325,243</u>	<u>281,447</u>
<u>Deferred inflows of resources:</u>			
Lease related	2,396,776	-	-
Unavailable revenue	719,108	-	48,300
Total deferred inflows of resources	<u>3,115,884</u>	<u>-</u>	<u>48,300</u>
<u>Fund balances (note 10):</u>			
Non-spendable:			
Prepaid items	373,530	-	-
Inventories	85,157	-	-
Restricted:			
Pension and OPEB	3,178,229	-	-
Protection of persons and property	-	262,850	-
Community programs	-	-	-
Public services	-	-	17,556,354
Debt service	-	-	-
Committed	25,125,000	-	-
Assigned	13,946,622	-	-
Unassigned	16,328,416	-	-
Total fund balances	<u>59,036,954</u>	<u>262,850</u>	<u>17,556,354</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 73,911,274</u>	<u>\$ 9,588,093</u>	<u>\$ 17,886,101</u>

See notes to financial statements



Special Revenue American Rescue Plan Act	Capital Projects Capital Improvements	Nonmajor Governmental Funds	Totals	
			2023	2022
\$ 8,811,314	\$ 32,291,970	\$ 29,107,646	\$ 145,856,822	\$ 126,170,766
-	-	481,295	481,295	460,281
-	73,503	2,752,841	20,441,133	20,103,936
-	-	534,234	4,495,977	4,183,311
12,259	30,745	33,752	834,803	322,989
-	-	496,064	496,321	608,294
-	-	1,434,726	3,953,933	4,419,068
-	-	-	372,809	355,664
-	-	-	54,037	716,536
-	-	-	85,157	99,047
-	-	-	373,530	504,500
<u>8,823,573</u>	<u>32,396,218</u>	<u>34,840,558</u>	<u>\$ 177,445,817</u>	<u>\$ 157,944,392</u>
\$ -	\$ 730,883	\$ 645,080	\$ 5,955,968	\$ 8,617,649
-	86	73,524	4,357,557	3,676,450
-	127,227	334,072	546,815	517,407
-	-	38,908	3,254,566	2,952,644
-	-	54,037	54,037	716,536
<u>8,565,194</u>	<u>-</u>	<u>232,092</u>	<u>17,997,286</u>	<u>16,153,275</u>
<u>8,565,194</u>	<u>858,196</u>	<u>1,377,713</u>	<u>32,166,229</u>	<u>32,633,961</u>
-	-	1,414,825	3,811,601	4,338,750
-	-	799,939	1,567,347	3,470,423
<u>-</u>	<u>-</u>	<u>2,214,764</u>	<u>5,378,948</u>	<u>7,809,173</u>
-	-	-	373,530	504,500
-	-	-	85,157	99,047
-	-	-	3,178,229	3,061,154
258,379	-	1,376,549	1,897,778	1,293,762
-	-	9,179,963	9,179,963	5,480,097
-	-	6,580,177	24,136,531	19,863,022
-	-	7,278	7,278	4
-	-	-	25,125,000	25,125,000
-	31,538,022	13,142,420	58,627,064	47,408,380
-	-	961,694	17,290,110	14,666,292
<u>258,379</u>	<u>31,538,022</u>	<u>31,248,081</u>	<u>139,900,640</u>	<u>117,501,258</u>
<u>\$ 8,823,573</u>	<u>\$ 32,396,218</u>	<u>\$ 34,840,558</u>	<u>\$ 177,445,817</u>	<u>\$ 157,944,392</u>

See notes to financial statements

CITY OF COSTA MESA, CALIFORNIA  
Governmental Funds  
Reconciliation of the Balance Sheet to the Statement of Net Position  
June 30, 2023

Fund balances of governmental funds	\$ 139,900,640
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital Related Items

When capital assets (property, plant, equipment) for governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in the governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the City as a whole:

Cost of capital assets	669,468,362
Accumulated depreciation/amortization	(394,292,476)

Long-Term Debt Transactions

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position:

Bonds payable	(21,279,999)
Premium on bonds	(2,844,512)
Loan payable	(82,086)
Leases payable	(963,502)
Subscription payable	(98,348)
Employee benefits leave payable	(6,209,276)

Accrued Interest

Accrued liabilities in the Statement of Net Position differ from the amount reported in governmental funds are due to accrued interest on outstanding debt payable.	(251,727)
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Internal Service Funds

Internal Service Funds are used by management to charge the costs of certain activities to individual City funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position because they primarily service governmental activities of the City.	33,131,963
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Deferred Inflows of Resources

Certain unavailable revenues that do not provide current financial resources are reported as deferred inflows of resources in the funds.	1,567,347
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Pension and OPEB

Amounts regarding the pension plans and OPEB are as follows:

Deferred outflows of resources related to pensions	96,668,625
Deferred outflows of resources related to OPEB	11,224,085
Deferred inflows of resources related to pensions	(12,271,830)
Deferred inflows of resources related to OPEB	(16,216,893)
CalPERS pension liability	(332,391,243)
OPEB liability	(52,376,993)
Police 1% supplemental retirement liability	(1,737,346)

Net position of governmental activities	\$ 110,944,791
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See notes to financial statements

CITY OF COSTA MESA, CALIFORNIA  
Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

		Special Revenue	
	General	Government Grants	Gas Tax
Revenues:			
Taxes	\$ 151,126,811	\$ -	\$ -
Licenses and permits	6,342,557	-	-
Charges for services	8,886,692	-	-
Fines and forfeitures	1,190,281	-	-
Intergovernmental	4,175,205	2,169,633	5,357,007
Investment income (loss)	640,980	32,753	162,210
Rental income	3,995,450	-	-
Miscellaneous	1,282,572	-	-
Total revenues	<u>177,640,548</u>	<u>2,202,386</u>	<u>5,519,217</u>
Expenditures:			
Current:			
General government	36,593,171	13,536	-
Protection of persons and property	92,162,287	538,168	-
Community programs	12,771,313	130,723	-
Public services	7,948,741	111,344	2,616,617
Debt service:			
Principal	342,370	-	-
Interest and fiscal charges	26,564	-	-
Total expenditures	<u>149,844,446</u>	<u>793,771</u>	<u>2,616,617</u>
Excess (deficiency) of revenues over (under) expenditures	<u>27,796,102</u>	<u>1,408,615</u>	<u>2,902,600</u>
Other financing sources (uses):			
Transfer in (note 4)	-	-	-
Transfer out (note 4)	<u>(26,534,995)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(26,534,995)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1,261,107	1,408,615	2,902,600
Fund balances (deficit) at beginning of year	<u>57,775,847</u>	<u>(1,145,765)</u>	<u>14,653,754</u>
Fund balances at end of year	<u>\$ 59,036,954</u>	<u>\$ 262,850</u>	<u>\$ 17,556,354</u>

See notes to financial statements

Special Revenue	Capital Projects	Nonmajor	Totals	
American Rescue	Capital	Governmental		
Plan Act	Improvements	Funds	2023	2022
\$ -	\$ -	\$ 357,364	\$ 151,484,175	\$ 141,919,878
-	-	-	6,342,557	7,331,252
-	-	1,268,832	10,155,524	9,030,556
-	-	76,487	1,266,768	1,176,357
4,802,856	190,599	9,558,795	26,254,095	18,077,452
208,050	216,228	256,379	1,516,600	(2,767,803)
-	-	726,933	4,722,383	4,815,577
-	64,585	268,280	1,615,437	1,545,970
5,010,906	471,412	12,513,070	203,357,539	181,129,239
-	-	12,564	36,619,271	33,567,585
2,915,000	1,275,395	826,415	97,717,265	90,698,363
-	40,505	6,692,394	19,634,935	16,267,400
-	2,969,206	3,957,882	17,603,790	20,962,292
-	-	1,830,000	2,172,370	2,202,563
-	-	973,300	999,864	1,095,786
2,915,000	4,285,106	14,292,555	174,747,495	164,793,989
2,095,906	(3,813,694)	(1,779,485)	28,610,044	16,335,250
-	13,482,325	8,729,864	22,212,189	13,116,263
(1,887,856)	-	-	(28,422,851)	(21,365,113)
(1,887,856)	13,482,325	8,729,864	(6,210,662)	(8,248,850)
208,050	9,668,631	6,950,379	22,399,382	8,086,400
50,329	21,869,391	24,297,702	117,501,258	109,414,858
\$ 258,379	\$ 31,538,022	\$ 31,248,081	\$ 139,900,640	\$ 117,501,258

See notes to financial statements

CITY OF COSTA MESA, CALIFORNIA  
Governmental Funds  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances to the Statement of Activities  
Year ended June 30, 2023

Net changes in fund balances - total governmental funds	\$ 22,399,382
Amounts reported for governmental activities in the Statement of Activities are different because:	
<u>Capital Related Items</u>	
When capital assets for governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. As a result, fund balance decreases by the amount of financial resources used, whereas net position decreases by the amount of depreciation expense charged for the year.	
Capital outlay	18,768,379
Depreciation expense	(15,396,870)
<u>Long-Term Debt Transactions</u>	
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 governmental funds. Repayment of debt service is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balances because current financial resources have been used. For the City as a whole, however, the principal payments reduce the liabilities in the Statement of Net Position and do not result in an expense in the Statement of Activities.	
Net changes in employee benefits leave payable	(624,969)
Principal payments - bonds	1,830,000
Principal payments - loans payable	15,392
Principal payments - lease payable	233,912
Principal payments - subscription payable	93,066
Amortization of bond premium	147,767
<u>Pension and OPEB</u>	
Pension and OPEB expense reported in the governmental funds include the actual contributions. In the Statement of Activities, pension and OPEB expenses include the change in net pension and opeb liabilities and the related changes in pension and OPEB amounts for deferred outflows of resources and deferred inflows of resources.	
Net change in pension liability	26,645,795
Net change in OPEB liability	(1,299,398)
<u>Accrued Interest</u>	
Recording of the current year change of accrued interest on outstanding debt payable.	11,208
<u>Internal Service Funds</u>	
Internal Service Funds are used by management to charge the costs of certain activities to individual City funds. The adjustments for Internal Service Funds "close" those funds by charging additional amounts to participating governmental activities to completely cover the Internal Service Funds' costs for the year.	8,397,105
<u>Deferred Inflows of Resources</u>	
Certain unavailable revenues that do not provide current financial resources are reported as deferred inflows of resources in the funds.	(1,903,077)
Change in net position of governmental activities	<u>\$ 59,317,692</u>

See notes to financial statements

CITY OF COSTA MESA, CALIFORNIA  
Proprietary Funds  
Statement of Net Position  
June 30, 2023  
(With Comparative Data for Prior Year)

	Governmental Activities - Internal Service Funds	
	2023	2022
<u>Assets:</u>		
Current assets:		
Cash and investments	\$ 37,810,030	\$ 31,293,065
Interest receivable	43,592	59,970
Prepaid items	2,376,236	3,719,059
Inventories	149,203	240,189
Total current assets	40,379,061	35,312,283
Capital Assets:		
Construction in progress	1,932,537	1,412,635
Motorized equipment	18,802,993	14,777,717
Other equipment	3,901,560	3,645,870
Accumulated depreciation	(12,495,503)	(11,881,554)
Net capital assets	12,141,587	7,954,668
Total assets	52,520,648	43,266,951
<u>Liabilities:</u>		
Current liabilities:		
Accounts payable	1,125,434	801,171
Accrued liabilities	133,260	44,918
Notes payable	564,329	325,037
Claims payable	1,134,946	1,379,844
Total current liabilities	2,957,969	2,550,970
Long-term liabilities:		
Notes payable	3,738,263	3,061,525
Claims payable	12,692,453	12,919,598
Total long-term liabilities	16,430,716	15,981,123
Total liabilities	19,388,685	18,532,093
<u>Net Position:</u>		
Net investment in capital assets	7,838,995	4,568,106
Unrestricted	25,292,968	20,166,752
Total net position	\$ 33,131,963	\$ 24,734,858

See notes to financial statements

CITY OF COSTA MESA, CALIFORNIA  
Proprietary Funds  
Statement of Revenues, Expenses, and Changes in Net Position  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Governmental Activities - Internal Service Funds	
	2023	2022
Operating revenues:		
Charges for services	\$ 10,284,896	\$ 7,472,134
Total operating revenues	10,284,896	7,472,134
Operating expenses:		
Allocated administrative costs	3,961,064	2,854,592
Depreciation	1,120,805	1,248,411
Fuel and repair parts	1,050,894	1,230,211
Materials and supplies	71,077	65,073
Claims and premiums	3,589,183	3,023,082
Total operating expenses	9,793,023	8,421,369
Operating income (loss)	491,873	(949,235)
Nonoperating revenues (expenses):		
Investment income (loss)	305,212	(841,310)
Intergovernmental	159,985	-
Other nonoperating revenue	1,367,944	503,000
Interest expense	(121,301)	(26,197)
Gain/(loss) on disposal of equipment	(17,270)	(1,319)
Total nonoperating revenues (expenses)	1,694,570	(365,826)
Income (loss) before transfers	2,186,443	(1,315,061)
Transfers in (note 4)	6,210,662	8,248,850
Change in net position	8,397,105	6,933,789
Net position at beginning of year	24,734,858	17,801,069
Net position at end of year	\$ 33,131,963	\$ 24,734,858

See notes to financial statements

CITY OF COSTA MESA, CALIFORNIA  
Proprietary Funds  
Statement of Cash Flows  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Governmental Activities - Internal Service Funds	
	2023	2022
Cash flows from operating activities:		
Cash received from customers and user departments	\$ 10,284,896	\$ 7,472,134
Cash payments to suppliers for goods and services	(6,308,170)	(11,023,399)
Cash payments to employees for services	(2,286,589)	(1,685,505)
Net cash provided by (used for) operating activities	1,690,137	(5,236,770)
Cash flows from noncapital financing activities:		
Cash received from other funds	6,210,662	8,248,850
Intergovernmental revenue received	159,985	-
Net cash provided by (used for) noncapital financing activities	6,370,647	8,248,850
Cash flows from capital and related financing activities:		
Principal paid on capital debt	(325,038)	(135,493)
Interest paid on capital debt	(121,301)	-
Proceeds from note payable	1,241,068	2,049,653
Proceeds from insurance settlement	1,367,944	503,000
Proceeds from sale of capital assets	67,960	-
Acquisition of capital assets	(4,096,041)	(1,440,414)
Net cash provided by (used for) capital and related financing activities	(1,865,408)	976,746
Cash flows from investing activities:		
Investment income (loss)	321,589	(858,845)
Net cash provided by (used for) investing activities	321,589	(858,845)
Net increase (decrease) in cash and cash equivalents	6,516,965	3,129,981
Cash and cash equivalents at beginning of year	31,293,065	28,163,084
Cash and cash equivalents at end of year	\$ 37,810,030	\$ 31,293,065
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 491,873	\$ (975,432)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	1,120,805	1,248,411
(Increase) decrease in inventories	90,986	(108,595)
(Increase) decrease in prepaid items	(45,022)	(2,062,787)
Increase (decrease) in accounts payable	415,196	(196,786)
Increase (decrease) in accrued liabilities	88,342	13,501
Increase (decrease) in claims payable	(472,043)	(3,155,082)
Net cash provided by (used for) operating activities	\$ 1,690,137	\$ (5,236,770)

There were no noncash investing, capital and financing activities during fiscal years ended June 30, 2023.

See notes to financial statements



CITY OF COSTA MESA, CALIFORNIA  
Fiduciary Funds  
Statement of Fiduciary Net Position  
June 30, 2023  
(With Comparative Data for Prior Year)

	Successor Agency to the City of Costa Mesa Redevelopment Agency Private Purpose Trust Fund	Custodial Fund
<u>Assets:</u>		
Cash and cash investments (note 2)	\$ 1,368,045	\$ 637,722
Accounts receivable	-	46
Total assets	<u>1,368,045</u>	<u>637,768</u>
<u>Liabilities:</u>		
Loan from City - current (note 18)	<u>1,368,045</u>	<u>-</u>
Total liabilities	<u>1,368,045</u>	<u>-</u>
<u>Net Position:</u>		
Restricted for:		
Individuals, organizations and other governments	-	637,768
Total net position	<u>\$ -</u>	<u>\$ 637,768</u>

See notes to financial statements

CITY OF COSTA MESA, CALIFORNIA  
Fiduciary Funds  
Statement of Changes in Fiduciary Net Position  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Successor Agency to the City of Costa Mesa Redevelopment Agency Private Purpose Trust Fund	Custodial Fund
	<u>                    </u>	<u>                    </u>
Additions:		
Property tax	\$ 1,710,056	\$ -
Assessments and fees	-	34,555
Donations	-	167,078
	<u>                    </u>	<u>                    </u>
Total additions	<u>1,710,056</u>	<u>201,633</u>
Deductions:		
Interest expense	7,695	-
Remittance to others	-	721,675
	<u>                    </u>	<u>                    </u>
Total deductions	<u>7,695</u>	<u>721,675</u>
Change in net position	1,702,361	(520,042)
Net position at beginning of year	<u>(1,702,361)</u>	<u>1,157,810</u>
Net position at end of year	<u>\$ -</u>	<u>\$ 637,768</u>

See notes to financial statements

ANNUAL COMPREHENSIVE  
**FINANCIAL REPORT**  
NOTES TO THE FINANCIAL STATEMENTS



CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(1) Summary of Significant Accounting Policies**

The following is a summary of the significant accounting policies of the City of Costa Mesa, California (City):

**(a) Description of Reporting Entity**

The City of Costa Mesa was incorporated on June 29, 1953 as a general law city under the Government Code of the State of California. The City operates under a Council-Manager form of government. Among services provided by the City are the following: public works, parks and recreation, planning, community development, fire, and law enforcement services.

As required by generally accepted accounting principles, these financial statements present the City and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is either able to impose its will on that organization, or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable if an organization is fiscally dependent upon the City (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

All of the City's component units are considered to be blended component units. Blended component units, although legally separate entities, are, in substance, part of the City's operations and so data from these units are appropriately presented as funds of the primary government. The following organizations are considered to be component units of the City:

Costa Mesa Public Financing Authority

The Costa Mesa Public Financing Authority (Public Financing Authority) was established on August 20, 1990 for the purpose of financing public capital improvements. Even though it is legally separate, it is reported as if it were part of the City because the City Council also serves as the governing board of the Authority. Transactions of the Public Financing Authority are reported in the Debt Service Fund.

Costa Mesa Housing Authority

The Costa Mesa Housing Authority (Housing Authority) was created pursuant to the State of California Health and Safety Code, Section 34176(a). The Housing Authority promotes affordable housing for low and moderate income households within the City, administers the homeless outreach program and operates the bridge shelter for homeless individuals.

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(1) Summary of Significant Accounting Policies (Continued)**

The Housing Authority is a separate entity primarily funded by housing loan repayments and transfers from the City.

City Council members, in separate session, serve as the governing board of the Housing Authority, and all accounting and administrative functions are performed by the City. Financial activity of the Housing Authority has been reported as if it were part of the City in the Housing Authority Special Revenue Fund. Separate financial statements of the Housing Authority can be obtained at City Hall.

Costa Mesa Financing Authority

The Costa Mesa Financing Authority (Financing Authority) was created by a joint powers agreement between the City of Costa Mesa (the City) and the Costa Mesa Housing Authority (the Housing Authority), dated August 1, 2017. It was created pursuant to Article 1 of Chapter 5 of Division 7 of Title of the Government Code of the State of California (the "JPA Act"). Transactions of the Financing Authority are reported in the Debt Service Fund. Separate financial statements of the Financing Authority can be obtained at City Hall.

**(b) Basis of Accounting and Measurement Focus**

The *basic financial statements* of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. The City has no business-type activities or discretely presented component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements.

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(1) Summary of Significant Accounting Policies (Continued)**

Under the *accrual basis of accounting*, revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as expenditures.

Franchise fees and business license charges have been reported as general revenues because the fees are based on gross receipts, not charges for services.

Fund Financial Statements

The underlying account system of the City is organized and operated on the basis of separate funds. A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves, and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental funds. Proprietary statements include financial information for internal service funds. Fiduciary statements include financial information for agency and private purpose trust funds. Fiduciary funds of the City represent assets held by the City in a custodial capacity for other individuals or organizations.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified accrual basis of accounting*. Revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period.

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(1) Summary of Significant Accounting Policies (Continued)**

The City uses an availability period of 60 days for all governmental fund revenue, except for grant revenue which uses an availability period of 90 days.

Sales taxes, property taxes, franchise taxes, motor vehicle in lieu, transient occupancy taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange* transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary nonexchange* transactions are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that generally only current assets, current liabilities and deferred inflows of resources are included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Noncurrent portions of long-term receivables due to governmental funds are reported on the balance sheet in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent fund balance.

Recognition of governmental fund type revenues represented by unavailable revenues are reported as deferred inflows of revenues.

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. Proceeds of long-term debt are recorded as *other financing sources*, rather than a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(1) Summary of Significant Accounting Policies (Continued)**

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

Proprietary and Fiduciary Funds

The City's internal service funds are proprietary funds. In the fund financial statements, proprietary and all fiduciary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when related goods or services are delivered.

In the fund financial statements, proprietary and all fiduciary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on the Statement of Net Position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with principal activity of the fund. Exchange transactions are those in which each party receives and gives us essentially equal values. Nonoperating revenues, such as investment income, gain or loss on sale of equipment and miscellaneous revenues result from nonexchange transactions or ancillary activities. Operating expenses for internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All expenses not meeting this definition are reported as nonoperating expenses. Amounts paid to acquire capital assets are capitalized as assets in the internal service fund financial statements, rather than being reported as expenses. Proceeds of long-term debt are recorded as liabilities in the internal service fund financial statements, rather than being reported as other financing sources. Amounts paid to reduce long-term indebtedness of the internal service fund are reported as reductions of the related liability, rather than as expenses. The City's custodial funds are fiduciary funds and use the accrual basis of accounting.

**(c) Property Tax Calendar**

Property tax revenues are recognized in the fiscal year for which the taxes have been levied, provided this accrual meets the available criteria. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County of Orange collects property taxes for the City tax liens attached annually as of 12:01 a.m. on the first day in January preceding the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1st to June 30th. All secured personal property taxes and one-half of the taxes on real property are due November 1st. The second installment is due February 1st. All taxes are delinquent if not paid as of December 10th and April 10th, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent if not paid as of August 31st.



CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(1) Summary of Significant Accounting Policies (Continued)**

**(d) Fund Classifications**

The City reports the following major governmental funds:

*General Fund* – The General Fund is the general operating fund of the City. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. Expenditures of this fund include the general operating expenditures and other costs, which are not paid through other funds.

Special Revenue Fund

*Government Grants* – Established to account for receipt and disbursement of grant monies provided by Federal, State, and County governmental agencies for various programs.

*Gas Tax* - Established to account for the receipt and disbursement of funds required to be used for construction and maintenance of the City's road network system. Financing is provided by the City's share of State gasoline taxes, including allocations from the Highway Users Tax Account (HUTA) and the Road Maintenance and Rehabilitation Account (RMRA).

*American Rescue Plan Act* – Established to account for receipt and disbursement of ARPA monies received under the American Rescue Plan Act.

Capital Projects Fund

*Capital Improvements Fund* – This capital projects fund was established to account for construction of capital facilities financed by the City's General Fund and various governmental grants.

The City's fund structure also includes the following fund types:

*Special Revenue Funds* – The special revenue funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action for a specified purpose.

*Debt Service Funds* – The debt service funds are used to account for the accumulation of resources for, and the payment of, long-term liabilities, interest, and related fiscal agent costs.

*Capital Projects Funds* – The capital projects funds are used to account for financial resources segregated for the acquisition and construction of major capital facilities (other than those financed by the proprietary funds).

*Internal Service Funds* – The internal service funds are used to finance and account for activities involved in rendering equipment replacement, self-insurance services, and information technology replacement to departments within the City. Costs of

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(1) Summary of Significant Accounting Policies (Continued)**

materials, equipment, and services used are accumulated in these funds and charged to the user departments as such goods are delivered or services rendered.

*Private Purpose Trust Fund* – The private-purpose trust fund accounts for the assets, liabilities, additions, and deductions made on behalf of the former Costa Mesa Redevelopment Agency.

*Custodial Funds* – The custodial funds are used to account for assets held by the City as an agent for individuals, private organizations and other governments. The custodial funds are used to account for fees, assessments, seizures and donations for which the City is acting in an agent capacity.

**(e) Cash and Investments**

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

**(f) Cash Equivalents**

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(1) Summary of Significant Accounting Policies (Continued)**

value because of changes in interest rates. Cash and cash equivalents include all investments with original purchase maturities of three months or less. Cash equivalents also represent the proprietary funds share in the cash and investment pool of the City.

The City pools idle cash from all funds in order to maximize income from investment activities. Investments are recorded on the City's books at fair value (quoted market price or best available estimate thereof). Interest income on investments is allocated to individual funds on the basis of monthly cash and investment balances.

**(g) Inventories**

Inventories of materials and supplies are carried at cost on an average cost basis. The City uses the consumption method of accounting for inventories.

**(h) Prepaids**

The City uses the consumption method to record prepaid items.

**(i) Leases**

The City is a lessor and lessee for leases as detailed in notes 6 and 9. The City recognizes a lease receivable, a deferred inflow of resources, and a lease payable in the financial statements.

At the commencement of the lease, the City initially measures the lease receivable at the present value of payments expected to be received and paid during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received and the lease payable is reduced by the principal portion of lease payments made. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines the discount rate it uses to discount the expected lease receipts and payments to present value, lease term and lease receipts.

- The City uses the estimated cost of capital rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(1) Summary of Significant Accounting Policies (Continued)**

**(j) Subscription-Based Information (IT) Arrangements**

The City is a participant in subscription-based IT arrangements as detailed in note 9. The City recognizes a subscription-based IT payable and right to use IT assets in the financial statements. At the commencement of the arrangement, the City initially measures the payable at the present value of payments expected to be paid during the arrangement term. Subsequently, the payable is reduced by the principal portion of payments made. The right to use assets are initially measured at the initial amount of the subscription-based IT payable. Subsequently, the right to use assets are amortized over the life of the arrangement term.

**(k) Capital Assets**

Capital assets (including infrastructure) are recorded at historical cost at the time of purchase. Assets acquired from gifts or contributions are recorded at acquisition value on the date received. Generally, capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of two years or more.

Capital assets include public domain (infrastructure) capital assets consisting of certain improvements including roads, streets, sidewalks, medians, sewers, and storm drains. Public domain assets acquired prior to 1980 have been included in the accompanying financial statements.

Capital assets used in operations are depreciated or amortized over their estimated useful lives using the straight-line method in the government-wide financial statements and in the fund financial statements of proprietary funds. It is the City's policy not to depreciate or amortize assets in its first year of service. A full year of depreciation or amortization is charged at final year of asset life or upon disposal. Depreciation and amortization are charged as expenses against operations and accumulated depreciation and amortization are reported on the respective statement of net position.

The ranges of lives used for computing depreciation and amortization for each capital asset class are as follows:

Building improvements and structures	10-20	years
Landscaping and sprinklers	35-40	years
Automotive equipment	2-20	years
Office furniture	5-20	years
Office machines	3-20	years
Other equipment	5-60	years
Intangible assets	7-10	years
Right-to-use lease assets	2-7	years
Right-to-use subscription assets	2-7	years
Park system and facilities	10-25	years
Infrastructure – roads	10-50	years
Infrastructure – storm drains	50-100	years

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(1) Summary of Significant Accounting Policies (Continued)**

**(l) Deferred Outflows/Inflows of Resources**

The statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to future periods and so will *not* be recognized as an outflow of resources (expenditure) until that time. The City has two items that qualify for reporting in this category. The items are deferred outflows related to pensions and OPEB.

The statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to future periods and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has four types of items which qualify for reporting in this category. Three of the items are deferred inflows related to pensions, OPEB, and leases which are presented on the government-wide statement of net position. The fourth item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from accounts, taxes, grant and leases receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**(m) Fund Balances**

Fund balances are reported in the fund statements in the following classifications:

Nonspendable Fund Balance – This includes amounts that cannot be spent because they are either not spendable in form (such as inventory) or legally or contractually required to be maintained intact (such as endowments).

Restricted Fund Balance – This includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. If Council action limiting the use of funds is included in the same action (legislation) that created (enables) the funding source, then it is restricted.

Committed Fund Balance – This includes amounts that can be used only for specific purposes determined by formal action of a city ordinance by the Council. It includes legislation (Council action) that can only be overturned by new legislation requiring the same type of voting consensus that created the original action. Therefore, if Council action limiting the use of funds is separate from the action (legislation) that created (enables) the funding source, then it is committed, not restricted. For the purposes of establishing, modifying, and rescinding a committed fund balance, the City considers an ordinance more binding than a resolution or a minute action by City Council.

Assigned Fund Balance – This includes amounts that are designated or expressed by the Council, but does not require a formal action like a resolution or ordinance. The Council may delegate the ability to an employee or committee to assign uses of

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(1) Summary of Significant Accounting Policies (Continued)**

specific funds for specific purposes. In June 2011, the City Council passed Resolution 11-27, delegating authority to establish, modify, or rescind a fund balance assignment to the Finance Director.

Unassigned Fund Balance – This includes amounts that are the residual balance for the City's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed or assigned.

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 components of unrestricted fund balance. Further, when components of the 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.

**(n) Employee Leave Benefits**

Eligible employees accumulate up to 26.5 days of vacation each year, depending on the employee's bargaining unit and length of service, but may not carry over from one year to the next more than the equivalent of one to two (depends on Memorandum of Understanding or Salary Resolution) year's vacation without prior approval of the respective department head and/or City Manager.

A liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

A liability is recorded for unused sick leave balances except for miscellaneous, confidential and Costa Mesa Police Association (CMPA) employee groups. The liability is recorded only to the extent that it is probable that the unused balances will result in termination payments. Unused sick leave is converted to CalPERS service credit at the time of retirement. The ability to liquidate leave balances is available to all employee groups with the exception of miscellaneous, confidential and CMPA employee groups, separations from which result in the forfeiture of the accrued sick leave benefit. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness), which is outside the control of the City and the employee.

A current liability is accrued in the governmental funds for material leave benefits due on demand to governmental fund employees that have terminated prior to year-end. All other amounts are only recorded in the government-wide financial statements. These non-current amounts will be recorded as fund expenditures in the year in which they are paid or become due on demand to terminated employees.

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(1) Summary of Significant Accounting Policies (Continued)**

**(o) Claims and Judgments**

The City records a liability for litigation, judgments, and claims when it is probable that an asset has been impaired or a liability has been incurred prior to year-end and the probable amount of loss (net of any insurance coverage) can be reasonably estimated.

This liability is recorded in an internal service fund, which accounts for the City's self-insurance activities.

**(p) Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For the 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.

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

	<u>CalPERS Plans</u>
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

	<u>Supplemental Plan</u>
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

**(q) Other Post Employment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense and information about the plan (OPEB Plan), 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.

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(1) Summary of Significant Accounting Policies (Continued)**

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

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

**(r) Use of Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**(s) Prior Year Data**

The information included in the accompanying financial statements for the prior year has been presented for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles.

Certain minor reclassifications of prior year data have been made in order to enhance their comparability with current year figures.

**(t) Implementation of New GASB Pronouncement**

Governmental Accounting Standards Board has issued Statement No. 96, *Subscription-based Information Technology Arrangements (SBITAs)*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Early application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented.



CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(2) Cash and Investments**

Cash and investments are reported as follows:

Statement of Net Position:	
Cash and Investments	\$ 183,666,852
Cash and Investments with Fiscal Agent	481,295
Statement of Fiduciary Net Position:	
Cash and Investments	<u>2,005,767</u>
Total cash and investments	<u>\$ 186,153,914</u>

Cash and investments at June 30, 2023 consisted of the following:

Petty cash on hand	\$ 52,200
Demand deposits	49,979,016
Investments	<u>136,122,698</u>
Total cash and investments	<u>\$ 186,153,914</u>

Investments Authorized by the California Government Code and the City of Costa Mesa's Investment Policy

The table below identifies investment types that are authorized for the City by the California Government Code and investment policies of the City. The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy

<u>Authorized Investments</u>	<u>Maximum Maturity*</u>	<u>Percentage of Portfolio*</u>	<u>Investment In One Issuer*</u>
U.S. Treasury Securities	5 years	None	None
Federal Agency Securities	5 years	None	35%
Municipal Securities	5 years	None	5%
Banker's Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	5%
Federally Insured Time Deposit	5 Years	None	None
Non-Negotiable Certificates of Deposit	5 years	20%	5%
Certificate of Deposit Placement Service	5 years	30%	None
Negotiable Certificates of Deposit	5 years	30%	5%
Repurchase Agreements	1 year	30%	None
Medium-Term Corporate Notes	5 years	30%	5%
Money Market Mutual Funds	N/A	20%	10%
Asset Backed Securities	5 years	20%	5%
County Pooled Investment Funds	N/A	35%	None
Local Agency Investment Fund	N/A	None	None
Supranational Securities	5 years	15%	5%

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(2) Cash and Investments (Continued)**

\* Based on state law requirements or investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustees. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Generally, the following investment types are authorized by the City's debt agreements:

<u>Authorized Investments</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Securities	None	None	None
Federal Agency Securities	1 year	None	None
Banker's Acceptances	30 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	None	None	None
Investment Agreements	None	None	None
Interest-Bearing Time Deposits	30 days	None	None
Repurchase Agreements	270 days	None	None
Local Agency Investment Fund	None	None	None
State Obligations	None	None	None
Pre-funded Municipal Obligations	None	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer-term investments, and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

CITY OF COSTA MESA, CALIFORNIA  
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**(2) Cash and Investments (Continued)**

<u>Investment Type</u>	12 Months Or Less	13 to 24 Months	25 to 60 Months	Total
Federal Agency Securities	\$ 5,398,016	\$ 5,456,886	\$ 7,044,408	\$ 17,899,310
State Investment Pool (LAIF)	73,862,125	-	-	73,862,125
U.S. Treasury Securities	1,096,787	5,383,540	14,477,633	20,957,960
Medium-Term Corporate Notes	2,427,245	2,246,210	10,488,313	15,161,768
Asset Backed Securities	-	744,504	3,809,437	4,553,941
Money Market Mutual Funds	1,672,883	-	-	1,672,883
PARS Section 115 Trust:				
Pooled Balanced Index Plus	1,678,229	-	-	1,678,229
Held by Trustee:				
Money Market Mutual Funds	328,982	-	-	328,982
Lehman Brothers Holdings				
Inc. Bankruptcy	7,500	-	-	7,500
<b>Total</b>	<b>\$ 86,471,767</b>	<b>\$ 13,831,140</b>	<b>\$ 35,819,791</b>	<b>\$ 136,122,698</b>

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City (including investments held by bond trustees) held no investments that were highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type:

<u>Investment Type</u>	Minimum Legal Rating	AAA	AA	A	Not Rated	Total
Federal Agency Securities	N/A	\$ -	\$ 17,899,310	\$ -	\$ -	\$ 17,899,310
U.S. Treasury Securities*	N/A	-	-	-	20,957,960	20,957,960
Medium-Term Corporate Notes	A	-	2,234,106	12,927,662	-	15,161,768
State Investment Pool (LAIF)	N/A	-	-	-	73,862,125	73,862,125
Asset Backed Securities	AA	4,553,941	-	-	-	4,553,941
Money Market Mutual Funds	AAA	1,672,883	-	-	-	1,672,883
PARS Section 115 Trust:						
Pooled Balanced Index Plus	N/A	-	-	-	1,678,229	1,678,229
Held by Trustee:						
Money Market Mutual Funds	AAA	328,982	-	-	-	328,982
Lehman Brothers Holdings						
Inc. Bankruptcy	N/A	-	-	-	7,500	7,500
<b>Total</b>		<b>\$ 6,555,806</b>	<b>\$ 20,133,416</b>	<b>\$ 12,927,662</b>	<b>\$ 96,505,814</b>	<b>\$ 136,122,698</b>

\* not required to be rated

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(2) Cash and Investments (Continued)**

GASB requires the disclosure of more than 5% total investments with a single issuer. At June 30, 2023, the City's investment in the following single issuers exceeded 5%:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>Percentage</u>
FNMA	Federal Agency Securities	\$ 7,979,470	6%

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

The California Government Code requires that a financial institution secure deposits made by the state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

Investment 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. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Investment in Public Agency Retirement Services

The City is a voluntary participant in the Public Agency Retirement Services (PARS). In 2021, the City funded an Internal Revenue Services Section 115 irrevocable trust with PARS for pension and OPEB benefits. The trust account allows more control and flexibility in investment allocations compared to the City's portfolio which is restricted by State regulations to fixed income instruments. OPEB and Pension trust fund assets are held on behalf of the City by PARS. The City provides investment direction and determines the amount and timing of disbursements of PARS trust fund assets.

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(2) Cash and Investments (Continued)**

Fair Value Measurements

The City's investment in Lehman Brothers Holdings, Inc. Bankruptcy is valued based on cost and the City's assumptions originated from market participant input, respectively. This investment is not traded on, and therefore, are categorized in Level 3. When valuing Level 3 securities, the inputs or methodology are not necessarily an indication of the risks associated with investing in those securities. Changes in valuation techniques may result in transfers into or out of an assigned level within the disclosure hierarchy.

Fair value measurements for the year ended June 30, 2023 are as follows:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Federal Agency Securities	\$ -	\$ 17,899,310	\$ -	\$ 17,899,310
U.S. Treasury Securities	-	20,957,960	-	20,957,960
Medium Term Corporate Notes	-	15,161,768	-	15,161,768
Asset Backed Securities	-	4,553,941	-	4,553,941
Held by Trustee: Lehman Brothers Holdings Inc. Bankruptcy	-	-	7,500	7,500
Investments measured at Fair Value	\$ -	\$ 58,572,979	\$ 7,500	58,580,479
State Investment Pool (LAIF)*				73,862,125
Money Market Mutual Funds*				1,672,883
PARS Section 115 Trust: Pooled Balanced Index Plus*				1,678,229
Held By Trustee: Money Market Mutual Funds*				328,982
Total Investment Portfolio				<u>\$ 136,122,698</u>

\* Not subject to fair value categorization

**(3) Interfund Receivables and Payables**

Interfund receivable and payable balances at June 30, 2023 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Nonmajor Governmental Funds	\$ 54,037

All receivables resulted from short term borrowing to cover negative cash balances.

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
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**(4) Transfers In and Out**

Transfers in and out for the year ended June 30, 2023 are as follows:

<u>Transfers out</u>	<u>Transfers in</u>	<u>Total</u>
General Fund	Capital Improvements Fund	\$ 13,482,325 (a1)
General Fund	Nonmajor Governmental Funds	6,842,008 (a2 to a3)
General Fund	Internal Service Funds	6,210,662 (a4)
ARPA Fund	Nonmajor Governmental Funds	<u>1,887,856 (b1 to b2)</u>
		<u>\$ 28,422,851</u>

- (a) The General Fund transferred the following:
1. \$9,382,325 to the Capital Improvements Capital Projects Fund for capital improvement projects and transfer for 5% CAN Ordinance;
  2. \$1,638,708 to the Housing Authority for subsidy of homeless program costs, \$2,400,000 to the Housing Authority for Element and Visioning; and
  3. \$2,803,300 to the Financing Authority Debt Service Fund for debt service payments;
  4. \$6,210,662 to the Internal Service Funds for various equipment and vehicle purchases as well as true up 1.5% per Information Technology Needs Ordinance.
- (b) The American Rescue Plan Act fund transferred the following:
1. \$1,250,000 to the Housing Authority for the rental assistance program and administration for the program; and
  2. \$637,856 to the Disaster Fund for COVID-19 and winter storm expenditures.

**(5) Loans Receivable**

The City's loans receivable at June 30, 2023 by loan programs are as follows:

HOME Program	\$ 1,152,446
Community Development Loan Program	183,695
Rental Rehabilitation Program	234,518
First Time Home Buyer Program	1,522,685
Single Family Rehabilitation Program	142,500
Neighborhood Stabilization Program	115,250
Other Programs	<u>508,799</u>
Total	3,859,893
Less allowance for uncollectible loans	<u>(3,363,572)</u>
Loans receivable, net	<u>\$ 496,321</u>

Allowance for uncollectible accounts are established for various loans.

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(5) Loans Receivable (Continued)**

**General Fund Loan to the Successor Agency**

In years prior to 2013, the General Fund made loans in the amount of \$9,278,545 to the Successor Agency (formerly the Redevelopment Agency of the City of Costa Mesa). Loan repayments are subject to approved annually by the State. As a result, an allowance for doubtful accounts has been recorded for the outstanding loan balance.

Loan receivable	\$ 1,368,045
Less allowance for doubtful accounts	<u>(1,368,045)</u>
Loans receivable, net	<u>\$ -</u>

**(6) Leases Receivable**

Land

On July 1, 1985, the City entered into a 55-year ground lease agreement with Costa Mesa Family Village for use of three parcels of City-owned land. The lease began in July 1985 and will end in October 2039. The lessee is required to make annual fixed payments ranging from \$6,750 to \$13,500 with an interest rate of 2.015%. As of June 30, 2023, the lease receivable is \$1,434,726, and deferred inflows of resources is \$1,414,825. The City recognized \$108,000 of lease revenue and interest revenue of \$29,896 during the fiscal year.

Buildings & Infrastructure

The City entered into 3 leases for use of building and infrastructure assets with lease terms of five years with the option to extend. The lessee is required to make annual fixed payments ranging from \$27,376 to \$42,083 with interest rates of 2.015%. As of June 30, 2023, the lease receivable is \$2,519,207, and deferred inflows of resources is \$2,396,776. The City recognized \$441,850 of lease revenue and interest revenue of \$54,818 during the fiscal year.

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(7) Capital Assets**

A summary of changes in capital assets is as follows:

	Balance at July 1, 2022*	Additions	Deletions	Balance at June 30, 2023
Capital assets not being depreciated:				
Land	\$ 34,579,306	\$ -	\$ -	\$ 34,579,306
Land rights related to streets	29,821,224	-	-	29,821,224
Construction in progress	<u>11,423,851</u>	<u>14,651,970</u>	<u>(6,938,418)</u>	<u>19,137,403</u>
Total capital assets not being depreciated	<u>75,824,381</u>	<u>14,651,970</u>	<u>(6,938,418)</u>	<u>83,537,933</u>
Capital assets being depreciated/amortized:				
Building improvements and structures	123,822,077	772,109	-	124,594,186
Landscaping and sprinklers	10,076,675	-	-	10,076,675
Automotive equipment	15,075,579	4,617,360	(592,085)	19,100,854
Office furniture	954,586	-	-	954,586
Office machines	8,716,708	-	-	8,716,708
Other equipment	14,208,971	4,527,058	-	18,736,029
Intangible assets	1,669,343	45,000	-	1,714,343
Right-to-use lease assets	1,434,585	-	-	1,434,585
Right-to-use subscription assets	193,154	-	-	193,154
Park system and facilities	19,860,513	3,432,371	-	23,292,884
Infrastructure - roads	297,849,925	2,337,379	-	300,187,304
Infrastructure - storm drains	<u>100,851,449</u>	<u>714,760</u>	<u>-</u>	<u>101,566,209</u>
Total capital assets being depreciated/amortized	<u>594,713,565</u>	<u>16,446,037</u>	<u>(592,085)</u>	<u>610,567,517</u>
Less accumulated depreciation/amortization:				
Building improvements and structures	(51,762,062)	(4,759,318)	-	(56,521,380)
Landscaping and sprinklers	(9,519,422)	(74,709)	-	(9,594,131)
Automotive equipment	(10,330,093)	(708,923)	506,857	(10,532,159)
Office furniture	(657,993)	(51,015)	-	(709,008)
Office machines	(7,875,138)	(251,517)	-	(8,126,655)
Other equipment	(9,291,502)	(973,672)	-	(10,265,174)
Intangible assets	(1,335,237)	(152,550)	-	(1,487,787)
Right-to-use lease assets	(265,493)	(251,266)	-	(516,759)
Right-to-use subscription assets	-	(96,577)	-	(96,577)
Park system and facilities	(13,155,624)	(920,482)	-	(14,076,106)
Infrastructure - roads	(198,701,943)	(6,911,086)	-	(205,613,029)
Infrastructure - storm drains	<u>(87,882,653)</u>	<u>(1,366,559)</u>	<u>-</u>	<u>(89,249,212)</u>
Total accumulated depreciation/amortization	<u>(390,777,160)</u>	<u>(16,517,674)</u>	<u>506,857</u>	<u>(406,787,977)</u>
Total capital assets being depreciated/amortized, net	<u>203,936,405</u>	<u>(71,637)</u>	<u>(85,228)</u>	<u>203,779,540</u>
Capital assets, net	<u>\$ 279,760,786</u>	<u>\$ 14,580,333</u>	<u>\$ (7,023,646)</u>	<u>\$ 287,317,473</u>

\* Balance at July 1, 2022 was restated to include subscription assets added due to the implementation of GASB 96.



CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
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**(7) Capital Assets (Continued)**

Depreciation expense is charged to the following functions for the year ended June 30, 2023:

Governmental activities:

General government	\$ 1,551,587
Protection of persons and property	3,276,211
Community programs	2,475,296
Public services	<u>9,214,580</u>

Total depreciation expense-governmental activities \$16,517,674

The City has active construction projects as of June 30, 2023. The significant projects include the following:

Construction Project	Total Budget	Spent to Date	Remaining Commitment
Range Remodel/Update	\$ 2,448,550	\$ 1,444,287	1,004,263
Fairview Road Improvement			
405/Adam	1,176,150	94,496	1,081,654
SB Newport Blvd Improvements			
(Mesa/Victoria)	1,965,652	97,058	1,868,594
Newport Blvd NB 22th Bristol SB			
Bristol Mesa	2,131,786	94,186	2,037,600
Adams Ave Improvement	2,278,862	-	2,278,862
Ketchum-Libolt Park Expansion	1,297,520	6,940	1,290,580
Jack Hammett Sports Complex	2,776,652	2,361,037	415,615
Wilson Street Improvement	1,830,168	1,400,653	429,515
Fire Station #2	2,150,000	33,935	2,116,065
Fire Station #4	5,100,000	-	5,100,000
Total	<u>\$ 23,155,340</u>	<u>\$ 5,532,592</u>	<u>\$ 17,622,748</u>

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(8) Changes in Long-Term Liabilities**

A summary of changes in long-term liabilities in primary government for the year ended June 30, 2023 is as follows:

	Balance at July 1, 2022*	Additions	Reductions	Balance at June 30, 2023	Due Within One Year
Bonds payable:					
Financing Authority					
2017 Lease Revenue					
Bonds	\$ 23,110,000	\$ -	\$ (1,830,000)	\$ 21,280,000	\$ 1,920,000
Unamortized premium	2,992,279	-	(147,767)	2,844,512	147,767
Total bonds payable	26,102,279	-	(1,977,767)	24,124,512	2,067,767
Other liabilities:					
Lease payable - Facility	236,929	-	(75,502)	161,427	78,939
Lease payable - Warehouse	938,914	-	(136,839)	802,075	144,297
Lease payable - Office Trailer	21,571	-	(21,571)	-	-
Loans payable	97,478	-	(15,392)	82,086	15,391
SBITA payable - Microsoft	191,414	-	(93,066)	98,348	94,773
Claims payable	14,299,442	1,602,104	(2,074,148)	13,827,398	1,134,946
Fire Truck Note payable	1,336,909	-	(137,978)	1,198,931	140,509
Mobile Command and Fire					
Pumper Note payable	2,049,652	-	(187,059)	1,862,593	190,829
Police Armored Vehicle					
Finance Lease	-	400,000	-	400,000	74,727
Ambulances Finance Lease	-	841,068	-	841,068	158,264
Employee leave					
benefits payable	5,584,307	5,198,635	(4,573,666)	6,209,276	3,609,587
Total other liabilities	24,756,616	8,041,807	(7,315,221)	25,483,202	5,642,262
Total	\$ 50,858,895	\$ 8,041,807	\$ (9,292,988)	\$ 49,607,714	\$ 7,710,029

\*Balance at July 1, 2022 has been restated to include leases payable due to the implementation of GASB 96.

**(9) Long-Term Liabilities**

Costa Mesa Financing Authority Bonds - 2017 Lease Revenue Bonds

On October 1, 2017, the Costa Mesa Financing Authority issued \$29,735,000 of 2017 Lease Revenue Bonds to finance certain capital improvements of the City of Costa Mesa and to advance refund \$16,765,000 of outstanding Costa Mesa Public Financing Authority 2007 Certificates of Participation (2007 Certificates). The bond issue also included a bond premium of \$3,694,172. The bonds mature from October 1, 2018 through October 1, 2042 in annual installments ranging from \$570,000 to \$2,220,000. Interest is payable semi-annually on April 1 and October 1 of each year, commencing on April 1, 2018 at a rate ranging from 2% to 5%. As of June 30, 2023, the principal outstanding is \$21,280,000 and the unamortized bond premium balance is \$2,844,512.

Bond proceeds of \$14,530,520 along with \$2,302,225 of 2007 Certificates sinking fund monies, were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the 2007 Certificates. As a result, the 2007 Certificates are considered to be defeased and the liability for those certificates have been removed from the government-wide Statement of Net Position.

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
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**(9) Long-Term Liabilities (Continued)**

The annual debt service requirements for the bonds as of June 30, 2023 are as follows:

Year Ending June 30	Principal	Lease Revenue Interest	Total
2024	\$ 1,920,000	\$ 879,550	\$ 2,799,550
2025	2,015,000	781,175	2,796,175
2026	2,115,000	677,925	2,792,925
2027	2,220,000	569,550	2,789,550
2028	570,000	499,800	1,069,800
2029 - 2033	3,320,000	2,029,000	5,349,000
2034 - 2038	4,185,000	1,166,531	5,351,531
2039 - 2043	4,935,000	411,206	5,346,206
Total	<u>\$ 21,280,000</u>	<u>\$ 7,014,737</u>	<u>\$ 28,294,737</u>

Leases Payable

Community Service Facility

On July 1, 2012, the City entered into a 13-year lease agreement for the use of a community service facility. The total lease liability is \$309,105 at 2.20% interest. As of June 30, 2023, the value of the lease liability is \$161,427. The City is required to make annual payments ranging from \$78,976 to \$84,304. The value of the right-to-use asset is \$309,105 and had an accumulated amortization of \$154,553 as of June 30, 2023.

The future principal and interest payments as of June 30, 2023, are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 78,939	\$ 3,551	\$ 82,490
2025	<u>82,488</u>	<u>1,815</u>	<u>84,303</u>
Total	<u>\$ 161,427</u>	<u>\$ 5,366</u>	<u>\$ 166,793</u>

Warehouse

On May 17, 2021, the City entered into a seven-year lease agreement for the use of a warehouse. The total lease liability is \$1,068,577 at 2.015% interest. As of June 30, 2023, the value of the lease liability is \$802,075. The City is required to make monthly principal and interest payments of \$12,500. The value of the right-to-use asset is \$1,068,577 and had an accumulated amortization of \$305,304 as of June 30, 2023.

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**(9) Long-Term Liabilities (Continued)**

The future principal and interest payments as of June 30, 2023, are as follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 144,297	\$ 14,835	\$ 159,132
2025	152,052	11,856	163,908
2026	160,099	8,717	168,816
2027	168,466	5,414	173,880
2028	<u>177,161</u>	<u>1,939</u>	<u>179,100</u>
Total	<u>\$ 802,075</u>	<u>\$ 42,761</u>	<u>\$ 844,836</u>

Subscription-Based Information Technology Arrangements (SBITAs)

Microsoft – Software One

On September 1, 2021, the City entered into a three-year subscription-based IT arrangement for the use of software. The total lease liability is \$191,414 at 1.834% interest. As of June 30, 2023, the value of the SBITA liability is \$98,348. The City is required to make annual payments of \$96,577. The value of the right-to-use asset is \$193,154 and had an accumulated amortization of \$96,577 as of June 30, 2023.

The future principal and interest payments as of June 30, 2023 are as follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 94,773	\$ 14,835	\$ 111,412
2025	<u>3,575</u>	<u>66</u>	<u>3,641</u>
Total	<u>\$ 98,348</u>	<u>\$ 14,901</u>	<u>\$ 115,053</u>

Loans Payable – SCE On-Bill Financing (OBF) Loans

During the year ended June 30, 2019, the City entered into loan agreements with Southern California Edison to finance certain street lighting projects. The total amount of the loans was \$153,914. The loan's term is ten years with monthly payments of \$1,282. The loans bear no interest.

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Notes to the Basic Financial Statements  
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**(9) Long-Term Liabilities (Continued)**

The annual debt service requirements for loans payable as of June 30, 2023 are as follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Total</u>
2024	\$ 15,391	\$ 15,391
2025	15,391	15,391
2026	15,391	15,391
2027	15,391	15,391
2028	15,391	15,391
2029	<u>5,131</u>	<u>5,131</u>
Total	<u>\$ 82,086</u>	<u>\$ 82,086</u>

Firetruck Note Payable

On February 25, 2021, the City entered into a Master Lease – Purchase Agreement and financed the purchase of a Pierce Arrow XT Firetruck for \$1,472,402. The note matures annually on March 5<sup>th</sup> of each year with annual payments of \$162,497. The note bears an interest rate of 1.8340% per annum.

The annual debt service requirements for the note as of June 30, 2023 is as follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 140,509	\$ 21,988	\$ 162,497
2025	143,086	19,411	162,497
2026	145,710	16,787	162,497
2027	148,382	14,115	162,497
2028	151,103	11,394	162,497
2029 - 2031	<u>470,141</u>	<u>17,349</u>	<u>487,490</u>
Total	<u>\$ 1,198,931</u>	<u>\$ 101,044</u>	<u>\$ 1,299,975</u>

Mobile Command Center and Fire Pumper Note Payable

On January 7, 2022, the City entered into a Master Lease – Purchase Agreement and financed the purchase of a Mobile Command Center and a Fire Pumping Engine for \$2,049,652. The note matures annually on March 7<sup>th</sup> of each year with annual payments of \$228,360. The note bears an interest rate of 2.0150% per annum.

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**(9) Long-Term Liabilities (Continued)**

The annual debt service requirements for the note as of June 30, 2023 is as follows:

Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 190,829	\$ 37,531	\$ 228,360
2025	194,674	33,686	228,360
2026	198,596	29,763	228,359
2027	202,598	25,762	228,360
2028	206,681	21,679	228,360
2029 - 2032	<u>869,215</u>	<u>44,224</u>	<u>913,439</u>
Total	<u>\$ 1,862,593</u>	<u>\$ 192,645</u>	<u>\$ 2,055,238</u>

Police Armored Vehicle Note Payable

On August 15, 2022, the City entered in a Master Lease – Purchase Agreement and financed the purchase of a Police Bearcat Vehicle for \$400,000. The lease payment is due annually on August 17<sup>th</sup> of each year with annual payments of \$88,367. The note bears an interest rate of 3.410% per annum.

The annual debt service requirements for the finance lease as of June 30, 2023 is as follows:

Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 74,727	\$ 13,640	\$ 88,367
2025	77,275	11,092	88,367
2026	79,910	8,457	88,367
2027	82,635	5,732	88,367
2028	<u>85,453</u>	<u>2,913</u>	<u>88,366</u>
Total	<u>\$ 400,000</u>	<u>\$ 41,834</u>	<u>\$ 441,834</u>

Ambulances Note Payable

On August 16, 2022, the City entered in a Master Lease – Purchase Agreement and financed the purchase of four CCL150 Type III Ambulances for \$841,068. The lease payment is due annually on September 16<sup>th</sup> of each year with annual payments of \$186,645. The note bears an interest rate of 3.670% per annum.

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(9) Long-Term Liabilities (Continued)**

The annual debt service requirements for the finance lease as of June 30, 2023 is as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 158,264	\$ 28,381	\$ 186,645
2025	161,586	25,059	186,645
2026	167,516	19,129	186,645
2027	173,664	12,981	186,645
2028	<u>180,038</u>	<u>6,605</u>	<u>186,643</u>
Total	<u>\$ 841,068</u>	<u>\$ 92,155</u>	<u>\$ 933,223</u>

**(10) Fund Balances**

Fund balance consisted of the following at June 30, 2023:

	Major Funds					
	General	Government Grants	Gas Tax Fund	American Rescue Plan Act Fund	Capital Improvements	Non-Major Funds
Nonspendable:						
Prepaid items	\$ 373,530	\$ -	\$ -	\$ -	\$ -	\$ -
Inventories	85,157	-	-	-	-	-
Restricted for:						
Pension and OPEB	3,178,229	-	-	-	-	-
Protection of persons and property	-	262,850	-	258,379	-	1,376,549
Community programs	-	-	-	-	-	9,179,963
Public services (1)	-	-	17,556,354	-	-	6,580,177
Debt service	-	-	-	-	-	7,278
Committed for:						
Declared disasters (2)	14,125,000	-	-	-	-	-
Self insurance (3)	2,000,000	-	-	-	-	-
Economic reserves (4)	9,000,000	-	-	-	-	-
Assigned for:						
Compensated absences	6,209,276	-	-	-	-	-
Police Retirement 1% Supplemental	1,737,346	-	-	-	-	-
Workers compensation	2,000,000	-	-	-	-	-
Facilities reserve	2,000,000	-	-	-	-	-
Strategic plan projects	2,000,000	-	-	-	-	-
Protection of persons and property	-	-	-	-	-	642,253
Public services	-	-	-	-	31,538,022	12,500,167
Unassigned	<u>16,328,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>961,694</u>
Total Fund Balance	<u>\$ 59,036,954</u>	<u>\$ 262,850</u>	<u>\$ 17,556,354</u>	<u>\$ 258,379</u>	<u>\$ 31,538,022</u>	<u>\$ 31,248,081</u>

1. Restricted fund balances in the Public Services category consist of fund balances in the Gas Tax, Air Quality Improvement, Lions Park Capital Improvements, and Measure "M2" Construction funds. Revenues received in these funds are legally restricted for specific purposes, such as transportation and facility related capital projects.
2. The fund balance committed for declared disasters was adopted by Ordinance No. 91-20 and Municipal Code Section 2-206 to provide required funding as a result of a declared emergency by the City Council for an unanticipated but urgent event threatening the public health, safety and welfare of the City. Any fund balance utilized has to be replenished.

CITY OF COSTA MESA, CALIFORNIA  
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**(10) Fund Balances (Continued)**

3. The fund balance committed for self-insurance was codified in the Ordinance No. 96-14 and City Municipal Code Section 2-154 to provide a self-insurance reserve to be used to pay actual losses not covered by insurance policies or insurance pools. Any fund balance utilized has to be replenished.

The following funds had deficits at June 30, 2023:

Nonmajor Governmental Funds:

Special Revenue Funds:

Office of Traffic Safety \$ (7,895)

**(11) Defined Benefit Pension Plans**

**(a) General Information about the Pension Plans**

Employees of the City are members of the California Public Employees' Retirement System (CalPERS), the cost of which is paid by the City. The information below includes the aggregate total pension plan related items:

	<b>Miscellaneous</b>	<b>Police Safety</b>	<b>Fire Safety</b>	<b>1% Supplemental</b>	<b>Total</b>
Net pension liability	\$ (107,568,266)	\$ (136,537,780)	\$ (88,285,197)	\$ -	\$ (332,391,243)
1% supplemental liability	-	-	-	(1,737,346)	(1,737,346)
Deferred outflows of resources - pension	27,659,249	33,038,702	35,970,674	-	96,668,625
Deferred inflows of resources - pension	(1,612,741)	(3,807,714)	(6,851,375)	-	(12,271,830)
Pension expense (credit)	10,839,863	11,611,651	14,762,195	50,952	37,264,661

Below are descriptions of the retirement plans along with selected information regarding benefits, contributions, liabilities and actuarial assumptions.

**Plan Descriptions**

All qualified permanent and probationary employees are eligible to participate in the City's separate Miscellaneous and Police Safety Plans, agent multiple-employer defined benefit pension plans and the Fire Safety cost sharing plans. The plans are administered by 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.



CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(11) Defined Benefit Pension Plans (Continued)**

**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 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least 5 years of service.

PEPRA miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. All members are eligible for non-duty disability benefits after 5 years of service.

The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit.

Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. Fire members may receive the alternate death benefit in lieu of the Basic Death Benefit or the 1957 Survivor Benefit if the member dies while actively employed and has at least 20 years of total CalPERS service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous (Agent Multiple-Employer)		
	Prior to March 11, 2012	On or After March 11, 2012	On or After January 1, 2013
Hire Date			
Benefit formula	2.5% @55	2.0% @60	2% @62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	10.469%	7%	7.50%
Required employer contribution rates	7.29%	9.76%	9.76%

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**(11) Defined Benefit Pension Plans (Continued)**

	Police Safety (Agent Multiple-Employer)		
	On or After	On or After	
Hire Date	March 11, 2012	January 1, 2013	
Benefit formula	3% @50	2.7% @57	
Benefit vesting schedule	5 years of service	5 years of service	
Benefit payments	monthly for life	monthly for life	
Retirement age	50	50 - 57	
Monthly benefits, as a % of eligible compensation	3%	2.0% to 2.7%	
Required employee contribution rates	14%	12.75%	
Required employer contribution rates	15.13%	20.13%	

	Fire Safety (Cost Sharing Multiple-Employer)		
	Prior to	On or After	On or After
Hire Date	December 30, 2012	December 30, 2012	January 1, 2013
Benefit formula	3.0% @50	2.0% @50	2.7% @57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3%	2.0% to 2.7%	2.0% to 2.7%
Required employee contribution rates	14%	9%	13%
Required employer contribution rates	20.64%	18.17%	12.78%

**Employees Covered**

At the June 30, 2022 measurement date, the following employees were covered by each plan's benefit terms:

	Miscellaneous	Police Safety	Fire Safety
Inactive employees or beneficiaries currently receiving benefits	597	209	132
Inactive employees entitled to but not yet receiving benefits	794	69	30
Active employees	330	135	82
Total	<u>1,721</u>	<u>413</u>	<u>244</u>

CITY OF COSTA MESA, CALIFORNIA  
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**(11) Defined Benefit Pension Plans (Continued)**

**Contributions**

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy plan member contribution requirements as identified by the pension plan terms are classified as plan member contributions.

**(b) Net Pension Liability**

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each Plan is measured as of June 30, 2022, based on an annual actuarial valuation as of June 30, 2021 and rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

For the three CalPERS Plans, the June 30, 2021 valuation was rolled forward to determine the June 30, 2022 pension liability, based on the following actuarial methods and assumptions:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry-Age Normal in accordance with the requirements of GASB 68
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Mortality Rate Table <sup>1</sup>	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

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**(11) Defined Benefit Pension Plans (Continued)**

<sup>1</sup> 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 2021 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 the 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 on investment was applied to all periods of projected benefit payments to determine the total pension liability.

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.

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 rate of return by asset class are as followed:

<u>Asset Class<sup>1</sup></u>	<u>Assumed asset allocation</u>	<u>Real Return Years 1-10<sup>1,2</sup></u>
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)

<sup>1</sup> An expected inflation of 2.30% used for this period.

<sup>2</sup> Figures are based on the 2021 Asset Liability Management study.

CITY OF COSTA MESA, CALIFORNIA  
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**(11) Defined Benefit Pension Plans (Continued)**

**Changes in Net Pension Liability**

The changes in the net pension liability for the Miscellaneous (Agent Multiple-Employer) Plan, using the measurement date of June 30, 2022, are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Position Liability (Asset)
Balance at June 30, 2021 (Valuation Date)	<u>\$ 307,553,120</u>	<u>\$ 236,997,092</u>	<u>\$ 70,556,028</u>
Changes in the Year:			
Service cost	4,524,340	-	4,524,340
Interest on the total pension liability	21,200,745	-	21,200,745
Differences between actual and expected experience	(2,514,720)	-	(2,514,720)
Net plan to plan resource movement	-	-	-
Changes in assumptions	9,049,210	-	9,049,210
Contributions - employer	-	10,995,829	(10,995,829)
Contributions - employees	-	2,265,758	(2,265,758)
Net investment income	-	(17,866,615)	17,866,615
Administrative expenses	-	(147,635)	147,635
Benefit payments, including refunds of employee contributions	(18,185,189)	(18,185,189)	-
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes	<u>14,074,386</u>	<u>(22,937,852)</u>	<u>37,012,238</u>
Balance at June 30, 2022 (Measurement Date)	<u>\$ 321,627,506</u>	<u>\$ 214,059,240</u>	<u>\$ 107,568,266</u>

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**(11) Defined Benefit Pension Plans (Continued)**

The changes in the net pension liability for the Police Safety (Agent-Multiple-Employer) Plan, using the measurement date of June 30, 2022, are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Position Liability (Asset)
Balance at June 30, 2021 (Valuation Date)	\$ 333,514,059	\$ 236,223,938	\$ 97,290,121
Changes in the Year:			
Service cost	5,458,052	-	5,458,052
Interest on the total pension liability	23,094,674	-	23,094,674
Differences between actual and expected experience	(4,554,440)	-	(4,554,440)
Net plan to plan resource movement	-	-	-
Changes in assumptions	11,831,923	-	11,831,923
Contributions - employer	-	12,366,023	(12,366,023)
Contributions - employees	-	2,367,983	(2,367,983)
Net investment income	-	(18,004,303)	18,004,303
Administrative expenses	-	(147,153)	147,153
Benefit payments, including refunds of employee contributions	(17,630,306)	(17,630,306)	-
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes	<u>18,199,903</u>	<u>(21,047,756)</u>	<u>39,247,659</u>
Balance at June 30, 2022 (Measurement Date)	\$ <u>351,713,962</u>	\$ <u>215,176,182</u>	\$ <u>136,537,780</u>

**Proportionate Share of the Net Pension Liability for the Fire Safety Plan**

As of June 30, 2023, the City reported net pension liabilities for its proportionate share of the net pension liability of the Fire Safety Plan as follows:

	Proportionate Share of Net Pension Liability
Balance at: 6/30/2021	\$ 61,763,064
Balance at: 6/30/2022	88,285,197
Net Changes during 2021-2022	26,522,133

The City's proportionate share 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.

CITY OF COSTA MESA, CALIFORNIA  
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**(11) Defined Benefit Pension Plans (Continued)**

The City's proportionate share of the net pension liability for this Plan as of the measurement dates of June 30, 2021 and 2022 was as follows:

	<u>Fire Safety</u>
Proportion - June 30, 2021	1.75989%
Proportion - June 30, 2022	1.28479%
Change - Increase (Decrease)	-0.47510%

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

The following presents the City's net pension liability for each Plan, calculated using the Plan's discount rate, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Police Safety</u>	<u>Fire Safety</u>
1% Decrease	5.90%	5.90%	5.90%
Net Pension Liability	\$ 149,250,945	\$ 185,020,659	\$ 119,129,981
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	\$ 107,568,266	\$ 136,537,780	\$ 88,285,197
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability	\$ 73,312,204	\$ 97,018,452	\$ 63,076,553

**Pension Plans Fiduciary Net Position**

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

**Amortization of Deferred Outflows and Inflows of Resources**

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lifetime (EARS�) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(11) Defined Benefit Pension Plans (Continued)**

**Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension**

At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 11,953,509	\$ -
Differences between expected and actual experience	-	(1,612,741)
Change in assumptions	5,114,771	-
Net differences between projected and actual earnings on plan investments	10,590,969	-
Total	<u>\$ 27,659,249</u>	<u>\$ (1,612,741)</u>
	Police Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 13,172,096	\$ -
Differences between expected and actual experience	231,230	(3,807,714)
Change in assumptions	8,946,088	-
Net differences between projected and actual earnings on plan investments	10,689,288	-
Total	<u>\$ 33,038,702</u>	<u>\$ (3,807,714)</u>
	Fire Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 9,408,864	\$ -
Differences between expected and actual experience	3,653,804	(958,708)
Change in assumptions	8,901,820	-
Change in employer's proportion	-	(5,582,660)
Net difference between projected and actual earnings on plan investments	13,941,467	-
Differences between employer's contributions and change in employer's proportion	64,719	(310,007)
Total	<u>\$ 35,970,674</u>	<u>\$ (6,851,375)</u>



CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(11) Defined Benefit Pension Plans (Continued)**

At June 30, 2023, deferred outflows of resources in the amounts of \$11,953,509, \$13,172,096 and \$9,408,864 were related to contributions subsequent to the measurement date for the Miscellaneous, Police Safety and Fire Safety Plans, respectively. They will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. 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 Ending				
June 30	Miscellaneous	Police Safety	Fire Safety	
2024	\$ 4,341,524	\$ 3,208,229	\$ 5,048,313	
2025	2,296,603	3,354,787	3,899,630	
2026	655,035	2,480,392	2,258,019	
2027	6,799,837	7,015,484	8,504,473	
Thereafter	-	-	-	

**(12) Police 1% Supplemental Retirement Plan**

**(a) General Information about the Pension Plan**

**Plan Description**

The plan was effective on July 1, 1993 for sworn members of the City of Costa Mesa Police Department. The plan was originally a 1% supplemental plan to the City's 2%@50 benefit. Under the Retirement Plan for Safety Employees of the City of Costa Mesa, the City joined CalPERS with 3%@50 Safety benefit as of December 31, 2000 and transferred active members to CalPERS. Employees who retired prior to July 1, 1999 were not transferred to CalPERS.

The Police 1% Supplemental Retirement Plan is a single employer defined benefit plan. This Plan currently has only retired participants as all active employees were transferred to the CalPERS 3%@ 50 benefit plan. The number of participants at June 30, 2023 was 18. The average monthly benefit being paid is \$949.24. The retirement benefit is 1% of the highest 12-month earnings for credited services up to 25 years. Maximum benefit is 75% of the highest 12-month earnings for service retirement including all public plan pension benefits but not including Social Security. The 75% is proportionately reduced for less than 25 years of Costa Mesa Police Department service.

**Contributions**

The City has not adopted a funding policy for this supplemental retirement plan and accordingly plan benefits impact financial resources as benefits are paid. As such, there are no assets accumulated in a trust for the plan.

**(b) Pension Liability**

The City's pension liability for the Plan is measured as the total pension liability, as the pension plan has no fiduciary net position. The pension liability of the Plan is measured

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(12) Police 1% Supplemental Retirement Plan (Continued)**

as of June 30, 2023, using an annual actuarial valuation as of June 30, 2023. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Methods and Assumptions**

The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

Measurement Date	June 30, 2023
Actuarial Assumptions:	
Discount Rate	3.90% per annum. This discount rate is the mid-point, rounded to 5 basis points, of 3-20 year municipal bond rate indices: S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, Fidelity GO AA 20 Year Bond Index.
Payroll Growth	N/A; all participants have retired
Inflation Rate	2.75% per year
Cost Method	Entry Age Normal as a level percentage of payroll
Employer Funding Policy	Pay-as-you-go
Census Data	Census information was provided by the Plan Sponsor as of June 2022.
Retirement	
Disability/Turnover Rate	N/A; all participants have retired
Mortality	Rates are based on the 2021 CalPERS Experience Study for Public Agency Police as shown below:

Age	Healthy Retirees		Non-Industrial Disabled Retirees	
	Male	Female	Male	Female
50	0.27%	0.20%	1.70%	1.44%
60	0.58%	0.46%	2.71%	1.96%
70	1.33%	1.00%	4.00%	2.91%
80	4.37%	3.40%	7.94%	6.11%
90	14.54%	11.09%	16.61%	14.40%
100	36.20%	31.58%	36.20%	31.58%
110	100.00%	100.00%	100.00%	100.00%

**Discount Rate**

The discount rate used to measure the total pension liability was 3.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Professional judgment on future contributions has been applied in those cases where contribution patterns deviate from the actuarially determined rates. Basted on those

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(12) Police 1% Supplemental Retirement Plan (Continued)**

assumptions, the pension plan's fiduciary net position was projected to be depleted for current members during the fiscal year. Therefore, the long-term expected rate of return of 3.90% was used to discount funded projected benefit payments to determine the total pension liability. The single effective discount rate was 3.90%.

The discount rate changed from 3.75% as of June 30, 2022 to 3.90% as of June 30, 2023 measurement date.

**(c) Changes in the Pension Liability**

Balance at June 30, 2022	\$ 1,884,759
Changes in the year:	
Interest on the total pension liability	66,959
Differences between actual expected and actual experience	-
Changes in assumptions	(16,007)
Benefit payments, including refunds of member contributions	<u>(198,365)</u>
Net Changes	<u>(147,413)</u>
Balance at June 30, 2023	<u>\$ 1,737,346</u>

**Sensitivity of the Total Pension Liability to Changes in the Discount Rate**

The following presents the total pension liability, calculated using the discount rate of 3.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Supplemental Plan
1% Decrease	2.90%
Net Pension Liability	\$ 1,849,240
Current Discount Rate	3.90%
Net Pension Liability	\$ 1,737,346
1% Increase	4.90%
Net Pension Liability	\$ 1,637,002

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(12) Police 1% Supplemental Retirement Plan (Continued)**

**(d) Pension expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the fiscal year ended June 30, 2023, the City recognized pension expense of \$50,952. At June 30, 2023, the City did not report any deferred outflows/inflows of resources related to the Police 1% Supplemental Retirement Plan.

**(13) Defined Contribution Plan**

On January 1, 2000, the City adopted a Defined Contribution Plan (Plan) for part-time employees that work under 1,000 hours during the fiscal year and do not meet the eligibility requirements to be enrolled in the California Public Employee Retirement System (CalPERS). The Plan is administered by the Public Agency Retirement Services (PARS). As of June 30, 2023, there were 75 active participants in the Plan. Both the City and employees are required to each contribute 3.75% of gross wages. The City's contribution to the defined contribution plan for the year ended June 30, 2023 was \$35,848.

**(14) Other Post Employment Benefits Plan (OPEB)**

**Plan Description**

The City administers a single-employer defined benefit plan, which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. The plan covers employees hired before January 1, 2004 who retire directly from the City with 10 years or more of City service. The City provides a contribution up to a percentage of the lesser of \$500 per month or the premium for the most popular medical plan elected by the employees. The percentage varies by retirement date and years of City service. For employees hired on or after January 1, 2004, the City will only pay for the PEMHCA subsidy once they meet the definition of a retiree under CalPERS. The City provides retiree life insurance of \$1,000 for the retiree and \$500 for the retiree's spouse.

**Employees Covered**

As of the June 30, 2022 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	580
Inactive employees or beneficiaries currently receiving benefits	430
Inactive employees entitled to but not yet receiving benefits	-
Total	<u>1,010</u>

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(14) Other Post Employment Benefits Plan (OPEB) (Continued)**

**Contributions**

The contribution requirements of plan members and the City are established and may be amended by the City Council. The contribution required to be made under the City Council and labor agreement requirements is on a pay-as-you-go basis (i.e., as medical insurance premiums become due). For the fiscal year ended June 30, 2023, the City contributed \$1,845,862 to the Plan. The City has not established a trust for the purpose of holding assets accumulated for plan benefits.

The City's total OPEB liability was measured as of June 30, 2022 by an actuarial valuation based on the following actuarial methods and assumptions:

Discount Rate: 4.09% for accounting disclosure purposes. The rate is based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). For the current valuation, the discount rate was selected from the range of indices as shown in the table below:

	As of 06/30/22
Bond Buyer Go 20 – Municipal Bond Index	3.54%
S&P Municipal Bond 20-year High Grade Rate Index	4.09%
Fidelity 20-year Go Municipal Bond Index	3.69%
Bond Index Range	3.54% - 4.09%
Actual Discount Rate Used	<b>4.09%</b>

Inflation Rate: 2.50% per year

Aggregate Payroll Increases: 2.75% per year. This assumption is used to amortize the unfunded actuarial accrued liability and to determine the Entry Age Normal actuarial liabilities.

Mortality Rate: Based on rates used in the most recent CalPERS pension valuation.

Turnover Rate: Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. The rates represent the probability of termination in the next 12 months. The termination rates are based on those used in the most recent CalPERS pension valuation.

Retirement Rate: Annual retirement rates are based on those used in the most recent CalPERS pension valuation.

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(14) Other Post Employment Benefits Plan (OPEB) (Continued)**

**Changes in the Total OPEB Liability**

The changes in the Plan's total OPEB liability is as follows:

Balance at June 30, 2022	\$ 66,254,495
Changes recognized for the measurement period:	
Service cost	2,123,135
Interest	1,470,020
Differences between expected and actual experience	(480,791)
Changes of assumptions	(14,469,369)
Contributions - employer	-
Benefit payments	(2,520,497)
Administrative expense	-
Net Changes	(13,877,502)
Balance at June 30, 2023 (Measurement Date June 30, 2022)	<u>\$ 52,376,993</u>

**Sensitivity of the OPEB Liability to Changes in the Discount Rate**

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

	1% Decrease (3.09%)	Current Discount Rate (4.09%)	1% Increase (5.09%)
OPEB Liability	\$ 59,517,860	\$ 52,376,993	\$ 46,538,016

**Sensitivity of the OPEB Liability to Changes in the Health Care Cost Trend Rates**

The following presents the OPEB liability 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 the measurement period ended June 30, 2023:

	1% Decrease (5.75% decreasing to 3.50%)	Current Healthcare Cost Trend Rates (6.75% decreasing to 4.50%)	1% Increase (7.75% decreasing to 5.50%)
OPEB Liability	\$48,378,923	\$52,376,993	\$58,014,193

**Recognition of Deferred Outflows and Deferred Inflows of Resources**

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs.

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(14) Other Post Employment Benefits Plan (OPEB) (Continued)**

The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The initial amortization period for deferred inflows and deferred outflows is three years.

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$3,824,965. At June 30, 2023, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 1,845,862	\$ -
Differences between expected and actual differences	892,282	(3,062,921)
Changes in assumptions	8,485,941	(13,153,972)
Total	<u>\$ 11,224,085</u>	<u>\$ (16,216,893)</u>

The \$1,845,862 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2024.

Other amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2024	\$ 231,810
2025	231,810
2026	231,809
2027	(554,277)
2028	(554,277)
Thereafter	(6,425,545)

**(15) Post Employment Benefits-RHS (Defined Contribution)**

On January 1, 2004, the City adopted a new Retirement Health Savings Plan (RHS) for all full-time active employees. This benefit was ratified in the City's contractual agreements (MOU) with the Costa Mesa Employees Association (CMCEA), Costa Mesa Police Association (CMPA), Costa Mesa Police Management Association (CMPMA), and the Costa Mesa Firefighters Association (CMFA). This post-employment medical benefit is to assist employees with their qualifying medical expenses or premiums upon retirement or separation from the City with no minimum age requirement. The RHS plan is a defined contribution plan for all full time employees at the City. Under this plan, the employee and the City each make a mandatory 1% of base pay contribution. If the employee separates from the City prior to the 10-year vesting period, the employee forfeits his or her share of the City's contribution.

CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(15) Post Employment Benefits-RHS (Defined Contribution)**

The City has no payment obligations once the employee separates from the City. Per a side letter agreement with employees, the RHS program was suspended starting November 7, 2010. For the CMPMA, effective July 2014, a 1% employee contribution is required to the plan, but no employer contribution is required. The City's contribution to the defined contribution post retirement plan for the year ended June 30, 2023 was \$0.

**(16) Expenditures in Excess of Appropriations**

Excess of expenditures over appropriations in individual funds at the function level (level of budgetary control) is as follows at June 30, 2023:

	<u>Function</u>	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
Major Fund:				
General Fund				
	Protection of persons and property	92,162,287	92,495,292	(333,005)
	Public services	7,948,741	7,771,588	177,153
	Transfers out	26,534,995	26,023,249	511,746
Special Revenue Funds:				
Office of Traffic Safety	Protection of persons and property	226,977	265,000	(38,023)
Park Development Fund	Public services	596,217	1,815,715	(1,219,498)

**(17) Risk Management**

For the fiscal year ended June 30, 2023, the City participated in the California Municipal Excess Liability ("CAMEL") Program. The membership of CAMEL consists of 21 cities with similar interests and needs regarding liability insurance. The Board of Directors sets the premiums for each participant and each participant is represented on the Board. Premiums are based upon the losses incurred by each member and are not affected by losses incurred by other members.

In the Self-Insurance Workers' Compensation/General Liability/Unemployment Internal Service Fund, the City has recorded liabilities of \$13,827,398 for lawsuits and other claims arising in the ordinary course of business. The City is also self-insured for the first \$2,000,000 of each claim arising for workers' compensation and has purchased outside insurance coverage in excess of the \$2,000,000 up to an unlimited maximum. The City is self-insured for the first \$2,000,000 of each claim arising for general liability. The City has purchased outside insurance coverage in excess of the \$2,000,000 up to a maximum of \$25,000,000 per occurrence. For the past three years, claim payments have not exceeded the amount of applicable insurance coverage. The City has estimated losses for claims and judgments and has established liabilities of \$8,350,610 for workers' compensation and \$5,476,788 for general liability. Losses for claims incurred but not reported are recorded when the probable amount of loss can be reasonably estimated. These amounts represent estimates of amounts to be paid for reported claims and incurred but not yet reported claims based upon past experience, modified for current trends and information. While the ultimate amount of losses incurred through June 30, 2023 is dependent on future developments, based upon information from the City Attorney, the City's claims administrators and others involved with the administration of the programs, City management believes the accrual is adequate to cover such losses.



CITY OF COSTA MESA, CALIFORNIA  
Notes to the Basic Financial Statements  
Year ended June 30, 2023

**(17) Risk Management (Continued)**

The City is contingently liable for additional losses not reported in the accompanying financial statements in the range of approximately \$25,000 to \$2,000,000 for which the likelihood of an unfavorable outcome is only reasonably possible, as determined by legal counsel.

Changes in claims payable for the past two fiscal years are as follows:

Fiscal Year	Beginning Balance	Claims Incurred and Changes in Estimates	Claim Payments	Ending Balance
2021-22	\$ 17,454,524	\$ 100,282	\$ (3,255,364)	\$ 14,299,442
2022-23	14,299,442	1,602,104	(2,074,148)	13,827,398

**(18) Legislation and Litigation Affecting the Successor Agency**

As of February 1, 2012, California redevelopment agencies were dissolved. The Successor Agency to the Costa Mesa Redevelopment Agency (Successor Agency) succeeded to the former Costa Mesa Redevelopment Agency (former Agency) and administers the enforceable obligations, including a \$9,278,545 loan from the City's General Fund to the former agency. The Department of Finance has approved the Successor Agency to reinstate this loan on its Report Obligation Payment Schedule (ROPS).

The City has adjusted the loan for principal/interest additions and principal repayments from the annual ROPS as approved by the Department of Finance. As of June 30, 2023, the Successor Agency's loan payable balance was \$1,368,045.

A summary of changes in long-term liabilities in the Successor Agency for the year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Reductions	Balance at June 30, 2023	Portion Due Within One Year
Loans Payable	\$ 3,102,031	\$ -	\$ (1,733,986)	\$ 1,368,045	\$ 1,368,045
Total	<u>\$ 3,102,031</u>	<u>\$ -</u>	<u>\$ (1,733,986)</u>	<u>\$ 1,368,045</u>	<u>\$ 1,368,045</u>

ANNUAL COMPREHENSIVE  
**FINANCIAL REPORT**  
REQUIRED SUPPLEMENTARY INFORMATION



CITY OF COSTA MESA, CALIFORNIA  
Schedule of Changes in the Net Pension Liability and Related Ratios  
Miscellaneous Plan  
Last Ten Fiscal Years\*

Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Total pension liability:				
Service cost	\$ 3,366,560	\$ 3,187,235	\$ 3,269,125	\$ 3,659,618
Interest on total pension liability	17,792,384	18,262,096	18,633,944	18,996,998
Difference between expected and actual experience	-	(2,016,112)	(2,818,846)	(1,038,444)
Changes in assumptions	-	(4,399,842)	-	15,484,252
Benefit payments, including refunds of employee contributions	(12,853,585)	(13,476,175)	(14,145,202)	(14,720,378)
Net Change in Total Pension Liability	8,305,359	1,557,202	4,939,021	22,382,046
Total pension liability - beginning of year	241,975,291	250,280,650	251,837,852	256,776,873
Total pension liability - End of Year (a)	<u>\$ 250,280,650</u>	<u>\$ 251,837,852</u>	<u>\$ 256,776,873</u>	<u>\$ 279,158,919</u>
Plan Fiduciary Net Position:				
Contributions - employer	\$ 4,903,142	\$ 5,768,827	\$ 6,226,072	\$ 6,712,045
Contributions - employees	2,137,933	1,978,052	1,966,557	1,936,240
Net investment income	26,075,603	3,881,685	897,287	18,711,484
Benefit payments	(12,853,585)	(13,476,175)	(14,145,205)	(14,720,378)
Plan to plan resource movement	-	13,634	3,064	-
Administrative expense	-	(193,604)	(104,766)	(246,188)
Other miscellaneous income (expense)	-	-	-	-
Net change in plan fiduciary net position	20,263,093	(2,027,581)	(5,156,991)	12,393,203
Plan fiduciary net position - beginning of year	153,666,841	173,929,934	171,902,353	166,745,362
Plan fiduciary net position - end of year (b)	<u>\$ 173,929,934</u>	<u>\$ 171,902,353</u>	<u>\$ 166,745,362</u>	<u>\$ 179,138,565</u>
Net pension liability - ending (a)-(b)	<u>\$ 76,350,716</u>	<u>\$ 79,935,499</u>	<u>\$ 90,031,511</u>	<u>\$ 100,020,354</u>
Plan fiduciary net position as a percentage of the total pension liability	69.49%	68.26%	64.94%	64.17%
Covered payroll	\$ 18,366,435	\$ 17,928,997	\$ 19,890,931	\$ 19,532,886
Net pension liability as a percentage of covered payroll	415.71%	445.84%	452.63%	512.06%

Notes to schedule:

Benefit changes:

The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2021 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions:

Effective with the June 30, 2021 valuation 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 from 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. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

\* - Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
\$ 3,528,896 19,188,563	\$ 3,828,540 19,990,625	\$ 4,081,002 20,506,212	\$ 4,114,686 20,957,522	\$ 4,524,340 21,200,745
(3,837,320) (1,071,584)	4,152,146 -	(324,784) -	(1,467,232) -	(2,514,720) 9,049,210
<u>(15,285,935)</u>	<u>(16,317,568)</u>	<u>(16,501,681)</u>	<u>(17,147,887)</u>	<u>(18,185,189)</u>
2,522,620	11,653,743	7,760,749	6,457,089	14,074,386
<u>279,158,919</u>	<u>281,681,539</u>	<u>293,335,282</u>	<u>301,096,031</u>	<u>307,553,120</u>
<u>\$ 281,681,539</u>	<u>\$ 293,335,282</u>	<u>\$ 301,096,031</u>	<u>\$ 307,553,120</u>	<u>\$ 321,627,506</u>
\$ 7,300,573 1,906,040 15,161,548 (15,285,935) (1,077) (279,147) (530,105) 8,271,897	\$ 8,320,570 2,055,169 11,863,211 (16,317,568) - (133,740) 435 5,788,077	\$ 9,336,852 2,205,872 9,609,644 (16,501,681) - (272,363) - 4,378,324	\$ 10,097,843 2,062,454 44,605,186 (17,147,887) - (197,367) - 39,420,229	\$ 10,995,829 2,265,758 (17,866,615) (18,185,189) - (147,635) - (22,937,852)
<u>179,138,565</u>	<u>187,410,462</u>	<u>193,198,539</u>	<u>197,576,863</u>	<u>236,997,092</u>
<u>\$ 187,410,462</u>	<u>\$ 193,198,539</u>	<u>\$ 197,576,863</u>	<u>\$ 236,997,092</u>	<u>\$ 214,059,240</u>
<u>\$ 94,271,077</u>	<u>\$ 100,136,743</u>	<u>\$ 103,519,168</u>	<u>\$ 70,556,028</u>	<u>\$ 107,568,266</u>
66.53%	65.86%	65.62%	77.06%	66.56%
\$ 20,067,193	\$ 24,394,495	\$ 24,012,483	\$ 26,206,105	\$ 26,486,277
469.78%	410.49%	431.11%	269.24%	406.13%

CITY OF COSTA MESA, CALIFORNIA  
Schedule of Contributions  
Miscellaneous Plan  
Last Ten Fiscal Years\*

Fiscal year ended	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Actuarially determined contribution	\$ 5,221,083	\$ 6,056,123	\$ 6,522,784	\$ 6,913,866
Contributions in relation to the actuarially determined contributions	<u>(5,221,083)</u>	<u>(6,056,123)</u>	<u>(6,522,784)</u>	<u>(6,913,866)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 17,928,997	\$ 19,890,931	\$ 19,532,886	\$ 20,067,193
Contributions as a percentage of covered payroll	29.12%	30.45%	33.39%	34.45%

Notes to schedule:

Valuation date for June 30, 2023 6/30/2020

Methods and assumptions used to determine contribution rates:

Single and agent employers	Entry Age Normal
Amortization method/period	For details, see June 30, 2020 Funding Valuation Report.
Asset valuation method	Fair Value of Assets. For details, see June 30, 2020 Funding Valuation Report.
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Payroll growth	2.75%
Investment rate of return	7.00%, net of pension plan investment and administrative expense; includes inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Other information:

For changes to previous year's information, refer to past GASB 68 reports.

\* - Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>
\$ 9,256,492	\$ 9,876,401	\$ 10,249,971	\$ 11,072,097	\$ 11,953,509
<u>(9,256,492)</u>	<u>(9,876,401)</u>	<u>(10,249,971)</u>	<u>(11,072,097)</u>	<u>(11,953,509)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 24,394,495	\$ 24,012,483	\$ 26,206,105	\$ 26,486,277	\$ 27,755,413
37.95%	41.13%	39.11%	41.80%	43.07%

CITY OF COSTA MESA, CALIFORNIA  
Schedule of Changes in the Net Pension Liability and Related Ratios  
Police Safety Plan  
Last Ten Fiscal Years\*

Measurement date	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017
Total pension liability:				
Service cost	\$ 4,675,505	\$ 4,048,034	\$ 4,011,055	\$ 4,475,641
Interest on total pension liability	17,563,332	18,452,568	19,519,447	20,072,034
Difference between expected and actual experience	-	1,744,508	4,436,634	(2,148,051)
Changes in assumptions	-	(4,744,823)	-	17,608,748
Benefit payments, including refunds of employee contributions	(11,159,179)	(12,625,831)	(13,319,431)	(13,984,335)
Net Change in Total Pension Liability	11,079,658	6,874,456	14,647,705	26,024,037
Total pension liability - beginning of year	237,419,600	248,499,258	255,373,714	270,021,419
Total pension liability - end of year (a)	<u>\$ 248,499,258</u>	<u>\$ 255,373,714</u>	<u>\$ 270,021,419</u>	<u>\$ 296,045,456</u>
Plan fiduciary net position:				
Contributions - employer	\$ 5,066,147	\$ 5,228,944	\$ 5,992,098	\$ 7,592,902
Contributions - employees	2,204,590	2,191,295	1,988,684	2,012,546
Net investment income	24,794,991	3,618,253	825,770	17,309,154
Benefit payments	(11,159,179)	(12,625,831)	(13,319,431)	(13,984,335)
Plan to plan resource movement	-	-	72	-
Administrative expense	-	(182,933)	(98,993)	(233,009)
Other miscellaneous income (expense)	-	-	-	-
Net change in plan fiduciary net position	20,906,549	(1,770,272)	(4,611,800)	12,697,258
Plan fiduciary net Position -beginning of year	143,294,304	164,200,853	162,430,581	157,818,781
Plan fiduciary new position - end of year (b)	<u>\$ 164,200,853</u>	<u>\$ 162,430,581</u>	<u>\$ 157,818,781</u>	<u>\$ 170,516,039</u>
Net pension liability - ending (a)-(b)	<u>\$ 84,298,405</u>	<u>\$ 92,943,133</u>	<u>\$ 112,202,638</u>	<u>\$ 125,529,417</u>
Plan fiduciary net position as a percentage of the total pension liability	66.08%	63.61%	58.45%	57.60%
Covered payroll	\$ 14,884,359	\$ 13,714,558	\$ 14,161,162	\$ 14,696,132
Net pension liability as a percentage of covered payroll	566.36%	677.70%	792.33%	854.17%

Notes to schedule:

Benefit changes:

The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Credit (a.k.a. Golden Handshakes).

Changes in assumptions:

Effective with the June 30, 2021 valuation 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 from 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. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

\* - Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022
\$ 4,653,580	\$ 4,959,915	\$ 4,912,766	\$ 4,811,521	\$ 5,458,052
20,611,486	21,235,614	21,872,003	22,650,069	23,094,674
(1,494,789)	(2,112,152)	(1,729,542)	503,266	(4,554,440)
(1,540,347)	-	-	-	11,831,923
(14,129,155)	(15,024,883)	(16,058,867)	(16,651,882)	(17,630,306)
8,100,775	9,058,494	8,996,360	11,312,974	18,199,903
296,045,456	304,146,231	313,204,725	322,201,085	333,514,059
<u>\$ 304,146,231</u>	<u>\$ 313,204,725</u>	<u>\$ 322,201,085</u>	<u>\$ 333,514,059</u>	<u>\$ 351,713,962</u>
\$ 8,263,652	\$ 9,471,893	\$ 10,608,592	\$ 11,583,086	\$ 12,366,023
2,120,029	2,222,313	2,285,323	2,166,528	2,367,983
14,402,562	11,872,172	9,465,284	44,470,479	(18,004,303)
(14,129,155)	(15,024,883)	(16,058,867)	(16,651,882)	(17,630,306)
222	-	-	-	-
(265,711)	(128,739)	(266,185)	(194,644)	(147,153)
(504,590)	420	-	-	-
9,887,009	8,413,176	6,034,147	41,373,567	(21,047,756)
170,516,039	180,403,048	188,816,224	194,850,371	236,223,938
<u>\$ 180,403,048</u>	<u>\$ 188,816,224</u>	<u>\$ 194,850,371</u>	<u>\$ 236,223,938</u>	<u>\$ 215,176,182</u>
<u>\$ 123,743,183</u>	<u>\$ 124,388,501</u>	<u>\$ 127,350,714</u>	<u>\$ 97,290,121</u>	<u>\$ 136,537,780</u>
59.31%	60.29%	60.47%	70.83%	61.18%
\$ 14,529,255	\$ 17,534,445	\$ 16,175,525	\$ 15,883,165	\$ 17,075,363
851.68%	709.40%	787.30%	612.54%	799.62%



CITY OF COSTA MESA, CALIFORNIA  
Schedule of Contributions  
Police Safety Plan  
Last Ten Fiscal Years\*

Fiscal year ended	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Actuarially determined contribution	\$ 5,237,595	\$ 5,994,277	\$ 7,592,899	\$ 8,098,773
Contributions in relation to the actuarially determined contributions	(5,237,595)	(5,994,277)	(7,592,899)	(8,098,773)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 13,714,558	\$ 14,161,162	\$ 14,696,132	\$ 14,529,255
Contributions as a percentage of covered payroll	38.19%	42.33%	51.67%	55.74%

Notes to schedule:

Valuation date for June 30, 2023 6/30/2020

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization method/period	For details, see June 30, 2020 Funding Valuation Report.
Asset valuation method	Fair Value of Assets. For details, see June 30, 2020 Funding Valuation Report.
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Payroll growth	2.75%
Investment rate of return	7.00%, net of pension plan investment and administrative expense; includes inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Other information:

For changes to previous year's information, refer to past GASB 68 reports.

\* - Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>
\$ 10,894,754	\$ 11,174,155	\$ 11,803,904	\$ 11,680,985	\$ 13,172,096
<u>(10,894,754)</u>	<u>(11,174,155)</u>	<u>(11,803,904)</u>	<u>(11,680,985)</u>	<u>(13,172,096)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 17,534,445	\$ 16,175,525	\$ 15,883,165	\$ 17,075,363	\$ 20,069,395
62.13%	69.08%	74.32%	68.41%	65.63%

CITY OF COSTA MESA, CALIFORNIA  
Schedule of Proportionate Share of the Net Pension Liability  
Fire Safety Plan  
Last Ten Fiscal Years\*

Measurement date	<u>June 30, 2014</u>	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>
Plan's proportion of the net pension liability	0.86630%	0.85980%	0.78750%	0.75976%
Plan's proportionate share of the net pension liability	\$ 53,906,245	\$ 59,018,969	\$ 68,144,130	\$ 75,347,795
Plan's covered payroll	\$ 9,348,967	\$ 8,616,507	\$ 9,235,056	\$ 9,116,708
Plan's proportionate share of the net pension liability as a percentage of covered payroll	576.60%	684.95%	737.89%	826.48%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	70.20%	78.40%	74.06%	71.74%
Plan's proportionate share of aggregate employer contributions	\$ 4,567,080	\$ 4,600,229	\$ 4,087,020	\$ 5,040,152

Notes to schedule:

Benefit changes:

The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Credit (a.k.a. Golden Handshakes).

Changes in assumptions:

Effective with the June 30, 2021 valuation 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 from 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. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

\* - Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

<u>June 30, 2018</u>	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>
0.78122%	0.75901%	0.74962%	0.67861%	0.63698%
\$ 75,280,246	\$ 77,775,545	\$ 81,561,540	\$ 61,763,064	\$ 88,285,197
\$ 9,057,608	\$ 9,614,585	\$ 9,034,047	\$ 9,203,544	\$ 9,845,473
831.13%	808.93%	902.82%	671.08%	896.71%
73.39%	73.37%	73.12%	71.38%	71.38%
\$ 5,040,152	\$ 5,855,909	\$ 6,865,279	\$ 7,555,477	\$ 9,072,094

CITY OF COSTA MESA, CALIFORNIA  
Schedule of Contributions  
Fire Safety Plan  
Last Ten Fiscal Years\*

Fiscal year ended	<u>June 30, 2015</u>	<u>June 30, 2016</u>	<u>June 30, 2017</u>	<u>June 30, 2018</u>
Contractually required contribution (actuarially determined)	\$ 3,877,163	\$ 3,286,280	\$ 3,598,782	\$ 5,040,152
Contributions in relation to the actuarially determined contributions	<u>(4,603,714)</u>	<u>(3,786,280)</u>	<u>(3,598,782)</u>	<u>(5,040,152)</u>
Contribution deficiency (excess)	<u>\$ (726,551)</u>	<u>\$ (500,000)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 8,616,507	\$ 9,235,056	\$ 9,116,708	\$ 9,057,608
Contributions as a percentage of covered payroll	53.43%	41.00%	39.47%	55.65%

Notes to schedule:

Valuation date for June 30, 2023                      6/30/2020

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization method/period	For details, see June 30, 2020 Funding Valuation Report.
Asset valuation method	Fair Value of Assets. For details, see June 30, 2020 Funding Valuation Report.
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Payroll growth	2.75%
Investment rate of return	7.00%, net of pension plan investment and administrative expense; includes inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Other information:

For changes to previous year's information, refer to past GASB 68 reports.

\* -

Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>
\$ 5,855,909	\$ 6,865,279	\$ 7,555,477	\$ 9,072,094	\$ 9,408,864
<u>(5,855,909)</u>	<u>(6,865,279)</u>	<u>(7,555,477)</u>	<u>(9,072,094)</u>	<u>(9,408,864)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 9,614,585	\$ 9,034,047	\$ 9,203,544	\$ 9,845,473	\$ 10,924,436
60.91%	75.99%	82.09%	92.14%	86.13%

CITY OF COSTA MESA, CALIFORNIA  
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS  
POLICE 1% SUPPLEMENTAL RETIREMENT PLAN  
Last Ten Fiscal Years\*

Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019
Total pension liability:				
Interest on total pension liability	\$ 80,950	\$ 77,214	\$ 82,454	\$ 79,579
Difference between expected and actual experience	(19)	-	(9,704)	-
Changes in assumptions	-	(107,900)	(18,938)	46,602
Benefit payments, including refunds of employee contributions	(211,287)	(208,260)	(205,233)	(205,233)
Net change in Total Pension Liability	(130,356)	(238,946)	(151,421)	(79,052)
Total pension liability - beginning of year	2,897,028	2,766,672	2,527,726	2,376,305
Total pension liability - end of year (a)	<u>\$ 2,766,672</u>	<u>\$ 2,527,726</u>	<u>\$ 2,376,305</u>	<u>\$ 2,297,253</u>
Plan fiduciary net position as a percentage of the total pension liability	0.00%	0.00%	0.00%	0.00%
Covered - employee payroll	N/A	N/A	N/A	N/A
Net pension liability as a percentage of covered payroll	N/A	N/A	N/A	N/A

Notes:

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension plan.  
The discount rate changed from 3.50% as of June 30, 2018 to 3.15% as of June 30, 2019 measurement date.  
The discount rate changed from 3.15% as of June 30, 2019 to 2.45% as of June 30, 2020 measurement date.  
The discount rate changed from 2.45% as of June 30, 2020 to 2.10% as of June 30, 2021 measurement date.  
The discount rate changed from 2.10% as of June 30, 2021 to 3.75% as of June 30, 2022 measurement date.  
The discount rate changed from 3.75% as of June 30, 2022 to 3.90% as of June 30, 2023 measurement date.

\* - Fiscal year 2016 was the first year of implementation, therefore only eight years are shown.

<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>	<u>June 30, 2023</u>
\$ 69,134	\$ 55,426	\$ 45,623	\$ 66,959
80,298	-	101,666	-
122,873	59,262	(332,850)	(16,007)
<u>(205,036)</u>	<u>(204,445)</u>	<u>(204,445)</u>	<u>(198,365)</u>
67,269	(89,757)	(390,006)	(147,413)
<u>2,297,253</u>	<u>2,364,522</u>	<u>2,274,765</u>	<u>1,884,759</u>
<u>\$ 2,364,522</u>	<u>\$ 2,274,765</u>	<u>\$ 1,884,759</u>	<u>\$ 1,737,346</u>
0.00%	0.00%	0.00%	0.00%
N/A	N/A	N/A	N/A
N/A	N/A	N/A	N/A



CITY OF COSTA MESA, CALIFORNIA  
Schedule of Changes in Total OPEB Liability and Related Ratios  
Last Ten Fiscal Years\*

Measurement date	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Total OPEB liability				
Service cost	\$ 1,229,918	\$ 1,098,145	\$ 1,110,733	\$ 1,145,090
Interest on the total OPEB liability	1,622,474	1,812,069	1,852,821	2,060,874
Actual and expected experience difference	-	-	2,081,994	(3,128,209)
Changes in assumptions	(3,959,316)	(670,841)	3,420,614	6,606,929
Benefit payments	(2,318,709)	(2,469,425)	(2,751,358)	(2,719,892)
Net change in total OPEB liability	(3,425,633)	(230,052)	5,714,804	3,964,792
Total OPEB liability - beginning	56,858,361	53,432,728	53,202,676	58,917,480
Total OPEB liability - ending	<u>\$ 53,432,728</u>	<u>\$ 53,202,676</u>	<u>\$ 58,917,480</u>	<u>\$ 62,882,272</u>
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Covered - employee payroll <sup>1</sup>	\$ 41,026,788	\$ 43,392,898	\$ 43,828,141	\$ 45,645,442
OPEB liability as a percentage of covered-employee payroll <sup>1</sup>	130.24%	122.61%	134.43%	137.76%

Notes to schedule:

<sup>1</sup> - OPEB benefits are not based on employee payroll.

In Fiscal Year 2021 the City created a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan. The funds are in a pooled account - balanced index. As of June 30, 2023 the market value of the investments held in the trust was \$1,678,229 and is reflected as a contribution subsequent to the measurement date as of Fiscal Year 2023.

Changes in assumptions. The discount rate as of the June 30, 2016 measurement date was 2.85%. The discount rate as of the June 30, 2017 measurement date was 3.40%. The discount rate as of the June 30, 2018 measurement date was 3.50%. The discount rate as of the June 30, 2019 measurement date was 3.51%. The discount rate as of the June 30, 2020 measurement date was 2.66%. The discount rate as of the June 30, 2021 measurement date was 2.19%. The discount rate as of the June 30, 2022 measurement date was 4.09%.

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

\* - Fiscal year 2018 was the first year of implementation, therefore only six years are shown.

<u>June 30, 2021</u>	<u>June 30, 2022</u>
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\$ 1,469,582	\$ 2,123,135
1,675,650	1,470,020
(894,275)	(480,791)
3,854,176	(14,469,369)
<u>(2,732,910)</u>	<u>(2,520,497)</u>
3,372,223	(13,877,502)
<u>62,882,272</u>	<u>66,254,495</u>
<u>\$ 66,254,495</u>	<u>\$ 52,376,993</u>

0.00%	0.00%
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\$ 48,101,217	\$ 53,773,706
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137.74%	97.40%
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### **GENERAL FUND**

The General Fund is used to account for all general revenues of the City not specifically levied or collected for special purposes, and for expenditures related to the provision of general services by the City. The General Fund is used to account for all resources not required to be accounted for in another fund.

### **GOVERNMENT GRANTS FUND**

The Government Grants Fund is used to account for receipt and disbursement of grant monies provided by Federal, State, and County governmental agencies for various programs.

### **GAS TAX FUND**

The Gas Tax Fund is used to account for the receipt and disbursement of funds required to be used for construction and maintenance of the City's road network system. Financing is provided by the City's share of State gasoline taxes, including allocations from the Highway Users Tax Account (HUTA) and the Road Maintenance and Rehabilitation Account (RMRA).

### **AMERICAN RESCUE PLAN ACT FUND (ARPA)**

The ARPA Fund is used to account for the receipt and disbursement of grant monies under the American Rescue Plan Act.

CITY OF COSTA MESA, CALIFORNIA  
General Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:					
Taxes:					
Sales tax	\$ 71,243,148	\$ 78,643,950	\$ 79,851,289	\$ 1,207,339	\$ 77,312,838
Property tax	52,047,128	53,470,100	53,442,949	(27,151)	49,087,175
Transient occupancy tax	7,373,732	9,830,790	9,830,790	-	8,366,278
Franchise tax	5,168,793	6,130,590	6,094,232	(36,358)	5,318,541
Business license tax	3,086,667	1,074,386	939,200	(135,186)	919,491
Marijuana business tax	913,264	968,351	968,351	-	548,711
Total taxes	139,832,732	150,118,167	151,126,811	1,008,644	141,553,034
Licenses and permits	6,567,708	6,635,580	6,342,557	(293,023)	7,331,252
Fines and forfeitures	1,066,632	1,007,017	1,190,281	183,264	1,170,795
Intergovernmental:					
Motor vehicle in-lieu	136,804	136,804	115,307	(21,497)	130,289
Prop 172	1,372,284	1,255,920	1,396,896	140,976	1,467,173
Advances repayment	1,749,586	1,399,669	1,399,669	-	1,524,562
Grants and other reimbursements	477,448	804,317	1,263,333	459,016	1,407,067
Total intergovernmental	3,736,122	3,596,710	4,175,205	578,495	4,529,091
Charges for services	7,051,680	9,052,615	8,886,692	(165,923)	6,964,934
Rental	4,595,652	4,137,977	3,995,450	(142,527)	4,042,324
Investment income (loss)	100,000	300,000	640,980	340,980	(1,246,827)
Miscellaneous	1,025,407	1,399,415	1,282,572	(116,843)	1,374,266
Total revenues	163,975,933	176,247,481	177,640,548	1,393,067	165,718,869
Expenditures:					
Current:					
General government:					
City council	950,772	955,497	834,324	121,173	867,913
City manager:					
Administration	4,621,476	3,980,236	3,941,701	38,535	3,796,264
City clerk	1,177,100	1,161,899	1,151,400	10,499	936,966
Personnel services	2,028,585	2,094,964	2,079,915	15,049	1,481,900
Risk management services	337,197	319,478	400,346	(80,868)	362,648
City attorney	1,000,000	1,000,000	988,108	11,892	958,775
Financial services	5,233,710	4,342,420	4,271,187	71,233	3,799,043
Information technology	5,002,954	4,934,586	5,016,142	(81,556)	4,092,844
Facilities and equipment maintenance	12,468,699	12,623,149	12,463,523	159,626	12,151,003
Non-departmental	6,414,708	5,904,075	5,446,525	457,550	4,532,996
Total general government	39,235,201	37,316,304	36,593,171	723,133	32,980,352

See notes to required supplementary information

CITY OF COSTA MESA, CALIFORNIA  
General Fund  
(continued)  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
For the fiscal year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Protection of persons and property:					
Police protection	53,591,411	55,713,547	55,717,178	(3,631)	53,409,112
Fire protection	32,518,134	33,859,114	33,480,396	378,718	32,298,528
Building and safety	2,978,145	2,922,631	2,964,713	(42,082)	2,706,591
Total protection of persons and property	89,087,690	92,495,292	92,162,287	333,005	88,414,231
Community programs:					
Community recreation	7,802,826	7,522,115	7,528,022	(5,907)	6,288,274
Planning	3,006,989	2,658,450	2,627,389	31,061	2,135,517
Community improvement	1,666,832	1,698,541	1,620,694	77,847	1,592,410
Development services administration	858,008	975,756	995,208	(19,452)	1,076,135
Total community programs	13,334,655	12,854,862	12,771,313	83,549	11,092,336
Public services:					
Administration	2,292,395	2,190,489	2,115,976	74,513	2,171,885
Engineering	2,596,132	2,373,486	2,287,474	86,012	2,097,776
Transportation	3,059,071	3,207,613	3,545,291	(337,678)	3,069,222
Total public services	7,947,598	7,771,588	7,948,741	(177,153)	7,338,883
Debt Service:					
Principal	620,000	15,392	342,370	(326,978)	217,231
Interest and fiscal charges	1,067,905	973,300	26,564	946,736	27,137
Total debt service	1,687,905	988,692	368,934	619,758	244,368
Total expenditures	149,605,144	150,438,045	149,844,446	1,582,291	140,070,170
Excess (deficiency) of revenues over (under) expenditures	14,370,789	25,809,436	27,796,102	2,975,358	25,648,699
Other financing sources (uses):					
Transfers out	(12,457,990)	(26,023,249)	(26,534,995)	(511,746)	(21,365,113)
Total other financing sources (uses)	(12,457,990)	(26,023,249)	(26,534,995)	(511,746)	(21,365,113)
Net change in fund balance	1,912,799	(213,813)	1,261,107	2,463,612	4,283,586
Fund balance at beginning of year	57,775,847	57,775,847	57,775,847	-	53,492,261
Fund balance at end of year	\$ 59,688,646	\$ 57,562,034	\$ 59,036,954	\$ 2,463,612	\$ 57,775,847

See notes to required supplementary information

CITY OF COSTA MESA, CALIFORNIA  
Government Grants Fund - Major Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:					
Intergovernmental	\$ 858,919	\$ 4,768,418	\$ 2,169,633	\$ (2,598,785)	\$ 897,489
Investment income (loss)	-	-	32,753	32,753	10
Total revenues	858,919	4,768,418	2,202,386	(2,566,032)	897,499
Expenditures:					
Current:					
General government	2,561,125	5,272,250	13,536	5,258,714	-
Protection of persons and property	530,202	1,256,207	538,168	718,039	1,426,724
Community programs	-	703,077	130,723	572,354	116,405
Public services	331,116	2,799,354	111,344	2,688,010	115,699
Total expenditures	3,422,443	10,030,888	793,771	9,237,117	1,658,828
Excess (deficiency) of revenues over (under) expenditures	(2,563,524)	(5,262,471)	1,408,615	6,671,086	(761,329)
Other financing sources (uses):					
Transfer in	-	-	-	-	66,419
Total other financing sources (uses)	-	-	-	-	66,419
Net change in fund balance	(2,563,524)	(5,262,471)	1,408,615	6,671,086	(694,910)
Fund balance (deficit) at beginning of year	(1,145,765)	(1,145,765)	(1,145,765)	-	(450,855)
Fund balance (deficit) at end of year	<u>\$ (3,709,289)</u>	<u>\$ (6,408,236)</u>	<u>\$ 262,850</u>	<u>\$ 6,671,086</u>	<u>\$ (1,145,765)</u>

See notes to required supplementary information

CITY OF COSTA MESA, CALIFORNIA  
Gas Tax Fund - Major Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:					
Intergovernmental	\$ 5,857,969	\$ 5,611,119	\$ 5,357,007	\$ (254,112)	\$ 4,937,524
Investment income (loss)	-	-	162,210	162,210	(363,514)
Miscellaneous	-	-	-	-	32,358
Total revenues	5,857,969	5,611,119	5,519,217	(91,902)	4,606,368
Expenditures:					
Current:					
Public services	6,459,528	38,331,374	2,616,617	35,714,757	3,505,880
Total expenditures	6,459,528	38,331,374	2,616,617	35,714,757	3,505,880
Excess (deficiency) of revenues over (under) expenditures	(601,559)	(32,720,255)	2,902,600	35,622,855	1,100,488
Net change in fund balance	(601,559)	(32,720,255)	2,902,600	35,622,855	1,100,488
Fund balance at beginning of year	14,653,754	14,653,754	14,653,754	-	13,553,266
Fund balance (deficit) at end of year	\$ 14,052,195	\$ (18,066,501)	\$ 17,556,354	\$ 35,622,855	\$ 14,653,754

See notes to required supplementary information

CITY OF COSTA MESA, CALIFORNIA  
American Resuce Plan Act Fund - Major Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:					
Intergovernmental	\$ -	\$ 2,525,000	\$ 4,802,856	\$ 2,277,856	\$ -
Investment income (loss)	-	-	208,050	208,050	50,329
Total revenues	-	2,525,000	5,010,906	2,485,906	50,329
Expenditures:					
Current:					
Protection of persons and property	-	4,475,000	2,915,000	1,560,000	-
Total expenditures	-	4,475,000	2,915,000	1,560,000	-
Excess (deficiency) of revenues over (under) expenditures	-	(1,950,000)	2,095,906	4,045,906	50,329
Other financing sources (uses):					
Transfer out	-	(2,187,856)	(1,887,856)	300,000	-
Total other financing sources (uses)	-	(2,187,856)	(1,887,856)	300,000	-
Net change in fund balance	-	(4,137,856)	208,050	4,345,906	50,329
Fund balance at beginning of year	50,329	50,329	50,329	-	-
Fund balance at end of year	\$ 50,329	\$ (4,087,527)	\$ 258,379	\$ 4,345,906	\$ 50,329

See notes to required supplementary information



**CITY OF COSTA MESA, CALIFORNIA**  
**Notes to Required Supplementary Information**  
**Year ended June 30, 2023**

**(1) Budgetary Data**

Annual budgets are legally adopted or amended for all governmental funds on a basis consistent with generally accepted accounting principles, except for the following funds for which annual budgets were not adopted or amended:

Special Revenue Funds:

Disaster Fund

Opioid Settlement

Debt Service Funds:

Financing Authority Debt Service Fund

The City Council adopts an annual budget submitted by the City Manager prior to the beginning of each new fiscal year. Public hearings are conducted prior to budget adoption by the Council. Supplemental appropriations, when required during the period, are also approved by the City Council. Interfunctional budget adjustments are approved by the City Manager. Expenditures may not legally exceed appropriations at the department functional level. At fiscal year-end all operating budget appropriations lapse.

ANNUAL COMPREHENSIVE  
**FINANCIAL REPORT**  
SUPPLEMENTARY SCHEDULES



## **MAJOR AND NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special Revenue Funds are used to account for revenue derived from specific taxes or other earmarked revenues sources (other than expendable trust or for major capital projects) that are restricted by law or administrative action to expenditures for specified purposes.

The following funds have been classified as nonmajor governmental funds in the accompanying fund financial statements:

#### **HOME Program Fund**

Established to account for the receipt and disbursement of funds received under the Federal Home Investment Partnership Program of the Department of Housing and Urban Development. These revenues must be expended for acquisition, rehabilitation, and new construction of rental housing.

#### **Air Quality Improvement Fund**

Established to account for the receipt and disbursement of the City's share of funds received under Health & Safety Code 44223 (AB 2766) to finance mobile source air pollution reduction programs consistent with the California Clean Air Act of 1988.

#### **Community Development Fund**

This fund accounts for the receipt and disbursement of the Department of Housing and Urban Development grants. These revenues must be expended to accomplish one of the following objectives: elimination of slum or blighted areas to benefit low and moderate income persons, or to meet certain urgent community development needs.

#### **Supplemental Law Enforcement Services Fund (SLESF)**

Established to account for the receipt and disbursement of funds received under the State Citizen's Option for Public Safety (COPS) Program allocated pursuant to Government Code Section 30061 enacted by Assembly Bill 3229, Chapter 134 of the 1996 Statutes. These COPS/SLESF funds are allocated based on population and can only be spent for "front line municipal police services" as per Government Code Section 30061(c)(2).

#### **Rental Rehabilitation Program Fund**

Established to account for the receipt and disbursement of grants received from the Department of Housing and Urban Development under Section 17 of the U.S. Housing Act of 1937. These revenues must be expended to provide assistance to rehabilitate primarily privately-owned residential rental property.

#### **Narcotics Forfeiture Fund**

Established to account for the receipt and disbursement of narcotic forfeitures received from County, State, and Federal agencies pursuant to Section 11470 of State Health and Safety Code and Federal Statute 21USC Section 881.

#### **Local Law Enforcement Block Grant Fund**

Established to account for the receipt and disbursement of Federal grant monies provided by the 1998 Appropriations Act, Public Law 105-119. These funds are restricted for projects utilized to reduce crime and improve public safety.

#### **Office of Traffic Safety Fund**

Established to account for the receipt and disbursement of Federal grant monies received through the State Office of Traffic Safety. These funds are restricted for operations utilized to enhance traffic safety and to reduce drunk driving within the City.

**Opioid Settlement Fund**

Established to account for receipt and disbursements from settlements related to opioid litigation. These funds are restricted for purposes aligned with mitigating the adverse effects of opioid abuse and supporting initiatives aimed at prevention, treatment, recovery, and community support.

**Housing Authority Fund**

Established pursuant to the California Health and Safety Code, Section 34176(a). The Housing Authority serves two distinct functions: Low and Moderate Income Housing Asset Fund (LMIHAF) and homeless program. The LMIHAF is to promote affordable housing for families of low and moderate income within the City. The homeless program is to provide temporary assistance including housing to homeless individuals.

**Disaster Fund**

Established to account for receipt and disbursement of Federal and State grant monies received for COVID-19 mitigation and relief efforts.

**CAPITAL PROJECTS FUNDS**

Capital Projects Funds are established to account for financial resources segregated for acquisition and construction of major capital facilities (other than those financed by proprietary funds).

The following have been classified as a major fund in the accompanying government-wide financial statements:

**Capital Improvements Fund**

Established to account for construction of capital facilities funded by the City's General Fund and various governmental grants.

The following have been classified as nonmajor funds in the accompanying fund financial statements:

**Measure "M2" Fund**

Established to account for the receipt and expenditure of the 2006 voter-approved one-half percent sales tax for local transportation improvements. Measure M2 is a 30-year extension of the earlier Measure M program.

**Parking Districts Fund**

Established under the Vehicle Parking District Law of 1943 to provide vehicle facilities in the downtown area. Funding is provided through specific property tax levies.

**Golf Course Improvements Fund**

Established to account the receipt and disbursement of funds for Costa Mesa Country Club capital improvements. Funding is provided by the receipt of two and one-half percent of monthly gross receipts of green and tournament fees.

**Park Development Fund**

Established to account for the receipt and disbursement of funds for development and maintenance of the City's park system. Funding is provided by fees charged to residential and commercial developers.

**Drainage Fees Fund**

Established to account for the receipt and disbursement of funds for construction and maintenance of the City's drainage system. Funding is provided by fees charged to residential and commercial developers.

**Traffic Impact Fees Fund**

Established to account for the receipt and disbursement of funds for transportation improvements Citywide. Funding is provided by fees charged to residential and commercial developers.

**Fire System Development Fees Fund**

Established to account for receipt and disbursement of development impact fees established by Ordinance 89-1 for future construction of fire protection facilities and equipment for the north Costa Mesa area.

**Jack Hammett Sports Complex Fund**

Establish to account for receipt and disbursement of funds related to on-going maintenance of Jack Hammett Sports Complex. Funding is provided by the facility's rental income.

**Lions Park Capital Improvements Fund**

Established to account for the receipt and disbursement of funds for construction of a new library and renovation of the existing library into a neighborhood community center. Project funding is partially provided by bond proceeds with the remaining balance provided by the Capital Improvements Fund.

**DEBT SERVICE FUNDS**

Debt Service Funds are used to account for accumulated resources for and payment of general long-term debt.

The following have been classified as nonmajor funds in the accompanying fund financial statements:

**Financing Authority Debt Service Fund**

To accumulate monies for the payment of the 2017 Lease Revenue Bonds. The 2017 Lease Revenue bonds refunded the Public Financing Authority 2007 Certificates of Participation and provided partial funding for the Lion's Park Project.

CITY OF COSTA MESA, CALIFORNIA  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2023  
(With Comparative Data for Prior Year)

	Special Revenue				
	HOME Program	Air Quality Improvement	Community Development	Supplemental Law Enforcement Services	Rental Rehabilitation Program
<u>Assets:</u>					
Cash and investments	\$ 1,384,892	\$ 426,986	\$ 4,209	\$ 55,701	\$ 277,140
Cash and investments with fiscal agents	-	-	-	-	-
Due from other governments	30,457	30,227	185,663	-	-
Accounts receivable, net	-	-	-	-	-
Interest receivable	1,704	500	29	79	340
Loans receivable, net	-	-	-	-	-
Leases receivable	-	-	-	-	-
Total assets	<u>\$ 1,417,053</u>	<u>\$ 457,713</u>	<u>\$ 189,901</u>	<u>\$ 55,780</u>	<u>\$ 277,480</u>
<u>Liabilities:</u>					
Accounts payable	\$ 3,694	\$ 11,709	\$ 28,003	\$ -	\$ -
Accrued liabilities	581	-	14,449	7,288	-
Retentions payable	-	-	58,289	-	-
Deposits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	<u>4,275</u>	<u>11,709</u>	<u>100,741</u>	<u>7,288</u>	<u>-</u>
<u>Deferred Inflows of Resources:</u>					
Lease related	-	-	-	-	-
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances:</u>					
Restricted for:					
Protection of persons or property	-	-	-	48,492	-
Community programs	1,412,778	-	89,160	-	277,480
Public services	-	446,004	-	-	-
Debt service	-	-	-	-	-
Assigned for:					
Protection of persons and property	-	-	-	-	-
Public services	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	<u>1,412,778</u>	<u>446,004</u>	<u>89,160</u>	<u>48,492</u>	<u>277,480</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,417,053</u>	<u>\$ 457,713</u>	<u>\$ 189,901</u>	<u>\$ 55,780</u>	<u>\$ 277,480</u>

Special Revenue					
Narcotics Forfeiture	Local Law Enforcement Block Grant	Office of Traffic Safety	Opioid Settlement	Housing Authority	Disaster Fund
\$ 1,292,095	\$ 33,911	\$ -	\$ 290,217	\$ 6,904,364	\$ 50,743
-	-	-	-	24,493	-
-	-	57,182	-	1,220,209	-
-	-	-	307,442	58,613	-
2,009	42	-	287	5,050	-
-	-	-	-	496,064	-
-	-	-	-	1,434,726	-
<u>\$ 1,294,104</u>	<u>\$ 33,953</u>	<u>\$ 57,182</u>	<u>\$ 597,946</u>	<u>\$ 10,143,519</u>	<u>\$ 50,743</u>
\$ -	\$ -	\$ 904	\$ -	\$ 336,921	\$ 216
-	-	10,136	-	28,771	-
-	-	-	-	-	-
-	-	-	-	23,908	-
-	-	54,037	-	-	-
-	-	-	232,092	-	-
<u>-</u>	<u>-</u>	<u>65,077</u>	<u>232,092</u>	<u>389,600</u>	<u>216</u>
-	-	-	-	1,414,825	-
-	-	-	296,265	38,549	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>296,265</u>	<u>1,453,374</u>	<u>-</u>
1,294,104	33,953	-	-	-	-
-	-	-	-	7,400,545	-
-	-	-	-	-	50,527
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(7,895)	69,589	900,000	-
<u>1,294,104</u>	<u>33,953</u>	<u>(7,895)</u>	<u>69,589</u>	<u>8,300,545</u>	<u>50,527</u>
<u>\$ 1,294,104</u>	<u>\$ 33,953</u>	<u>\$ 57,182</u>	<u>\$ 597,946</u>	<u>\$ 10,143,519</u>	<u>\$ 50,743</u>

CITY OF COSTA MESA, CALIFORNIA  
Nonmajor Governmental Funds  
Combining Balance Sheet  
June 30, 2023  
(Continued)  
(With Comparative Data for Prior Year)

Capital Projects

	Measure "M2"	Parking Districts	Golf Course Improvements	Park Development	Drainage Fees	Traffic Impact Fees
<u>Assets:</u>						
Cash and investments	\$ 5,178,617	\$ 152,701	\$ 658,204	\$ 2,989,839	\$ 2,204,685	\$ 6,306,139
Cash and investments with fiscal agents	127,167	-	-	-	-	-
Due from other governments	1,229,090	13	-	-	-	-
Accounts receivable, net	-	-	17,383	-	-	46
Interest receivable	7,446	187	797	3,724	2,735	7,723
Loans receivable, net	-	-	-	-	-	-
Leases receivable	-	-	-	-	-	-
Total assets	<u>\$ 6,542,320</u>	<u>\$ 152,901</u>	<u>\$ 676,384</u>	<u>\$ 2,993,563</u>	<u>\$ 2,207,420</u>	<u>\$ 6,313,908</u>
<u>Liabilities:</u>						
Accounts payable	\$ 138,219	\$ -	\$ -	\$ 55,375	\$ 32,469	\$ 37,570
Accrued liabilities	12,299	-	-	-	-	-
Retentions payable	177,167	-	-	65,466	-	-
Deposits payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>327,685</u>	<u>-</u>	<u>-</u>	<u>120,841</u>	<u>32,469</u>	<u>37,570</u>
<u>Deferred Inflows of Resources:</u>						
Lease related	-	-	-	-	-	-
Unavailable revenues	465,125	-	-	-	-	-
Total deferred inflows of resources	<u>465,125</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances:</u>						
Restricted for:						
Protection of persons or property	-	-	-	-	-	-
Community programs	-	-	-	-	-	-
Public services	5,749,510	-	-	-	-	-
Debt service	-	-	-	-	-	-
Assigned for:						
Protection of persons and property	-	-	-	-	-	-
Public services	-	152,901	676,384	2,872,722	2,174,951	6,276,338
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	<u>5,749,510</u>	<u>152,901</u>	<u>676,384</u>	<u>2,872,722</u>	<u>2,174,951</u>	<u>6,276,338</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 6,542,320</u>	<u>\$ 152,901</u>	<u>\$ 676,384</u>	<u>\$ 2,993,563</u>	<u>\$ 2,207,420</u>	<u>\$ 6,313,908</u>



Capital Projects			Debt Service		
Fire System Development Fees	Jack Hammett Sports Complex	Lions Park Capital Improvements	Financing Authority	Totals	
				2023	2022
\$ 641,466	\$ 243,972	\$ 11,765	\$ -	\$ 29,107,646	\$ 24,246,951
-	-	322,357	7,278	481,295	460,281
-	-	-	-	2,752,841	3,249,319
-	150,750	-	-	534,234	225,126
787	299	14	-	33,752	52,202
-	-	-	-	496,064	608,294
-	-	-	-	1,434,726	1,512,830
<u>\$ 642,253</u>	<u>\$ 395,021</u>	<u>\$ 334,136</u>	<u>\$ 7,278</u>	<u>\$ 34,840,558</u>	<u>\$ 30,355,003</u>
\$ -	\$ -	\$ -	\$ -	\$ 645,080	2,283,046
-	-	-	-	73,524	80,491
-	33,150	-	-	334,072	338,130
-	15,000	-	-	38,908	37,215
-	-	-	-	54,037	672,766
-	-	-	-	232,092	-
-	48,150	-	-	1,377,713	3,411,648
-	-	-	-	1,414,825	1,506,105
-	-	-	-	799,939	1,139,548
-	-	-	-	2,214,764	2,645,653
-	-	-	-	1,376,549	1,293,762
-	-	-	-	9,179,963	5,480,097
-	-	334,136	-	6,580,177	5,209,268
-	-	-	7,278	7,278	4
642,253	-	-	-	642,253	635,684
-	346,871	-	-	12,500,167	12,383,909
-	-	-	-	961,694	(705,022)
<u>642,253</u>	<u>346,871</u>	<u>334,136</u>	<u>7,278</u>	<u>31,248,081</u>	<u>24,297,702</u>
<u>\$ 642,253</u>	<u>\$ 395,021</u>	<u>\$ 334,136</u>	<u>\$ 7,278</u>	<u>\$ 34,840,558</u>	<u>\$ 30,355,003</u>

CITY OF COSTA MESA, CALIFORNIA  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Special Revenue				
	HOME Program	Air Quality Improvement	Community Development	Supplemental Law Enforcement Services	Rental Rehabilitation Program
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Intergovernmental	137,581	177,214	1,794,310	284,819	-
Investment income (loss)	15,117	3,843	609	522	2,837
Rental income	-	-	-	-	-
Miscellaneous	40,000	-	-	-	-
Total revenues	192,698	181,057	1,794,919	285,341	2,837
Expenditures:					
Current:					
General government	-	-	-	-	-
Protection of persons and property	-	-	-	254,738	-
Community programs	267,310	-	1,800,563	-	-
Public services	-	117,963	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	267,310	117,963	1,800,563	254,738	-
Excess (deficiency) of revenues over (under) expenditures	(74,612)	63,094	(5,644)	30,603	2,837
Other financing sources (uses):					
Transfer in	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	(74,612)	63,094	(5,644)	30,603	2,837
Fund balances (deficit) at beginning of the year	1,487,390	382,910	94,804	17,889	274,643
Fund balances (deficit) at end of year	\$ 1,412,778	\$ 446,004	\$ 89,160	\$ 48,492	\$ 277,480

Special Revenue					
Narcotics Forfeiture	Local Law Enforcement Block Grant	Office of Traffic Safety	Opioid Settlement	Housing Authority	Disaster Fund
\$ -	\$ -	\$ -	\$ -	\$ 342,011	\$ -
-	-	-	-	-	-
76,487	-	-	-	-	-
-	-	259,141	154,965	2,686,381	306,283
17,752	347	-	506	9,416	-
-	-	-	-	416,489	-
-	-	-	-	221,113	-
94,239	347	259,141	155,471	3,675,410	306,283
-	-	-	-	-	12,564
42,402	-	226,977	85,882	-	216,416
-	-	-	-	4,286,833	(331)
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
42,402	-	226,977	85,882	4,286,833	228,649
51,837	347	32,164	69,589	(611,423)	77,634
-	-	-	-	5,288,708	637,856
-	-	-	-	5,288,708	637,856
51,837	347	32,164	69,589	4,677,285	715,490
1,242,267	33,606	(40,059)	-	3,623,260	(664,963)
\$ 1,294,104	\$ 33,953	\$ (7,895)	\$ 69,589	\$ 8,300,545	\$ 50,527

CITY OF COSTA MESA, CALIFORNIA  
Nonmajor Governmental Funds  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year ended June 30, 2023  
(Continued)  
(With Comparative Data for Prior Year)

	Capital Projects					
	Measure "M2"	Parking Districts	Golf Course Improvements	Park Development	Drainage Fees	Traffic Impact Fees
Revenues:						
Taxes	\$ -	\$ 15,353	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	158,327	76,516	1,033,989
Fines and forfeitures	-	-	-	-	-	-
Intergovernmental	3,650,774	-	-	-	107,327	-
Investment income (loss)	53,052	1,478	6,255	33,194	22,712	63,154
Rental income	-	-	159,695	-	-	-
Miscellaneous	-	-	-	-	-	7,167
Total revenues	3,703,826	16,831	165,950	191,521	206,555	1,104,310
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Protection of persons and property	-	-	-	-	-	-
Community programs	-	-	-	338,019	-	-
Public services	2,456,115	-	28,023	596,217	273,825	485,739
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	2,456,115	-	28,023	934,236	273,825	485,739
Excess (deficiency) of revenues over (under) expenditures	1,247,711	16,831	137,927	(742,715)	(67,270)	618,571
Other financing sources (uses):						
Transfer in	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	1,247,711	16,831	137,927	(742,715)	(67,270)	618,571
Fund balances (deficit) at beginning of the year	4,501,799	136,070	538,457	3,615,437	2,242,221	5,657,767
Fund balances (deficit) at end of year	\$ 5,749,510	\$ 152,901	\$ 676,384	\$ 2,872,722	\$ 2,174,951	\$ 6,276,338

Capital Projects			Debt Service		
Fire System Development Fees	Jack Hammett Sports Complex	Lions Park Capital Improvements	Financing Authority	Totals	
				2023	2022
\$ -	\$ -	\$ -	\$ -	\$ 357,364	\$ 366,844
-	-	-	-	1,268,832	2,065,622
-	-	-	-	76,487	5,562
-	-	-	-	9,558,795	7,167,219
6,569	2,165	9,577	7,274	256,379	(603,946)
-	150,749	-	-	726,933	773,253
-	-	-	-	268,280	79,919
6,569	152,914	9,577	7,274	12,513,070	9,854,473
-	-	-	-	12,564	587,233
-	-	-	-	826,415	782,720
-	-	-	-	6,692,394	4,974,070
-	-	-	-	3,957,882	6,308,147
-	-	-	1,830,000	1,830,000	1,985,332
-	-	-	973,300	973,300	1,068,649
-	-	-	2,803,300	14,292,555	15,706,151
6,569	152,914	9,577	(2,796,026)	(1,779,485)	(5,851,678)
-	-	-	2,803,300	8,729,864	4,516,377
-	-	-	2,803,300	8,729,864	4,516,377
6,569	152,914	9,577	7,274	6,950,379	(1,335,301)
635,684	193,957	324,559	4	24,297,702	25,633,003
\$ 642,253	\$ 346,871	\$ 334,136	\$ 7,278	\$ 31,248,081	\$ 24,297,702

CITY OF COSTA MESA, CALIFORNIA  
HOME Program Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Intergovernmental	\$ 527,620	\$ 137,581	\$ (390,039)	\$ 16,639
Investment income (loss)	-	15,117	15,117	(37,271)
Miscellaneous	20,000	40,000	20,000	45,009
Total revenues	547,620	192,698	(354,922)	24,377
Expenditures:				
Current:				
Community programs	596,648	267,310	329,338	109,036
Total expenditures	596,648	267,310	329,338	109,036
Excess (deficiency) of revenues over (under) expenditures	(49,028)	(74,612)	(25,584)	(84,659)
Net change in fund balance	(49,028)	(74,612)	(25,584)	(84,659)
Fund balance at beginning of year	1,487,390	1,487,390	-	1,572,049
Fund balance at end of year	<u>\$ 1,438,362</u>	<u>\$ 1,412,778</u>	<u>\$ (25,584)</u>	<u>\$ 1,487,390</u>

CITY OF COSTA MESA, CALIFORNIA  
Air Quality Improvement Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Intergovernmental	\$ 150,000	\$ 177,214	\$ 27,214	\$ 108,658
Investment income (loss)	-	3,843	3,843	(9,893)
Total revenues	150,000	181,057	31,057	98,765
Expenditures:				
Current:				
Public services	591,539	117,963	473,576	218,184
Total expenditures	591,539	117,963	473,576	218,184
Excess (deficiency) of revenues over (under) expenditures	(441,539)	63,094	504,633	(119,419)
Net change in fund balance	(441,539)	63,094	504,633	(119,419)
Fund balance at beginning of year	382,910	382,910	-	502,329
Fund balance (deficit) at end of year	<u>\$ (58,629)</u>	<u>\$ 446,004</u>	<u>\$ 504,633</u>	<u>\$ 382,910</u>

CITY OF COSTA MESA, CALIFORNIA  
Community Development Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Intergovernmental	\$ 1,054,960	\$ 1,794,310	\$ 739,350	\$ 594,255
Investment income	-	609	609	152
Miscellaneous	-	-	-	7,500
	<u>1,054,960</u>	<u>1,794,919</u>	<u>739,959</u>	<u>601,907</u>
Total revenues				
Expenditures:				
Current:				
Community programs	<u>2,127,593</u>	<u>1,800,563</u>	<u>327,030</u>	<u>594,255</u>
Total expenditures	<u>2,127,593</u>	<u>1,800,563</u>	<u>327,030</u>	<u>594,255</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,072,633)</u>	<u>(5,644)</u>	<u>1,066,989</u>	<u>7,652</u>
Net change in fund balance	(1,072,633)	(5,644)	1,066,989	7,652
Fund balance at beginning of year	<u>94,804</u>	<u>94,804</u>	<u>-</u>	<u>87,152</u>
Fund balance (deficit) at end of year	<u>\$ (977,829)</u>	<u>\$ 89,160</u>	<u>\$ 1,066,989</u>	<u>\$ 94,804</u>



CITY OF COSTA MESA, CALIFORNIA  
Supplemental Law Enforcement Services Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Intergovernmental	\$ 271,551	\$ 284,819	\$ 13,268	\$ 279,630
Investment income (loss)	-	522	522	(694)
Total revenues	271,551	285,341	13,790	278,936
Expenditures:				
Current:				
Protection of persons and property	307,229	254,738	52,491	277,824
Total expenditures	307,229	254,738	52,491	277,824
Excess (deficiency) of revenues over (under) expenditures	(35,678)	30,603	66,281	1,112
Net change in fund balance	(35,678)	30,603	66,281	1,112
Fund balance at beginning of year	17,889	17,889	-	16,777
Fund balance (deficit) at end of year	<u>\$ (17,789)</u>	<u>\$ 48,492</u>	<u>\$ 66,281</u>	<u>\$ 17,889</u>

CITY OF COSTA MESA, CALIFORNIA  
Rental Rehabilitation Program Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income (loss)	\$ -	\$ 2,837	\$ 2,837	\$ (6,851)
Total revenues	-	2,837	2,837	(6,851)
Expenditures:				
Current:				
Community programs	80,000	-	80,000	-
Total expenditures	80,000	-	80,000	-
Excess (deficiency) of revenues over (under) expenditures	(80,000)	2,837	82,837	(6,851)
Net change in fund balance	(80,000)	2,837	82,837	(6,851)
Fund balance at beginning of year	274,643	274,643	-	281,494
Fund balance at end of year	\$ 194,643	\$ 277,480	\$ 82,837	\$ 274,643

CITY OF COSTA MESA, CALIFORNIA  
Narcotics Forfeiture Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Fines and forfeitures	\$ -	\$ 76,487	\$ 76,487	\$ 5,562
Investment income (loss)	-	17,752	17,752	(41,213)
Total revenues	-	94,239	94,239	(35,651)
Expenditures:				
Current:				
Protection of persons and property	80,000	42,402	37,598	-
Total expenditures	80,000	42,402	37,598	-
Excess (deficiency) of revenues over (under) expenditures	(80,000)	51,837	131,837	(35,651)
Net change in fund balance	(80,000)	51,837	131,837	(35,651)
Fund balance at beginning of year	1,242,267	1,242,267	-	1,277,918
Fund balance at end of year	\$ 1,162,267	\$ 1,294,104	\$ 131,837	\$ 1,242,267

CITY OF COSTA MESA, CALIFORNIA  
Local Law Enforcement Block Grant Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income (loss)	\$ -	\$ 347	\$ 347	\$ (837)
Total revenues	-	347	347	(837)
Excess (deficiency) of revenues over (under) expenditures	-	347	347	(837)
Net change in fund balance	-	347	347	(837)
Fund balance at beginning of year	33,606	33,606	-	34,443
Fund balance at end of year	<u>\$ 33,606</u>	<u>\$ 33,953</u>	<u>\$ 347</u>	<u>\$ 33,606</u>

CITY OF COSTA MESA, CALIFORNIA  
Office of Traffic Safety Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Intergovernmental	\$ 265,000	\$ 259,141	\$ (5,859)	\$ 130,022
Total revenues	265,000	259,141	(5,859)	130,022
Expenditures:				
Current:				
Protection of persons and property	265,000	226,977	38,023	169,868
Total expenditures	265,000	226,977	38,023	169,868
Excess (deficiency) of revenues over (under) expenditures	-	32,164	32,164	(39,846)
Fund balance (deficit) at beginning of year	(40,059)	(40,059)	-	(213)
Fund balance (deficit) at end of year	\$ (40,059)	\$ (7,895)	\$ 32,164	\$ (40,059)

CITY OF COSTA MESA, CALIFORNIA  
Housing Authority Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Taxes	\$ 381,141	\$ 342,011	\$ (39,130)	\$ 349,917
Intergovernmental	2,274,179	2,686,381	412,202	1,510,066
Investment income (loss)	21,550	9,416	(12,134)	(68,124)
Rental income	370,000	416,489	46,489	338,732
Miscellaneous	6,000	221,113	215,113	27,406
Total revenues	<u>3,052,870</u>	<u>3,675,410</u>	<u>622,540</u>	<u>2,157,997</u>
Expenditures:				
Current:				
Community programs	<u>8,789,294</u>	<u>4,286,833</u>	<u>4,502,461</u>	<u>3,963,750</u>
Total expenditures	<u>8,789,294</u>	<u>4,286,833</u>	<u>4,502,461</u>	<u>3,963,750</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,736,424)</u>	<u>(611,423)</u>	<u>5,125,001</u>	<u>(1,805,753)</u>
Other financing sources (uses):				
Transfers in	<u>5,214,993</u>	<u>5,288,708</u>	<u>73,715</u>	<u>1,713,828</u>
Total other financing sources (uses)	<u>5,214,993</u>	<u>5,288,708</u>	<u>73,715</u>	<u>1,713,828</u>
Net change in fund balance	<u>(521,431)</u>	<u>4,677,285</u>	<u>5,198,716</u>	<u>(91,925)</u>
Fund balance at beginning of year	<u>3,623,260</u>	<u>3,623,260</u>	<u>-</u>	<u>3,715,185</u>
Fund balance at end of year	<u>\$ 3,101,829</u>	<u>\$ 8,300,545</u>	<u>\$ 5,198,716</u>	<u>\$ 3,623,260</u>

CITY OF COSTA MESA, CALIFORNIA  
Capital Improvements Fund - Major Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Intergovernmental	\$ -	\$ 190,599	\$ 190,599	\$ 546,129
Investment income (loss)	-	216,228	216,228	(603,855)
Miscellaneous	50,000	64,585	14,585	59,431
Total revenues	50,000	471,412	421,412	1,705
Expenditures:				
Current:				
Protection of persons and property	3,676,035	1,275,395	2,400,640	74,688
Community programs	1,720,000	40,505	1,679,495	84,589
Public services	21,653,745	2,969,206	18,684,539	3,693,683
Total expenditures	27,049,780	4,285,106	22,764,674	3,852,960
Excess (deficiency) of revenues over (under) expenditures	(26,999,780)	(3,813,694)	23,186,086	(3,851,255)
Other financing sources (uses):				
Transfers in	13,482,325	13,482,325	-	8,533,467
Total other financing sources (uses)	13,482,325	13,482,325	-	8,533,467
Net change in fund balance	(13,517,455)	9,668,631	23,186,086	4,682,212
Fund balance at beginning of year	21,869,391	21,869,391	-	17,187,179
Fund balance (deficit) at end of year	\$ 8,351,936	\$ 31,538,022	\$ 23,186,086	\$ 21,869,391

CITY OF COSTA MESA, CALIFORNIA  
Measure "M2" Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Intergovernmental	\$ 3,312,964	\$ 3,650,774	\$ 337,810	\$ 4,420,073
Investment income (loss)	-	53,052	53,052	(105,712)
Total revenues	<u>3,312,964</u>	<u>3,703,826</u>	<u>390,862</u>	<u>4,314,361</u>
Expenditures:				
Current:				
Public services	<u>8,422,954</u>	<u>2,456,115</u>	<u>5,966,839</u>	<u>3,084,199</u>
Total expenditures	<u>8,422,954</u>	<u>2,456,115</u>	<u>5,966,839</u>	<u>3,084,199</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(5,109,990)</u>	<u>1,247,711</u>	<u>6,357,701</u>	<u>1,230,162</u>
Net change in fund balance	(5,109,990)	1,247,711	6,357,701	1,230,162
Fund balance at beginning of year	<u>4,501,799</u>	<u>4,501,799</u>	-	<u>3,271,637</u>
Fund balance (deficit) at end of year	<u>\$ (608,191)</u>	<u>\$ 5,749,510</u>	<u>\$ 6,357,701</u>	<u>\$ 4,501,799</u>



CITY OF COSTA MESA, CALIFORNIA  
Parking Districts Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Taxes	\$ 16,311	\$ 15,353	\$ (958)	\$ 16,927
Investment income (loss)	-	1,478	1,478	(3,453)
Total revenues	<u>16,311</u>	<u>16,831</u>	<u>520</u>	<u>13,474</u>
Excess (deficiency) of revenues over (under) expenditures	<u>16,311</u>	<u>16,831</u>	<u>520</u>	<u>13,474</u>
Net change in fund balance	16,311	16,831	520	13,474
Fund balance at beginning of year	<u>136,070</u>	<u>136,070</u>	<u>-</u>	<u>122,596</u>
Fund balance at end of year	<u>\$ 152,381</u>	<u>\$ 152,901</u>	<u>\$ 520</u>	<u>\$ 136,070</u>

CITY OF COSTA MESA, CALIFORNIA  
Golf Course Improvements Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income (loss)	\$ -	\$ 6,255	\$ 6,255	\$ (13,547)
Rental income	110,000	159,695	49,695	163,021
Total revenues	110,000	165,950	55,950	149,474
Expenditures:				
Current:				
Public services	665,000	28,023	636,977	-
Total expenditures	665,000	28,023	636,977	-
Excess (deficiency) of revenues over (under) expenditures	(555,000)	137,927	692,927	149,474
Net change in fund balance	(555,000)	137,927	692,927	149,474
Fund balance at beginning of year	538,457	538,457	-	388,983
Fund balance at end of year	<u>\$ (16,543)</u>	<u>\$ 676,384</u>	<u>\$ 692,927</u>	<u>\$ 538,457</u>

CITY OF COSTA MESA, CALIFORNIA  
Park Development Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Charges for services	\$ 328,095	\$ 158,327	\$ (169,768)	\$ 1,278,940
Investment income (loss)	-	33,194	33,194	(100,791)
Total revenues	<u>328,095</u>	<u>191,521</u>	<u>(136,574)</u>	<u>1,178,149</u>
Expenditures:				
Current:				
Community programs	1,148,087	338,019	810,068	206,815
Public services	<u>1,815,715</u>	<u>596,217</u>	<u>1,219,498</u>	<u>2,007,353</u>
Total expenditures	<u>2,963,802</u>	<u>934,236</u>	<u>2,029,566</u>	<u>2,214,168</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,635,707)</u>	<u>(742,715)</u>	<u>1,892,992</u>	<u>(1,036,019)</u>
Net change in fund balance	(2,635,707)	(742,715)	1,892,992	(1,036,019)
Fund balance at beginning of year	<u>3,615,437</u>	<u>3,615,437</u>	-	<u>4,651,456</u>
Fund balance at end of year	<u>\$ 979,730</u>	<u>\$ 2,872,722</u>	<u>\$ 1,892,992</u>	<u>\$ 3,615,437</u>

CITY OF COSTA MESA, CALIFORNIA  
 Drainage Fees Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Year ended June 30, 2023  
 (With Comparative Data for Prior Year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Intergovernmental	\$ -	\$ 107,327	\$ 107,327	\$ -
Charges for services	213,206	76,516	(136,690)	348,736
Investment income (loss)	-	22,712	22,712	(57,057)
	<u>213,206</u>	<u>206,555</u>	<u>(6,651)</u>	<u>291,679</u>
Total revenues				
Expenditures:				
Current:				
Public services	<u>2,478,471</u>	<u>273,825</u>	<u>2,204,646</u>	<u>145,850</u>
	<u>2,478,471</u>	<u>273,825</u>	<u>2,204,646</u>	<u>145,850</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>(2,265,265)</u>	<u>(67,270)</u>	<u>2,197,995</u>	<u>145,829</u>
Net change in fund balance	(2,265,265)	(67,270)	2,197,995	145,829
Fund balance at beginning of year	<u>2,242,221</u>	<u>2,242,221</u>	<u>-</u>	<u>2,096,392</u>
Fund balance (deficit) at end of year	<u>\$ (23,044)</u>	<u>\$ 2,174,951</u>	<u>\$ 2,197,995</u>	<u>\$ 2,242,221</u>

CITY OF COSTA MESA, CALIFORNIA  
Traffic Impact Fees Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Charges for services	\$ 1,533,025	\$ 1,033,989	\$ (499,036)	\$ 437,946
Investment income (loss)	-	63,154	63,154	(143,171)
Miscellaneous	-	7,167	7,167	-
Total revenues	<u>1,533,025</u>	<u>1,104,310</u>	<u>(428,715)</u>	<u>294,775</u>
Expenditures:				
Current:				
Public services	<u>3,364,073</u>	<u>485,739</u>	<u>2,878,334</u>	<u>127,222</u>
Total expenditures	<u>3,364,073</u>	<u>485,739</u>	<u>2,878,334</u>	<u>127,222</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,831,048)</u>	<u>618,571</u>	<u>2,449,619</u>	<u>167,553</u>
Net change in fund balance	(1,831,048)	618,571	2,449,619	167,553
Fund balance at beginning of year	<u>5,657,767</u>	<u>5,657,767</u>	<u>-</u>	<u>5,490,214</u>
Fund balance at end of year	<u>\$ 3,826,719</u>	<u>\$ 6,276,338</u>	<u>\$ 2,449,619</u>	<u>\$ 5,657,767</u>

CITY OF COSTA MESA, CALIFORNIA  
Fire System Development Fees Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income (loss)	\$ -	\$ 6,569	\$ 6,569	\$ (15,857)
Total revenues	-	6,569	6,569	(15,857)
Net change in fund balance	-	6,569	6,569	(15,857)
Fund balance at beginning of year	635,684	635,684	-	651,541
Fund balance at end of year	<u>\$ 635,684</u>	<u>\$ 642,253</u>	<u>\$ 6,569</u>	<u>\$ 635,684</u>

CITY OF COSTA MESA, CALIFORNIA  
 Jack Hammett Sports Complex Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Year ended June 30, 2023  
 (With Comparative Data for Prior Year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income	\$ -	\$ 2,165	\$ 2,165	\$ 533
Rental income	150,750	150,749	(1)	271,500
Total revenues	150,750	152,914	2,164	272,033
Expenditures:				
Current:				
Public services	-	-	-	663,000
Total expenditures	-	-	-	663,000
Excess (deficiency) of revenues over (under) expenditures	150,750	152,914	2,164	(390,967)
Net change in fund balance	150,750	152,914	2,164	(390,967)
Fund balance at beginning of year	193,957	193,957	-	584,924
Fund balance at end of year	<u>\$ 344,707</u>	<u>\$ 346,871</u>	<u>\$ 2,164</u>	<u>\$ 193,957</u>

CITY OF COSTA MESA, CALIFORNIA  
Lions Park Capital Improvements Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Year ended June 30, 2022  
(With Comparative Data for Prior Year)

	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
Revenues:				
Investment income (loss)	\$ -	\$ 9,577	\$ 9,577	\$ (170)
Total revenues	-	9,577	9,577	(170)
Expenditures:				
Current:				
Public services	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	9,577	9,577	(170)
Net change in fund balance	-	9,577	9,577	(170)
Fund balance at beginning of year	324,559	324,559	-	324,729
Fund balance at end of year	<u>\$ 324,559</u>	<u>\$ 334,136</u>	<u>\$ 9,577</u>	<u>\$ 324,559</u>



## **INTERNAL SERVICE FUNDS**

Internal Service Funds are used to account for the financing of goods and services provided by one City department to another City department on a cost-reimbursement basis.

### **Equipment Replacement Fund**

Established to account for all motorized equipment used by City departments.

### **Self Insurance Fund – Workers' Compensation/General Liability/Unemployment**

Established to account for receipt and disbursement of funds used to pay worker's compensation, general liability, and unemployment premiums and claims filed against the City.

### **Information Technology Replacement Fund**

Established to provide funds for future replacements and upgrades to City computer equipment, systems, and supporting infrastructure.

CITY OF COSTA MESA, CALIFORNIA  
Internal Service Funds  
Combining Statement of Net Position  
June 30, 2023  
(With Comparative Data for Prior Year)

	Equipment Replacement	Self-Insurance Workers' Compensation/ General Liability/ Unemployment	Information Technology Replacement	Totals	
				2023	2022
<u>Assets:</u>					
Current assets:					
Cash and investments	\$ 8,954,515	\$ 19,147,938	\$ 9,707,577	\$ 37,810,030	\$ 31,293,065
Interest receivable	10,308	22,278	11,006	43,592	59,970
Prepaid items	2,134,210	242,026	-	2,376,236	3,719,059
Inventories	149,203	-	-	149,203	240,189
Total current assets	11,248,236	19,412,242	9,718,583	40,379,061	35,312,283
Capital assets:					
Construction in progress	-	-	1,932,537	1,932,537	1,412,635
Motorized equipment	18,802,993	-	-	18,802,993	14,777,717
Other equipment	3,713,761	-	187,799	3,901,560	3,645,870
Accumulated depreciation	(12,394,092)	-	(101,411)	(12,495,503)	(11,881,554)
Net capital assets	10,122,662	-	2,018,925	12,141,587	7,954,668
Total assets	21,370,898	19,412,242	11,737,508	52,520,648	43,266,951
<u>Liabilities:</u>					
Current liabilities:					
Accounts payable	542,862	289,509	293,063	1,125,434	801,171
Accrued liabilities	95,791	12,660	24,809	133,260	44,918
Notes payable	564,329	-	-	564,329	325,037
Claims payable	-	1,134,946	-	1,134,946	1,379,844
Total current liabilities	1,202,982	1,437,115	317,872	2,957,969	2,550,970
Long-term liabilities:					
Notes payable	3,738,263	-	-	3,738,263	3,061,525
Claims payable	-	12,692,453	-	12,692,453	12,919,598
Total long-term liabilities	3,738,263	12,692,453	-	16,430,716	15,981,123
Total liabilities	4,941,245	14,129,568	317,872	19,388,685	18,532,093
<u>Net Position:</u>					
Net investment in capital assets	5,820,070	-	2,018,925	7,838,995	4,568,106
Unrestricted	10,609,583	5,282,674	9,400,711	25,292,968	20,166,752
Total net position	\$ 16,429,653	\$ 5,282,674	\$ 11,419,636	\$ 33,131,963	\$ 24,734,858

CITY OF COSTA MESA, CALIFORNIA  
Internal Service Funds  
Combining Statement of Revenues, Expenses, and Changes in Net Position  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Equipment Replacement	Self-Insurance Workers' Compensation/ General Liability/ Unemployment	Information Technology Replacement	Totals	
				2023	2022
Operating revenues:					
Charges for services	\$ 5,442,580	\$ 4,842,316	\$ -	\$ 10,284,896	\$ 7,472,134
Total operating revenues	5,442,580	4,842,316	-	10,284,896	7,472,134
Operating expenses:					
Allocated administrative costs	1,694,810	886,546	1,379,708	3,961,064	2,854,592
Depreciation	1,120,805	-	-	1,120,805	1,248,411
Fuel and repair parts	1,050,894	-	-	1,050,894	1,230,211
Materials and supplies	-	-	71,077	71,077	65,073
Claims and premiums	-	3,589,183	-	3,589,183	3,023,082
Total operating expenses	3,866,509	4,475,729	1,450,785	9,793,023	8,421,369
Operating income (loss)	1,576,071	366,587	(1,450,785)	491,873	(949,235)
Nonoperating revenues (expenses):					
Investment income (loss)	76,739	153,798	74,675	305,212	(841,310)
Intergovernmental	159,985	-	-	159,985	-
Other nonoperating revenue	41,562	1,326,382	-	1,367,944	503,000
Interest expense	(121,301)	-	-	(121,301)	(26,197)
Gain (loss) on disposal of equipment	(17,270)	-	-	(17,270)	(1,319)
Total nonoperating revenues (expenses)	139,715	1,480,180	74,675	1,694,570	(365,826)
Income (loss) before transfers	1,715,786	1,846,767	(1,376,110)	2,186,443	(1,315,061)
Transfers in	1,003,556	1,648,622	3,558,484	6,210,662	8,248,850
Change in net position	2,719,342	3,495,389	2,182,374	8,397,105	6,933,789
Net position at beginning of year	13,710,311	1,787,285	9,237,262	24,734,858	17,801,069
Net position at end of year	\$ 16,429,653	\$ 5,282,674	\$ 11,419,636	\$ 33,131,963	\$ 24,734,858

CITY OF COSTA MESA, CALIFORNIA  
Internal Service Funds  
Combining Statement of Cash Flows  
Year ended June 30, 2023  
(With Comparative Data for Prior Year)

	Equipment Replacement	Self-Insurance Workers' Compensation/ General Liability/ Unemployment	Information Technology Replacement	Totals	
				2023	2022
Cash flows from operating activities:					
Cash received from customers and user departments	\$ 5,442,580	\$ 4,842,316	\$ -	\$ 10,284,896	\$ 7,472,134
Cash payments to suppliers for goods and services	(753,056)	(4,127,992)	(1,427,122)	(6,308,170)	(11,023,399)
Cash payments to employees for services	(1,631,176)	(655,413)	-	(2,286,589)	(1,685,505)
Net cash provided by (used for) operating activities	3,058,348	58,911	(1,427,122)	1,690,137	(5,236,770)
Cash flows from noncapital financing activities:					
Cash received from other funds	1,003,556	1,648,622	3,558,484	6,210,662	8,248,850
Intergovernmental revenue received	159,985	-	-	159,985	-
Net cash provided by (used for) noncapital financing activities	1,163,541	1,648,622	3,558,484	6,370,647	8,248,850
Cash flows from capital and related financing activities:					
Principal paid on capital debt	(325,038)	-	-	(325,038)	(135,493)
Interest paid on capital debt	(121,301)	-	-	(121,301)	-
Proceeds from note payable	1,241,068	-	-	1,241,068	2,049,653
Proceeds from insurance settlement	41,562	1,326,382	-	1,367,944	503,000
Proceeds from sale of capital assets	67,960	-	-	67,960	-
Acquisition of capital assets	(3,485,206)	-	(610,835)	(4,096,041)	(1,440,414)
Net cash provided by (used for) capital and related financing activities	(2,580,955)	1,326,382	(610,835)	(1,865,408)	976,746
Cash flows from investing activities:					
Investment income (loss)	77,931	163,423	80,235	321,589	(858,845)
Net cash provided by (used for) investing activities	77,931	163,423	80,235	321,589	(858,845)
Net increase (decrease) in cash and cash equivalents	1,718,865	3,197,338	1,600,762	6,516,965	3,129,981
Cash and cash equivalents at beginning of year	7,235,650	15,950,600	8,106,815	31,293,065	28,163,084
Cash and cash equivalents at end of year	<u>\$ 8,954,515</u>	<u>\$ 19,147,938</u>	<u>\$ 9,707,577</u>	<u>\$ 37,810,030</u>	<u>\$ 31,293,065</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	\$ 1,576,071	\$ 366,587	\$ (1,450,785)	\$ 491,873	\$ (975,432)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,120,805	-	-	1,120,805	1,248,411
(Increase) decrease in prepaid items	-	(45,022)	-	(45,022)	(2,062,787)
(Increase) decrease in inventories	90,986	-	-	90,986	(108,595)
Increase (decrease) in accounts payable	206,852	208,344	-	415,196	(196,786)
Increase (decrease) in accrued liabilities	63,634	1,045	23,663	88,342	13,501
Increase (decrease) in claims payable	-	(472,043)	-	(472,043)	(3,155,082)
Net cash provided by (used for) operating activities	<u>\$ 3,058,348</u>	<u>\$ 58,911</u>	<u>\$ (1,427,122)</u>	<u>\$ 1,690,137</u>	<u>\$ (5,236,770)</u>

ANNUAL COMPREHENSIVE  
**FINANCIAL REPORT**  
STATISTICAL SECTION



## **STATISTICAL SECTION**

This part of the City's annual comprehensive financial report presents detailed information as a context for understanding what information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

### **FINANCIAL TRENDS**

These schedules contain financial trend information to help the reader understand how the government's financial performance and well-being have changed over time.

TABLES 1 - 4

### **REVENUE CAPACITY**

These schedules contain revenue information to help the reader assess the government's most significant local revenue source.

TABLES 5 - 12

### **DEBT CAPACITY**

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

TABLES 13 - 15

### **DEMOGRAPHIC AND ECONOMIC INFORMATION**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

TABLES 16 - 17

### **OPERATING INFORMATION**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

TABLES 18 - 20

**TABLE 1**

**CITY OF COSTA MESA, CALIFORNIA**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net investment in capital assets	\$ 211,291,261	\$ 211,133,458	\$ 216,195,466	\$ 219,280,752	\$ 235,177,233	\$ 248,255,931	\$ 248,815,081	\$ 255,443,158	\$ 249,096,798	\$ 258,068,790
Restricted										
Protection of Persons and Property	1,441,906	552,573	1,022,546	217,303	150,169	872,898	1,628,892	1,329,350	1,333,365	1,672,814
Community programs	9,622,339	8,892,751	12,793,475	9,588,998	3,767,377	6,162,341	5,687,227	6,176,036	6,796,140	10,118,512
Public services	21,642,345	17,660,289	15,495,090	20,253,747	13,625,826	14,845,159	17,051,750	18,047,015	20,103,188	7,236,370
Unrestricted	51,403,839	(170,836,260)	(159,357,224)	(161,805,274)	(224,657,548)	(241,478,263)	(251,417,100)	(243,934,825)	(225,702,393)	(166,151,695)
Total governmental activities net position	<u>\$ 295,401,690</u>	<u>\$ 67,402,811</u>	<u>\$ 86,149,353</u>	<u>\$ 87,535,526</u>	<u>\$ 28,063,057</u>	<u>\$ 28,658,066</u>	<u>\$ 21,765,850</u>	<u>\$ 37,060,734</u>	<u>\$ 51,627,098</u>	<u>\$ 110,944,791</u>

Source: Government-Wide Financial Statements

TABLE 2

**CITY OF COSTA MESA, CALIFORNIA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	<b>Fiscal Years</b>									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
Governmental Activities:										
General government	\$ 23,396,581	\$ 25,225,607	\$ 24,631,010	\$ 28,474,037	\$ 31,695,402	\$ 34,008,731	\$ 32,124,703	\$ 36,763,868	\$ 31,808,370	\$ 34,980,361
Protection of persons and property	62,634,432	64,184,047	63,956,413	70,786,483	86,777,544	86,440,751	96,625,585	88,643,852	98,324,072	73,551,002
Community programs	6,784,867	10,189,480	4,639,743	12,069,675	10,126,755	16,363,506	17,285,898	22,007,275	14,887,015	21,097,340
Public services	22,768,197	21,549,681	22,498,495	21,415,061	20,062,183	27,937,004	16,269,612	17,663,842	21,645,247	13,379,020
Interest on long-term debt	1,273,152	1,210,723	1,081,605	974,233	1,082,361	1,138,694	1,083,190	986,593	929,979	962,189
Total primary government expenses	<u>116,857,229</u>	<u>122,359,538</u>	<u>116,807,266</u>	<u>133,719,489</u>	<u>149,744,245</u>	<u>165,888,686</u>	<u>163,388,988</u>	<u>166,065,430</u>	<u>167,594,683</u>	<u>143,969,912</u>
<b>Program Revenues</b>										
Governmental Activities:										
Charges for services:										
Protection of persons and property	2,338,910	2,299,476	2,707,819	2,819,809	3,805,473	7,267,233	7,461,872	5,497,350	6,846,240	8,548,513
Community programs	6,229,677	7,498,348	8,232,995	7,577,878	9,536,570	8,207,122	4,816,413	5,243,843	6,220,199	5,440,973
Public services	2,680,625	3,089,801	3,721,366	3,232,506	5,046,984	6,179,653	7,096,062	6,372,272	8,896,422	8,551,558
Operating grants and contributions	8,534,673	8,562,955	4,907,815	4,487,089	7,727,382	9,339,283	10,576,719	32,519,129	14,404,940	19,907,594
Capital grants and contributions	6,148,876	5,143,592	3,370,260	7,114,471	4,755,573	9,142,040	6,251,484	8,267,623	5,528,637	3,905,958
Total primary government revenues	<u>25,932,761</u>	<u>26,594,172</u>	<u>22,940,255</u>	<u>25,231,753</u>	<u>30,871,982</u>	<u>40,135,331</u>	<u>36,202,550</u>	<u>57,900,217</u>	<u>41,896,438</u>	<u>46,354,596</u>
Total primary government net expense	<u>\$ (90,924,468)</u>	<u>\$ (95,765,366)</u>	<u>\$ (93,867,011)</u>	<u>\$ (108,487,736)</u>	<u>\$ (118,872,263)</u>	<u>\$ (125,753,355)</u>	<u>\$ (127,186,438)</u>	<u>\$ (108,165,213)</u>	<u>\$ (125,698,245)</u>	<u>\$ (97,615,316)</u>
<b>General Revenues and Other</b>										
<b>Changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Property taxes	\$ 22,984,093	\$ 24,139,297	\$ 26,168,612	\$ 37,925,385	\$ 40,373,351	\$ 43,226,688	\$ 45,548,585	\$ 47,891,698	\$ 49,706,079	\$ 53,806,587
Sales and use taxes	50,329,310	52,117,128	58,524,162	57,591,889	56,971,636	62,689,811	55,866,831	63,738,411	77,165,533	79,851,289
Transient occupancy tax	7,676,090	7,995,154	8,622,505	8,924,854	8,819,617	8,595,417	6,587,224	4,282,802	8,366,278	9,830,790
Franchise taxes	4,891,465	4,885,925	5,060,402	4,593,631	4,965,515	5,042,551	4,822,964	4,895,574	5,318,541	6,094,232
Business tax	916,285	954,408	973,521	918,928	919,450	1,093,154	1,663,100	1,227,843	1,468,202	1,907,551
Other intergovernmental unrestricted	9,229,059	5,660,305	11,209,989	51,340	60,031	55,343	91,674	84,182	130,289	275,292
Investment income (loss)	1,772,900	1,692,528	1,871,216	496,650	256,438	4,264,987	4,075,623	(80,831)	(3,609,117)	1,821,815
Miscellaneous	495,154	949,533	913,351	1,333,610	1,903,266	1,380,413	1,638,221	1,420,418	1,718,804	3,345,453
Settlements	121,971	-	-	-	-	-	-	-	-	-
Total primary government	<u>98,416,327</u>	<u>98,394,278</u>	<u>113,343,758</u>	<u>111,836,287</u>	<u>114,269,304</u>	<u>126,348,364</u>	<u>120,294,222</u>	<u>123,460,097</u>	<u>140,264,609</u>	<u>156,933,009</u>
Change in Net Position	<u>\$ 7,491,859</u>	<u>\$ 2,628,912</u>	<u>\$ 19,476,747</u>	<u>\$ 3,348,551</u>	<u>\$ (4,602,959)</u>	<u>\$ 595,009</u>	<u>\$ (6,892,216)</u>	<u>\$ 15,294,884</u>	<u>\$ 14,566,364</u>	<u>\$ 59,317,693</u>

Source: Government-Wide Financial Statements



**TABLE 3**

**CITY OF COSTA MESA, CALIFORNIA**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General fund										
Nonspendable	\$ 3,430,104	\$ 4,165,795	\$ 2,486,085	\$ 2,253,843	\$ 2,038,518	\$ 280,195	\$ 362,189	\$ 964,846	\$ 603,547	\$ 458,687
Restricted	-	-	-	-	-	-	-	1,778,220	3,061,154	3,178,229
Committed	16,125,000	16,125,000	16,125,000	16,125,000	16,125,000	23,625,000	25,125,000	25,125,000	25,125,000	25,125,000
Assigned	10,016,092	11,325,819	13,820,663	13,819,088	13,730,832	8,940,072	9,151,062	8,195,429	12,469,067	14,646,622
Unassigned	20,629,130	22,199,337	32,040,713	30,867,198	23,329,730	20,451,232	18,825,417	17,428,766	16,517,079	15,628,416
Total general fund	<u>\$ 50,200,326</u>	<u>\$ 53,815,951</u>	<u>\$ 64,472,461</u>	<u>\$ 63,065,129</u>	<u>\$ 55,224,080</u>	<u>\$ 53,296,499</u>	<u>\$ 53,463,668</u>	<u>\$ 53,492,261</u>	<u>\$ 57,775,847</u>	<u>\$ 59,036,954</u>
All other governmental funds										
Restricted	\$ 25,097,114	\$ 20,914,771	\$ 19,309,083	\$ 28,056,898	\$ 30,108,463	\$ 21,753,832	\$ 25,676,330	\$ 25,200,380	\$ 26,636,885	\$ 35,221,550
Assigned	11,741,220	19,147,805	23,738,380	27,619,480	25,415,708	24,337,823	25,474,636	31,173,285	34,939,313	44,680,442
Unassigned	(2,288,538)	(368,083)	(139,064)	(248,979)	(6,353)	(9,453)	(2,312,520)	(451,068)	(1,850,787)	961,694
Total all other governmental funds	<u>\$ 34,549,796</u>	<u>\$ 39,694,493</u>	<u>\$ 42,908,399</u>	<u>\$ 55,427,399</u>	<u>\$ 55,517,818</u>	<u>\$ 46,082,202</u>	<u>\$ 48,838,446</u>	<u>\$ 55,922,597</u>	<u>\$ 59,725,411</u>	<u>\$ 80,863,686</u>

Source: Fund Financial Statements

TABLE 4

**CITY OF COSTA MESA, CALIFORNIA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Revenues</b>										
Taxes	\$ 86,797,242	\$ 90,091,915	\$ 99,349,202	\$ 99,464,729	\$ 110,884,896	\$ 123,969,423	\$ 114,463,599	\$ 122,138,588	\$ 141,919,878	\$ 151,484,175
Licenses and permits	2,085,348	2,313,296	2,983,081	2,933,305	3,837,564	5,104,022	5,496,049	4,368,740	7,331,252	6,342,557
Fines and forfeits	3,614,144	1,367,190	1,609,134	1,352,682	1,612,230	2,468,993	2,067,884	1,061,346	1,176,357	1,266,768
Intergovernmental	21,769,293	22,010,125	17,612,288	23,205,265	10,558,481	16,646,740	15,006,292	39,855,634	18,077,452	26,254,095
Charges for services	4,721,191	6,117,030	6,668,445	5,909,112	9,553,421	9,990,454	9,489,827	7,309,872	9,030,556	10,155,524
Rental	3,021,585	3,113,662	3,336,053	3,289,222	3,404,676	3,479,527	3,566,255	4,773,662	4,815,577	4,722,383
Investment income (loss)	1,712,058	1,771,527	1,775,765	420,561	244,606	3,616,606	3,394,398	(37,016)	(2,767,803)	1,516,600
Settlements	121,971	-	-	-	-	-	-	-	-	-
Miscellaneous	1,177,245	2,206,428	1,679,917	2,170,215	2,081,739	3,226,941	2,161,633	1,410,996	1,545,970	1,615,437
Total revenues	<u>125,020,077</u>	<u>128,991,173</u>	<u>135,013,885</u>	<u>138,745,091</u>	<u>142,177,613</u>	<u>168,502,706</u>	<u>155,645,937</u>	<u>180,881,822</u>	<u>181,129,239</u>	<u>203,357,539</u>
<b>Expenditures</b>										
General government	23,893,450	24,699,226	25,102,067	26,518,266	29,048,355	29,219,530	30,808,182	31,851,632	33,567,585	36,619,271
Protection of persons and property	64,047,209	61,096,404	64,426,376	66,141,703	70,198,327	78,762,212	82,939,180	84,027,648	90,698,363	98,044,159
Community programs	6,442,241	8,821,298	8,019,356	9,410,168	10,888,393	13,265,742	14,297,137	18,578,311	16,267,400	19,397,579
Public services	22,863,385	21,860,252	19,836,633	21,680,495	42,305,565	50,429,478	20,506,675	27,033,542	20,962,292	17,514,252
Debt service:										
Principal	2,450,000	2,540,000	2,650,000	2,755,000	4,070,000	1,795,261	1,815,392	1,890,391	2,202,563	2,172,370
Interest	1,296,111	1,213,671	1,109,037	992,383	1,041,853	1,298,315	1,230,958	1,155,360	1,095,786	999,864
Bond issuance costs	-	-	-	-	344,858	-	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	2,302,225	-	-	-	-	-
Total expenditures	<u>120,992,396</u>	<u>120,230,851</u>	<u>121,143,469</u>	<u>127,498,015</u>	<u>160,199,576</u>	<u>174,770,538</u>	<u>151,597,524</u>	<u>164,536,884</u>	<u>164,793,989</u>	<u>174,747,495</u>
Excess of revenues over (under) expenditures	<u>4,027,681</u>	<u>8,760,322</u>	<u>13,870,416</u>	<u>11,247,076</u>	<u>(18,021,963)</u>	<u>(6,267,832)</u>	<u>4,048,413</u>	<u>16,344,938</u>	<u>16,335,250</u>	<u>28,610,044</u>
<b>Other financing sources (uses):</b>										
Transfers in	8,597,756	14,253,945	12,852,940	16,058,019	12,370,819	15,899,228	10,811,227	26,619,517	13,116,263	22,212,189
Transfers out	(9,094,260)	(14,253,945)	(12,852,940)	(19,658,019)	(18,063,009)	(21,148,507)	(11,936,227)	(35,851,711)	(21,365,113)	(28,422,851)
Issuance of debt	-	-	-	-	29,735,000	153,914	-	-	-	-
Premium on debt issue	-	-	-	-	3,694,172	-	-	-	-	-
Payment to bond escrow agent	-	-	-	-	(14,530,520)	-	-	-	-	-
Total other financing sources (uses)	<u>(496,504)</u>	<u>-</u>	<u>-</u>	<u>(3,600,000)</u>	<u>13,206,462</u>	<u>(5,095,365)</u>	<u>(1,125,000)</u>	<u>(9,232,194)</u>	<u>(8,248,850)</u>	<u>(6,210,662)</u>
Net change in fund balances	<u>\$ 3,531,177</u>	<u>\$ 8,760,322</u>	<u>\$ 13,870,416</u>	<u>\$ 7,647,076</u>	<u>\$ (4,815,501)</u>	<u>\$ (11,363,197)</u>	<u>\$ 2,923,413</u>	<u>\$ 7,112,744</u>	<u>\$ 8,086,400</u>	<u>\$ 22,399,382</u>
Debt service as a percentage of noncapital expenditures	3.44%	3.37%	3.38%	3.18%	5.64%	2.21%	2.19%	2.10%	2.27%	2.03%

Source: Fund Financial Statements

**TABLE 5**

**CITY OF COSTA MESA, CALIFORNIA**  
**TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

<u>Fiscal Years</u>	<u>Sales</u>	<u>Property</u>	<u>Transient Occupancy</u>	<u>Franchise</u>	<u>Business</u>	<u>Proposition 172</u>	<u>Total</u>
2014	49,264,634	22,984,093	7,676,090	4,891,465	916,285	1,064,676	86,797,243
2015	51,115,064	24,139,297	7,995,154	4,885,926	954,408	1,002,064	90,091,914
2016	57,593,561	26,168,612	8,622,505	5,060,402	973,521	930,601	99,349,202
2017	56,556,867	27,435,427	8,924,854	4,593,631	918,928	1,035,022	99,464,729
2018	54,656,183	40,458,402	8,819,617	4,965,515	919,450	1,065,729	110,884,896
2019	64,902,009	42,873,901	8,595,417	5,042,551	1,093,154	1,126,008	123,633,040
2020	55,866,831	45,548,585	6,587,224	4,822,964	1,663,100	1,102,506	115,591,210
2021	63,738,411	47,891,698	4,282,802	4,895,574	1,227,843	1,151,953	123,188,281
2022	77,165,533	49,706,079	8,366,278	5,318,541	1,468,199	1,467,173	143,491,803
2023	79,851,289	53,442,949	9,830,790	6,094,232	1,907,551	1,396,896	152,523,707

Source: Required Supplementary Information

**TABLE 6**

**CITY OF COSTA MESA, CALIFORNIA**  
**TAXABLE SALES BY CATEGORY**  
**LAST TEN CALENDAR YEARS**  
**(in thousands of dollars)**

	<b>Calendar Years</b>									
	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Apparel stores	\$ 681,348	\$ 715,097	\$ 727,073	\$ 754,197	\$ 714,478	\$ 814,593	\$ 835,594	\$ 569,776	\$ 1,031,162	\$ 1,167,167
General merchandise	599,163	615,702	618,702	582,500	565,635	534,747	512,500	315,884	515,117	553,045
Food stores	87,225	88,872	103,225	90,941	88,385	90,178	91,470	92,557	91,147	91,789
Eating and drinking establishments	421,830	443,384	469,465	496,041	515,683	535,744	556,504	405,696	589,711	681,847
Building materials	180,198	193,248	205,343	224,225	236,497	242,750	251,846	251,117	314,137	351,411
Auto dealers and supplies	670,976	753,804	858,187	924,641	1,006,804	1,153,396	1,230,062	1,149,598	1,380,887	1,402,985
Service stations	263,352	245,432	215,707	190,969	200,170	235,572	232,911	161,495	242,199	315,387
Other retail stores	972,383	1,025,424	1,047,009	1,050,063	1,116,930	1,178,337	1,165,897	943,056	1,320,071	1,509,430
All other outlets	914,501	1,015,134	1,112,851	1,206,829	1,157,415	1,269,997	1,402,675	1,447,700	1,697,098	1,809,139
	<u>\$ 4,790,976</u>	<u>\$ 5,096,097</u>	<u>\$ 5,357,562</u>	<u>\$ 5,520,406</u>	<u>\$ 5,601,997</u>	<u>\$ 6,055,314</u>	<u>\$ 6,279,459</u>	<u>\$ 5,336,879</u>	<u>\$ 7,181,529</u>	<u>\$ 7,882,200</u>
City direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%

Source: State of California Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office and the HdL Companies

TABLE 7

**CITY OF COSTA MESA, CALIFORNIA**  
**PRINCIPAL SALES TAX REMITTERS BY CATEGORY**  
**CURRENT YEAR AND NINE YEARS AGO**

<u>Category</u>	2022			2013		
	Taxable Sales	Rank	Percentage of Total City Taxable Sales	Taxable Sales	Rank	Percentage of Total City Taxable Sales
All other outlets	\$ 1,809,139	1	22.95%	\$ 914,501	2	19.09%
Other retail stores	1,509,430	2	19.15%	\$ 972,383	1	20.30%
Auto dealers and supplies	1,402,985	3	17.80%	\$ 670,976	4	14.00%
Apparel stores	1,167,167	4	14.81%	\$ 681,348	3	14.22%
Eating and drinking establishment:	681,847	5	8.65%	\$ 421,830	6	8.80%
General merchandise	553,045	6	7.02%	\$ 599,163	5	12.51%
Building materials	351,411	7	4.46%	\$ 180,198	8	3.76%
Service stations	315,387	8	4.00%	\$ 263,352	7	5.50%
Food stores	91,789	9	1.16%	\$ 87,225	9	1.82%

Source: State of California Board of Equalization, California Department of Taxes and Fees Administration,  
State Controller's Office and the HdL Companies

**TABLE 8**

**CITY OF COSTA MESA, CALIFORNIA  
DIRECT AND OVERLAPPING SALES TAX RATES  
LAST TEN FISCAL YEARS**

<u>Fiscal Years</u>	<u>City Local Rate</u>	<u>Orange County Rate</u>	<u>State of California Rate</u>	<u>Total Sales Tax Rate</u>
2014	1.00	0.50	6.50	8.00
2015	1.00	0.50	6.50	8.00
2016	1.00	0.50	6.50	8.00
2017	1.25	0.50	6.00	7.75
2018	1.25	0.50	6.00	7.75
2019	1.25	0.50	6.00	7.75
2020	1.25	0.50	6.00	7.75
2021	1.25	0.50	6.00	7.75
2022	1.25	0.50	6.00	7.75
2023	1.25	0.50	6.00	7.75

Source: State of California Board of Equalization

**TABLE 9**

**CITY OF COSTA MESA, CALIFORNIA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collected for Subsequent Years (2)	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy (1)
2014	22,178,464	21,732,926	97.99%	285,325	22,018,251	99.28%
2015	23,405,838	22,897,171	97.83%	242,634	23,139,805	98.86%
2016	24,960,369	24,222,713	97.04%	227,104	24,449,817	97.95%
2017	26,330,538	25,640,344	97.38%	216,963	25,857,308	98.20%
2018	27,825,846	27,272,459	98.01%	198,624	27,471,083	98.73%
2019	29,820,941	29,186,740	97.87%	196,710	29,383,450	98.53%
2020	31,300,931	30,714,805	98.13%	214,204	30,929,009	98.81%
2021	32,769,949	32,203,394	98.27%	294,030	32,497,424	99.17%
2022	33,917,865	33,032,650	97.39%	298,304	33,330,954	98.27%
2023	37,663,468	36,812,087	97.74%	268,998	37,081,085	98.45%

<sup>(1)</sup> The Percentage of Levy may exceed 100% if the amounts collected for subsequent years exceed the delinquency.

<sup>(2)</sup> The County of Orange only makes this data available by collection year. Data by levy year is not available.

Source: Orange County Assessor 2022/2023 Combined Tax Rolls

TABLE 10

**CITY OF COSTA MESA, CALIFORNIA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

Fiscal Years	Residential Property	Commercial Property	Industrial Property	Miscellaneous Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value <sup>(1)</sup>	Taxable Assessed Value as a Percentage of Actual Taxable Value
2014	9,101,889,466	3,566,114,710	1,117,794,289	1,140,508,581	-	14,926,307,046	0.15040%	14,926,307,046	100.00%
2015	9,745,389,688	3,633,678,888	1,126,437,386	1,206,217,946	-	15,711,723,908	0.15035%	15,711,723,908	100.00%
2016	10,456,976,124	3,766,616,981	1,190,970,066	1,118,171,362	-	16,532,734,533	0.15038%	16,532,734,533	100.00%
2017	11,033,602,522	3,918,807,590	1,336,961,702	1,180,683,099	-	17,470,054,913	0.15014%	17,470,054,913	100.00%
2018	11,685,011,850	4,096,390,455	1,500,236,782	1,222,877,713	-	18,504,516,800	0.15009%	18,504,516,800	100.00%
2019	12,557,043,739	4,473,583,090	1,646,413,988	1,223,132,784	-	19,900,173,601	0.15002%	19,900,173,601	100.00%
2020	13,389,240,208	4,687,990,535	1,744,806,502	1,290,509,110	-	21,112,546,355	0.14848%	21,112,546,355	100.00%
2021	14,143,690,438	4,858,631,950	1,822,103,130	1,295,199,231	-	22,119,624,749	0.14856%	22,119,624,749	100.00%
2022	14,753,436,539	4,866,777,961	1,875,392,912	1,244,087,188	-	22,739,694,600	0.14824%	22,739,694,600	100.00%
2023	15,853,782,350	5,070,138,124	2,052,311,019	1,390,912,662	-	24,367,144,155	0.15103%	24,367,144,155	100.00%

<sup>(1)</sup> In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an inflation factor (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above, represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above. Therefore, the estimated actual taxable value equals the total taxable assessed value.

Source: HdL Coren & Cone, Orange County Assessor 2013/2014 - 2022/2023 Combined Tax Rolls.



**TABLE 11**

**CITY OF COSTA MESA, CALIFORNIA**  
**DIRECT AND OVERLAPPING PROPERTY TAX RATES**  
**LAST TEN FISCAL YEARS**

Fiscal Year	City Direct Rates		Overlapping Rates		
	Basic Rate	Total Direct Rate <sup>(1)</sup>	County of Orange Debt	School District Debt	Special Districts Debt
2014	0.14879	0.15040	0.36649	0.48300	0.00535
2015	0.14879	0.15035	0.36649	0.48300	0.00515
2016	0.14879	0.15038	0.36649	0.48300	0.00515
2017	0.14879	0.15014	0.36649	0.48300	0.00515
2018	0.14879	0.15009	0.36649	0.48300	0.00515
2019	0.14879	0.15002	0.36649	0.48300	0.00515
2020	0.14879	0.14848	0.36649	0.48300	0.00515
2021	0.14879	0.14856	0.36649	0.48300	0.00515
2022	0.14879	0.14824	0.36649	0.48300	0.00515
2023	0.14879	0.15103	0.36649	0.48300	0.00515

(1) Per the Government Finance Officers Association, the definition of "total direct rate" is as follows:  
 "The weighted average of all individual rates applied by the government preparing the statistical section  
 The "total direct rate" for the City of Costa Mesa is a weighted average derived by dividing total City revenue by taxable assessed value.

Source: HdL Coren & Cone, Orange County Assessor 2013/2014 - 2022/2023 Combined Tax Rolls.

TABLE 12

**CITY OF COSTA MESA, CALIFORNIA**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

<u>Taxpayer</u>	2022-2023			2013-2014		
	Property Tax Revenue	Rank	Percentage of Total City Property Tax Revenue	Property Tax Revenue	Rank	Percentage of Total City Property Tax Revenue
The Irvine Company LLC	\$ 760,460	1	1.78%	\$ 340,457		1.32%
Trust Costa Mesa Courtyards LLC	587,577	2	1.38%	408,369		1.58%
Triangle Center LLC	574,988	3	1.35%			
Behringer Harvard Pacifica Project	540,089	4	1.26%			
South Coast Plaza	534,320	5	1.25%	410,258		1.59%
PR II MCC South Coast Property Owner	413,121	6	0.97%			
United Dominion Realty LP	336,279	7	0.79%	246,977		0.96%
1901 Newport LLC Royal Street	298,731	8	0.70%	320,317		1.24%
Automobile CLUB of Southern CA	272,125	9	0.64%			
Advanced Group	254,633	10	0.60%	215,584		0.84%
WWG TSQ Owner LLC				255,012		0.99%
Marjack LLC Irvine Company LLC				221,433		0.86%
RREEF America Reit II Corporation				388,127		1.51%
Casden Lakes LP				183,577		0.71%
Total	<u>\$ 4,572,323</u>		<u>10.71%</u>	<u>\$ 2,990,109</u>		<u>11.60%</u>

Source: HdL Coren & Cone, Orange County Assessor 2022/2023 & 2013/2014 Combined Tax Rolls.

**TABLE 13**

**CITY OF COSTA MESA, CALIFORNIA**  
**RATIO OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN**  
**LAST TEN FISCAL YEARS**

	2014	2015	2016	FISCAL YEARS 2017	2018	2019	2020	2021	2022	2023
General bonded debt outstanding										
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Redevelopment bonds (1)	-	-	-	-	-	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Percentage of taxable assessed value	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Per capita	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Less: Amounts set aside to repay general debt	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to debt limit	-	-	-	-	-	-	-	-	-	-
Legal debt limit (3.75% of Assessed Value)	607,508,126	637,377,201	669,713,004	705,606,516	743,516,945	796,252,660	842,737,426	881,515,407	907,985,504	968,274,281
Legal debt margin	607,508,126	637,377,201	669,713,004	705,606,516	743,516,945	796,252,660	842,737,426	881,515,407	907,985,504	968,274,281
Legal debt margin as a percentage of the debt limit	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

<sup>(1)</sup> As of February 1, 2012, the Successor Agency to the former Costa Mesa Redevelopment Agency is responsible for the outstanding Redevelopment debt.

Source: City of Costa Mesa Finance Department and Orange County Assessor 2022/2023 combined tax rolls

TABLE 14

**CITY OF COSTA MESA, CALIFORNIA**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30,	General Bonded Debt			Other Governmental Activities Debt						
	Redevelopment Bond <sup>(1)</sup>	Percentage of Total Taxable Assessed Value	Per Capita	Revenue Bonds <sup>(2)</sup>	Certificates of Participation	Loan Payable	Lease Purchase Financing	Total Primary Government	Percentage of Personal Income	Per Capita
2014	-	0.0000%	-	7,005,000	22,560,000	-	415,395	29,980,395	0.79%	886.84
2015	-	0.0000%	-	5,830,000	21,195,000	-	-	27,025,000	0.73%	832.10
2016	-	0.0000%	-	4,600,000	19,775,000	-	-	24,375,000	0.64%	732.66
2017	-	0.0000%	-	3,325,000	18,295,000	-	-	21,620,000	0.57%	649.85
2018	-	0.0000%	-	34,103,345	-	-	-	34,103,345	0.77%	991.21
2019	-	0.0000%	-	32,170,580	-	143,653	-	32,314,233	0.78%	906.39
2020	-	0.0000%	-	30,222,813	-	128,261	-	30,351,074	0.69%	788.54
2021	-	0.0000%	-	28,200,046	-	112,870	1,472,402	29,785,318	0.64%	721.65
2022	-	0.0000%	-	26,102,279	-	97,479	1,336,909	27,536,667	0.55%	613.11
2023	-	0.0000%	-	24,124,512	-	82,086	1,198,931	25,405,529	0.48%	528.74

<sup>(1)</sup> As of February 1, 2012, the Successor Agency to the former Costa Mesa Redevelopment Agency is responsible for the outstanding Redevelopment debt.

<sup>(2)</sup> Amount includes the unamortized Bond Premium.

Source: City of Costa Mesa Finance Department

TABLE 15

**CITY OF COSTA MESA, CALIFORNIA**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**AS OF JUNE 30, 2023**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>(2)</sup></u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Overlapping Debt</b>			
Newport Mesa Unified School District	\$ 224,754,326	26.396%	\$ 59,326,152
Coast Community College District	923,641,084	13.483%	124,534,527
Santa Ana Unified School District	465,406,416	3.483%	16,210,105
Rancho Santiago Community College District	176,539,286	1.502%	2,651,620
Rancho Santiago Community College District SFID No. 1	149,820,000	2.833%	4,244,401
Metropolitan Water District	19,215,000	0.681%	130,854
OC General Fund Obligation	451,165,000	3.420%	15,429,843
OC Board of Education Certificate of Participation	10,860,000	3.420%	371,412
OC Santa Ana Heights Tax Allocation Bonds	1,320,000	0.117%	1,544
Total Overlapping Debt	<u>2,422,721,112</u>		<u>222,900,458</u>
<b>City Direct Debt</b>			
Costa Mesa Public Financing Authority 2006 Revenue Refunding Bonds/ Costa Mesa Community Facilities District No. 91-1	\$ -	100%	\$ -
City of Costa Mesa General Fund Obligations <sup>(1)</sup>	21,280,000	100%	21,280,000
Financed Lease	1,241,068	100%	1,241,068
Lease Payable	1,045,588	100%	1,045,588
Loan Payable	82,086	100%	82,086
Note Payable	3,061,524	100%	3,061,524
Total Direct Debt	<u>26,710,266</u>		<u>26,710,266</u>
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 249,610,724</u></u>

<sup>(1)</sup> See Note 8 in Finance Statement for more information about the City's direct debt. The amount included the unamortized Bond Premium \$2,992,279

<sup>(2)</sup> Overlapping governments are those that coincide with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Source: HdL Coren & Cone, Orange County Assessor and Auditor Combined 2022/23 Lien Data Tax Rolls.

TABLE 16

**CITY OF COSTA MESA, CALIFORNIA**  
**DEMOGRAPHIC AND ECONOMIC STATISTICS**  
**LAST TEN CALENDAR YEARS**

Year	Population <sup>(2)</sup>	Personal Income (thousands of dollars)	Per Capita Personal Income <sup>(1)</sup>	Median Age <sup>(1)</sup>	School Enrollment <sup>(3)</sup>	Orange County Unemployment Rate <sup>(4)</sup>
2014	111,846	3,650,877	32,642	34	21,683	5.20%
2015	111,835	3,780,694	33,806	34	21,540	4.30%
2016	114,603	3,722,083	32,478	34	21,392	4.40%
2017	114,044	3,794,132	33,269	34	20,801	3.80%
2018	115,296	3,966,839	34,406	35	20,853	3.30%
2019	115,830	4,129,505	35,651	35	20,316	3.00%
2020	114,778	4,417,883	38,490	35	20,008	13.60%
2021	112,780	4,654,963	41,274	35	20,173	6.50%
2022	111,394	5,003,062	44,913	36	17,962	5.40%
2023	111,183	5,342,262	48,049	36	17,816	3.70%

Source: (1) - City of Costa Mesa Finance Department / and The HdL Companies

(2) - California State Department of Finance

(3) - Newport-Mesa Unified School District.

(4) - State of California Employment Development Department as of June 30th each year.

TABLE 17

**CITY OF COSTA MESA, CALIFORNIA**  
**PRINCIPAL EMPLOYERS**  
**CURRENT YEAR AND NINE YEARS AGO**

<u>Employer</u>	<u>2022-2023</u>			<u>2013-2014</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total City Employment</u>
EPL Intermediate, Inc.	3,998	1	6.23%			
Experian Information Solutions, Inc.	3,700	2	5.77%	3,700		5.73%
Coast Community College District	2,900	3	4.52%	2,900		4.49%
Orange Coast College	1,900	4	2.96%	1,900		2.94%
Automobile Club of Southern California	1,773	5	2.76%			
Anduril Industries	1,100	6	1.71%			
Deloitte & Touche LLP	700	7	1.09%			
Filenet Corporation	600	8	0.94%			
Vans	550	9	0.86%			
Vanguard University	319	10	0.50%			

Source: City of Costa Mesa Department of Economic Development, Dunn & Bradstreet, State of California Employment Development Department

TABLE 18

**CITY OF COSTA MESA, CALIFORNIA**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Function/Program	Fiscal Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>General Government</b>										
Number of residents served via public services programs	1,000	1,500	785	750	700	700	700	700	1,042	1,123
Accounts payable checks issued	9,506	9,764	9,182	9,031	8,734	8,857	8,604	7,269	7,079	7,347
Total printshop photocopies produced	1,691,606	1,806,965	1,619,784	1,749,460	1,996,486	1,699,007	1,116,892	1,250,000	1,250,000	1,250,000
<b>Protection of persons and property</b>										
<b>Police protection</b>										
Emergency calls	1,180	1,330	N/A	1,000	1,029	882	876	847	1,027	1,248
Calls responded to within 5 minutes	82%	77%	N/A	66%	72%	75%	72%	76%	96%	96%
Assigned theft cases	1,000	400	900	1,200	N/A	N/A	N/A	N/A	2,171	1,597
Percentage of theft cases cleared	40%	40%	40%	60%	74%	64%	52%	31%	59%	59%
Assigned burglary cases	800	350	400	200	N/A	N/A	N/A	N/A	897	1,097
Percentage of burglary cases cleared	40%	40%	40%	70%	69%	64%	50%	38%	54%	38%
Case and arrest reports processed	18,133	15,128	14,584	19,310	19,319	18,382	19,079	18,794	22,135	20,050
<b>Fire protection</b>										
Number of calls for service	11,300	11,100	12,955	12,721	12,936	10,572	10,637	10,073	11,249	12,063
Fire related responses	218	214	238	271	218	261	245	246	222	251
Emergency medical aid responses	7,818	7,250	9,366	9,374	9,603	9,639	9,454	8,960	10,055	10,746
<b>Community Programs</b>										
Number of program participants at the Downtown Recreation Center	31,018	31,521	33,446	34,939	38,247	42,000	28,000	21,150	21,150	15,000
Over-the-counter plan checks reviewed within five working days	337	225	240	240	522	630	630	630	N/A	N/A
Number of inspections performed	17,460	22,560	29,100	31,040	29,585	29,100	18,966	28,012	35,000	37,000
Complaint response within two working days	90%	90%	90%	90%	90%	90%	90%	90%	100%	N/A
<b>Public services</b>										
Number of trees trimmed annually	8,140	7,700	7,750	6,250	6,250	6,250	8,750	5,291	3,317	3,611
Number of catch basins cleaned annually	1,165	1,165	1,165	1,115	1,100	1,100	1,165	1,165	1,165	1,165

Source: City of Costa Mesa Finance Department



TABLE 19

**CITY OF COSTA MESA, CALIFORNIA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Function/Program	2014	2015 (1)	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
City Council	6.0	6.0	6.0	6.0	6.0	8.0	10.5	10.5	10.5	10.5
City Manager's Office	29.75	38.41	33.30	37.59	39.74	41.60	36.48	37.00	37.88	47.95
Financial Services	27.21	20.21	21.71	21.50	22.25	22.50	22.00	23.00	23.00	24.00
Information Technology	-	10.50	12.50	12.94	13.16	12.16	13.70	15.50	17.50	20.50
Administrative Services	-	-	-	-	-	-	-	-	-	-
Development Services	27.00	37.25	43.50	46.23	45.95	44.80	48.79	51.64	52.64	53.34
Park and Community Services	-	53.43	70.70	74.00	80.54	87.23	96.71	95.67	96.73	88.16
Protection of Persons and Property										
Police Protection	237.68	236.41	232.63	234.46	235.60	233.76	235.17	235.86	236.36	240.36
Fire Protection	95.75	84.75	87.25	87.50	94.00	94.00	95.00	96.25	97.25	98.75
Public Services	124.43	83.37	81.77	84.82	77.47	72.05	76.70	76.50	80.00	81.25
	<u>547.82</u>	<u>570.33</u>	<u>589.36</u>	<u>605.04</u>	<u>614.71</u>	<u>616.10</u>	<u>635.05</u>	<u>641.92</u>	<u>651.86</u>	<u>664.81</u>

<sup>(1)</sup> The Information Technology was separated from the Finance Department and Park & Community Services Department was separated from Public Works Department.

Source: City of Costa Mesa Finance Department

TABLE 20

**CITY OF COSTA MESA, CALIFORNIA**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Function/Program	Fiscal Years									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Stations/substations	2	2	2	2	2	2	2	2	2	2
Fire										
Fire stations	6	6	6	6	6	6	6	6	6	6
Other public works										
Streets (lane miles)	529.0	529.0	529.0	529.0	535.6	535.6	535.6	540.0	522.0	522.0
Streetlights	6,674	6,674	6,674	6,674	6,674	6,881	6,869	6,869	6,882	6,882
Traffic signals	123	124	124	124	125	126	127	128	131	131
Parks and recreation										
Acres of open space	1,957	1,957	1,957	1,957	1,957	1,957	2,067	2,067	2,067	2,067
Park sites	30	31	31	31	31	31	32	32	30	30
Baseball/softball diamonds	5	6	6	6	6	6	6	6	6	6
Soccer/football fields	10	10	10	10	10	10	6	6	6	6
Community centers	3	4	4	3	3	3	4	4	3	3
Wastewater (miles)										
Sanitary sewers	325.7	325.7	325.7	325.7	325.7	325.7	325.7	325.7	325.7	325.7
Storm sewers	45.5	45.5	45.5	45.5	45.5	45.5	45.5	64.7	45.5	45.5

Source: City of Costa Mesa Finance Department





**Independent Auditor's Report on Internal Control Over Financial Reporting  
 and on Compliance and Other Matters Based on an Audit of the Air Quality  
 Improvement Special Revenue Fund Performed  
 in Accordance with Government Auditing Standards**

The Honorable Mayor and City Council  
 City of Costa Mesa, 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 City of Costa Mesa, California (the City) including the Air Quality Improvement Special Revenue Fund (the Fund) of the City, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 21, 2023.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the Fund's financial statements, we considered the City's internal control over 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 may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's Fund financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. Such provisions include those provisions of laws and regulations identified in Assembly Bill 2766 Chapter 1705 [Health and Safety Code Sections 44220 through 44247] (the Guide).

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*.

### **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* and the Guide in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Davis Fan".

Irvine, California  
December 21, 2023



Davis Farr LLP  
18201 Von Karman Avenue | Suite 1100 | Irvine, CA 92612  
Main: 949.474.2020 | Fax: 949.263.5520

The Honorable Mayor and City Council  
City of Costa Mesa, California

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Costa Mesa ("City") as of and for the year ended June 30, 2023, and have issued our report thereon dated December 21, 2023. Professional standards require that we advise you of the following matters relating to our audit.

### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated March 9, 2023, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated in our letter to you dated November 11, 2023.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

We identified self-review threats to independence as a result of non-attest services provided. Those non-attest services included recording journal entries detected during the audit process and preparing the financial statements. To mitigate the risk, management has compared the draft financial statements and footnotes to the underlying accounting records to verify accuracy and has reviewed a disclosure checklist to ensure footnotes are complete and accurate.

## Significant Risks Identified

We have identified the following significant risks:

- Implementation of the new subscription-based IT arrangements accounting standard. We reviewed the City's inventory of IT arrangements and selected a sample of agreements to test the calculations of the transactions. We ensured the City's disclosure footnotes were accurate and complete in accordance with the new standard.
- Compliance with Federal Grant Requirements. We reviewed the City's schedule of federal expenses and selected major programs to test for compliance with federal grant requirements.

## Qualitative Aspects of the Entity's Significant Accounting Practices

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in Note 1 to the financial statements. As described in Notes 6 and 9 to the financial statements, the City changed accounting policies related to Subscription Based IT Arrangements by adopting Statement of Governmental Accounting Standards (GASB Statement) No. 96, Subscription Based IT Arrangements, in the fiscal year 2023. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements include:

- Management's estimate of amounts recorded as claims and liabilities is based on management's reliance on a third-party claims administrator. We evaluated the key factors and assumptions used to develop the amounts by the third-party claims administrator and determined that it is reasonable in relation to the financial statements taken as a whole.
- Management's estimate of transactions related to net pension and OPEB liabilities based on actuarial information. We evaluated the key factors and assumptions used to develop the amounts by the actuary and determined that it is reasonable in relation to the financial statements taken as a whole.

We evaluated the key factors and assumptions used to develop the estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of investment fair value in note 2 to the financial statements

- The disclosure of pensions in note 11 to the financial statements
- The disclosure of OPEB in note 14 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Significant Unusual Transactions**

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no unusual transactions noted as a result of our audit procedures.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected misstatements detected during the audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. There were material entries recorded to 1) expense construction in progress costs inappropriately capitalized, 2) to record unavailable revenue for receivables not received within the availability period, and 3) to segregate revenue and expenditures for fiduciary funds.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management in a letter dated December 21, 2023.



**Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

**Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditors.

**Other Information Included in the Annual Comprehensive Financial Report**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the City's annual report, does not extend beyond the information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the City Council and management of the City and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

Irvine, California  
December 21, 2023



### **INDEPENDENT ACCOUNTANT'S REPORT**

The Honorable Mayor and City Council  
City of Costa Mesa, California

We have performed the procedures enumerated below on the City of Costa Mesa, California (City) appropriations limit worksheets for compliance with the requirements of Section 1.5 of Article XIII B of the California Constitution for the year ended June 30, 2023. The City is responsible for compliance with Section 1.5 of Article XIII B of the California Constitution.

The City has agreed to and acknowledged that these procedures are appropriate to meet the intended purpose of evaluating compliance with the requirements of Section 1.5 of Article XIII B of the California Constitution and the League of California Cities publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines* for the year ended June 30, 2023. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

1. We obtained the worksheets referred to above and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned worksheets to those that were selected by a recorded vote.

Results: No exceptions were noted as a result of our procedures.

2. We recalculated the mathematical computations reflected in the City's worksheets.

Results: No exceptions were noted as a result of our procedures.

3. We compared the current year information used to determine the current year limit and agreed it to worksheets prepared by the City and to information provided by the State Department of Finance.

Results: No exceptions were noted as a result of our procedures.

4. We compared the amount of the prior year appropriations limit presented in the worksheets to the amount adopted by the City Council for the prior year.

Results: No exceptions were noted as a result of our procedures.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on the worksheets referred to above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. No procedures have been performed with respect to the determination of the appropriation limit for the base year, as defined by the League publication entitled *Article XIII B Appropriations Limitation Uniform Guidelines*.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Management of the City of Costa Mesa, California and is not intended to be, and should not be, used by anyone other than the specified party.

A handwritten signature in blue ink, appearing to read "Davis Lane" followed by a stylized flourish.

Irvine, California  
December 21, 2023

**COSTA MESA  
FINANCING AUTHORITY  
(A Component Unit of the  
City of Costa Mesa)  
Financial Statements  
Year Ended June 30, 2023**

**COSTA MESA FINANCING AUTHORITY**

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**Year Ended June 30, 2023**

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Costa Mesa Financing Authority  
Costa Mesa, California

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of the governmental activities and the major fund of the Costa Mesa Financing Authority (the Authority), a component unit of the City of Costa Mesa, California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority, as of June 30, 2023, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 Authority 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.

#### ***Emphasis of a Matter***

As described more fully in Note 1A, the basic component unit financial statements present only the Authority and are not intended to present fairly the financial position and results of operations of the City of Costa Mesa, California in accordance with accounting principles generally accepted in the United States of America.

#### ***Responsibilities of Management for the Financial Statements***

The Authority's 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 Authority's ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***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 GAAS 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 GAAS, 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 Authority'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 Authority'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***

Management has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

### ***Report on Summarized Comparative Information***

We have previously audited the Authority's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 30, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 the Authority's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

Irvine, California  
December 21, 2023



**COSTA MESA FINANCING AUTHORITY****Statement of Net Position**

**June 30, 2023**  
**(With comparative totals for June 30, 2022)**

	Governmental Activities	
	2023	2022
ASSETS:		
Cash and investments with fiscal agent (Note 2)	\$ 7,278	\$ 4
Lease interest receivable	254,763	254,763
Leases receivable (Note 3)	21,280,000	23,110,000
TOTAL ASSETS	21,542,041	23,364,767
LIABILITIES:		
Interest payable	254,763	254,763
Noncurrent liabilities:		
Due within one year (Note 3)	2,067,767	1,977,767
Due in more than one year (Note 3)	22,056,745	24,124,512
TOTAL LIABILITIES	24,379,275	26,357,042
NET POSITION:		
Restricted for debt service	7,278	4
Unrestricted	(2,844,512)	(2,992,279)
TOTAL NET POSITION	\$ (2,837,234)	\$ (2,992,275)

See accompanying notes to financial statements.

**COSTA MESA FINANCING AUTHORITY**

**Statement of Activities**

**Year Ended June 30, 2023**  
**(With comparative totals for the year ended June 30, 2022)**

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2023	2022
Governmental Activities:						
Interest on long-term debt	\$ 825,533	-	-	-	\$ (825,533)	(914,783)
Total governmental activities	<u>\$ 825,533</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(825,533)</u>	<u>(914,783)</u>
General revenues:						
Investment income					<u>980,574</u>	<u>1,062,553</u>
Total general revenues					<u>980,574</u>	<u>1,062,553</u>
Changes in net position					155,041	147,770
NET POSITION AT BEGINNING OF YEAR					<u>(2,992,275)</u>	<u>(3,140,045)</u>
NET POSITION AT END OF YEAR					<u>\$ (2,837,234)</u>	<u>(2,992,275)</u>

See accompanying notes to financial statements.

**COSTA MESA FINANCING AUTHORITY****Balance Sheet  
Governmental Fund****June 30, 2023  
(With comparative totals for June 30, 2022)**

	Total Government Fund	
	2023	2022
ASSETS:		
Cash and investments with fiscal agent	\$ 7,278	\$ 4
Leases receivable	21,280,000	23,110,000
TOTAL ASSETS	<u>\$ 21,287,278</u>	<u>\$ 23,110,004</u>
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE:		
DEFERRED INFLOWS OF RESOURCES:		
Unavailable lease revenue	<u>\$ 21,280,000</u>	<u>\$ 23,110,000</u>
TOTAL DEFERRED INFLOW OF RESOURCES	<u>21,280,000</u>	<u>23,110,000</u>
FUND BALANCE:		
Restricted for debt service	<u>7,278</u>	<u>4</u>
TOTAL FUND BALANCE	<u>7,278</u>	<u>4</u>
TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 21,287,278</u>	<u>\$ 23,110,004</u>

See accompanying notes to financial statements.

**COSTA MESA FINANCING AUTHORITY**

**Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Position**

**June 30, 2023**

Fund balances for governmental fund	\$ 7,278
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Accrued interest receivable for the current portion of interest due on lease payments has not been reported in the governmental funds.	
Interest receivable	254,763
Long-term liabilities applicable to the Authority's governmental activities are not due and payable in the current period and, accordingly, are not reported as governmental fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position.	
Revenue bonds	(21,280,000)
Premium on bonds	(2,844,512)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.	
Interest payable - revenue bonds	(254,763)
Revenues relating to leases receivable are measurable but not available and, accordingly, are recorded as unavailable revenue in the governmental funds under the modified accrual basis of accounting.	
	<u>21,280,000</u>
Net position of governmental activities	<u><u>\$ (2,837,234)</u></u>

See accompanying notes to financial statements.

**COSTA MESA FINANCING AUTHORITY****Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Fund****Year Ended June 30, 2023  
(With comparative totals for the year ended June 30, 2022)**

	Total Governmental Fund	
	2023	2022
REVENUES:		
Other interest	\$ 7,274	\$ 4
Lease payments	2,803,300	2,802,549
TOTAL REVENUES	2,810,574	2,802,553
EXPENDITURES:		
Debt service:		
Principal	1,830,000	1,740,000
Interest	973,300	1,062,550
TOTAL EXPENDITURES	2,803,300	2,802,550
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	7,274	3
NET CHANGE IN FUND BALANCE	7,274	3
FUND BALANCE AT BEGINNING OF YEAR	4	1
FUND BALANCE AT END OF YEAR	\$ 7,278	\$ 4

See accompanying notes to financial statements.

**COSTA MESA FINANCING AUTHORITY**

**Reconciliation of the Governmental Fund Statement of  
Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities**

**Year Ended June 30, 2023**

Net change in fund balances - total governmental fund	\$ 7,274
Amounts reported for governmental activities in the Statement of Activities are different because:	
The Statement of Net Position includes accrued interest on leases receivable. The net change in accrued interest for the current period is reported on the Statement of Activities.	254,763
Repayment of long-term principal is an expenditures in the governmental and, thus, has the effect of reducing the fund balances because current funds resources have been used. For the Authority as a whole, however, the principal financial payments reduce the liabilities in the Statement of Net Position and do not result in an expense in the Statement of Activities.	
Debt service principal	1,830,000
Amortization of bond premium	147,767
The Statement of Net Position includes accrued interest on long-term debt. The net change in accrued interest for the current period is reported on the Statement of Activities.	(254,763)
Revenues relating to leases receivable that do not meet the "availability" criteria for revenue recognition and therefore are not reported as revenue in the funds.	<u>(1,830,000)</u>
Change in net position of governmental activities	<u>\$ 155,041</u>

See accompanying notes to financial statements.

**COSTA MESA FINANCING AUTHORITY**  
**Notes to the Basic Financial Statements**  
**Year Ended June 30, 2023**

**1. Reporting Entity and Summary of Significant Accounting Policies**

**A. Description of the Reporting Entity:**

The Costa Mesa Financing Authority (the Authority) was created by a joint powers agreement between the City of Costa Mesa (the City) and the Costa Mesa Housing Authority (the Housing Authority), dated August 1, 2017. It was created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title of the Government Code of the State of California (the "JPA Act").

The Authority is an integral part of the reporting entity of the City. The financial activity of the Authority has been included within the scope of the basic financial statements of the City because the City Council of the City of Costa Mesa is the governing board over the operations of the Authority. Only the financial activity of the Authority is included herein, therefore, these financial statements do not purport to represent the financial position or results of operations of the City.

**B. Basis of Accounting and Measurement Focus:**

The *basic financial statements* of the Authority are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. The Authority has no business-type activities or discretely presented component units.

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. *Measurement focus* indicates the type of resources being measured. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board (GASB) Statement No. 33.

Program revenues include charges for services and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

**COSTA MESA FINANCING AUTHORITY**  
**Notes to the Basic Financial Statements**  
**(Continued)**

**1. Reporting Entity and Summary of Significant Accounting Policies (Continued):**

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as liabilities in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as reductions of the related liabilities, rather than as expenditures.

When both restricted and unrestricted resources are combined, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

Fund Financial Statements

The underlying accounting system of the Authority is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually and other governmental funds in the aggregate for governmental funds. Fiduciary statements include financial information for fiduciary funds and similar component units. Fiduciary funds primarily represent assets held by the Authority in a custodial capacity for other individuals or organizations. The Authority has no fiduciary funds.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as fund balances. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The Authority uses a sixty-day availability period. Unavailable revenues are reported as deferred inflows of resources in the governmental funds.

Revenue recognition is subject to the *measurable* and *availability* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Imposed non-exchange* transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary non-exchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.



**COSTA MESA FINANCING AUTHORITY**  
**Notes to the Basic Financial Statements**  
**(Continued)**

**1. Reporting Entity and Summary of Significant Accounting Policies (Continued):**

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets, current liabilities and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Noncurrent portions of long-term receivables due to governmental funds are reported on the balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent available fund balance. Recognition of governmental fund type revenues represented by noncurrent receivables are reported as unavailable revenues. Noncurrent portions of other long-term receivables are offset by deferred inflows of resources - unavailable revenue.

Because of the spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an *other financing sources* rather than as fund liabilities. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

**C. Activities in Major Fund:**

The following debt service fund is presented as a major fund in the accompanying basic financial statements:

2017 Lease Revenue Bonds Fund - To account for the accumulation of resources for the payments of debt service for lease revenue bond principal and interest relating to the 2017 Lease Revenue Bonds.

**D. Cash and Investments:**

Investments are reported in the accompanying financial statements at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

**COSTA MESA FINANCING AUTHORITY**  
**Notes to the Basic Financial Statements**  
**(Continued)**

**1. Reporting Entity and Summary of Significant Accounting Policies (Continued):**

***E. Net Position:***

Restricted net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. Unrestricted net position is the remaining balance of net position.

***F. Deferred Outflow/Inflows of Resources:***

In addition to assets, the statement of net position and the governmental funds 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 position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that. The Authority does not have any applicable deferred outflows of resources.

In addition to liabilities, the statement of net position and the governmental funds 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 position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Authority reports unavailable lease revenue as deferred inflows of resources in the governmental fund.

***G. Budgetary Reporting:***

Formal budgetary integration is not employed for the Authority because effective control is alternatively achieved through the debt indenture provisions.

***H. Fund Equity:***

The fund balances are reported in the fund statements in the following classification:

Restricted Fund Balance - this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. If the Board action limiting the use of funds is included in the same action (legislation) that created (enables) the funding source, then it is restricted.

***I. Long Term Obligations:***

In the government-wide financial statements, long term debt and other long term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as prepaid insurance costs related to bond issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount.

**COSTA MESA FINANCING AUTHORITY**  
**Notes to the Basic Financial Statements**  
**(Continued)**

**1. Reporting Entity and Summary of Significant Accounting Policies (Continued):**

***J. Use of Estimates:***

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***K. Fair Value Measurements:***

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the Authority's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the Authority's own data.

***L. Prior Year Data:***

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Authority's prior year financial statements, from which this selected financial data was derived.

**COSTA MESA FINANCING AUTHORITY**  
**Notes to the Basic Financial Statements**  
**(Continued)**

**2. Cash and Investments:**

Cash and investments at June 30, 2023 are classified in the accompanying Statement of Net Position as follows:

Cash and investments with fiscal agent \$ 7,278

Cash and investments held at June 30, 2023 consisted of the following:

Investments:  
 Money market mutual funds \$ 7,278

***Investments Authorized by Debt Agreements***

Investments of debt proceeds held by 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. The table on the following page identifies the investment types that are generally authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investments</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Securities	None	None	None
Federal Agency Securities	1 year	None	None
Banker's Acceptances	30 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	None	None	None
Investment Agreements	None	None	None
Interest-Bearing Time Deposits	30 days	None	None
Repurchase Agreements	270 days	None	None
Local Agency Investment Fund	None	None	None
State Obligations	None	None	None
Pre-refunded Municipal Obligations	None	None	None

***Disclosures Relating to Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the Authority manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**COSTA MESA FINANCING AUTHORITY**  
**Notes to the Basic Financial Statements**  
**(Continued)**

**2. Cash and Investments (Continued):**

Information about the sensitivity of the fair values of the Authority's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

Investment Type	Remaining Maturity (in Months)		Total
	12 Months or Less	13 Months or More	
Money market mutual funds	\$ 7,278	\$ -	\$ 7,278

***Disclosures Relating to Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the Standard & Poor's actual rating as of year end for each investment type:

Investment Type	Minimum Legal Rating	Rating	
		Total	AAA
Money market mutual funds	AAA	\$ 7,278	\$ 7,278

***Concentration of Credit Risk***

The investment policy of the City contains no limitations on the amount that can be invested in anyone issuer beyond that stipulated by the California Government Code. No investments in anyone issuer (other than mutual funds and external investment pools) represent 5% or more of total investments by reporting unit (governmental activities or major fund).

***Custodial Credit Risk***

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by the state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

**COSTA MESA FINANCING AUTHORITY**  
**Notes to the Basic Financial Statements**  
**(Continued)**

**3. Long-Term Liabilities:**

The following is a summary of changes in long-term liabilities of the Authority for the year ended June 30, 2023:

	Balance at July 1, 2022	Additions	Reductions	Balance at June 30, 2023	Amount Due Within One Year	Amount Due Beyond One Year
2017 Lease Revenue						
Bonds	\$ 23,110,000	\$ -	\$ (1,830,000)	\$ 21,280,000	\$1,920,000	\$19,360,000
2017 Bond Premium	2,992,279	-	(147,767)	2,844,512	147,767	2,696,745
Total	<u>\$ 26,102,279</u>	<u>\$ -</u>	<u>\$ (1,977,767)</u>	<u>\$ 24,124,512</u>	<u>\$2,067,767</u>	<u>\$22,056,745</u>

**2017 Lease Revenue Bonds:**

On October 1, 2017, the Authority issued \$29,735,000 in 2017 Lease Revenue Bonds to finance certain capital improvements of the City of Costa Mesa and to advance refund \$16,765,000 of outstanding Costa Mesa Public Financing Authority 2007 Certificates of Participation (2007 Certificates). The bond issue also included a bond premium of \$3,694,172. The bonds mature from October 1, 2018 through October 1, 2042 in annual installments ranging from \$570,000 to \$2,220,000. Interest is payable semi-annually on April 1 and October 1 of each year, commencing on April 1, 2018 at a rate ranging from 2.0% to 5.0%. As of June 30, 2023, the principal outstanding is \$21,280,000 and the unamortized bond premium balance is \$2,844,512.

The lease agreement requires the City to make lease payments to the Authority on each April 1 and October 1 preceding the debt service payment date, commencing April 1, 2018. Lease payments are paid by the City directly to the Trustee.

The Authority's source of payment on the certificates will be from lease payments received from its lease with the City. This lease receivable has been recorded on the balance sheet of the related debt service fund. Unavailable revenue has been recorded in an equal amount in the fund financial statements because this lease revenue, although measurable, is not considered available to finance expenditures of the fiscal year reported upon. Lease revenues are pledged toward payment of these bonds. The amount of anticipated future lease payments is equal to the amount of future principal and interest installments due on the debt.

Future debt requirements for the 2017 Lease Revenue Bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 1,920,000	\$ 879,550	\$ 2,799,550
2025	2,015,000	781,175	2,796,175
2026	2,115,000	677,925	2,792,925
2027	2,220,000	569,550	2,789,550
2028	570,000	499,800	1,069,800
2029-2033	3,320,000	2,029,000	5,349,000
2034-2038	4,185,000	1,166,531	5,351,531
2039-2043	4,935,000	411,206	5,346,206
Total	<u>\$ 21,280,000</u>	<u>\$ 7,014,737</u>	<u>\$ 28,294,737</u>

**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***

Board of Directors  
Costa Mesa Financing Authority  
Costa Mesa, 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, financial statements of the governmental activities and the major fund of the Costa Mesa Financing Authority (the Authority), as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise of the Authority's basic financial statements, and have issued our report thereon dated December 21, 2023.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Authority'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 have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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*.

### **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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

Irvine, California  
December 21, 2023



**COSTA MESA HOUSING  
AUTHORITY**

**(A Component Unit of the  
City of Costa Mesa)**

**Financial Statements**

**Year ended June 30, 2023**

# **COSTA MESA HOUSING AUTHORITY**

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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Costa Mesa Housing Authority  
Costa Mesa, California

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities and the major fund of the Costa Mesa Housing Authority (Authority), a component unit of the City of Costa Mesa, California, as of and for the year June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Authority, as of June 30, 2023, and the respective changes in financial position 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 (GAAS) 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 Authority 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.

#### ***Emphasis of Matter***

As described more fully in Note 1A, the basic financial statements present only the Authority and are not intended to present fairly the financial position and results of operations of the City of Costa Mesa, California, in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

The Authority's 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 Authority's

ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***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 GAAS 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 GAAS, 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 Authority'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 Authority'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 schedule of proportionate share of the net pension liability and related ratios, the schedule of pension plan contributions, the schedule of proportionate share of the Other Post Employment Benefit liability and related ratios, and the schedule of revenues, expenditures and changes in fund balance - budget and actual, be 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.

Management has not presented the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

### ***Report on Summarized Comparative Information***

We have previously audited the Authority's 2022 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 30, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022 is consistent, in all material respects, with the audited financial statements from which it has been derived.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 the Authority's internal control over financial reporting and compliance.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

Irvine, California  
December 21, 2023

**Costa Mesa Housing Authority**  
**Statement of Net Position**  
**June 30, 2023**  
**(With comparative totals for June 30, 2022)**

	Governmental Activities	
	2023	2022
<b>ASSETS:</b>		
Cash and investments (Note 2)	\$ 6,904,364	\$ 3,448,364
Cash and investments with fiscal agent (Note 2)	24,493	22,800
Due from other governments	1,220,209	546,140
Rent receivable	58,613	58,422
Interest receivable	5,050	6,096
Loans receivable, net of allowance (Note 3)	496,064	608,294
Lease receivable (Note 6)	1,434,726	1,512,830
Capital assets (Note 4):		
Not depreciated	2,063,865	2,063,865
Being depreciated, net	2,142,270	2,307,060
<b>TOTAL ASSETS</b>	<b>14,349,654</b>	<b>10,573,871</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Pension related (Note 7)	665,087	265,290
OPEB related (Note 8)	125,013	138,680
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>790,100</b>	<b>403,970</b>
<b>LIABILITIES:</b>		
Accounts payable	336,921	777,638
Accrued liabilities	28,771	21,895
Deposits	23,908	22,215
Net pension liability (Note 7)	2,586,560	1,690,541
OPEB liability (Note 8)	583,371	690,181
<b>TOTAL LIABILITIES</b>	<b>3,559,531</b>	<b>3,202,470</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Lease related (Note 6)	1,414,825	1,506,105
Pension related (Note 7)	38,780	554,476
OPEB related (Note 8)	180,623	32,591
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>1,634,228</b>	<b>2,093,172</b>
<b>NET POSITION:</b>		
Investment in capital assets	4,206,135	4,370,925
Restricted for community programs	5,739,860	1,311,274
<b>TOTAL NET POSITION</b>	<b>\$ 9,945,995</b>	<b>\$ 5,682,199</b>

See accompanying notes to financial statements.

**Costa Mesa Housing Authority**  
**Statement of Activities**  
**Year ended June 30, 2023**  
**(With comparative totals for the year ended June 30, 2022)**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2023	2022
Governmental Activities:						
Community programs	\$ 4,487,038	\$ 416,489	\$ 2,473,097	\$ -	\$ (1,597,452)	\$ (1,590,810)
Total governmental activities	<u>\$ 4,487,038</u>	<u>\$ 416,489</u>	<u>\$ 2,473,097</u>	<u>\$ -</u>	<u>(1,597,452)</u>	<u>(1,590,810)</u>
General revenues:						
Repayment of Successor Agency advance					342,011	349,917
Investment income (loss)					9,416	(68,124)
Other income					221,113	27,406
Transfer from the City of Costa Mesa					<u>5,288,708</u>	<u>1,713,828</u>
Total general revenues and transfers					<u>5,861,248</u>	<u>2,023,027</u>
CHANGE IN NET POSITION					4,263,796	432,217
NET POSITION AT BEGINNING OF YEAR					<u>5,682,199</u>	<u>5,249,982</u>
NET POSITION AT END OF YEAR					<u>\$ 9,945,995</u>	<u>\$ 5,682,199</u>

See accompanying notes to financial statements.

**Costa Mesa Housing Authority**  
**Balance Sheet**  
**Governmental Fund**  
**June 30, 2023**  
**(with comparative totals for June 30, 2022)**

	<u>2023</u>	<u>2022</u>
ASSETS:		
Cash and investments	\$ 6,904,364	\$ 3,448,364
Cash and investments with fiscal agent	24,493	22,800
Due from other governments	1,220,209	546,140
Rent receivable	58,613	58,422
Interest receivable	5,050	6,096
Loans receivable, net of allowance	496,064	608,294
Lease receivable	<u>1,434,726</u>	<u>1,512,830</u>
 TOTAL ASSETS	 <u><u>\$ 10,143,519</u></u>	 <u><u>\$ 6,202,946</u></u>
LIABILITIES:		
Accounts payable	\$ 336,921	\$ 777,638
Accrued liabilities	28,771	21,895
Deposits payable	<u>23,908</u>	<u>22,215</u>
 TOTAL LIABILITIES	 <u>389,600</u>	 <u>821,748</u>
DEFERRED INFLOWS OF RESOURCES:		
Lease related	1,414,825	1,506,105
Unavailable revenue	<u>38,549</u>	<u>251,833</u>
 TOTAL DEFERRED INFLOWS OF RESOURCES	 <u>1,453,374</u>	 <u>1,757,938</u>
FUND BALANCE:		
Restricted for community programs	<u>8,300,545</u>	<u>3,623,260</u>
 TOTAL FUND BALANCE	 <u>8,300,545</u>	 <u>3,623,260</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u><u>\$ 10,143,519</u></u>	 <u><u>\$ 6,202,946</u></u>

See accompanying notes to financial statements.



**Costa Mesa Housing Authority**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Statement of Net Position**  
**June 30, 2023**

Fund balance - total governmental fund	\$ 8,300,545
--	--------------

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

Capital Related Items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the Statement of Net Position includes those capital assets among the assets of the Authority as whole:

Capital assets	5,359,665
Accumulated depreciation	(1,153,530)

Deferred Inflows of Resources

Certain unavailable revenues that do not provide current financial resources are reported as deferred inflows of resources in the funds.

38,549

Pension and OPEB Related Transactions

Long-term liabilities applicable to the Authority's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the Statement of Net Position. Also, deferred outflows of resources and deferred inflows of resources related to the long term liabilities do not provide current financial resources and are therefore not presented in the governmental funds:

Deferred outflows of resources related to pensions	665,087
Deferred outflows of resources related to OPEB	125,013
Deferred inflows of resources related to pensions	(38,780)
Deferred inflows of resources related to OPEB	(180,623)
CalPERS pension liability	(2,586,560)
OPEB liability	(583,371)

Net position of governmental activities	<u><u>\$ 9,945,995</u></u>
---	----------------------------

See accompanying notes to financial statements.

**Costa Mesa Housing Authority**  
**Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Governmental Fund**  
**Year ended June 30, 2023**  
**(with comparative totals for June 30, 2022)**

	2023	2022
REVENUES:		
Rental income	\$ 416,489	\$ 338,732
Repayment of Successor Agency advance	342,011	349,917
Intergovernmental	2,686,381	1,510,066
Investment income (loss)	9,416	(68,124)
Miscellaneous	221,113	27,406
	<u>3,675,410</u>	<u>2,157,997</u>
TOTAL REVENUES		
EXPENDITURES:		
Current:		
Community programs	4,286,833	3,963,750
	<u>4,286,833</u>	<u>3,963,750</u>
TOTAL EXPENDITURES		
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(611,423)</u>	<u>(1,805,753)</u>
OTHER FINANCING SOURCES:		
Transfer from the City of Costa Mesa	5,288,708	1,713,828
	<u>5,288,708</u>	<u>1,713,828</u>
Net change in fund balances	4,677,285	(91,925)
FUND BALANCE - BEGINNING OF YEAR	3,623,260	3,715,185
	<u>3,623,260</u>	<u>3,715,185</u>
FUND BALANCE - END OF YEAR	<u>\$ 8,300,545</u>	<u>\$ 3,623,260</u>

See accompanying notes to financial statements.

**Costa Mesa Housing Authority**  
**Reconciliation of the Governmental Funds Statement of**  
**Revenues, Expenditures and Changes in Fund Balances**  
**to the Statement of Activities**  
**Year ended June 30, 2023**

Net change in fund balances - total governmental fund	\$ 4,677,285
Amounts reported for governmental activities in the Statement of Activities are different because:	
<u>Capital Related Items</u>	
Governmental funds report capital outlay as expenditures.	
However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation charged to the program in the Statement of Activities in the current period:	
Depreciation expense	(164,790)
<u>Deferred Inflows of Resources</u>	
Certain unavailable revenues that do not provide current financial resources are reported as deferred inflow of resources in the funds.	(213,284)
<u>Pension</u>	
Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expenses includes the change in the net pension liability, and related changes in pension amounts for deferred outflows of resources and deferred inflows of resources.	19,474
<u>OPEB</u>	
OPEB expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, OPEB expense includes the change in the net pension liability, and related changes in OPEB amounts for deferred outflows of resources and deferred inflows of resources.	(54,889)
Change in net position of governmental activities	<u>\$ 4,263,796</u>

# **COSTA MESA HOUSING AUTHORITY**

## **Notes to Basic Financial Statements**

**Year ended June 30, 2023**

### **1. Reporting Entity and Summary of Significant Accounting Policies:**

The accounting policies of the Costa Mesa Housing Authority (Authority) conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial reporting principles. The following is a summary of the Authority's significant accounting policies:

#### **A. Description of the Reporting Entity:**

The Authority was established on January 17, 2012, pursuant to City Council Resolution No. 12-3. The primary purpose of the Authority is to promote affordable housing for families of low and moderate income within the City of Costa Mesa, California (City). Pursuant to Assembly Bill 1484, the housing assets and obligations of the former Redevelopment Agency's Low and Moderate Income Housing Fund were transferred to the Authority. The Authority is an integral part of the reporting entity of the City. The fund of the Authority has been included within the scope of the basic financial statements of the City because the City Council exercises oversight responsibility over the operations of the Authority.

Only the fund of the Authority is included herein, therefore, these financial statements do not purport to represent the financial position or results of operations of the City.

#### **B. Fund Accounting:**

The basic accounting and reporting entity is a "fund". A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, recording resources, related liabilities, obligations, reserves and equities segregated for the purpose of carrying out specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The accounting records of the Authority are organized on the basis of funds. Currently, the Authority only utilizes one fund.

#### **C. Basis of Accounting and Measurement Focus:**

The *basic financial statements* of the Authority are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

## **COSTA MESA HOUSING AUTHORITY**

### **Notes to Basic Financial Statements**

**(Continued)**

#### **1. Reporting Entity and Summary of Significant Accounting Policies (Continued):**

##### Government-wide Financial Statements

Government-wide financial statements display information about the Authority as a whole. All activities of the Authority are classified as governmental activities. Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. *Measurement focus* indicates the type of resources being measured. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Program revenues include charges for services, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized in the government-wide financial statements, rather than reported as expenditures.

##### Fund Financial Statements

The underlying accounting system of the Authority is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of the fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in the individual fund based upon the purposes for which it is to be spent and the means by which spending activities are controlled.

Fund financial statements for the Authority's governmental fund are presented after the government-wide financial statements. These statements display information about the governmental major fund individually and nonmajor funds in aggregate if applicable.

##### Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as fund balances. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The Authority generally considers revenues collected within sixty days after the fiscal year-end to be available, which includes loan repayments and rental income.

## **COSTA MESA HOUSING AUTHORITY**

### **Notes to Basic Financial Statements**

**(Continued)**

#### **1. Reporting Entity and Summary of Significant Accounting Policies (Continued):**

Revenue recognition is subject to the measurable and availability criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Imposed nonexchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary nonexchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balances. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Noncurrent portions of long-term receivables due to governmental funds are reported on the balance sheet in spite of their spending measurement focus.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term indebtedness are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

#### **D. Cash and Investments:**

Investments are reported in the accompanying financial statements at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

#### **E. Leases:**

The Authority is a lessor for leases as detailed in note 6. The Authority recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of the lease, the Authority initially measures the lease receivable at the present value of payments expected to be received and paid during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources is recognized as revenue over the life of the lease term.

## **COSTA MESA HOUSING AUTHORITY**

### **Notes to Basic Financial Statements**

#### **(Continued)**

#### **1. Reporting Entity and Summary of Significant Accounting Policies (Continued):**

Key estimates and judgments include how the Authority determines the discount rate it uses to discount the expected lease receipts and payments to present value, lease term and lease receipts.

- The Authority uses the estimated cost of capital rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.

The Authority monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

#### ***F. Capital Assets:***

Capital assets are recorded at historical cost at the time of purchase. Assets acquired from gifts or contributions are recorded at acquisition value on the date contributed. Generally, capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of two years or more. Capital assets used in operations are generally depreciated in the government-wide financial statements. It is the Authority's policy not to depreciate assets in its first year of service. A full year of depreciation is charged at final year of asset life or upon disposal. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective statement of net position. The range of lives used for computing depreciation for building improvements and structures is 10 to 20 years.

#### ***G. Net Position:***

Net position of the Authority can be classified into three components - net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted". The Authority has no unrestricted net position.

## **COSTA MESA HOUSING AUTHORITY**

### **Notes to Basic Financial Statements**

**(Continued)**

#### **1. Reporting Entity and Summary of Significant Accounting Policies (Continued):**

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

##### ***H. Deferred Outflows/Inflows of Resources:***

In addition to assets, the statement of net position and the 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 position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The Authority has two items that qualify for reporting in this category in the statement of net position. The items are deferred outflows related to pensions and OPEB.

In addition to liabilities, the statement of net position and the 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 position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The Authority has three items that qualify for reporting in this category in the statement of net position. The items are deferred inflows related to pensions, OPEB and leases.

##### ***I. Fund Balance:***

Fund balance classifications are defined as follows:

Nonspendable - This classification 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 - This classification includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers or through enabling legislation.

Committed - This classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority.

Assigned - This classification includes amounts to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

Unassigned - The classifications include the residual balance for the government's general fund and includes all spendable amounts not contained in other classifications.



# **COSTA MESA HOUSING AUTHORITY**

## **Notes to Basic Financial Statements**

**(Continued)**

### **1. Reporting Entity and Summary of Significant Accounting Policies (Continued):**

It is the Authority's policy that restricted resources will be applied first, followed by (in order of application) committed, assigned, and unassigned resources, in the absence of a formal policy adopted by the Board.

#### ***J. Pensions:***

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For the 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.

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

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

#### ***K. Other Post Employment Benefits (OPEB):***

For purposes of measuring the OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense and information about the plan (OPEB Plan), 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.

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

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

#### ***L. Use of Estimates:***

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

## **COSTA MESA HOUSING AUTHORITY**

### **Notes to Basic Financial Statements**

**(Continued)**

#### **1. Reporting Entity and Summary of Significant Accounting Policies (Continued):**

##### ***N. Prior Year Data***

The information included in the accompanying financial statements for the prior year has been presented for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Certain minor reclassifications of prior year data have been made in order to enhance their comparability with current year figures.

#### **2. Cash and Investments:**

##### Equity in Cash and Investment Pool of the City of Costa Mesa

The Authority does not have a separate bank account; however, the Authority's cash and investments are maintained in an investment pool managed by the City. The Authority is a voluntary participant in that pool. This pool is governed by and under the regulatory oversight of the Investment Policy adopted by the City Council of the City. The Authority has not adopted an investment policy separate from that of the City. The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value calculated by the City for the entire City portfolio. The balance available for withdrawal is based on the accounting records maintained by the City, which are recorded on an original cost basis. At June 30, 2023, the Authority had a total cash balance of \$6,028,857, of which \$6,004,364 was part of the City's cash and investment pool and the remaining \$24,493 was cash held with a fiscal agent for tenant deposits.

# **COSTA MESA HOUSING AUTHORITY**

## **Notes to Basic Financial Statements**

### **(Continued)**

#### **3. Loans Receivable:**

Loans receivable as of June 30, 2023 were comprised of the following:

	<u>Amount</u>
The first-time homebuyer program provides loans to first-time homebuyers for purchases of homes in the City of Costa Mesa. For loans made before 2007, loan repayments were deferred for 10 years and for loans made in 2007 and after, repayments of the loan are deferred for 30 years.	\$ 1,552,685
The single-family rehabilitation loan program provides loans to homeowners to make home improvements and repair code violations. There were 3 loans made under this program in 2009. The loans do not pay interest and are not due until the property is sold.	142,500
The rental rehabilitation program is for deferred loans to owners of multi-family properties to make improvements and repair code violations. There are 3 remaining loans under this program and repayment is deferred until sale, transfer or default. Interest of 4 percent is due on these loans.	154,518
There are 3 loans made to underwrite land to a developer to build 3 single-family homes to be maintained in perpetuity for affordable housing. The Authority maintains enforceable covenants on the property. The loans are to be repaid only upon default of affordable housing covenants.	508,542
There are 2 loans made to eligible homebuyers under the Federal Neighborhood Stabilization Program (NSP) administered by the State of California. The NSP program consists of acquisition, rehabilitation, and subsequent sale of foreclosed homes. Borrowers met income and affordability qualifications set by the HUD HOME Program and California Community Redevelopment law.	<u>115,250</u>
Total loans receivable	2,443,495
Less allowance for doubtful accounts	<u>(1,947,431)</u>
Loans receivable, net of allowance for doubtful accounts	<u>\$ 496,064</u>

## COSTA MESA HOUSING AUTHORITY

### Notes to Basic Financial Statements

(Continued)

#### 4. Capital Assets:

The following is a summary of the capital asset activity for the year ended June 30, 2023:

	Balance at July 1, 2022	Additions	Deletions	Balance at June 30, 2023
Capital assets not being depreciated:				
Land	\$ 2,063,865	\$ -	\$ -	\$ 2,063,865
Capital assets being depreciated:				
Building improvements and structures	3,295,800	-	-	3,295,800
Less accumulated depreciation/amortization:				
Building improvements and structures	(988,740)	(164,790)	-	(1,153,530)
Total capital assets being depreciated, net	2,307,060	(164,790)	-	2,142,270
Capital assets, net	\$ 4,370,925	\$ (164,790)	\$ -	\$ 4,206,135

Depreciation expense of \$164,790 was charged to the community programs function on the Statement of Activities.

#### 5. Repayment of Successor Agency Advance

In 2012, all California redevelopment agencies were dissolved, including the City of Costa Mesa Redevelopment agency. In the dissolution process, the State of California Department of Finance (DOF) disallowed a loan in the amount of \$9,278,545 from the City's General Fund to the former Redevelopment Agency as an enforceable obligation. Subsequently, the Department of Finance (DOF) Finding of Completion on May 24, 2013 allowed the placement of these loan agreements on the Recognized Obligation Payment Schedule (ROPS).

The City has adjusted the loan for repayments and interest additions. The loan repayment, reported on the ROPS, is subject to DOF approval on an annual basis. As of June 30, 2023, the loan balance is estimated to be \$1,368,045. The Housing Authority is entitled to receive 20% of the annual repayment. In the current fiscal year, the Housing Authority received \$342,011 on this loan.

#### 6. Lease Receivable

##### Land

On July 1, 1985, the City entered into a 55-year ground lease agreement with Costa Mesa Family Village for three parcels of land. The lease began in July 1985 and will end in October 2039. The lessees are required to make annual fixed payments ranging from \$6,750 to \$13,500 with an interest rate of 2.015%. As of June 30, 2023, the lease receivable is \$1,434,726, and deferred inflows of resources is \$1,414,825. The City recognized \$168,103 of lease revenue during the fiscal year.

# COSTA MESA HOUSING AUTHORITY

## Notes to Basic Financial Statements

(Continued)

### 7. Defined Benefit Pension Plan (CalPERS):

#### Plan Description

All qualified permanent and probationary Authority employees are eligible to participate in the City's Miscellaneous Plan, an agent multiple-employer defined benefit pension plan, 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 Plan 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.

For further details regarding this plan, including funding progress, refer to the City of Costa Mesa's Annual Comprehensive Financial Report.

#### 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 to 62 with statutorily reduced benefits. For employees hired into a plan with the 1.5% at 65 formula, eligibility for service retirement is age 55 with at least 5 years of service. PEPR miscellaneous members become eligible for service retirement upon attainment of age 52 with at least 5 years of service. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. Safety members can receive a special death benefit if the member dies while actively employed and the death is job-related. The cost of living adjustments are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous (Agent Multiple-Employer)		
	Prior to March 11, 2012	On or After March 11, 2012	On or After January 1, 2013
Hire Date			
Benefit formula	2.5% @55	2.0% @60	2% @62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	10.47%	7.00%	7.50%
Required employer contribution rates	7.29%	9.76%	9.76%

## **COSTA MESA HOUSING AUTHORITY**

### **Notes to Basic Financial Statements**

**(Continued)**

#### **7. Defined Benefit Pension Plan (CalPERS) (Continued):**

##### Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. For the year ended June 30, 2023, the Authority's total contributions for the Miscellaneous Plan were \$287,431.

##### Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2021 valuation was rolled forward to determine the June 30, 2022 total pension liability, based on the following actuarial methods assumptions:

Measurement date	June 30, 2022
Actuarial cost method	Entry-Age Normal in accordance with the requirements of GASB 68
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality Rate Table <sup>1</sup>	Derived using CalPERS Membership Data for all funds
Postretirement benefit increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter

<sup>1</sup> The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rate include 15 years of projected mortality improvement using 1e includes 15 years of mortality improvements using 90% of Scale MP 2016 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 December 2017 that can be found on the CalPERS website.

##### Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members

## COSTA MESA HOUSING AUTHORITY

### Notes to Basic Financial Statements

(Continued)

#### 7. Defined Benefit Pension Plan (CalPERS) (Continued):

will be made at the current member contribution rates and that contributions from employers will be made at the 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 on investment was applied to all periods of projected benefit payments to determine the total pension liability.

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.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, except compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rate of return by asset class are as followed:

<u>Asset Class<sup>1</sup></u>	<u>Assumed asset allocation</u>	<u>Real Return Years 1-10<sup>1,2</sup></u>
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)

<sup>1</sup> An expected inflation of 2.30% used for this period.

<sup>2</sup> Figures are based on the 2021 Asset Liability Management study.

# **COSTA MESA HOUSING AUTHORITY**

## **Notes to Basic Financial Statements**

**(Continued)**

### **7. Defined Benefit Pension Plan (CalPERS) (Continued):**

The following table shows the Authority's proportionate share of the net pension liability over the measurement period:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2021 (VD)	\$ 7,369,056	\$ 5,678,515	\$1,690,541
Balance at: 6/30/2022 (MD)	7,733,777	5,147,217	2,586,560
Net Changes during 2021-22	364,721	(531,298)	896,019

The Authority'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, 2022, and the total pension liability for the plan used to calculate the net pension liability was determined by an actuarial valuation of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The Authority's proportionate share of the net pension liability for the plan as of June 30, 2021 and 2022 was as follows:

	Miscellaneous Plan
Proportion – June 30, 2021	2.396%
Proportion – June 30, 2022	2.405%
Change – Increase (Decrease)	(0.009%)

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

The following presents the net pension liability of the Plan as of the Measurement Date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Discount Rate – 1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate + 1% (7.90%)
Authority's proportionate share of the Net Pension Liability	\$3,588,852	\$2,586,560	\$1,762,847

#### Amortization of Deferred Outflows and Deferred Inflows of Resources

Under GASB 68, actuarial gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred inflows and deferred outflows to be recognized



# COSTA MESA HOUSING AUTHORITY

## Notes to Basic Financial Statements

(Continued)

### 7. Defined Benefit Pension Plan (CalPERS) (Continued):

in future pension expense. The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments      5 year straight-line amortization

All other amounts      Straight-line amortization over the expected average remaining service lifetime (EARS�) of all members that are provided with pensions (active, inactive, and retired) as of the beginning of the measurement period

#### Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

For the fiscal year ended June 30, 2023, the Authority recognized pension expense of \$260,653. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to the CalPERS pension as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 287,431	\$ -
Differences between expected and actual experience	122,988	(38,780)
Net difference between projected and actual earnings on pension plan investments	<u>254,668</u>	<u>-</u>
Totals	<u>\$ 665,087</u>	<u>\$ (38,780)</u>

The Authority reported \$287,431 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred inflows or outflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ended June 30:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2024	\$ 104,395
2025	55,224
2026	15,751
2027	163,506
2028	-

## **COSTA MESA HOUSING AUTHORITY**

### **Notes to Basic Financial Statements**

**(Continued)**

#### **8. Other Post-Employment Benefits (OPEB):**

##### Plan Description

The City administers a single-employer defined benefit plan, which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. The plan covers employees hired before January 1, 2004 who retire directly from the City with 10 or more years of City service. The City provides a contribution up to a percentage of the lesser of \$500 per month or the premium for the most popular medical plan elected by the employees. The percentage varies by retirement date and years of City service. For employees hired on or after January 1, 2004, the City will only pay for the PEMHCA subsidy once they meet the definition of a retiree under CalPERS. The City provides retiree life insurance of \$1,000 for the retiree and \$500 for the retiree's spouse.

##### Contributions

The contribution requirements of plan members and the Authority are established and may be amended by the City Council. The required contribution is made on a pay-as-you-go basis (i.e., as medical insurance premiums become due). Neither the City nor the Authority has established a trust for the purpose of holding assets accumulated for plan benefits.

##### Actuarial Methods and Assumptions Used to Determine Total OPEB Liability

The Authority's total OPEB liability was measured as of June 30, 2022 by an actuarial valuation based on the following actuarial methods and assumptions:

Discount Rate: 4.09% for accounting disclosure purposes. The rate is based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). For the current valuation, the discount rate was selected from the range of indices as shown in the table below:

	As of 06/30/22
Bond Buyer Go 20 – Municipal Bond Index	3.54%
S&P Municipal Bond 20-year High Grade Rate Index	4.09%
Fidelity 20-year Go Municipal Bond Index	3.69%
Bond Index Range	3.54% - 4.09%
Actual Discount Rate Used	4.09%

Inflation Rate: 2.50% per year

Aggregate Payroll Increases: 2.75% per year. This assumption is used to amortize the unfunded actuarial accrued liability and to determine the Entry Age Normal actuarial liabilities.

Mortality Rate: Based on rates used in the most recent CalPERS pension valuation.

Turnover Rate: Assumption used to project terminations (voluntary and involuntary) prior to meeting minimum retirement eligibility for retiree health coverage. The rates represent

# **COSTA MESA HOUSING AUTHORITY**

## **Notes to Basic Financial Statements**

### **(Continued)**

#### **8. Other Post-Employment Benefits (OPEB) (Continued):**

the probability of termination in the next 12 months. The termination rates are based on those used in the most recent CalPERS pension valuation.

Retirement Rate: Annual retirement rates are based on those used in the most recent CalPERS pension valuation.

The following table shows the Authority's proportionate share of the total OPEB liability over the measurement period ended June 30, 2022:

	Increase (Decrease) Total OPEB Liability
Balance at: June 30, 2021	\$ 690,181
Balance at: June 30, 2022	583,371
Net Changes during 2021-22	(106,810)

The Authority's total OPEB liability for the plan is measured as the proportionate share of the plan's total OPEB liability. The total OPEB liability of the plan is measured as of June 30, 2022, and the total OPEB liability for the plan used to calculate the net pension liability was determined by an actuarial valuation of June 30, 2021. The Authority's proportion of the total OPEB liability was based on a projection of the Authority's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. The Authority's proportionate share of the total OPEB liability for the plan as of June 30, 2022 and 2021 was as follows:

	OPEB Plan
Proportion – June 30, 2021	1.042%
Proportion – June 30, 2022	1.114%
Change – Increase (Decrease)	(0.072%)

#### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Plan as of the Measurement Date, calculated using the discount rate of 4.09 percent, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower (3.09 percent) or 1 percentage-point higher (5.09 percent) than the current rate:

	Discount Rate – 1% (3.09%)	Current Discount Rate (4.09%)	Discount Rate + 1% (5.09%)
Authority's proportionate share of the total OPEB liability	\$662,906	\$583,371	\$518,337

# **COSTA MESA HOUSING AUTHORITY**

## **Notes to Basic Financial Statements**

**(Continued)**

### **8. Other Post-Employment Benefits (OPEB) (Continued):**

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	1% Decrease (5.25% decreasing to 3.50%)	Current Healthcare Cost Trend Rates (6.25% decreasing to 4.50%)	1% Increase (7.25% decreasing to 5.50%)
Authority's proportionate share of the total OPEB liability	\$538,841	\$583,371	\$646,158

### OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the Authority recognized OPEB income of \$71,060. At June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to the measurement date	\$ 20,559	\$ -
Differences between expected and actual differences	9,938	(34,115)
Changes in assumptions	<u>94,516</u>	<u>(146,508)</u>
Totals	<u>\$ 125,013</u>	<u>\$ (180,623)</u>

The Authority reported \$20,559 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the total OPEB liability in the fiscal year ending June 30, 2024.

Other amounts reported as deferred inflows or outflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2024	\$ 2,582
2025	2,582
2026	2,582
2027	(6,173)
2028	(6,173)
Thereafter	(71,569)

**Costa Mesa Housing Authority**  
**Required Supplementary Information**  
**Schedule of Proportionate Share of the Net Pension Liability and Related Ratios**  
**CalPERS Miscellaneous Plan**

Last Ten Fiscal Years\*

Measurement date June 30	2014	2015	2016	2017
Plan's proportion of the net pension liability	0.703%	0.703%	0.703%	1.095%
Plan's proportionate share of the net pension liability	\$ 536,746	\$ 561,947	\$ 632,922	\$ 1,095,223
Plan's covered payroll	\$ 129,116	\$ 126,041	\$ 139,833	\$ 213,885
Plan's proportionate share of the net pension liability as a percentage of covered payroll	415.71%	445.84%	452.63%	512.06%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	69.49%	68.26%	64.94%	64.17%
Plan's proportionate share of aggregate employer contributions	\$ 36,704	\$ 42,575	\$ 45,855	\$ 75,706

Notes to schedule:

Benefit changes:

The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2021 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in assumptions:

Effective with the June 30, 2021 valuation 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 from 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. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

\* - Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

2018	2019	2020	2021	2022
0.831%	2.218%	2.608%	2.396%	2.405%
\$ 783,393	\$ 2,221,033	\$ 2,699,607	\$ 1,690,541	\$ 2,586,560
\$ 166,758	\$ 541,070	\$ 626,246	\$ 299,397	\$ 634,611
469.78%	410.49%	431.08%	564.65%	407.58%
66.53%	65.86%	65.62%	77.06%	66.56%
\$ 76,921	\$ 219,059	\$ 267,302	\$ 265,290	\$ 287,431

**Costa Mesa Housing Authority  
Required Supplementary Information  
Schedule of Pension Plan Contributions  
CalPERS Miscellaneous Plan  
Last Ten Fiscal Years\***

Fiscal year ended June 30	2015	2016	2017	2018
Contractually required contribution (actuarially determined)	\$ 36,704	\$ 42,575	\$ 45,855	\$ 75,706
Contributions in relation to the actuarially determined contributions	(36,704)	(42,575)	(45,855)	(75,706)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 126,041	\$ 139,833	\$ 213,885	\$ 166,758
Contributions as a percentage of covered payroll	29.12%	30.45%	21.44%	45.40%

Notes to schedule:

Valuation date	6/30/2012	6/30/2013	6/30/2014	6/30/2015
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Methods and assumptions used to determine contribution rates:

Single and agent employers	Entry Age Normal For details, see June 30, 2020 Funding Valuation Report.
Amortization method/period	Report.
Asset valuation method	Market Value of Assets. For details, see June 30, 2020 Funding Valuation Report.
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Payroll growth	2.75%
Investment rate of return	7.00%, net of pension plan investment and administrative expense; including inflation.
Retirement age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Other information:

For changes to previous year's information, refer to past GASB 68 reports.

\* - Fiscal year 2015 was the first year of implementation, therefore only nine years are shown.

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 76,921	\$ 219,059	\$ 267,302	\$ 265,290	\$ 287,431
<u>(76,921)</u>	<u>(219,059)</u>	<u>(267,302)</u>	<u>(265,290)</u>	<u>(287,431)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 541,070	\$ 627,898	\$ 299,397	\$ 634,611	\$ 667,518
14.22%	34.89%	89.28%	41.80%	43.06%

6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
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**Costa Mesa Housing Authority**  
**Required Supplementary Information**  
**Schedule of Proportionate Share of OPEB Liability and Related Ratios**  
**Last Ten Fiscal Years\***

Measurement date June 30	2017	2018	2019	2020	2021	2022
Plan's proportion of the total OPEB liability	0.391%	0.510%	1.065%	1.142%	1.042%	1.114%
Plan's proportionate share of the total OPEB liability	\$ 208,922	\$ 271,334	\$ 627,570	\$ 718,412	\$ 690,181	\$ 583,371
Plan's covered payroll	\$ 160,415	\$ 221,304	\$ 466,770	\$ 521,271	\$ 556,337	\$ 654,345
Plan's proportionate share of the OPEB liability as a percentage of covered employee payroll	130.24%	122.61%	134.45%	137.82%	124.06%	89.15%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Notes to schedule:

Changes in assumptions. The discount rate as of the June 30, 2016 measurement date was 2.85%. The discount rate as of the June 30, 2017 measurement date was 3.40%. The discount rate as of the June 30, 2018 measurement date was 3.50%. The discount rate as of the June 30, 2019 measurement date was 3.51%. The discount rate as of the June 30, 2020 measurement date was 2.66%. The discount rate as of the June 30, 2021 measurement date was 2.19%. The discount rate as of the June 30, 2022 measurement date was 4.09%.

Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

\* - Fiscal year 2018 was the first year of implementation, therefore only six years are shown.

**Costa Mesa Housing Authority**  
**Required Supplementary Information**  
**Housing Authority Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Year ended June 30, 2023**  
**(With Comparative Data for Prior Year)**

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Prior Year Actual
REVENUES:					
Rental income	\$ 370,000	\$ 370,000	\$ 416,489	\$ 46,489	\$ 338,732
Repayment of Successor Agency advance	381,141	381,141	342,011	(39,130)	349,917
Intergovernmental	2,149,179	2,274,179	2,686,381	412,202	1,510,066
Investment income (loss)	21,550	21,550	9,416	(12,134)	(68,124)
Miscellaneous	6,000	6,000	221,113	215,113	27,406
<b>TOTAL REVENUES</b>	<b>2,927,870</b>	<b>3,052,870</b>	<b>3,675,410</b>	<b>622,540</b>	<b>2,157,997</b>
EXPENDITURES:					
Current:					
Community programs	4,192,863	8,789,294	4,286,833	4,502,461	3,963,750
<b>TOTAL EXPENDITURES</b>	<b>4,192,863</b>	<b>8,789,294</b>	<b>4,286,833</b>	<b>4,502,461</b>	<b>3,963,750</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(1,264,993)</b>	<b>(5,736,424)</b>	<b>(611,423)</b>	<b>5,125,001</b>	<b>(1,805,753)</b>
Other financing sources:					
Transfers from the City of Costa Mesa	1,264,993	5,214,993	5,288,708	73,715	1,713,828
<b>Net change in fund balance</b>	<b>-</b>	<b>(521,431)</b>	<b>4,677,285</b>	<b>5,198,716</b>	<b>(91,925)</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>3,623,260</b>	<b>3,623,260</b>	<b>3,623,260</b>	<b>-</b>	<b>3,715,185</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 3,623,260</b>	<b>\$ 3,101,829</b>	<b>\$ 8,300,545</b>	<b>\$ 5,198,716</b>	<b>\$ 3,623,260</b>

**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***

Board of Directors  
Costa Mesa Housing Authority  
Costa Mesa, 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, financial statements of the governmental activities and the major fund of the Costa Mesa Housing Authority (Authority), as of and for the year ended June 30, 2023, and the related notes to the basic financial statements, which collectively comprise of the Authority's basic financial statements, and have issued our report thereon dated December 21, 2023.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Authority'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 may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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*.

## **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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Davis Fan" followed by a stylized flourish.

Irvine, California  
December 21, 2023



# CITY OF COSTA MESA

## Agenda Report

77 Fair Drive  
Costa Mesa, CA 92626

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**File #:** 24-038

**Meeting Date:** 2/20/2024

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**TITLE:**

**URBAN MASTER PLAN SCREENING REQUEST (UMP-21-007) FOR A MIXED-USE DEVELOPMENT AT THE CITY'S SENIOR CENTER TO CONSTRUCT AND OPERATE A 60-UNIT AFFORDABLE SENIOR HOUSING PROJECT LOCATED AT 695 WEST 19TH STREET**

**DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES  
DEPARTMENT/PLANNING DIVISION**

**PRESENTED BY: NANCY HUYNH, PRINCIPAL PLANNER**

**CONTACT INFORMATION: NANCY HUYNH, PRINCIPAL PLANNER, (714) 754-5609**

**RECOMMENDATION:**

Staff recommends the City Council review and provide feedback on the proposed 60-unit mixed-use development at 695 West 19<sup>th</sup> Street located in the 19 West Urban Plan area.



## Agenda Report

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**Item #: 24-038**

**Meeting Date: 02/06/2024**

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**TITLE: URBAN MASTER PLAN SCREENING REQUEST (UMP-21-007) FOR A MIXED-USE DEVELOPMENT AT THE CITY'S SENIOR CENTER TO CONSTRUCT AND OPERATE A 60-UNIT AFFORDABLE SENIOR HOUSING PROJECT LOCATED AT 695 WEST 19TH STREET**

**DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/PLANNING DIVISION**

**PRESENTED BY: NANCY HUYNH, PRINCIPAL PLANNER**

**CONTACT INFORMATION: NANCY HUYNH, PRINCIPAL PLANNER, (714) 754-5609**

**RECOMMENDATION:**

Staff recommends the City Council review and provide feedback on the proposed 60-unit mixed-use development at 695 West 19<sup>th</sup> Street located in the 19 West Urban Plan area.

**BACKGROUND:**

Pursuant to the Costa Mesa Municipal Code (CMMC) Section 13-28(g)(4), applicants for residential or mixed-use development projects in a mixed-use overlay district shall submit a screening application for consideration by the City Council at a public meeting. No other concurrent application for the proposed development may be submitted for processing until City Council comments have been received. The purpose of the screening application is to receive City Council comments on the merits and appropriateness of the proposed development before the applicant submits the formal planning application(s).

***19 West Urban Plan***

The property is located within the 19 West Urban Plan. On April 4, 2006, the City Council adopted the Urban Plan to provide incentives for mixed-use developments in Westside Costa Mesa. The 19 West Urban Plan area generally consists of commercial properties along West 19<sup>th</sup> Street between Monrovia Avenue and Harbor Boulevard, and also includes certain industrial properties along Superior Avenue.

The 19 West Urban Plan can be found at the following link:

<https://www.costamesaca.gov/home/showpublisheddocument/315/636490563866670000>

The Urban Plan allows for horizontal and vertical mixed-use developments including live/work units and residential lofts. The intent of the Urban Plan is to provide development and economic incentives for private property owners to reinvest and redevelop their properties. The stated objectives of the Urban Plan include the following:

- Identify development regulations to realize the vision of the Urban Plan. These regulations address mixed-use development standards as well as public streetscapes and urban design improvement and amenities;
- Provide a Land Use Matrix of allowable uses that recognize the development potential of the plan area and need to sensitively integrate new development with the surrounding areas, and therefore, promote both resident and business community confidence in the long term;
- Encourage commercial and residential mixed-use development that combines residential and nonresidential uses in a single building (vertical mixed-use development) or in proximity on the same site (horizontal mixed-use development). This type of development includes office, retail, business services, personal services, public spaces and uses, and other community amenities to revitalize the area without exceeding the development capacity of the General Plan transportation system.
- Attract more residents and merchants by allowing mixed-use development in a single-use zoning area – specifically, vertical or horizontal mixed-use development offering first floor retail/office and upper story residential condominium units;
- Encourage adaptive reuse of existing industrial or commercial structures, which would result in rehabilitated buildings with unique architecture and a wider array of complementary uses;
- Stimulate improvement in the 19 West Urban Plan area through well designed and integrated urban residential development that is nontraditional in form and design with flexible open floor plans and which complements the surrounding existing development;
- Meet demand of a new housing types to satisfy a diverse residential population comprised of artists, designers, craftspeople, professionals and small-business entrepreneurs;
- Promote a new type of urban housing that would be target-marketed to people seeking alternative housing choices in an industrial area. An urban loft would be an alternative to a traditional single-family residence, tract home, or small-lot subdivision; and
- Encourage the design and development of urban residential structures reflecting the urban character of the surrounding industrial context both in the interior and exterior areas.

### ***Exclusive Negotiating Agreement (ENA) with Jamboree Housing Corporation***

At their regular meeting on July 21, 2020, the City Council approved an Exclusive Negotiating Agreement (ENA) with Jamboree Housing Corporation (JHC) to study and determine the feasibility for the right to acquire a long-term leasehold for an affordable senior housing project to be developed on a portion of the City's Senior Center parking lot. JHC is a non-profit affordable housing developer that has developed nearly 80 affordable housing projects throughout California including many in Orange County.

During the July 21, 2020 meeting, the City Council were provided the terms of the ENA, preliminary plans for a 60-unit senior affordable housing project, and a presentation by staff and the applicant. The City Council also heard public comments regarding the proposed ENA. The ENA Agenda Report identified that the conceptual affordable housing project would maintain the existing Senior Center parking and provide resident parking in excess of minimum parking requirements allowed pursuant to State Density Bonus law. The Agenda Report also recognized that the Senior Center site was identified in a previous Housing Element as an "underutilized" site, and the parking lot could be used for affordable housing. The City Council approved the ENA on a 7-0 vote and voiced support for the senior housing project to proceed. The ENA term was approved for a one-year period with an allowed 120-day extension to be approved by the City Manager. Although a 120-day extension was granted by the

City Manager, the ENA expired in 2022. Staff continued to work with JHC to submit for entitlements.

The July 21, 2020 agenda report and meeting video are provided in the links below:

July 21, 2020 City Council Agenda Report:

<http://ftp.costamesaca.gov/costamesaca/council/agenda/2020/2020-07-21/NB-5.pdf>

July 21, 2020 City Council Meeting Video:

[https://costamesa.granicus.com/player/clip/3578?view\\_id=10&redirect=true&h=c234f40997ffc17e74bd793e125b476f](https://costamesa.granicus.com/player/clip/3578?view_id=10&redirect=true&h=c234f40997ffc17e74bd793e125b476f)

Since then, JHC and Planning Division staff have met regularly to discuss their proposed project concepts including incorporating a mix-of uses that could complement the existing Senior Center. JHC also met with the Community Services Department staff from the Senior Center to share their project scope, and to obtain feedback from the Community Services Department staff who are most familiar with the Senior Center's operations.

### **ANALYSIS:**

The proposed horizontal mixed-use development would include the existing Costa Mesa Senior Center and a new senior housing residential building on an existing 2.66-acre lot located on the northwest corner of West 19<sup>th</sup> Street and Pomona Avenue. The site is zoned Local Business District (C1) and has a General Plan land use designation of General Commercial. The property is located across from an existing senior housing development (The Towers at 19<sup>th</sup>) developed in the late 1960s, and existing residential properties along Plumer Avenue. To the west and east of the property are existing commercial uses including Smart & Final, various restaurants, and retail shops. Also located within the proposed project's vicinity is the City's community center, library, and recreation center.

Existing development on the subject property includes the City of Costa Mesa Senior Center which was constructed in the 1990s (approved under Conditional Use Permit PA-90-60). The Senior Center is an approximate 20,000-square-foot, two-story building with a 145 space surface parking lot. The original vision and concept for the Senior Center included a senior housing component with 46 units anticipated. However, at that time the City Council decided to not proceed with the senior housing project. The project does not propose any changes to the existing Senior Center building. The project would modify the existing parking and site circulation since the new residential building is proposed to be developed on a portion of the Senior Center's existing surface parking lot.

### ***Project Description***

The project proposes 59 low-income, age restricted (55+) apartment units with one additional onsite manager's unit (60 total units). As proposed, 29 of the 59-age restricted/affordable units would be dedicated for permanent supportive housing (PSH). The proposed building would be four-stories (approximately 57 feet) in height and include parking at the ground level under the new building ("podium" design). The design of the proposed building would also feature a central internal courtyard with multiple gathering spaces such as fitness lawn, barbeques, lounge seating, and a community garden. Each apartment unit would include one-bedroom and one- bathroom units with sizes ranging between 566 and 614 square feet. As proposed, each unit would include access to a private patio or



deck. In addition, the applicant proposes certain onsite tenant amenities that include a pet spa, fitness room, library/computer room, and community room. Details regarding project compliance with the 19 West Urban Plan mixed-use development standards are included in Attachment 1, and discussed further below.

### ***Building Design and 19 West Urban Plan Preliminary Compliance Review***

The proposed architectural style of the building is Spanish Colonial which features a red clay tile roof, round arches at entryways, light-colored stucco, and Spanish tile designs as building accents. The building design also includes corner articulation, varied roof heights, and delineation between each floor. The ground floor is proportionally designed to provide a “human scale” which creates a pedestrian-friendly environment and aesthetic by using storefront windows and decorative lighting as well as placing the building closer to the existing public sidewalk along West 19<sup>th</sup> Street. The private balconies are proposed to be placed along the front street façade which provides additional visual interest along West 19<sup>th</sup> Street.

At this time, the proposed project is limited to generally conceptual level plans that would be later refined and reviewed by staff. Based on the conceptual design, staff has reviewed the project and worked with the applicant to refine the project to be consistent with the applicable 19 West Urban Plan Development Standards, CMMC, and General Plan. With few exceptions (as further described below under “Concessions”), the project is generally in compliance with the City’s applicable development standards. For example, the Urban Plan maximum building height allowed for a “mixed-use project” is four stories and 60 feet, and the project proposes a four-story, approximately 57 feet maximum building height. The Urban Plan maximum lot coverage is 90% of the lot size and the applicant is proposing a 44% lot coverage. In regard to density, the 19 West Urban Plan does not prescribe a specific density requirement for a mixed-use project, and instead requires a “Maximum Floor Area Ratio” (FAR) of 1.0. The applicant proposes a FAR of 0.94 which is below the Urban Plan’s maximum FAR.

The 19 West Urban Plan allows design flexibility in exchange for quality projects that meet the Urban Plan vision. Such flexibility may come in the form of deviations from required development standards, if approved through an Urban Master Plan. Although the applicant may request these Urban Plan deviations, JHC is instead proposing to use concessions allowed under the State Density Bonus Law (DBL) pursuant to Government Code Section 65915.

### **Concessions**

Pursuant to State DBL, a proposed housing project that provides a certain percentage of their units as affordable are allowed concessions to deviate from any local development requirements and standards. Table 1 below provides the required Urban Plan development standards along with the project’s requested DBL concessions. Although the project proposes to deviate from certain Urban Plan development standards through the DBL concessions, the deviations are presented to the City Council in order to obtain feedback for the applicant’s consideration as they further refine their final design.

**Table 1 – Development Standard Deviations/Concessions**

<b>Development Standard</b>	<b>Urban Plan</b>	<b>DBL Concession</b>
Open Space – Development Lot	30%	26%
Side Setback Abutting W. 19 <sup>th</sup> St.	5 feet	0 feet
Additional Parking Space Width Adjacent to a Column/Wall <sup>1</sup>	1 foot additional	0 foot
<sup>1</sup> Pursuant to the City of Costa Mesa Parking Design Standard		

**Open Space – Development Lot**

The minimum open space required is 30% of the total lot size which is approximately 35,000 square feet. The project proposes to provide 26% open space including the proposed central open courtyard. Although the project does not comply with the minimum open space for the development lot, it would comply with the residential private open space and provide each unit with 200 square feet of open space area.

**Side Setback (West 19<sup>th</sup> Street)**

The side setback requirement for properties abutting a public street is five feet. The project proposes a zero setback adjacent to West 19<sup>th</sup> Street. While no setback from the property line is proposed at this location, an approximate 20-foot landscape parkway exists (located between the property line and the edge-of-curb), which effectively provides a landscape setback.

**Parking Structure Design Standard**

The City's Parking Design Standards require an additional one-foot to be provided for parking spaces adjacent to a column or other vertical obstruction such as a wall. This standard is intended to provide clearance for opening car doors. According to the Applicant's architect, the project would not be able to comply with this parking structure design standard without reducing parking. The applicant could continue to work with the Transportation Division to explore other design alternatives to comply with the intent of this parking design standard.

***Preliminary Traffic, Access and Parking Evaluation*****Traffic**

The City's Transportation Division completed a preliminary trip generation analysis to compare the proposed 60-unit mixed-use project to existing transportation conditions. The City's Transportation Division requires a traffic impact analysis (TIA) for all development projects that generate 50 or more net vehicle trips that end during a peak hour. As shown in Table 2 below, the proposed project does not meet the criteria since the anticipated additional peak AM and PM hours will result in less than 50 vehicle trips (12 and 15 peak hour trips, respectively), and therefore a TIA is not required.

**Table 2– Preliminary Trip Generation Analysis**

<b>Land Use</b>	<b>Units/SF</b>	<b>AM (Peak Hour)</b>	<b>PM (Peak Hour)</b>	<b>Daily Trips</b>
Proposed Senior Housing	60 Units	12	15	194.4
Existing Senior Center	20,127 SF	38.44	50.32	580.06

### Access

The project proposes to remove the existing driveway along West 19<sup>th</sup> Street to accommodate the new building and landscaping and proposes a new driveway towards the western part of the property along West 19<sup>th</sup> Street. The project also proposes to provide an additional driveway along Plumer Street on the eastern part of the property for a total of three site access driveways.

### Parking

Pursuant to the 19 West Urban Plan Parking Standards, the proposed residential project requires 1.5 parking spaces per unit and 0.5 guest parking space per unit. Therefore, the proposed 60 residential units require 120 parking spaces (90 tenant spaces and 30 guest spaces). Neither the Costa Mesa Municipal Code (CMMC) nor the Urban Plan differentiates residential parking regulations for affordable housing.

Per Conditional Use Permit PA-90-60, the Senior Center's approved parking requirements were based on the "fraternal clubs and lodges" classification which is one space for every 35 square feet, and was calculated for the Senior Center based on the 5,160-square-foot meeting room, and excluded the ancillary and back-of-house areas. Per the CMMC parking requirements, the total required parking for the Senior Center facility is 147 parking spaces. The Senior Center parking lot contains 145 spaces.

The applicant proposes to maintain the existing number of parking spaces (145 spaces) but would not provide additional parking for the proposed residential and mixed-use project. JHC proposes shared parking between the Senior Center and the new residential development, this includes the parking spaces proposed under the new residential building. Based on the City's parking standards, the total parking required for the proposed mixed-use development (including both the Senior Center and the proposed 60-unit housing project) would be 267 spaces. However, the Urban Plan specifies that "a reduction in parking for a mixed-use development may be approved in conjunction with the Master Plan approval". In addition, pursuant to State Law (DBL), the proposed residential project is exempt from providing parking based on its proposed affordability component.

Although the project is exempted from State Law for providing parking for the affordable residential units, staff believes it is important to consider the project parking demand to assess the potential operational impacts to the City's Senior Center. In this regard, staff required that the applicant submit a parking study that assesses and considers the parking demand of the proposed residential project and Senior Center operations (Parking Demand Analysis, Costa Mesa Senior Housing Project – 2021, Linscott, Law & Greenspan Engineers). The parking analysis concluded that based on empirical parking data from two similar Jamboree Housing project's (both located in Orange County), the peak parking demand for the two housing developments was approximately 0.59 parking spaces per unit. Based on the study's most conservative (greatest) observed empirical parking demand ratio, the proposed 60-unit residential project is anticipated to result in a parking demand of approximately 35 spaces. In addition, the Consultant estimated that the peak parking average day demand for the Senior Center was 68 parking spaces. The Consultant's parking conclusions were that the Costa Mesa Senior Center and proposed residential component would have a combined parking demand of 102 spaces which would result in a parking surplus of 43 spaces when compared to the existing/proposed parking supply.

Staff also contracted with an independent parking consultant (LSA) to further work with the City's Senior Center staff and confirm the parking demand for the Senior Center operations ("Parking Demand for the Costa Mesa Senior Center Memorandum" - 2022). The Parking Memorandum concluded that the Senior Center average-day peak parking demand is approximately 58 parking spaces, and on a "busy day", the Center's parking demand is 103 parking spaces. The Memorandum also considered the Senior Center's special event parking demand which is estimated to peak at approximately 115 vehicles. In summary, the LSA report concluded that with the proposed 145-space parking lot, there would be a surplus of parking spaces available (approximately seven parking spaces) for both the proposed residential project and the Senior Center operations on a "busy day". However, based on the Senior Center's anticipated "special events", the parking demand for the 145-space lot would be exceeded by approximately seven parking spaces. This would occur during certain special events when the residential component was also at peak parking demand.

Lastly, the LSA report stated that future demographic growth [senior population] is expected to increase parking demand on an average day from 54 spaces to 84 spaces by 2030 and 99 spaces by 2040. The same demographic trends could result in parking demand on busy days exceeding parking supply by 2030 if visitor travel behavior to the senior center is the same as today. The LSA report concluded "reducing the parking supply available to the Senior Center through shared parking could result in the parking supply being fully utilized on average days."

### ***Proposed Tentative Parcel Map***

The proposed project also includes a tentative parcel map to subdivide the existing 2.66-acre City-owned property into two separate parcels – both to be owned by the City. Parcel 1 would be 1.28-acre in size and include the existing Senior Center building. Parcel 2 would be 1.38-acre in size and include the proposed senior housing building. As proposed, both parcels would share driveway access and parking. Although a subdivision on "paper" is proposed, the project's Urban Master Plan would consider the two parcels under one master development lot, and all development standards would be regulated based on the properties functioning as a single development.

The separate parcel for the senior housing component is proposed in order to allow JHC and their limited liability partner the ability to receive tax credits through the Low-Income Housing Tax Credit (LIHTC) program. The LIHTC program is a federal incentive program that awards tax credits to housing developers and their partners (or investors) in exchange for developing affordable housing. In order to obtain the tax credits, the federal program requires that affordable housing projects be located on a separate and distinct parcel with its own legal description. With the proposed subdivision, ownership of the two parcels would be maintained by the City, and JHC would lease the use of the property through a long-term lease agreement.

### ***Potential Issues to Consider***

- Parking - The future potential parking impacts to the Senior Center operations are a factor to consider. The Senior Center hosts over a dozen events for seniors throughout the year in addition to other potential events hosted by other organizations. The Senior Center auditorium is also used by the City to host special events and community meetings. Should the proposed project move forward and the applicant submit a formal planning application, staff will work with JHC to further consider parking demand and develop a parking management plan for their tenants, employees, and the Senior Center's operations. The parking management plan could

include securing temporary offsite parking for tenants/employees during major events, and/or the use of other parking management tools such as the use of temporary valet.

- New Driveway Access from West 19<sup>th</sup> Street - The design of the proposed new driveway access from West 19<sup>th</sup> Street requires additional consideration. There is an existing landscaped median that will be impacted and the location of the proposed driveway may result in potential traffic safety issues. If authorized to proceed with the submittal of a formal application, JHC would need to continue working with the Transportation and Engineering Division to either modify the landscaped median, allow exit only right turns, or consider providing all site access along Plumer Street.

### ***Merits of the Proposed Project***

The following is a summary of the merits of the proposed mixed-use development project to be considered by the City Council pursuant to the Costa Mesa Municipal Code screening requirements:

1. Proposed project meets objectives of the 19 West Urban Plan. Mixed-use developments are encouraged in the 19 West Urban Plan. As envisioned by the Urban Plan, a mixed-use development would be compatible with existing commercial and industrial uses. The proposed project is a horizontal mixed-use development within the existing Senior Center property with proposed senior housing added to the site. The project is located in an existing urban environment which includes a variety of existing commercial uses (grocery stores, restaurants, retail shops) within close proximity. There are also existing residential uses in the project site's vicinity including existing senior housing developments. The proposed senior housing would be complementary to the existing senior housing development. The proposed building incorporates design elements that would improve and enhance the public streetscape.
2. Proposed project meets the 2021-2029 Housing Element policies. The adopted Housing Element has identified policies and housing programs to address affordable housing needs, especially for senior populations. The proposed project would include 59 low-income rental units for seniors with 29 of the units dedicated for permeant supportive housing, which satisfies the intent of the following policies, and housing program:

**HOU-2.1:** Facilitate the development of housing that meets the needs of all segments of the population including affordable housing and households with specialized needs.

**HOU-2-4:** Encourage housing programs and future actions that address the need for affordable housing options as well as the housing needs of Costa Mesa's senior resident population and the large households' population.

**PROGRAM 2D:** Facilitate Development of Senior Housing Options.

- **Objective:** Pursue opportunities for senior housing on the Senior Center parcel identified as part of the candidate housing site analysis and/or other sites within the City.

**California Environmental Quality Act (CEQA)**

The City Council project screening is exempt from environmental review under the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3) (General Rule), in that there is no possibility that the project screening will have a significant impact on the environment. Should the proposed project move forward and the applicant submit a formal planning application, the project is subject to environmental review pursuant to the California Environmental Quality Act. Staff will review the proposed project based on a comprehensive evaluation of the project impacts as required by State Law. It is also possible that current State Law exempts the affordable housing project from environmental review pursuant to Government Code Section 15194, if it complies with certain criteria based on, but not limited to, project size and location.

**Screening of Project Concept**

This Urban Plan screening process is intended to address the following issues:

**Does the project meet the City Council's expectations for projects in the Urban Plan areas?**

The screening process is an opportunity to determine whether the project concept meets the City Council's expectations for new projects in the Urban Plan areas before the applicant submits a formal Urban Master Plan application. The proposed horizontal mixed-use development would utilize an existing property with development opportunities to construct affordable housing for a specific population (seniors) in an urban environment that is walkable, bikeable, or short distance to neighborhood serving businesses including the Costa Mesa Senior Center, grocery stores, medical offices, restaurants, and variety of retail shops. There continues to be a growing need for affordable housing options for seniors that the proposed project would help to fulfill.

The project generally would comply with the 19 West Urban Plan development standards including minimum lot size, front and rear setback, residential private open space, floor area ratio (FAR), and building height.

**Does the City Council have comments regarding any requested deviations?**

The screening process highlights requested deviations from the Urban Plan so that the City Council can provide feedback. Since the proposed project includes senior affordable housing, it is eligible for concessions allowed under the State DBL. The DBL concessions are, in essence, the Urban Plan deviations. However, State DBL requires a city to grant the concessions. The concessions, or deviations from the development standards, include minimum open space (30% required; approximately 26% provided), side setback along West 19<sup>th</sup> Street (five feet required; zero feet provided), and parking structure design standard.

Although the project does not comply with the minimum open space, it would comply with the residential private open space. Furthermore, the project would add new landscape improvements and create more common open space which would increase the current open space areas. The reduced side setback to a zero-lot line would provide visual interest along West 19<sup>th</sup> Street since the building proposes to front West 19<sup>th</sup> Street – whereas the current street view is the Senior Center parking lot. In terms of the parking structure design standard, the Transportation Division requires an additional one-foot to be provided for parking spaces adjacent to a column or other vertical obstruction. This is to provide the

clearance for opening car doors. The applicant would not be able to comply with this parking structure design standard without reducing their provided parking.

### **ALTERNATIVES:**

Because the screening process allows the applicant to consider the City Council's initial comments and to refine the development concept based on City Council feedback prior to submittal of a formal planning application for review, and no decisions are made, there are no alternative actions for the City Council to consider.

### **FISCAL REVIEW:**

There is no fiscal impact to the City associated with this item.

### **LEGAL REVIEW:**

The City Attorney's Office has reviewed this report and approves it as to form.

### **CITY COUNCIL GOALS AND PRIORITIES:**

- Diversify, stabilize and increase housing to reflect community needs.

### **CONCLUSION:**

The screening process is an opportunity to determine whether the project concept meets the City Council's expectations for new projects in the Urban Plan areas before the applicant submits a formal Urban Master Plan application. The proposed horizontal mixed-use development would utilize an existing property with development opportunities to construct affordable housing for a specific population (seniors). There continues to be a growing need for affordable housing options for seniors that the proposed mixed-use project would help to fulfill.

The screening process highlights requested deviations from the Urban Plan, as identified above, so that the City Council can provide feedback. The screening process allows the applicant to consider Council's initial comments and to refine the development concept based on their feedback.

The City Council's comments do not set precedent for the project's future consideration of a formal Urban Master Plan application, nor constitute final action on the development project. In addition, the applicant may expect the Planning Commission and/or City Council to have other comments/concerns on the proposed development that may not have been raised during the City Council screening review.

### **NEXT STEPS:**

Should the proposed project move forward and the applicant submit a formal planning application, the project is subject to the City's "Master Plan" provisions (CMMC Section 13-28) and specifically the Master Plan provision of the CMMC, Mixed-use Overlay District requirements (Article 11 of the CMMC Zoning Code). The CMMC specifies that "all development proposed in the mixed-use overlay district

requires approval of a master plan pursuant to Chapter III planning applications. The final review authority for the master plan shall be the Planning Commission.”

Since the project is anticipated to include certain “concessions” pursuant to State DBL, the project is also subject to the CMMC Section 13-154 (Density Bonuses and other Incentives) which requires that “if the application involves a request for direct financial incentives, then any action by the Planning Commission on the application shall be advisory only, and the City Council shall have the authority to make the final decision on the application”. Because the application includes a requested lease of a City owned property, the City Attorney, at a future time, will determine if any aspects of the proposed property lease constitute a “direct financial incentive” to the applicant, and therefore require the City Council to act as the final project review authority.

Additionally, and as part of the project application submittal, JHC will be providing an “affordable housing agreement” (AHA). The AHA document will be reviewed by the City Attorney and include information such as:

1. The total number of units approved for the housing development including the type of affordable units;
2. A description of the household income group to be accommodated by the housing development, and the standards for determining the corresponding affordable rent or affordable housing cost;
3. The location, unit sizes (square feet), and number of bedrooms of the affordable units;
4. Affordability restrictions including income ranges and affordability terms;
5. A schedule for completion and occupancy of the affordable units;
6. A description of the incentives, development standard waivers, and any other optional additional assistance being provided by the city;
7. A description of remedies for breach of the agreement by either party; and
8. Any other provisions to ensure implementation and compliance.

Lastly, prior to final project review and for future City Council consideration, the City Manager and City Attorney will work with JHC to negotiate a lease for the use and occupation of a portion of the Senior Center property.



**UMP-21-007**  
**60-UNIT MIXED-USE DEVELOPMENT**  
**695 WEST 19TH STREET**

Location: 695 West 19<sup>th</sup> St. Permit No.: UMP-21-007

Request: Master Plan to construct a 60-unit affordable senior housing project on the site with the City of Costa Mesa Senior Center

**SUBJECT PROPERTY:**

Zone: C1  
 General Plan: General Commercial

Lot Dimensions: 247 FT by 470 FT

Lot Area: 116,090 SF

Existing Development: 20,127 SF two-story building currently used as the City of Costa Mesa Senior Center with improved landscaping and 145 parking spaces provided in a surface lot

**SURROUNDING PROPERTY:**

North: R3 – Multiple-Family Residential District

South: R2-HD – Multiple-Family Residential District, High Density

East: R2-HD – Multiple-Family Residential District, High Density

West: C1 – Local Business District

**19 WEST MIXED-USE DEVELOPMENT STANDARD COMPARISON**

DEVELOPMENT STANDARD	CODE REQUIREMENT	PROPOSED/PROVIDED
Minimum lot size:	1 acre	2.66 acres
Floor Area Ratio (FAR):	1.0 (116,090 SF)	0.94 (108,491 SF)
Maximum Lot Coverage:	90% (104,481 SF)	44.1% (51,128 SF)
Density:	NA <sup>1</sup>	22 units per acre
Minimum Open Space:		
Development Lot <sup>1</sup>	30% (34,761 SF)	26% (29,786 SF) <sup>2</sup>
Residential	200 SF per unit	200 SF per unit
Building Height – Residential Component:	4 stories / 60 FT	4 stories / 57 FT 6 IN
Setbacks		
Front (Pomona Avenue)	15 FT	285+ FT
Side – Left (Plumer Street)	5 FT	66 FT 6 IN
Side – Right (West 19 <sup>th</sup> Street)	5 FT	0 FT <sup>1</sup>
Rear	0 FT	10 FT
Parking (Urban Master Plan Requirements)		
Residential Tenant Parking	1.5 spaces/unit = 90	145 <sup>1</sup>
Residential Guest Parking	0.5 spaces/unit = 30	
Senior Center Parking	147 <sup>3</sup>	
TOTAL	267	
Parking (State Density Bonus Law Requirements)		
Residential	0 spaces/unit	145
Senior Center Parking	N/A	

<sup>1</sup> Pursuant to General Plan Table LU-15, mixed-use projects that include a residential component are allowed a maximum FAR so density is not applicable.

<sup>2</sup> Development standard deviations allowed through State Density Bonus Law concessions.

<sup>3</sup> Parking requirements for the Senior Center was established in Conditional Use Permit PA-90-60.

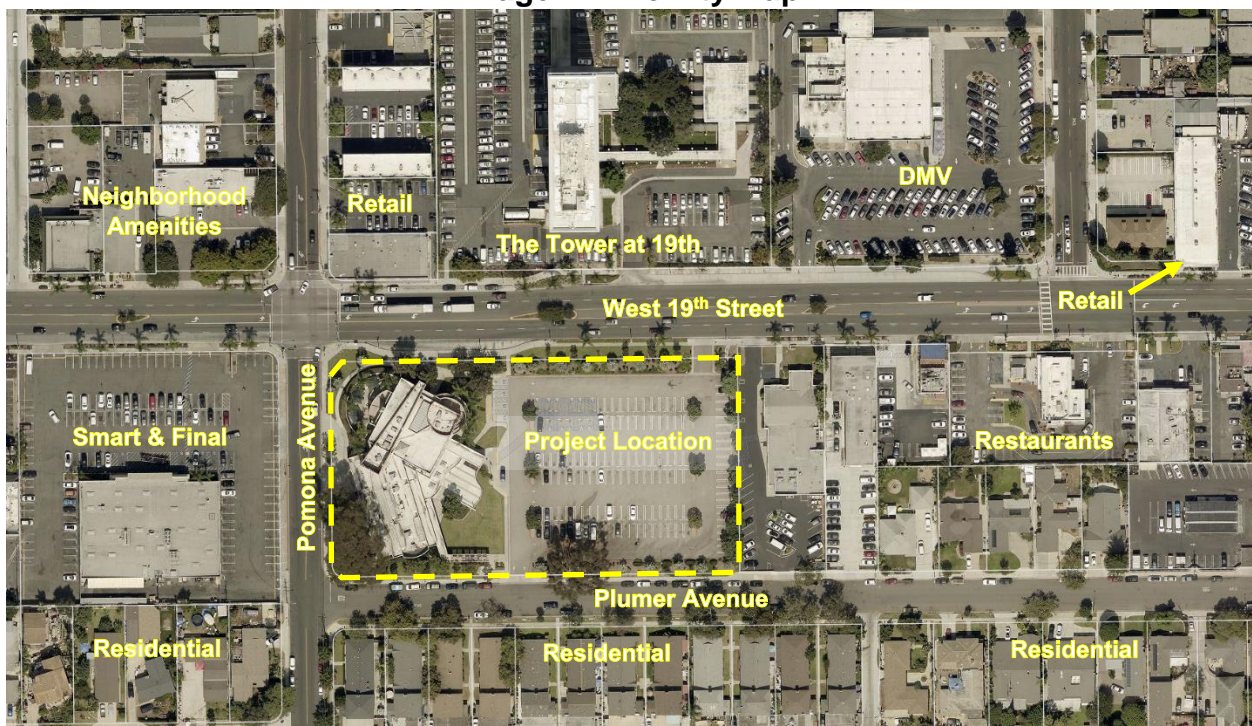
## DEVELOPMENT CONCEPT

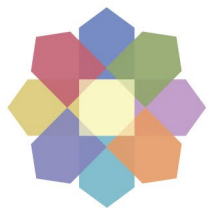
The proposed horizontal mixed-use development is located on an existing 2.66-acre lot on the northwest corner of West 19<sup>th</sup> Street and Pomona Avenue. The site is zoned Local Business District (C1) and has a General Plan land use designation of General Commercial.

The project proposes 60 low-income age restricted (55+) apartment units (with one onsite manager's unit). The proposed building would be four-story (approximately 57 feet) in height and include parking at the ground level under the new building. Each apartment unit would be one bedroom and one bathroom with sizes ranging between 566 and 614 square feet and would include access to a private patio or deck. In addition, the proposed onsite tenant amenities would include a pet spa, fitness room, library/computer room, and community room. Parking would be provided in the existing surface parking lot as well as at the ground level under the new proposed residential building.

The proposed project also includes a tentative parcel map to subdivide the existing 2.66-acre City-owned property into two separate parcels – both to be owned by the City. The separate parcel for the senior housing building is proposed in order to allow the applicant, Jamboree Housing Corporation (JHC), and their limited liability partner the ability to receive tax credits through the Low-Income Housing Tax Credit (LIHTC) program.

**Image 1 – Vicinity Map**





November 30, 2023

Nancy Huynh  
Principal Planner  
Development Services Department  
City of Costa Mesa  
77 Fair Drive, 2nd Floor  
Costa Mesa, CA 92626

RE: Costa Mesa Senior Center Project – General Plan Screening

Dear Ms. Huynh:

This letter is for the proposed Jamboree Housing Corporation project located at 695 W. 19th Street Costa Mesa CA 92627. We are submitting the project for general plan screening review with the City of Costa Mesa. The proposed development is located on the site of the City of Costa Mesa's Senior Center at the southeast corner of 19th Street and Pomona Avenue. The development area is a 0.90-acre portion of the Costa Mesa Senior Center parking lot.

The proposed project consists of 60 units over a Type 1 podium garage on the existing Senior Center parking lot. There are 59 one-bedroom units and a single two-bedroom manager unit.

This proposed development will offer many amenities such as community room with kitchen, office spaces for both social services and property management, conference room, fitness center, library with desktop computer for residents, pet spa, and an outdoor courtyard. The proposed development has 145 parking stalls.

The one-bedroom units will have income levels that range from 30% to 60% AMI and restricted to seniors. The proposed project will have 29 out of the 60 units restricted as permanent supportive housing for seniors.

Jamboree Housing is a long term owner and operator of our projects. The projects will be managed by a California Tax Credit Allocation Committee (TCAC) experienced and approved Property Management Company with experience specific to the population being served. The Management Company will oversee the maintenance of the property and will remain compliant with the governing regulatory bodies as well as Jamboree's high standards for operations. Jamboree's in-house supportive services division will provide the onsite supportive services to residents. The restrictive covenants will remain with the property for a period of 55 years. A 55-year term is a standard requirement for TCAC, HCD, and other public financing bodies.

Jamboree Housing will create a single purpose entity in the form of a limited partnership. At the time of tax credit admission (close on construction financing) we will admit a 99.99% limited partner who will be the tax credit investor. It is crucial that this site is owned/leased and operated

individually from the remaining uses and ownerships on the larger master site. As such, the site will require a lot line adjustment to create an individual parcel with legal description so that title is clean for the Partnership.

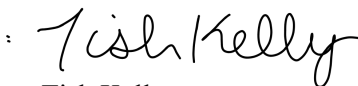
A development can be classified as a horizontal mixed-use project even when a parcel line divides the site into two separate properties due to its integrated design and commonly shared site features such as shared parking, landscaping, storm water treatment, and site access to name a few. While the physical division by a parcel line may separate the properties on paper, the development's layout and planning emphasize a blend of residential, commercial, or recreational elements within the same vicinity. This integration fosters a seamless and interconnected experience for residents and visitors, promoting a sense of community and convenience.

theme can further emphasize the mixed-use nature of the project. In essence, the presence of a parcel line need not detract from the horizontal mixed-use character when the design effectively unifies the two properties in function and experience.

Additionally, in a development where a parcel line divides the site into two properties, an association is often established to manage shared access and stormwater treatment facilities. This association plays a crucial role in ensuring the ongoing functionality and sustainability of the mixed-use project. Shared access roads, parking areas, and pedestrian walkways are maintained and managed collectively to facilitate ease of movement between the two properties, fostering a sense of unity. The establishment of such an association underscores the collaborative and cooperative nature of the development, reinforcing its classification as a horizontal mixed-use project.

Please feel free to reach out with any questions. I can be reached at 310-279-9989 or [tkelly@jamboreehousing.com](mailto:tkelly@jamboreehousing.com).

Thank you,



Tish Kelly  
Senior Vice President, Development





# ATTACHMENT 3



# COSTA MESA SC HOUSING

COSTA MESA, CA

-1-



PARKING SUMMARY

PARKING REQUIRED (AB 744) - PSH			
UNIT TYPE	PARKING REQ. PER DWELLING UNIT	NO OF UNITS	STALLS REQUIRED
1 & 2 BEDROOM	0	60	0
EXISTING SURFACE PARKING			
			145
TOTAL PARKING REQUIRED			145

PARKING PROVIDED	
OPEN STANDARD STALLS	62
OPEN COMPACT STALLS	12
GARAGE STALLS (GROUND LEVEL)	71
TOTAL PARKING PROVIDED	
	145
ADA PARKING STALLS	
	13
EV CAPABLE STALLS (10% OF TOTAL PARKING)	15
EV READY STALLS (25% OF TOTAL PARKING)	37
EV CHARGER STALLS (5% OF TOTAL PARKING)	8

UNIT SUMMARY

PLAN	BED/BATH	NET S.F.	NO. OF UNITS	UNIT S.F. TOTAL	UNIT MIX
P1.0	1BED / 1BA	±566	45	25,470	
P1.1	1BED / 1BA	±588	9	5,292	
P1.2	1BED / 1BA	±614	5	3,070	
1 BR SUBTOTAL			59		98%
P2.0	2 BED / 2 BA	±855	1	855	
2 BR SUBTOTAL			1		2%
TOTAL			60	34,687	100%

BUILDING AREA SUMMARY

	RESIDENTIAL	LEASING/ SERVICES/	CIRC. AND UTILITY	AMENITIES	GARAGE	TOTAL
1ST FLOOR	0	3,988 S.F.	1,409 S.F.	0	25,596 S.F.	30,993 S.F.
2ND FLOOR	13,576 S.F.	683 S.F.	4,447 S.F.	3,706 S.F.	0	22,412 S.F.
3RD FLOOR	13,175 S.F.	0	4,733 S.F.	0	0	17,908 S.F.
4TH FLOOR	13,197 S.F.	0	4,733 S.F.	0	0	17,930 S.F.
TOTAL	39,948 S.F.	4,671 S.F.	15,322 S.F.	3,706 S.F.	25,596 S.F.	89,243 S.F.

PROJECT TEAM

CLIENT:	JAMBOREE HOUSING CORPORATION 17701 COWAN AVE SUITE 200 IRVINE CA 92614 PHONE: 949.263.8676	CIVIL:	UNITED CIVIL-L.A INC. 1180 DURFEE AVENUE SOUTH EL MONTE CA 91733 CONTACT: CHRISTOPHER M.H. NEO PHONE: 626.575.9999 EXT.201
ARCHITECT:	ARCHITECTURE DESIGN COLLABORATIVE 23231 SOUTH POINTE DRIVE LAGUNA HILLS, CA 92653 CONTACT: CHRIS WEIMHOLT PHONE: 949.267.1660 EXT. 202	LANDSCAPE ARCHITECT:	MJS LANDSCAPE ARCHITECTURE 507 30TH STREET NEWPORT BEACH, CA 92663 CONTACT: DAN DELLE PHONE: 949.675.9964

PROJECT INFO

URBAN PLAN AREA:	19 WEST URBAN PLAN
ZONING:	C1 (LOCAL BUSINESS DISTRICT)
SITE ADDRESS:	695 W 19TH, COSTA MESA CA 92627
PROJECT DESCRIPTION:	
THE PROPOSED PROJECT CONSISTS OF 60 UNITS OVER THE TYPE I PODIUM GARAGE AT THE EXISTING COSTA MESA SENIOR CENTER PARKING LOT. THERE IS A MIX OF UNITS RANGING FROM 1-BEDROOM TO 2-BEDROOM UNIT.	
APN:	(1007-722-03-0000)
SITE AREA:	± 2.66 ACRES
UNITS:	60 UNITS
DENSITY:	22.6DU / ACRE
CONSTRUCTION TYPE:	PODIUM - (1) AND (3) LEVELS OF TYPE V-A OVER (1) LEVEL OF TYPE I-A
SPRINKLERS:	NFPA 13
BLDG. OCCUPANCY:	R-2, S-2, A-3, & B

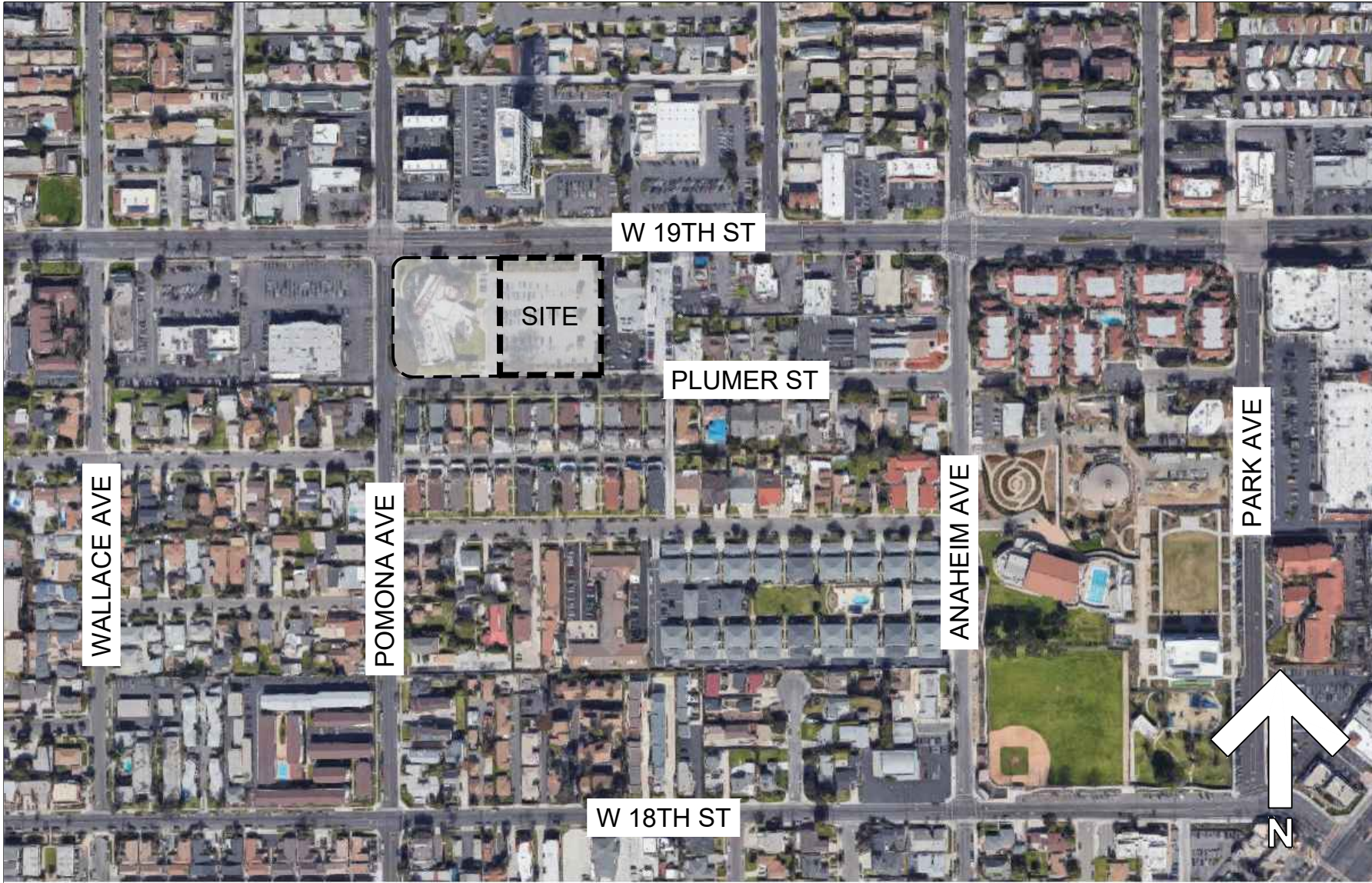
CONCESSION AND WAIVER REQUIRED

SUBJECT	REQUIRED	CONCESSIONS NEEDED
SIDE SETBACK ABUTTING PUBLIC STREET	MINIMUM: 5'-0"	YES
DEVELOPMENT LOT MINIMUM OPEN SPACE	34,786 S.F. (30% OF LOT AREA)	YES
ADDITIONAL PARKING STALL WIDTH ADJACENT TO WALL/COLUMN.	1FT ADDITIONAL WIDTH	YES

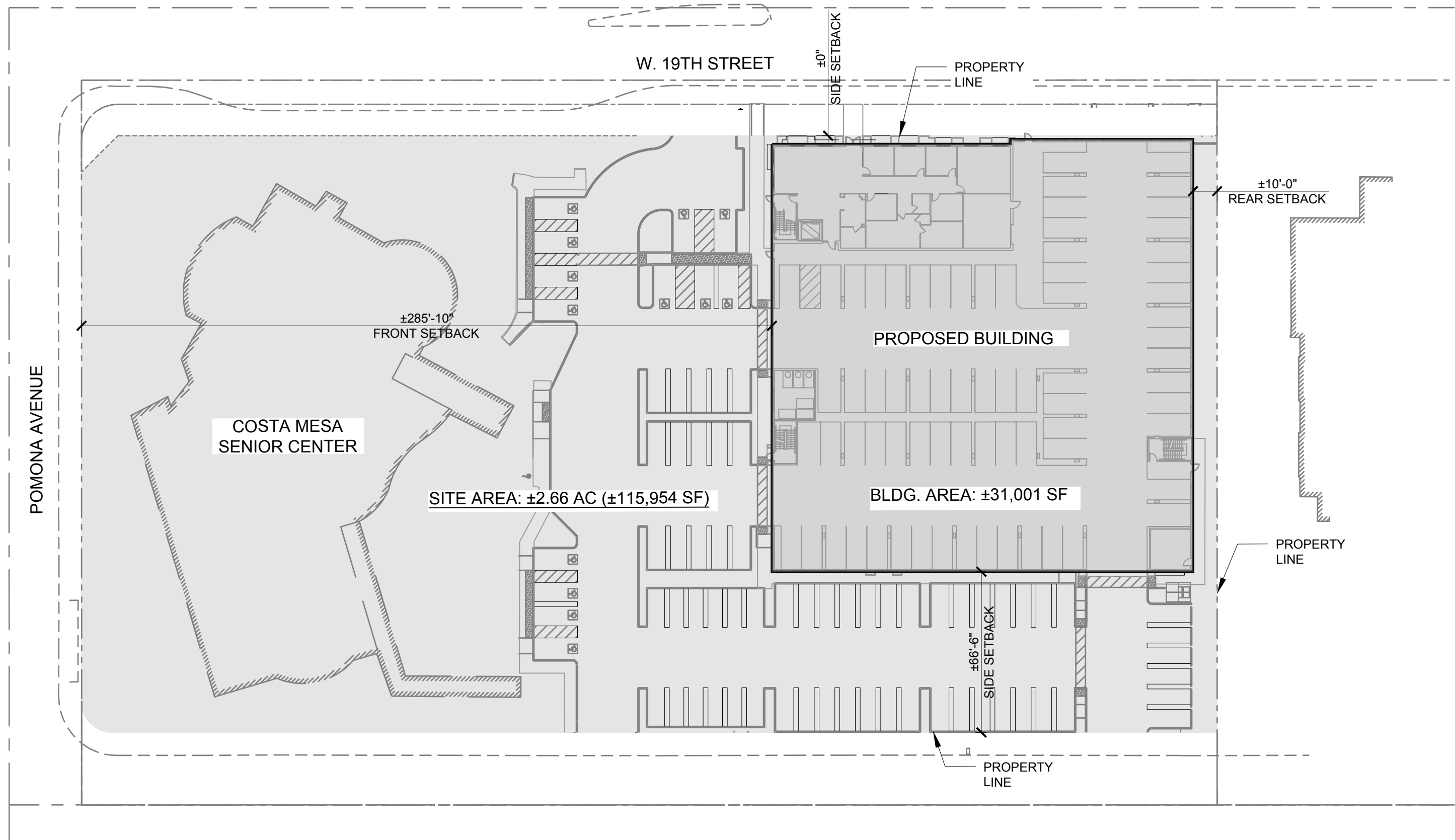
SHEET INDEX

GENERAL	
A0.0	TITLE SHEET
G0.0	GENERAL INFORMATION
G0.1	ZONING CONFORMANCE
G0.2	CODE ANALYSIS
G0.3	SITE PHOTO CONTEXT
LANDSCAPE	
L.1	COMPOSITE LANDSCAPE PLAN
L.2	GROUND LANDSCAPE PLAN
L.3	PODIUM LEVEL LANDSCAPE PLAN
L.4	CIRCULATION
CIVIL	
PRELIMINARY GRADING PLAN	
ARCHITECTURAL	
A1.0	SITE PLAN
A1.1	FIRE MASTER PLAN
A2.0	FIRST FLOOR PLAN
A2.1	SECOND FLOOR PLAN
A2.2	THIRD FLOOR PLAN
A2.3	FOURTH FLOOR PLAN
A2.4	ROOF PLAN
A2.5	ENLARGED SERVICE PLAN
A3.0	EXTERIOR ELEVATIONS
A3.1	EXTERIOR ELEVATIONS
A4.0	UNIT PLANS

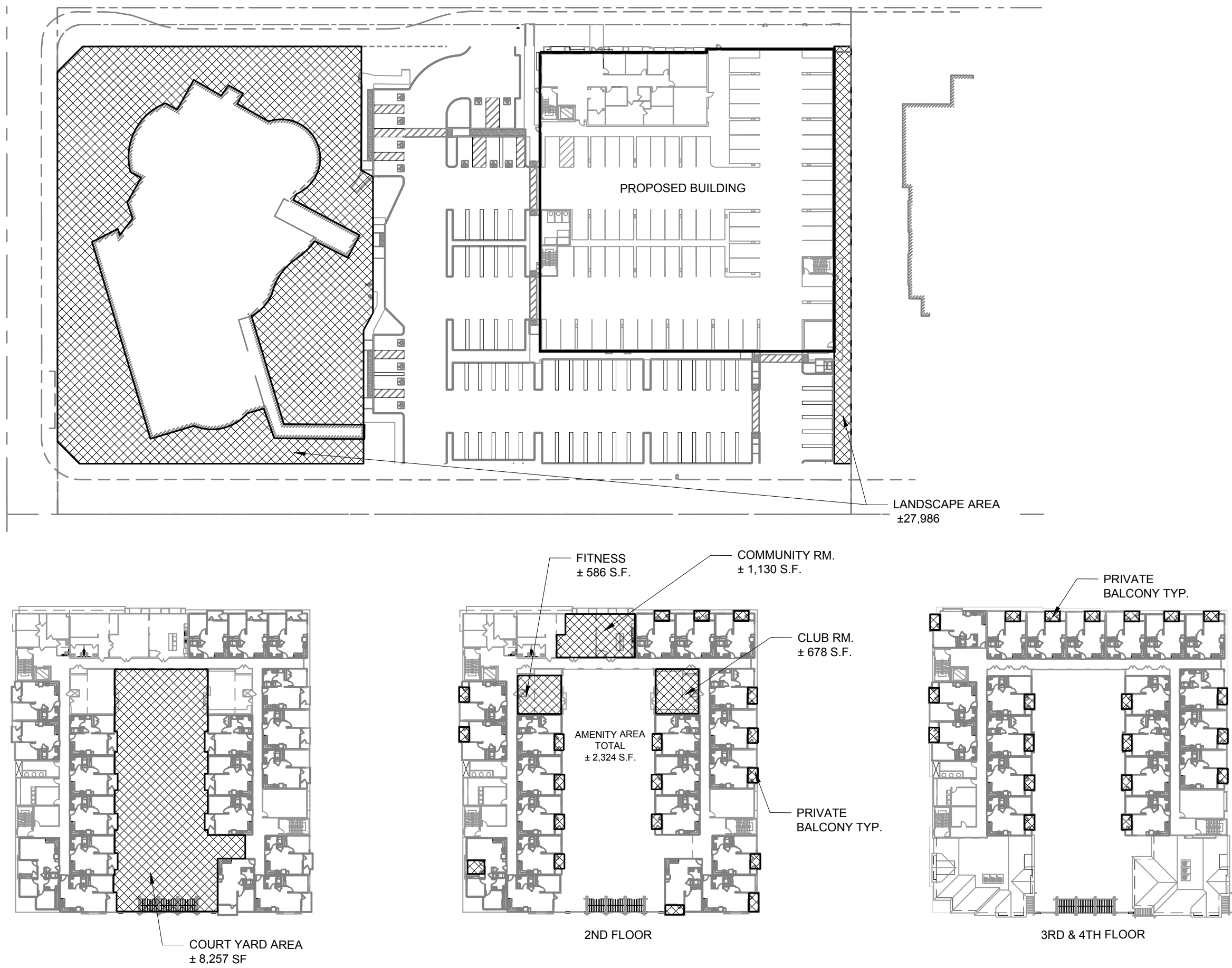
VICINITY MAP







SITE AREA EXHIBIT



OPEN SPACE EXHIBIT

URBAN PLAN DEVELOPMENT STANDARD SUMMARY

URBAN PLAN AREA: 19 WEST URBAN PLAN

SUBJECT	REQUIRED	PROVIDED	CONCESSIONS NEEDED
FRONT SETBACK	MINIMUM: 15'-0"	±285'-10"	NO
SIDE YARD SETBACK	MINIMUM: 5'-0"	0'-0" AND ±66'-6"	YES
REAR SETBACK	MINIMUM: 10'-0"	±10'-0"	NO
MAXIMUM HEIGHT	60'-0" (4 STORIES)	±57'-6" (4 STORIES)	NO
F.A.R.	MAXIMUM: 1.0	0.94	NO
DEVELOPMENT LOT MINIMUM OPEN SPACE	34,786 S.F. (30% OF LOT AREA)	29,786 S.F.	YES
RESIDENTIAL MINIMUM OPEN SPACE	12,000 S.F. (200 S.F. / UNIT)	14,068 S.F.	NO

FLOOR AREA RATIO SUMMARY

REQUIRED MAXIMUM FLOOR AREA RATIO (MIXED-USED)	1.0 FAR ALLOWED
EXISTING SENIOR CENTER BUILDING	20,127 S.F.
PROPOSED BUILDING AREA	88,294 S.F.
PROVIDED FLOOR AREA RATIO = 108,421 / 115,954	0.94 FAR

LOT COVERAGE SUMMARY

REQUIRED MAXIMUM LOT COVERAGE	90%
PROPOSED FIRST FLOOR BUILDING AREA	31,001 S.F.
EXISTING SENIOR CENTER BUILDING FOOTPRINT	20,127 S.F.
PROVIDED LOT COVERAGE RATIO = 51,128 / 115,954	44.1%

DEVELOPMENT LOT OPEN SPACE SUMMARY

DEVELOPMENT LOT OPEN SPACE REQUIRED	
MINIMUM 30% OF LOT AREA	34,786 S.F.
OPEN SPACE PROVIDED	
LANDSCAPE	27,986 S.F.
COURTYARD (±8,257 S.F.)	
10% MAX. OF LOT OPEN SPACE REQUIRED CAN OCCUR ON RAISED COURTYARD	1,800 S.F.
TOTAL OPEN SPACE PROVIDED	29,786 S.F.

RESIDENTIAL OPEN SPACE SUMMARY

RESIDENTIAL OPEN SPACE REQUIRED	
200 S.F. PER UNIT X 60 UNITS	12,000 S.F.
RESIDENTIAL OPEN SPACE PROVIDED	
AMENITY	2,324 S.F.
PRIVATE BALCONY	3,163 S.F.
COURTYARD	8,581 S.F.
TOTAL OPEN SPACE PROVIDED	14,068 S.F.



PRELIMINARY ALLOWABLE HEIGHT CALCULATION

BUILDING HEIGHT AND NUMBER OF STORIES FOR TYPE I-A CONSTRUCTION					
OCCUPANCY CLASSIFICATION	SPRINKLER	ALLOWABLE NUMBER OF STORIES C.B.C. TABLE 504.4	PROPOSED STORIES	ALLOWABLE HEIGHT C.B.C TABLE 504.3	PROPOSED HEIGHT
S-2 (MAIN)	SPRINKLERED	UNLIMITED	1	UNLIMITED	13.0 FT.

BUILDING HEIGHT AND NUMBER OF STORIES FOR TYPE V-A CONSTRUCTION					
OCCUPANCY CLASSIFICATION	SPRINKLER	ALLOWABLE NUMBER OF STORIES C.B.C. TABLE 504.4	PROPOSED STORIES	ALLOWABLE HEIGHT C.B.C TABLE 504.3	PROPOSED HEIGHT
R-2 (MAIN)	SPRINKLERED (W/O AREA INCREASE)	4	3	70 FT.	57.6 FT.

PRELIMINARY ALLOWABLE AREA CALCULATION - TYPE I-A

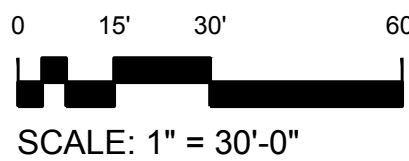
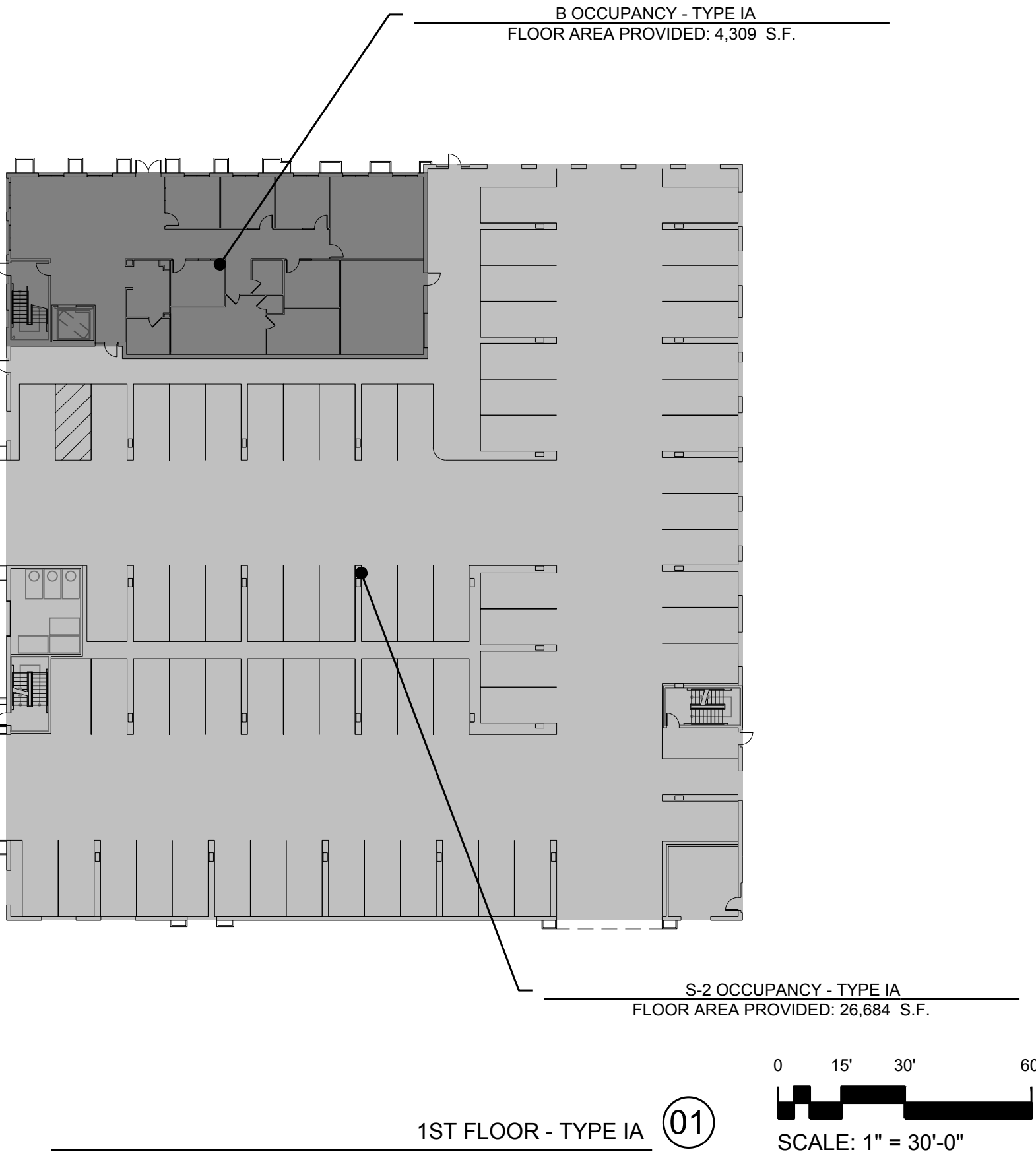
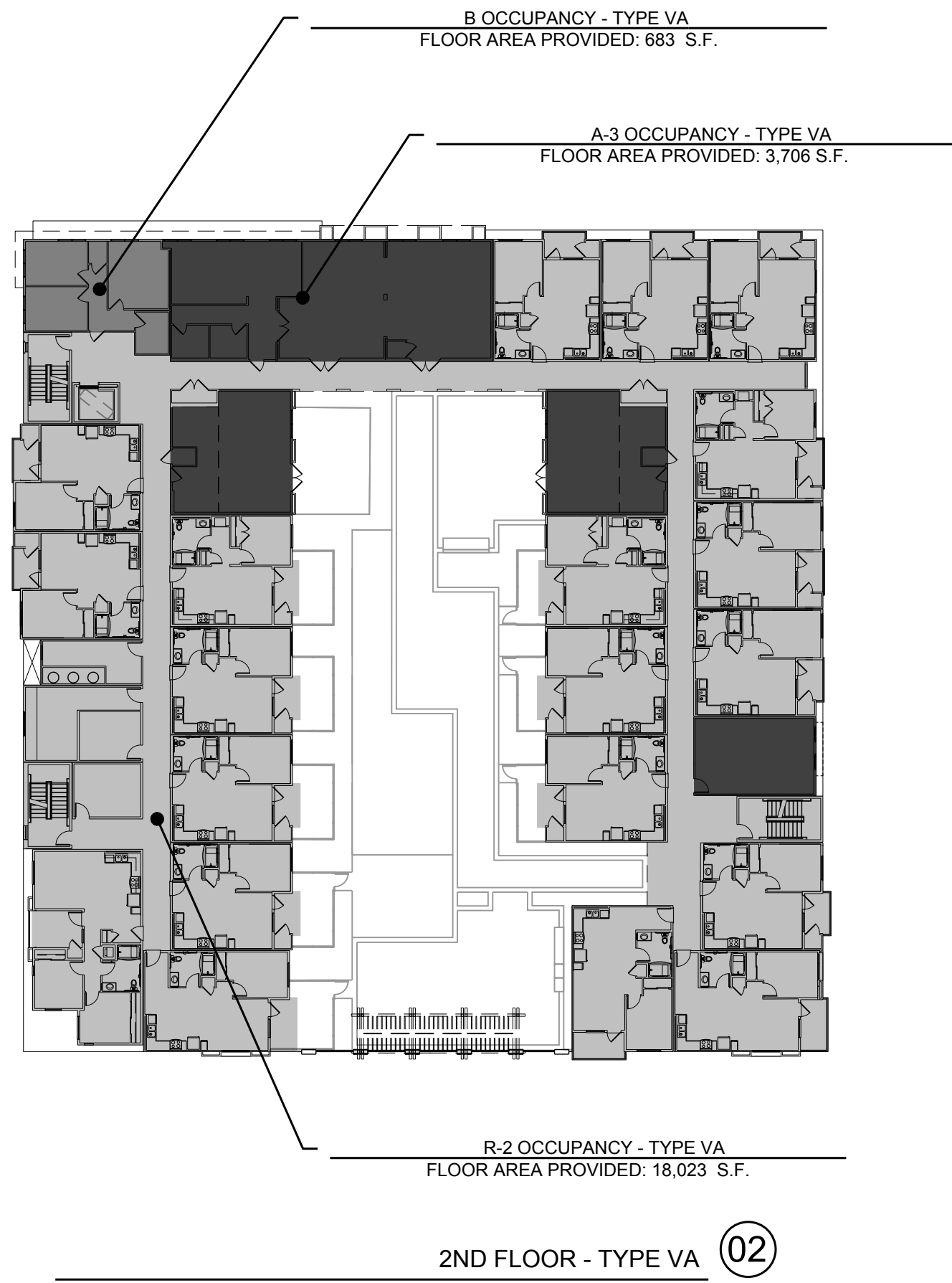
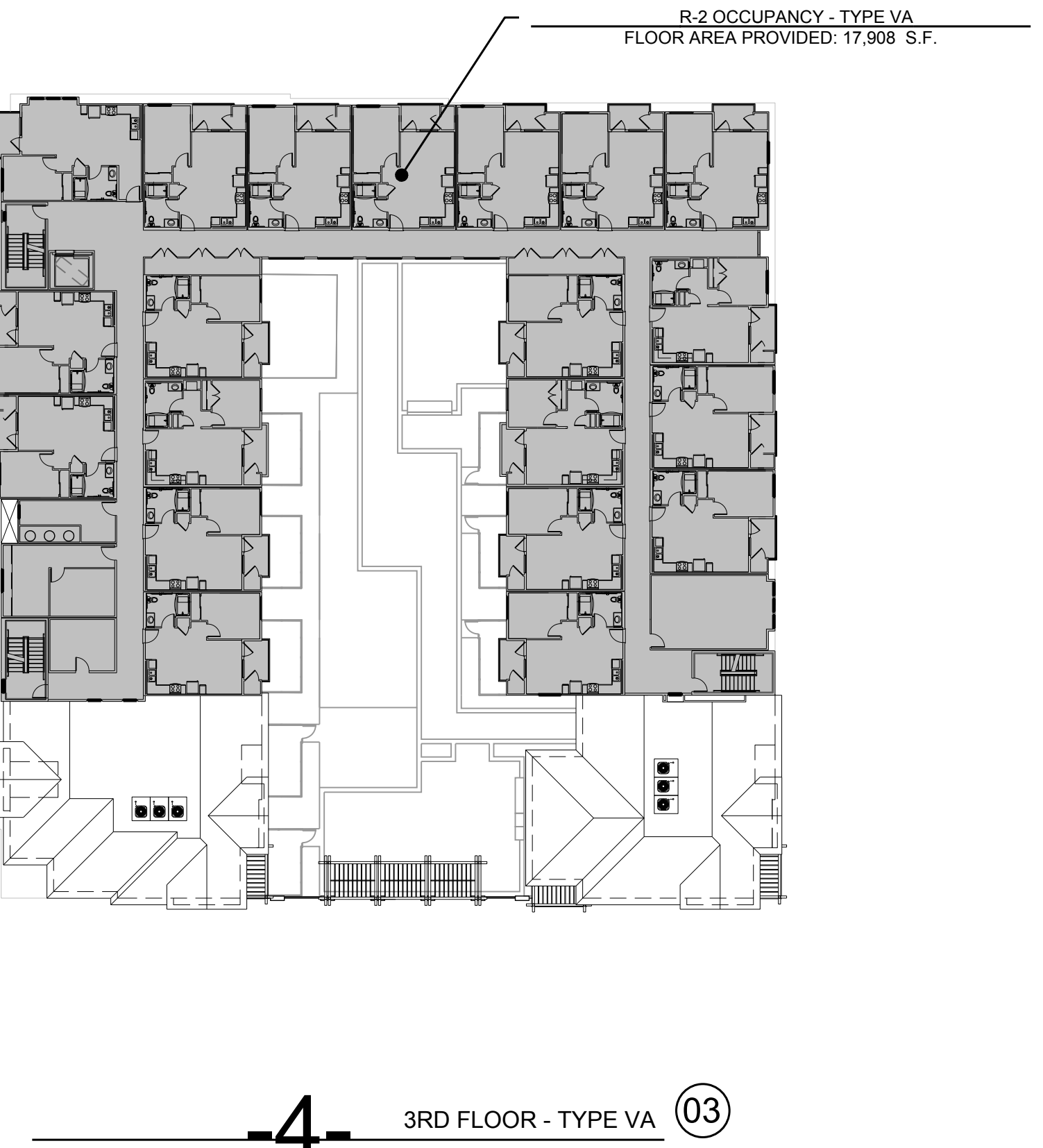
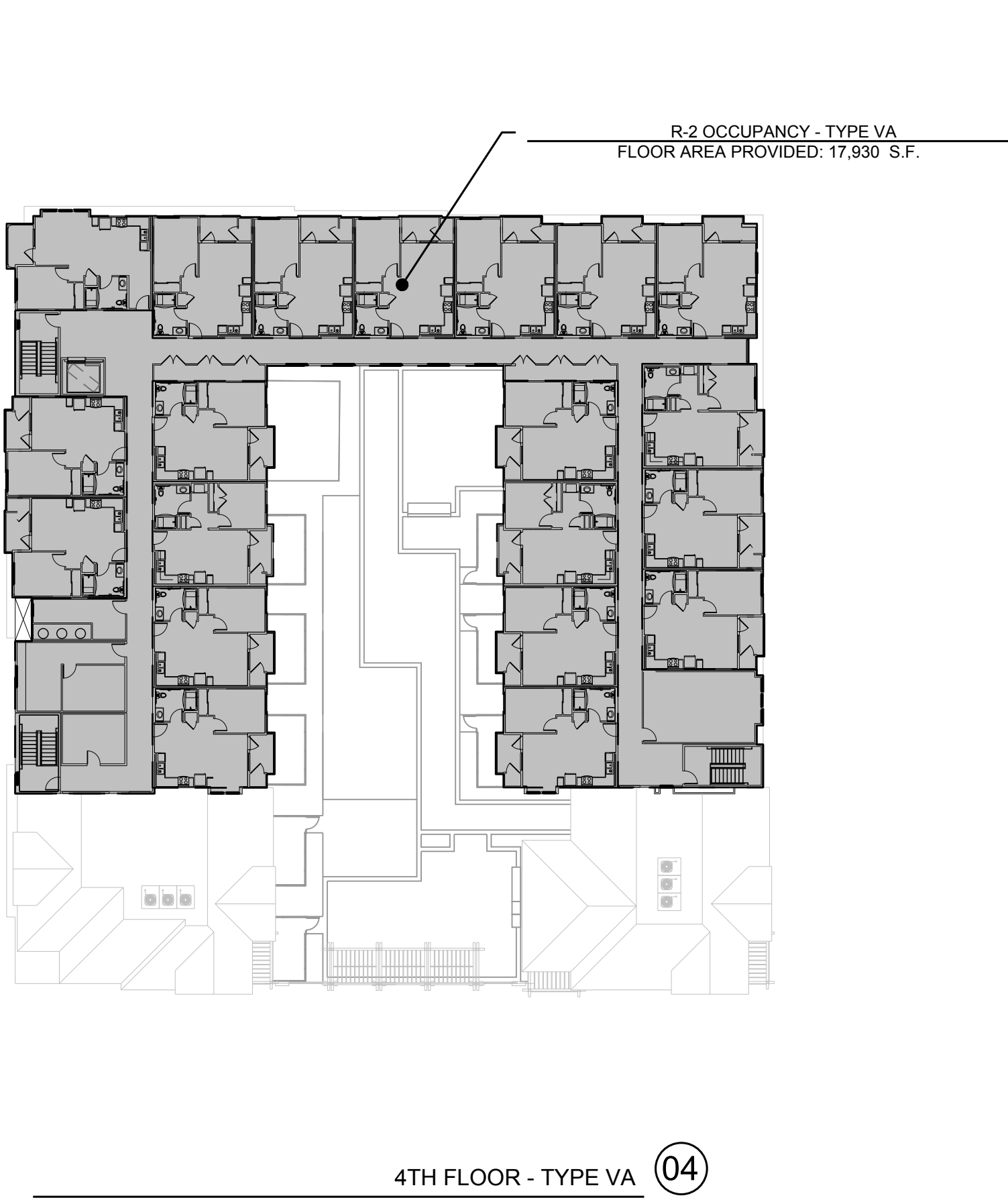
ALLOWABLE AREA PER STORY	
(PER CBC 506.2.2) Mixed-Occupancy, Multistory Buildings $A_a = [A_t + (N_s \times I_f)]$	
S-2  (PER CBC TABLE 506.2: S-2) Sprinklered $A_t$ = UNLIMITED $N_s$ = UNLIMITED $I_f$ = 0  $A_a$ = UNLIMITED	B  (PER CBC TABLE 506.2: B) Sprinklered $A_t$ = UNLIMITED $N_s$ = UNLIMITED $I_f$ = 0  $A_a$ = UNLIMITED

LEVEL	ACTUAL BUILDING AREA (S.F.)					ALLOWABLE BUILDING AREA			
	R-2	A-3	B	S-2	TOTAL	S-2 AREA RATIO (S-2/UNLIMITED)	B AREA RATIO (B/UNLIMITED)	TOTAL	ALLOWABLE AREA
1ST	0	0	4,309	26,684	30,993	-	-	-	-

PRELIMINARY ALLOWABLE AREA CALCULATION - TYPE V-A

ALLOWABLE AREA PER STORY	
(PER CBC 506.2.2) Mixed-Occupancy, Multistory Buildings $A_a = [A_t + (N_s \times I_f)]$	
R-2  (PER CBC TABLE 506.2: R-2) Sprinklered $A_t$ = 36,000 SF $N_s$ = 12,000 SF $I_f$ = 0  $A_a = [36,000 + (12,000 \times 0)] = 36,000$ SF $A_a$ = 36,000 SF	A-3  (PER CBC TABLE 506.2: A-3) Sprinklered $A_t$ = 34,500 SF $N_s$ = 11,500 SF $I_f$ = 0  $A_a = [34,500 + (11,500 \times 0)] = 34,500$ SF $A_a$ = 34,500 SF

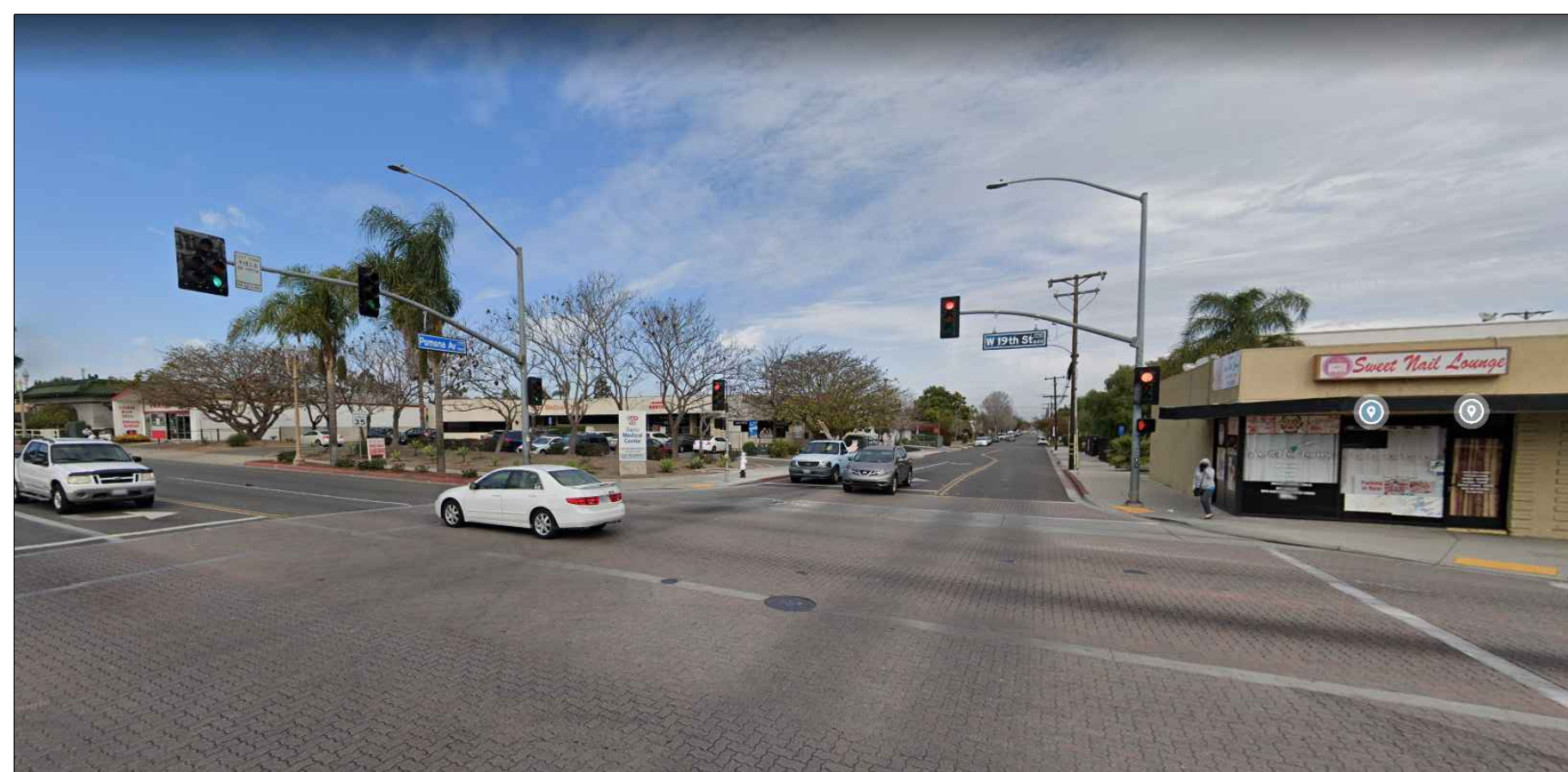
LEVEL	ACTUAL BUILDING AREA (S.F.)					ALLOWABLE BUILDING AREA				
	R-2	A-3	B	S-2	TOTAL	R-2 AREA RATIO (R-2/36,000)	A-3 AREA RATIO (A-3/34,500)	B AREA RATIO (B/54,000)	TOTAL	ALLOWABLE AREA
2ND	18,023	3,706	683	0	22,412	0.501	0.107	0.013	0.621	$0.621 < 1 \checkmark$
3RD	17,908	0	0	0	17,908	0.497	0.000	0.000	0.497	$0.497 < 1 \checkmark$
4TH	17,930	0	0	0	17,930	0.498	0.000	0.000	0.498	$0.498 < 1 \checkmark$
TOTAL	53,861	3,706	683	0	58,250	1.496	0.107	0.013	1.118	$1.616 < 2 \checkmark$



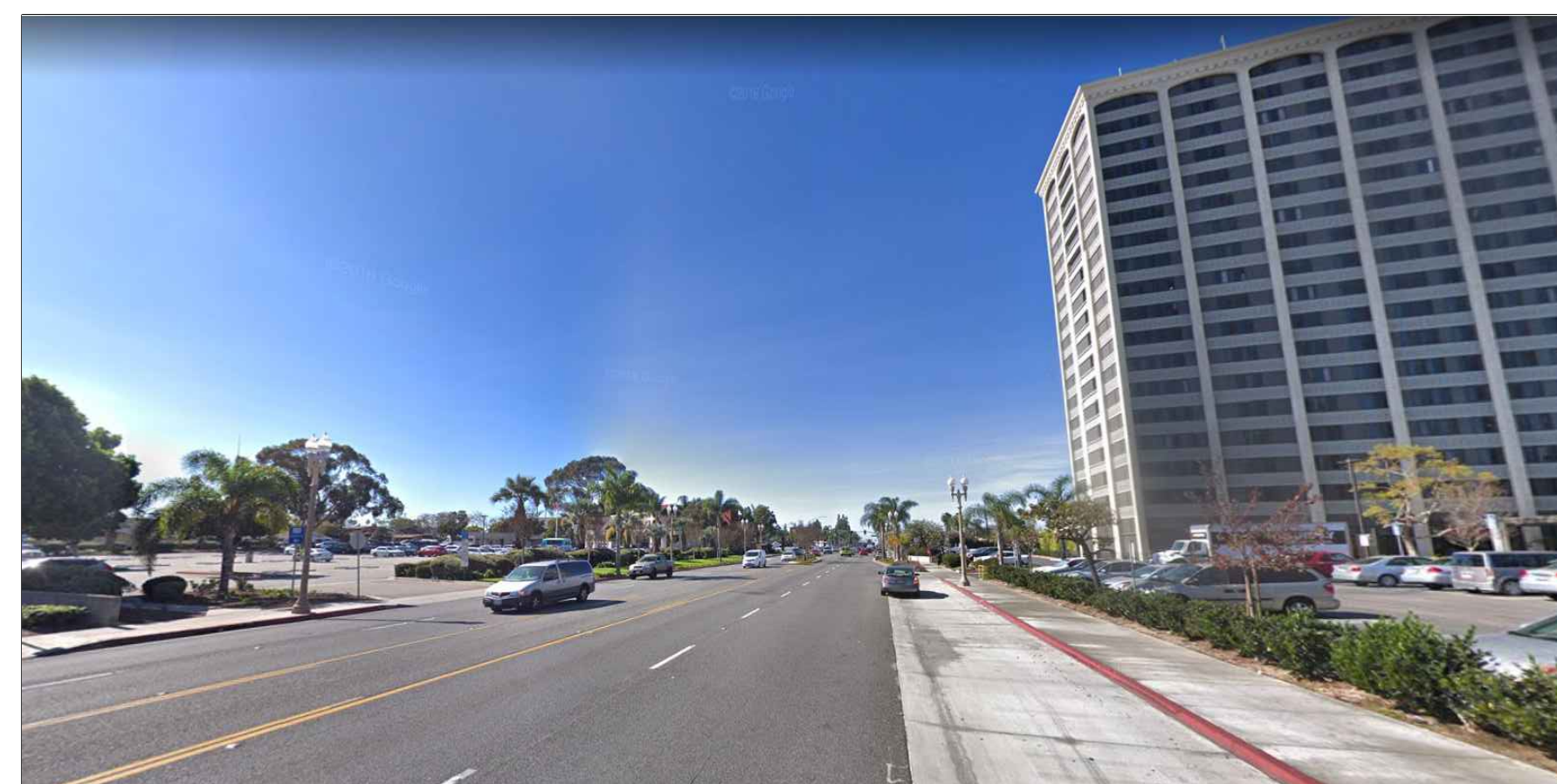




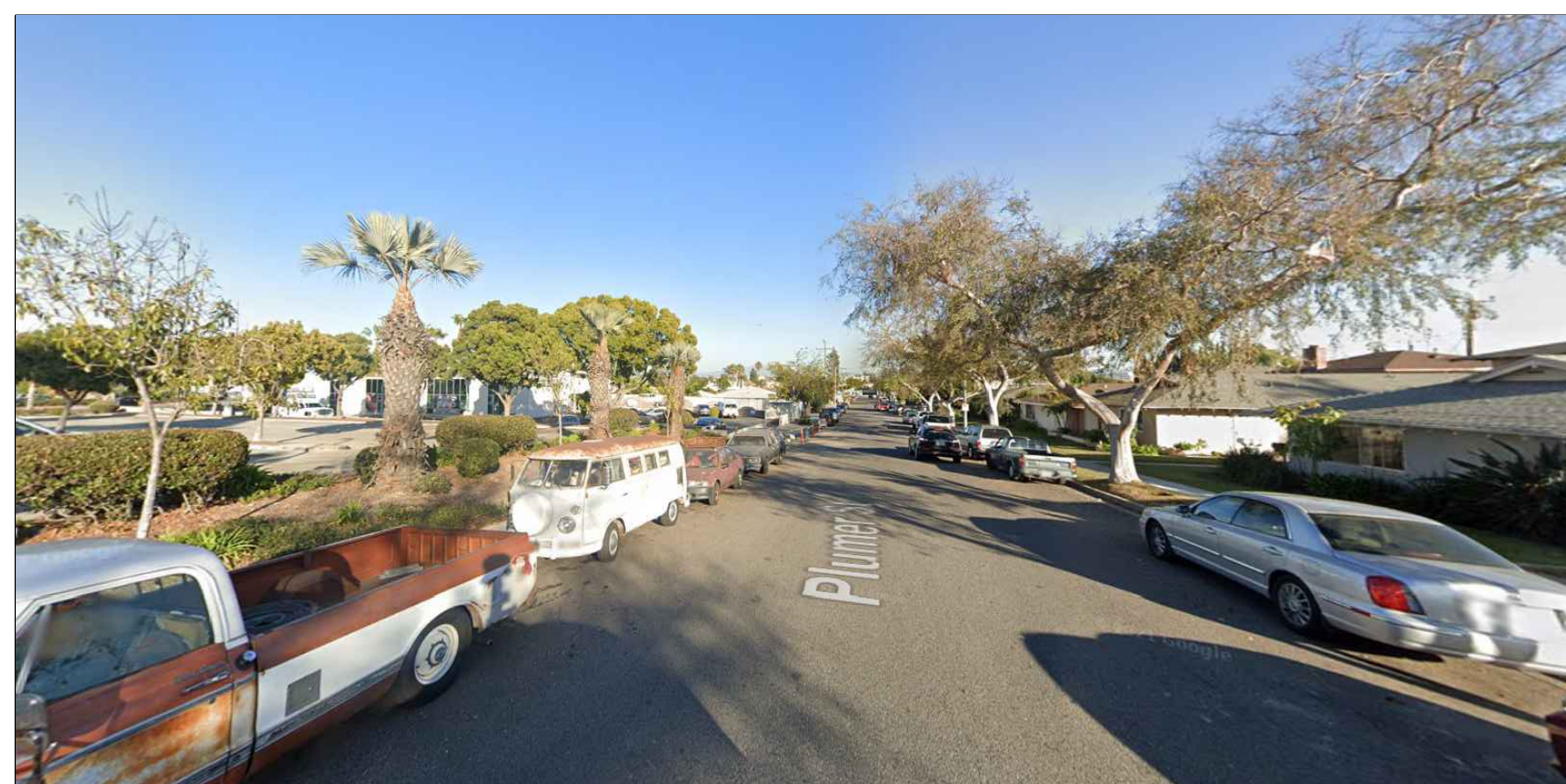
VIEW LOOKING NORTH FROM POMONA AVE. (10)



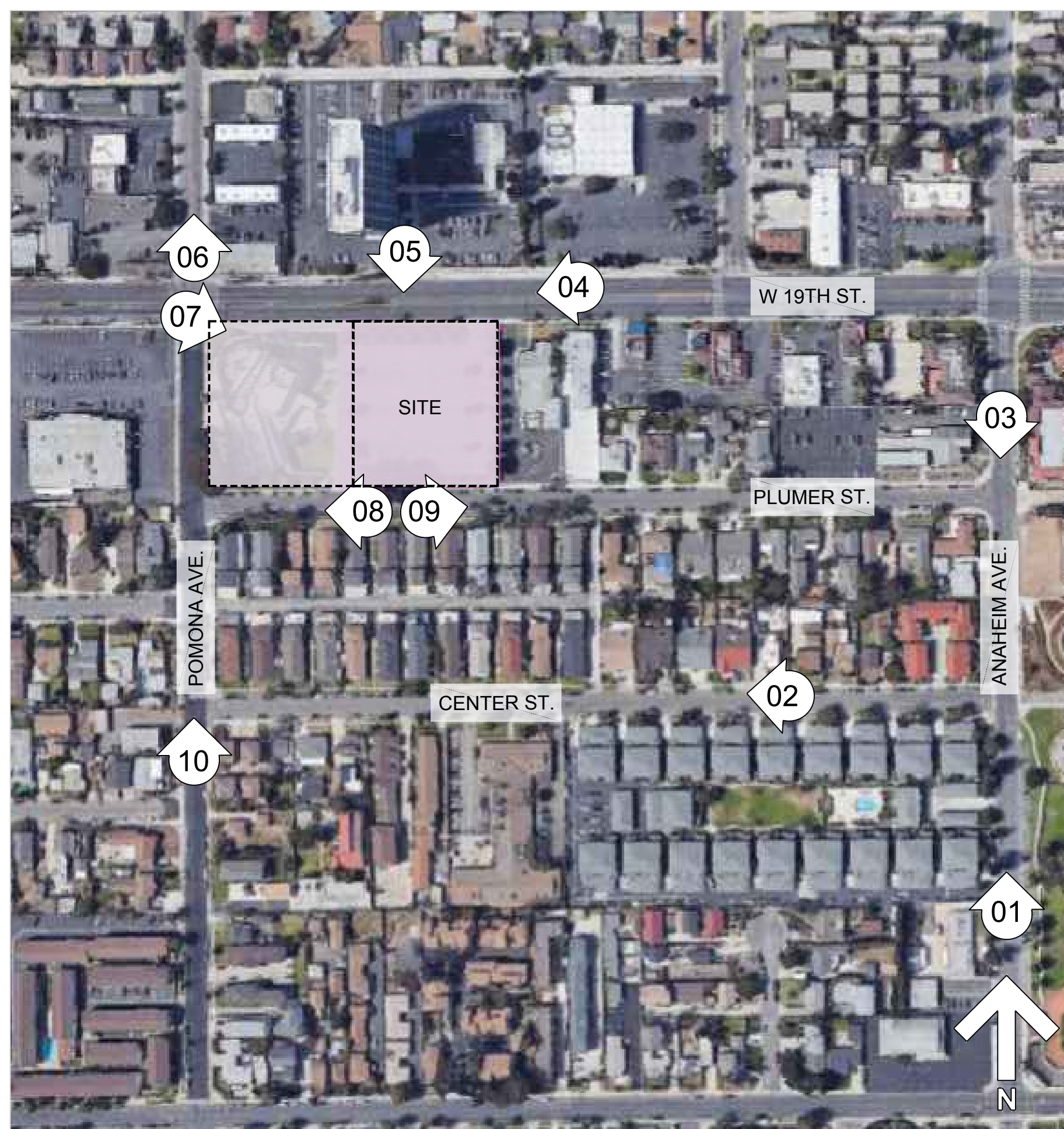
VIEW LOOKING NORTH FROM INTERSECTION OF POMONA AVE. AND W 19TH ST. (06)



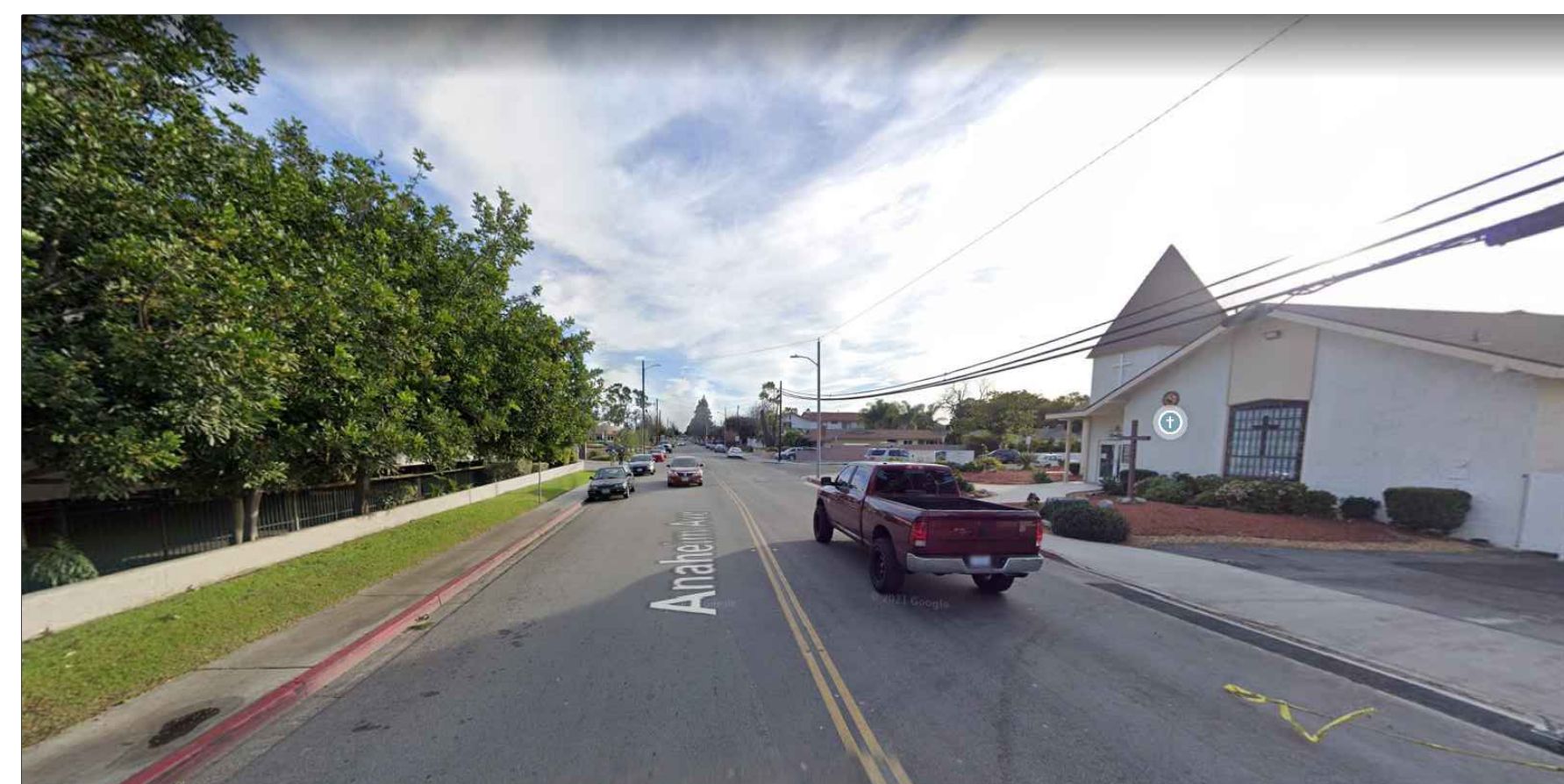
VIEW LOOKING WEST FROM W 19TH ST. (04)



VIEW LOOKING EAST FROM PLUMER ST. (09)



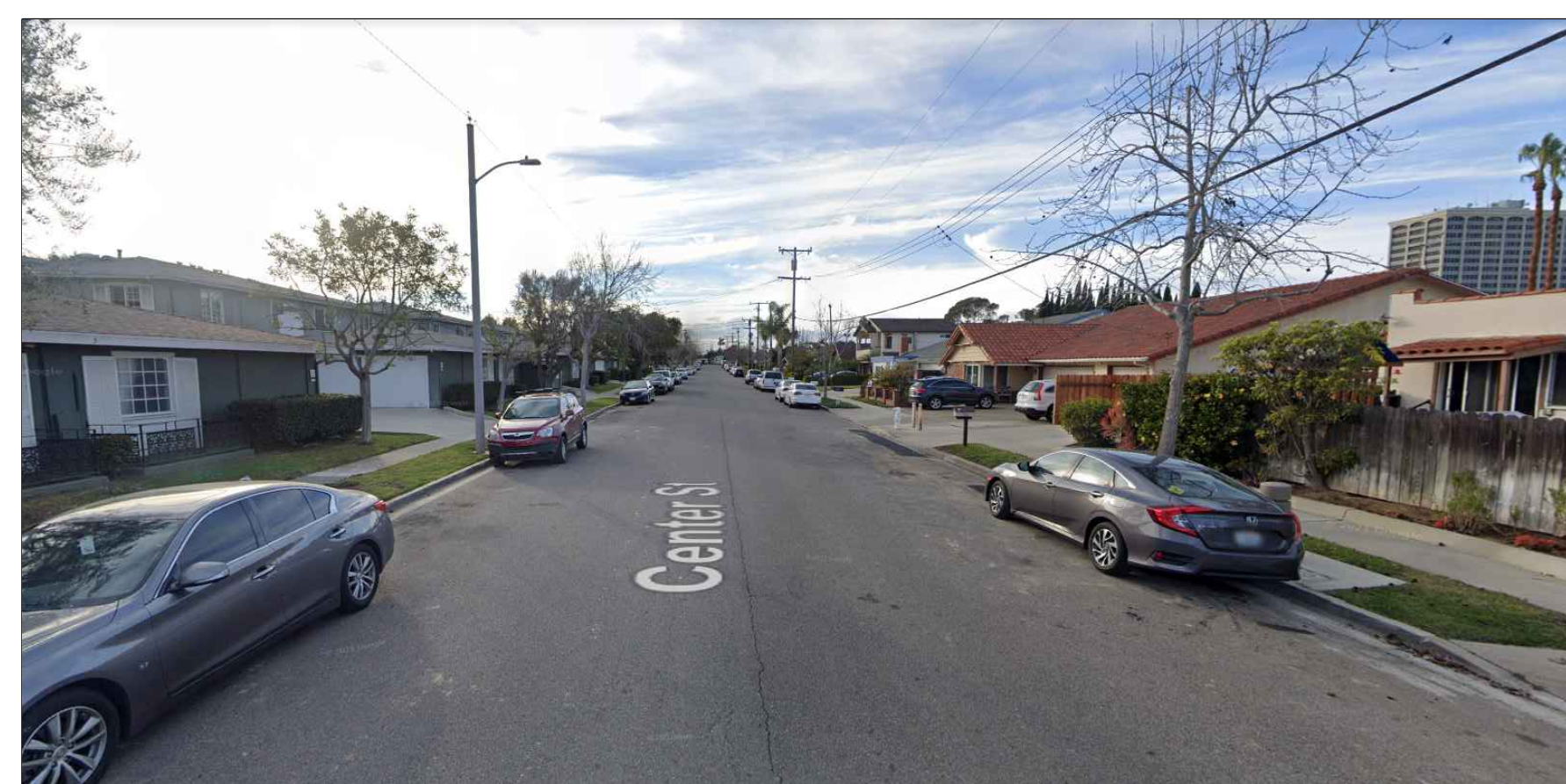
VICINITY MAP



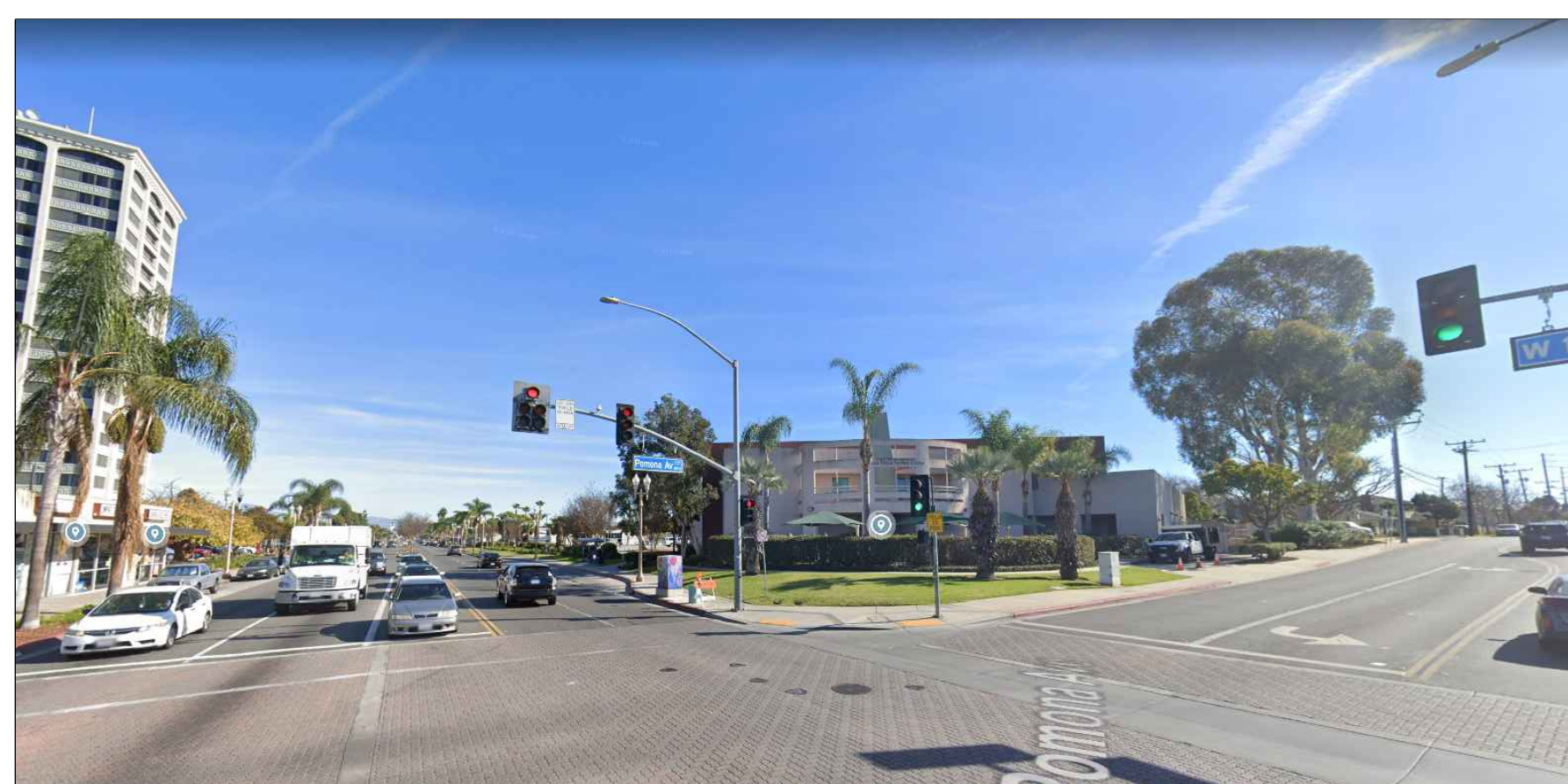
VIEW LOOKING SOUTH FROM ANAHEIM AVE. (03)



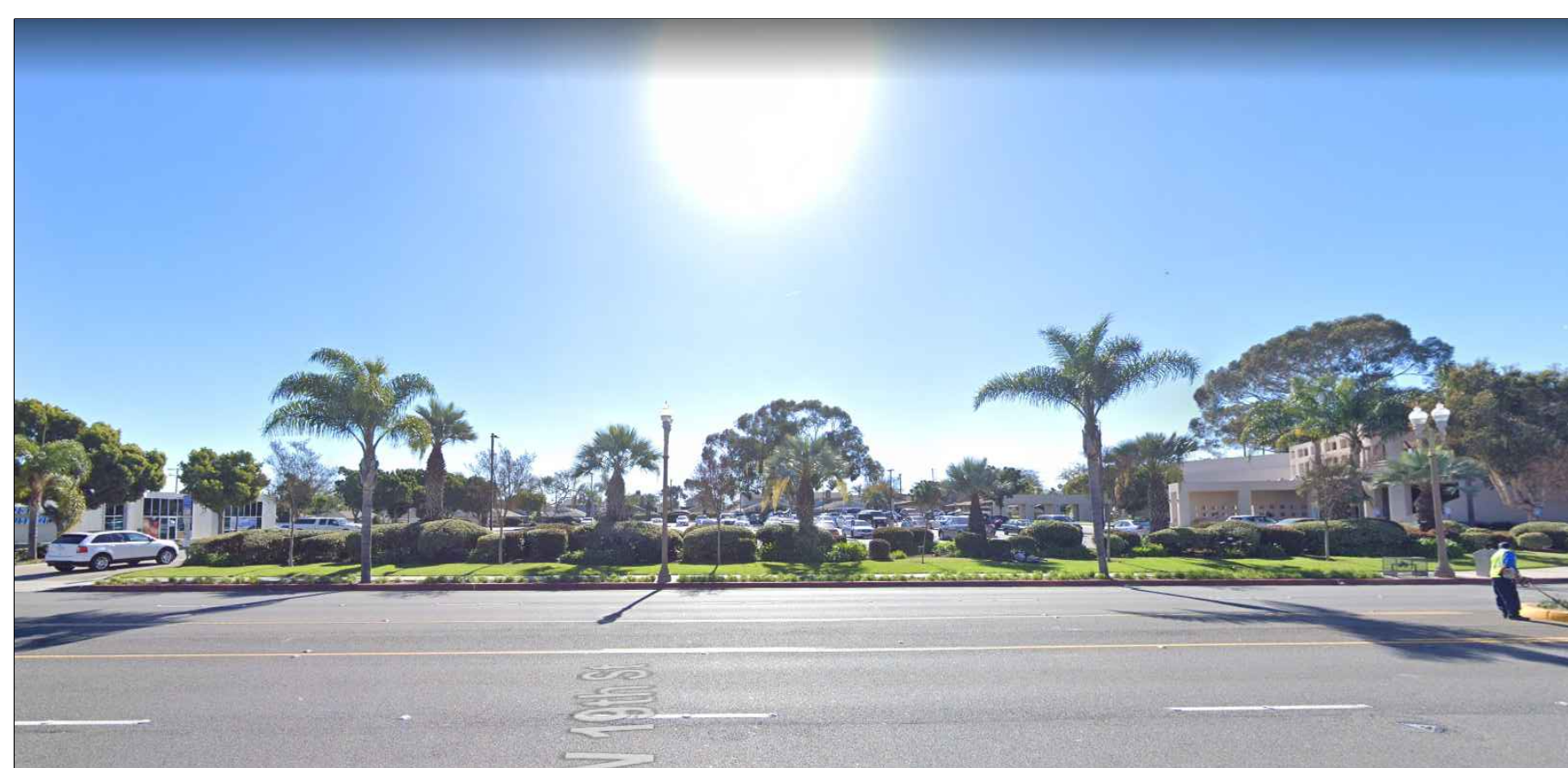
VIEW LOOKING WEST FROM PLUMER ST. (08)



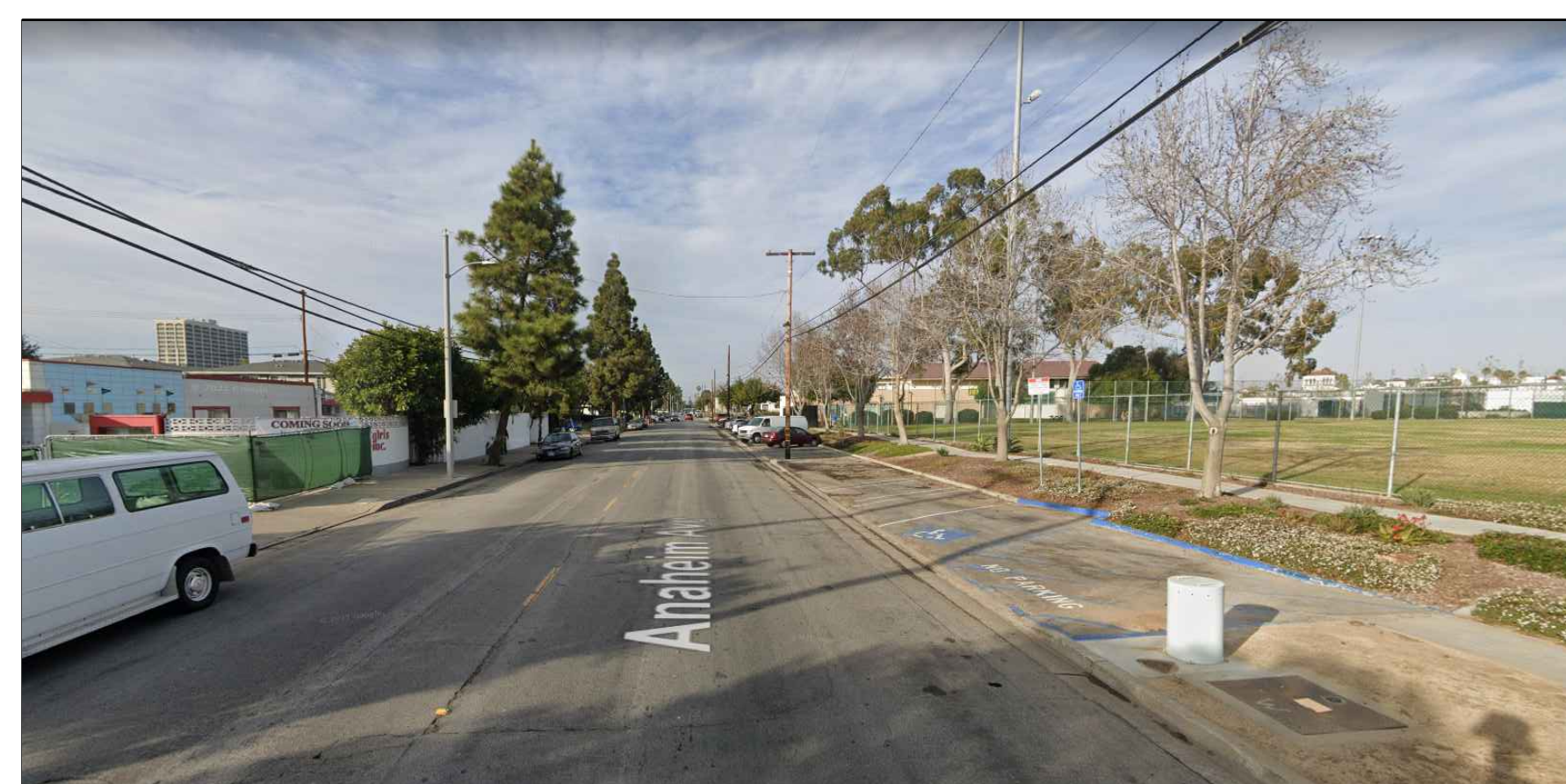
VIEW LOOKING WEST FROM CENTER ST. (02)



VIEW LOOKING EAST FROM INTERSECTION OF POMONA AVE. AND W 19TH ST. (07)



VIEW LOOKING SOUTH FROM W 19TH ST. (05)



VIEW LOOKING NORTH FROM ANAHEIM AVE. (01)













FITNESS LAWN

- synthetic lawn
- pottery screen

PATIO DINING

- dining tables
- bbq counter
- olive tree grove in pots
- enhanced paving

MULTI-USE LAWN

- lawn games
- yoga / tai chi

PRIVATE PATIO

- wrought iron fence with gate
- \*gate application varies
- pottery

LOUNGE

- group seating
- pottery
- enhanced paving

COMMUNITY GARDEN

- raised planting beds
- planting work table and storage
- patio seating
- pergola / trellis



LEGEND

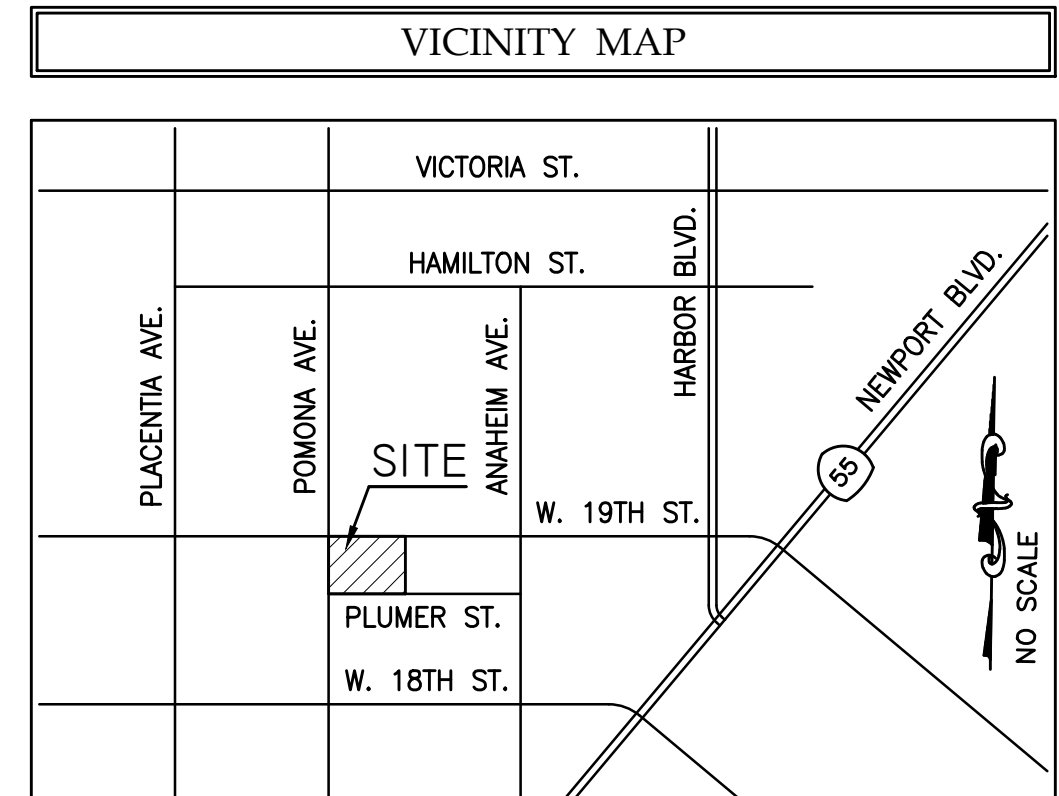
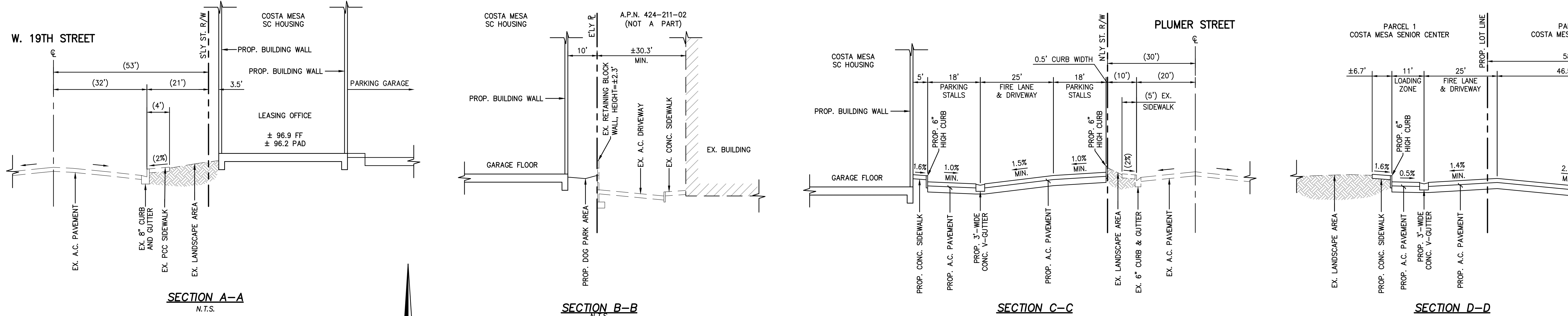
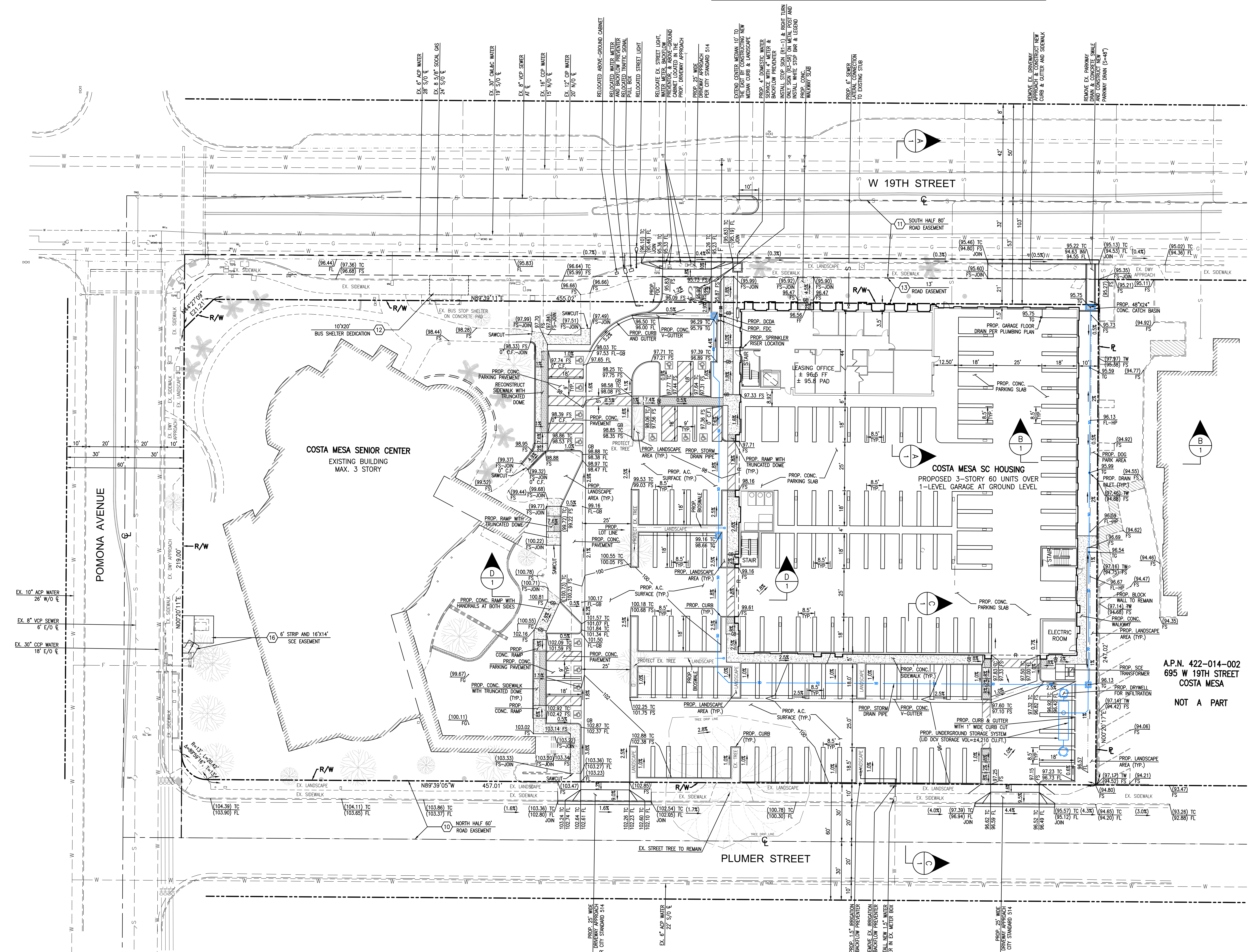
PRIVATE ROUTE OF ACCESSIBLE CIRCULATION

PUBLIC ROUTE OF ACCESSIBLE CIRCULATION





PRELIMINARY GRADING PLAN



- EASEMENTS**
- 10. AN EASEMENT FOR ROAD AND INCIDENTAL PURPOSES, RECORDED AS BOOK 3663, PAGE 518 OF OFFICIAL RECORDS. IN FAVOR OF: THE CITY OF COSTA MESA. AFFECTS: AS DESCRIBED THEREIN.
  - 11. AN EASEMENT FOR THE WIDENING OF WEST 19TH STREET AND INCIDENTAL PURPOSES, RECORDED DECEMBER 06, 1996 AS BOOK 3735, PAGE 110 OF OFFICIAL RECORDS. IN FAVOR OF: THE CITY OF COSTA MESA. AFFECTS: AS DESCRIBED THEREIN.
  - 12. AN OFFER OF DEDICATION FOR PUBLIC BUS SHELTER AND INCIDENTAL PURPOSES, RECORDED SEPTEMBER 13, 1977 AS BOOK 12375, PAGE 254 OF OFFICIAL RECORDS. TO: THE CITY OF COSTA MESA.
  - 13. AN EASEMENT FOR STREETS AND HIGHWAYS AND INCIDENTAL PURPOSES, RECORDED NOVEMBER 15, 1979 AS BOOK 13396, PAGE 1206 OF OFFICIAL RECORDS. IN FAVOR OF: THE CITY OF COSTA MESA. AFFECTS: AS DESCRIBED THEREIN.
  - 16. AN EASEMENT FOR UNDERGROUND ELECTRICAL SUPPLY SYSTEMS AND COMMUNICATION SYSTEMS NECESSARY OR USEFUL FOR DISTRIBUTING ELECTRICAL ENERGY AND FOR TRANSMITTING INTELLIGENCE BY ELECTRICAL MEANS AND INCIDENTAL PURPOSES, RECORDED SEPTEMBER 05, 1991 AS INSTRUMENT NO. 91-42926 OF OFFICIAL RECORDS. IN FAVOR OF: SOUTHERN CALIFORNIA EDISON COMPANY, A CORPORATION. SUCCESSORS AND ASSIGNS AS DESCRIBED THEREIN.

**BENCH MARK**

PUBLIC WORKS OF ORANGE COUNTY DESIGNATION: CM-39-81

DESCRIBED BY OCS 2001 - FOUND 3-3/4" OCS ALUMINUM BENCHMARK DISK STAMPED "CM-39-81", SET IN THE SOUTHEAST CORNER OF A 3 FT. BY 15 FT. CONCRETE CATCH BASIN. MONUMENT IS LOCATED IN THE SOUTHWEST CORNER OF THE INTERSECTION OF PLACENTIA AVENUE AND 19TH STREET, 23 FT. SOUTHERLY OF THE CENTERLINE OF 19TH STREET AND 0.5 FT. WESTERLY OF THE WEST END OF THE SOUTHWEST CURB RETURN. MONUMENT IS SET LEVEL WITH SIDEWALK.

ELEVATION: 102.442 (2005 ADJUSTMENT) NAVD 1988

**BASIS OF BEARINGS**

THE BEARING NORTH 89°27'28" EAST ALONG THE CENTERLINE OF 19TH STREET AS SHOWN ON TRACT NO. 3287 RECORDED IN BOOK 102, PAGES 39 TO 39 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF ORANGE COUNTY WAS TAKEN AS THE BASIS OF BEARINGS SHOWN ON THIS MAP.

**SITE INFORMATION**

SITE ADDRESS: 695 W. 19TH STREET, COSTA MESA, CA 92627

**LEGAL DESCRIPTION**

THE REAL PROPERTY IN THE CITY OF COSTA MESA, COUNTY OF ORANGE, STATE OF CALIFORNIA, DESCRIBED AS:

LOT 501, NEWPORT MESA TRACT, AS PER MAP RECORDED IN THE BOOK 5, PAGE 1 OF MISCELLANEOUS MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE EASTERLY 160 FEET.

**PROJECT INFORMATION**

ZONE: 19 WEST URBAN PLAN

SITE ADDRESS: 695 W. 19TH STREET, COSTA MESA, CA 92627

PROJECT DESCRIPTION: THE PROPOSED PROJECT CONSISTS OF 60 UNITS OVER THE TYPE I PODIUM GARAGE AT THE EXISTING COSTA MESA SENIOR CENTER PARKING LOT. THERE IS A MIX OF UNITS RANGING FROM 1-BEDROOM TO 2-BEDROOM UNIT.

ASSESSOR PARCEL NO.: 424-211-01

SITE AREA OVERALL: 3.24 AC (GROSS)

UNITS: 2,66 AC (NET - EXCLUDE EXISTING STREET EASEMENTS)

CONSTRUCTION TYPE: 80 UNITS

PODIUM - (1) AND (3) LEVELS OF TYPE V OVER (1) LEVEL OF TYPE I

BUILDING HEIGHT: ±51'

SPRINKLERS: NFPA 13

**EARTHWORK ESTIMATES**

	RAW CUT (CY)	RAW FILL (CY)
OVER-EXCAVATION - BUILDING (3' DEEP, 5' BEYOND FOOTPRINT)	-1,066	
UNDERCUT - DRIVEWAY, PARKING, & SIDEWALK (12")	-402	211
UNDERGROUND STORAGE SHRINKAGE (10%)		537
TOTAL =	-5,367	4,597

NET EXPORT = 770 CY

**UTILITY PROVIDERS**

CATV:	SPECTRUM	1-833-267-6994
ELECTRICITY:	SOUTHERN CALIFORNIA EDISON	1-800-655-4555
GAS:	SOUTHERN CALIFORNIA GAS	1-800-427-2200
SEWER:	COSTA MESA SANITARY DISTRICT	1-949-645-8400
STORM DRAIN:	CITY OF COSTA MESA	1-714-754-5123
TELEPHONE:	AT&T	1-800-310-2355
TRASH COLLECTION:	COSTA MESA DISPOSAL	1-949-645-8400
WATER:	MESA WATER DISTRICT	1-949-631-1201

**ABBREVIATION**

AC	ADBE
A.C.	ASPHALT CONCRETE
AS	ASBESTOS CONCRETE PIPE
BFP	BACKFLOW PREVENTER
C	CENTER LINE
COP	CONCRETE CYLINDER PIPE
CIP	CAST IRON PIPE
CML&C	CEMENT MORTAR LINES & CEMENT MORTAR COATED STEEL PIPE
EX	EXISTING
FF	FINISHED FLOOR
FG	FINISHED GRATE
FL	FLOW LINE
FS	FINISHED SURFACE
GB	GRADE BREAK
INV	INVERT
HP	HIGH POINT
NG	NATURAL GRADE
OHL	OVERHEAD LINE
P	PROPERTY LINE
PROP.	PROPOSED
R/W	RIGHT OF WAY
S	SEWER CLEANOUT
SLOPE	SLOPE
STD	STANDARD
TC	TOP OF CURB
TG	TOP OF GRATE
TYP	TYPICAL
VCP	VITRIFIED CLAY PIPE
VOL	VOLUME

**LEGEND**

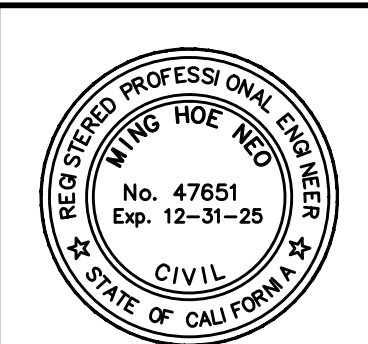
	CONCRETE PAVEMENT		EXISTING OVERHEAD LINE
	FIRE HYDRANT		EXISTING GAS LINE
	POWER POLE		EXISTING WATER LINE
	TELECOMMUNICATION MANHOLE		EXISTING SEWER LINE
	SEWER MANHOLE		PROP. FIRE WATER SERVICE
	MANHOLE WITH COVER		PROP. IRRIGATION WATER SERVICE
	STREET LIGHT		PROP. DOMESTIC WATER SERVICE
	UTILITY POLE		EX. PROPERTY LINE
	ROAD POLE		EX. RIGHT-OF-WAY
	CATY PULL-BOX		SLOPE
	ELECTRIC PULL-BOX		STD
	TELEPHONE PULL-BOX		TOP OF CURB
	TRAFFIC SIGNAL PULL-BOX		TOP OF GRATE
	ELECTRIC METER		TYPICAL
	GAS METER		VCP
	GAS VALVE		VOL
	GAS VAULT		
	WATER METER		
	WATER VALVE		

**REVISION BLOCK**

REV#	DATE	REVISION DESCRIPTION
1	12/15/2023	ISSUED FOR PERMIT

DEVELOPER/APPLICANT:  
**Jamboree**  
JAMBOREE HOUSING CORPORATION  
17701 COWAN AVE. SUITE 200  
IRVINE, CA 92614  
TEL: (949) 263-9676  
CONTACT: ERIC CUSHMAN

PREPARED BY:  
**UNITED CIVIL, INC.**  
1180 DUFFIE AVENUE, SUITE 220  
SOUTH EL MONTE, CA 91733  
PH: (626) 575-9999  
FAX: (626) 575-9986  
MING HOE NEO R.C.E. 47651  
12-11-2023  
DATE

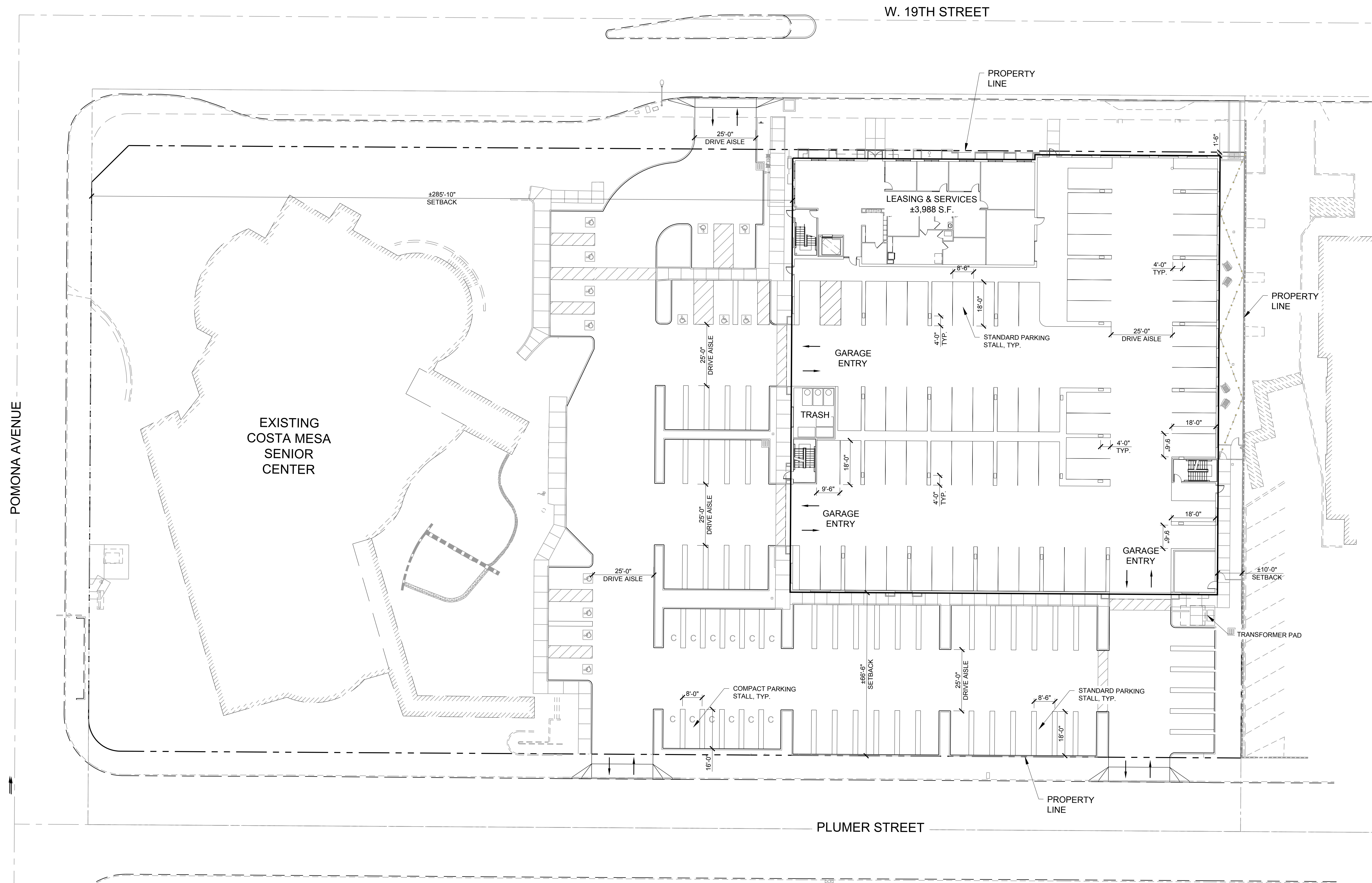


**COSTA MESA SC HOUSING**  
**PRELIMINARY GRADING PLAN**  
695 W. 19TH STREET  
COSTA MESA, CA 92627



**NOTE:**

1. PARKING STRIPING IS SHOWN FOR GRAPHIC PURPOSES ONLY, ALL PARKING STRIPING TO COMPLY WITH PARKING DESIGN GUIDELINES UPON CONSTRUCTION.

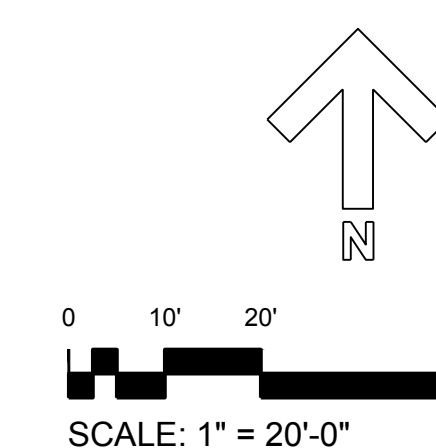
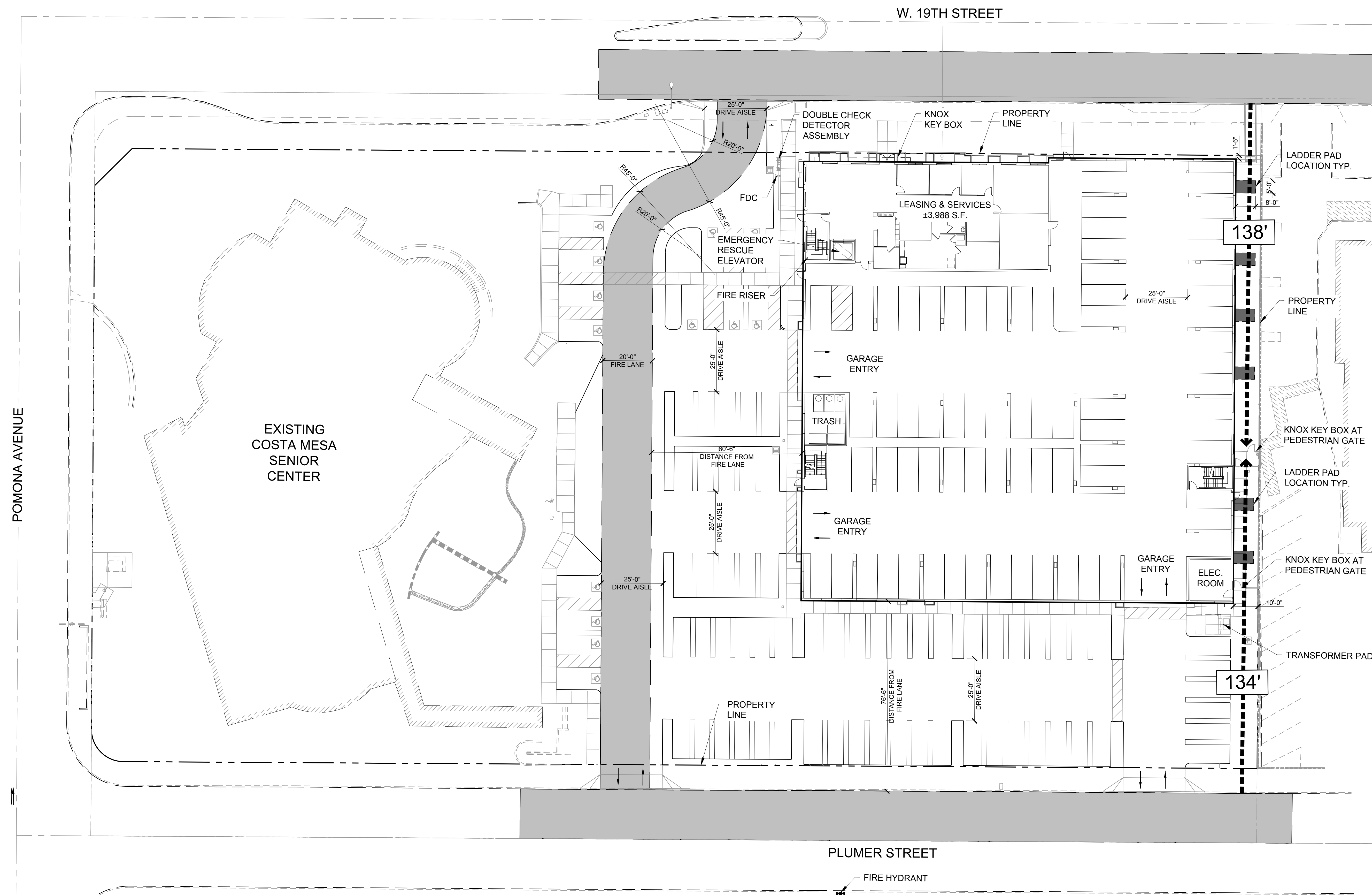


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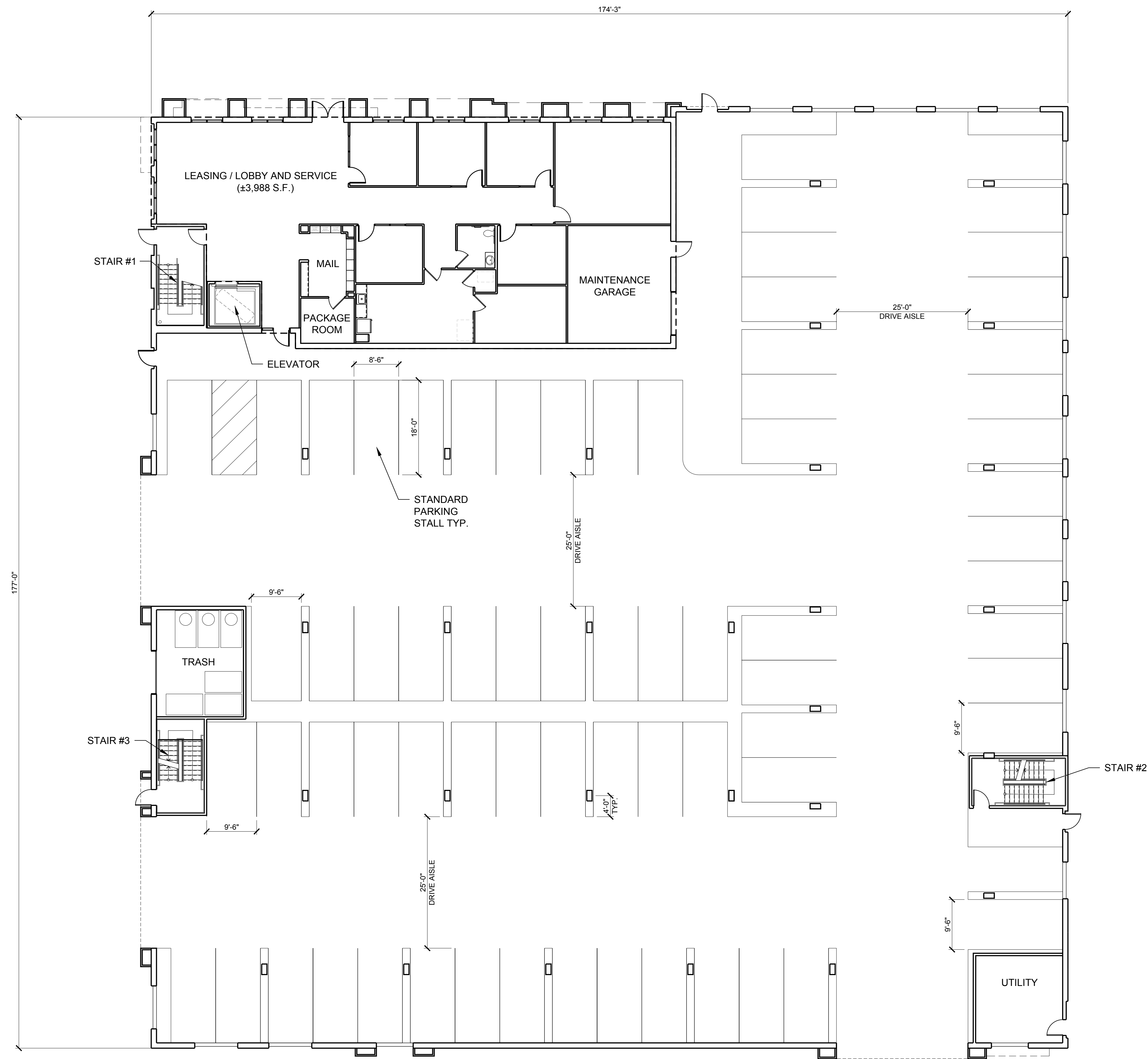


# LEGEND

- PROPERTY LINE
- 20'-0" FIRE ACCESS LANE
- HOSE PULL
- LADDER PAD LOCATION
- FIRE HYDRANT LOCATION

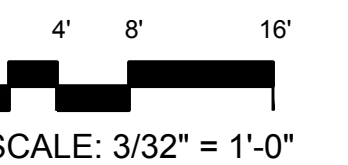


-12-



-13-

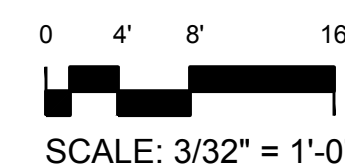
FIRST FLOOR PLAN 1



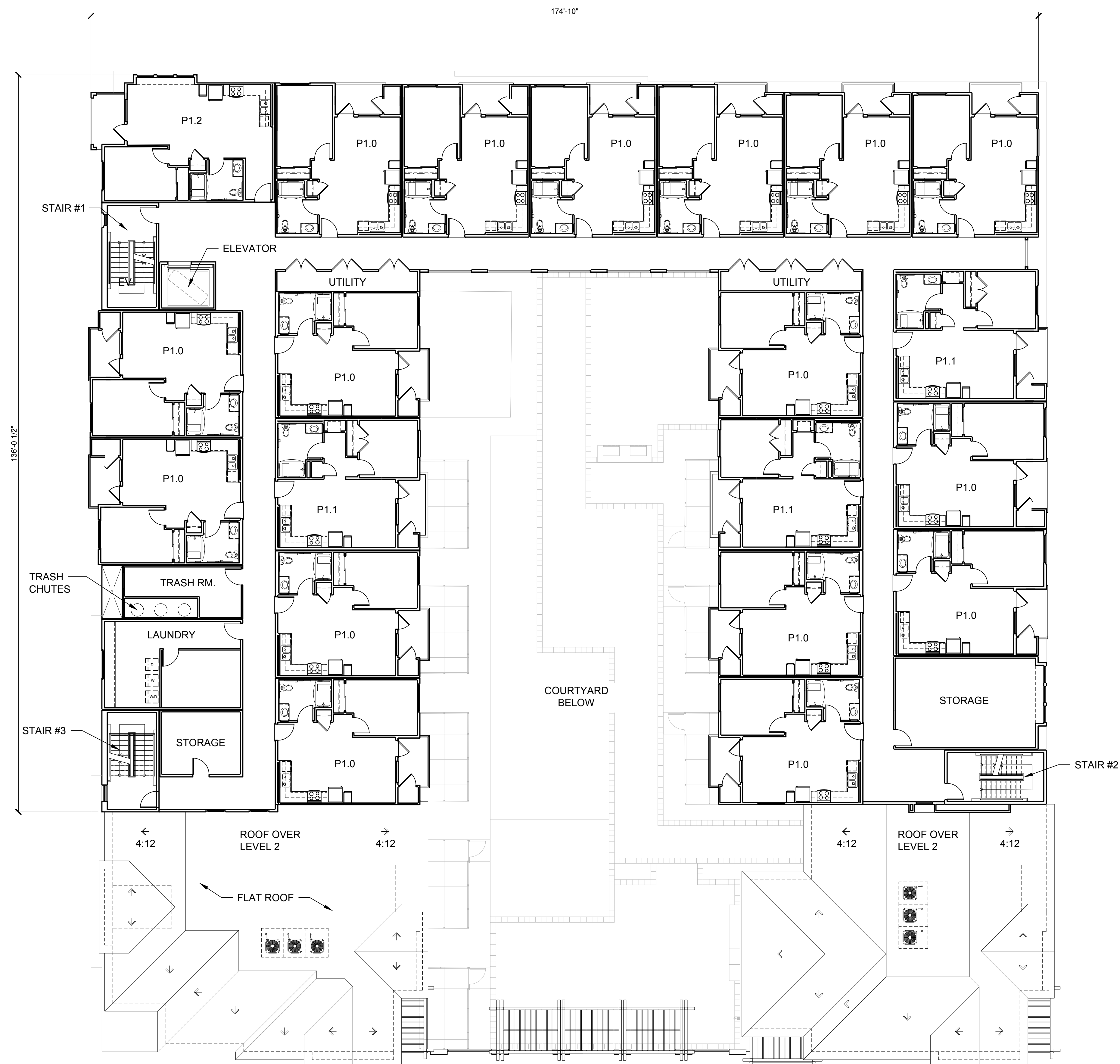


-14-

SECOND FLOOR PLAN 1



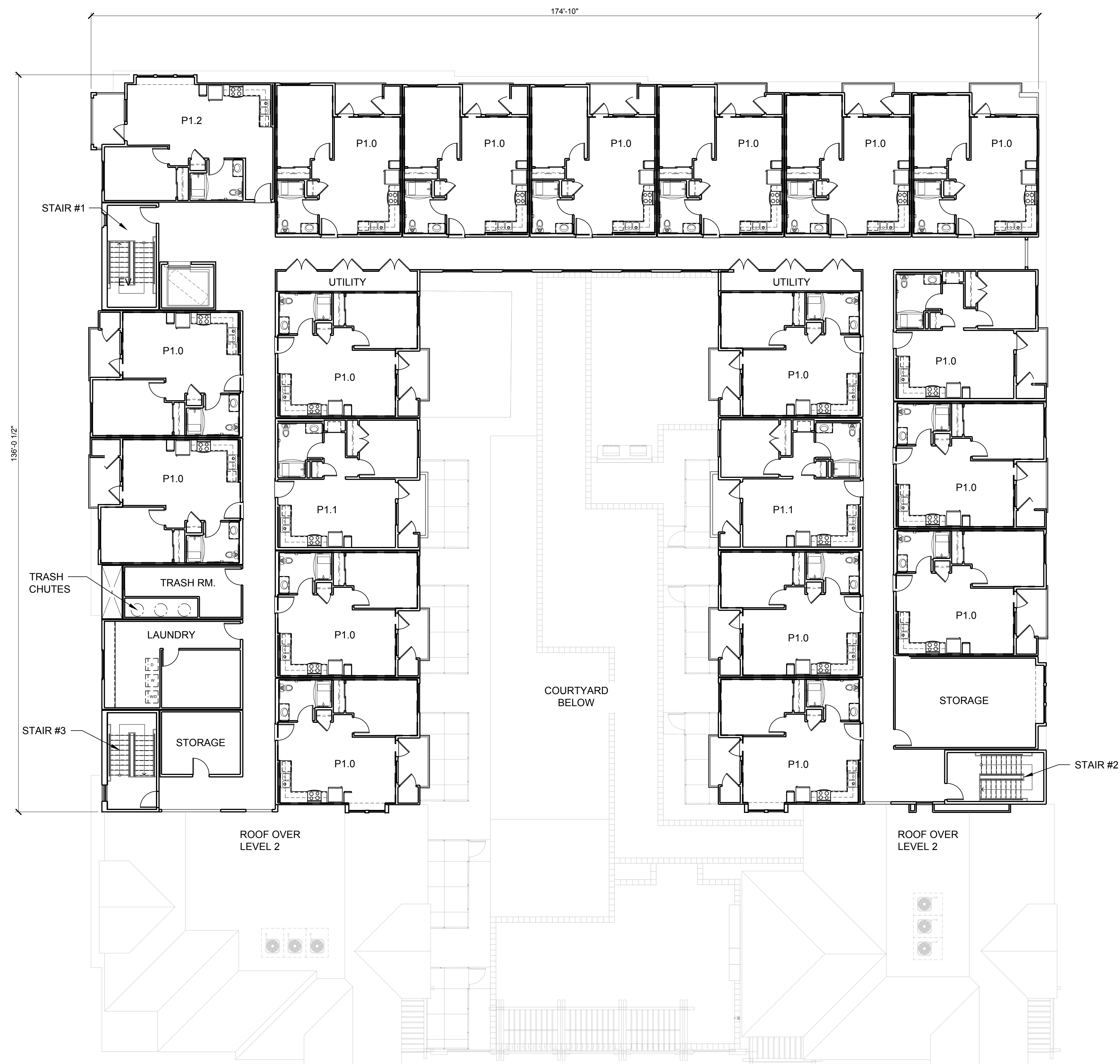




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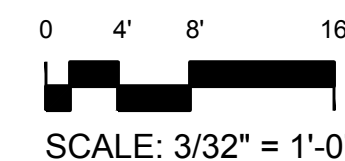
THIRD FLOOR PLAN 1

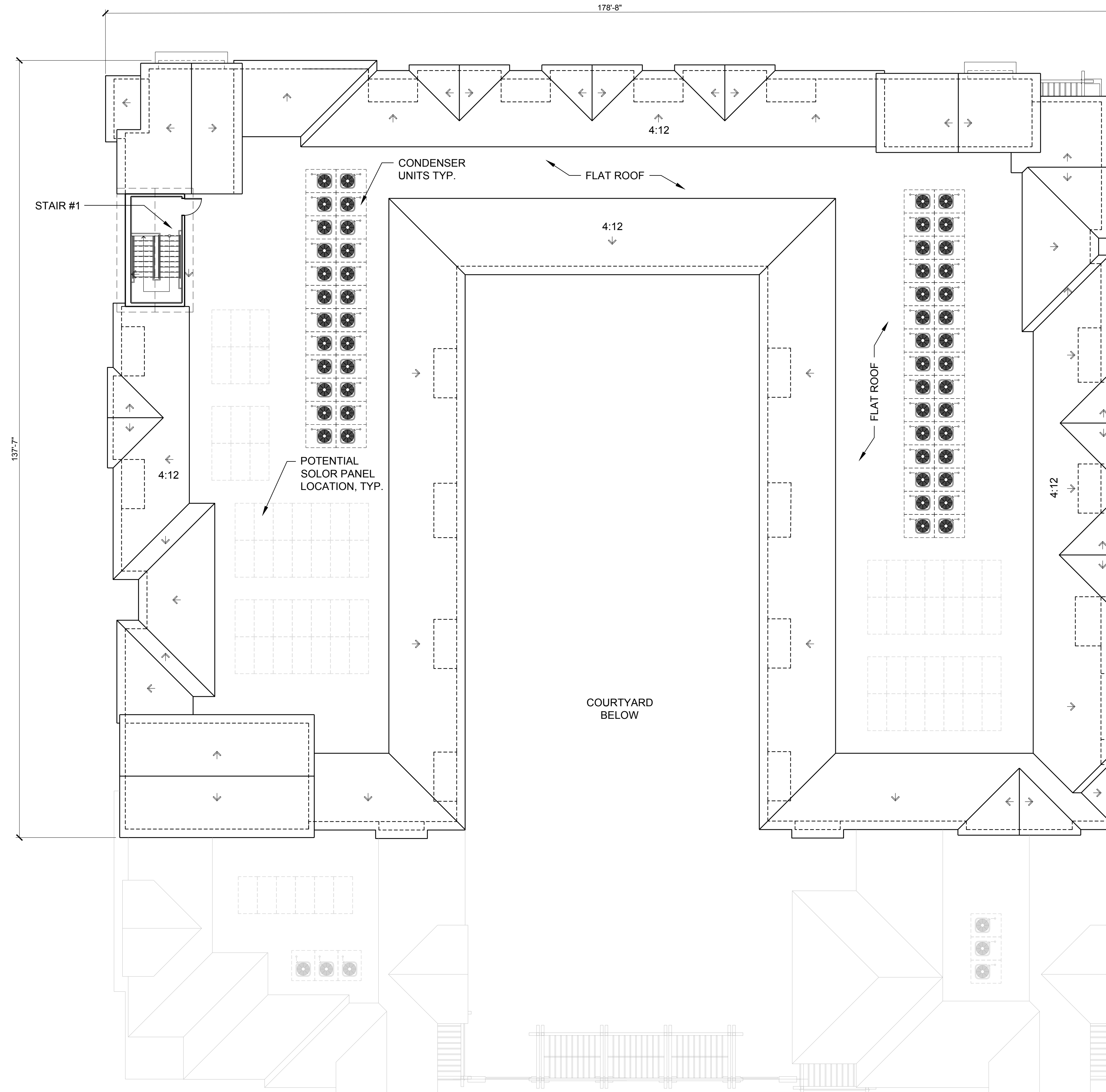




-16-

FOURTH FLOOR PLAN 1



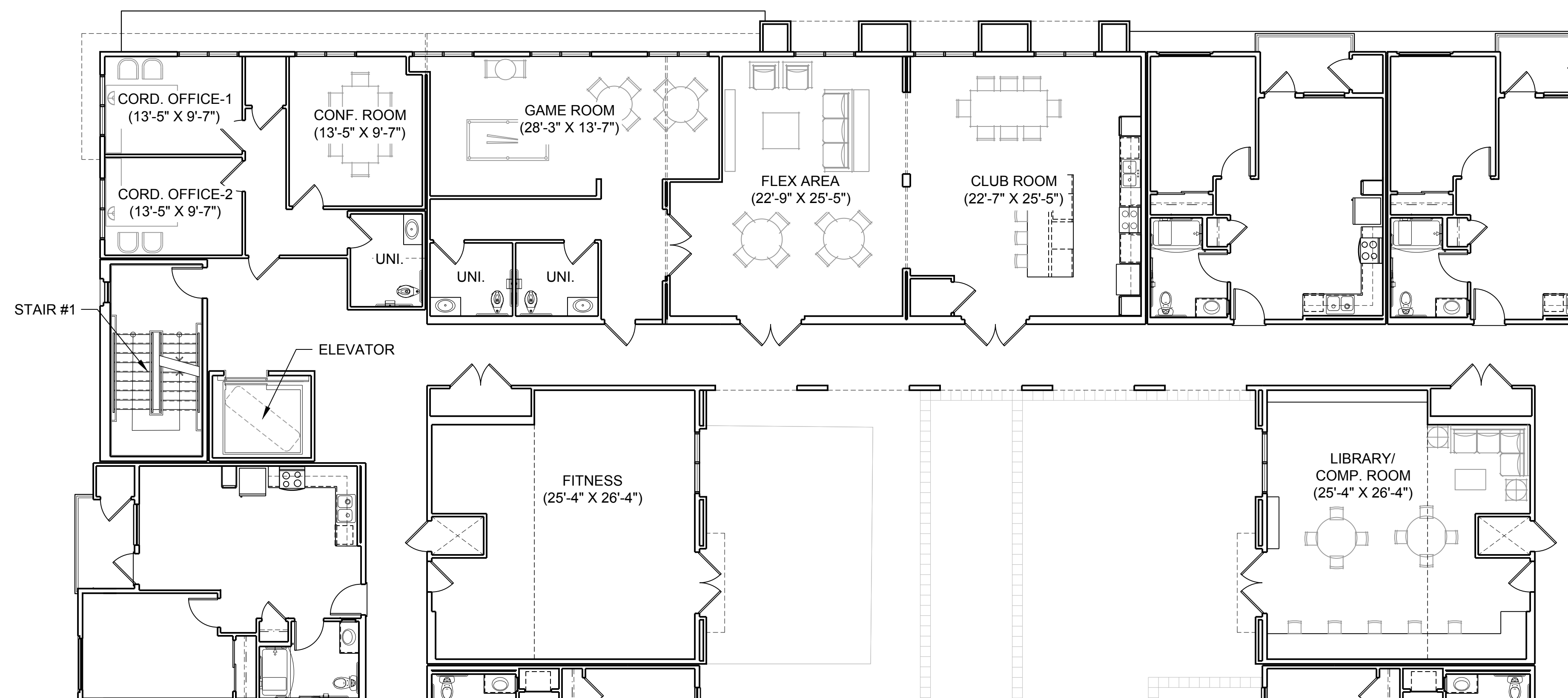


-17-

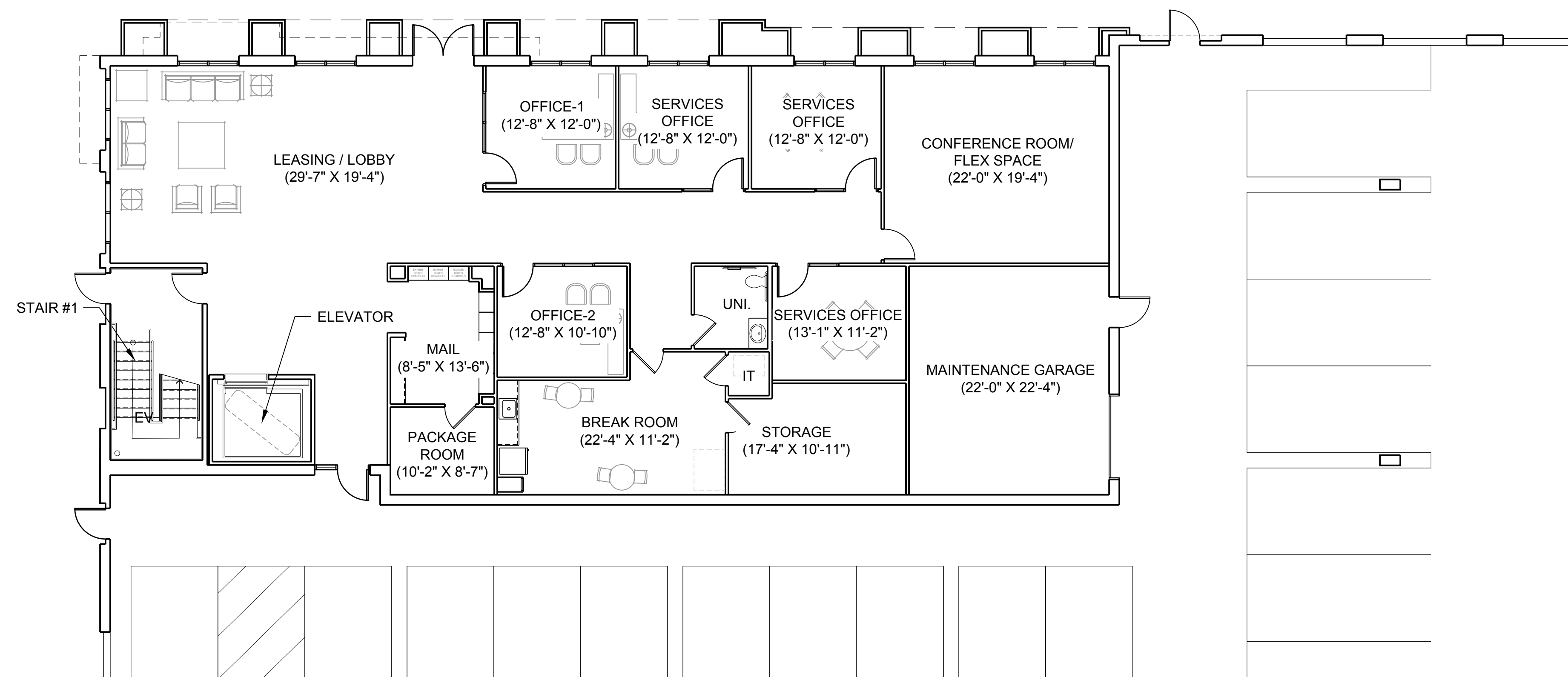
ROOF PLAN 1

0 4' 8' 16'  
SCALE: 3/32" = 1'-0"

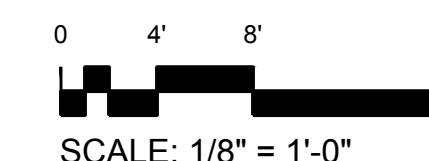




SECOND FLOOR PLAN SEGMENT 2



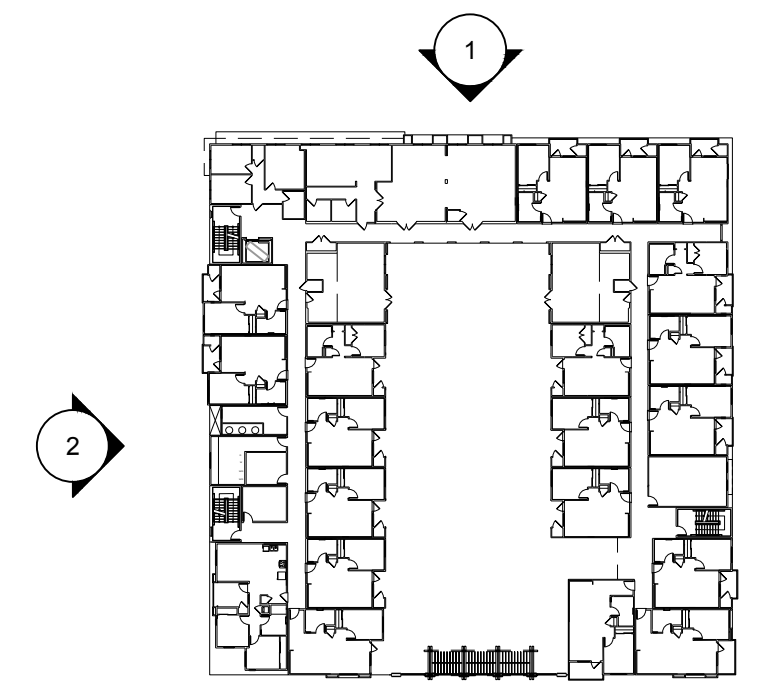
FIRST FLOOR PLAN SEGMENT 1



-18-



KEY PLAN



MATERIAL LEGEND:

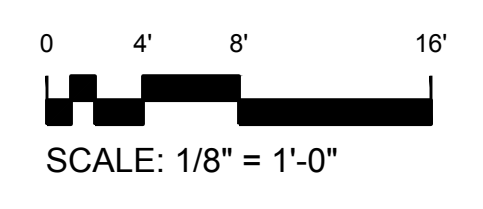
- 1 EXTERIOR PLASTER
- 2 PLASTER SCREEDS
- 3 DECORATIVE GABLE VENTS
- 4 PAINTED METAL GUARDRAIL
- 5 CONCRETE "S" PROFILE ROOF TILE
- 6 WOOD FASCIA
- 7 FOAM TRIMS, SILLS, & CORBELS
- 8 WHITE VINYL WINDOWS
- 9 STOREFRONT WINDOWS
- 10 WOOD TRELLIS
- 11 DECORATIVE TILES
- 12 DECORATIVE WROUGHT IRON
- 13 DECORATIVE CONCRETE BLOCKS
- 14 DECORATIVE WOOD RAFTER TAILS
- 15 SECTIONAL GARAGE DOOR
- 16 ROLL UP GARAGE DOOR



RIGHT ELEVATION 2

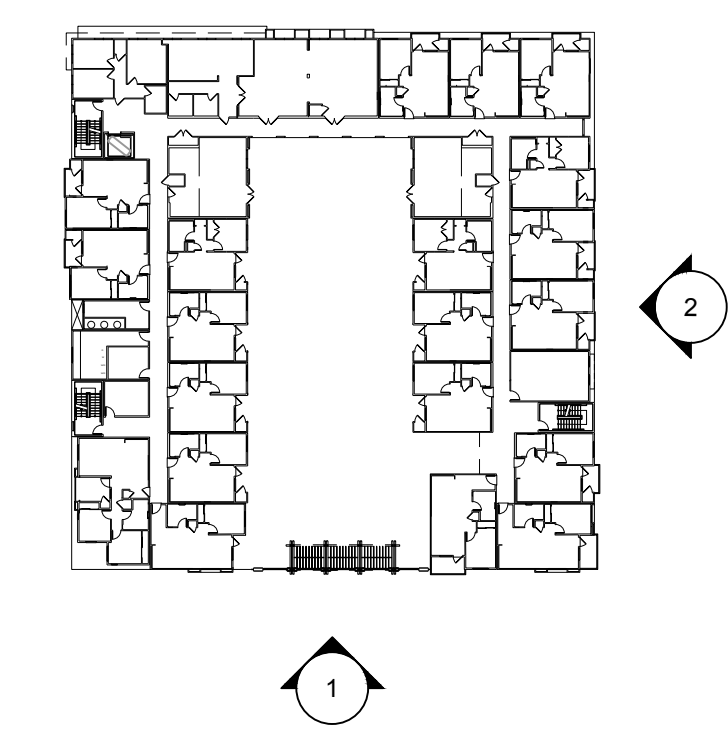


FRONT ELEVATION 1





KEY PLAN



MATERIAL LEGEND:

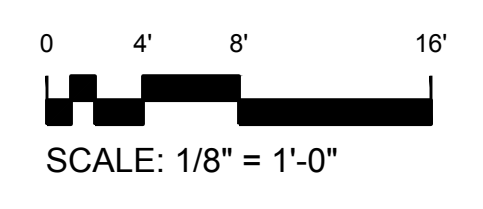
- 1 EXTERIOR PLASTER
- 2 PLASTER SCREEDS
- 3 DECORATIVE GABLE VENTS
- 4 PAINTED METAL GUARDRAIL
- 5 CONCRETE "S" PROFILE ROOF TILE
- 6 WOOD FASCIA
- 7 FOAM TRIMS, SILLS, & CORBELS
- 8 WHITE VINYL WINDOWS
- 9 STOREFRONT WINDOWS
- 10 WOOD TRELLIS
- 11 DECORATIVE TILES
- 12 DECORATIVE WROUGHT IRON
- 13 DECORATIVE CONCRETE BLOCKS
- 14 DECORATIVE WOOD RAFTER TAILS
- 15 SECTIONAL GARAGE DOOR
- 16 ROLL UP GARAGE DOOR



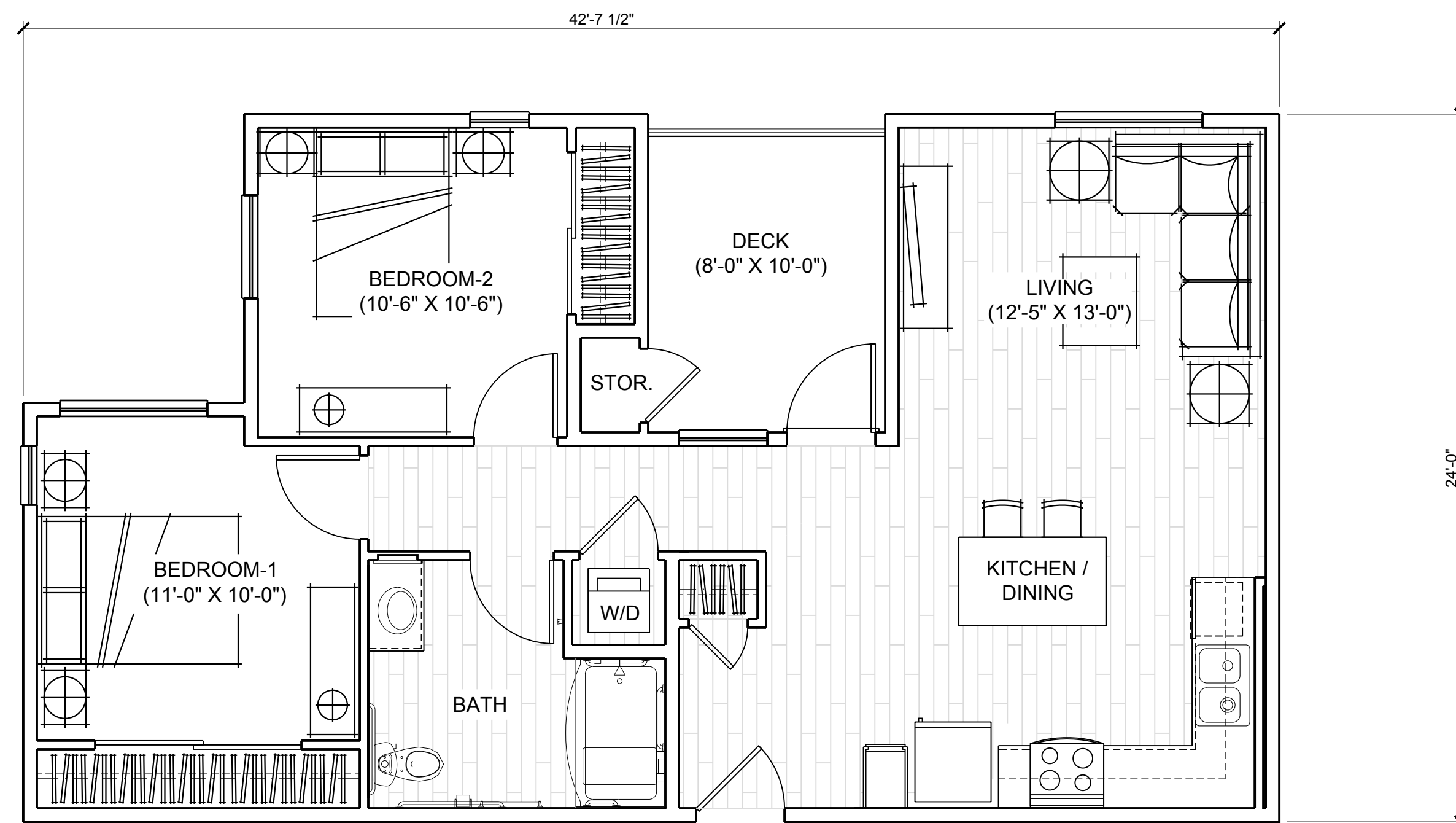
LEFT ELEVATION 2



REAR ELEVATION 1

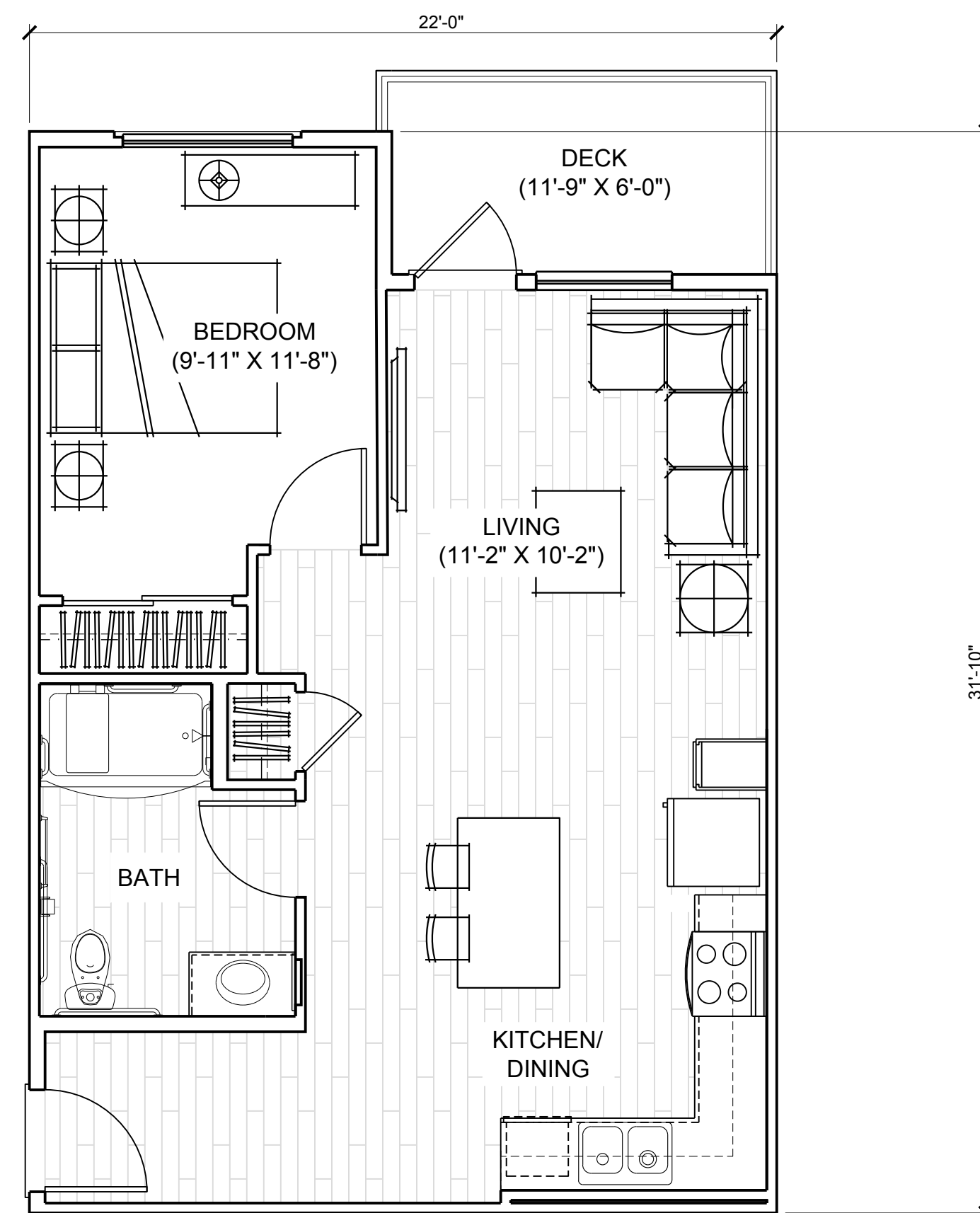






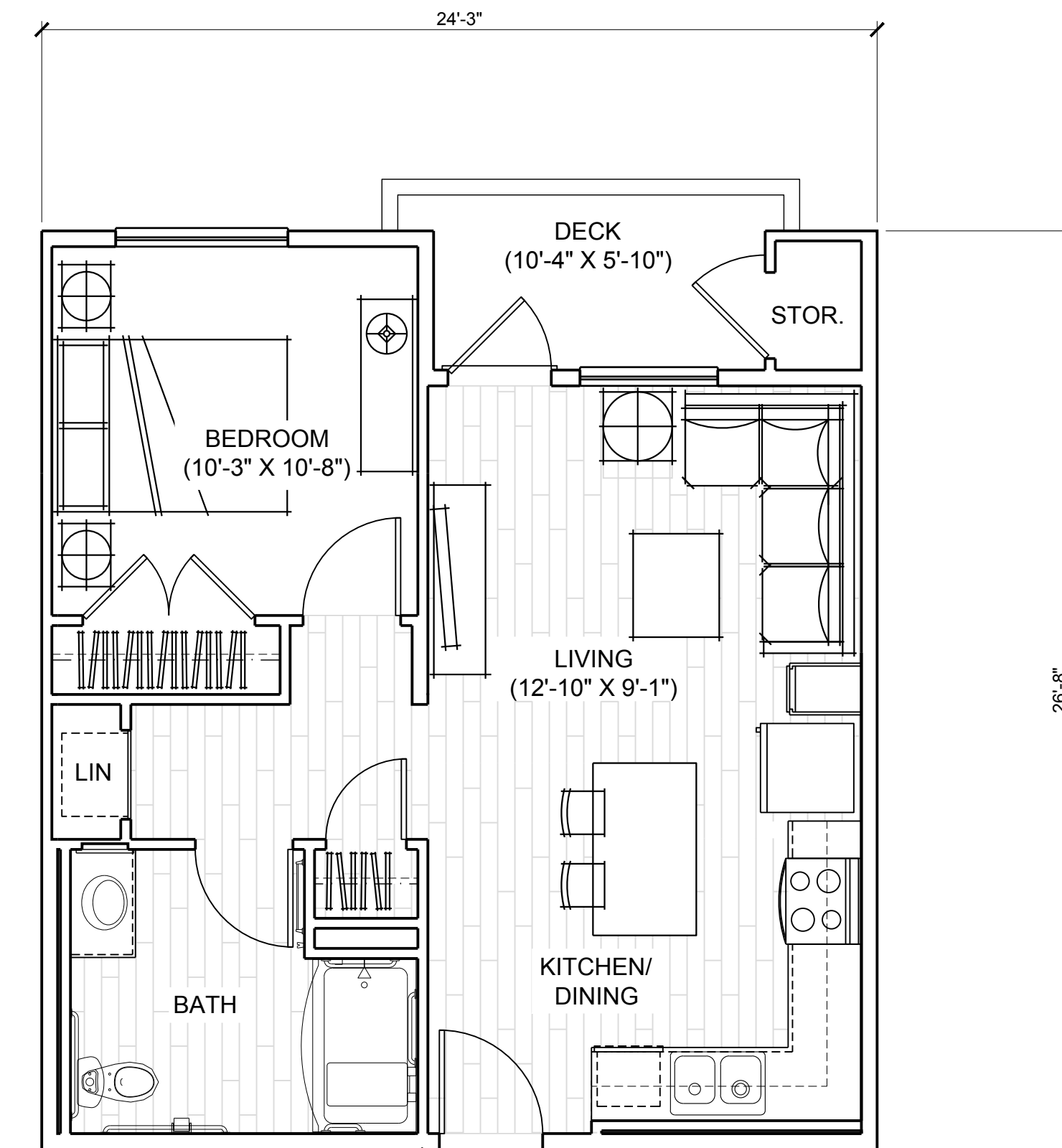
P2.0 4

2 BED/1 BATH - 855 S.F. (1 TOTAL)



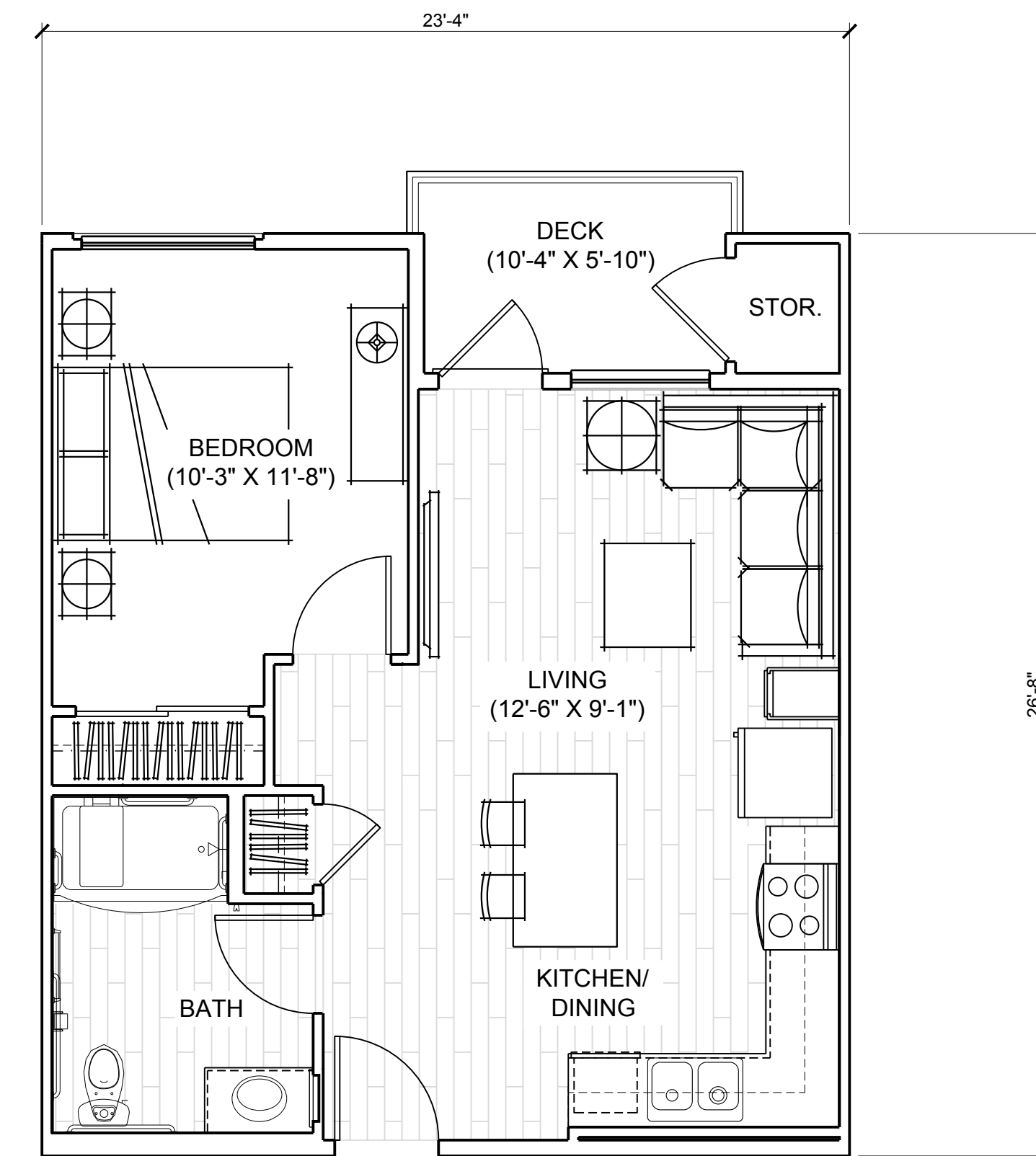
P1.2 3

1 BED/1 BATH - 614 S.F. (5 TOTAL)



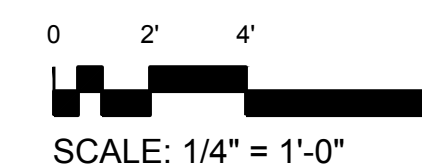
P1.1 (MOBILITY) 2

1 BED/1 BATH - 588 S.F. (9 TOTAL)



P1.0 1

1 BED/1 BATH - 566 S.F. (45 TOTAL)





7



7

- 7

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CARLSBAD  
CLOVIS  
IRVINE  
LOS ANGELES  
PALM SPRINGS  
POINT RICHMOND  
RIVERSIDE  
ROSEVILLE  
SAN LUIS OBISPO

## MEMORANDUM

**DATE:** October 10, 2022

**To:** Justin Arios, City of Costa Mesa

**FROM:** Arthur Black, LSA

**SUBJECT:** Parking Demand for the Costa Mesa Senior Center

The City of Costa Mesa (City) has engaged LSA to study parking demand at the Costa Mesa Senior Center. The City wishes to understand current parking demand, pre-pandemic parking demand, and future parking demand for the Senior Center in relation to a development application that would share parking resources with the Senior Center. This analysis presented by LSA is not a peer review of the applicant's parking study. Rather, this is a focused look at the parking demand for the Senior Center.

Jamboree Housing is proposing to construct a 60-unit active senior apartment complex and a 30-unit permanent supportive housing development adjacent to the Costa Mesa Senior Center surface parking lot. The *Revised Parking Demand Analysis, Costa Mesa Senior Housing Project* (LLG 2022) estimated parking demand for the senior housing portion of the project to be 35 parking spaces. No parking demand estimate is provided for the permanent supportive housing portion of the project, but Government Code Section 695915 is identified as well as its prohibition of minimum parking requirements being imposed by a City for special-needs housing near public transportation. As part of the project, the existing 145-space surface parking lot would be reconfigured to provide 75 surface parking spaces and 71 spaces within a new parking structure.

As part of the project, the applicant surveyed Costa Mesa Senior Center parking demand on November 2, 2021, and November 23, 2021. A special event was held on November 23, 2021, where participants could come in to pick up Thanksgiving dinner, but no single dining time was advertised due to pandemic prohibitions on gatherings. During these surveyed days, the Senior Center had a peak of 68 parked vehicles on November 2 and 50 parked vehicles on November 23.

### PRE-PANDEMIC PARKING DEMAND

Discussions with Senior Center staff revealed that during November 2021, the Senior Center still had modified operations because of the pandemic. Attendance data provided by staff also revealed that visitor attendance was higher in 2019 than in 2021. While no parking demand data were available for the pre-pandemic period, sufficient data are available to facilitate the estimation of pre-pandemic parking demand.

Visitor attendance is a metric that is directly related to parking demand. Senior Center staff provided visitor attendance data for 2019 and for the dates in November 2021 when parking demand was surveyed. By comparing the parking demand and visitor attendance in November 2021, LSA could develop a ratio. Applying that ratio to 2019 visitor attendance resulted in an estimate of pre-pandemic parking demand.

### Parking Ratio

Total attendance on November 2, 2021, was 229 visitors. On the special day, November 23, 2021, total attendance was 198 visitors. With a peak of 68 parked vehicles identified in the surveys conducted on November 2, 2021, the peak parking demand ratio is 0.30 space/daily attendance (68 spaces / 198 daily visitors = 0.30 space/visitor). With a peak of 50 parked vehicles identified in the surveys conducted on November 23, 2021, the peak parking demand ratio is 0.25 space/daily attendance (50 spaces / 198 daily visitors = 0.25 space/visitor).

### 2019 Parking Demand

Senior Center staff provided parking demand, which showed the variation in daily attendance by season and the typical busiest times of day. Table A provides a snapshot of the average attendance data. As Table A shows, the busiest month of November has higher-than-average attendance, while summer months have below-average attendance. Whatever the time of year, the distribution of visitors remains the same. The busiest time of day is between opening and 11:00 a.m., with the number of new arrivals decreasing as the day progresses. March represents a fairly typical month, with roughly average visitor attendance daily and by time of day.

**Table A: Average Daily Senior Center Visitor Attendance (2019)**

	March	June	September	November	Overall
7:00–11:00 a.m.	96	88	91	109	96
11:00 a.m.–2:00 p.m.	64	59	61	71	64
2:00–5:00 p.m.	39	33	35	35	35
Daily	199	180	187	215	195

At LSA's request, Senior Center staff also provided the highest-attendance days in 2019. On March 19, 2019, 285 Senior Center visitors and 95 congregants of a church renting the facility visited the Senior Center, for a total of 380 daily visitors. The highest number of daily visitors to the Senior Center was on November 8, 2019, when 346 total visitors attended.

Table B presents the calculation of pre-pandemic parking demand based on the attendance data. On an average day, a typical peak demand for 58 parking spaces would have occurred during the pre-pandemic period. On a busy day, however, a peak demand for 103 parking spaces is likely to have occurred. This is still less than the 145 parking spaces in the existing surface parking lot.

**Table B: Pre-Pandemic Senior Center Parking Demand**

	<b>Average Day</b>	<b>Busy Day</b>
Peak Parking Demand per Visitor	0.30	0.30
Daily Visitors	195	346
Daily Peak Parking Demand	58	103

## **FUTURE PARKING DEMAND**

The California Department of Finance, Demographic Research Unit, predicts future population and demographic trends based on current population, past growth, and population models. These trends inform the State budget process by assisting to anticipate future needs from entitlement programs and future revenues. The State makes these data available to demographic researchers and the general public. The anticipated aging of the population of the United States has been widely reported. A recent report from the State allows this trend to be quantified for California. Table C provides these population prediction data and the resulting growth rate.

**Table C: State of California Demographic Trends 2019-2040**

	<b>2019</b>	<b>2022</b>	<b>2030</b>	<b>2040</b>
Total Population	39,761,195	40,146,003	41,860,549	44,049,015
Growth from 2019	-	1%	5%	9%
Population Age 65+	6,064,072	6,773,310	8,705,996	10,292,373
Growth from 2019	-	12%	44%	70%

Source: California Department of Finance, Demographic Research Unit. Report P-3: Population Projections, California, 2010–2060.

Table C shows that by 2030, the State's population is expected to grow by 5 percent compared to 2019. Over the same period, however, the State's population over the age of 65 is expected to grow by 44 percent. This gap will continue to widen. By 2040, the State's population is expected to be 9 percent higher than 2019, while the population over the age of 65 will increase by 70 percent.

The Senior Center serves a population that is over 50 years old, but most of the visitors are over the age of 65. It is anticipated that the demographic trends occurring in the State would affect Costa Mesa and the Costa Mesa population served by the Senior Center similarly. Table D applies the future demographic trends reported by the State to the parking demand at the Senior Center in 2019.

**Table D: Pre-Pandemic Senior Center Parking Demand**

	<b>Average Day</b>	<b>Busy Day</b>
2019 Parking Demand	58	103
2030 Growth Rate (65+)	44%	44%
2030 Parking Demand	84	148
2040 Growth Rate (65+)	70%	70%
2040 Parking Demand	99	175

Table D shows that on an average day, parking demand at the Senior Center is expected to increase to 84 by 2030 and to 99 by 2040 if visitor travel behavior is the same as today. If visitor travel behavior is the same as today, on a busy day, the Senior Center could experience demand for all of its surface parking spaces by 2030. In order to accommodate the increase in visitor demand within the available parking supply, the City could adopt policies encouraging alternatives to arrival by single-occupant vehicles, such as shuttle programs, rideshare vouchers, or requiring advance reservation of a parking space.

### **SPECIAL EVENTS**

The Senior Center has historically hosted a number of special events and has been used by the City for special purposes. The site is used as a voting center during the 11-day voting period in general elections. City Council meetings with high anticipated attendance have used the Senior Center as a second site. Private events of up to 350 people can rent the facility. The Senior Center is also identified as an emergency shelter site.

The Senior Center itself hosts special events for its members. Sometimes, these special events result in overnight parking demand for approximately 50 vehicles. One of the largest regularly occurring special events is the health fair. Community partners share information and provide services to Senior Center members. In 2019, the health fair attracted a total of 632 visitors.

The Knowledge and Health Fair Expo was held on September 28, 2022, between 10:00 a.m. and 1:00 p.m. LSA contracted with an independent data collection company to survey parking demand at the Senior Center during this event. The survey results are included as an attachment to this memorandum. Peak parking demand for the health fair occurred at 11:00 a.m. when a total of 117 vehicles were parked. However, between 115 and 117 vehicles were parked at the Senior Center between 10:30 a.m. and 12:00 p.m.

### **CONCLUSION**

The Costa Mesa Senior Center currently has a 145-space surface parking lot. Pre-pandemic parking demand on an average day is estimated to have been 58 spaces based on attendance data. Parking demand on the busiest nonspecial-event day in 2019 is estimated to have been 103 spaces. The availability of parking supply in excess of parking demand has provided the Senior Center with flexibility to host other community events and special events for its members.

Future demographic growth is expected to increase parking demand on an average day to 84 spaces by 2030 and 99 spaces by 2040. The same demographic trends could result in parking demand on busy days exceeding parking supply by 2030 if visitor travel behavior is the same as today. Reducing the parking supply available to the Senior Center through shared parking could result in the parking supply being fully utilized on average days.

Accommodating the increase in visitor demand within the available parking supply or a shared parking supply could be accomplished by adopting policies encouraging alternatives to arrival by single-occupant vehicle, such as shuttle programs, rideshare vouchers, or requiring advance reservation of a parking space. Parking demand for special events could be managed through timed registration and extending the duration of events. These measures would reduce member flexibility for visiting the Senior Center and would reduce administrative flexibility for programming Senior Center events. Adopting these measures would likely result in higher costs to the City in the form of program costs associated with providing alternative means of travel, reduced revenue from not renting Senior Center space for private events, longer-duration special events, and identifying alternative locations for large events currently held at the Senior Center.

Attachment: Health Fair Empirical Parking Demand Data



Costa Mesa  
Costa Mesa Senior Center  
695 West 19th St.

Wednesday, September 28th, 2022

	Inventory	9:00 AM	9:30 AM	10:00 AM	10:30 AM	11:00 AM	11:30 AM	12:00 PM	12:30 PM	1:00 PM	1:30 PM	2:00 PM
Regular	128	48	67	88	101	104	102	104	79	51	28	24
Handicap	16	2	4	8	14	13	12	11	7	3	2	1
Loading	1	0	1	0	0	0	1	1	0	1	0	0
Electric Vehicle	1	0	0	0	0	0	0	0	0	0	0	0
Subtotal	146	50	72	96	115	117	115	116	86	55	30	25
Total Occupancy	146	50	72	96	115	117	115	116	86	55	30	25
Total Percent		34%	49%	66%	79%	80%	79%	79%	59%	38%	21%	17%

REVISED PARKING DEMAND ANALYSIS  
**COSTA MESA SENIOR HOUSING PROJECT**  
Costa Mesa, California  
January 14, 2022

January 14, 2022

John Witkowski  
Jamboree Housing Corporation  
17701 Cowan Avenue, Suite 200  
Irvine, CA 92614

LLG Reference No. 2.21.4469.1

Subject: **Revised Parking Demand Analysis for  
Costa Mesa Senior Housing Project**  
Costa Mesa, California

Dear Mr. Witkowski:

As requested, Linscott, Law, & Greenspan, Engineers (LLG) is pleased to submit this Revised Parking Demand Analysis associated with the proposed Costa Mesa Senior Housing Project (herein after referred to as Project) in Costa Mesa, California. The Project site is located south of 19th Street and east of Pomona Avenue within the existing Costa Mesa Senior Center. The Project will be developed on the eastern portion of the senior center's existing surface parking lot. The proposed Project includes construction of a 60-unit active senior apartment complex, consisting of 30 low-income senior units and 30 permanent supportive units. The Project will provide 146 spaces, of which 75 spaces are surface lot spaces with the remaining 71 spaces within a parking structure.

Per the requirements of the City of Costa Mesa, a parking study has been prepared to determine the parking demand for the existing Costa Mesa Senior Center and the proposed Project to ensure adequate parking is provided for both uses upon completion of the Project. In addition, a parking management plan (PMP) has been prepared to document strategies to manage on-site parking to avoid parking intrusion into the adjacent commercial and residential uses.

Our method of analysis, findings, and recommendations are detailed in the following sections of this report. Briefly, we find the following:

- The proposed parking supply at the site upon completion of the Project totals 146 spaces.
- Empirical parking demand data for similar Jamboree Housing sites have an 85<sup>th</sup> percentile parking ratio of 0.57 spaces per unit. This translates to a

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parking requirement of 34 spaces for the Project's 60 senior housing apartment units.

- Peak demand counts at the existing Costa Mesa Senior Center occurred at 11:00 AM and was observed to have 68 spaces of the existing 145 spaces being utilized.
- Based on empirical parking demand data, the site would have a parking requirement of 102 spaces which would result in a parking surplus of 44 spaces (30% surplus) when compared to the parking supply of 146 spaces.

## PROJECT LOCATION AND DESCRIPTION

The Costa Mesa Senior Housing Project is located in the eastern portion of the existing Costa Mesa Senior Center parking lot in the City of Costa Mesa, California. *Figure 1*, located at the rear of this letter report, presents a Vicinity Map which illustrates the general location of the Project site in the context of the surrounding street system. *Figure 2* presents the existing aerial for Costa Mesa Senior Center and illustrates the existing building and parking areas.

### Existing Development

The Costa Mesa Senior Center is an existing senior center addressed at 695 W. 19<sup>th</sup> Street. The site has surface parking that provides 145 spaces for its staff/volunteers and patrons.

### Proposed Project

The Project is proposing to construct a four-story apartment podium, 60-unit active senior apartment complex, consisting of 59 one-bedroom/one-bath units, and one (1) two-bedroom/two-bath units, over one level of structured parking. Further of the Project's proposed 60 units, it is anticipated that 30 units will be low-income senior units and 30 units will be permanent supportive units. The Project proposed to reconfigure the existing 145- space surface lot, and construct the Project along with 146 spaces, which would consist of 75 surface parking spaces and 71 spaces within the Project's parking structure. *Figure 3* presents the proposed site plan.

## PARKING DEMAND ANALYSIS

Review of the Government Code Section 695915 identifies that special needs housing such as this Project that are within ½ mile to fixed bus route services that operates at least eight times per day, shall not have any minimum vehicular parking requirements

imposed by the City and/or County. However, even if the State Code requirement for affordable housing development is imposed on this Project, it would have a parking requirement of 30 spaces based on a ratio of 0.5 spaces per unit.

In addition to the information above about State Code, using data obtained from Jamboree Housing for similar projects indicates that the Project's proposed parking supply would be adequate. Jamboree Housing has similar developments in the City of Mission Viejo (Heritage Villas) and the City of Santa Ana (Heroes Landing) that serves the exact same population.

To validate the parking requirement for the Project, parking demand counts were conducted at these two similar type facilities owned/operated by Jamboree Housing Corporation on a typical weekday and weekend. Hourly parking demand counts were conducted at the following locations and times:

- Heritage Villas located at 26836 Oso Parkway in the City of Mission Viejo (Thursday, October 14, 2021 and Saturday, October 16, 2021)
- Heroes Landing located at 3314 W 1<sup>st</sup> Street in the City of Santa Ana (Thursday, October 14, 2021 and Saturday, October 16, 2021)

Heritage Villas is a 143-unit active senior affordable housing project with a parking supply of 163 spaces, while Heroes Landing is a 76-unit active senior affordable housing project with a parking supply of 45 spaces. It should be noted that the vehicle ownership for Heritage Villas and Heroes Landing is 61% and 45%, respectively. **Table 1** located at the end of this report following the figures presents the peak parking demands and parking ratios. **Appendix A** presents detailed parking demand counts collected for each of the sites.

Review of **Table 1** shows that four days of data resulted in an empirical parking demand that ranged between 0.39 to 0.59 spaces per unit. The lower portion of **Table 1** presents the average, 85<sup>th</sup> percentile and peak parking ratios which were 0.51, 0.57 and 0.59 spaces per unit, respectively. It should be noted that the 85<sup>th</sup> percentile is typically considered appropriate as a "design" ratio. The 85<sup>th</sup> percentile parking ratio is equivalent to the rate at or below which 85% of the time adequate parking will be provided and used as a guide in the traffic engineering industry when developing parking "design" ratios. The remaining 15% of the time the parking demand would be greater. However, to provide a conservative assessment the peak ratio of 0.59 has been used to calculate the parking needs of the Project.

### Costa Mesa Senior Center

To establish the baseline parking needs for the existing Costa Mesa Senior Center, parking demand counts were conducted on Tuesday, November 2, 2021. Review of information provided online indicates that Tuesday is the most popular day, with the highest activity typically occurring around 10:00 AM. **Table 2** presents the hourly parking demand counts for the existing Costa Mesa Senior Center. Review of **Table 2** shows that the center had a peak parking demand of 68 spaces at 11:00 AM.

In addition, the Costa Mesa Senior Center has special events once a month. For the month of November the center held a Thanksgiving Day social event which occurred between 10:30AM and 11:30AM on Tuesday, November 23, 2021. The center invited all of its senior members to a special celebration where the center provided baked goods and hot coffee. This event took place in their outdoor patio area. To understand the parking needs for the existing Costa Mesa Senior Center during a typical special event, parking demand counts were conducted on Tuesday, November 23, 2021. **Table 3** presents the hourly parking demand counts for the existing Costa Mesa Senior Center while this special event was taking place. Review of **Table 3** shows that the center had a peak parking demand of 50 spaces at 11:00 AM. It should be noted that approximately 120 participants were expected to attend this event. The number of attendance is similar to pre-COVID attendance. The only difference is currently the center holds one event with one attendance time while pre-COVID they would have multiple times where people could attend, but the maximum attendance for any time was still 120 people. As a result, no adjustments were made to the parking demand count since the peak represented in **Table 3** would be similar to the peak of a pre-COVID special event. It should also be noted that across the street from the Costa Mesa Senior Center is a large senior housing development called The Tower at 19th. Therefore, a large majority of the attendees are able to walk to the center.

### Parking Requirement

**Table 4** presents the parking requirement for both the senior affordable housing component and the existing senior center. Based on the above data, application of the empirical parking ratio of 0.59 spaces per unit to the active senior housing residential component results in a parking requirement of 35 spaces. Review of the site plan shows that the parking garage provided 71 spaces which could satisfy the residential parking needs for the site and would result in surplus of 36 spaces (51% contingency).

In addition, the parking requirement for the existing Costa Mesa Senior Center has a peak parking demand of 68 spaces. Review of the proposed site plan shows 75 spaces

are provided via a surface lot and hence would satisfy the peak parking demand with a surplus of seven (7) spaces (9% contingency).

When considering the entire site, the Costa Mesa Senior Center and proposed residential component would have a parking requirement of 103 spaces which would result in a parking surplus of 43 spaces when compared to the parking supply of 146 spaces. The identified surplus of 43 spaces (29% contingency) allows for any potential demand increases that could occur due to larger than normal events and/or fluctuation in daily usage for the existing Costa Mesa Senior Center.

## **PARKING MANAGEMENT PLAN**

To ensure adequate and convenient parking is provided for both the existing Costa Mesa Senior Center and the proposed Project, as well as to eliminate any and all-day intrusion on the adjacent properties, a Parking Management Plan (PMP) is recommended. The following key Parking Management Strategies should be implemented by the Property Owner and/or Property Management Company:

### **Residential Parking Plan**

A residential parking permit system is utilized to ensure that residents have a designated parking spot(s). All residential parking permits are issued by the property manager at the time of move-in. All residents who are assigned a spot are required to sign and comply with a parking agreement that stipulates that they abide by the following rules:

1. Thirty-five (35) spaces within the 71-space parking structure should be marked or signed for resident use only. A portion of these spaces could be signed for specific tenants on an as needed basis. The remaining thirty-six (36) spaces within the parking structure should be available for use by either resident guest/visitors of the Project, potential tenants or patrons of the senior center.
2. Should the number of tenants requesting parking exceed the number of parking spaces available, a parking waiting list will be established.
3. Guest/visitor spaces will be designated and be restricted to parking for two-hour periods Monday-Friday between 8 am and 6 pm. For spaces anticipated to be used by residential guests/visitor, provide pavement markings and/or signage within each spaces denoting "guest parking only".

4. Every tenant who owns a vehicle **MUST** fill out a vehicle registration form. Once the form is filled out, a copy of the **current registration** and a copy of the **current insurance** must be given to the manager. This is also required on an annual basis at the time of recertification.
5. All vehicles, with current registration in the resident's name, will be issued a parking sticker. This sticker **MUST** be placed in the rear window on the driver's side. Any vehicle not displaying this sticker will be considered unauthorized and will be subject to towing at the expense of the owner of the vehicle.
6. Any vehicle leaking any fluid will be sited. The owner of the vehicle will be responsible for cleaning the area and keeping it clean. If necessary, an "oil pan/sheet" must be placed under the vehicle. If the car damages the parking area at any time, the owner reserves the right to revoke the parking space in the parking area.
7. At no time, can any person(s) work on their vehicles (IE: Change oil, repair vehicle, change tires, etc.) Minor repairs such as window wiper blades, and lamp fuses are allowed.
8. Parking spaces should not be used for storage areas. Items found in the parking area will be disposed of.
9. Prior written authorization must be obtained before a tenant can park a "rented or borrowed" vehicle using their permit. If prior written authorization is not obtained, the vehicle will be considered unauthorized.
10. If a tenant plans to be away from the property and not using their vehicle for more than two weeks, they should notify the manager in writing to avoid the vehicle being classified as abandoned.
11. From time to time, it may be necessary for the manager to reassign parking permits to help accommodate other residents.
12. No vehicle shall be parked in such a manner as to block roadways or the comings and/or goings of residents. Violator's cars will be ticketed and/or towed at owner's expense.
13. No person shall operate a motorized vehicle within the complex without proper operating license. No unlicensed motor vehicles, for example, motorbikes or go-carts, shall be ridden within the complex. Any damages to property within the complex by use of any vehicle (including hired and leased moving vans) shall be fined by an amount to repair or replace the damaged areas or items.



14. The speed limit in the community is 5 miles per hour.
15. In no event is the Project owner and/or property manager liable for consequential damages or loss of use of vehicle.
16. Residents are responsible for the parking practices and vehicle operations of any visitors they allow in the community.

### **Senior Center Parking Plan**

To ensure that the existing Costa Mesa Senior Center has adequate parking available for employees and guest the following strategies should be implemented:

17. All seventy-five (75) surface lot spaces should be marked or signed for Costa Mesa Senior Center use only. Thirty-six (36) spaces within the parking structure should be available for use by either the senior center or visitors/guest of the Project, and potential tenants. Wayfinding signage should be installed to indicate that additional parking is available within the parking structure. Proper signage shall be implemented within the structure to clearly denote any parking restrictions.
18. To help encourage utilization of the parking structure by guest and employees of the Senior Center it is recommended that employees of the Senior Center be directed to park in the structure leaving the surface lot parking for guest of the Senior Center. In addition, to enhance safety in the structure it is recommended that the parking structure provide adequate lighting and be fitted with security cameras along with signage about security surveillance.
19. If staff from either the existing Costa Mesa Senior Center and/or the active low-income senior housing component see any residential tenants and/or residential guest using the surface lot spaces, the violator's cars will be ticketed and/or towed at owner's expense.

### **Parking Mitigation Program**

In the event that additional parking is needed the Property Owner and/or Property Management Company will first consider leasing additional off-site parking. If off-site spaces cannot be procured, then the Property Owner and/or Property Management Company will consider implementing a valet/valet assist program. Based on the

feasibility of the two mitigation options above, alternative mitigation programs may be considered as well.

## CONCLUSIONS

Based on the above, it is concluded that adequate parking will be provided to satisfy the parking demand for residents, guests and employees of proposed Senior Residential Project and existing Costa Mesa Senior Center. Nevertheless, to ensure adequate parking is provided for all users of the Project, the Property Owner and/or Property Management Company, if they deem it necessary, would implement the appropriate Parking Management Strategy and/or Parking Mitigation Program recommended in this Parking Management Plan to mitigate any parking impacts or deficiencies.

\* \* \* \* \*

We appreciate the opportunity to prepare this analysis for Costa Mesa Senior Housing Project. Should you have any questions or need additional assistance, please do not hesitate to call Shane Green or me at (949) 825-6175.

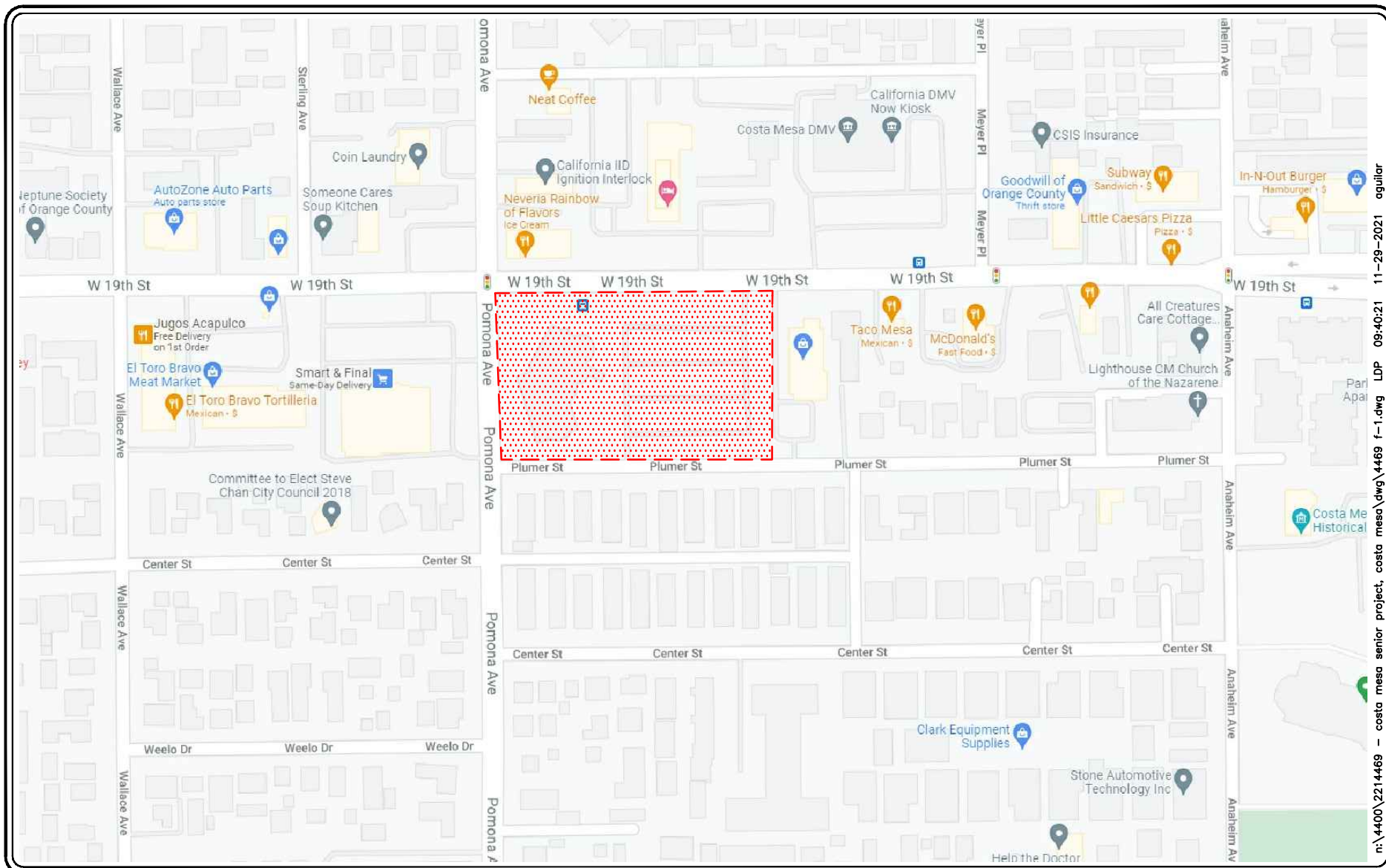
Very truly yours,  
**Linscott, Law & Greenspan, Engineers**



Richard E. Barretto, P.E.  
Principal

cc: Shane S. Green, P.E., Senior Transportation Engineer

Attachments



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LINSCOTT  
LAW &  
GREENSPAN



NO SCALE

engineers

SOURCE: GOOGLE

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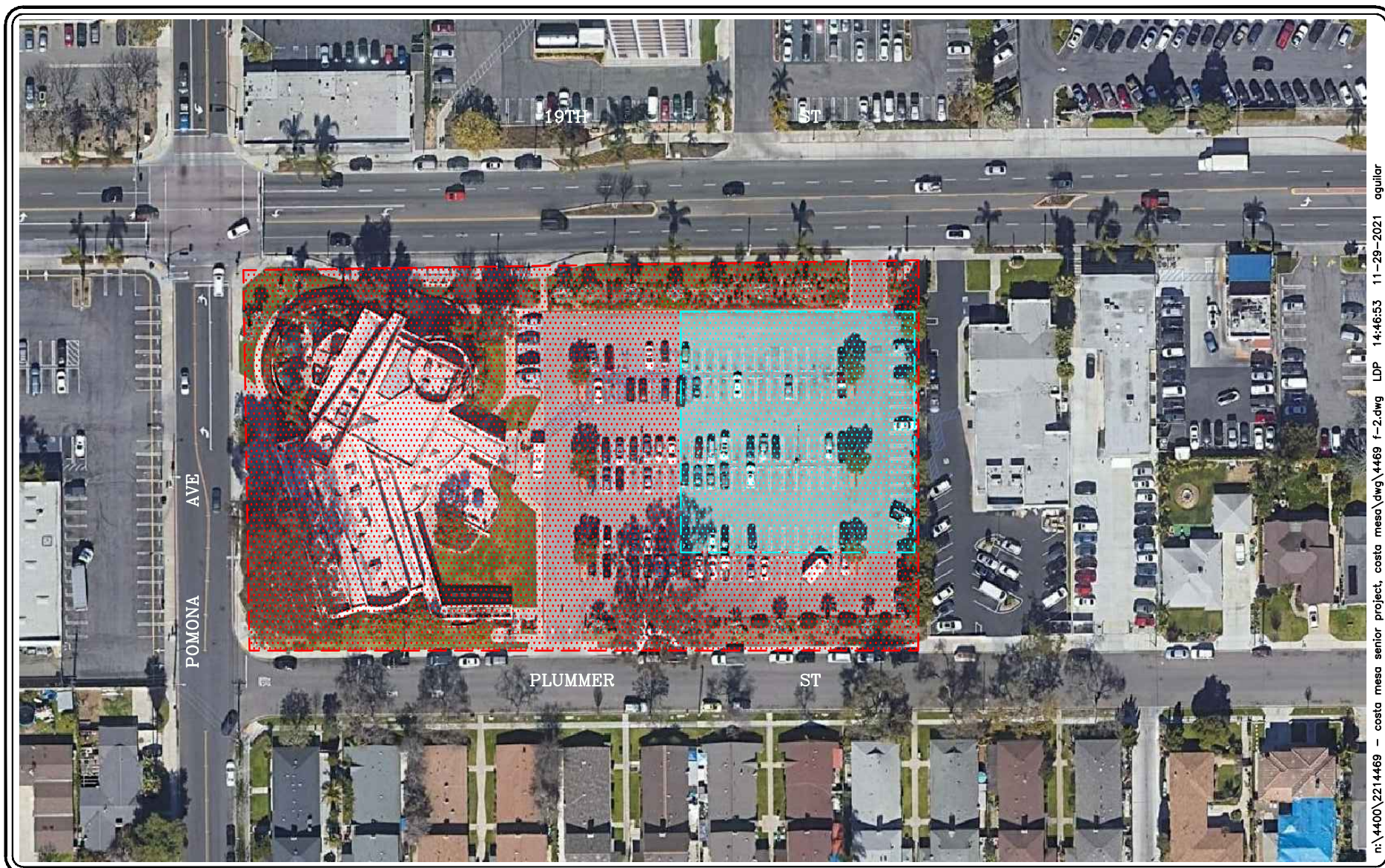
 = PROJECT SITE

## FIGURE 1

### VICINITY MAP

COSTA MESA SENIOR PROJECT, COSTA MESA





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SOURCE: GOOGLE

#### KEY

- = EXISTING COSTA MESA SENIOR CENTER
- = PROPOSED PROJECT

## FIGURE 2

EXISTING AERIAL PHOTOGRAPHY  
COSTA MESA SENIOR PROJECT, COSTA MESA

LINSCOTT  
LAW &  
GREENSPAN  
engineers



NO SCALE

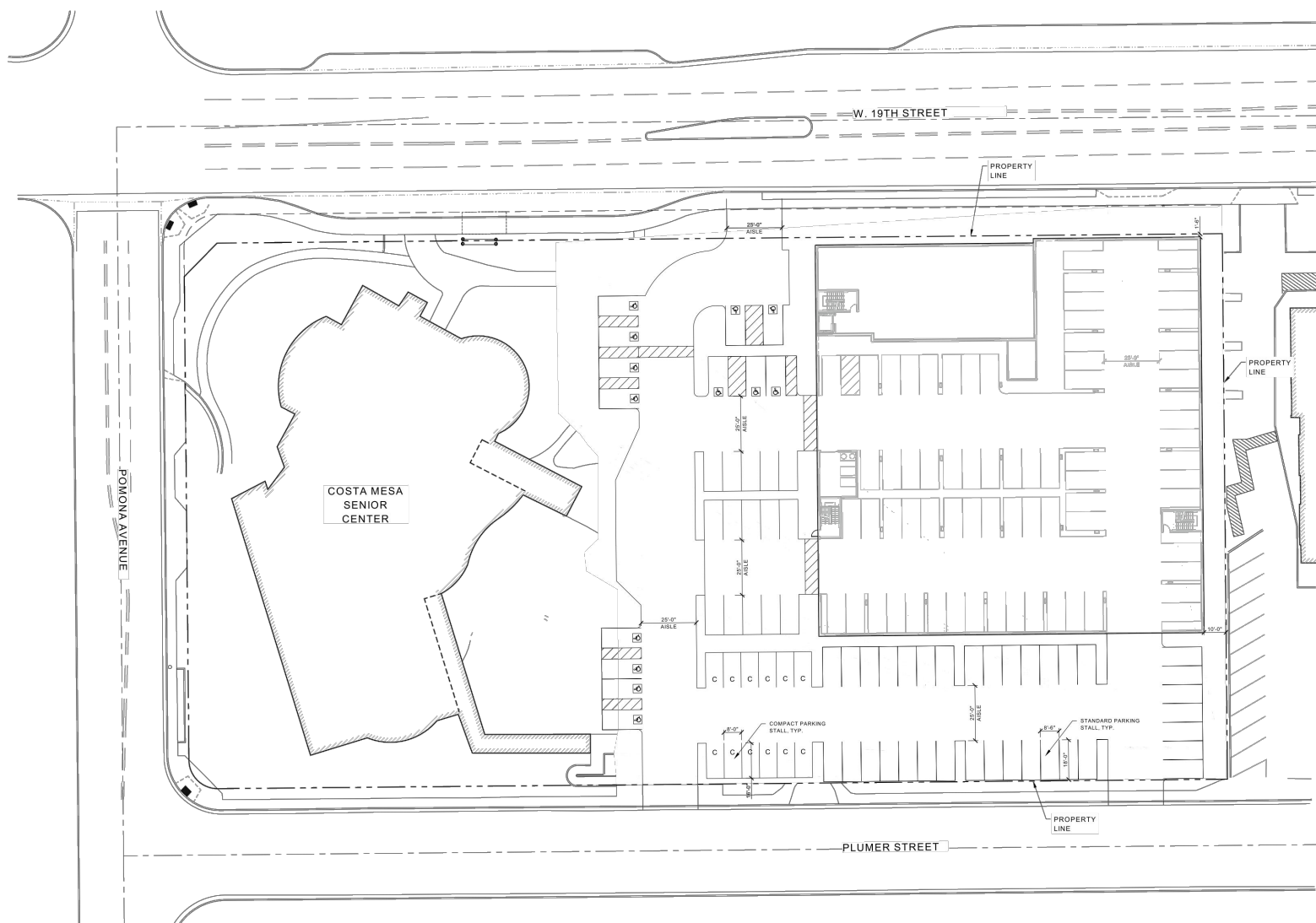


FIGURE 3

COSTA MESA SENIOR PROJECT, COSTA MESA

**TABLE 1**  
**JAMBOREE HOUSING PARKING RATIO SUMMARY**  
**COSTA MESA SENIOR HOUSING PROJECT, COSTA MESA**

	Heritage Villas		Heroes Landing	
	Thursday 10/14/2021	Saturday 10/16/2021	Thursday 10/14/2021	Saturday 10/16/2021
<b>Peak Parking Demand</b>	85	78	39	30
<b>Occupied Units</b>	143	143	76	76
<b>Parking Ratio</b>	0.59	0.55	0.51	0.39
<b>Average Parking Ratio</b>	0.51			
<b>85th Percentile Ratio</b>	0.57			
<b>Maximum Ratio</b>	0.59			

**Notes:**

Heritage Villas is located at 26836 Oso Parkway in the City of Mission Viejo.

Heroes Landing is located at 3314 W 1st Street in the City of Santa Ana.



**TABLE 2**  
**COSTA MESA SENIOR CENTER PARKING DEMAND**  
**COSTA MESA SENIOR HOUSING PROJECT, COSTA MESA**

Time of Day	Tuesday 11/2/2021		Total
	HC	Regular	
8:00 AM	1	25	26
9:00 AM	2	29	31
10:00 AM	5	57	62
11:00 AM	5	63	68
12:00 PM	2	27	29
1:00 PM	4	26	30

**Notes:**

[1] Based on materials provided online by Costa Mesa Senior Center the most popular day and times for the center are Tuesdays around 10:00 AM.

**TABLE 3**  
**COSTA MESA SENIOR CENTER SPECIAL EVENT PARKING DEMAND**  
**COSTA MESA SENIOR HOUSING PROJECT, COSTA MESA**

Time of Day	Tuesday 11/23/2021		Total
	HC	Regular	
8:00 AM	0	17	17
9:00 AM	1	28	29
10:00 AM	6	39	45
11:00 AM	5	45	50
12:00 PM	4	32	36
1:00 PM	0	17	17

**Notes:**

[1] Based on discussions with Costa Mesa Senior Center staff the center provides one special event each month. The November special event occurred on Tuesdays, November 23, 2021 at 10:30 AM - 11:30 AM.



**TABLE 4**  
**PARKING REQUIREMENT**  
**COSTA MESA SENIOR HOUSING PROJECT, COSTA MESA**

Land Use	Size	Parking Requirement	Spaces Required
<i><u>Tenant Mix</u></i>			
Senior Affordable Housing	60 Units	0.59 spaces per unit [1]	35
Costa Mesa Senior Center	-- --	68 spaces per senior center [2]	68
<b>A. TOTAL PARKING CODE REQUIREMENT</b>			<b>103</b>
<b>B. PROPOSED PARKING SUPPLY</b>			<b>146</b>
<b>C. PARKING SURPLUS/DEFICIENCY (+/-) BASED ON FULL OCCUPANCY (B - A)</b>			<b>43</b>

**Notes:**

[1] Emperically derived based data collected at two sites over two days (Heritage Villas and Heroes Landing).

[2] Emperically derived based on data collected at the existing Costa Mesa Senior Center on November 2, 2021.

## APPENDIX A

### PARKING DEMAND COUNTS

## Parking Surveys

**Location:** Country Club Dr & 26836 Oso Pkwy/Heritage Villas

**City:** Mission Viejo

**Date:** 10/14/2021

**Day:** Thursday

TIME	PARKING DEMAND
12:00 AM	85
1:00 AM	85
2:00 AM	84
3:00 AM	84
4:00 AM	83
5:00 AM	82
6:00 AM	82
7:00 AM	80
8:00 AM	76
9:00 AM	82
10:00 AM	79
11:00 AM	69
12:00 PM	59
1:00 PM	51
2:00 PM	57
3:00 PM	60
4:00 PM	62
5:00 PM	69
6:00 PM	65
7:00 PM	66
8:00 PM	71
9:00 PM	76
10:00 PM	75
11:00 PM	75
Peak Parking Demand	85
Total # Units	143
Peak Parking Ratio	0.59

## Parking Surveys

**Location:** Country Club Dr & 26836 Oso Pkwy/Heritage Villas

**City:** Mission Viejo

**Date:** 10/16/2021

**Day:** Saturday

TIME	PARKING DEMAND
12:00 AM	75
1:00 AM	75
2:00 AM	75
3:00 AM	75
4:00 AM	75
5:00 AM	75
6:00 AM	75
7:00 AM	74
8:00 AM	70
9:00 AM	70
10:00 AM	68
11:00 AM	63
12:00 PM	61
1:00 PM	53
2:00 PM	57
3:00 PM	69
4:00 PM	69
5:00 PM	67
6:00 PM	70
7:00 PM	73
8:00 PM	76
9:00 PM	78
10:00 PM	77
11:00 PM	75
Peak Parking Demand	78
Total # Units	143
Peak Parking Ratio	0.55

## Parking Surveys

**Location:** 3314 W 1st St/Heroes Landing & W 1st St

**City:** Santa Ana

**Date:** 10/14/2021

**Day:** Thursday

TIME	PARKING DEMAND
12:00 AM	34
1:00 AM	34
2:00 AM	34
3:00 AM	35
4:00 AM	35
5:00 AM	35
6:00 AM	34
7:00 AM	34
8:00 AM	34
9:00 AM	33
10:00 AM	33
11:00 AM	33
12:00 PM	31
1:00 PM	30
2:00 PM	26
3:00 PM	28
4:00 PM	29
5:00 PM	31
6:00 PM	29
7:00 PM	32
8:00 PM	31
9:00 PM	35
10:00 PM	37
11:00 PM	39
Peak Parking Demand	39
Total # Units	76
Peak Parking Ratio	0.51

## Parking Surveys

**Location:** 3314 W 1st St/Heroes Landing & W 1st St

**City:** Santa Ana

**Date:** 10/16/2021

**Day:** Saturday

TIME	PARKING DEMAND
12:00 AM	28
1:00 AM	28
2:00 AM	28
3:00 AM	29
4:00 AM	29
5:00 AM	28
6:00 AM	30
7:00 AM	30
8:00 AM	27
9:00 AM	26
10:00 AM	24
11:00 AM	22
12:00 PM	26
1:00 PM	23
2:00 PM	23
3:00 PM	20
4:00 PM	23
5:00 PM	21
6:00 PM	24
7:00 PM	20
8:00 PM	22
9:00 PM	22
10:00 PM	26
11:00 PM	27
Peak Parking Demand	30
Total # Units	76
Peak Parking Ratio	0.39



# CITY OF COSTA MESA

## Agenda Report

77 Fair Drive  
Costa Mesa, CA 92626

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**File #:** 24-037

**Meeting Date:** 2/20/2024

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**TITLE:**

**“THE 12” GYM NOISE STUDY**

**DEPARTMENT:** ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/  
COMMUNITY IMPROVEMENT DIVISION

**PRESENTED BY:** FIDEL GAMBOA, COMMUNITY IMPROVEMENT DIVISION  
MANAGER

**CONTACT INFORMATION:** FIDEL GAMBOA, COMMUNITY IMPROVEMENT DIVISION  
MANAGER, (714) 754-5625

**RECOMMENDATION:**

Staff recommends the City Council receive and file the noise study report prepared by Sound Media Fusion related to resident concerns regarding potential noise ordinance violations from business operations at “The 12” gym, located at 140 East 17th Street, Suite B, in Costa Mesa.



## Agenda Report

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**Item #: 24-037**

**Meeting Date: 02/06/2024**

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**TITLE: "THE 12" GYM NOISE STUDY**

**DEPARTMENT: ECONOMIC AND DEVELOPMENT SERVICES DEPARTMENT/ COMMUNITY IMPROVEMENT DIVISION**

**PRESENTED BY: FIDEL GAMBOA, COMMUNITY IMPROVEMENT DIVISION MANAGER**

**CONTACT INFORMATION: FIDEL GAMBOA, COMMUNITY IMPROVEMENT DIVISION MANAGER, (714) 754-5625**

### **RECOMMENDATION:**

Staff recommends the City Council receive and file the noise study report prepared by Sound Media Fusion related to resident concerns regarding potential noise ordinance violations from business operations at "The 12" gym, located at 140 East 17th Street, Suite B, in Costa Mesa.

### **BACKGROUND:**

Over the course of the past two calendar years, a resident has submitted approximately 105 noise complaints to the Costa Mesa Police Department (CMPD) as well as approximately 15 complaints to Code Enforcement. In general, the complaint is that noise associated with daily scheduled gym class operations at the "The 12" gym disturbs the peace and quiet of the residents both inside and outside of their homes located within "The Palms" mobile home park, located at 140 Cabrillo Street. The resident resides within the Park approximately 220 feet north of the rear of gym building.

"The Palms" mobile home park was developed in the early 1960's with 28 mobile homes. The Mobile Home park has a General Plan Land Use designation of "Neighborhood Commercial" and a zoning classification of "Commercial Limited" (CL). Pursuant to the General Plan Land Use Element, the "Neighborhood Commercial" Land Use District "is intended to "serve convenience shopping and service needs of local residents". The Land Use Element also indicates that appropriate uses in this District "should be among the least intense of the commercial uses". Pursuant to the City's Zoning Code - Section 13-30, "mobile home parks" are a "prohibited use" in the "Commercial Limited" zoning district; therefore, the subject mobile home park is considered by the City's Zoning Code to be a "nonconforming use". Pursuant to the Costa Mesa Municipal Code (CMMC) Section 13-202, a "nonconforming use" is defined as "an existing and legally established use which is located in a district where it is no longer permitted by this Zoning Code.

The 12 Gym is located at 140 East 17<sup>th</sup> Street. The site is approximately 1.5 acres in size and contains an approximate 20,000 square-foot, two unit, building and a surface parking lot. The property is a "street to street" lot with frontage on both Cabrillo Street and 17<sup>th</sup> Street. Direct vehicular access is taken from 17<sup>th</sup> Street, with a second indirect vehicular access obtained from Fullerton Avenue through a neighboring property located at 1721 Fullerton Avenue.



The Gym property has a General Plan land use designation of “General Commercial” and a zoning designation of “General Commercial” (C2). Pursuant to the General Plan Land Use Element, the “General Commercial” Land Use District “is intended to permit a wide range of commercial uses that serve both local and regional needs. These areas should have exposure and access to major transportation routes since significant traffic can be generated”. The Land Use Element also indicates that appropriate uses in this District include “retail stores, theaters, restaurants, hotels and motels, and automobile sales and service establishments”. Pursuant to the Zoning Code, the “General Commercial” Zoning District is “intended to provide for those uses which offer a wide range of goods and services which are generally less compatible with more sensitive land uses of a residential or institutional nature”.

### **The 12 Gym Permitting History**

Prior to 1992, the Gym site was operated as a lumberyard. In 1992, the subject building was converted from a lumberyard to a fitness use pursuant to application PA-92-46 and RA-92-07. At that time, the City approved a “health club” with valet and offsite parking. There were no required permit conditions of PA-92-46 and RA-92-07 relating to noise, and no conditions relating to hours of operation. Critical operational conditions of approval (COA) that were required by the City included:

- COA No. 2 – Free valet service
- COA No. 4 – Restriction of group aerobic classes to prevent potential parking impacts (this restriction was based on parking only and was subsequently amended in the below mentioned 2002 entitlement based on a specific parking analysis).
- COA No. 5 – Screening of parking
- COA No. 6 – 80 members with 24 staff maximum in the establishment;
- COA No. 7 – Lighting requirements; and
- COA No. 9 – Building signage requirements.

In 2002, the fitness studio applied for Application No. ZA-02-29 to amend the previously approved Application No. PA 92-46 and the City’s Zoning Administrator approved a Minor Conditional Use Permit (MCUP) application to convert existing gym space (office and retail area within the gym) to offer yoga and spin classes. This permit approved the removal of the previous valet/offsite parking requirement based on operating conditions and an empirical parking analysis, which demonstrated that the on-site parking is sufficient to satisfy the parking demand for the gym and its fitness classes. This approval carried forward the previous conditions of approval, with the exception of the modifications to parking and fitness classes. No other changes to conditions were included. Although not included as a condition of approval, there was mention in the parking analysis of this report that the Gym operates Monday through Friday from 5AM to 10PM and Saturdays and Sundays from 7AM to 7PM.

In 2019, the gym applied for Application No. ZA-18-59 for the approval of an MCUP to amend their use application for the operation of a new juice bar located in the gym that was previously occupied by storage. The City's Zoning Administrator approved this application on March 8, 2019. This approval was focused on the operational aspects of the juice bar and generally did not modify any other operating requirements or conditions of the existing gym use or its fitness classes. The Minor Conditional Use Permit approval for the juice bar described the juice bar's operating hours as being the same as the gym hours. The hours listed reflected the gym hours of operation at the time of application but neither the description in the juice bar's land use application, staff report, or conditions of approval restrict the gym's hours of operation. Rather, the description of the hours of operation required that the juice bar could not operate independently of the gym operations.

In 2023, an application for a Conditional Use Permit was submitted to the City to establish a drive through restaurant, "In & Out Burger", at the Gym site. The application is being reviewed by City staff and is anticipated to be presented for Planning Commission consideration later this year.

### **ANALYSIS:**

#### **Noise Standards and Protocols**

Costa Mesa Municipal Code Chapter 13, Noise Control, states that the purpose of noise control regulations is to "prohibit unnecessary, excessive and annoying noises from all sources subject to its police power. At certain levels, noises are detrimental to the health, comfort, safety, peace and enjoyment and welfare of the citizenry and in the public interest shall be regulated and systematically proscribed". The CMMC identifies and regulates qualitative nuisance noise criteria as well as quantitative interior and exterior noise criteria. These criteria apply to residential property and under certain circumstances, churches, schools and hospitals.

#### **Qualitative Noise Criteria**

Qualitative noise criteria are listed under CMMC Section 13-283. This section utilizes a "reasonable person" standard and states:

"It is unlawful for any person to willfully make or continue, or cause to be made or continued, any loud, unnecessary and unusual noise which disturbs the peace or quiet of any neighborhood or which causes discomfort or annoyance to any reasonable person of normal sensitiveness residing in the area, regardless of whether the noise level exceeds the standards specified in section 13-280, Exterior noise standards, and section 13-281..." For example, a police officer may issue a misdemeanor citation for a violation of CMMC 13-283 to a motorist who is playing extremely loud music with their windows down while driving on a small residential street at 2:00 A.M. In order to issue a citation, the officer must determine that the noise that is the basis for the issuance of the citation is noise that a reasonable person with normal sensitivities would find uncomfortable or annoying. The same determination can be made by a code enforcement officer.

### Quantitative Noise Criteria

As further described below, quantitative noise criteria are listed under CMMC Section 13-280 (Exterior Noise Standards) and 13-281 (Interior Noise Standards), and involve the measurement and analysis of decibel (dB) noise readings:

Section 13-280 - Exterior Noise Criteria	
dB	Hours
55 dB	7 A.M. - 11 P.M.
50 dB	11 P.M. - 7 A.M.

*“(b) It is unlawful for any person at any location within the city to create any noise, or to allow the creation of any noise on property owned, leased, occupied, or otherwise controlled by such person, when the foregoing causes the noise level, when measured on any other residential property, either within or outside the city, to exceed:*

- (1) The noise standard for a cumulative period of more than thirty (30) minutes in any hour;*
- (2) The noise standard plus five (5) dB(A) for a cumulative period of more than fifteen (15) minutes in any hour;*
- (3) The noise standard plus ten (10) dB(A) for a cumulative period of more than five (5) minutes in any hour;*
- (4) The noise standard plus fifteen (15) dB(A) for a cumulative period of more than one (1) minute in any hour; or*
- (5) The noise standard plus twenty (20) dB(A) for any period of time.”*

Section 13-281 - Interior Noise Criteria	
<u>dB</u>	<u>Hours</u>
55 dB	7 A.M. - 11 P.M.
45 dB	11 P.M. – 7 A.M.

*“(b) It is unlawful for any person at any location within the city to create any noise, or to allow the creation of any noise on property owned, leased, occupied, or otherwise controlled by such person, when the foregoing causes the noise level when measured within any other dwelling unit on any residential property, either within or outside the city, to exceed:*

- (1) *The interior noise standard for a cumulative period of more than five (5) minutes in any hour;*
- (2) *The interior noise standard plus five (5) dB(A) for a cumulative period of more than one (1) minute in any hour; or*
- (3) *The interior noise standard plus ten (10) dB(A) for any period of time.”*

Both of these sections are subject to the following measurement protocols under CMMC Section 13-284 (Noise level measurement):

- a) Any noise level measurement shall be performed using a sound level meter meeting American National Standard Institute’s Standard S1.4-1971 for Type 1 or Type 2 sound level meters or an instrument and the associated recording and analyzing equipment which will provide equivalent data.
- b) Exterior measurements: The location selected for measuring exterior noise levels shall be at any point on the affected property.
- c) Interior measurements: Interior noise measurements shall be made within the affected dwelling unit. The measurement shall be made at a point at least four (4) feet from the wall, ceiling, or floor nearest the alleged offensive noise source and may be made with the windows of the affected unit open.

Lastly, pursuant to CMMC Sections 13-280(c) and 13-281(c), if interior and exterior quantitative noise standards are exceeded by ambient noise levels, the maximum allowable noise levels shall be increased to reflect the maximum ambient noise level.

### **Community Improvement and CMPD Investigation**

Based on response to the residents complaints, both the Costa Mesa Police Department (CMPD) and Code Enforcement staff have responded on multiple occasions to investigate the concerns. Code Enforcement staff have visited the site on more than 40 occasions, including conducting unannounced site visits, and utilizing a hand-held sound meter device to evaluate noise at the exterior of Gym, as well as inside the residence (with their permission). Staff have also reviewed and considered noise recordings from a cell phone app submitted by the resident. Additionally, staff reached out to other residents at “The Palms” mobile home park in an effort to better understand and document any observations or activity that would cause a noise ordinance violation and or be considered loud and unreasonable noise. Lastly, staff has reached out to the owner/operator of the Gym and discussed the complaints and good neighbor practices (discussed further below in this report under “Outreach Efforts”).

During its multiple site visits, staff did not identify any activity that sustained a noise measurement that violated the CMMC’s noise regulations. Code Enforcement staff also did not witness any conditions that would constitute a loud, unnecessary noise. When visiting the site, Code Enforcement staff sometimes did not hear music or other noise emanating from the gym at all, and sometimes heard music only at a very low level. In addition, on one early morning occasion both CMPD and Code Enforcement staff were separately investigating the same noise complaint. During this site visit, staff

determined independently and collectively that their investigation could not substantiate the noise complaint. It is also important to note that during the monitoring inside of the residence, staff did not hear or register on its sound equipment any noise emanating from the Gym, and the Gym was in full operation.

As previously indicated, the Costa Mesa Police Department have responded to noise complaints at this site and visited the site multiple times and did not find any significant or unreasonable activity onsite that was outside of what one would consider normal commercial center operations, or that otherwise constituted unusual or unreasonable noise.

As a result of the investigative actions by the Costa Mesa Police Department and the City's Code Enforcement Division, staff were unable to support the claims being made by the resident. Therefore, a letter dated November 21, 2022 was sent to the resident indicating the results of staff's investigation, and that the Code Enforcement case would be closed.

### **Outreach Efforts**

Although CMPD and Code Enforcement staff were unable to substantiate the complaint(s), staff continued efforts to address the concern by conducting outreach to both the business owner and the other residents of "The Palms" mobile home park. Development Services staff spoke with the business owner/operator of "The 12" gym about the noise concerns and discussed implementing certain good neighbor practices that could help to alleviate the issue. As a result, the business owner/operator voluntarily made operational changes to address the issue. Staff was shown sound dampening modifications that the business owner had installed in the "work-out" area. In addition, the business owner stated that he asked the Gym staff to keep the exterior pedestrian door at the rear of the building closed during classes, and to lower the volume of music played during fitness classes. (These operational measures are not a City and/or State requirement). CMPD also spoke with the business owner/operator and reiterated the importance of implementing the aforementioned good neighbor practices.

Lastly, Code Enforcement staff visited "The Palms" mobile home park to enquire about surrounding noise concerns. The staff Mobile Home Park visit was prompted by a petition that was provided to staff by the resident. The petition was signed by residents of six units located within the Mobile Home Park. In general, aside from the resident and their spouse, none of the other residents who signed the petition indicated noise concerns for the Gym during on-site discussions with staff. One resident indicated that he has lived at the Park for over 16 years and although he regularly hears noise coming from the Gym, it did not annoy him.

### **Sound Media Fusion Noise Study Report Findings**

Although staff's measurements and findings did not demonstrate a violation of the City's noise ordinance, in response to the residents continued complaints (including commenting at numerous City Planning Commission and City Council meetings), staff opted to retain a noise expert to conduct an independent investigation. The City contracted the services of Sound Media Fusion, led by Mr. Gary Hardesty, a sound engineer and noise expert. Mr. Hardesty conducted the sound study over a period of seven days, starting on December 3<sup>rd</sup> and ending on December 9th. Each day the study was conducted in conjunction with the Gym's scheduled hours of operation. In addition, Mr. Hardesty was asked to conduct any and all measurements he deemed necessary to study Gym's daily operations.

On December 28, 2023, Mr. Hardesty provided the completed noise report. The report summarizes noise characteristics, how sound is measured, the City's noise ordinance standards, and the report's findings including daily conclusions and notes with detailed measurement data provided as an attachment to the report. Mr. Hardesty's observations and findings are similar to those of the Police and Code staff's findings. In general, the Report finds that the Gym is operating in compliance with the City's noise ordinance for each day measured and states that "overall noise in this area is typical for a mixed-use commercial/residential area". Please refer to the attached noise findings report. Mr. Hardesty will provide a presentation of his report and findings at the City Council meeting.

**ALTERNATIVES:**

There are no alternatives as this noise report review is for informational purposes and for City Council consideration.

**FISCAL REVIEW:**

Staff is not recommending any fiscal actions associated with the noise report review.

**LEGAL REVIEW:**

The City Attorney's Office has reviewed and approved this staff report as to form.

**CITY COUNCIL GOALS AND PRIORITIES:**

This item is administrative in nature.

**CONCLUSION:**

Staff (including both the Code Enforcement Department and City's Police Department) have thoroughly investigated the noise conditions at "The 12" gym, and on numerous occasions visited the site. Further, staff has compared the noise standards in the Municipal Code (both qualitative and quantitative noise requirements) and determined that the Gym is operating in compliance with the City's Noise Control Ordinance. Additionally, based on the professionally prepared noise report that included a seven-day study, there is no evidence of noise ordinance violations in regard to the operations of "The 12" gym.



# CITY OF COSTA MESA

P.O. BOX 1200 • 77 FAIR DRIVE • CALIFORNIA 92628-1200

DEVELOPMENT SERVICES DEPARTMENT

Wendy Simao  
140 Cabrillo Street, Space #3  
Costa Mesa CA 92627

11/21/2022

Ms. Simao,

This letter serves as a determination of the City's findings regarding your submitted concerns(s) of violations of the Costa Mesa Municipal Code (CMMC) being carried out by "The 12 Costa Mesa", a weight training gym/fitness use, located at 140 East 17th Street in the C2 (General Business District) zone. Your concerns specifically address excessive noise, violations of approved land use entitlements and overall operation of a general nuisance to the public.

City records show that you have submitted concerns to both the Costa Mesa Police Department (CMPD) as well as the Code Enforcement Division under the Economic and Development Services Department. The CMPD records show that over the past two calendar years, police dispatch has received approximately 105 complaint calls for noise emanating from the "The 12 Costa Mesa". The Code Enforcement Division has received approximately twelve to fifteen similar complaints. Similar complaints were also received as public comments during Planning Commission and City Council meetings.

As a response to the complaints submitted to police dispatch, CMPD personnel responded to the location to investigate and determine if a violation/crime was occurring. A review by CMPD administration determined that police field personnel did not identify any activity that generated noise that disturbed the peace and or was a crime.

As a response to the complaints submitted to the Code Enforcement Division, staff conducted an in-depth investigation of potential Municipal Code violations. Staff's investigation was comprised of unannounced site visits during timeframes where exercise sessions were being held. This included a site visit inside your residence in an attempt to capture the noise generated by the gym.

During these site visits staff conducted noise level measurements, as prescribed by CMMC's noise regulations sections 13-280 - Exterior noise standards, 13-281 - Interior noise standards and 13-283 - Loud, unnecessary noise. These measurements were taken utilizing hand held sound level meter equipment as required by:

*CMMC Section 13-284. Noise level measurement.*

- (a) Any noise level measurement shall be performed using a sound level meter meeting American National Standard Institute's Standard S1.4-1971 for Type 1 or Type 2 sound level meters or an instrument and the associated recording and analyzing equipment which will provide equivalent data.*

During these site visits, staff did not identify any activity that sustained a noise measurement as prescribed under the CMMC's noise regulations to cause a violation. Similarly as determined by





# CITY OF COSTA MESA

P.O. BOX 1200 • 77 FAIR DRIVE • CALIFORNIA 92628-1200

DEVELOPMENT SERVICES DEPARTMENT

the CMPD's investigation, Code Enforcement staff also did not witness any conditions that would constitute a "loud, unnecessary noise" under the CMMC. On at least one early morning occasion both CMPD and Code Enforcement staff were separately investigating the same noise complaint. As staff came across each other in the field, they determined independently and collectively that their investigation could not substantiate the complaint. It is also important to note that during the monitoring inside of your residence, staff did not hear and register any noise emanating from the gym although the gym was in full operation. At that time, you stated that you concurred with staff's findings and mentioned that you were concerned about hearing the gym's noise while outside on your patio.

Staff's investigation into the sound levels also included a review of documentation that you submitted to the City. This documentation consisted of several pages of what appeared to be screen capture shots of a cell phone sound reading application. The documents do not contain contextual information that would allow the City to definitively tie the readings to a particular noise source and do not identify sustained noise levels that would be a violation of the City's noise regulations. Lastly, noise level measurements from a cell phone application do not meet the criteria as specified in CMMC Section 13-284 listed above. As such, they are very helpful as initial information, it is important that staff use measurements taken by instruments specified in the Municipal Code for purposes of their investigation and identifying any violations.

Lastly, staff reached out to approximately twenty-eight of your neighbors in the same mobile home park. Those who spoke with us stated that in general, the area is noisy due to the proximity to commercial businesses and general street/ambient noise, but no one directly identified any noise coming from the gym operations.

Aside from the multiple site visits conducted, staff also reviewed the applicable land use entitlements to determine if the fitness use was operating outside of what they are allowed by right and/or outside of approvals granted through prior land use applications. In 1992, the subject building was converted from a lumberyard to a fitness use pursuant to application PA-92-46 and RA-92-07. At that time, the City's Redevelopment Agency and the Planning Commission approved a "health club" with valet and offsite parking. There were no required permit conditions of PA-92-46 and RA-92-07 relating to noise and no conditions relating to hours of operation. Critical operational conditions of approval that were required included the following:

- COA No. 2 – Free valet service
- COA No. 4 – Restriction of group aerobic classes to prevent potential parking impacts (this restriction was based on parking only and was subsequently amended in the below mentioned 2002 entitlement based on a specific parking analysis).
- COA No. 5 – Screening of parking
- COA No. 6 – 80 members with 24 staff maximum in the establishment;
- COA No. 7 – Lighting requirements; and
- COA No. 9 – Building signage requirements.





# CITY OF COSTA MESA

P.O. BOX 1200 • 77 FAIR DRIVE • CALIFORNIA 92628-1200

DEVELOPMENT SERVICES DEPARTMENT

In 2002, the fitness use applied for Application No. ZA-02-29 to amend the previously approved Application No. PA 92-46 and the City's Zoning Administrator approved a Minor Conditional Use Permit (MCUP) to convert existing gym space (office and retail area within the gym) to offer yoga and spin classes. This permit approved the proposed group fitness classes and removed the previous valet/offsite parking requirement based on operating conditions and an empirical parking analysis, which showed the use has sufficient parking available for the gym and its fitness classes. Although not included as a condition of approval, there was mention in the parking analysis of this report that the use operated Monday through Friday from 5AM to 10PM and Saturdays and Sundays from 7AM to 7PM. This approval carried forward the previous conditions of approval, with the exception of the modifications to parking and fitness classes. No other changes to conditions were included.

Lastly, in 2019, the gym applied for Application No. ZA-18-59 for the approval of an MCUP to amend their use application for the operation of a new juice bar located in the gym that was previously occupied by storage. The City's Zoning Administrator approved this use on March 8, 2019. This approval was focused on the operational aspects of the Juice bar and generally did not modify any other operating requirements or conditions of the existing gym use or its fitness classes.

The Minor Conditional Use Permit approval for the juice bar described the juice bar's operating hours as being the same as the gym hours. The hours listed reflected the gym hours of operation at the time of application but neither the description in the juice bar's land use application, staff report, or conditions of approval restrict the gym's hours of operation. Rather, the description of the hours of operation required that the juice bar could not operate independently of the gym operations.

Although CMPD and Code Enforcement staff did not find evidence of a Municipal Code violation, staff have continued their efforts to address your concerns by conducting outreach to both the business owner and your neighbors. In speaking with the business owner about your concerns, the business owner/operator voluntarily made some operational changes to address the issue. Staff was shown sound dampening modifications that the business owner has installed in the work out area. In addition, the business owner asked the gym staff to keep the exterior pedestrian door at the rear of the building closed during classes and to lower the volume of music played during fitness classes. (These operational measures were encouraged by City staff but are not a City and/or State requirement).

Staff has completed its investigation without finding evidence of a violation of the CMMC and or any activity that may be construed as a public nuisance; therefore the City is officially closing this case.



# CITY OF COSTA MESA

P.O. BOX 1200 • 77 FAIR DRIVE • CALIFORNIA 92628-1200

DEVELOPMENT SERVICES DEPARTMENT

If you have any questions, please feel free to call the case officer, Andy Godinez at (714) 754-5209 and or by email at [andy.godinez@costamesaca.gov](mailto:andy.godinez@costamesaca.gov)

Sincerely,

A handwritten signature in blue ink, appearing to read "Fidel Gamboa".



**FIDEL GAMBOA**  
COMMUNITY IMPROVEMENT DIVISION MANAGER  
77 FAIR DRIVE | COSTA MESA | CA 92626  
(714) 754-5625 | Fax: (714) 754-4856  
[FIDEL.GAMBOA@COSTAMESACA.GOV](mailto:FIDEL.GAMBOA@COSTAMESACA.GOV)



**SOUND MEDIA FUSION, LLC.  
16524 ARMINTA STREET  
VAN NUYS, CA 91406**

**GARY HARDESTY**

[AUDIOMICRO42@GMAIL.COM](mailto:AUDIOMICRO42@GMAIL.COM)

818-482-0193

**SOUND MONITORING REPORT**

**THE 12 GYM AND PALMS MOBILE HOME PARK**

**CITY OF COSTA MESA  
FIDEL GAMBOA  
COMMUNITY IMPROVEMENT MANAGER**

December 20, 2023 V3



Sound Media Fusion, LLC. (SMF) has been retained to monitor noise related to the 12 Gym at 140 E 17th St, Costa Mesa, CA 92627.

In the past, noise complaints have been received from the nearby Palms Mobile Home Park, at 140 Cabrillo St, Costa Mesa, CA 92627.

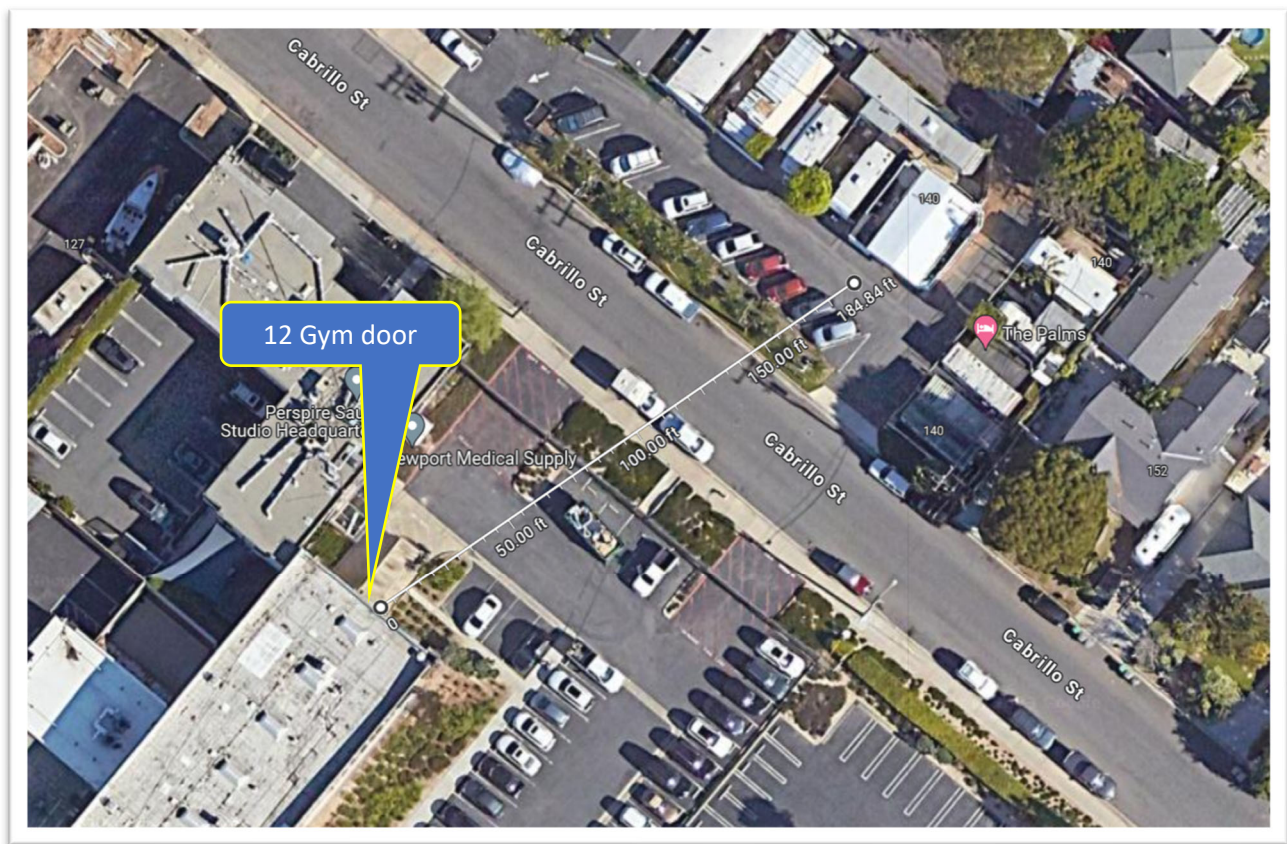
The maps below show the location of the gym and mobile home park:





The area is mixed use residential and commercial.

The 12 Gym is located close to the mobile home park:



In order to simplify our findings, we have placed sound/acoustic boilerplate in Appendix B of this report.

We monitored noise for a period of seven days during gym operating hours and monitored with a person on site at all times (including making noise meter recordings at various times), based on the following schedule, which is based on the gym operating hours:

- a. Monday- Friday: 5 AM- 8 PM.
- b. Saturday-Sunday: 7 AM- 3 PM.
- c. The monitoring dates were December 3-9, 2023- 7 days.

Estimated recording times, Monday- Friday, each recording is 30 minutes (resulting in a total of 8- 30-minute reading tables per day):

-5 AM- 5:30 AM  
-7 AM-7:30 AM  
-9 AM- 9:30 AM  
-11 AM- 11:30 AM

-1 PM- 1:30 PM  
-3 PM- 3:30 PM  
-5 PM- 5:30 PM  
7 PM- 7:30 PM

Estimated recording times, Saturday-Sunday, each recording is 30 minutes (resulting in a total of 4- 30-minute reading tables per day):

-7 AM- 7:30 AM  
-9 AM- 9:30 AM  
-11 AM- 11:30 AM  
-1 PM- 1:30 PM

Appendix A contains all the noise monitoring data from our measurement system

The applicable Costa Mesa noise standards:

Table N-2: Residential Exterior and Interior Standards

Exterior Noise Standards	Interior Noise Standards
55 dBA: 7:00 A.M. to 11:00 P.M.	
50 dBA: 11:00 P.M. to 7:00 A.M.	
55 dBA: 7:00 A.M. to 11:00 P.M.	
45 dBA: 11:00 P.M. to 7:00 A.M.	

Note: These represent the basic standards applicable for time periods exceeding 15 minutes each hour. Higher levels may be generated for specified shorter time periods.

1. The applicable Sound Level Standard for a cumulative period of more than thirty (30) minutes in any hour; or
2. The applicable Sound Level Standard plus five (5) dB(A) for a cumulative period of more than fifteen (15) minutes in any hour, as measured in the housing areas; or
3. The applicable Sound Level Standard plus ten (10) dB(A) for a cumulative period of more than five (5) minutes in any hour, as measured in the housing areas ; or
4. The applicable Sound Level Standard plus fifteen (15) dB(A) for a cumulative period of more than one (1) minutes in any hour, as measured in the housing areas ; or
5. The applicable Sound Level Standard plus twenty (20) dB(A) for any period of time.

Note that noise must be no more 50 dBA before 7 AM and 55 dBA at other times, with allowance based on time durations and ambient overall noise levels.

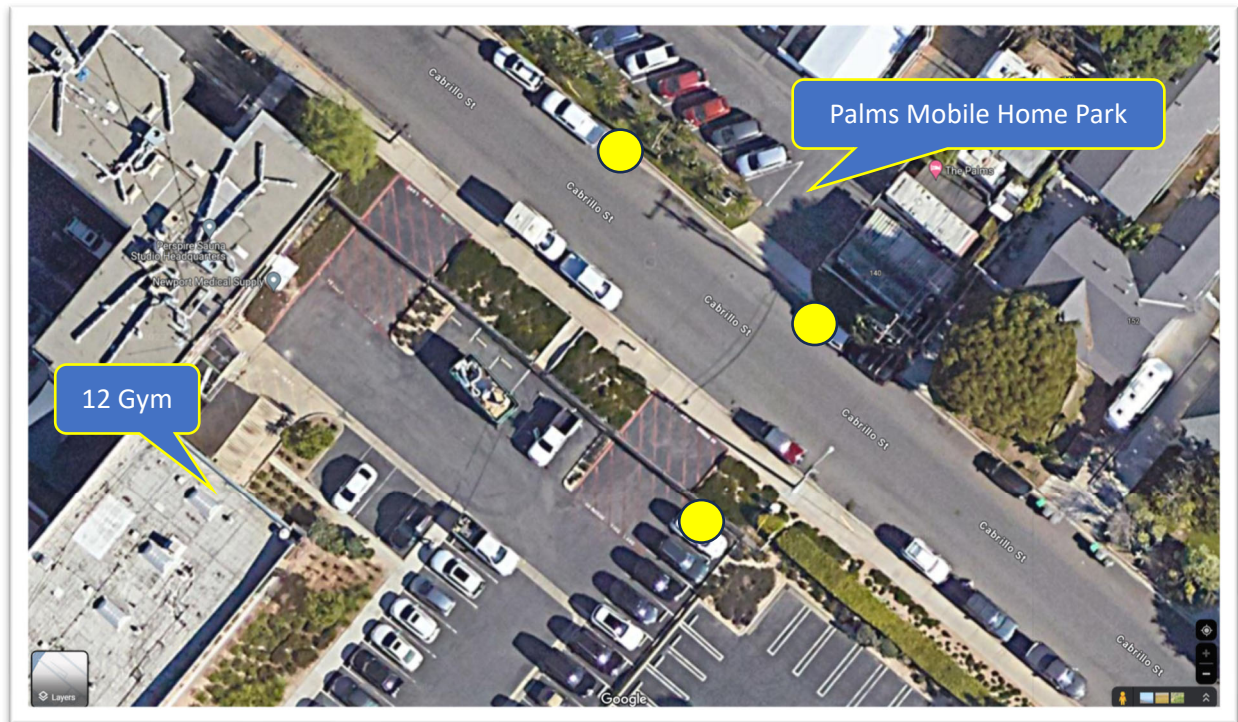
Noise measuring devices are not smart, IE: all noise is recorded, whether it be gym noise, traffic noise, airplane noise or other such environmental noise. The noise measurements are inclusive of all local noise within a given noise monitoring area.

As noted earlier, we had a person on site during the monitoring days, to manage the noise measurement system, as well as note any potentially disturbing noise, such as music.



We took noise measurements based on the earlier schedule in this report, and herein are providing all the data, measured in the 1 minute, 5 minute, 15 minute and 30 minute measurement periods specified in the noise ordinance, based on the table provided earlier.

Using a single calibrated noise measurement system, monitored primarily at the locations shown below, near the mobile home park, and varied such locations from time to time- helping to average the human observance as well as measurement data, and found, due to close proximity of gym and mobile home park, such variable locations made little difference in any related gym noise and local ambient noise:



We used a calibrated professional NTI XL2 noise meter for our measurements. This device makes multiple data records, as well as audio recording for each measurement period. We analyzed all audio recording, as well as all recorded measurement data, including making notes based on the engineer we had on site:

#### XL2 Audio and Acoustic Analyzer



Summary notes appear below (to indicate noise above 'normal'), with detail audio readings in Appendix A:

### **Dec 3rd, 2023 notes:**

7:15am - trash pickup

10:52am - **noticed music coming from the direction of the gym, but it could have been a car**

audio system. No louder than the building HVAC units that are running around the parking lot

11-11:15 - guy sitting in his truck with the windows down, halfway between the gym and the trailer park, playing his music fairly loud.

Overall it's a pretty quiet area. Most prominent ambient noise is coming from motorcycles, HVAC units for businesses in the parking lot. Most noise coming from the direction of 17th street, since that's the main thoroughfare. Really no noise to speak of from the gym today.

In compliance on this day.

### **Dec 4th, 2023 notes:**

5:15am ~20 cars in parking lot

5:50 - car alarm going off for 3 minutes

Lot got busier @ 6am

Trash pickup @ 6:40

10:30 - nothing else of note so far. Lot is pretty quiet, no noise from the gym.

11:10-11:25 - Gym owner (Josh) came over with questions. We were talking near the meter for 10-20 minutes, so it's possible this will affect the 11am reading. All readings after this point were done on Cabrillo, parallel with the parking space I'd been in before.

11:50 - lawnmower running at second house down from the trailer park for ~20 min

1:15 - car alarm going off in parking lot for ~30 sec

3 - parking lot has been pretty full most of the day, but not much noise other than cars coming and going.

5pm - 17th street is the loudest source of noise in the area. The rest of the day has been pretty quiet in the parking lot.

7:45 - same note as 5pm. No noticeable noise from the gym.

In compliance on this day.



### **Dec 5th, 2023 notes:**

6:00am - Parking lot is pretty full, no noise from the gym

7:15 - lawnmower running across the parking lot for ~20 mins

**9:50 - back door to the gym propped open - this door faces Cabrillo street. Music audible from inside. Bass is tame and vocals are audible occasionally.** LEQ1' measured over about 90 seconds hovers around 62dB, including multiple cars that have driven by. Lasted about 15 minutes.

1pm - noise throughout the day has been mostly from cars, lawnmowers, etc. Only noise from the gym I've heard so far this week was earlier today.

4pm - gym parking lot is starting to calm down now, and traffic is picking up.

6pm - residential street is pretty quiet, I can hear parts of conversations from the parking lot, but still nothing from the gym.

7:10pm - car alarm went off briefly

In compliance on this day, with some audible gym noise as noted above.

### **Dec 6th, 2023 notes:**

9:15 Air compressor/generator running down the street for about half an hour

1:20 - loud diesel truck parked across the street. Runs for a minute, then turns off. Engine back on at 1:25 and runs for a few minutes, revving occasionally. Pulls away at 1:32

1:27 - street sweeping truck goes by

1:36 - street sweeping truck goes by again

4:15 - Diesel engine running in parking lot for ~20 mins

**5:30 - little bit of sub bass coming from the gym, barely audible when the street is quiet.**

**7:05 - some sub bass coming from the gym. Still pretty quiet, but audible at times when the street is really quiet.** Not louder than distant motorcycle engines.

In compliance on this day.

### **Dec 7th, 2023 notes:**

5:30 - quiet morning. Parking lot filling up, but no noticeable noise from the gym

7:50 - diesel truck idling in parking lot for ~5 minutes

11:10 - parking lot is about half full. Firetruck drives by on 17th street

11:17 - Gary called and we talked for 5 minutes. Might show up on the readings since the meter was running.

2:00 - parking lot fairly busy, no noise audible from the gym above the ambient level

5:05- some kind of saw or power drill running intermittently at a house two down from the trailer park.

Continued through 5:30

In compliance on this day.

## **Dec 8th, 2023 notes:**

**7:50 – gym door facing trailer park propped open. Can hear workout instructor's voice, thought bot able to distinguish what's being said. Low-midrange frequencies occasionally audible above ambient noise. Not audible when a plane flew overhead.**

**8:22 - door still open, music from class is louder now. Started recording.**

8:31 - neighbor walked by while I was metering and said "I don't think it's that loud, to be honest... I know our neighbor's complaining, but..." I thanked her and she walked away.

8:40 - workout class seems to have ended; no audible music or vocals now. Meter was running from 8:20-8:50, so should have captured ~20 mins of the noise from the class.

**9:10 - exercise class is on again, vocals and music fairly audible**

11:29 - car alarm going off for several minutes in parking lot.

3pm - after this morning's classes, the parking lot has been pretty quiet. Was hoping they'd do another class so I could put the meter out and catch most of it to see how loud it actually is, but the reading from 8:20 will have to suffice. Not much noise except the street noise and people coming and going from the gym.

Occasional conversations in the parking lot, but that's about it.

5:30 - still quiet in the parking lot, not a whole lot going on.

6:14 - Group of loud motorcycles driving around the area, audible for about 2 minutes

7:50 - rest of the evening has been dead quiet

Audible gym noise as noted above, but generally in compliance based on local ambient noise.

## **Dec 9th, 2023 notes:**

9am - no noise to speak of from the gym. Parking lot is a little less full this morning.

11am - still no noise from the gym. Normal ambient noise - motorcycles on 17th street mostly. Quieter today than during the week.

2pm - still very quiet. Car alarm here or there, but not much else. Back door at the gym hasn't been opened all day.

3pm - really no noise from the gym at all today.

In compliance on this day.

## **Conclusion:**

As noted in some of the daily reports, above, there was gym related music noise on a few days, which was audible and potentially disturbing to someone, although, based on the overall ambient noise, not significantly above ambient levels and the noise readings indicated average compliance--- compliance based on a meter reading VS. a human identifying something, such as music, that is potentially disturbing, are the reasons we monitor with an attendant engineer on site in addition to meter readings, as meter readings in and of themselves don't tell the whole story.

Overall noise in this area is typical for a mixed-use commercial/residential area.

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## **APPENDIX A**

METER READING DATA FROM EACH DAY AND EACH MONITORED TIME PERIOD

Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 30.9  
 Mic Sensitivity: mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-03, 07:02:44  
 End: 2023-12-03, 07:32:44

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/3/2023	7:03:44	0:29:00	58.6	58.6	58.6	58.6
12/3/2023	7:04:44	0:28:00	47.7	56	56	56
12/3/2023	7:05:44	0:27:00	47.6	54.5	54.5	54.5
12/3/2023	7:06:44	0:26:00	48.3	53.6	53.6	53.6
12/3/2023	7:07:44	0:25:00	45.3	52.8	52.8	52.8
12/3/2023	7:08:44	0:24:00	44.6	46.9	52.1	52.1
12/3/2023	7:09:44	0:23:00	46.3	46.6	51.6	51.6
12/3/2023	7:10:44	0:22:00	48	46.7	51.3	51.3
12/3/2023	7:11:44	0:21:00	50	47.3	51.2	51.2
12/3/2023	7:12:44	0:20:00	48.4	47.8	51	51
12/3/2023	7:13:44	0:19:00	55.7	51.1	51.7	51.7
12/3/2023	7:14:44	0:18:00	54.7	52.5	52	52
12/3/2023	7:15:44	0:17:00	53.4	53.2	52.2	52.2
12/3/2023	7:16:44	0:16:00	48.6	53.1	52	52
12/3/2023	7:17:44	0:15:00	46.3	53	51.8	51.8
12/3/2023	7:18:44	0:14:00	48.1	51.4	50.2	51.6
12/3/2023	7:19:44	0:13:00	50.2	50	50.4	51.5
12/3/2023	7:20:44	0:12:00	47.1	48.3	50.4	51.4
12/3/2023	7:21:44	0:11:00	46.6	47.9	50.3	51.2
12/3/2023	7:22:44	0:10:00	46.4	47.9	50.3	51.1
12/3/2023	7:23:44	0:09:00	47.8	47.9	50.4	51
12/3/2023	7:24:44	0:08:00	48.7	47.4	50.5	50.9
12/3/2023	7:25:44	0:07:00	49.3	47.9	50.5	50.8
12/3/2023	7:26:44	0:06:00	54.7	50.5	51	51.1
12/3/2023	7:27:44	0:05:00	48.3	50.7	51	51
12/3/2023	7:28:44	0:04:00	53.7	51.8	50.7	51.1
12/3/2023	7:29:44	0:03:00	47.8	51.7	50.1	51.1
12/3/2023	7:30:44	0:02:00	46.1	51.5	49.5	50.9
12/3/2023	7:31:44	0:01:00	47.6	49.7	49.5	50.9
12/3/2023	7:32:44	0:00:00	51.8	50.4	49.8	50.9

#### # Broadband LOG Results over whole log period

12/3/2023	7:32:44	0:00:00	51.8	50.4	49.8	50.9
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 30.9  
 Mic Sensitivity: mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-03, 09:05:30  
 End: 2023-12-03, 09:35:30

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/3/2023	9:06:30	0:29:00	55.2	55.2	55.2	55.2
12/3/2023	9:07:30	0:28:00	46.8	52.8	52.8	52.8
12/3/2023	9:08:30	0:27:00	48.3	51.7	51.7	51.7
12/3/2023	9:09:30	0:26:00	45.7	50.8	50.8	50.8
12/3/2023	9:10:30	0:25:00	44	50.1	50.1	50.1
12/3/2023	9:11:30	0:24:00	42.8	45.9	49.5	49.5
12/3/2023	9:12:30	0:23:00	48.7	46.5	49.4	49.4
12/3/2023	9:13:30	0:22:00	50.8	47.4	49.6	49.6
12/3/2023	9:14:30	0:21:00	52.6	49.3	50	50
12/3/2023	9:15:30	0:20:00	48.5	49.7	49.9	49.9
12/3/2023	9:16:30	0:19:00	46.5	50	49.7	49.7
12/3/2023	9:17:30	0:18:00	46	49.6	49.5	49.5
12/3/2023	9:18:30	0:17:00	44.9	48.7	49.3	49.3
12/3/2023	9:19:30	0:16:00	48	47	49.2	49.2
12/3/2023	9:20:30	0:15:00	50.7	47.7	49.3	49.3
12/3/2023	9:21:30	0:14:00	51.6	49	48.6	49.5
12/3/2023	9:22:30	0:13:00	47.5	49.2	48.6	49.4
12/3/2023	9:23:30	0:12:00	47.5	49.4	48.6	49.3
12/3/2023	9:24:30	0:11:00	49.3	49.6	48.8	49.3
12/3/2023	9:25:30	0:10:00	51	49.7	49.1	49.4
12/3/2023	9:26:30	0:09:00	54.8	51	50.1	49.9
12/3/2023	9:27:30	0:08:00	47.9	51	50	49.8
12/3/2023	9:28:30	0:07:00	51.7	51.6	50.1	49.9
12/3/2023	9:29:30	0:06:00	47.3	51.4	49.7	49.8
12/3/2023	9:30:30	0:05:00	51.4	51.5	49.9	49.9
12/3/2023	9:31:30	0:04:00	52.2	50.6	50.3	50
12/3/2023	9:32:30	0:03:00	44.6	50.3	50.2	49.9
12/3/2023	9:33:30	0:02:00	44.1	49.2	50.2	49.8
12/3/2023	9:34:30	0:01:00	51.6	50	50.4	49.9
12/3/2023	9:35:30	0:00:00	46.9	49.2	50.2	49.8

#### # Broadband LOG Results over whole log period

12/3/2023	9:35:30	0:00:00	46.9	49.2	50.2	49.8
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-03, 11:01:32  
 End: 2023-12-03, 11:31:32

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/3/2023	11:02:32	0:29:00	52.4	52.4	52.4	52.4
12/3/2023	11:03:32	0:28:00	50.4	51.5	51.5	51.5
12/3/2023	11:04:32	0:27:00	63	58.8	58.8	58.8
12/3/2023	11:05:32	0:26:00	47.7	57.6	57.6	57.6
12/3/2023	11:06:32	0:25:00	46.9	56.8	56.8	56.8
12/3/2023	11:07:32	0:24:00	48.9	56.6	56.1	56.1
12/3/2023	11:08:32	0:23:00	47.2	56.5	55.5	55.5
12/3/2023	11:09:32	0:22:00	64.6	57.9	58.3	58.3
12/3/2023	11:10:32	0:21:00	48.4	57.9	57.8	57.8
12/3/2023	11:11:32	0:20:00	49.1	58	57.4	57.4
12/3/2023	11:12:32	0:19:00	51.9	58.1	57.1	57.1
12/3/2023	11:13:32	0:18:00	56.7	58.6	57.1	57.1
12/3/2023	11:14:32	0:17:00	54.9	53.3	57	57
12/3/2023	11:15:32	0:16:00	53	53.8	56.8	56.8
12/3/2023	11:16:32	0:15:00	48.4	53.8	56.5	56.5
12/3/2023	11:17:32	0:14:00	47.8	53.4	56.4	56.3
12/3/2023	11:18:32	0:13:00	50.3	51.8	56.4	56.1
12/3/2023	11:19:32	0:12:00	50.8	50.5	55	55.9
12/3/2023	11:20:32	0:11:00	51.4	50	55.1	55.7
12/3/2023	11:21:32	0:10:00	50.1	50.3	55.1	55.6
12/3/2023	11:22:32	0:09:00	48.8	50.4	55.1	55.4
12/3/2023	11:23:32	0:08:00	50.9	50.5	55.2	55.3
12/3/2023	11:24:32	0:07:00	50	50.3	51.6	55.2
12/3/2023	11:25:32	0:06:00	53.2	50.9	51.9	55.1
12/3/2023	11:26:32	0:05:00	52.3	51.3	52.1	55
12/3/2023	11:27:32	0:04:00	50.5	51.6	52	54.9
12/3/2023	11:28:32	0:03:00	52.7	51.9	51.4	54.8
12/3/2023	11:29:32	0:02:00	54.4	52.8	51.4	54.8
12/3/2023	11:30:32	0:01:00	50.7	52.4	51.2	54.7
12/3/2023	11:31:32	0:00:00	46.4	51.7	51.1	54.6

#### # Broadband LOG Results over whole log period

12/3/2023	11:31:32	0:00:00	46.4	51.7	51.1	54.6
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
Mic Type: NtTi Audio M4260, SNo. 5541, Factory adjusted  
Mic  
Sensitivity: 30.9 mV/Pa  
Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
Timer mode: single  
Timer set: 0:30:00  
Log-Interval: 0:01:00  
k1: 0.0 dB  
k2: 0.0 dB  
kset Date: k-Values not measured  
Range: 20 - 120 dB

#### # Time

Start: 2023-12-03, 12:58:26  
End: 2023-12-03, 13:28:26

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/3/2023	12:59:26	0:29:00	54.9	54.9	54.9	54.9
12/3/2023	13:00:26	0:28:00	52.8	53.9	53.9	53.9
12/3/2023	13:01:26	0:27:00	52.2	53.4	53.4	53.4
12/3/2023	13:02:26	0:26:00	50.2	52.8	52.8	52.8
12/3/2023	13:03:26	0:25:00	51.1	52.5	52.5	52.5
12/3/2023	13:04:26	0:24:00	52.5	51.8	52.5	52.5
12/3/2023	13:05:26	0:23:00	49.1	51.2	52.2	52.2
12/3/2023	13:06:26	0:22:00	47.9	50.4	51.8	51.8
12/3/2023	13:07:26	0:21:00	51.9	50.8	51.8	51.8
12/3/2023	13:08:26	0:20:00	52.4	51.1	51.9	51.9
12/3/2023	13:09:26	0:19:00	48.7	50.4	51.7	51.7
12/3/2023	13:10:26	0:18:00	47.7	50.2	51.4	51.4
12/3/2023	13:11:26	0:17:00	50.5	50.6	51.4	51.4
12/3/2023	13:12:26	0:16:00	57.8	53.1	52.3	52.3
12/3/2023	13:13:26	0:15:00	53.3	53.3	52.4	52.4
12/3/2023	13:14:26	0:14:00	48	53.3	52	52.2
12/3/2023	13:15:26	0:13:00	51.1	53.5	51.9	52.2
12/3/2023	13:16:26	0:12:00	60.9	56.5	53.5	53.5
12/3/2023	13:17:26	0:11:00	48.9	55.3	53.5	53.3
12/3/2023	13:18:26	0:10:00	49.2	55	53.4	53.2
12/3/2023	13:19:26	0:09:00	46.1	54.9	53.2	53
12/3/2023	13:20:26	0:08:00	52.4	55	53.4	53
12/3/2023	13:21:26	0:07:00	48.5	49.5	53.4	52.9
12/3/2023	13:22:26	0:06:00	48.8	49.5	53.3	52.8
12/3/2023	13:23:26	0:05:00	51.9	50.1	53.2	52.7
12/3/2023	13:24:26	0:04:00	48.2	50.3	53.2	52.6
12/3/2023	13:25:26	0:03:00	49.9	49.7	53.3	52.6
12/3/2023	13:26:26	0:02:00	46.2	49.4	53.2	52.4
12/3/2023	13:27:26	0:01:00	54.1	50.9	52.7	52.5
12/3/2023	13:28:26	0:00:00	51.9	50.9	52.6	52.5

#### # Broadband LOG Results over whole log period

12/3/2023	13:28:26	0:00:00	51.9	50.9	52.6	52.5
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-04, 04:57:34  
 End: 2023-12-04, 05:27:34

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/4/2023	4:58:34	0:29:00	51.9	51.9	51.9	51.9
12/4/2023	4:59:34	0:28:00	43.3	49.5	49.5	49.5
12/4/2023	5:00:34	0:27:00	47.9	49	49	49
12/4/2023	5:01:34	0:26:00	48.9	49	49	49
12/4/2023	5:02:34	0:25:00	45.3	48.5	48.5	48.5
12/4/2023	5:03:34	0:24:00	47	46.9	48.2	48.2
12/4/2023	5:04:34	0:23:00	45.7	47.2	48	48
12/4/2023	5:05:34	0:22:00	44.5	46.6	47.7	47.7
12/4/2023	5:06:34	0:21:00	46.3	45.8	47.5	47.5
12/4/2023	5:07:34	0:20:00	46.6	46.1	47.4	47.4
12/4/2023	5:08:34	0:19:00	45.7	45.8	47.3	47.3
12/4/2023	5:09:34	0:18:00	45	45.7	47.2	47.2
12/4/2023	5:10:34	0:17:00	53.9	49.1	48.2	48.2
12/4/2023	5:11:34	0:16:00	44.8	48.9	48.1	48.1
12/4/2023	5:12:34	0:15:00	45.1	48.8	47.9	47.9
12/4/2023	5:13:34	0:14:00	46.3	48.8	47.4	47.8
12/4/2023	5:14:34	0:13:00	46.9	49	47.5	47.8
12/4/2023	5:15:34	0:12:00	46	45.9	47.4	47.7
12/4/2023	5:16:34	0:11:00	46.9	46.3	47.2	47.7
12/4/2023	5:17:34	0:10:00	46.2	46.5	47.3	47.6
12/4/2023	5:18:34	0:09:00	45.9	46.4	47.2	47.5
12/4/2023	5:19:34	0:08:00	46.1	46.3	47.2	47.5
12/4/2023	5:20:34	0:07:00	47.3	46.5	47.4	47.5
12/4/2023	5:21:34	0:06:00	46.3	46.4	47.4	47.4
12/4/2023	5:22:34	0:05:00	45.6	46.3	47.3	47.4
12/4/2023	5:23:34	0:04:00	48.4	46.9	47.5	47.4
12/4/2023	5:24:34	0:03:00	48.6	47.4	47.7	47.5
12/4/2023	5:25:34	0:02:00	46.5	47.3	46.6	47.4
12/4/2023	5:26:34	0:01:00	46.1	47.2	46.7	47.4
12/4/2023	5:27:34	0:00:00	46.2	47.3	46.7	47.4

#### # Broadband LOG Results over whole log period

12/4/2023	5:27:34	0:00:00	46.2	47.3	46.7	47.4
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-04, 07:04:30  
 End: 2023-12-04, 07:34:30

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/4/2023	7:05:30	0:29:00	52.3	52.3	52.3	52.3
12/4/2023	7:06:30	0:28:00	53.3	52.8	52.8	52.8
12/4/2023	7:07:30	0:27:00	54.7	53.5	53.5	53.5
12/4/2023	7:08:30	0:26:00	52.8	53.4	53.4	53.4
12/4/2023	7:09:30	0:25:00	54.9	53.7	53.7	53.7
12/4/2023	7:10:30	0:24:00	49.9	53.5	53.3	53.3
12/4/2023	7:11:30	0:23:00	50.9	53.1	53	53
12/4/2023	7:12:30	0:22:00	50.3	52.2	52.7	52.7
12/4/2023	7:13:30	0:21:00	50.3	51.7	52.5	52.5
12/4/2023	7:14:30	0:20:00	51.4	50.6	52.4	52.4
12/4/2023	7:15:30	0:19:00	49.6	50.5	52.2	52.2
12/4/2023	7:16:30	0:18:00	52.3	50.9	52.2	52.2
12/4/2023	7:17:30	0:17:00	53.3	51.6	52.3	52.3
12/4/2023	7:18:30	0:16:00	49.5	51.5	52.2	52.2
12/4/2023	7:19:30	0:15:00	49.7	51.2	52.1	52.1
12/4/2023	7:20:30	0:14:00	49	51.1	51.9	51.9
12/4/2023	7:21:30	0:13:00	51.1	50.9	51.7	51.9
12/4/2023	7:22:30	0:12:00	50.9	50.2	51.4	51.8
12/4/2023	7:23:30	0:11:00	48.5	50	51.1	51.7
12/4/2023	7:24:30	0:10:00	51.3	50.3	50.7	51.7
12/4/2023	7:25:30	0:09:00	52.7	51.1	50.9	51.7
12/4/2023	7:26:30	0:08:00	51.2	51.1	51	51.7
12/4/2023	7:27:30	0:07:00	50.9	51.1	51	51.7
12/4/2023	7:28:30	0:06:00	54.9	52.5	51.4	51.9
12/4/2023	7:29:30	0:05:00	55.7	53.5	51.9	52.1
12/4/2023	7:30:30	0:04:00	51.9	53.4	52	52.1
12/4/2023	7:31:30	0:03:00	51.7	53.4	52	52.1
12/4/2023	7:32:30	0:02:00	52.6	53.7	51.9	52.1
12/4/2023	7:33:30	0:01:00	52.3	53.1	52.1	52.1
12/4/2023	7:34:30	0:00:00	52.4	52.2	52.2	52.1

#### # Broadband LOG Results over whole log period

12/4/2023	7:34:30	0:00:00	52.4	52.2	52.2	52.1
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-04, 09:04:04  
 End: 2023-12-04, 09:34:04

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/4/2023	9:05:04	0:29:00	48.8	48.8	48.8	48.8
12/4/2023	9:06:04	0:28:00	52.2	50.8	50.8	50.8
12/4/2023	9:07:04	0:27:00	50.8	50.8	50.8	50.8
12/4/2023	9:08:04	0:26:00	48.9	50.4	50.4	50.4
12/4/2023	9:09:04	0:25:00	47.7	50	50	50
12/4/2023	9:10:04	0:24:00	45.1	49.6	49.5	49.5
12/4/2023	9:11:04	0:23:00	49.1	48.7	49.4	49.4
12/4/2023	9:12:04	0:22:00	54.8	50.4	50.6	50.6
12/4/2023	9:13:04	0:21:00	44.9	50	50.2	50.2
12/4/2023	9:14:04	0:20:00	45	49.8	49.9	49.9
12/4/2023	9:15:04	0:19:00	46.9	49.9	49.7	49.7
12/4/2023	9:16:04	0:18:00	47.1	49.7	49.5	49.5
12/4/2023	9:17:04	0:17:00	50.6	47.4	49.6	49.6
12/4/2023	9:18:04	0:16:00	49.2	48.2	49.6	49.6
12/4/2023	9:19:04	0:15:00	49.1	48.8	49.6	49.6
12/4/2023	9:20:04	0:14:00	46.2	48.7	49.4	49.4
12/4/2023	9:21:04	0:13:00	50.3	49.3	49.2	49.5
12/4/2023	9:22:04	0:12:00	50.7	49.3	49.2	49.5
12/4/2023	9:23:04	0:11:00	51.5	49.9	49.4	49.7
12/4/2023	9:24:04	0:10:00	59.9	54.4	51.8	51.4
12/4/2023	9:25:04	0:09:00	48.8	54.6	51.8	51.3
12/4/2023	9:26:04	0:08:00	50.3	54.6	51.9	51.2
12/4/2023	9:27:04	0:07:00	51.6	54.6	51.6	51.3
12/4/2023	9:28:04	0:06:00	51.1	54.6	51.8	51.3
12/4/2023	9:29:04	0:05:00	49.8	50.4	51.9	51.2
12/4/2023	9:30:04	0:04:00	47	50.2	51.9	51.1
12/4/2023	9:31:04	0:03:00	51.6	50.5	52.1	51.1
12/4/2023	9:32:04	0:02:00	51.8	50.6	52.1	51.1
12/4/2023	9:33:04	0:01:00	50.8	50.5	52.2	51.1
12/4/2023	9:34:04	0:00:00	59.7	54.5	53.5	51.9

#### # Broadband LOG Results over whole log period

12/4/2023	9:34:04	0:00:00	59.7	54.5	53.5	51.9
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-04, 11:02:24  
 End: 2023-12-04, 11:32:24

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/4/2023	11:03:24	0:29:00	53.8	53.8	53.8	53.8
12/4/2023	11:04:24	0:28:00	49.3	52.1	52.1	52.1
12/4/2023	11:05:24	0:27:00	49.6	51.4	51.4	51.4
12/4/2023	11:06:24	0:26:00	49.5	51	51	51
12/4/2023	11:07:24	0:25:00	50.7	50.9	50.9	50.9
12/4/2023	11:08:24	0:24:00	57.5	52.8	53	53
12/4/2023	11:09:24	0:23:00	51.8	53.1	52.8	52.8
12/4/2023	11:10:24	0:22:00	49.3	53	52.5	52.5
12/4/2023	11:11:24	0:21:00	51.7	53.3	52.4	52.4
12/4/2023	11:12:24	0:20:00	61.5	56.7	54.7	54.7
12/4/2023	11:13:24	0:19:00	51.3	55.9	54.5	54.5
12/4/2023	11:14:24	0:18:00	44.9	55.6	54.2	54.2
12/4/2023	11:15:24	0:17:00	47.1	55.5	53.9	53.9
12/4/2023	11:16:24	0:16:00	47.7	55.3	53.7	53.7
12/4/2023	11:17:24	0:15:00	55.3	50.9	53.8	53.8
12/4/2023	11:18:24	0:14:00	62.5	56.6	55.4	55.3
12/4/2023	11:19:24	0:13:00	59.7	58	56	55.7
12/4/2023	11:20:24	0:12:00	58.6	58.9	56.5	55.9
12/4/2023	11:21:24	0:11:00	59.5	59.7	56.9	56.2
12/4/2023	11:22:24	0:10:00	55.4	59.7	57.1	56.2
12/4/2023	11:23:24	0:09:00	52.9	57.9	56.9	56.1
12/4/2023	11:24:24	0:08:00	55.6	57	57	56
12/4/2023	11:25:24	0:07:00	57	56.6	57.2	56.1
12/4/2023	11:26:24	0:06:00	51.3	54.9	57.2	56
12/4/2023	11:27:24	0:05:00	60	56.4	57	56.2
12/4/2023	11:28:24	0:04:00	58.2	57.3	57.3	56.3
12/4/2023	11:29:24	0:03:00	53.4	57	57.4	56.2
12/4/2023	11:30:24	0:02:00	47.7	56.2	57.4	56.1
12/4/2023	11:31:24	0:01:00	46.6	56	57.4	56
12/4/2023	11:32:24	0:00:00	53.4	53.8	57.3	55.9

#### # Broadband LOG Results over whole log period

12/4/2023	11:32:24	0:00:00	53.4	53.8	57.3	55.9
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-04, 13:03:24  
 End: 2023-12-04, 13:33:24

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/4/2023	13:04:24	0:29:00	55.6	55.6	55.6	55.6
12/4/2023	13:05:24	0:28:00	53.1	54.5	54.5	54.5
12/4/2023	13:06:24	0:27:00	55.8	55	55	55
12/4/2023	13:07:24	0:26:00	54.5	54.9	54.9	54.9
12/4/2023	13:08:24	0:25:00	54.4	54.8	54.8	54.8
12/4/2023	13:09:24	0:24:00	53.7	54.4	54.6	54.6
12/4/2023	13:10:24	0:23:00	57.3	55.4	55.1	55.1
12/4/2023	13:11:24	0:22:00	56.7	55.6	55.4	55.4
12/4/2023	13:12:24	0:21:00	49.4	55.1	55	55
12/4/2023	13:13:24	0:20:00	57.3	55.7	55.3	55.3
12/4/2023	13:14:24	0:19:00	58.3	56.7	55.7	55.7
12/4/2023	13:15:24	0:18:00	55.3	56.3	55.6	55.6
12/4/2023	13:16:24	0:17:00	52	55.6	55.4	55.4
12/4/2023	13:17:24	0:16:00	54.1	56	55.4	55.4
12/4/2023	13:18:24	0:15:00	53.4	55.2	55.2	55.2
12/4/2023	13:19:24	0:14:00	55.1	54.1	55.2	55.2
12/4/2023	13:20:24	0:13:00	49.3	53.2	55.1	55
12/4/2023	13:21:24	0:12:00	54.1	53.6	55	55
12/4/2023	13:22:24	0:11:00	58.1	54.8	55.3	55.2
12/4/2023	13:23:24	0:10:00	55.4	55.2	55.4	55.2
12/4/2023	13:24:24	0:09:00	49.2	54.5	55.3	55.1
12/4/2023	13:25:24	0:08:00	55.7	55.3	55.1	55.1
12/4/2023	13:26:24	0:07:00	47.1	54.8	54.7	54.9
12/4/2023	13:27:24	0:06:00	55.1	53.7	54.9	55
12/4/2023	13:28:24	0:05:00	49.3	52.6	54.5	54.8
12/4/2023	13:29:24	0:04:00	51.4	52.9	53.9	54.7
12/4/2023	13:30:24	0:03:00	59.4	54.7	54.5	55
12/4/2023	13:31:24	0:02:00	50	54.9	54.4	54.9
12/4/2023	13:32:24	0:01:00	50.8	54.2	54.3	54.8
12/4/2023	13:33:24	0:00:00	55.7	55.1	54.5	54.9

#### # Broadband LOG Results over whole log period

12/4/2023	13:33:24	0:00:00	55.7	55.1	54.5	54.9
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-04, 15:02:24  
 End: 2023-12-04, 15:32:24

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/4/2023	15:03:24	0:29:00	63.1	63.1	63.1	63.1
12/4/2023	15:04:24	0:28:00	56.4	60.9	60.9	60.9
12/4/2023	15:05:24	0:27:00	54	59.6	59.6	59.6
12/4/2023	15:06:24	0:26:00	54.1	58.7	58.7	58.7
12/4/2023	15:07:24	0:25:00	58.1	58.6	58.6	58.6
12/4/2023	15:08:24	0:24:00	56.1	56	58.3	58.3
12/4/2023	15:09:24	0:23:00	54.4	55.7	57.9	57.9
12/4/2023	15:10:24	0:22:00	53.1	55.6	57.5	57.5
12/4/2023	15:11:24	0:21:00	49.7	55.1	57.1	57.1
12/4/2023	15:12:24	0:20:00	53	53.8	56.8	56.8
12/4/2023	15:13:24	0:19:00	55	53.4	56.7	56.7
12/4/2023	15:14:24	0:18:00	54.9	53.5	56.6	56.6
12/4/2023	15:15:24	0:17:00	46.9	52.9	56.3	56.3
12/4/2023	15:16:24	0:16:00	46.4	52.7	56	56
12/4/2023	15:17:24	0:15:00	51.8	52.4	55.8	55.8
12/4/2023	15:18:24	0:14:00	54.9	52.4	54.2	55.7
12/4/2023	15:19:24	0:13:00	53	51.8	54	55.6
12/4/2023	15:20:24	0:12:00	55.3	53.2	54	55.6
12/4/2023	15:21:24	0:11:00	56	54.4	54.2	55.6
12/4/2023	15:22:24	0:10:00	51.9	54.5	53.6	55.5
12/4/2023	15:23:24	0:09:00	53.8	54.2	53.4	55.4
12/4/2023	15:24:24	0:08:00	53.8	54.4	53.3	55.4
12/4/2023	15:25:24	0:07:00	48	53.4	53.2	55.2
12/4/2023	15:26:24	0:06:00	47	51.7	53.1	55.1
12/4/2023	15:27:24	0:05:00	47.2	51.1	52.9	54.9
12/4/2023	15:28:24	0:04:00	54.4	51.4	52.8	54.9
12/4/2023	15:29:24	0:03:00	58	53.3	53.3	55.1
12/4/2023	15:30:24	0:02:00	54.7	54.2	53.6	55
12/4/2023	15:31:24	0:01:00	53	54.7	53.8	55
12/4/2023	15:32:24	0:00:00	53.8	55.2	53.9	55

#### # Broadband LOG Results over whole log period

12/4/2023	15:32:24	0:00:00	53.8	55.2	53.9	55
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-04, 17:05:16  
 End: 2023-12-04, 17:35:16

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/4/2023	17:06:16	0:29:00	57	57	57	57
12/4/2023	17:07:16	0:28:00	53.7	55.7	55.7	55.7
12/4/2023	17:08:16	0:27:00	55.4	55.6	55.6	55.6
12/4/2023	17:09:16	0:26:00	49.2	54.7	54.7	54.7
12/4/2023	17:10:16	0:25:00	53.2	54.4	54.4	54.4
12/4/2023	17:11:16	0:24:00	53.6	53.4	54.3	54.3
12/4/2023	17:12:16	0:23:00	56.2	54.1	54.6	54.6
12/4/2023	17:13:16	0:22:00	55.8	54.2	54.8	54.8
12/4/2023	17:14:16	0:21:00	54.5	54.8	54.8	54.8
12/4/2023	17:15:16	0:20:00	51.7	54.7	54.5	54.5
12/4/2023	17:16:16	0:19:00	50	54.2	54.3	54.3
12/4/2023	17:17:16	0:18:00	48.3	52.9	54	54
12/4/2023	17:18:16	0:17:00	53.2	52.1	53.9	53.9
12/4/2023	17:19:16	0:16:00	56.7	53	54.2	54.2
12/4/2023	17:20:16	0:15:00	54.4	53.5	54.2	54.2
12/4/2023	17:21:16	0:14:00	56.6	54.7	54.2	54.4
12/4/2023	17:22:16	0:13:00	52.2	55	54.1	54.3
12/4/2023	17:23:16	0:12:00	54	55.1	54	54.3
12/4/2023	17:24:16	0:11:00	55.7	54.8	54.3	54.4
12/4/2023	17:25:16	0:10:00	56.5	55.3	54.5	54.5
12/4/2023	17:26:16	0:09:00	55.9	55.1	54.7	54.6
12/4/2023	17:27:16	0:08:00	50.8	55	54.4	54.5
12/4/2023	17:28:16	0:07:00	53.1	54.8	54.2	54.4
12/4/2023	17:29:16	0:06:00	54.1	54.5	54.2	54.4
12/4/2023	17:30:16	0:05:00	50.3	53.3	54.1	54.3
12/4/2023	17:31:16	0:04:00	49.5	51.9	54.1	54.2
12/4/2023	17:32:16	0:03:00	47.3	51.5	54.1	54
12/4/2023	17:33:16	0:02:00	55.5	52.4	54.3	54.1
12/4/2023	17:34:16	0:01:00	50.2	51.5	53.8	54
12/4/2023	17:35:16	0:00:00	60	55	54.6	54.4

#### # Broadband LOG Results over whole log period

12/4/2023	17:35:16	0:00:00	60	55	54.6	54.4
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-04, 19:03:58  
 End: 2023-12-04, 19:33:58

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/4/2023	19:04:58	0:29:00	52.9	52.9	52.9	52.9
12/4/2023	19:05:58	0:28:00	51.6	52.3	52.3	52.3
12/4/2023	19:06:58	0:27:00	53.4	52.7	52.7	52.7
12/4/2023	19:07:58	0:26:00	50.8	52.3	52.3	52.3
12/4/2023	19:08:58	0:25:00	54.6	52.9	52.9	52.9
12/4/2023	19:09:58	0:24:00	48.1	52.2	52.3	52.3
12/4/2023	19:10:58	0:23:00	52.9	52.5	52.4	52.4
12/4/2023	19:11:58	0:22:00	55.5	53.1	53	53
12/4/2023	19:12:58	0:21:00	47.9	52.9	52.6	52.6
12/4/2023	19:13:58	0:20:00	47.7	51.7	52.3	52.3
12/4/2023	19:14:58	0:19:00	52.1	52.2	52.3	52.3
12/4/2023	19:15:58	0:18:00	51.6	52	52.2	52.2
12/4/2023	19:16:58	0:17:00	51.3	50.5	52.2	52.2
12/4/2023	19:17:58	0:16:00	48.6	50.6	52	52
12/4/2023	19:18:58	0:15:00	48.8	50.7	51.8	51.8
12/4/2023	19:19:58	0:14:00	55.5	51.9	52.1	52.2
12/4/2023	19:20:58	0:13:00	50.9	51.8	52.1	52.1
12/4/2023	19:21:58	0:12:00	57.5	53.8	52.7	52.7
12/4/2023	19:22:58	0:11:00	48.4	53.8	52.6	52.5
12/4/2023	19:23:58	0:10:00	52	54.1	52.4	52.5
12/4/2023	19:24:58	0:09:00	49.8	53.1	52.4	52.4
12/4/2023	19:25:58	0:08:00	53.7	53.5	52.5	52.5
12/4/2023	19:26:58	0:07:00	52.8	51.8	52.2	52.5
12/4/2023	19:27:58	0:06:00	56.4	53.5	52.8	52.8
12/4/2023	19:28:58	0:05:00	53	53.7	53	52.8
12/4/2023	19:29:58	0:04:00	52.1	53.9	53	52.7
12/4/2023	19:30:58	0:03:00	53.6	53.9	53.2	52.8
12/4/2023	19:31:58	0:02:00	50.7	53.6	53.1	52.7
12/4/2023	19:32:58	0:01:00	51.8	52.4	53.3	52.7
12/4/2023	19:33:58	0:00:00	47.3	51.6	53.2	52.6

#### # Broadband LOG Results over whole log period

12/4/2023	19:33:58	0:00:00	47.3	51.6	53.2	52.6
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-05, 04:59:54  
 End: 2023-12-05, 05:29:54

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/5/2023	5:00:54	0:29:00	60.4	60.4	60.4	60.4
12/5/2023	5:01:54	0:28:00	43.6	57.4	57.4	57.4
12/5/2023	5:02:54	0:27:00	44.2	55.8	55.8	55.8
12/5/2023	5:03:54	0:26:00	43.8	54.6	54.6	54.6
12/5/2023	5:04:54	0:25:00	43.6	53.7	53.7	53.7
12/5/2023	5:05:54	0:24:00	45.4	44.2	53.1	53.1
12/5/2023	5:06:54	0:23:00	45.2	44.5	52.5	52.5
12/5/2023	5:07:54	0:22:00	45.9	44.9	52.1	52.1
12/5/2023	5:08:54	0:21:00	45.1	45.1	51.7	51.7
12/5/2023	5:09:54	0:20:00	52.7	48.1	51.8	51.8
12/5/2023	5:10:54	0:19:00	47.9	48.5	51.5	51.5
12/5/2023	5:11:54	0:18:00	45.5	48.5	51.3	51.3
12/5/2023	5:12:54	0:17:00	45.1	48.4	51	51
12/5/2023	5:13:54	0:16:00	45.9	48.5	50.8	50.8
12/5/2023	5:14:54	0:15:00	45.5	46.1	50.6	50.6
12/5/2023	5:15:54	0:14:00	44.8	45.4	46.4	50.4
12/5/2023	5:16:54	0:13:00	51.7	47.5	47.1	50.5
12/5/2023	5:17:54	0:12:00	47.6	47.9	47.3	50.3
12/5/2023	5:18:54	0:11:00	47.4	48.1	47.5	50.2
12/5/2023	5:19:54	0:10:00	47.1	48.3	47.6	50.1
12/5/2023	5:20:54	0:09:00	47.5	48.6	47.7	50
12/5/2023	5:21:54	0:08:00	46.6	47.3	47.8	49.9
12/5/2023	5:22:54	0:07:00	46.8	47.1	47.8	49.8
12/5/2023	5:23:54	0:06:00	50.7	48	48.2	49.8
12/5/2023	5:24:54	0:05:00	46.6	48	47.6	49.8
12/5/2023	5:25:54	0:04:00	46.6	47.8	47.5	49.7
12/5/2023	5:26:54	0:03:00	46.8	47.8	47.5	49.6
12/5/2023	5:27:54	0:02:00	46.8	47.8	47.6	49.5
12/5/2023	5:28:54	0:01:00	47.5	46.9	47.7	49.5
12/5/2023	5:29:54	0:00:00	47.9	47.1	47.8	49.4

#### # Broadband LOG Results over whole log period

12/5/2023	5:29:54	0:00:00	47.9	47.1	47.8	49.4
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
Mic  
Sensitivity: 30.9 mV/Pa  
Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
Timer mode: single  
Timer set: 0:30:00  
Log-Interval: 0:01:00  
k1: 0.0 dB  
k2: 0.0 dB  
kset Date: k-Values not measured  
Range: 20 - 120 dB

#### # Time

Start: 2023-12-05, 07:02:48  
End: 2023-12-05, 07:32:48

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/5/2023	7:03:48	0:29:00	63.5	63.5	63.5	63.5
12/5/2023	7:04:48	0:28:00	52.6	60.8	60.8	60.8
12/5/2023	7:05:48	0:27:00	57.1	59.9	59.9	59.9
12/5/2023	7:06:48	0:26:00	55.1	59.1	59.1	59.1
12/5/2023	7:07:48	0:25:00	57	58.8	58.8	58.8
12/5/2023	7:08:48	0:24:00	53.2	55.4	58.2	58.2
12/5/2023	7:09:48	0:23:00	54.8	55.7	57.9	57.9
12/5/2023	7:10:48	0:22:00	55.5	55.3	57.6	57.6
12/5/2023	7:11:48	0:21:00	56.3	55.6	57.5	57.5
12/5/2023	7:12:48	0:20:00	56	55.3	57.4	57.4
12/5/2023	7:13:48	0:19:00	54.3	55.4	57.2	57.2
12/5/2023	7:14:48	0:18:00	48.5	54.8	56.8	56.8
12/5/2023	7:15:48	0:17:00	53.2	54.4	56.6	56.6
12/5/2023	7:16:48	0:16:00	52.3	53.5	56.4	56.4
12/5/2023	7:17:48	0:15:00	52	52.4	56.2	56.2
12/5/2023	7:18:48	0:14:00	55.3	52.8	54.7	56.2
12/5/2023	7:19:48	0:13:00	52.9	53.3	54.7	56.1
12/5/2023	7:20:48	0:12:00	50	52.8	54.3	55.9
12/5/2023	7:21:48	0:11:00	62.5	57.1	55.6	56.6
12/5/2023	7:22:48	0:10:00	54.4	57.3	55.5	56.5
12/5/2023	7:23:48	0:09:00	55.7	57.4	55.6	56.5
12/5/2023	7:24:48	0:08:00	56.8	57.8	55.7	56.5
12/5/2023	7:25:48	0:07:00	57.8	58.5	55.9	56.6
12/5/2023	7:26:48	0:06:00	62	58.2	56.7	57
12/5/2023	7:27:48	0:05:00	65.8	61.3	58.4	58
12/5/2023	7:28:48	0:04:00	56.4	61.4	58.5	58
12/5/2023	7:29:48	0:03:00	55	61.3	58.6	57.9
12/5/2023	7:30:48	0:02:00	55.7	61.1	58.6	57.8
12/5/2023	7:31:48	0:01:00	57.7	60.4	58.8	57.8
12/5/2023	7:32:48	0:00:00	58.1	56.8	59	57.8

#### # Broadband LOG Results over whole log period

12/5/2023	7:32:48	0:00:00	58.1	56.8	59	57.8
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-05, 08:59:38  
 End: 2023-12-05, 09:29:38

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/5/2023	9:00:38	0:29:00	64.5	64.5	64.5	64.5
12/5/2023	9:01:38	0:28:00	60.6	63	63	63
12/5/2023	9:02:38	0:27:00	61	62.4	62.4	62.4
12/5/2023	9:03:38	0:26:00	60.8	62.1	62.1	62.1
12/5/2023	9:04:38	0:25:00	49.4	61.1	61.1	61.1
12/5/2023	9:05:38	0:24:00	51.4	58.9	60.4	60.4
12/5/2023	9:06:38	0:23:00	48.2	57.4	59.8	59.8
12/5/2023	9:07:38	0:22:00	60.5	57.2	59.9	59.9
12/5/2023	9:08:38	0:21:00	59.7	56.7	59.9	59.9
12/5/2023	9:09:38	0:20:00	61.9	58.8	60.1	60.1
12/5/2023	9:10:38	0:19:00	57.3	59.3	59.9	59.9
12/5/2023	9:11:38	0:18:00	60.1	60.2	60	60
12/5/2023	9:12:38	0:17:00	46.1	59.1	59.6	59.6
12/5/2023	9:13:38	0:16:00	54.7	58.4	59.4	59.4
12/5/2023	9:14:38	0:15:00	59.8	57.6	59.4	59.4
12/5/2023	9:15:38	0:14:00	52.4	57	58.5	59.2
12/5/2023	9:16:38	0:13:00	57.8	56.2	58.2	59.1
12/5/2023	9:17:38	0:12:00	56.9	57	57.9	59
12/5/2023	9:18:38	0:11:00	46.6	56.6	57.3	58.8
12/5/2023	9:19:38	0:10:00	60.3	56.8	57.8	58.9
12/5/2023	9:20:38	0:09:00	58.6	57.7	58.1	58.9
12/5/2023	9:21:38	0:08:00	54.1	57.2	58.2	58.8
12/5/2023	9:22:38	0:07:00	57.9	57.4	57.9	58.7
12/5/2023	9:23:38	0:06:00	54.8	57.8	57.6	58.6
12/5/2023	9:24:38	0:05:00	47.1	55.9	56.8	58.5
12/5/2023	9:25:38	0:04:00	55.5	55	56.7	58.4
12/5/2023	9:26:38	0:03:00	57.2	55.7	56.4	58.3
12/5/2023	9:27:38	0:02:00	61.7	57.3	57.3	58.5
12/5/2023	9:28:38	0:01:00	57.5	57.8	57.4	58.5
12/5/2023	9:29:38	0:00:00	56	58.2	57.1	58.4

#### # Broadband LOG Results over whole log period

12/5/2023	9:29:38	0:00:00	56	58.2	57.1	58.4
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-05, 11:10:36  
 End: 2023-12-05, 11:40:36

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/5/2023	11:11:36	0:29:00	49.7	49.7	49.7	49.7
12/5/2023	11:12:36	0:28:00	58.2	55.7	55.7	55.7
12/5/2023	11:13:36	0:27:00	54.3	55.3	55.3	55.3
12/5/2023	11:14:36	0:26:00	53.3	54.9	54.9	54.9
12/5/2023	11:15:36	0:25:00	51.7	54.4	54.4	54.4
12/5/2023	11:16:36	0:24:00	55.8	55.2	54.7	54.7
12/5/2023	11:17:36	0:23:00	55.4	54.4	54.8	54.8
12/5/2023	11:18:36	0:22:00	62.1	57.3	56.7	56.7
12/5/2023	11:19:36	0:21:00	59.8	58.4	57.2	57.2
12/5/2023	11:20:36	0:20:00	62.5	60.1	58.1	58.1
12/5/2023	11:21:36	0:19:00	46.1	59.8	57.7	57.7
12/5/2023	11:22:36	0:18:00	55.9	59.8	57.6	57.6
12/5/2023	11:23:36	0:17:00	58.9	59	57.7	57.7
12/5/2023	11:24:36	0:16:00	54.8	58.2	57.6	57.6
12/5/2023	11:25:36	0:15:00	56.1	55.9	57.5	57.5
12/5/2023	11:26:36	0:14:00	52.1	56.1	57.5	57.3
12/5/2023	11:27:36	0:13:00	57.4	56.4	57.5	57.3
12/5/2023	11:28:36	0:12:00	49.1	54.8	57.4	57.1
12/5/2023	11:29:36	0:11:00	54.6	54.7	57.4	57
12/5/2023	11:30:36	0:10:00	61.8	57.2	58.1	57.4
12/5/2023	11:31:36	0:09:00	58.1	57.9	58.2	57.4
12/5/2023	11:32:36	0:08:00	59.8	58.4	58.4	57.6
12/5/2023	11:33:36	0:07:00	53.8	58.6	57.8	57.5
12/5/2023	11:34:36	0:06:00	59.5	59.3	57.8	57.6
12/5/2023	11:35:36	0:05:00	46.4	57.4	56.9	57.4
12/5/2023	11:36:36	0:04:00	60.6	58.1	57.5	57.6
12/5/2023	11:37:36	0:03:00	60.1	58.2	57.8	57.7
12/5/2023	11:38:36	0:02:00	59.3	59	57.8	57.8
12/5/2023	11:39:36	0:01:00	60	59.1	58.2	57.9
12/5/2023	11:40:36	0:00:00	61.7	60.4	58.6	58.1

#### # Broadband LOG Results over whole log period

12/5/2023	11:40:36	0:00:00	61.7	60.4	58.6	58.1
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-05, 12:58:30  
 End: 2023-12-05, 13:28:30

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/5/2023	12:59:30	0:29:00	62.5	62.5	62.5	62.5
12/5/2023	13:00:30	0:28:00	61.9	62.2	62.2	62.2
12/5/2023	13:01:30	0:27:00	59.4	61.5	61.5	61.5
12/5/2023	13:02:30	0:26:00	49.3	60.3	60.3	60.3
12/5/2023	13:03:30	0:25:00	58.6	60	60	60
12/5/2023	13:04:30	0:24:00	58.9	59	59.8	59.8
12/5/2023	13:05:30	0:23:00	64.4	60.2	60.9	60.9
12/5/2023	13:06:30	0:22:00	56.8	59.9	60.5	60.5
12/5/2023	13:07:30	0:21:00	60.3	60.7	60.5	60.5
12/5/2023	13:08:30	0:20:00	50.5	60.2	60.1	60.1
12/5/2023	13:09:30	0:19:00	58	60	59.9	59.9
12/5/2023	13:10:30	0:18:00	56.6	57.4	59.7	59.7
12/5/2023	13:11:30	0:17:00	55.7	57.2	59.5	59.5
12/5/2023	13:12:30	0:16:00	59.5	56.9	59.5	59.5
12/5/2023	13:13:30	0:15:00	47.7	56.8	59.2	59.2
12/5/2023	13:14:30	0:14:00	48.8	55.7	58.6	59
12/5/2023	13:15:30	0:13:00	50.1	54.8	58	58.8
12/5/2023	13:16:30	0:12:00	60.4	56.5	58.1	58.9
12/5/2023	13:17:30	0:11:00	57.6	55.8	58.3	58.8
12/5/2023	13:18:30	0:10:00	54.3	56.3	58.1	58.7
12/5/2023	13:19:30	0:09:00	62.4	58.8	58.5	58.9
12/5/2023	13:20:30	0:08:00	56.1	59.1	57.4	58.8
12/5/2023	13:21:30	0:07:00	61.6	59.5	57.9	59
12/5/2023	13:22:30	0:06:00	46.4	58.9	57.4	58.8
12/5/2023	13:23:30	0:05:00	61	59.9	58	59
12/5/2023	13:24:30	0:04:00	66.3	61.7	59.4	59.6
12/5/2023	13:25:30	0:03:00	60.1	62.1	59.6	59.7
12/5/2023	13:26:30	0:02:00	57.3	61.6	59.7	59.6
12/5/2023	13:27:30	0:01:00	61.7	62.4	59.8	59.7
12/5/2023	13:28:30	0:00:00	56.5	61.9	59.9	59.6

#### # Broadband LOG Results over whole log period

12/5/2023	13:28:30	0:00:00	56.5	61.9	59.9	59.6
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-05, 14:58:04  
 End: 2023-12-05, 15:28:04

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/5/2023	14:59:04	0:29:00	57.7	57.7	57.7	57.7
12/5/2023	15:00:04	0:28:00	59.7	58.8	58.8	58.8
12/5/2023	15:01:04	0:27:00	52.8	57.6	57.6	57.6
12/5/2023	15:02:04	0:26:00	46.2	56.4	56.4	56.4
12/5/2023	15:03:04	0:25:00	61.7	58.1	58.1	58.1
12/5/2023	15:04:04	0:24:00	62.1	59.3	59.1	59.1
12/5/2023	15:05:04	0:23:00	51.6	58.4	58.5	58.5
12/5/2023	15:06:04	0:22:00	56.1	58.7	58.3	58.3
12/5/2023	15:07:04	0:21:00	47.1	58.7	57.8	57.8
12/5/2023	15:08:04	0:20:00	65.3	60.5	59.5	59.5
12/5/2023	15:09:04	0:19:00	62.3	60.6	59.8	59.8
12/5/2023	15:10:04	0:18:00	56.1	60.8	59.6	59.6
12/5/2023	15:11:04	0:17:00	65.1	62.5	60.4	60.4
12/5/2023	15:12:04	0:16:00	59.2	62.8	60.3	60.3
12/5/2023	15:13:04	0:15:00	44.4	60.9	60	60
12/5/2023	15:14:04	0:14:00	60.3	60.5	60.2	60
12/5/2023	15:15:04	0:13:00	60.8	61	60.2	60.1
12/5/2023	15:16:04	0:12:00	61.5	59.6	60.5	60.2
12/5/2023	15:17:04	0:11:00	59.1	59.5	60.7	60.1
12/5/2023	15:18:04	0:10:00	51.4	59.6	60.4	59.9
12/5/2023	15:19:04	0:09:00	60.2	59.6	60.2	59.9
12/5/2023	15:20:04	0:08:00	62.8	60.3	60.7	60.1
12/5/2023	15:21:04	0:07:00	60.1	59.9	60.8	60.1
12/5/2023	15:22:04	0:06:00	61.6	60.5	61.2	60.2
12/5/2023	15:23:04	0:05:00	59	61	60.6	60.2
12/5/2023	15:24:04	0:04:00	54.4	60.4	60.2	60
12/5/2023	15:25:04	0:03:00	44.8	58.5	60.1	59.9
12/5/2023	15:26:04	0:02:00	54.3	57.5	59.1	59.8
12/5/2023	15:27:04	0:01:00	59.3	56.5	59.1	59.7
12/5/2023	15:28:04	0:00:00	59.5	56.7	59.4	59.7

#### # Broadband LOG Results over whole log period

12/5/2023	15:28:04	0:00:00	59.5	56.7	59.4	59.7
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

Start: 2023-12-05, 16:55:02  
 End: 2023-12-05, 17:25:02

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/5/2023	16:56:02	0:29:00	59.9	59.9	59.9	59.9
12/5/2023	16:57:02	0:28:00	63.4	62	62	62
12/5/2023	16:58:02	0:27:00	61.5	61.8	61.8	61.8
12/5/2023	16:59:02	0:26:00	60.6	61.6	61.6	61.6
12/5/2023	17:00:02	0:25:00	61.1	61.5	61.5	61.5
12/5/2023	17:01:02	0:24:00	62.2	61.9	61.6	61.6
12/5/2023	17:02:02	0:23:00	57.9	60.9	61.2	61.2
12/5/2023	17:03:02	0:22:00	57.7	60.3	60.9	60.9
12/5/2023	17:04:02	0:21:00	63.3	61	61.3	61.3
12/5/2023	17:05:02	0:20:00	64	61.8	61.6	61.6
12/5/2023	17:06:02	0:19:00	61.7	61.7	61.6	61.6
12/5/2023	17:07:02	0:18:00	61.5	62.1	61.6	61.6
12/5/2023	17:08:02	0:17:00	56.8	62.1	61.4	61.4
12/5/2023	17:09:02	0:16:00	63.9	62.2	61.6	61.6
12/5/2023	17:10:02	0:15:00	63.6	62.1	61.8	61.8
12/5/2023	17:11:02	0:14:00	59.2	61.7	61.8	61.7
12/5/2023	17:12:02	0:13:00	62.7	62	61.7	61.7
12/5/2023	17:13:02	0:12:00	63.4	62.9	61.9	61.9
12/5/2023	17:14:02	0:11:00	68.6	64.6	62.9	62.6
12/5/2023	17:15:02	0:10:00	56.9	64	62.7	62.5
12/5/2023	17:16:02	0:09:00	59.4	64	62.6	62.4
12/5/2023	17:17:02	0:08:00	46.8	63.3	62.5	62.2
12/5/2023	17:18:02	0:07:00	57.6	62.6	62.5	62
12/5/2023	17:19:02	0:06:00	57.7	57.1	62.3	61.9
12/5/2023	17:20:02	0:05:00	62.2	58.7	62.1	61.9
12/5/2023	17:21:02	0:04:00	65.4	61	62.5	62.1
12/5/2023	17:22:02	0:03:00	64.5	62.6	62.7	62.2
12/5/2023	17:23:02	0:02:00	65.3	63.8	63.1	62.4
12/5/2023	17:24:02	0:01:00	59.1	63.8	62.9	62.3
12/5/2023	17:25:02	0:00:00	61.1	63.7	62.7	62.3
12/5/2023	17:25:02	0:00:00	61.1	63.7	62.7	62.3

Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-05, 18:58:54  
 End: 2023-12-05, 19:28:54

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/5/2023	18:59:54	0:29:00	61	61	61	61
12/5/2023	19:00:54	0:28:00	57.6	59.7	59.7	59.7
12/5/2023	19:01:54	0:27:00	60.5	60	60	60
12/5/2023	19:02:54	0:26:00	59.9	60	60	60
12/5/2023	19:03:54	0:25:00	51.4	59.1	59.1	59.1
12/5/2023	19:04:54	0:24:00	48.5	57.6	58.4	58.4
12/5/2023	19:05:54	0:23:00	49.7	56.8	57.8	57.8
12/5/2023	19:06:54	0:22:00	58.6	56	57.9	57.9
12/5/2023	19:07:54	0:21:00	57.4	55	57.9	57.9
12/5/2023	19:08:54	0:20:00	59	56.5	58	58
12/5/2023	19:09:54	0:19:00	61.3	58.5	58.4	58.4
12/5/2023	19:10:54	0:18:00	63.2	60.4	59.1	59.1
12/5/2023	19:11:54	0:17:00	56.7	60.2	59	59
12/5/2023	19:12:54	0:16:00	54.6	60	58.8	58.8
12/5/2023	19:13:54	0:15:00	47.5	59.3	58.5	58.5
12/5/2023	19:14:54	0:14:00	53.1	57.9	58	58.3
12/5/2023	19:15:54	0:13:00	47.9	53.3	57.8	58
12/5/2023	19:16:54	0:12:00	48.8	51.4	57.2	57.8
12/5/2023	19:17:54	0:11:00	61.9	55.9	57.5	58.2
12/5/2023	19:18:54	0:10:00	58.3	57.1	57.8	58.2
12/5/2023	19:19:54	0:09:00	48.9	56.9	57.8	58
12/5/2023	19:20:54	0:08:00	61.3	58.7	58.4	58.2
12/5/2023	19:21:54	0:07:00	50.1	58.7	58.1	58
12/5/2023	19:22:54	0:06:00	47.3	56.6	57.9	57.9
12/5/2023	19:23:54	0:05:00	47.5	55.2	57.5	57.7
12/5/2023	19:24:54	0:04:00	60.3	57.2	57.4	57.8
12/5/2023	19:25:54	0:03:00	60.6	56.9	56.8	58
12/5/2023	19:26:54	0:02:00	49.4	56.8	56.6	57.9
12/5/2023	19:27:54	0:01:00	58.3	57.8	56.8	57.9
12/5/2023	19:28:54	0:00:00	49.6	57.9	56.8	57.7

#### # Broadband LOG Results over whole log period

12/5/2023	19:28:54	0:00:00	49.6	57.9	56.8	57.7
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-06, 05:01:20  
 End: 2023-12-06, 05:31:20

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/6/2023	5:02:20	0:29:00	58.5	58.5	58.5	58.5
12/6/2023	5:03:20	0:28:00	44	55.6	55.6	55.6
12/6/2023	5:04:20	0:27:00	45.8	54.1	54.1	54.1
12/6/2023	5:05:20	0:26:00	44	53	53	53
12/6/2023	5:06:20	0:25:00	44	52.1	52.1	52.1
12/6/2023	5:07:20	0:24:00	44.9	44.6	51.5	51.5
12/6/2023	5:08:20	0:23:00	44.2	44.6	51	51
12/6/2023	5:09:20	0:22:00	45.5	44.6	50.6	50.6
12/6/2023	5:10:20	0:21:00	48.3	45.7	50.4	50.4
12/6/2023	5:11:20	0:20:00	44.5	45.8	50	50
12/6/2023	5:12:20	0:19:00	44.3	45.7	49.7	49.7
12/6/2023	5:13:20	0:18:00	45.2	45.9	49.5	49.5
12/6/2023	5:14:20	0:17:00	47.2	46.2	49.4	49.4
12/6/2023	5:15:20	0:16:00	53.2	48.4	49.8	49.8
12/6/2023	5:16:20	0:15:00	45.2	48.5	49.6	49.6
12/6/2023	5:17:20	0:14:00	45.7	48.6	46.7	49.4
12/6/2023	5:18:20	0:13:00	45.7	48.7	46.7	49.3
12/6/2023	5:19:20	0:12:00	46.4	48.6	46.8	49.1
12/6/2023	5:20:20	0:11:00	46.8	46	46.9	49.1
12/6/2023	5:21:20	0:10:00	51.6	47.9	47.5	49.2
12/6/2023	5:22:20	0:09:00	46.6	48	47.6	49.1
12/6/2023	5:23:20	0:08:00	48.1	48.4	47.8	49.1
12/6/2023	5:24:20	0:07:00	46.1	48.4	47.8	49
12/6/2023	5:25:20	0:06:00	47.5	48.5	47.8	48.9
12/6/2023	5:26:20	0:05:00	47.5	47.2	47.9	48.9
12/6/2023	5:27:20	0:04:00	53.1	49.2	48.7	49.1
12/6/2023	5:28:20	0:03:00	46.9	49.1	48.7	49.1
12/6/2023	5:29:20	0:02:00	47.8	49.3	48.7	49
12/6/2023	5:30:20	0:01:00	46	49.1	48	49
12/6/2023	5:31:20	0:00:00	47.8	49.2	48.2	48.9

#### # Broadband LOG Results over whole log period

12/6/2023	5:31:20	0:00:00	47.8	49.2	48.2	48.9
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-06, 07:01:18  
 End: 2023-12-06, 07:31:18

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/6/2023	7:02:18	0:29:00	59.7	59.7	59.7	59.7
12/6/2023	7:03:18	0:28:00	58.8	59.3	59.3	59.3
12/6/2023	7:04:18	0:27:00	55.7	58.4	58.4	58.4
12/6/2023	7:05:18	0:26:00	53.9	57.6	57.6	57.6
12/6/2023	7:06:18	0:25:00	57.4	57.6	57.6	57.6
12/6/2023	7:07:18	0:24:00	54.5	56.4	57.2	57.2
12/6/2023	7:08:18	0:23:00	52.5	55.1	56.8	56.8
12/6/2023	7:09:18	0:22:00	53.9	54.8	56.5	56.5
12/6/2023	7:10:18	0:21:00	52.9	54.6	56.2	56.2
12/6/2023	7:11:18	0:20:00	55	53.9	56.1	56.1
12/6/2023	7:12:18	0:19:00	53.2	53.6	55.9	55.9
12/6/2023	7:13:18	0:18:00	55.2	54.1	55.9	55.9
12/6/2023	7:14:18	0:17:00	58.8	55.6	56.2	56.2
12/6/2023	7:15:18	0:16:00	60.5	57.4	56.7	56.7
12/6/2023	7:16:18	0:15:00	52.4	57.2	56.5	56.5
12/6/2023	7:17:18	0:14:00	54.8	57.3	56.1	56.4
12/6/2023	7:18:18	0:13:00	57.4	57.7	55.9	56.5
12/6/2023	7:19:18	0:12:00	54.8	56.9	55.9	56.4
12/6/2023	7:20:18	0:11:00	56.9	55.6	56	56.4
12/6/2023	7:21:18	0:10:00	53.6	55.7	55.8	56.3
12/6/2023	7:22:18	0:09:00	52.9	55.5	55.7	56.2
12/6/2023	7:23:18	0:08:00	58.8	55.9	56.2	56.4
12/6/2023	7:24:18	0:07:00	57.7	56.5	56.4	56.4
12/6/2023	7:25:18	0:06:00	55.2	56.2	56.5	56.4
12/6/2023	7:26:18	0:05:00	57.7	56.9	56.7	56.4
12/6/2023	7:27:18	0:04:00	51.4	56.8	56.6	56.3
12/6/2023	7:28:18	0:03:00	58.8	56.8	56.9	56.4
12/6/2023	7:29:18	0:02:00	52.5	56	56.5	56.4
12/6/2023	7:30:18	0:01:00	52.2	55.6	55.8	56.3
12/6/2023	7:31:18	0:00:00	50.6	54.3	55.8	56.2

#### # Broadband LOG Results over whole log period

12/6/2023	7:31:18	0:00:00	50.6	54.3	55.8	56.2
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-06, 09:02:58  
 End: 2023-12-06, 09:32:58

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/6/2023	9:03:58	0:29:00	61.4	61.4	61.4	61.4
12/6/2023	9:04:58	0:28:00	48.3	58.6	58.6	58.6
12/6/2023	9:05:58	0:27:00	68.1	64.2	64.2	64.2
12/6/2023	9:06:58	0:26:00	60.3	63.5	63.5	63.5
12/6/2023	9:07:58	0:25:00	57.4	62.8	62.8	62.8
12/6/2023	9:08:58	0:24:00	62.8	63.1	62.8	62.8
12/6/2023	9:09:58	0:23:00	60.7	63.5	62.6	62.6
12/6/2023	9:10:58	0:22:00	61.4	60.9	62.4	62.4
12/6/2023	9:11:58	0:21:00	60.8	61	62.3	62.3
12/6/2023	9:12:58	0:20:00	53.1	60.7	61.9	61.9
12/6/2023	9:13:58	0:19:00	51.8	59.2	61.5	61.5
12/6/2023	9:14:58	0:18:00	49.4	57.8	61.2	61.2
12/6/2023	9:15:58	0:17:00	55.4	56	60.9	60.9
12/6/2023	9:16:58	0:16:00	58	54.6	60.8	60.8
12/6/2023	9:17:58	0:15:00	63.8	58.6	61	61
12/6/2023	9:18:58	0:14:00	58.2	59.2	60.9	60.9
12/6/2023	9:19:58	0:13:00	52.6	59.3	60.9	60.7
12/6/2023	9:20:58	0:12:00	53.8	59.1	59.1	60.5
12/6/2023	9:21:58	0:11:00	60.8	59.7	59.1	60.5
12/6/2023	9:22:58	0:10:00	51.9	56.9	59	60.3
12/6/2023	9:23:58	0:09:00	61.3	58	58.8	60.4
12/6/2023	9:24:58	0:08:00	58.6	58.7	58.6	60.3
12/6/2023	9:25:58	0:07:00	60	59.5	58.5	60.3
12/6/2023	9:26:58	0:06:00	57.3	58.8	58.2	60.2
12/6/2023	9:27:58	0:05:00	55.7	59	58.3	60.1
12/6/2023	9:28:58	0:04:00	49.1	57.4	58.2	59.9
12/6/2023	9:29:58	0:03:00	52.7	56.4	58.3	59.8
12/6/2023	9:30:58	0:02:00	63.8	58.6	59.1	60
12/6/2023	9:31:58	0:01:00	62.5	59.8	59.5	60.1
12/6/2023	9:32:58	0:00:00	69.6	64.3	61.2	61.1

#### # Broadband LOG Results over whole log period

12/6/2023	9:32:58	0:00:00	69.6	64.3	61.2	61.1
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-06, 11:00:32  
 End: 2023-12-06, 11:30:32

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/6/2023	11:01:32	0:29:00	61.3	61.3	61.3	61.3
12/6/2023	11:02:32	0:28:00	48.2	58.5	58.5	58.5
12/6/2023	11:03:32	0:27:00	63	60.5	60.5	60.5
12/6/2023	11:04:32	0:26:00	59.9	60.4	60.4	60.4
12/6/2023	11:05:32	0:25:00	47.9	59.5	59.5	59.5
12/6/2023	11:06:32	0:24:00	48.3	58	58.8	58.8
12/6/2023	11:07:32	0:23:00	52	58.1	58.2	58.2
12/6/2023	11:08:32	0:22:00	54.5	54.9	57.9	57.9
12/6/2023	11:09:32	0:21:00	63.3	57.3	59	59
12/6/2023	11:10:32	0:20:00	57	58	58.8	58.8
12/6/2023	11:11:32	0:19:00	62.4	59.8	59.3	59.3
12/6/2023	11:12:32	0:18:00	45.5	59.7	58.9	58.9
12/6/2023	11:13:32	0:17:00	62.5	60.9	59.3	59.3
12/6/2023	11:14:32	0:16:00	47.7	59.2	59	59
12/6/2023	11:15:32	0:15:00	59.5	59.5	59.1	59.1
12/6/2023	11:16:32	0:14:00	58.2	58.3	58.8	59
12/6/2023	11:17:32	0:13:00	70.2	64.4	61.6	61.3
12/6/2023	11:18:32	0:12:00	58.5	64.1	61.4	61.2
12/6/2023	11:19:32	0:11:00	55.9	64.2	61.2	61.1
12/6/2023	11:20:32	0:10:00	54	64	61.3	60.9
12/6/2023	11:21:32	0:09:00	65.5	64.9	62	61.3
12/6/2023	11:22:32	0:08:00	53.4	60.1	62	61.1
12/6/2023	11:23:32	0:07:00	64.7	61.7	62.4	61.3
12/6/2023	11:24:32	0:06:00	59.7	62	62.2	61.3
12/6/2023	11:25:32	0:05:00	58.8	62.2	62.3	61.2
12/6/2023	11:26:32	0:04:00	59.8	60.6	62.1	61.1
12/6/2023	11:27:32	0:03:00	54.3	60.7	62.2	61
12/6/2023	11:28:32	0:02:00	85	78	73.5	70.9
12/6/2023	11:29:32	0:01:00	53.6	78	73.5	70.8
12/6/2023	11:30:32	0:00:00	59.5	78	73.5	70.7

#### # Broadband LOG Results over whole log period

12/6/2023	11:30:32	0:00:00	59.5	78	73.5	70.7
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-06, 13:08:04  
 End: 2023-12-06, 13:38:04

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/6/2023	13:09:04	0:29:00	66	66	66	66
12/6/2023	13:10:04	0:28:00	58.5	63.7	63.7	63.7
12/6/2023	13:11:04	0:27:00	57.8	62.5	62.5	62.5
12/6/2023	13:12:04	0:26:00	45.2	61.3	61.3	61.3
12/6/2023	13:13:04	0:25:00	60.1	61.1	61.1	61.1
12/6/2023	13:14:04	0:24:00	58.3	57.8	60.7	60.7
12/6/2023	13:15:04	0:23:00	55.6	57.3	60.3	60.3
12/6/2023	13:16:04	0:22:00	58.1	57.4	60	60
12/6/2023	13:17:04	0:21:00	50.7	57.5	59.6	59.6
12/6/2023	13:18:04	0:20:00	56.9	56.6	59.4	59.4
12/6/2023	13:19:04	0:19:00	61.2	57.7	59.6	59.6
12/6/2023	13:20:04	0:18:00	50.6	57.3	59.3	59.3
12/6/2023	13:21:04	0:17:00	61.3	58.3	59.5	59.5
12/6/2023	13:22:04	0:16:00	56.9	58.8	59.3	59.3
12/6/2023	13:23:04	0:15:00	57.6	58.9	59.2	59.2
12/6/2023	13:24:04	0:14:00	56.3	57.7	57.8	59.1
12/6/2023	13:25:04	0:13:00	49.5	57.7	57.4	58.9
12/6/2023	13:26:04	0:12:00	59.7	57	57.6	58.9
12/6/2023	13:27:04	0:11:00	78	71.2	66.8	66.1
12/6/2023	13:28:04	0:10:00	66.9	71.4	67	66.1
12/6/2023	13:29:04	0:09:00	61.9	71.5	67.1	66
12/6/2023	13:30:04	0:08:00	64.6	71.7	67.2	66
12/6/2023	13:31:04	0:07:00	66.9	71.9	67.5	66
12/6/2023	13:32:04	0:06:00	64.7	65.3	67.6	65.9
12/6/2023	13:33:04	0:05:00	54	64	67.6	65.8
12/6/2023	13:34:04	0:04:00	61.1	63.9	67.6	65.7
12/6/2023	13:35:04	0:03:00	64.9	64	67.7	65.6
12/6/2023	13:36:04	0:02:00	59.7	62.3	67.7	65.5
12/6/2023	13:37:04	0:01:00	82.2	75.3	72.3	69.6
12/6/2023	13:38:04	0:00:00	56.8	75.3	72.3	69.5

#### # Broadband LOG Results over whole log period

12/6/2023	13:38:04	0:00:00	56.8	75.3	72.3	69.5
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-06, 14:55:42  
 End: 2023-12-06, 15:25:42

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/6/2023	14:56:42	0:29:00	54	54	54	54
12/6/2023	14:57:42	0:28:00	56.6	55.5	55.5	55.5
12/6/2023	14:58:42	0:27:00	50.6	54.4	54.4	54.4
12/6/2023	14:59:42	0:26:00	56.4	55	55	55
12/6/2023	15:00:42	0:25:00	55.8	55.1	55.1	55.1
12/6/2023	15:01:42	0:24:00	55	55.3	55.1	55.1
12/6/2023	15:02:42	0:23:00	48	54.2	54.6	54.6
12/6/2023	15:03:42	0:22:00	48.3	54	54.2	54.2
12/6/2023	15:04:42	0:21:00	50.4	52.7	53.9	53.9
12/6/2023	15:05:42	0:20:00	53.9	52	53.9	53.9
12/6/2023	15:06:42	0:19:00	51.7	51	53.7	53.7
12/6/2023	15:07:42	0:18:00	50.8	51.4	53.5	53.5
12/6/2023	15:08:42	0:17:00	57	53.5	53.9	53.9
12/6/2023	15:09:42	0:16:00	65.2	59.4	56.7	56.7
12/6/2023	15:10:42	0:15:00	51.3	59.3	56.5	56.5
12/6/2023	15:11:42	0:14:00	55.3	59.5	56.5	56.4
12/6/2023	15:12:42	0:13:00	53.6	59.6	56.4	56.3
12/6/2023	15:13:42	0:12:00	53.9	59.3	56.5	56.2
12/6/2023	15:14:42	0:11:00	49.1	53.1	56.2	56
12/6/2023	15:15:42	0:10:00	52.9	53.4	56.1	55.9
12/6/2023	15:16:42	0:09:00	53.9	53	56.1	55.8
12/6/2023	15:17:42	0:08:00	51.6	52.6	56.1	55.7
12/6/2023	15:18:42	0:07:00	55.7	53.2	56.3	55.7
12/6/2023	15:19:42	0:06:00	55.7	54.2	56.5	55.7
12/6/2023	15:20:42	0:05:00	58.2	55.6	56.8	55.8
12/6/2023	15:21:42	0:04:00	52	55.3	56.8	55.7
12/6/2023	15:22:42	0:03:00	54.1	55.6	56.9	55.7
12/6/2023	15:23:42	0:02:00	61.3	57.5	57.3	56.1
12/6/2023	15:24:42	0:01:00	61.1	58.7	56.1	56.4
12/6/2023	15:25:42	0:00:00	56.7	58.5	56.3	56.4

#### # Broadband LOG Results over whole log period

12/6/2023	15:25:42	0:00:00	56.7	58.5	56.3	56.4
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-06, 17:02:48  
 End: 2023-12-06, 17:32:48

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/6/2023	17:03:48	0:29:00	61.2	61.2	61.2	61.2
12/6/2023	17:04:48	0:28:00	61.9	61.5	61.5	61.5
12/6/2023	17:05:48	0:27:00	57.3	60.5	60.5	60.5
12/6/2023	17:06:48	0:26:00	52.7	59.5	59.5	59.5
12/6/2023	17:07:48	0:25:00	55.8	59	59	59
12/6/2023	17:08:48	0:24:00	52.5	57.5	58.4	58.4
12/6/2023	17:09:48	0:23:00	55.9	55.2	58.1	58.1
12/6/2023	17:10:48	0:22:00	53.5	54.3	57.7	57.7
12/6/2023	17:11:48	0:21:00	62.9	57.9	58.7	58.7
12/6/2023	17:12:48	0:20:00	49.2	57.5	58.3	58.3
12/6/2023	17:13:48	0:19:00	52.4	57.5	58	58
12/6/2023	17:14:48	0:18:00	53.1	57.2	57.8	57.8
12/6/2023	17:15:48	0:17:00	50.9	57	57.5	57.5
12/6/2023	17:16:48	0:16:00	55.8	52.8	57.4	57.4
12/6/2023	17:17:48	0:15:00	62.2	57	57.9	57.9
12/6/2023	17:18:48	0:14:00	57.5	57.6	57.6	57.9
12/6/2023	17:19:48	0:13:00	54.3	57.7	56.9	57.8
12/6/2023	17:20:48	0:12:00	54.6	58	56.7	57.6
12/6/2023	17:21:48	0:11:00	55.7	58	56.8	57.5
12/6/2023	17:22:48	0:10:00	57.3	56.1	56.9	57.5
12/6/2023	17:23:48	0:09:00	61.7	57.7	57.6	57.9
12/6/2023	17:24:48	0:08:00	54.5	57.7	57.6	57.7
12/6/2023	17:25:48	0:07:00	58.4	58.3	57.8	57.8
12/6/2023	17:26:48	0:06:00	47	57.8	56.8	57.6
12/6/2023	17:27:48	0:05:00	59.5	58.3	57.2	57.7
12/6/2023	17:28:48	0:04:00	55.7	56.6	57.3	57.6
12/6/2023	17:29:48	0:03:00	54	56.5	57.4	57.5
12/6/2023	17:30:48	0:02:00	56.4	56	57.5	57.5
12/6/2023	17:31:48	0:01:00	52.3	56.3	57.4	57.4
12/6/2023	17:32:48	0:00:00	54.7	54.8	56.7	57.3

#### # Broadband LOG Results over whole log period

12/6/2023	17:32:48	0:00:00	54.7	54.8	56.7	57.3
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-06, 18:59:50  
 End: 2023-12-06, 19:29:50

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/6/2023	19:00:50	0:29:00	55.1	55.1	55.1	55.1
12/6/2023	19:01:50	0:28:00	47.1	52.7	52.7	52.7
12/6/2023	19:02:50	0:27:00	56.5	54.4	54.4	54.4
12/6/2023	19:03:50	0:26:00	46.2	53.3	53.3	53.3
12/6/2023	19:04:50	0:25:00	46	52.6	52.6	52.6
12/6/2023	19:05:50	0:24:00	47.6	51	52	52
12/6/2023	19:06:50	0:23:00	47.2	51.1	51.6	51.6
12/6/2023	19:07:50	0:22:00	59.7	53.5	53.9	53.9
12/6/2023	19:08:50	0:21:00	60.5	56.5	55.3	55.3
12/6/2023	19:09:50	0:20:00	48.6	56.5	55	55
12/6/2023	19:10:50	0:19:00	61.1	58.4	56.1	56.1
12/6/2023	19:11:50	0:18:00	60.9	59.7	56.7	56.7
12/6/2023	19:12:50	0:17:00	48.8	58.8	56.4	56.4
12/6/2023	19:13:50	0:16:00	65.5	60.9	58.2	58.2
12/6/2023	19:14:50	0:15:00	61.2	61.7	58.5	58.5
12/6/2023	19:15:50	0:14:00	57	61.2	58.6	58.4
12/6/2023	19:16:50	0:13:00	49.3	60.4	58.6	58.2
12/6/2023	19:17:50	0:12:00	52.1	60.5	58.4	58
12/6/2023	19:18:50	0:11:00	54.9	56.7	58.6	57.9
12/6/2023	19:19:50	0:10:00	53.4	54.1	58.6	57.7
12/6/2023	19:20:50	0:09:00	53.9	53.1	58.7	57.6
12/6/2023	19:21:50	0:08:00	51.7	53.4	58.7	57.5
12/6/2023	19:22:50	0:07:00	51.4	53.3	58.4	57.3
12/6/2023	19:23:50	0:06:00	53.4	52.9	58	57.2
12/6/2023	19:24:50	0:05:00	52.9	52.8	58.1	57.1
12/6/2023	19:25:50	0:04:00	46.7	51.7	57.5	56.9
12/6/2023	19:26:50	0:03:00	49.6	51.4	56.9	56.8
12/6/2023	19:27:50	0:02:00	52.2	51.6	56.9	56.7
12/6/2023	19:28:50	0:01:00	47.9	50.5	54.1	56.6
12/6/2023	19:29:50	0:00:00	58.9	53.6	53.5	56.7

#### # Broadband LOG Results over whole log period

12/6/2023	19:29:50	0:00:00	58.9	53.6	53.5	56.7
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-07, 05:02:18  
 End: 2023-12-07, 05:32:18

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/7/2023	5:03:18	0:29:00	58.2	58.2	58.2	58.2
12/7/2023	5:04:18	0:28:00	43.2	55.3	55.3	55.3
12/7/2023	5:05:18	0:27:00	47.3	53.9	53.9	53.9
12/7/2023	5:06:18	0:26:00	46.5	52.9	52.9	52.9
12/7/2023	5:07:18	0:25:00	48.2	52.3	52.3	52.3
12/7/2023	5:08:18	0:24:00	42.1	46.1	51.6	51.6
12/7/2023	5:09:18	0:23:00	40.4	45.9	50.9	50.9
12/7/2023	5:10:18	0:22:00	42.1	44.9	50.4	50.4
12/7/2023	5:11:18	0:21:00	43.7	44.3	50	50
12/7/2023	5:12:18	0:20:00	52.9	47.2	50.4	50.4
12/7/2023	5:13:18	0:19:00	48.6	48	50.3	50.3
12/7/2023	5:14:18	0:18:00	49.1	48.9	50.2	50.2
12/7/2023	5:15:18	0:17:00	49.1	49.6	50.1	50.1
12/7/2023	5:16:18	0:16:00	46.2	49.7	49.9	49.9
12/7/2023	5:17:18	0:15:00	45.8	48	49.8	49.8
12/7/2023	5:18:18	0:14:00	44.8	47.4	47.2	49.6
12/7/2023	5:19:18	0:13:00	51.7	48.3	47.9	49.7
12/7/2023	5:20:18	0:12:00	43.4	47.5	47.7	49.5
12/7/2023	5:21:18	0:11:00	42.7	47.1	47.6	49.4
12/7/2023	5:22:18	0:10:00	46.3	47.2	47.5	49.2
12/7/2023	5:23:18	0:09:00	47.6	47.6	47.7	49.2
12/7/2023	5:24:18	0:08:00	44.5	45.3	47.8	49
12/7/2023	5:25:18	0:07:00	44.4	45.4	47.8	48.9
12/7/2023	5:26:18	0:06:00	56.4	50.7	49.4	49.7
12/7/2023	5:27:18	0:05:00	43.8	50.6	48.8	49.5
12/7/2023	5:28:18	0:04:00	45	50.4	48.7	49.4
12/7/2023	5:29:18	0:03:00	42.8	50.3	48.4	49.3
12/7/2023	5:30:18	0:02:00	41.8	50.2	48.1	49.2
12/7/2023	5:31:18	0:01:00	41.6	43.2	48	49.1
12/7/2023	5:32:18	0:00:00	41.6	42.8	47.9	48.9

#### # Broadband LOG Results over whole log period

12/7/2023	5:32:18	0:00:00	41.6	42.8	47.9	48.9
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
Mic  
Sensitivity: 30.9 mV/Pa  
Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
Timer mode: single  
Timer set: 0:30:00  
Log-Interval: 0:01:00  
k1: 0.0 dB  
k2: 0.0 dB  
kset Date: k-Values not measured  
Range: 20 - 120 dB

#### # Time

Start: 2023-12-07, 07:01:38  
End: 2023-12-07, 07:31:38

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/7/2023	7:02:38	0:29:00	60.9	60.9	60.9	60.9
12/7/2023	7:03:38	0:28:00	55.6	59	59	59
12/7/2023	7:04:38	0:27:00	59	59	59	59
12/7/2023	7:05:38	0:26:00	52.4	58	58	58
12/7/2023	7:06:38	0:25:00	52	57.3	57.3	57.3
12/7/2023	7:07:38	0:24:00	53.8	55.4	56.9	56.9
12/7/2023	7:08:38	0:23:00	59	56.4	57.3	57.3
12/7/2023	7:09:38	0:22:00	56.5	55.6	57.2	57.2
12/7/2023	7:10:38	0:21:00	55.7	56.1	57.1	57.1
12/7/2023	7:11:38	0:20:00	52.8	56.1	56.8	56.8
12/7/2023	7:12:38	0:19:00	56	56.5	56.7	56.7
12/7/2023	7:13:38	0:18:00	52.9	55.1	56.5	56.5
12/7/2023	7:14:38	0:17:00	53.7	54.5	56.3	56.3
12/7/2023	7:15:38	0:16:00	51.2	53.6	56.1	56.1
12/7/2023	7:16:38	0:15:00	49.8	53.2	55.9	55.9
12/7/2023	7:17:38	0:14:00	51.3	52	55	55.7
12/7/2023	7:18:38	0:13:00	53.5	52.1	54.9	55.6
12/7/2023	7:19:38	0:12:00	48.1	51.1	54.1	55.4
12/7/2023	7:20:38	0:11:00	50.9	51.1	54.1	55.2
12/7/2023	7:21:38	0:10:00	58.2	53.8	54.6	55.5
12/7/2023	7:22:38	0:09:00	49.5	53.6	54.4	55.3
12/7/2023	7:23:38	0:08:00	62.2	57.1	55.2	56
12/7/2023	7:24:38	0:07:00	58.5	58.1	55.5	56.1
12/7/2023	7:25:38	0:06:00	52	58.2	55.3	56
12/7/2023	7:26:38	0:05:00	59.6	58.5	55.9	56.2
12/7/2023	7:27:38	0:04:00	49.1	58.5	55.6	56.1
12/7/2023	7:28:38	0:03:00	56	56.5	55.8	56.1
12/7/2023	7:29:38	0:02:00	80.3	73.4	68.8	66.3
12/7/2023	7:30:38	0:01:00	78.4	75.5	70.9	68.1
12/7/2023	7:31:38	0:00:00	52.2	75.5	70.9	68

#### # Broadband LOG Results over whole log period

12/7/2023	7:31:38	0:00:00	52.2	75.5	70.9	68
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-07, 09:00:10  
 End: 2023-12-07, 09:30:10

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/7/2023	9:01:10	0:29:00	48.2	48.2	48.2	48.2
12/7/2023	9:02:10	0:28:00	54.9	52.7	52.7	52.7
12/7/2023	9:03:10	0:27:00	62.4	58.5	58.5	58.5
12/7/2023	9:04:10	0:26:00	57	58.1	58.1	58.1
12/7/2023	9:05:10	0:25:00	62.2	59.3	59.3	59.3
12/7/2023	9:06:10	0:24:00	61.1	60.4	59.6	59.6
12/7/2023	9:07:10	0:23:00	54.7	60.4	59.2	59.2
12/7/2023	9:08:10	0:22:00	53.2	59	58.8	58.8
12/7/2023	9:09:10	0:21:00	56.6	58.9	58.6	58.6
12/7/2023	9:10:10	0:20:00	50.9	56.8	58.2	58.2
12/7/2023	9:11:10	0:19:00	54.6	54.4	58	58
12/7/2023	9:12:10	0:18:00	61.4	56.9	58.4	58.4
12/7/2023	9:13:10	0:17:00	60.6	58.3	58.6	58.6
12/7/2023	9:14:10	0:16:00	61.1	59.3	58.8	58.8
12/7/2023	9:15:10	0:15:00	60.5	60.2	59	59
12/7/2023	9:16:10	0:14:00	47.2	60	59	58.7
12/7/2023	9:17:10	0:13:00	58.1	59.3	59.1	58.7
12/7/2023	9:18:10	0:12:00	61.2	59.5	58.9	58.9
12/7/2023	9:19:10	0:11:00	49.2	58.1	58.8	58.7
12/7/2023	9:20:10	0:10:00	59	57.6	58.4	58.7
12/7/2023	9:21:10	0:09:00	52.1	57.8	58	58.5
12/7/2023	9:22:10	0:08:00	47.7	56.8	57.8	58.3
12/7/2023	9:23:10	0:07:00	54.3	54.4	57.9	58.2
12/7/2023	9:24:10	0:06:00	61.2	57.2	58.3	58.4
12/7/2023	9:25:10	0:05:00	60.5	57.7	58.7	58.5
12/7/2023	9:26:10	0:04:00	56.6	58.1	58.8	58.4
12/7/2023	9:27:10	0:03:00	53.4	58.3	58.3	58.3
12/7/2023	9:28:10	0:02:00	48.8	58.1	57.8	58.2
12/7/2023	9:29:10	0:01:00	57.3	56.9	57.4	58.2
12/7/2023	9:30:10	0:00:00	57.2	55.6	57.1	58.1

#### # Broadband LOG Results over whole log period

12/7/2023	9:30:10	0:00:00	57.2	55.6	57.1	58.1
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-07, 11:00:18  
 End: 2023-12-07, 11:30:18

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/7/2023	11:01:18	0:29:00	49.1	49.1	49.1	49.1
12/7/2023	11:02:18	0:28:00	48.9	49	49	49
12/7/2023	11:03:18	0:27:00	47.4	48.5	48.5	48.5
12/7/2023	11:04:18	0:26:00	46.6	48.1	48.1	48.1
12/7/2023	11:05:18	0:25:00	45.3	47.7	47.7	47.7
12/7/2023	11:06:18	0:24:00	46.8	47.2	47.5	47.5
12/7/2023	11:07:18	0:23:00	47.1	46.7	47.5	47.5
12/7/2023	11:08:18	0:22:00	46.1	46.4	47.3	47.3
12/7/2023	11:09:18	0:21:00	48.7	47	47.5	47.5
12/7/2023	11:10:18	0:20:00	55.1	50.3	49.2	49.2
12/7/2023	11:11:18	0:19:00	54	51.7	49.9	49.9
12/7/2023	11:12:18	0:18:00	48.3	51.8	49.8	49.8
12/7/2023	11:13:18	0:17:00	47.6	51.9	49.7	49.7
12/7/2023	11:14:18	0:16:00	50.6	52.1	49.8	49.8
12/7/2023	11:15:18	0:15:00	50.2	50.8	49.8	49.8
12/7/2023	11:16:18	0:14:00	50.9	49.7	49.9	49.9
12/7/2023	11:17:18	0:13:00	51.6	50.4	50.1	50
12/7/2023	11:18:18	0:12:00	56.4	52.7	51.1	50.7
12/7/2023	11:19:18	0:11:00	59.1	55.1	52.5	51.9
12/7/2023	11:20:18	0:10:00	57.1	56.1	53.2	52.4
12/7/2023	11:21:18	0:09:00	55.2	56.5	53.6	52.6
12/7/2023	11:22:18	0:08:00	57.2	57.2	54.2	52.9
12/7/2023	11:23:18	0:07:00	54.8	57	54.5	53
12/7/2023	11:24:18	0:06:00	52.7	55.7	54.6	53
12/7/2023	11:25:18	0:05:00	56	55.4	54.6	53.2
12/7/2023	11:26:18	0:04:00	51.8	54.9	54.5	53.1
12/7/2023	11:27:18	0:03:00	56.5	54.7	54.9	53.3
12/7/2023	11:28:18	0:02:00	52.6	54.4	55	53.3
12/7/2023	11:29:18	0:01:00	49.1	54	55	53.2
12/7/2023	11:30:18	0:00:00	48	52.7	55	53.1

#### # Broadband LOG Results over whole log period

12/7/2023	11:30:18	0:00:00	48	52.7	55	53.1
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-07, 13:03:42  
 End: 2023-12-07, 13:33:42

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/7/2023	13:04:42	0:29:00	52.3	52.3	52.3	52.3
12/7/2023	13:05:42	0:28:00	53.2	52.7	52.7	52.7
12/7/2023	13:06:42	0:27:00	47.9	51.6	51.6	51.6
12/7/2023	13:07:42	0:26:00	47.3	50.9	50.9	50.9
12/7/2023	13:08:42	0:25:00	56.2	52.6	52.6	52.6
12/7/2023	13:09:42	0:24:00	48.9	52.1	52.2	52.2
12/7/2023	13:10:42	0:23:00	47.5	51.3	51.7	51.7
12/7/2023	13:11:42	0:22:00	56.5	53.2	52.7	52.7
12/7/2023	13:12:42	0:21:00	58.2	55.2	53.8	53.8
12/7/2023	13:13:42	0:20:00	55.9	55.1	54	54
12/7/2023	13:14:42	0:19:00	48.8	55.1	53.8	53.8
12/7/2023	13:15:42	0:18:00	49.2	55.2	53.5	53.5
12/7/2023	13:16:42	0:17:00	47.3	54	53.3	53.3
12/7/2023	13:17:42	0:16:00	51.7	51.8	53.2	53.2
12/7/2023	13:18:42	0:15:00	49.9	49.6	53	53
12/7/2023	13:19:42	0:14:00	50.2	49.9	52.9	52.9
12/7/2023	13:20:42	0:13:00	51	50.2	52.8	52.8
12/7/2023	13:21:42	0:12:00	54.3	51.7	53.1	52.9
12/7/2023	13:22:42	0:11:00	55.1	52.6	53.5	53
12/7/2023	13:23:42	0:10:00	47.9	52.5	53	52.9
12/7/2023	13:24:42	0:09:00	47.6	52.2	52.9	52.7
12/7/2023	13:25:42	0:08:00	52.8	52.5	53.1	52.7
12/7/2023	13:26:42	0:07:00	48.5	51.5	52.6	52.6
12/7/2023	13:27:42	0:06:00	46.5	49.3	51.4	52.5
12/7/2023	13:28:42	0:05:00	50.2	49.7	50.8	52.4
12/7/2023	13:29:42	0:04:00	46.6	49.6	50.7	52.3
12/7/2023	13:30:42	0:03:00	54.4	50.3	51.2	52.4
12/7/2023	13:31:42	0:02:00	50.5	50.7	51.3	52.3
12/7/2023	13:32:42	0:01:00	53.9	52	51.5	52.4
12/7/2023	13:33:42	0:00:00	47.7	51.7	51.4	52.3

#### # Broadband LOG Results over whole log period

12/7/2023	13:33:42	0:00:00	47.7	51.7	51.4	52.3
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-07, 15:00:08  
 End: 2023-12-07, 15:30:08

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/7/2023	15:01:08	0:29:00	48.9	48.9	48.9	48.9
12/7/2023	15:02:08	0:28:00	49.8	49.4	49.4	49.4
12/7/2023	15:03:08	0:27:00	47.5	48.8	48.8	48.8
12/7/2023	15:04:08	0:26:00	52.2	49.9	49.9	49.9
12/7/2023	15:05:08	0:25:00	50	49.9	49.9	49.9
12/7/2023	15:06:08	0:24:00	59.9	54.5	53.9	53.9
12/7/2023	15:07:08	0:23:00	54.4	55	54	54
12/7/2023	15:08:08	0:22:00	52.4	55.3	53.8	53.8
12/7/2023	15:09:08	0:21:00	50.5	55.2	53.5	53.5
12/7/2023	15:10:08	0:20:00	52.8	55.4	53.5	53.5
12/7/2023	15:11:08	0:19:00	47.4	52.1	53.2	53.2
12/7/2023	15:12:08	0:18:00	50	51	53	53
12/7/2023	15:13:08	0:17:00	59.4	54.2	54	54
12/7/2023	15:14:08	0:16:00	51.4	54.3	53.8	53.8
12/7/2023	15:15:08	0:15:00	52.2	54.2	53.7	53.7
12/7/2023	15:16:08	0:14:00	48.5	54.3	53.7	53.5
12/7/2023	15:17:08	0:13:00	53.6	54.7	53.9	53.5
12/7/2023	15:18:08	0:12:00	52.4	52	54	53.5
12/7/2023	15:19:08	0:11:00	52.9	52.2	54.1	53.5
12/7/2023	15:20:08	0:10:00	53	52.4	54.2	53.4
12/7/2023	15:21:08	0:09:00	49.1	52.5	53.1	53.3
12/7/2023	15:22:08	0:08:00	48.8	51.6	52.8	53.2
12/7/2023	15:23:08	0:07:00	53.7	51.9	52.8	53.2
12/7/2023	15:24:08	0:06:00	51.9	51.7	52.9	53.2
12/7/2023	15:25:08	0:05:00	48.3	50.9	52.7	53
12/7/2023	15:26:08	0:04:00	46.2	50.6	52.7	52.9
12/7/2023	15:27:08	0:03:00	52	51.2	52.8	52.9
12/7/2023	15:28:08	0:02:00	53.6	51.1	51.7	52.9
12/7/2023	15:29:08	0:01:00	52.6	51.3	51.8	52.9
12/7/2023	15:30:08	0:00:00	54.9	52.7	52	53

#### # Broadband LOG Results over whole log period

12/7/2023	15:30:08	0:00:00	54.9	52.7	52	53
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-07, 17:00:50  
 End: 2023-12-07, 17:30:50

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/7/2023	17:01:50	0:29:00	51.7	51.7	51.7	51.7
12/7/2023	17:02:50	0:28:00	53.4	52.7	52.7	52.7
12/7/2023	17:03:50	0:27:00	54.7	53.5	53.5	53.5
12/7/2023	17:04:50	0:26:00	47.3	52.6	52.6	52.6
12/7/2023	17:05:50	0:25:00	50.5	52.2	52.2	52.2
12/7/2023	17:06:50	0:24:00	50.2	52	51.9	51.9
12/7/2023	17:07:50	0:23:00	48.1	51	51.6	51.6
12/7/2023	17:08:50	0:22:00	51.9	49.9	51.6	51.6
12/7/2023	17:09:50	0:21:00	50.9	50.5	51.5	51.5
12/7/2023	17:10:50	0:20:00	50.1	50.4	51.4	51.4
12/7/2023	17:11:50	0:19:00	55.3	51.9	51.9	51.9
12/7/2023	17:12:50	0:18:00	50.7	52.2	51.9	51.9
12/7/2023	17:13:50	0:17:00	54.6	52.9	52.1	52.1
12/7/2023	17:14:50	0:16:00	46.8	52.5	51.9	51.9
12/7/2023	17:15:50	0:15:00	57.1	54.2	52.5	52.5
12/7/2023	17:16:50	0:14:00	49.3	53.2	52.4	52.4
12/7/2023	17:17:50	0:13:00	46.7	52.9	52.1	52.2
12/7/2023	17:18:50	0:12:00	50.7	52.1	51.8	52.1
12/7/2023	17:19:50	0:11:00	48.2	52.2	51.8	52
12/7/2023	17:20:50	0:10:00	48.7	48.9	51.7	51.9
12/7/2023	17:21:50	0:09:00	51.9	49.7	51.8	51.9
12/7/2023	17:22:50	0:08:00	49.2	50	51.9	51.8
12/7/2023	17:23:50	0:07:00	48.4	49.5	51.7	51.7
12/7/2023	17:24:50	0:06:00	58.4	53.3	52.7	52.3
12/7/2023	17:25:50	0:05:00	49.2	53.4	52.7	52.2
12/7/2023	17:26:50	0:04:00	56.6	54.4	52.9	52.5
12/7/2023	17:27:50	0:03:00	46	54.3	52.7	52.4
12/7/2023	17:28:50	0:02:00	50.9	54.4	52.5	52.3
12/7/2023	17:29:50	0:01:00	52.4	52.4	52.7	52.3
12/7/2023	17:30:50	0:00:00	49.1	52.4	51.9	52.2

#### # Broadband LOG Results over whole log period

12/7/2023	17:30:50	0:00:00	49.1	52.4	51.9	52.2
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-07, 19:02:30  
 End: 2023-12-07, 19:32:30

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/7/2023	19:03:30	0:29:00	58.4	58.4	58.4	58.4
12/7/2023	19:04:30	0:28:00	59	58.7	58.7	58.7
12/7/2023	19:05:30	0:27:00	54.9	57.8	57.8	57.8
12/7/2023	19:06:30	0:26:00	48	56.7	56.7	56.7
12/7/2023	19:07:30	0:25:00	49.3	55.9	55.9	55.9
12/7/2023	19:08:30	0:24:00	51.9	54.5	55.4	55.4
12/7/2023	19:09:30	0:23:00	55.3	52.8	55.4	55.4
12/7/2023	19:10:30	0:22:00	47.3	51.5	54.9	54.9
12/7/2023	19:11:30	0:21:00	56.8	53.5	55.2	55.2
12/7/2023	19:12:30	0:20:00	55.4	54.4	55.2	55.2
12/7/2023	19:13:30	0:19:00	47.9	54.1	54.9	54.9
12/7/2023	19:14:30	0:18:00	46.7	52.9	54.6	54.6
12/7/2023	19:15:30	0:17:00	48.4	53	54.3	54.3
12/7/2023	19:16:30	0:16:00	47.5	50.6	54	54
12/7/2023	19:17:30	0:15:00	48	47.8	53.8	53.8
12/7/2023	19:18:30	0:14:00	54.6	50.2	53.3	53.9
12/7/2023	19:19:30	0:13:00	57.2	53	52.9	54.2
12/7/2023	19:20:30	0:12:00	53.7	53.7	52.8	54.1
12/7/2023	19:21:30	0:11:00	53.7	54.3	53.1	54.1
12/7/2023	19:22:30	0:10:00	52.8	54.7	53.2	54.1
12/7/2023	19:23:30	0:09:00	49.5	54	53.1	53.9
12/7/2023	19:24:30	0:08:00	51.1	52.5	52.8	53.8
12/7/2023	19:25:30	0:07:00	52.4	52.1	53	53.8
12/7/2023	19:26:30	0:06:00	55.4	52.7	52.8	53.9
12/7/2023	19:27:30	0:05:00	54.7	53.2	52.7	53.9
12/7/2023	19:28:30	0:04:00	53.5	53.7	53	53.9
12/7/2023	19:29:30	0:03:00	56	54.6	53.4	54
12/7/2023	19:30:30	0:02:00	57.6	55.6	54.1	54.2
12/7/2023	19:31:30	0:01:00	51.3	55.1	54.1	54.1
12/7/2023	19:32:30	0:00:00	46.6	54.4	54.1	54

#### # Broadband LOG Results over whole log period

12/7/2023	19:32:30	0:00:00	46.6	54.4	54.1	54
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-08, 05:12:30  
 End: 2023-12-08, 05:42:30

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/8/2023	5:13:30	0:29:00	56.5	56.5	56.5	56.5
12/8/2023	5:14:30	0:28:00	55.8	56.2	56.2	56.2
12/8/2023	5:15:30	0:27:00	47.9	54.7	54.7	54.7
12/8/2023	5:16:30	0:26:00	56.7	55.3	55.3	55.3
12/8/2023	5:17:30	0:25:00	47.2	54.5	54.5	54.5
12/8/2023	5:18:30	0:24:00	43.6	52.9	53.8	53.8
12/8/2023	5:19:30	0:23:00	43.5	51	53.2	53.2
12/8/2023	5:20:30	0:22:00	45.5	50.8	52.7	52.7
12/8/2023	5:21:30	0:21:00	47.2	45.7	52.3	52.3
12/8/2023	5:22:30	0:20:00	44.4	45.1	51.9	51.9
12/8/2023	5:23:30	0:19:00	54.5	49.2	52.3	52.3
12/8/2023	5:24:30	0:18:00	45.8	49.4	52	52
12/8/2023	5:25:30	0:17:00	45.8	49.4	51.7	51.7
12/8/2023	5:26:30	0:16:00	46.6	49.3	51.5	51.5
12/8/2023	5:27:30	0:15:00	46.6	49.5	51.3	51.3
12/8/2023	5:28:30	0:14:00	45	46	50.3	51.1
12/8/2023	5:29:30	0:13:00	49.5	47	49.4	51
12/8/2023	5:30:30	0:12:00	48	47.4	49.4	50.9
12/8/2023	5:31:30	0:11:00	47.3	47.5	47.8	50.7
12/8/2023	5:32:30	0:10:00	45.5	47.4	47.7	50.6
12/8/2023	5:33:30	0:09:00	46.1	47.5	47.8	50.4
12/8/2023	5:34:30	0:08:00	46.4	46.7	47.9	50.3
12/8/2023	5:35:30	0:07:00	46.6	46.4	47.9	50.2
12/8/2023	5:36:30	0:06:00	47	46.4	47.9	50.1
12/8/2023	5:37:30	0:05:00	46.4	46.5	48	50
12/8/2023	5:38:30	0:04:00	47.5	46.8	46.8	49.9
12/8/2023	5:39:30	0:03:00	47.2	47	46.9	49.9
12/8/2023	5:40:30	0:02:00	52.7	48.9	47.7	50
12/8/2023	5:41:30	0:01:00	49	49.2	47.9	50
12/8/2023	5:42:30	0:00:00	49.6	49.7	48.1	50

#### # Broadband LOG Results over whole log period

12/8/2023	5:42:30	0:00:00	49.6	49.7	48.1	50
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-08, 07:00:36  
 End: 2023-12-08, 07:30:36

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/8/2023	7:01:36	0:29:00	64	64	64	64
12/8/2023	7:02:36	0:28:00	57.7	61.9	61.9	61.9
12/8/2023	7:03:36	0:27:00	58.9	61.2	61.2	61.2
12/8/2023	7:04:36	0:26:00	57.2	60.5	60.5	60.5
12/8/2023	7:05:36	0:25:00	58.2	60.1	60.1	60.1
12/8/2023	7:06:36	0:24:00	53.7	57.5	59.5	59.5
12/8/2023	7:07:36	0:23:00	58.6	57.7	59.4	59.4
12/8/2023	7:08:36	0:22:00	52.7	56.7	58.9	58.9
12/8/2023	7:09:36	0:21:00	53.9	56.1	58.6	58.6
12/8/2023	7:10:36	0:20:00	53.9	55.1	58.3	58.3
12/8/2023	7:11:36	0:19:00	54.3	55.2	58	58
12/8/2023	7:12:36	0:18:00	55.5	54.2	57.9	57.9
12/8/2023	7:13:36	0:17:00	57.7	55.3	57.9	57.9
12/8/2023	7:14:36	0:16:00	55.6	55.6	57.7	57.7
12/8/2023	7:15:36	0:15:00	59.8	57	57.9	57.9
12/8/2023	7:16:36	0:14:00	54.8	57.1	56.7	57.8
12/8/2023	7:17:36	0:13:00	49.7	56.6	56.4	57.5
12/8/2023	7:18:36	0:12:00	55.5	56.2	56.1	57.5
12/8/2023	7:19:36	0:11:00	50.5	55.6	55.8	57.3
12/8/2023	7:20:36	0:10:00	55.5	53.9	55.6	57.2
12/8/2023	7:21:36	0:09:00	52.7	53.4	55.5	57.1
12/8/2023	7:22:36	0:08:00	50.3	53.5	55	56.9
12/8/2023	7:23:36	0:07:00	55.9	53.6	55.2	56.9
12/8/2023	7:24:36	0:06:00	54	54.1	55.2	56.8
12/8/2023	7:25:36	0:05:00	63.3	57.9	56.6	57.3
12/8/2023	7:26:36	0:04:00	59	58.7	56.9	57.4
12/8/2023	7:27:36	0:03:00	54	58.8	56.8	57.3
12/8/2023	7:28:36	0:02:00	58.2	59.1	56.9	57.4
12/8/2023	7:29:36	0:01:00	58.1	59.5	57.1	57.4
12/8/2023	7:30:36	0:00:00	71	64.8	61.1	59.8

#### # Broadband LOG Results over whole log period

12/8/2023	7:30:36	0:00:00	71	64.8	61.1	59.8
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-08, 08:21:24  
 End: 2023-12-08, 08:51:24

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/8/2023	8:22:24	0:29:00	49.9	49.9	49.9	49.9
12/8/2023	8:23:24	0:28:00	50.6	50.3	50.3	50.3
12/8/2023	8:24:24	0:27:00	48.5	49.8	49.8	49.8
12/8/2023	8:25:24	0:26:00	50.7	50	50	50
12/8/2023	8:26:24	0:25:00	48.6	49.8	49.8	49.8
12/8/2023	8:27:24	0:24:00	52.2	50.3	50.3	50.3
12/8/2023	8:28:24	0:23:00	53.4	51.1	50.9	50.9
12/8/2023	8:29:24	0:22:00	52.7	51.8	51.1	51.1
12/8/2023	8:30:24	0:21:00	55.2	52.9	51.8	51.8
12/8/2023	8:31:24	0:20:00	56.6	54.3	52.6	52.6
12/8/2023	8:32:24	0:19:00	55.9	55	53.1	53.1
12/8/2023	8:33:24	0:18:00	56.3	55.6	53.4	53.4
12/8/2023	8:34:24	0:17:00	56.9	56.2	53.8	53.8
12/8/2023	8:35:24	0:16:00	50.1	55.7	53.7	53.7
12/8/2023	8:36:24	0:15:00	52.8	55.1	53.6	53.6
12/8/2023	8:37:24	0:14:00	50.7	54.3	53.6	53.5
12/8/2023	8:38:24	0:13:00	49.8	53	53.6	53.3
12/8/2023	8:39:24	0:12:00	56.4	52.7	54	53.6
12/8/2023	8:40:24	0:11:00	49.5	52.7	54	53.4
12/8/2023	8:41:24	0:10:00	47	52	54	53.2
12/8/2023	8:42:24	0:09:00	51.2	52	53.9	53.2
12/8/2023	8:43:24	0:08:00	50.4	52.1	53.8	53.1
12/8/2023	8:44:24	0:07:00	50.4	49.9	53.7	53
12/8/2023	8:45:24	0:06:00	51	50.2	53.5	52.9
12/8/2023	8:46:24	0:05:00	54.8	51.9	53.2	53
12/8/2023	8:47:24	0:04:00	57.3	53.7	53.4	53.3
12/8/2023	8:48:24	0:03:00	47.4	53.5	52.9	53.2
12/8/2023	8:49:24	0:02:00	49.2	53.4	52.3	53.1
12/8/2023	8:50:24	0:01:00	47.3	53.1	52.2	53
12/8/2023	8:51:24	0:00:00	50.9	52.3	52.1	52.9

#### # Broadband LOG Results over whole log period

12/8/2023	8:51:24	0:00:00	50.9	52.3	52.1	52.9
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-08, 11:27:34  
 End: 2023-12-08, 11:57:34

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/8/2023	11:28:34	0:29:00	51.8	51.8	51.8	51.8
12/8/2023	11:29:34	0:28:00	52.1	52	52	52
12/8/2023	11:30:34	0:27:00	57.3	54.5	54.5	54.5
12/8/2023	11:31:34	0:26:00	51.8	54	54	54
12/8/2023	11:32:34	0:25:00	52.2	53.7	53.7	53.7
12/8/2023	11:33:34	0:24:00	46.6	53.3	53.1	53.1
12/8/2023	11:34:34	0:23:00	48.6	52.9	52.7	52.7
12/8/2023	11:35:34	0:22:00	49.8	50.3	52.4	52.4
12/8/2023	11:36:34	0:21:00	52.2	50.4	52.4	52.4
12/8/2023	11:37:34	0:20:00	52.5	50.5	52.4	52.4
12/8/2023	11:38:34	0:19:00	52.1	51.3	52.4	52.4
12/8/2023	11:39:34	0:18:00	50.2	51.5	52.2	52.2
12/8/2023	11:40:34	0:17:00	55.1	52.7	52.5	52.5
12/8/2023	11:41:34	0:16:00	50.7	52.5	52.4	52.4
12/8/2023	11:42:34	0:15:00	47.7	51.9	52.2	52.2
12/8/2023	11:43:34	0:14:00	50.4	51.6	52.1	52.1
12/8/2023	11:44:34	0:13:00	52.2	51.9	52.1	52.1
12/8/2023	11:45:34	0:12:00	50.7	50.6	51.3	52.1
12/8/2023	11:46:34	0:11:00	51.4	50.7	51.3	52
12/8/2023	11:47:34	0:10:00	50.5	51.1	51.2	52
12/8/2023	11:48:34	0:09:00	50.8	51.2	51.3	51.9
12/8/2023	11:49:34	0:08:00	50.5	50.8	51.4	51.9
12/8/2023	11:50:34	0:07:00	48.7	50.5	51.4	51.8
12/8/2023	11:51:34	0:06:00	60.6	55	53.1	52.8
12/8/2023	11:52:34	0:05:00	48.5	54.9	52.9	52.7
12/8/2023	11:53:34	0:04:00	52.1	55	52.9	52.7
12/8/2023	11:54:34	0:03:00	50.5	55	52.9	52.6
12/8/2023	11:55:34	0:02:00	53.2	55.3	52.8	52.7
12/8/2023	11:56:34	0:01:00	46.7	50.8	52.7	52.5
12/8/2023	11:57:34	0:00:00	48.6	50.8	52.7	52.5

#### # Broadband LOG Results over whole log period

12/8/2023	11:57:34	0:00:00	48.6	50.8	52.7	52.5
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-08, 12:35:10  
 End: 2023-12-08, 13:05:10

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/8/2023	12:36:10	0:29:00	44.8	44.8	44.8	44.8
12/8/2023	12:37:10	0:28:00	51.4	49.3	49.3	49.3
12/8/2023	12:38:10	0:27:00	47.4	48.7	48.7	48.7
12/8/2023	12:39:10	0:26:00	47.7	48.5	48.5	48.5
12/8/2023	12:40:10	0:25:00	49.9	48.8	48.8	48.8
12/8/2023	12:41:10	0:24:00	45.6	48.9	48.4	48.4
12/8/2023	12:42:10	0:23:00	47	47.7	48.2	48.2
12/8/2023	12:43:10	0:22:00	55.8	50.9	50.2	50.2
12/8/2023	12:44:10	0:21:00	56.8	53.2	51.7	51.7
12/8/2023	12:45:10	0:20:00	50.8	53.3	51.6	51.6
12/8/2023	12:46:10	0:19:00	51.8	53.7	51.6	51.6
12/8/2023	12:47:10	0:18:00	46.2	53.7	51.3	51.3
12/8/2023	12:48:10	0:17:00	47.7	52.3	51.1	51.1
12/8/2023	12:49:10	0:16:00	48.6	49.5	51	51
12/8/2023	12:50:10	0:15:00	48.8	49	50.9	50.9
12/8/2023	12:51:10	0:14:00	50	48.4	51	50.8
12/8/2023	12:52:10	0:13:00	49.1	48.9	50.9	50.8
12/8/2023	12:53:10	0:12:00	54.8	51	51.5	51.1
12/8/2023	12:54:10	0:11:00	52.6	51.7	51.7	51.2
12/8/2023	12:55:10	0:10:00	49.6	51.8	51.7	51.1
12/8/2023	12:56:10	0:09:00	50.5	51.9	51.8	51.1
12/8/2023	12:57:10	0:08:00	51.8	52.2	52	51.1
12/8/2023	12:58:10	0:07:00	53.6	51.8	51.7	51.3
12/8/2023	12:59:10	0:06:00	55.8	52.8	51.6	51.6
12/8/2023	13:00:10	0:05:00	51.4	53	51.6	51.6
12/8/2023	13:01:10	0:04:00	52.3	53.3	51.6	51.6
12/8/2023	13:02:10	0:03:00	53.5	53.6	52	51.7
12/8/2023	13:03:10	0:02:00	54.4	53.8	52.4	51.8
12/8/2023	13:04:10	0:01:00	50.2	52.6	52.4	51.8
12/8/2023	13:05:10	0:00:00	46	52.1	52.4	51.7

#### # Broadband LOG Results over whole log period

12/8/2023	13:05:10	0:00:00	46	52.1	52.4	51.7
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-08, 14:06:58  
 End: 2023-12-08, 14:36:58

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/8/2023	14:07:58	0:29:00	58.4	58.4	58.4	58.4
12/8/2023	14:08:58	0:28:00	60.4	59.5	59.5	59.5
12/8/2023	14:09:58	0:27:00	58.6	59.2	59.2	59.2
12/8/2023	14:10:58	0:26:00	58.7	59.1	59.1	59.1
12/8/2023	14:11:58	0:25:00	54.5	58.5	58.5	58.5
12/8/2023	14:12:58	0:24:00	51.7	57.8	57.9	57.9
12/8/2023	14:13:58	0:23:00	52.6	56.2	57.4	57.4
12/8/2023	14:14:58	0:22:00	56.6	55.6	57.3	57.3
12/8/2023	14:15:58	0:21:00	56.2	54.7	57.2	57.2
12/8/2023	14:16:58	0:20:00	57.4	55.4	57.2	57.2
12/8/2023	14:17:58	0:19:00	51	55.4	56.9	56.9
12/8/2023	14:18:58	0:18:00	56.9	56.1	56.9	56.9
12/8/2023	14:19:58	0:17:00	54.2	55.7	56.8	56.8
12/8/2023	14:20:58	0:16:00	54.3	55.3	56.6	56.6
12/8/2023	14:21:58	0:15:00	55	54.7	56.5	56.5
12/8/2023	14:22:58	0:14:00	53	54.9	56.2	56.4
12/8/2023	14:23:58	0:13:00	58.1	55.3	55.9	56.5
12/8/2023	14:24:58	0:12:00	60.1	56.9	56.1	56.8
12/8/2023	14:25:58	0:11:00	56.1	57.1	55.8	56.8
12/8/2023	14:26:58	0:10:00	54.4	57.1	55.8	56.7
12/8/2023	14:27:58	0:09:00	53.3	57.1	55.9	56.6
12/8/2023	14:28:58	0:08:00	59.9	57.6	56.4	56.8
12/8/2023	14:29:58	0:07:00	54	56.3	56.3	56.7
12/8/2023	14:30:58	0:06:00	61.3	57.9	56.9	57
12/8/2023	14:31:58	0:05:00	52.6	57.7	56.7	56.9
12/8/2023	14:32:58	0:04:00	50.9	57.6	56.7	56.8
12/8/2023	14:33:58	0:03:00	53.8	56.3	56.5	56.7
12/8/2023	14:34:58	0:02:00	55	56.4	56.5	56.7
12/8/2023	14:35:58	0:01:00	54.3	53.5	56.5	56.6
12/8/2023	14:36:58	0:00:00	55.6	54.2	56.6	56.6

#### # Broadband LOG Results over whole log period

12/8/2023	14:36:58	0:00:00	55.6	54.2	56.6	56.6
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-08, 15:27:50  
 End: 2023-12-08, 15:57:50

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/8/2023	15:28:50	0:29:00	49.1	49.1	49.1	49.1
12/8/2023	15:29:50	0:28:00	46	47.8	47.8	47.8
12/8/2023	15:30:50	0:27:00	52.4	49.9	49.9	49.9
12/8/2023	15:31:50	0:26:00	53.2	51	51	51
12/8/2023	15:32:50	0:25:00	56.3	52.7	52.7	52.7
12/8/2023	15:33:50	0:24:00	48.1	52.6	52.2	52.2
12/8/2023	15:34:50	0:23:00	50.3	53	52	52
12/8/2023	15:35:50	0:22:00	49.8	52.6	51.8	51.8
12/8/2023	15:36:50	0:21:00	45.1	51.6	51.4	51.4
12/8/2023	15:37:50	0:20:00	49.7	49	51.2	51.2
12/8/2023	15:38:50	0:19:00	45	48.6	50.9	50.9
12/8/2023	15:39:50	0:18:00	43.2	47.4	50.6	50.6
12/8/2023	15:40:50	0:17:00	48.2	46.9	50.5	50.5
12/8/2023	15:41:50	0:16:00	50.9	48.3	50.5	50.5
12/8/2023	15:42:50	0:15:00	60	53.9	52.3	52.3
12/8/2023	15:43:50	0:14:00	46.3	54	52.3	52.1
12/8/2023	15:44:50	0:13:00	46.4	54	52.3	51.9
12/8/2023	15:45:50	0:12:00	48.7	54.1	52.1	51.8
12/8/2023	15:46:50	0:11:00	48.7	53.9	51.8	51.7
12/8/2023	15:47:50	0:10:00	56.2	51.1	51.8	52.1
12/8/2023	15:48:50	0:09:00	52.8	52	52	52.1
12/8/2023	15:49:50	0:08:00	51.6	52.5	52.1	52.1
12/8/2023	15:50:50	0:07:00	49	52.6	52.1	52
12/8/2023	15:51:50	0:06:00	49.4	52.6	52.2	51.9
12/8/2023	15:52:50	0:05:00	50.1	50.8	52.2	51.8
12/8/2023	15:53:50	0:04:00	49.5	50	52.3	51.8
12/8/2023	15:54:50	0:03:00	49.8	49.6	52.4	51.7
12/8/2023	15:55:50	0:02:00	52.7	50.5	52.6	51.7
12/8/2023	15:56:50	0:01:00	52.4	51.1	52.7	51.8
12/8/2023	15:57:50	0:00:00	55.9	52.7	51.6	52

#### # Broadband LOG Results over whole log period

12/8/2023	15:57:50	0:00:00	55.9	52.7	51.6	52
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-08, 17:45:16  
 End: 2023-12-08, 18:15:16

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/8/2023	17:46:16	0:29:00	49.2	49.2	49.2	49.2
12/8/2023	17:47:16	0:28:00	48	48.6	48.6	48.6
12/8/2023	17:48:16	0:27:00	52.4	50.3	50.3	50.3
12/8/2023	17:49:16	0:26:00	51.8	50.7	50.7	50.7
12/8/2023	17:50:16	0:25:00	60.8	55.3	55.3	55.3
12/8/2023	17:51:16	0:24:00	49	55.3	54.7	54.7
12/8/2023	17:52:16	0:23:00	49.5	55.3	54.2	54.2
12/8/2023	17:53:16	0:22:00	48.2	55.1	53.8	53.8
12/8/2023	17:54:16	0:21:00	44.5	54.7	53.4	53.4
12/8/2023	17:55:16	0:20:00	51	48.9	53.2	53.2
12/8/2023	17:56:16	0:19:00	48.1	48.7	52.9	52.9
12/8/2023	17:57:16	0:18:00	47.6	48.3	52.6	52.6
12/8/2023	17:58:16	0:17:00	46.8	48.1	52.4	52.4
12/8/2023	17:59:16	0:16:00	46.9	48.4	52.1	52.1
12/8/2023	18:00:16	0:15:00	50.2	48.1	52	52
12/8/2023	18:01:16	0:14:00	52.1	49.2	52.2	52
12/8/2023	18:02:16	0:13:00	51.9	50.1	52.3	52
12/8/2023	18:03:16	0:12:00	51	50.7	52.2	52
12/8/2023	18:04:16	0:11:00	49.9	51.1	52.2	51.9
12/8/2023	18:05:16	0:10:00	46.4	50.7	49.3	51.7
12/8/2023	18:06:16	0:09:00	49	50	49.4	51.6
12/8/2023	18:07:16	0:08:00	49.1	49.3	49.3	51.5
12/8/2023	18:08:16	0:07:00	48	48.6	49.3	51.4
12/8/2023	18:09:16	0:06:00	50.8	48.9	49.6	51.4
12/8/2023	18:10:16	0:05:00	46.4	48.9	49.4	51.3
12/8/2023	18:11:16	0:04:00	48.7	48.8	49.4	51.2
12/8/2023	18:12:16	0:03:00	51.3	49.4	49.6	51.2
12/8/2023	18:13:16	0:02:00	48.3	49.4	49.7	51.1
12/8/2023	18:14:16	0:01:00	47.5	48.8	49.7	51.1
12/8/2023	18:15:16	0:00:00	56.8	52.1	50.8	51.4

#### # Broadband LOG Results over whole log period

12/8/2023	18:15:16	0:00:00	56.8	52.1	50.8	51.4
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-08, 19:15:58  
 End: 2023-12-08, 19:45:58

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/8/2023	19:16:58	0:29:00	46.3	46.3	46.3	46.3
12/8/2023	19:17:58	0:28:00	48.4	47.5	47.5	47.5
12/8/2023	19:18:58	0:27:00	49.9	48.5	48.5	48.5
12/8/2023	19:19:58	0:26:00	55.2	51.3	51.3	51.3
12/8/2023	19:20:58	0:25:00	54.3	52.1	52.1	52.1
12/8/2023	19:21:58	0:24:00	50.6	52.5	51.9	51.9
12/8/2023	19:22:58	0:23:00	50	52.6	51.6	51.6
12/8/2023	19:23:58	0:22:00	45.5	52.3	51.2	51.2
12/8/2023	19:24:58	0:21:00	48	50.7	51	51
12/8/2023	19:25:58	0:20:00	54.8	50.9	51.5	51.5
12/8/2023	19:26:58	0:19:00	48.9	50.6	51.3	51.3
12/8/2023	19:27:58	0:18:00	52.8	51.3	51.5	51.5
12/8/2023	19:28:58	0:17:00	44.3	51.2	51.2	51.2
12/8/2023	19:29:58	0:16:00	44.6	51	51	51
12/8/2023	19:30:58	0:15:00	46.3	48.7	50.8	50.8
12/8/2023	19:31:58	0:14:00	57.9	52.6	52	51.8
12/8/2023	19:32:58	0:13:00	57	53.9	52.7	52.3
12/8/2023	19:33:58	0:12:00	44.9	53.9	52.6	52.1
12/8/2023	19:34:58	0:11:00	50.1	54.1	52.2	52
12/8/2023	19:35:58	0:10:00	53	54.6	52.1	52.1
12/8/2023	19:36:58	0:09:00	53.2	53.2	52.3	52.1
12/8/2023	19:37:58	0:08:00	58.7	54.1	53.2	52.8
12/8/2023	19:38:58	0:07:00	54.7	54.9	53.6	52.9
12/8/2023	19:39:58	0:06:00	50.3	54.9	53.6	52.8
12/8/2023	19:40:58	0:05:00	48.7	54.5	53.3	52.7
12/8/2023	19:41:58	0:04:00	51.2	54.3	53.4	52.7
12/8/2023	19:42:58	0:03:00	51.7	51.8	53.4	52.6
12/8/2023	19:43:58	0:02:00	51.6	50.9	53.5	52.6
12/8/2023	19:44:58	0:01:00	48.6	50.6	53.6	52.5
12/8/2023	19:45:58	0:00:00	52.6	51.3	53.7	52.5

#### # Broadband LOG Results over whole log period

12/8/2023	19:45:58	0:00:00	52.6	51.3	53.7	52.5
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
Mic  
Sensitivity: 30.9 mV/Pa  
Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
Timer mode: single  
Timer set: 0:30:00  
Log-Interval: 0:01:00  
k1: 0.0 dB  
k2: 0.0 dB  
kset Date: k-Values not measured  
Range: 20 - 120 dB

#### # Time

Start: 2023-12-09, 07:43:24  
End: 2023-12-09, 08:13:24

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/9/2023	7:44:24	0:29:00	46.1	46.1	46.1	46.1
12/9/2023	7:45:24	0:28:00	48.2	47.3	47.3	47.3
12/9/2023	7:46:24	0:27:00	46.7	47.1	47.1	47.1
12/9/2023	7:47:24	0:26:00	49.7	47.9	47.9	47.9
12/9/2023	7:48:24	0:25:00	45.4	47.5	47.5	47.5
12/9/2023	7:49:24	0:24:00	47.6	47.8	47.5	47.5
12/9/2023	7:50:24	0:23:00	49.2	48	47.8	47.8
12/9/2023	7:51:24	0:22:00	49.9	48.6	48.1	48.1
12/9/2023	7:52:24	0:21:00	48.8	48.4	48.2	48.2
12/9/2023	7:53:24	0:20:00	52.3	49.8	48.8	48.8
12/9/2023	7:54:24	0:19:00	49.8	50.2	48.9	48.9
12/9/2023	7:55:24	0:18:00	51	50.5	49.1	49.1
12/9/2023	7:56:24	0:17:00	48.9	50.4	49.1	49.1
12/9/2023	7:57:24	0:16:00	50.5	50.7	49.2	49.2
12/9/2023	7:58:24	0:15:00	53.4	51	49.7	49.7
12/9/2023	7:59:24	0:14:00	48.9	50.9	49.8	49.6
12/9/2023	8:00:24	0:13:00	48.9	50.5	49.8	49.6
12/9/2023	8:01:24	0:12:00	48.7	50.5	49.9	49.5
12/9/2023	8:02:24	0:11:00	49.8	50.4	49.9	49.6
12/9/2023	8:03:24	0:10:00	48.3	49	50	49.5
12/9/2023	8:04:24	0:09:00	47.4	48.7	50	49.4
12/9/2023	8:05:24	0:08:00	46.5	48.3	49.9	49.3
12/9/2023	8:06:24	0:07:00	55.5	50.9	50.6	49.9
12/9/2023	8:07:24	0:06:00	50.5	51	50.7	49.9
12/9/2023	8:08:24	0:05:00	46.8	50.9	50.4	49.8
12/9/2023	8:09:24	0:04:00	47.9	50.9	50.3	49.8
12/9/2023	8:10:24	0:03:00	46.9	51	50.1	49.7
12/9/2023	8:11:24	0:02:00	47.4	48.1	50	49.6
12/9/2023	8:12:24	0:01:00	50.1	48	50	49.6
12/9/2023	8:13:24	0:00:00	47.8	48.2	49.5	49.6

#### # Broadband LOG Results over whole log period

12/9/2023	8:13:24	0:00:00	47.8	48.2	49.5	49.6
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-09, 10:02:18  
 End: 2023-12-09, 10:32:18

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/9/2023	10:03:18	0:29:00	47.2	47.2	47.2	47.2
12/9/2023	10:04:18	0:28:00	47.6	47.4	47.4	47.4
12/9/2023	10:05:18	0:27:00	49.2	48.1	48.1	48.1
12/9/2023	10:06:18	0:26:00	49.3	48.4	48.4	48.4
12/9/2023	10:07:18	0:25:00	47.2	48.2	48.2	48.2
12/9/2023	10:08:18	0:24:00	45.3	47.9	47.8	47.8
12/9/2023	10:09:18	0:23:00	44.4	47.5	47.5	47.5
12/9/2023	10:10:18	0:22:00	46.6	46.9	47.4	47.4
12/9/2023	10:11:18	0:21:00	44.1	45.7	47.1	47.1
12/9/2023	10:12:18	0:20:00	46.6	45.5	47.1	47.1
12/9/2023	10:13:18	0:19:00	48.4	46.3	47.2	47.2
12/9/2023	10:14:18	0:18:00	47.1	46.8	47.2	47.2
12/9/2023	10:15:18	0:17:00	49.8	47.6	47.5	47.5
12/9/2023	10:16:18	0:16:00	42.5	47.5	47.3	47.3
12/9/2023	10:17:18	0:15:00	49.4	48.1	47.4	47.4
12/9/2023	10:18:18	0:14:00	48.6	48.1	47.5	47.5
12/9/2023	10:19:18	0:13:00	45.2	47.9	47.4	47.4
12/9/2023	10:20:18	0:12:00	46.8	47.1	47.2	47.4
12/9/2023	10:21:18	0:11:00	50.7	48.5	47.4	47.6
12/9/2023	10:22:18	0:10:00	50	48.7	47.6	47.8
12/9/2023	10:23:18	0:09:00	48.2	48.6	47.8	47.8
12/9/2023	10:24:18	0:08:00	50.1	49.4	48.1	47.9
12/9/2023	10:25:18	0:07:00	46	49.3	48.1	47.9
12/9/2023	10:26:18	0:06:00	45.9	48.4	48.2	47.8
12/9/2023	10:27:18	0:05:00	46.4	47.6	48.2	47.8
12/9/2023	10:28:18	0:04:00	44.8	47.1	48	47.7
12/9/2023	10:29:18	0:03:00	43.5	45.4	47.8	47.6
12/9/2023	10:30:18	0:02:00	40.6	44.6	47.4	47.4
12/9/2023	10:31:18	0:01:00	42.9	44	47.4	47.3
12/9/2023	10:32:18	0:00:00	46.3	44	47.2	47.3

#### # Broadband LOG Results over whole log period

12/9/2023	10:32:18	0:00:00	46.3	44	47.2	47.3
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Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
 Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
 Mic  
 Sensitivity: 30.9 mV/Pa  
 Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
 Timer mode: single  
 Timer set: 0:30:00  
 Log-Interval: 0:01:00  
 k1: 0.0 dB  
 k2: 0.0 dB  
 kset Date: k-Values not measured  
 Range: 20 - 120 dB

#### # Time

Start: 2023-12-09, 12:05:04  
 End: 2023-12-09, 12:35:04

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/9/2023	12:06:04	0:29:00	50.2	50.2	50.2	50.2
12/9/2023	12:07:04	0:28:00	49.9	50	50	50
12/9/2023	12:08:04	0:27:00	49.9	50	50	50
12/9/2023	12:09:04	0:26:00	48.7	49.7	49.7	49.7
12/9/2023	12:10:04	0:25:00	58.9	53.6	53.6	53.6
12/9/2023	12:11:04	0:24:00	46.6	53.4	53	53
12/9/2023	12:12:04	0:23:00	47.7	53.2	52.5	52.5
12/9/2023	12:13:04	0:22:00	51.8	53.4	52.4	52.4
12/9/2023	12:14:04	0:21:00	51.1	53.6	52.3	52.3
12/9/2023	12:15:04	0:20:00	47.6	49.4	52	52
12/9/2023	12:16:04	0:19:00	50.6	50.1	51.9	51.9
12/9/2023	12:17:04	0:18:00	52.7	51	52	52
12/9/2023	12:18:04	0:17:00	49	50.5	51.8	51.8
12/9/2023	12:19:04	0:16:00	48.6	50.1	51.6	51.6
12/9/2023	12:20:04	0:15:00	49.3	50.3	51.5	51.5
12/9/2023	12:21:04	0:14:00	50.1	50.2	51.5	51.4
12/9/2023	12:22:04	0:13:00	50	49.4	51.5	51.4
12/9/2023	12:23:04	0:12:00	51.4	50	51.6	51.4
12/9/2023	12:24:04	0:11:00	51.9	50.7	51.7	51.4
12/9/2023	12:25:04	0:10:00	48.7	50.6	50.1	51.3
12/9/2023	12:26:04	0:09:00	51	50.7	50.3	51.3
12/9/2023	12:27:04	0:08:00	50.7	50.9	50.5	51.2
12/9/2023	12:28:04	0:07:00	49.2	50.4	50.3	51.2
12/9/2023	12:29:04	0:06:00	53.7	51	50.6	51.3
12/9/2023	12:30:04	0:05:00	46.2	50.8	50.6	51.2
12/9/2023	12:31:04	0:04:00	49.1	50.5	50.5	51.1
12/9/2023	12:32:04	0:03:00	52.8	51	50.5	51.2
12/9/2023	12:33:04	0:02:00	48.1	50.9	50.5	51.1
12/9/2023	12:34:04	0:01:00	52.1	50.3	50.7	51.2
12/9/2023	12:35:04	0:00:00	48	50.5	50.6	51.1

#### # Broadband LOG Results over whole log period

12/9/2023	12:35:04	0:00:00	48	50.5	50.6	51.1
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#### # Hardware Configuration

Device Info: XL2, SNo. A2A-10088-E0, FW4.88  
Mic Type: NTi Audio M4260, SNo. 5541, Factory adjusted  
30.9  
Mic Sensitivity: mV/Pa  
Time Zone: UTC-08:00 (US/Pacific)

#### # Measurement Setup

Profile: Full mode  
Timer mode: single  
Timer set: 0:30:00  
Log-Interval: 0:01:00  
k1: 0.0 dB  
k2: 0.0 dB  
kset Date: k-Values not measured  
Range: 20 - 120 dB

#### # Time

Start: 2023-12-09, 13:59:38  
End: 2023-12-09, 14:29:38

#### # Broadband LOG Results

Date [YYYY-MM-DD]	Time [hh:mm:ss]	Timer [hh:mm:ss]	LAeq1' [dB]	LAeq5' [dB]	LAeq15' [dB]	LAeq30' [dB]
12/9/2023	14:00:38	0:29:00	49.9	49.9	49.9	49.9
12/9/2023	14:01:38	0:28:00	49.2	49.6	49.6	49.6
12/9/2023	14:02:38	0:27:00	46.1	48.7	48.7	48.7
12/9/2023	14:03:38	0:26:00	45.4	48.1	48.1	48.1
12/9/2023	14:04:38	0:25:00	51.2	48.9	48.9	48.9
12/9/2023	14:05:38	0:24:00	52.9	49.9	49.9	49.9
12/9/2023	14:06:38	0:23:00	49.8	50	49.9	49.9
12/9/2023	14:07:38	0:22:00	49.2	50.3	49.8	49.8
12/9/2023	14:08:38	0:21:00	49.7	50.8	49.8	49.8
12/9/2023	14:09:38	0:20:00	47.6	50.2	49.6	49.6
12/9/2023	14:10:38	0:19:00	49.2	49.2	49.6	49.6
12/9/2023	14:11:38	0:18:00	48.6	48.9	49.5	49.5
12/9/2023	14:12:38	0:17:00	45.9	48.4	49.3	49.3
12/9/2023	14:13:38	0:16:00	49.5	48.4	49.3	49.3
12/9/2023	14:14:38	0:15:00	45.9	48.1	49.2	49.2
12/9/2023	14:15:38	0:14:00	51.1	48.7	49.3	49.3
12/9/2023	14:16:38	0:13:00	48.8	48.7	49.2	49.3
12/9/2023	14:17:38	0:12:00	49.6	49.3	49.4	49.3
12/9/2023	14:18:38	0:11:00	50.5	49.5	49.7	49.4
12/9/2023	14:19:38	0:10:00	47.4	49.7	49.4	49.3
12/9/2023	14:20:38	0:09:00	47.2	48.9	48.9	49.2
12/9/2023	14:21:38	0:08:00	48.5	48.8	48.8	49.2
12/9/2023	14:22:38	0:07:00	50.2	49	48.9	49.2
12/9/2023	14:23:38	0:06:00	50.6	49	49	49.3
12/9/2023	14:24:38	0:05:00	51.1	49.8	49.2	49.4
12/9/2023	14:25:38	0:04:00	48.5	49.9	49.2	49.4
12/9/2023	14:26:38	0:03:00	48.7	50	49.2	49.3
12/9/2023	14:27:38	0:02:00	48.4	49.6	49.3	49.3
12/9/2023	14:28:38	0:01:00	53.1	50.4	49.7	49.5
12/9/2023	14:29:38	0:00:00	55.8	52	50.6	50

#### # Broadband LOG Results over whole log period

12/9/2023	14:29:38	0:00:00	55.8	52	50.6	50
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**END OF DATA**

**APPENDIX B**  
ACOUSTIC BOILERPLATE

Brief background and qualifications of Sound Media Fusion, LLC.:

Located in Van Nuys, California.

Facility includes:

1. Acoustic development and testing laboratory.
2. Electronic design development and testing laboratory.
3. Feature film motion picture augmented reality sound stage.
4. Acoustic and electronic simulation software systems of various kinds (NoisePlan, EASE, etc.).

SMF and its different generations, all founded by Gary Hardesty, have provided numerous services in the areas of acoustics, noise mitigation/monitoring, intellectual property creation and management (patents) and electronics, internationally, for more than 50 years.

We have provided the services of acoustic design, noise mitigation/monitoring, sound design and technical management for some of the largest events in the world, including:

-Olympic Opening and Closing Ceremonies and sports venues since the Los Angeles 1984 Olympics.

- Venue acoustic and sound system designs.
- Noise mitigation and monitoring design and management.
- Work includes all competition venues as well as Opening and Closing Ceremony.

-Continuous acoustic and mitigation work for the Vatican, including the large World Youth Day global events (the Toronto event featured a main site for the mass, which had more than 1.4 million people in attendance).

-24 years' work with the NFL on the Superbowl game, including acoustics, noise mitigation, sound design and management for the halftime shows.

-Academy Awards.

-Grammy Awards.

We have provided services for the Cities of Costa Mesa and Newport Beach, along with services for entities within those cities, including:

-20 years of acoustic design, noise monitoring/mitigation and technical management for the OC Fair, including reopening of Pacific Amphitheatre in 2003. In 2014, we redesigned the acoustics in Pac Amp, giving the Fair another 3.5 acres of usable land, while improving in-venue acoustics and out of venue noise mitigation- a \$15 million project, also acting as project manager.

-Newport Dunes noise monitoring/mitigation and acoustic designs.

-Newport Beach pickleball courts acoustic designs and noise monitoring/mitigation.

-Balboa Bay Club noise mitigation.

-Various Costa Mesa venues.

-Acoustic design and noise mitigation/monitoring for large festivals in San Diego's Waterfront Park.

-Acoustic and sound system design for many international performing arts theaters, amphitheaters, and stadiums.

-Acoustic design for many large international theme parks, including Ocean Kingdom in China and EuroDisney in Paris.

A recent patent award was for a highly sophisticated type of high-power loudspeaker system (used for all Tokyo Olympic venues, including Opening and Closing Ceremony, as well as many fixed installations in theaters and stadiums in Japan, Korea, and Europe (licensed to one of our clients- Panasonic):





US010070217B2

(12) **United States Patent**  
**Hardesty**

(10) **Patent No.:** **US 10,070,217 B2**  
(45) **Date of Patent:** **Sep. 4, 2018**

(54) **SPEAKER APPARATUS**

(71) Applicant: **PANASONIC INTELLECTUAL  
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(72) Inventor: **Gary Allen Hardesty**, Northridge, CA  
(US)

(73) Assignee: **PANASONIC INTELLECTUAL  
PROPERTY MANAGEMENT CO.,  
LTD.**, Osaka (JP)

(\*) Notice: Subject to any disclaimer, the term of this  
patent is extended or adjusted under 35  
U.S.C. 154(b) by 0 days.

(21) Appl. No.: **15/439,392**

(22) Filed: **Feb. 22, 2017**

(65) **Prior Publication Data**  
US 2018/0227663 A1 Aug. 9, 2018

(30) **Foreign Application Priority Data**  
Feb. 3, 2017 (JP) ..... 2017-019026

(51) **Int. Cl.**  
**H04R 1/02** (2006.01)  
**H04R 1/40** (2006.01)  
**H04R 3/14** (2006.01)

(52) **U.S. Cl.**  
CPC ..... **H04R 1/403** (2013.01); **H04R 3/14**  
(2013.01); **H04R 1/023** (2013.01)

(58) **Field of Classification Search**

CPC ..... H04R 1/30; H04R 1/345; H04R 1/2861;  
G10K 11/02; G10K 11/025; G10K 9/00  
USPC ..... 181/152, 159, 177, 187; 381/339, 340  
See application file for complete search history.

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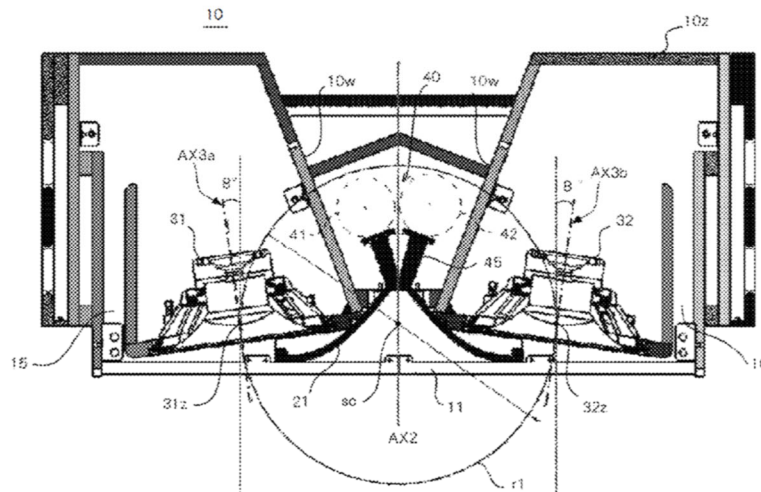
*Primary Examiner* — Sunita Joshi

(74) *Attorney, Agent, or Firm* — Greenblum & Bernstein,  
P.L.C.

(57) **ABSTRACT**

A speaker apparatus includes first acoustic drivers that  
respectively output first acoustic signals, and an acoustic  
coupler having acoustic passages. The acoustic passages  
respectively include inlets, and an outlet of the acoustic  
passages is common. The first acoustic signals output from  
the first acoustic drivers are respectively inlet into the inlets,  
the first acoustic signals inlet into the inlets are guided to the  
common outlet, the first acoustic signals are combined at the  
common outlet to generate a second acoustic signal, and the  
second acoustic signal is output. Lengths of the acoustic  
passages from the inlets to the common outlet are identical  
to each other.

**4 Claims, 24 Drawing Sheets**  
**(3 of 24 Drawing Sheet(s) Filed in Color)**



Loudspeaker acoustic design and development for several large international clients (JBL, Yamaha, Panasonic).

SMF/Gary Hardesty past/present clients include (examples):

Panasonic, US Army, The Scenic Route, Inc., OC Fair, City of Newport Beach, City of Costa Mesa, Newport Dunes, F1 Racing, Palmer Audio, Lucasfilm, Meyer Sound, Eastern Acoustic Works, JBL Professional, Yamaha Corporation, US Olympic committee, Ocean Kingdom Theme Park-China, EuroDisney-Paris, NFL Superbowl, Wheel of Fortune, Academy of Country Music Awards, Grammy Awards, Academy Awards, Vatican, Mexico 2010 Bicentennial Committee, World Cup Soccer, Hult Center for the Performing Arts, Asian Games- Korea- Thailand, China, Main Stadium-Japan.

More than 200 large venues/stadiums globally, including: Japan, Korea, Greece, China, Russia, USA, Italy, Germany.

While it is beyond the scope of this proposal to detail all the various acoustic parameters that makeup noise, noise monitoring and mitigation, it is important to highlight some of the theory, for the ideas as proposed in this study to make sense.

Some theory:

From a physics perspective, sound is nothing more than small pressure changes traveling through:

\*Any elastic medium. These pressure variances propagate in all directions from- Anything that vibrates mechanically in or on that medium or even just contacting that medium-- things like vocal cords, guitar strings, saxophone reeds, or loudspeakers.

The word 'medium' -means any molecular substance that contacts the vibrating source.

It could be almost anything-- air is the most common example; but water could be an example too. Even the wood that contacts a violin string is an example.

\*An elastic medium is one in which the molecules can be displaced slightly but where they tend to spring back to their original or rest position.

In a gas like air, molecules can be compressed (pushed closer together) and rarefied (pulled further apart) but they will always spring back to normal pressure. Water, steel, and wood also have a springiness that makes them good conductors of sound waves.

\*The pressure changes don't have to be very big to be perceived as sound.

In a typical conversation at 1 meter, the difference between highest compression to lowest is only 00.0001%, one ten thousandth of a percent.

In sound, waves of compression are always followed by mirror image waves of rarefaction (decompression) so that overall, the pressure remains normal.

Remember that in sound it's not the air molecules that travel from the source to your ear but rather the waves of compression and rarefaction of those molecules.

Finally, sound waves are:

\*Mechanical energy-- an actual physical disturbance.

They are not like radio waves or light waves. These are electromagnetic energy.

How fast does sound travel? Sound waves travel at approximately 1128 feet per second in air that is 68 degrees Fahrenheit.

In sustained sounds, molecular displacement is usually repetitive and it often occurs with high regularity. That means it repeats the same way at very evenly spaced time intervals-- say every thousandth of a second.

This regularity is called periodic vibration. When vibrations repeat like this, the sound they produce has an identifiable pitch-- a musical tone.

If there is no regularity, then the vibration is aperiodic and produces noise. The physical vibrations that make sound can be nearly any frequency.

Experiments have shown that sound at 10 billion cycles per second is possible.

However, human ears respond to only a relatively small range of between 20 cycles per second and 20,000 cycles per second.

Even this range is significantly shortened by age and other conditions.

Within this range of 20 to 20,000 cycles per second (cps) humans are most sensitive to the frequencies between 1,000 and 5,000 cycles per second.

Cycles per second are now more commonly referred to as Hertz. So, what was 1,000 cps, is now referred to as 1,000 Hertz (or 1 KHz- 'K' meaning 1,000).

There are four important attributes that we can manipulate to create or describe any sound.

And, we can work with these attributes in two different ways: we can measure them and we can hear them.

If we measure them, they're called physical attributes: if we hear them, they're called perceptual attributes.

The four physical attributes are frequency, amplitude, waveform, and duration. Their perceptual counterparts are pitch, loudness, timbre, and time.

There is similarity between hearing and measuring these attributes; however, it is a complex correlation. The two are not exactly parallel.

Frequency refers to how often the vibration repeats a complete cycle from rest position through compression through rarefaction and back to rest position.

This is usually stated in cycles per second (cps) or in Hertz (Hz) after the 19th century physicist Heinrich Hertz. Cps and Hz are the same measurement.

Pitch refers to our perception of frequency on a continuum from low to high.

Amplitude refers to how much energy is contained in the displacement of molecules that make up sound waves.

It is usually measured in decibels.

Decibels is a logarithmic scale in which each ten-number increase represents a tenfold increase in energy.

On this scale a 10 decibel increase equals 10 times the energy, but a 20-decibel increase = 100 times the energy and a 30-decibel increase = 1000 times the energy; etc.- logarithmic scaling.

We need this logarithmic scale because the loudest sound humans can hear is about 1 trillion times as powerful as the softest.

Each doubling of sound energy can be represented by a 3-decibel change. Loudness refers to our perception of amplitude and is sometimes stated in phons.

The least amount of amplitude humans can perceive as sound, starts the decibel scale at 0 dB.

This is about a trillionth of a watt per square meter.

TABLE 22-1

Units of sound intensity. Sound intensity is expressed as power per unit area (such as watts/cm<sup>2</sup>), or more commonly on a logarithmic scale called *decibels SPL*. As this table shows, human hearing is the most sensitive between 1 kHz and 4 kHz.

	Watts/cm <sup>2</sup>	Decibels SPL	Example sound
	10 <sup>-2</sup>	140 dB	Pain
	10 <sup>-3</sup>	130 dB	
↑	10 <sup>-4</sup>	120 dB	Discomfort
	10 <sup>-5</sup>	110 dB	Jack hammers and rock concerts
	10 <sup>-6</sup>	100 dB	
	10 <sup>-7</sup>	90 dB	OSHA limit for industrial noise
	10 <sup>-8</sup>	80 dB	
	10 <sup>-9</sup>	70 dB	
	10 <sup>-10</sup>	60 dB	Normal conversation
	10 <sup>-11</sup>	50 dB	
	10 <sup>-12</sup>	40 dB	Weakest audible at 100 hertz
	10 <sup>-13</sup>	30 dB	
	10 <sup>-14</sup>	20 dB	Weakest audible at 10kHz
↓	10 <sup>-15</sup>	10 dB	
	10 <sup>-16</sup>	0 dB	Weakest audible at 3 kHz
	10 <sup>-17</sup>	-10 dB	
	10 <sup>-18</sup>	-20 dB	

We measure sound with a device called an 'SPL meter'.

Sound pressure level meters (SPL meters) incorporate 'weighting filters', which reduce the contribution of low and high frequencies to produce a reading that corresponds approximately to what we hear ('curves').

'A weighting', though originally intended only for the measurement of low-level sounds is now commonly used for the measurement of environmental noise and industrial noise, as well as when assessing potential hearing damage and other noise health effects at all sound levels; indeed, the use of A-frequency-weighting is now mandated for all these measurements.

History of A-weighting:

A-weighting began with work by Fletcher and Munson which resulted in their publication, in 1933, of a set of equal-loudness contours. Three years later these curves were used in the first American standard for sound level meters.

B-, C-, D- and Z-weightings:

A-frequency-weighting is mandated to be fitted to all sound level meters. The old B- and D-frequency-weightings have fallen into disuse, but many sound level meters provide for C frequency-weighting and its fitting is mandated — at least for testing purposes — to precision (Class one) sound level meters.

Sound Media Fusion uses a special laboratory calibrated meter made in Europe for our testing.

The meter can simultaneously show Z (flat frequency spectrum) measurements, as well as 'A', peak, LEQ, etc.

The meters also record the actual audio during a test, as well as all the raw data for later analysis.

We can hear what the sound was that was affecting a meter reading at a particular point in time.

While the A-weighting curve, as discussed previously, has been widely adopted for environmental noise measurement, and is standard in many sound level meters, it does not really give valid results for noise because of the way in which the human ear analyzes sound.

The distance of the measuring microphone from a sound source is often omitted when SPL measurements are quoted.

In the case of ambient environmental measurements of "background" noise, distance need not be quoted as no single source is present.

SPL meters are not smart- they present all the sound (noise) picked up by the meter at the meter's location, as a single SPL, or dB 'number'- be it traffic noise, whatever- it is all picked up and displayed as a number, representing the local environmental noise condition.

This local reading presents uncorrelated information, IE: it is not smart information, much as the human ears and brain- we can correlate and discriminate, a SPL meter cannot. The information obtained is ALL the local environment noise.

A trained human must make the measurements, as only this person can understand exactly what is taking place and how to solve it, as well as determine compliance, within the din of all the local background noise that may be present- another reason we record the actual audio, as well as the raw data- for later analysis.

Compliance monitoring is a very difficult science and requires sophisticated equipment and even more sophisticated operators, especially when the compliance monitoring involves noise buried in the overall ambient and local environmental noise.

The type of noise meter we use is called an 'integrating meter'. It can simultaneously record the actual audio taking place, as well as record and calculate the decibel reading- taking more than 16 samples every second.

As an example of our success, for 20 years we have provided noise monitoring and mitigation, acoustic design, sound system design, and video design services for the OC Fair and Events Center and Pacific Amphitheater in Costa Mesa.

The Costa Mesa Noise Ordinance, in brief:

**TABLE N-2  
CITY NOISE ORDINANCE STANDARDS-  
RESIDENTIAL**

Exterior Noise Standards	Interior Noise Standards
55dBA-7:00 a.m. to 11:00 p.m.	55dBA-7:00 a.m. to 11:00 p.m.
50dBA-11:00 p.m. to 7:00 a.m.	45dBA-11:00 p.m. to 7:00 a.m.
NOTE: These represent the basic standards applicable for time periods exceeding 15 minutes each hour. Higher levels may be generated for specified shorter time periods.	

The Noise Ordinance prohibits stationary noise sources to exceed the following:

- ◆ The noise standard for a cumulative period of more than 30 minutes in any hour;
- ◆ The noise standard plus 5 dBA for a cumulative period of more than 15 minutes in any hour;
- ◆ The noise standard plus 10 dBA for a cumulative period of more than 5 minutes in any hour;
- ◆ The noise standard plus 15 dBA for a cumulative period of more than one minute in any hour; or
- ◆ The noise standard plus 20 dBA for any period of time.

**END OF REPORT**

## PLANNING DIVISION STAFF REPORT

AGENDA NO. 6.eSITE LOCATION 140 and 154 East 17thAPPLICATION NO. PA-92-46 /RA-92-07AP # 425-441-08MANDATORY ACTION DATE December 9, 1992APPLICANT Richard Massen  
(Owner of Record)AUTHORIZED AGENT Scott ConnellyADDRESS 770 Hillcrest Drive #13  
Laguna Beach, CA 92651ADDRESS 351 Hospital Road  
Newport Beach, CA 92663

Applicant is reminded that all ordinances and regulations governing the use of the land or building(s) to which this application pertains must be complied with whether specified herein or not.

PREPARED BY Gabriel Elliott  
Associate PlannerDATE PREPARED June 18, 1992LAST UPDATE June 18, 1992

## REQUEST:

Conditional Use Permits to establish a physical fitness facility in an existing building with on-site valet parking and off-site parking

## STAFF RECOMMENDATION:

1. Deny Conditional Use Permit.
2. Recommend denial to the Redevelopment Agency.

FINAL COMMISSION ACTION: June 22, 1992

Approved PA-92-46, based on the following Findings, subject to conditions contained in the Planning Division Staff Report with modification and additions as listed below; and recommended approval of RA-92-07 to the Redevelopment Agency, subject to conditions as modified:

PLANNING STAFF FINDINGSConditional Use Permit

1. The information presented substantially complies with Costa Mesa Municipal Code Section 13-347 in that the proposed health club is substantially compatible with developments in the same general area. With controls placed on occupancy by Conditions of Approval, and with inclusion of valet parking, granting this Conditional Use Permit will not be detrimental to the safety and general welfare of other properties within

SEE ATTACHED PAGE

APPLICANT NOTIFIED NS DATE June 24, 1992

CITY OF COSTA MESA, 77 FAIR DRIVE, COSTA MESA, CA 92628-1200 (714) 754-5245





the immediate vicinity and will not allow a use, density or intensity, which is not in accordance with the General Plan designation for the property.

REDEVELOPMENT AGENCY

2. The proposed use is ~~not~~ consistent with the objectives of the Redevelopment Plan and will not be injurious to property or improvements in the area because conditions have been proposed to control parking through valet parking and occupancy limits.

CONDITIONS OF APPROVAL:

6. The number of members attending the club at one time shall be limited to a maximum of 80 plus staff of 24.

7. Any exterior lighting shall be approved by the Planning Division.

8. Valet parking service shall be provided during all hours of operation.

(2-1, Mr. Clarke voting no, Mr. Korando abstaining, Mr. Dunn absent)

# PLANNING ACTION SUMMARY

**Location:** 140 & 154 E. 17th St.      **Application:** PA-92-46/RA-92-07

**Request:** Conditional Use Permit to establish a physical fitness facility in an existing building with on-site valet parking and off-site parking with Redevelopment Agency Review.

**SUBJECT PROPERTY:**

**Zone:** C2  
**General Plan:** General Commercial  
**Lot Dimensions:** 150' x 309.86' / 150' x 125.27'  
**Lot Area:** 1.49 acres

**SURROUNDING PROPERTY:**

**North:** CL: (Acr. Cabrillo) Trlr Pk  
**South:** C2: (Acr. 17th) Comm.  
**East:** C2/CL: Comm./Resid.  
**West:** C2: Commercial

**Existing Development:** Abandoned Lumber Yard; Restaurant (off-site)

**DEVELOPMENT STANDARD COMPARISON**

<u>Development Standard</u>	<u>Code Requirement</u>	<u>Proposed/Provided</u>
<b>Lot Size</b>		
Lot Width	<u>60'</u>	<u>150'</u>
Lot Area	<u>12,000 sq. ft.</u>	<u>*1.49 acres (65,269sf)</u>
<b>Building Coverage</b>		
Buildings	<u>19,580sf/.30 FAR**</u>	<u>Existing 19,820 sf (30%)</u>
Paving		<u>Existing 31,020 sf (48%)</u>
Open Space		<u>Existing 14,429 sf (22%)</u>
TOTAL		<u>Existing 65,269 sf (100%)</u>
<b>Building Height</b>	<u>2 stories/30'</u>	<u>Existing 2 stories / 23'</u>
<b>Setbacks</b>		
Front	<u>20'</u>	<u>Existing 20'</u>
Side (left/right)	<u>0'/15'</u>	<u>0'/72'</u>
Rear	<u>15'</u>	<u>Existing 95'</u>
<b>Parking</b>	<u>On-site Off-site</u>	<u>On-site Off-site</u>
Covered	<u>141 0</u>	<u>141 12</u>
Open	<u>(106) (0)</u>	<u>( 55) (16)</u>
(Standard Size)	<u>( 35) (0)</u>	<u>( 34) (-4)</u>
(Compact)	<u>( ) (0)</u>	<u>( 49)</u>
(Handicapped)	<u>( ) (0)</u>	<u>( 48) Valet***</u>
TOTAL	<u>141 (0)</u>	<u>141</u>
<b>Driveway Width</b>	<u>20'</u>	<u>25'</u>
<b>Interior Landscaping</b>	<u>2,200 sq.ft.</u>	<u>Existing 7,871 sf</u>

NA = Not Applicable or No Requirement

**CEQA Status:** Exempt

**Final Action:** Planning Commission

\* ABC Lumber site, only

\*\* Under current code; 26,107 sq. ft. would have been applicable under prevailing conditions at time of approval.

\*\*\* Valet parking

I. DESCRIPTION

A. Subject Property; Surrounding Property; and Request

See Planning Action Summary

B. Background

Zone Exception Permit ZE-80-146, and Lot Line Adjustment LL-80-08 were approved by the Planning Commission on October 13, 1980. The Commission also recommended approval of Redevelopment Action RA-80-13 to the Redevelopment Agency. RA-80-13 was approved by the agency on November 5, 1980.

The Zone Exception Permit was a Conditional Use Permit request to operate a lumberyard and for compact parking stalls, with a Variance for reduction in parking. The Lot Line Adjustment is to combine four parcels into one.

II. PROJECT DESCRIPTION

The abandoned 19,820 sq. ft. lumberyard building is being proposed for renovation. A portion of it will be a tire store (approx. 7,500 sq. ft.), and another 1,490 sq. ft. for a proposed retail outlet.

Although the proposed retail outlet will be considered under a separate permit, Staff has learned that food supplement products to be used by clients of the health club will probably be sold there.

The portion of the building under this action is approximately 10,500 sq. ft. in area. This is to be used as a health club.

Approximately 8,232 sq. ft. of the 10,500 sq. ft. area is proposed work-out area. The remainder is for office, reception, a conference room, and bathing facilities.

Because there are two other proposed uses at this location, adequate parking for each use becomes an issue.

To meet the parking demand for the health club, the applicant has proposed the use of valet parking as well as limited off-

site parking (seven compact stalls) on the property located at 154 E. 17th Street. In addition, the proposal to remove an existing 2,670 sq. ft. wood building at 154 E.17th Street will increase the number of parking spaces provided on that property by twelve spaces.

Because of a substantial change in use from a lumberyard to a retail and health club, a trip budget analysis must be conducted.

At the study session, the applicant indicated that the proposed health club is different from other health clubs in that there are no group aerobic classes proposed, and there would not be more than 50 members attending at once. The health club is involved in a development and testing program for people between the ages of 30 and 70 years. This program involves the use of food supplements in conjunction with free weights and exercise equipment. In a letter to the Planning Commission dated June 17, 1992, Dr. Connelly, the proprietor of the health club, goes into the operational details of the health club as well as the successes of another of his health clubs in the Bay Area.

The property is located in a Redevelopment Area, necessitating its review by the Redevelopment Agency.

### **III. PLANNING STAFF ANALYSIS**

Per Section 13-209 of the Costa Mesa Municipal Code, a Conditional Use Permit is required for health and sports clubs in a commercial zone. A Conditional Use Permit is also required for off-site parking as well as the valet parking. In this particular case, however, there would have been a parking deficiency that would have necessitated a Variance were valet parking not proposed.

The proposed health club will occupy approximately 10,500 sq. ft. of floor area and will require 105 parking spaces. A total of 141 spaces are required for the site, including the proposed tire company and retail outlet.

However, there are only 88 parking spaces existing on the property, per ZE-80-146. To meet the current parking demand, a reconfiguration of the parking lot is proposed.

This reconfiguration will alter the existing parking and landscaping layout of the site, provide additional compact parking stalls (34 in all), close the westerly of the two existing driveways on Cabrillo Street, and most importantly, institute a stratified valet parking area along Cabrillo Street to accommodate at least 48 cars. Seven additional parking spaces are also being provided on the adjacent property.

Main access to the site will be from 17th Street (south) and Cabrillo Street (north), although there is possible access also from Fullerton Avenue (east).

Because of the change in use from a lumberyard to a health club, a trip budget analysis was performed for the site. The following represents the findings:

EXISTING BUILDING AREA: 19,820 SQ. FT./ .30 FAR  
LOT SIZE: 65,269 SQ. FT.

GENERAL PLAN DESIGNATION: GENERAL COMMERCIAL  
GENERAL PLAN MAX. FAR: .30  
TOTAL BUILDING AREA PER FAR: 19,580 SQ. FT.

THEREFORE, THE EXISTING BUILDING AREA MEETS THE GENERAL PLAN MAXIMUM FLOOR AREA RATIO.

PROPOSED USES FOR THE SITE: RETAIL: 1,490 SQ. FT.\*  
HEALTH CLUB: 10,500 SQ. FT.  
TIRE STORE: 7,500 SQ. FT.\*

\* Staff would like to point out that the retail use and tire store identified above are not part of this application. However, in order to determine the site's trip budget, these uses need to be identified.

AM PEAK TRIP FOR PROPOSED RETAIL USE: 3.48  
Calc. for proposed retail a.m. trip:  $1,490 \times 2.34/1,000$

PM PEAK TRIP FOR PROPOSED RETAIL USE: 5.58  
Calc. for proposed retail p.m. trip:  $1,490 \times 3.75/1,000$

AM PEAK TRIP FOR PROPOSED HEALTH CLUB: 18.58  
Calc. for prop. health club a.m. trip:  $10,500 \times 1.77/1,000$

PM PEAK TRIP FOR PROPOSED HEALTH CLUB: 15.96  
Calc. for prop. health club p.m. trip:  $10,500 \times 1.52/1,000$

AM PEAK TRIP FOR PROPOSED TIRE STORE: 18  
Calc. for prop. tire store a.m. trip:  $7,500 \times 2.40/1,000$

PM PEAK TRIP FOR PROPOSED TIRE STORE: 21.5  
Calc. for prop. tire store p.m. trip:  $7,500 \times 2.87/1,000$

Total a.m. trips generated by site: 40.06  
Total p.m. trips generated by site: 43.04

GENERAL PLAN AM PEAK TRIP RATE FOR SITE: 45.81  
GENERAL PLAN PM PEAK TRIP RATE FOR SITE: 73.42

Calc. for peak a.m. trip:  $19,580 \text{ sq. ft.} \times 2.34/1,000$   
Calc. for peak p.m. trip:  $19,580 \text{ sq. ft.} \times 3.75/1,000$

The project, as proposed, is within the trip budget limits of the General Plan.

In reviewing this proposal, Staff considered several land development issues ranging from on-site parking configuration and availability, to impact of the proposed use on surrounding uses and/or properties.

#### Parking Configuration/Availability:

Valet parking is being proposed as a way of meeting the parking demands of a health club which is 2 1/2 times that of a retail use.

What makes the proposed parking configuration bothersome to Staff is the fact that the proposed valet parking lot, located along the Cabrillo Street part of the lot, is approximately 170 feet from the main entrance to the health club. Staff has been informed that valet parking attendants will be located approximately 82 feet from Cabrillo Street. At that distance, approximately four cars can be stacked before traffic overflows onto Cabrillo Street. During peak hours, several cars may queue up while waiting to be parked.

What Staff envisions during peak hours at this site is a traffic jam which may lead club members to park on public streets and at other unauthorized locations including adjacent properties. This type of situation usually leads to complaints.

The City's experience with the Family Fitness Center on Adams Avenue and the Sports Connection in the Costa Mesa Courtyards come to mind. However, Staff would like to point out that both of these facilities are significantly larger than the proposed health club and offer group aerobic classes among other things. Family Fitness Center is in excess of 20,000 sq. ft. and the Sports Connection is about 30,000 sq. ft. in area. Also, in both cases, a shared parking agreement and/or off-site parking exist. Neither of these facilities provide valet parking.

Experts in the health club industry seem to agree that group aerobic classes are significant parking generators. The applicant in this case has indicated that no group aerobic dance classes are proposed and that no more than a specified number of members will attend the club at one particular time. In fact, in his letter dated June 17, 1992, the applicant noted the club will be affiliated with the USDA Human Nutrition Laboratory, and that after an initial period of curiosity-seekers, the clientele will stabilize to ultimately include a select group of very committed trainees and research subjects.

#### Other Potential Impacts

Another of Staff's concerns is the coexistence of the health club with other proposed retail uses. Submitted plans indicate that eight of the required parking spaces for the site are located in front of bay doors.

Credit is usually not given for parking spaces located in front of bay doors. If these eight spaces are deducted from the required 141, only 133 parking spaces would remain. The Fire Prevention Division has also requested that the exit at the north end of the building remain open. This would result in the removal of an additional parking space.

In Staff's opinion, it would require strict parking enforcement to restrict the health club's clientele from parking in spaces designated for the retail outlet and the tire company and vice versa.

In conclusion, Staff notes the specifics of this proposed health club, and congratulates the applicant on his accomplishments in operating a similar facility in San Francisco. However, Staff's concerns go beyond this particular request, meritorious as it may seem.

Once a health club is approved at this location, another health club with a totally different format and clientele could occupy the site under the same Conditional Use Permit within a 180-day period of the exit of a previous health club. Since this department operates on an enforcement-by-complaint policy, it is sometimes too late to revoke a Conditional Use Permit once it is granted. In most cases, applicants would have invested substantial amounts money in the enterprise and may claim a vested right to exist.

With that in mind, Staff believes that these problems, potential as they may be, necessitate critical attention, and hence the reason for recommending denial on the Conditional Use Permits.

Should the Commission decide to approve this project, Staff is requesting that conditions restricting the number of people attending the health club at one time be at a maximum of (60), and the prohibition of group aerobic classes, be added as Conditions of Approval.

#### Redevelopment Agency Review

Typically, the Agency will review projects within a Redevelopment Area if and when there is a change to existing exterior elevations. Although no exterior elevation changes have been specifically indicated as part of this proposal, Agency review is still eminent.

The following is an assessment of the project against Redevelopment Agency guidelines:

<u>Criteria</u>	<u>Does Project Comply?</u>
1. Is the proposed use permitted by the City's Zoning Code and Redevelopment Plan?	Permitted only by a Conditional Use Permit.



- |    |   |  |
|----|---|--|
| 2. | Is setback area used for landscaping, access drives, walkways and/or off-street parking?                      | Yes.   |
| 3. | Is adequate parking for all parking needs provided on the subject site as required by the City's Zoning Code? | No. Off-site parking is proposed and valet parking is being instituted to mitigate the parking deficiency. |
| 4. | Will parking spaces visible from the street be screened to prevent unsightly or barren appearances?           | No indications at this time.   |
| 5. | Will lighting for parking spaces be shielded from residential buildings and adjoining streets?                | Maybe.   |

As indicated above, Staff is unaware whether or not there is a proposal to screen visible parking spaces from the street. However, if made a condition, the applicant will comply. Also, since this is an existing site, Staff is not aware of lighting in the parking lot. But since this site is located across from a trailer park and the building is located about 100 feet from the street, that requirement is not a major concern.

#### IV. PLANNING STAFF FINDINGS

##### Conditional Use Permit

1. The information presented does not substantially comply with Costa Mesa Municipal Code Section 13-347 in that the proposed health club is not substantially compatible with developments in the same general area. The combination of the health club and other proposed uses on this site has a potential of creating an unpleasant parking situation during peak hours. The location of the valet parking lot also has the potential of creating serious parking problems on the site and an impact on City

streets. Granting this Conditional Use Permit may be detrimental to the safety and general welfare of other properties within the immediate vicinity (as a result of health club clients parking on unauthorized adjacent properties), but will not allow a use, density or intensity which is not in accordance with the General Plan designation for the property.

2. Redevelopment Agency

The proposed use is not consistent with the objectives of the Redevelopment Plan and will be injurious to property or improvements in the area because adequate parking is not being provided on site, and Staff is skeptical of the efficiency of the valet parking that has been proposed to mitigate a parking deficiency.

3. The project is consistent with Article 22-1/2, Transportation Systems Management, of the Costa Mesa Municipal Code in that no intersection to which the project contributes measurable traffic shall operate at less than the Standard Level of Service as a result of project implementation.

V. PLANNING STAFF RECOMMENDATION

1. Deny Conditional Use Permit
2. Recommend denial of Redevelopment Action to the Agency

VI. CONDITIONS, IF APPROVED

Shall meet all requirements of the various City departments, copy attached hereto.

CONDITIONS OF APPROVAL

- Plng:
1. Applicant shall provide Staff with a copy of contracts with companies providing the valet service.
  2. Valet service shall be free to club members.
  3. Approval shall be for a period of one year. Prior to expiration, applicant may request renewal, subject to reevaluation at that time. The Development Services Director may extend the Planning Action for a period not to exceed two (2) years if all conditions of approval have been satisfied, no complaints have been received, and the site inspection reveals compliance with applicable Ordinance requirements. Thereafter, the Development Services Director may extend the permit for successive two (2) year periods under the same terms.
  4. There shall be no group aerobic classes conducted.
  5. All parking spaces visible from the street shall be screened to prevent unsightly or barren appearances.
  6. The number of members attending the club at one time shall be limited to a maximum of 60.

ORDINANCE AND/OR CODE PROVISIONS

The following list of Federal, State, and local laws applicable to the project has been compiled by Staff for the applicant's reference.

- Plng.
1. All contractors and subcontractors must have valid business licenses to do business in the City of Costa Mesa. Final occupancy and utility releases will not be granted, and final inspections will not be granted until all such licenses have been obtained.
  2. All compact parking spaces shall be clearly marked "compact" or "small car only".
- Bldg.
3. Comply with the requirements of the Uniform Building Code as to design and construction.
- Eng.
4. At the time of development submit for approval an Off-site Plan to the Engineering Division that shows Sewer, Water, Existing Parkway Improvements and the limits of work on the site prepared by a Civil Engineer or Architect. Site Access approval must be obtained prior to Building or Engineering

Permits being issued by City of Costa Mesa. Pay Off-site Plan Check fee per Section 13-54, C.C.M.M.C. An approved Off-site Plan shall be required prior to Engineering/Utility Permits being issued by the City of Costa Mesa.

5. A Site Access permit and deposit of \$500.00 will be required by the City of Costa Mesa, Engineering Division, prior to the start of any on- or off-site work, which may be necessary during construction for street sweeping.
6. Obtain an off-site permit from the City of Costa Mesa, Engineering Division, at the time of development and then remove any existing driveways and/or curb depressions that will not be used and replace with full height curb and sidewalk at applicant's expense.
- Trans. 7. Construct residential driveway approach(es) at location(s) specified on submitted site plan.
8. Construct sidewalk curb and gutter to close unused drive approaches.
- Fire 9. Provide fire extinguishers with a minimum rating of 2A to be located within 75 feet of travel distance from all areas. Extinguishers may be of a type rated 2A,10BC as these extinguishers are suitable for all types of fires and are less expensive.
10. Provide address numerals which conform to Fire Department standards with respect to size (12") and location.
11. Exit at north end of building must remain unobstructed to the public way. This would necessitate the removal of a parking stall.

#### SPECIAL DISTRICT REQUIREMENTS

The requirement of the following special district is hereby forwarded to the applicant:

- Sani. 1. Applicant to pay all applicable Sanitary District fixture fee charges [(714) 754-5307].

GE#4(PA9246)



# CITY OF COSTA MESA

P.O. BOX 1200 • 77 FAIR DRIVE • CALIFORNIA 92628-1200

DEVELOPMENT SERVICES DEPARTMENT

August 29, 2002

Richard Massen  
770 Hillcrest Dr., #13  
Laguna Beach, CA 92651

**RE: MINOR CONDITIONAL USE PERMIT ZA-02-29**  
**140 EAST 17<sup>TH</sup> STREET, COSTA MESA**

Dear Mr. Massen:

Review of the minor conditional use permit for the above-referenced project has been completed. The application has been approved, based on the following project description and findings, subject to the conditions set forth below:

## PROJECT DESCRIPTION

The property is located near the northwest corner of East 17<sup>th</sup> Street and Fullerton Avenue. The lot is developed with a building used for a health club and a retail T-shirt store. The applicant requests an amendment to an existing conditional use permit (PA-92-46A) for the health club to allow conversion of existing office and retail areas for additional fitness use (yoga and spin classes). The total area available for fitness use will be 12,367 sq. ft. (10,500 sq. ft. existing). Code required parking would be at a ratio of 10 spaces per 1,000 sq. ft. of gross floor area, resulting in a need for 124 parking spaces. Required parking for the office/retail portion of the business is calculated separately, per previous conditional use permit. The following table represents a breakdown of the building area and required parking for the site:

USE	FLOOR AREA	PARKING REQUIRED
Fitness Area	12,367 sq.ft.	124
Office/Retail Area	1,458 sq.ft.	6
T-shirt Company (retail)	7,500 sq.ft.	30
<b>TOTAL</b>	<b>21,325 sq.ft.</b>	<b>160</b>

The previous conditional use permit included conversion of the adjacent property (1721 and 1731 Fullerton Avenue) to a parking lot to accommodate parking generated by the health club. This off-site parking lot provides 58 spaces and the main lot contains 84 spaces, for a total of 142 parking spaces. Based on the breakdown of uses listed above, the property does not have excess parking for the

additional fitness area (160 parking spaces required; 142 existing). As a result, the subject application for a minor conditional use permit was filed, to allow a reduction in the amount of required parking.

### **ANALYSIS**

The applicant conducted a parking study by counting the number of cars in the parking lots every hour for a one-week period. The maximum number of cars in the parking lots at any one time was 54 (6 p.m. on a Thursday), which left 88 spaces still available, 30 of which are required parking for the T-shirt company. As a result, there were still 58 parking spaces available during the time when parking demand was the highest. According to this study, the busiest times seem to be around 5 p.m. and 6 p.m. The classes are proposed primarily in the mornings, when fewer people are at the site. Evening classes will occur after 7 p.m. on Mondays and Wednesdays. Based this study and staff observation of the site, no parking problems are anticipated with the additional fitness area. Further, as conditioned in the previous conditional use permit, the number of members attending the club at one time shall be limited to a maximum of 80, plus a staff of 24.

### **FINDINGS**

1. The information presented substantially complies with Section 13-29(g)(2) of the Costa Mesa Municipal Code in that the proposed conversion and parking reduction, subject to conditions, will not be detrimental to the health, safety and general welfare of the public or other properties or improvements within the immediate vicinity. Specifically, as the parking study shows, the parking requirement substantially exceeds the demand of the actual uses. Therefore, conflicts in parking demands are not anticipated. Granting the minor conditional use permit will not allow a use, density or intensity which is not in accordance with the general plan designation for the property.
2. The proposed project complies with Costa Mesa Municipal Code Section 13-29(e) because:
  - The proposed development and use is compatible and harmonious with uses on surrounding properties.
  - Safety and compatibility of the design of the buildings, landscaping, and other site features including functional aspects of the site development such as automobile and pedestrian circulation have been considered.
  - The project is consistent with the General Plan.
  - The planning application is for a project-specific case and does not establish a precedent for future development.
  - The cumulative effect of all the planning applications have been considered.

3. The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines, and the City environmental procedures, and has been found to be exempt from CEQA.
4. The project is exempt from Chapter XII, Article 3 Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

### **CONDITIONS OF APPROVAL**

- Plng. 1. The number of members attending the club at one time shall be limited to a maximum of 80, plus a staff of 24.
2. If parking shortages or other parking-related problems arise on the property, the applicant shall institute whatever operational measures are necessary to minimize or eliminate the problem – such as, but not limited to, adjustments in class size or schedules.
3. A copy of the conditions of approval shall be kept on the premises and presented to any authorized City Official upon request. New business/property owners shall be notified of conditions of approval upon transfer of business or ownership of land.
4. The minor conditional use permit herein approved shall be valid until revoked, but shall expire upon discontinuance of the activity authorized hereby for a period of 180 days or more. The conditional use permit may be referred to the Planning Commission for modification or revocation at any time if the conditions of approval have not been complied with, if the use is being operated in violation of applicable laws or ordinances, or if, in the opinion of the development services director or his designee, any of the findings upon which the approval was based are no longer applicable.
- Eng. 5. During construction, maintain the public right-of-way in a "wet-down" condition to prevent excessive dust and promptly remove any spillage from the public right-of-way by sweeping or sprinkling.
- PD 6. A list of security recommendations has been provided by the Police Department for the applicant's consideration.

### **CODE REQUIREMENTS**

The following list of federal, state and local laws applicable to the project has been compiled by staff for the applicant's reference. Any reference to "City" pertains to the City of Costa Mesa.

- Plng. 1. Approval of the Zoning Action is valid for one (1) year and will expire at the end of that period unless building permits are obtained, the authorized activity is commenced, or the applicant applies for and is granted an extension of time.
- Bldg. 2. Comply with the requirements of the Uniform Building Code as to design and construction and CCR Title 24 pertaining to "Disabled Access

- Regulations".
- Fire 3. Provide Fire Department with occupant load calculations for the yoga/spinning area. Show exits from yoga/spinning rooms.
- Parks 4. All Existing parkway trees shall remain.
- Eng. 5. At the time of development submit for approval an off-site plan to the Engineering Division and grading plan to the Building Division that shows sewer, water, existing parkway improvements and the limits of work on the site, both prepared by a civil engineer or architect. Construction access approval must be obtained prior to building or engineering permits being issued by the City of Costa Mesa. Pay offsite plan check fee to the Engineering Division. An approved offsite plan and fee shall be required prior to engineering/utility permits being issued by the City.
6. A construction access permit and deposit of \$1,000 for street sweeping will be required by the Engineering Division prior to the start of any on- or off-site work.

**SPECIAL DISTRICT REQUIREMENT**

- Sani. 1. Developer shall contact the Costa Mesa Sanitary District at (949) 631-1731 for current district requirements.

Upon receipt of this letter, your project has been approved, subject to the above-listed conditions. A copy of the conceptually-approved site plan is enclosed. The decision will become final at 5:00 p.m. on September 5, 2002, unless appealed by an affected party or a member of the Planning Commission or City Council.

If you have any questions regarding this letter, please feel free to contact the project planner, Wendy Shih, at 714-754-5136 between 1 p.m. and 5 p.m.

Sincerely,



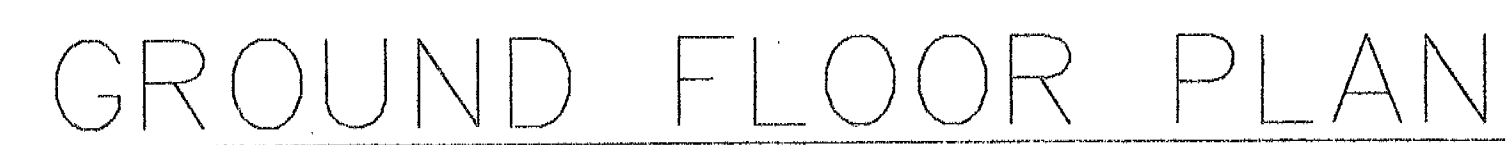
PERRY VALANTINE  
Zoning Administrator

Enclosure: Conceptually-approved plans

cc: Engineering/Development Services  
Fire Protection Analyst  
Water District  
Building Division

Nico Alberts  
19532 Starfish Lane  
Huntington Beach, CA 92648





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# CITY OF COSTA MESA

P.O. BOX 1200 • 77 FAIR DRIVE • CALIFORNIA 92628 - 1200

DEVELOPMENT SERVICES DEPARTMENT

March 8, 2019

Nicholas Coleman  
260 East Mountain View Street  
Long Beach, CA 90805

**RE: ZONING APPLICATION 18-59  
MINOR CONDITIONAL USE PERMIT TO ALLOW A JUICE BAR WITHIN AN  
EXISTING FITNESS GYM  
140 EAST 17TH STREET, SUITE B, COSTA MESA**

Dear Mr. Coleman:

City staff's review of your zoning application for the above-referenced project has been completed. The application, as described in the attached project description, has been approved, based on the findings and subject to the conditions of approval and code requirements (attached). The decision will become final at 5:00 p.m. on March 15, 2019, unless appealed by an affected party, including filing of the necessary application and payment of the appropriate fee, or called up for review by a member of the Planning Commission or City Council.

If you have any questions regarding this letter, please feel free to contact the project planner, Nancy Huynh, at 714.754.5609, or at [nancy.huynh@costamesaca.gov](mailto:nancy.huynh@costamesaca.gov).

Sincerely,

JENNIFER LE  
Assistant Director of Development Services

cc: Engineering  
Fire Protection Analyst  
Building Safety Division

## **PROJECT DESCRIPTION**

### *Location*

The subject property is located at 140 East 17<sup>th</sup> Street and is zoned as C2 (General Business District) with a General Plan Land Use Designation of General Commercial. The property contains an existing 22,091 square foot multi-tenant commercial building. Existing uses in the commercial building include a fitness gym, The 12 Gym in Suite B, and a clothing store, T-Shirts Warehouse, in Suite A. Other uses surrounding the subject property are also commercially zoned (C2 and CL – Commercial Limited). Multi-family residential zoned properties (R2-HD) are also located across from the project site along Cabrillo Street. Primary access to the project site is provided along East 17<sup>th</sup> Street with a secondary access provided at the rear of the project site along Cabrillo Street.

### *Proposed Project*

The applicant requests approval of a minor conditional use permit (MCUP) to amend Conditional Use Permit PA-92-46 to allow a juice bar use within the existing fitness gym. A portion of the gym space will be converted for the proposed juice bar. The juice bar will occupy an approximately 800 square foot area and will include a small seating area of less than 300 square feet. The current use of the space where the juice bar is proposed is a gym equipment storage room.

## **ANALYSIS**

The property currently contains an existing 22,091 square foot multi-tenant commercial building. Parking is provided in the common lot and off-site in the adjacent property at 1731 Fullerton Avenue (approved under PA-92-46A). There are a total of 150 parking spaces provided with 92 spaces located in the common lot and 58 in the adjacent off-site parking lot. Access to the off-site parking spaces is provided through a common shared driveway between the two properties.

The 12 Gym occupies the back portion of the building. The 12 Gym also offers group training classes and tailored nutrition programs as part of their fitness routine in addition to operating as a typical gym. The total existing square footage of the gym is 13,591 square feet and includes a mezzanine level for administrative offices. The existing gym equipment storage room is 798 square feet, which is proposed to be converted into a juice bar. The equipment storage room is currently located adjacent to the front reception area. The juice bar will be another added service of the gym and will be operated by another tenant.

The proposed juice bar will include a food preparation/commercial kitchen area, cashier/pick up counter, and a 288 square foot dining area. The applicant provided a



sample menu of the types of product the juice bar will offer – which includes smoothies, coffee, tea, and fruit bowls. The hours of operation for the juice bar are to be consistent with the current gym hours (Monday through Friday from 6AM to 8PM; Saturday through Sunday from 6AM to 5PM). There will be a maximum of three employees present per shift. The juice bar is intended for gym members to promote the wellness aspect of the gym but will also be open to the general public as well.

Since the juice bar has less than 300 square feet of public seating area, the use is required to be parked at four spaces per 1,000 square feet of gross building area; however, this space – since it is part of a fitness gym – is currently parked at 10 spaces per 1,000 square feet of gross floor area or eight spaces – a reduction of five parking spaces. Consequently, the conversion of gym area to the small juice bar will not impact parking.

The proposed juice bar will necessitate only interior improvements to reconfigure the area, which will not increase the building footprint or add any additional square footage. No changes to the building exterior or site are proposed. The applicant anticipates the juice bar will be primarily frequented by gym members with minimal traffic from the general public, which will reduce potential parking impacts. Therefore, the proposed use, as conditioned, would not have adverse impacts to the surrounding uses including nearby residents.

#### *General Plan Consistency*

With the recommended conditions of approval and code requirements, the use will be consistent and compatible with surrounding uses, as specified in Policy LU-1.1 and LU-6.7 of the General Plan Land Use Element:

- *LU-1.1 – Provide for the development of a mix and balance of housing opportunities, commercial goods and services, and employment opportunities in consideration of the needs of the business and residential segments of the community.*
- *LU-6.7 – Encourage new and retain existing businesses that provide local shopping and services.*

The proposed project is for a juice bar within an existing fitness gym, The 12 Gym. The juice bar will be another added service intended to promote the wellness aspect of the gym and will complement the nutrition program the gym currently offers. The juice bar will be a new business that will provide another service to the community, mainly the gym members – which will also be a convenient amenity for them.

The use will not impact parking since the juice bar requires less parking than the gym (four spaces per 1,000 square feet of gross floor area versus 10 spaces per 1,000 square feet of gross floor area, respectively). The proposed hours of operation are

consistent with what the City permits for food service uses within 200 feet of residentially-zoned property. Therefore, the proposed use, as conditioned, would not have adverse impacts to the surrounding uses including residential.

## **FINDINGS**

A. The information presented complies with Costa Mesa Municipal Code Section 13-29(g)(2) in that:

1. The proposed use is compatible with developments in the same general area. The proposed use is in the commercial zone (C2) that is surrounded by other commercial uses. The juice bar will be compatible with other developments as the surrounding commercial centers include similar uses. Furthermore, the proposed juice bar will be within the existing gym where it will complement other services already offered by the gym.

2. Granting the Minor Conditional Use Permit will not be detrimental to the health, safety and general welfare of the public or other properties or improvements within the immediate vicinity because the development is existing and no improvements to the exterior of the building or the site are proposed besides interior tenant improvements.

3. Granting the Minor Conditional Use Permit will not allow a use, density or intensity that is not in accordance with the General Plan designation for the property since the proposed use is permitted per the City's Land Use Matrix. A MCUP is required only because the gym was approved under a CUP and the addition of the juice bar requires an amendment to the CUP; otherwise, the juice bar would be a permitted use. Furthermore, the proposed use will not increase the existing building size and conversion of a portion of the gym to a juice bar results in a decrease in required parking.

B. The information presented complies with Costa Mesa Municipal Code Section 13-29(e) in that:

1. There will be a compatible and harmonious relationship between the proposed building and the site development, and uses, and the building and site developments, and uses that exist or have been approved for the general neighborhood. The subject property is an existing development and no exterior changes to the existing building or site is proposed. The juice bar will be compatible with other developments as the surrounding commercial centers already include similar food and beverage establishments. The proposed project will comply with parking requirements so there will not be a negative impact to the existing parking.

2. Safety and compatibility of the design of buildings, parking area, landscaping,

luminaries, and other site features which may include functional aspects of the site development such as automobile and pedestrian circulation have been considered and will not be affected by the proposed use since no improvements to the exterior of the existing building or site are proposed.

3. The proposed use complies with performance standards described elsewhere in the Zoning Code. All development standards, including parking will comply with the Zoning Code. In addition to the commercial zone development standards, the juice bar will comply with the specific standards for food and beverage establishments within 200 feet of residentially zoned properties – including the hours of operation.

4. The structure is consistent with the General Plan, specifically Land Use Element Policy LU-1.1 & LU-6.7.

5. This zoning application is for a project-specific case and is not to be construed to set a precedent for future development.

C. The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines, and the City environmental procedures, and has been found to be exempt under Section 15301, Class 1, Existing Facilities, of the CEQA Guidelines.

D. The project is exempt from Chapter XII, Article 3, Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

#### **CONDITIONS OF APPROVAL (CHECK OTHER DEPTS)**

- |       |   |
|-------|---|
| Plng. | <ol style="list-style-type: none"><li>1. The project shall be limited to the type of building as described in this staff report and in the attached plans; i.e., a juice bar with a seating area under 300 square feet in area and open the same hours as the gym. Any change in the use, size, or design shall require review by the Planning Division and may require an amendment to the Minor Conditional Use Permit.</li><li>2. The conditions of approval, code requirements, and special district requirements of ZA-18-59 shall be blueprinted on the face of the site plan as part of the plan check submittal package.</li><li>3. The applicant shall contact the Planning Division to arrange a Planning inspection of the site prior to final inspections by the Building Division. This inspection is to confirm that the conditions of approval and code requirements have been satisfied.</li><li>4. All conditions of approval and code requirements of PA-92-46 still apply.</li></ol> |
| Bldg. | <ol style="list-style-type: none"><li>5. Prior to issuing the Building permit the conditions of approval shall be required to be incorporated on the approved Architectural plans.</li></ol>  |

#### **CODE REQUIREMENTS**

The following list of federal, state, and local laws applicable to the project has been compiled by staff for the applicant's reference. Any reference to "City" pertains to the City of Costa Mesa.

- Plng.      1. Approval of the zoning application is valid for two years from the effective date of this approval and will expire at the end of that period unless applicant establishes the use by obtaining building permits for the authorized construction and initiates construction. If the applicant is unable to obtain building permits within the one-year time period, the applicant may request an extension of time. The Planning Division must receive a written request for the time extension prior to the expiration of the planning application.
2. All construction-related activity shall be limited to between the hours of 7 a.m. and 7 p.m., Monday through Friday, and 9 a.m. to 6 p.m. Saturday. Construction is prohibited on Sundays and federal holidays. Exceptions may be made for activities that will not generate noise audible from off-site, such as painting and other quiet interior work.
3. Installation of all new utility meters shall be performed in a manner so as to obscure the installation from view from any place on or off the property. The installation vault, wall cabinet, or wall box shall be installed under the direction of the Planning Division.
4. Any new on-site utility services shall be installed underground or with the ability to be underground in the future.
5. Any new mechanical equipment such as air-conditioning equipment and duct work shall be screened from view in a manner approved by the Planning Division. All roof-mounted equipment is prohibited.
- Bldg.      6. Comply with the requirements of the following adopted codes Code, 2016 California Building Code, 2016 California Electrical code, 2016 California Mechanical code , 2016 California Plumbing code , 2016 California Green Building Standards Code and 2016 California Energy Code (or the applicable adopted, California Building code California Electrical code, California Mechanical code California Plumbing Code, California Green Building Standards and California Energy Code at the time of plan submittal or permit issuance ) and California Code of Regulations also known as the California Building Standards Code, as amended by the City of Costa Mesa. Requirements for accessibility to sites, facilities, buildings and elements by individuals with disability shall comply with chapter 11B of the 2016 California Building Code.
7. Prior to the Building Div. issuing a demolition permit contact South Coast Air Quality Management District (AQMD) located at:

21865 Copley Dr.  
Diamond Bar, CA 91765-4178  
Tel: 909- 396-2000



Or

Visit their web site

<http://www.costamesaca.gov/modules/showdocument.aspx?documentid=23381>

The Building Div. will not issue a demolition permit until an identification number is provided by AQMD.

- |              |     |  |
|--------------|-----|--|
|              | 8.  | Provide a plan to the County of Orange Health Dept. for review and approval.   |
| Fire         | 9.  | Comply with the requirements of the 2016 California Fire Code, including the 2016 Intervening Update and referenced standards as amended by the City of Costa Mesa.                              |
| Bus.<br>Lic. | 10. | All contractors and subcontractors must have valid business licenses to do business in the City of Costa Mesa. Final inspections will not be granted until all such licenses have been obtained. |

### **SPECIAL DISTRICT REQUIREMENTS**

The requirements of the following special districts are hereby forwarded to the applicant:

- |       |    |  |
|-------|----|--|
| Sani. | 1. | It is recommended that the applicant contact the Costa Mesa Sanitary District at 949.645.8400 for current district requirements.   |
| AQMD  | 2. | Applicant shall contact the Air Quality Management District (800) 288-7664 for potential additional conditions of development or for additional permits required by AQMD.  |
| AQMD  | 3. | Prior to the Building Division issuing a demolition permit contact South Coast Air Quality Management District (AQMD) located at: 21865 Copley Dr. Diamond Bar, CA 91765-4178, Tel: 909- 396-2000 or visit their web site: <a href="http://yourstory.aqmd.gov/home">http://yourstory.aqmd.gov/home</a> . The Building Division will not issue a demolition permit until an Identification no. is provided by AQMD. |



COLEMAN ARCHITECTURE

JANUARY 29 2019

TENANT IMPROVEMENT FOR THE 12 GYM  
140 E 17TH ST  
COSTA MESA CA 92627

CITY OF COSTA MESA  
DEPARTMENT OF CITY PLANNING  
APPLICATION FOR MINOR CONDITIONAL USE PERMIT  
Detailed Project Description and Justification for Approval, REVISED

The proposed project is a 794 SF juice bar tenant improvement inside an existing 12,400 SF gym building, occupying space previously used as general equipment storage, and thus necessitating a change of use. The proposed tenant improvement is located directly adjacent to the reception desk for the gym, and is intended for the use of existing gym patrons only, being accessory to the main use and function of the gym proper. The proposed improvements are completely interior, located wholly within the existing building envelope, and include new finishes throughout, new commercial kitchen equipment for the preparation of menu items, dry storage, and some minor seating for patrons' use.

While a change of use, the proposed juice bar is consistent with the approved gym use. While the juice bar is intended to be frequented by the general public, its main customer base will be existing gym patrons. Since its inception, The 12 gym has always provided its patrons with not only fitness training classes, but nutrition as well - aiming for a complete 'sustainable healthy life' for its clients. The new juice bar use then is, in essence, an extension of the gym use proper, and merely another service of the gym and it's stated purpose - namely the health, fitness, and wellness of its existing clientele. To that end, some signage advertising the juice bar is anticipated.

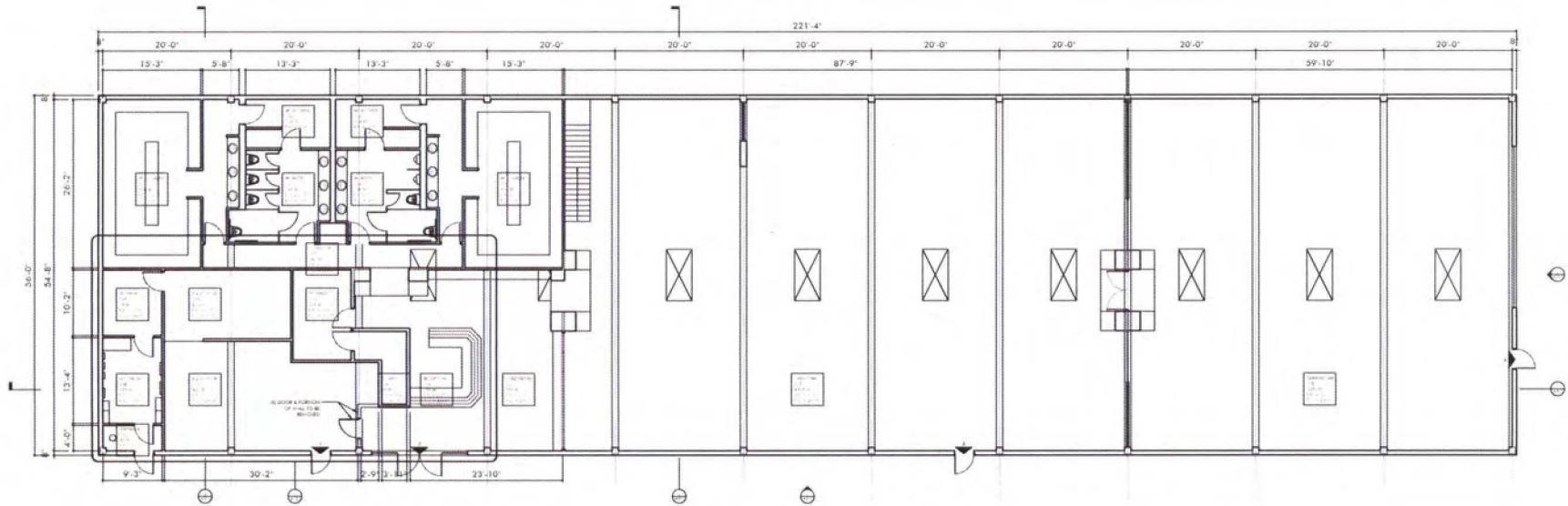
Further, the proposed use is quite consistent with the existing surrounding uses. Right next door at 154 E17th St, there is a Santa Monica Seafood market and cafe, with a sizable dining area inside and out. To the west, at 130 E 17th St, is the Harp Inn, an bar serving a full menu, and also with sizable indoor and outdoor dining areas. To the south, at 141 E 17th St, is a Miguel's Jr., a full-service restaurant, with many other restaurants within the same shopping center. Venturing a little farther afield, the shopping center at the corner of 17th St and Newport Blvd has both a Starbucks cafe and a JujuBar juice bar.

The juice bar will have proposed hours of 6am through 8pm Monday through Friday, and 6am through 5pm Saturday and Sunday, consistent with the gym, and will staff no more than 3 employees per shift.

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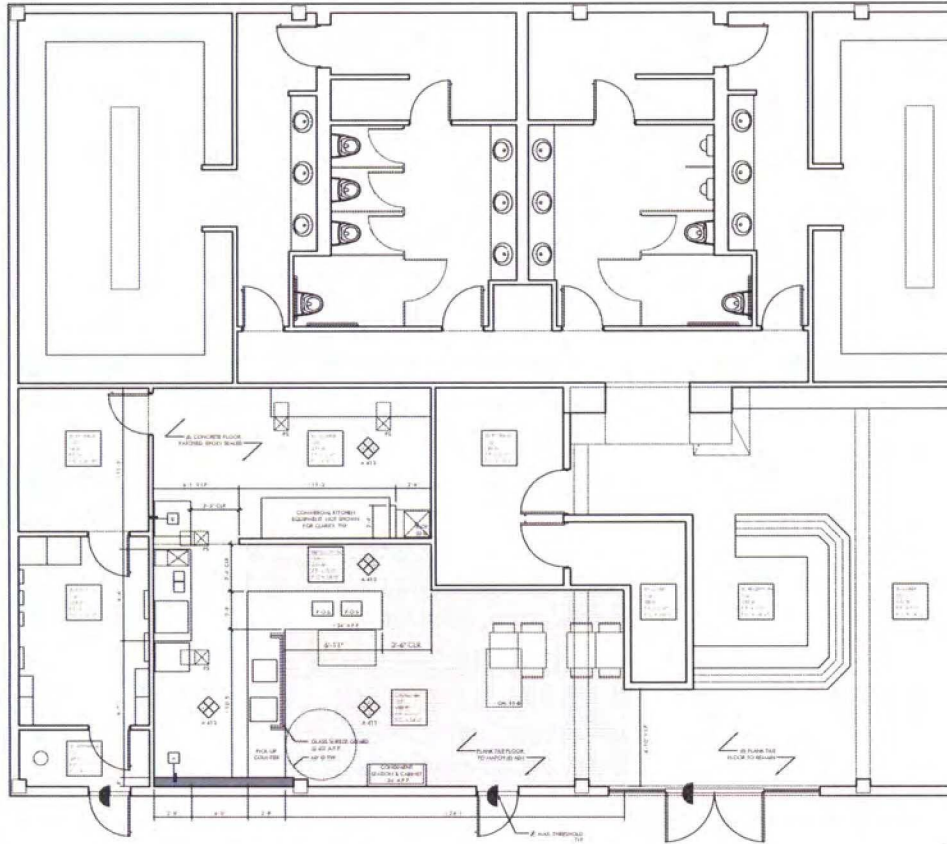
1 EXISTING/DEMOLITION FLOOR PLAN  
SCALE 1/8" = 1'-0"

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SIGHTING/GR-COLOR/	
FLOOR PLAN	



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① CONSTRUCTION FLOOR PLAN  
SCALE: 1/4" = 1'-0"

COLEMAN  
RECONSTRUCTION

ARCHITECT  
140 E 17TH ST COSTA MESA CA 92627  
(714) 440-1234  
WWW.COLEMANRECONSTRUCTION.COM

TENANT IMPROVEMENT  
FOR  
THE 12 GYM  
140 E 17TH ST COSTA MESA CA 92627

NO.	DESCRIPTION	DATE
1	ISSUED FOR PERMIT	08/14/2019
2	ISSUED FOR CONSTRUCTION	08/14/2019
3	ISSUED FOR CONSTRUCTION	08/14/2019
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5	ISSUED FOR CONSTRUCTION	08/14/2019
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10	ISSUED FOR CONSTRUCTION	08/14/2019

CONSTRUCTION FLOOR PLAN

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1/4" = 1'-0"  
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08/14/2019

TENANT IMPROVEMENT  
THE 12 GYM  
140 E 17TH ST COSTA MESA CA 92627

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Wang, C. and  
Chen, J. W.

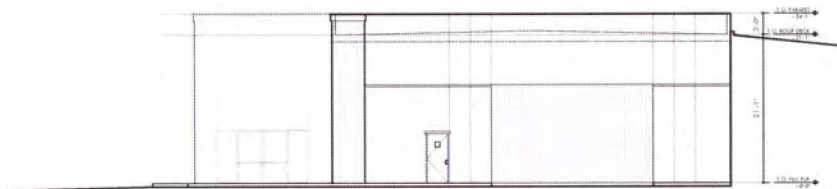
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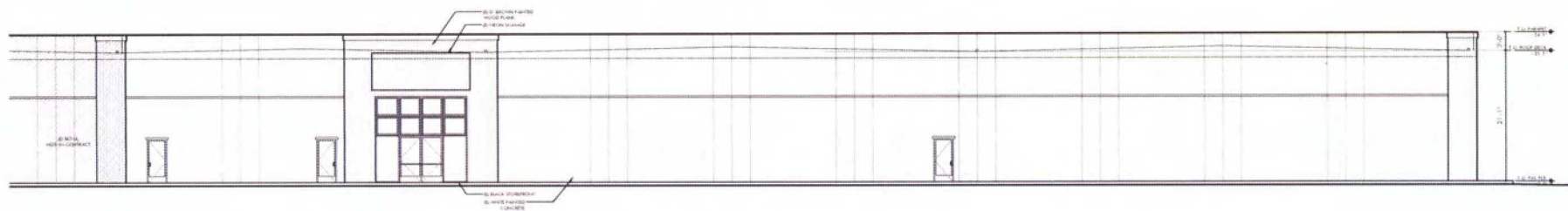
REFLECTED CEILING PLAN  
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② NORTH ELEVATION  
SCALE 1/8" = 1'-0"



① EAST ELEVATION  
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# CITY OF COSTA MESA

## Agenda Report

77 Fair Drive  
Costa Mesa, CA 92626

**File #:** 24-053

**Meeting Date:** 2/20/2024

**TITLE:**

**ADOPTION OF THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF COSTA MESA (CITY) AND THE COSTA MESA FIREFIGHTERS ASSOCIATION (CMFA) AND THE ADOPTION OF ACCOMPANYING SALARY RESOLUTION FOR CMFA**

**DEPARTMENT:** CITY MANAGER'S OFFICE- HUMAN RESOURCES DIVISION

**PRESENTED BY:** KASAMA LEE, HUMAN RESOURCES MANAGER

**CONTACT INFORMATION:** KASAMA LEE, HUMAN RESOURCES MANAGER (714) 754-5169

**RECOMMENDATION:**

Staff recommends the City Council:

1. Approve and Adopt the Memorandum of Understanding between the City of Costa Mesa and CMFA.
2. Approve and Adopt Resolution Number 2024-XX revising the pay ranges for CMFA.
3. Authorize the City Manager and members of the City's Negotiation Team to execute the Memorandum of Understanding documents.

**BACKGROUND:**

In March 2020, mid-way through the budget development process, the City was faced with the impacts of the worldwide coronavirus pandemic (COVID-19). As a result, numerous General Fund revenue sources were declining significantly, including tax revenues (e.g., sales tax, hotel tax, and business license tax, etc.).

At the July 21, 2020 City Council Meeting, a Side Letter Agreement with CMFA was approved to achieve the equivalency of a five percent (5%) furlough. The Side Letter Agreement also included the following key provisions:

- Equivalent of a 5% reduction to the flexible benefit contribution in FY 2020-21
- Extension of the current memorandum of understanding to June 30, 2024
- Guarantee of no layoffs in Fiscal Year 2020-21
- A one-time payment equivalent to reduction taken should the City receive stimulus funds in excess of \$40.5 million
- Conversion to 14 day FLSA work period effective the pay period that includes July 1, 2022
- "Me Too" Clause for salary adjustments in FY 2022-23 and FY 2023-24

At the April 6, 2021 City Council meeting, the City Manager was authorized by City Council to enter into side letter negotiations for the sole purpose of eliminating the five (5%) percent furlough across all labor groups. Staff met with all of the City's employee associations to negotiate the elimination of the furlough and reimbursement of salary and benefit cuts already incurred. An agreement was reached with CMFA to amend the 2020 side letters.

The current collective bargaining agreement between the City and CMFA covered years 2017-2024 and is scheduled to expire on June 30, 2024. A series of collaborative and productive meetings between the City's designated negotiation team and CMFA's negotiation team were held, which resulted in the attached tentative Memorandum of Understanding (Attachment I).

### **ANALYSIS:**

The City's Negotiation Team and CMFA Negotiation Team held several meetings to discuss the MOU and issues raised by both parties, including but not limited to wages and benefits. During the course of negotiations, the City Negotiation Team has met with the City Council to discuss the status and progress of negotiations and to receive direction specific to provisions under consideration. The negotiations were fully collaborative and were based on the shared interests of the CMFA employees and the City. The results of the negotiations have been compiled in a proposed Memorandum of Understanding.

The proposed Memorandum of Understanding takes into consideration specific objectives that align with the City Council's Strategic Plan Goals - *Recruit, Retain High Quality Staff and Strengthen the Public's Safety and Improve Quality of Life* and the City's current financial health as the proposed provisions have financial implications. A summary of the most significant MOU revisions is included below.

The following are the key provisions of the negotiated CMFA MOU:

- Term of MOU. Upon City Council adoption, the term of the MOU will be July 1, 2024 - June 30, 2027
- Salaries and Wages
  - Effective July 2024, a 5% increase
  - Effective July 2025, an additional 3.75% increase
  - Effective July 2026, an additional 3.75% increase
- Cost Sharing and Retirement Contributions
  - Effective July 2024 an increase of 1.25% of employee cost sharing (for a total employee cost sharing of 5%, and a total employee contribution of 14%), which will require future City Council approval to amend the City's current cost sharing agreement with CalPERS via Government Code 20516(a).
- Recruitment and Retention Pay
  - Effective July 2024, 7.5% for 20 years of sworn service
  - Effective July 2025, 5% for 15 years of sworn service
  - Effective January 2026, 2.5% for 10 years of sworn service



- Specialty Assignment Pay
  - Additional 10% paramedic assignment pay for a Fire Engineer or Fire Captain for maintaining paramedic certification when administratively assigned to EMS Management
- Education Pay/Certification Pay
  - Removal of BS/BA/120 units pay from the Certification program and set up as a separate education pay at 2.5% of top step Captain for BA and \$180 for 120 units.
  - Include additional certifications as part of the Certification program with no increase to the current maximum.

The CMFA Negotiation Team has reached a tentative agreement. The CMFA ratification process was completed with a unanimous vote as of February 2, 2024.

### **ALTERNATIVES:**

The parties to this agreement considered a variety of issues in the context of good faith negotiations in accordance with Government Code Section 3500, et seq. (Meyer-Milias-Brown Act). The CMFA members have ratified the tentative agreement. This MOU represents the successful conclusion of labor negotiations, and alternatives need not be considered as a result of collaborative efforts expended.

### **FISCAL REVIEW:**

The Fiscal Impact Analysis prepared pursuant to the City Council Policy 300-8 Transparency in Labor Negotiations recognizes the CMFA Fiscal Year 2024-2025 increase is estimated at \$1.5 million that will take effect during the payroll cycle inclusive of July 1, 2024, and will be included in the Fiscal Year 2024-2025 budget. The estimated annual fiscal impact to the City's future budget is \$0.9 million, and approximately \$3.2 million for the life of the contract.

### **LEGAL REVIEW:**

The City's special counsel, Liebert Cassidy Whitmore (LCW) and City Attorney's Office have reviewed the agreements and resolutions and this report and approved them as to form.

### **CITY COUNCIL GOALS AND PRIORITIES:**

The proposed MOU and salary range adjustments support the City's Strategic Plan Goals To Recruit and Retain High Quality Staff and Strengthen the Public's Safety and Improve the Quality of Life.

### **CONCLUSION:**

Staff recommends the City Council:

1. Approve and Adopt the Memorandum of Understanding between the City of Costa Mesa and CMFA.
2. Approve and Adopt Resolution Number 2024-XX revising the pay ranges for CMFA.

3. Authorize the City Manager and members of the City's Negotiation Team to execute the Memorandum of Understanding documents.

**RESOLUTION NO. 2024-XX****A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA, REVISING THE PAY RANGES FOR JOB CLASSIFICATIONS REPRESENTED BY THE COSTA MESA FIREFIGHTERS ASSOCIATION PURSUANT TO THE 2024 – 2027 MEMORANDUM OF UNDERSTANDING.**

THE CITY COUNCIL OF THE CITY OF COSTA MESA, CALIFORNIA HEREBY FINDS, DETERMINES, AND DECLARES AS FOLLOWS:

WHEREAS, the Parties are currently parties to a Memorandum of Understanding (MOU) with a term that expired on June 30, 2021, but was extended by a side letter to expire on June 30, 2024; and

WHEREAS, on March 21, 2023, the City Council adopted Resolution No. 2023-09 revising the pay ranges for job classifications represented by the Costa Mesa Firefighters Association; and

WHEREAS, the Parties have negotiated modifications to wages and benefits that modify the provisions of the MOU and this Resolution is intended to reflect those changes; and

WHEREAS, the City Council desires to repeal and replace Resolution No. 2023-09 to revise the pay ranges for classifications specified herein; and

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

SECTION 1. The following pay ranges and monthly rates of pay for the identified job classifications are hereby established and placed under the Basic Salary Administration Plan effective the pay period that includes July 1, 2024. The monthly rate of pay may also be in increments between the monthly minimum and maximum pay steps.

Class Code	Class Title	Grade	1	2	3	Step 4	5	6	7	
0211	Firefighter	191	\$6,731	\$7,068	\$7,421	\$7,792	\$8,182	\$8,591	\$9,021	Monthly
			\$80,772	\$84,816	\$89,052	\$93,504	\$98,184	\$103,092	\$108,252	Annual
			\$27.74	\$29.13	\$30.58	\$32.11	\$33.72	\$35.40	\$37.17	Hourly (56 hr)
			\$38.83	\$40.78	\$42.81	\$44.95	\$47.20	\$49.56	\$52.04	Hourly (40 hr)

Class Code	Class Title	Grade	Step							
			1	2	3	4	5	6	7	
0212	Fire Engineer	200	\$7,773	\$8,162	\$8,570	\$8,999	\$9,449	\$9,921	\$10,417	Monthly
			\$93,276	\$97,944	\$102,840	\$107,988	\$113,388	\$119,052	\$125,004	Annual
			\$32.03	\$33.63	\$35.32	\$37.08	\$38.94	\$40.88	\$42.93	Hourly (56 hr)
			\$44.84	\$47.09	\$49.44	\$51.92	\$54.51	\$57.24	\$60.10	Hourly (40 hr)
0213	Fire Captain	214	\$8,980	\$9,429	\$9,900	\$10,395	\$10,915	\$11,461	\$12,034	Monthly
			\$107,760	\$113,148	\$118,800	\$124,740	\$130,980	\$137,532	\$144,408	Annual
			\$37.01	\$38.86	\$40.80	\$42.84	\$44.98	\$47.23	\$49.59	Hourly (56 hr)
			\$51.81	\$54.40	\$57.12	\$59.97	\$62.97	\$66.12	\$69.43	Hourly (40 hr)

**SECTION 2.** The following pay ranges and monthly rates of pay for the identified job classifications are hereby established and placed under the Basic Salary Administration Plan effective the pay period that includes July 1, 2025. The monthly rate of pay may also be in increments between the monthly minimum and maximum pay steps.

Class Code	Class Title	Grade	Step							
			1	2	3	4	5	6	7	
0211	Firefighter	191	\$6,984	\$7,333	\$7,700	\$8,085	\$8,489	\$8,913	\$9,359	Monthly
			\$83,808	\$87,996	\$92,400	\$97,020	\$101,868	\$106,956	\$112,308	Annual
			\$28.78	\$30.22	\$31.73	\$33.32	\$34.98	\$36.73	\$38.57	Hourly (56 hr)
			\$40.29	\$42.31	\$44.42	\$46.64	\$48.98	\$51.42	\$53.99	Hourly (40 hr)
0212	Fire Engineer	200	\$8,065	\$8,468	\$8,891	\$9,336	\$9,803	\$10,293	\$10,808	Monthly
			\$96,780	\$101,616	\$106,692	\$112,032	\$117,636	\$123,516	\$129,696	Annual
			\$33.23	\$34.90	\$36.64	\$38.47	\$40.40	\$42.42	\$44.54	Hourly (56 hr)
			\$46.53	\$48.85	\$51.29	\$53.86	\$56.56	\$59.38	\$62.35	Hourly (40 hr)
0213	Fire Captain	214	\$9,316	\$9,782	\$10,271	\$10,785	\$11,324	\$11,890	\$12,485	Monthly
			\$111,792	\$117,384	\$123,252	\$129,420	\$135,888	\$142,680	\$149,820	Annual
			\$38.39	\$40.31	\$42.33	\$44.44	\$46.66	\$49.00	\$51.45	Hourly (56 hr)
			\$53.75	\$56.43	\$59.26	\$62.22	\$65.33	\$68.60	\$72.03	Hourly (40 hr)

**SECTION 3.** The following pay ranges and monthly rates of pay for the identified job classifications are hereby established and placed under the Basic Salary Administration Plan effective the pay period that includes July 1, 2026. The monthly rate of pay may also be in increments between the monthly minimum and maximum pay steps.

Class Code	Class Title	Grade	Step							
			1	2	3	4	5	6	7	
0211	Firefighter	191	\$7,248	\$7,610	\$7,990	\$8,389	\$8,808	\$9,248	\$9,710	Monthly
			\$86,976	\$91,320	\$95,880	\$100,668	\$105,696	\$110,976	\$116,520	Annual
			\$29.87	\$31.36	\$32.93	\$34.57	\$36.30	\$38.11	\$40.01	Hourly (56 hr)
			\$41.82	\$43.90	\$46.10	\$48.40	\$50.82	\$53.35	\$56.02	Hourly (40 hr)
0212	Fire Engineer	200	\$8,368	\$8,786	\$9,225	\$9,686	\$10,170	\$10,679	\$11,213	Monthly
			\$100,416	\$105,432	\$110,700	\$116,232	\$122,040	\$128,148	\$134,556	Annual
			\$34.48	\$36.21	\$38.02	\$39.91	\$41.91	\$44.01	\$46.21	Hourly (56 hr)
			\$48.28	\$50.69	\$53.22	\$55.88	\$58.67	\$61.61	\$64.69	Hourly (40 hr)
0213	Fire Captain	214	\$9,667	\$10,150	\$10,657	\$11,190	\$11,749	\$12,336	\$12,953	Monthly
			\$116,004	\$121,800	\$127,884	\$134,280	\$140,988	\$148,032	\$155,436	Annual
			\$39.84	\$41.83	\$43.92	\$46.11	\$48.42	\$50.84	\$53.38	Hourly (56 hr)
			\$55.77	\$58.56	\$61.48	\$64.56	\$67.78	\$71.17	\$74.73	Hourly (40 hr)

**SECTION 4.** The City of Costa Mesa has contracted with the California Public Employees Retirement System (CalPERS) to provide retirement benefits to eligible City employees. Employees will contribute towards the employee and employer contribution as stipulated in the Memorandum of Understanding (MOU) and Side Letter with the Costa Mesa Firefighters Association. There will be no Employer Paid Member Contribution (EPMC).

**SECTION 5.** All parts of resolutions in conflict herewith are hereby rescinded.

**PASSED AND ADOPTED this 20th day of February, 2024.**

\_\_\_\_\_  
John Stephens, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Brenda Green, City Clerk

\_\_\_\_\_  
Kimberly Hall Barlow, City Attorney

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) ss  
CITY OF COSTA MESA )

I, **BRENDA GREEN**, City Clerk of the City of Costa Mesa, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. 2024-XX and was duly passed and adopted by the City Council of the City of Costa Mesa at a regular meeting held on the 20<sup>th</sup> day of February, 2024, by the following roll call vote, to wit:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this 21<sup>st</sup> day of February, 2024.

\_\_\_\_\_  
Brenda Green, City Clerk

(SEAL)

# **MEMORANDUM** **OF** **UNDERSTANDING**



**Between The Representatives Of The  
Costa Mesa Firefighters Association  
And The City of Costa Mesa**

**2024**  
**2027**

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## **ARTICLE 1 -RECOGNITION/PREAMBLE**

1.1 By resolution of the City Council of the City of Costa Mesa and pursuant to the provisions of the Meyers-Milias-Brown Act, Section 3500 et. seq. of the California Government Code, the City of Costa Mesa (hereinafter called the "City") has recognized the Costa Mesa Fire Association (hereinafter called the "Association" or "CMFA") as the exclusive representative and agent for collective bargaining of the sworn members of the City of Costa Mesa Fire Department (hereinafter "Department" or "Fire Department") in the unit of representation consisting of the job classifications of Firefighter, Fire Engineer and Fire Captain, excluding all non-sworn Fire Department employees. The Association and the City are the Parties to this agreement and are jointly recognized herein as "The Parties."

1.2 This Memorandum of Understanding (MOU) has been prepared by representatives of the City and representatives of the Association who have met and conferred in good faith, examining a number of proposals and counter proposals concerning wages, hours of employment, fringe benefits and other terms and conditions of employment for the said sworn employees of the Fire Department defined in Section 1.1.

1.3 It is the mutual understanding of the City and Association that this MOU shall be submitted to the Costa Mesa City Council with the joint recommendation of the parties that the terms of this MOU be adopted and that said City Council will take such other action as may be needed to implement its provisions.

1.4 The City and the Association hereby acknowledge that the terms and conditions of this MOU may not cover all of the terms and conditions of employment applicable to a member of the unit of representation covered by this MOU. These parties further acknowledge that any term or condition of employment which is not expressly covered herein, but is covered by existing ordinances, resolutions, policies and regulations of the City, including the Personnel Rules and Regulations presently in effect shall be controlled by the existing provisions of said ordinances, resolutions, policies and regulations to the extent that said policies and regulations do not change, abrogate, modify or amend any express term of this MOU.

1.5 The wages, hours and other terms and conditions of employment currently in effect for the job classifications covered herein shall remain in effect unless modified, amended or deleted by this MOU or subsequent MOUs, or unless a tribunal of competent jurisdiction holds that any part of this MOU is found to be insufficient, in conflict or inconsistent with other laws or contractual obligations of the Parties, or otherwise held to be invalid, unlawful or unenforceable, in which case such part or provision, and only such part or provision, shall be severed from this MOU or shall be suspended or superseded by such applicable laws and regulations. If such legal severance invalidates a benefit defined herein, said benefit shall be replaced by an item or alternative benefit of comparable value to the extent allowed by law. The Parties shall meet and confer in good faith to determine the replacement, or if any replacement is possible.

1.6 The Parties hereby agree that all of the material terms and conditions of previous MOUs are hereby superseded by the adoption of this MOU.

1.7 For the term of this MOU, neither party shall be compelled to meet and confer with the other concerning any issue within the scope of representation of the Association. Each Party to this MOU hereby expressly waives its right to demand that the other Party meet and confer concerning any issue within the scope of representation of the Association. However, nothing in this MOU shall prohibit these Parties from exploring the possibility of amending this agreement over any issue within the scope of representation of the Association, if, and only if, both Parties hereto mutually agree to do so.

1.8 Continuous uninterrupted and efficient service to the community of Costa Mesa by the City and its employees, and orderly employer-employee relations are essential considerations of this MOU. Accordingly, the Association agrees on behalf of itself and its members, individually and collectively, that there shall not be any strikes, non-informational picketing, boycotting, work stoppages, slow-down strikes or any other concerted job actions constituting refusal to render services, including overtime or any other curtailment or restriction of work and services at any time during the term of this MOU.

1.9 The Association recognizes its duty and obligation to comply with the provisions of Section 1.8 of this MOU and to make every reasonable effort to assure that all employees covered by this MOU similarly do so. In the event of any concerted activity by employees in violation of the provisions of Section 1.8, the Association hereby agrees to direct its members to cease said action or conduct forthwith. No employee covered by this MOU shall be entitled to any benefits or wages whatsoever while engaged in activities prohibited by Section 1.8 of this MOU.

1.10 Except as modified by this agreement, all rights to manage, organize, direct and control the City's Fire Department are retained exclusively by the City and its management personnel.

## **ARTICLE 2 - TERM OF AGREEMENT**

2.1 **TERM** - The MOU will commence on July 1, 2024 and will expire on June 30, 2027.

## **ARTICLE 3 - BASIC SALARIES AND WAGES**

3.1 **COMPENSATION** - Employees covered by this Agreement shall be compensated at the established monthly base salary rates under the Basic Pay Schedule for sworn fire personnel. All positions under this Schedule shall be assigned a range number established by the City Council resolution.

3.2 **SALARY ADJUSTMENTS** - Salary adjustments for each classification will be implemented as follows:

Increase of 5% effective the payroll that includes July 1, 2024

Increase of 3.75% effective the payroll that includes July 1, 2025

Increase of 3.75% effective the payroll that includes July 1, 2026

3.3 **MANDATORY DIRECT DEPOSIT** - All association employees shall be required to enroll in payroll direct deposit. Paychecks will be electronically paid to an employee's bank account. Upon separation, employees will be paid with a physical paycheck that will be held in the Human Resources Division.

## **ARTICLE 4 - PROMOTIONS**

4.1 **RATE OF PAY** - Current administrative regulations provide that when an employee is promoted that the promotee shall be placed at a step within the appropriate salary range for the new classification that pays at least 5% higher than the rate of pay earned prior to the promotion, provided that the promotee's new rate of compensation does not exceed the top step of the new position's appropriate salary range. In making this determination, "the rate of pay earned prior to the promotion" shall include any paramedic assignment payments to any Firefighter who is receiving such assignment pay and who is promoted to Fire Engineer.

## **ARTICLE 5 - HEALTH INSURANCE**

5.1 **IRS SECTION 125 BENEFIT PLAN** - The City shall provide the amount listed below toward the payment of premiums under an IRS Section 125 Benefit Plan. Core benefits include life and long term disability insurance. Medical insurance is a required core benefit which a City employee is required to carry if a City employee is not covered by another medical insurance plan with comparable coverage at the end of the open enrollment period.

5.2 **PEMHCA** - The City contracts with the California Public Employees' Retirement System ("PERS") for medical insurance. The City will contribute the PERS statutory minimum on behalf of each participant in the program, which is included in the City's Contribution to the flexible benefit account described below. Eligible employees may select any of the medical insurance plans offered by CalPERS.

5.3 **CONTRIBUTION AMOUNT** - The City's contribution towards each employee's flexible benefit account is as follows: Effective on the first day of the month following City Council approval of this MOU – two thousand one hundred and nineteen dollars (\$2,119.00) per month. This amount is inclusive of the CalPERS statutory minimum amount for each year.

5.4 **WAIVER OF INSURANCE/ CASH BACK FROM THE CITY** - An employee who elects to opt out of medical coverage offered by the City must be able to provide proof of minimum essential coverage ("MEC") through another source (other than coverage in the individual market, whether or not obtained through Covered California).

Any employee in the unit who either opts out of health insurance or selects benefits which cost less than the dollars contributed by the City to each employee for flexible benefits as provided in Article 5.3 above (\$2,119 per month) can receive up to a maximum of one thousand and sixty dollars (\$1,060) as cash.

5.5 **QUALIFICATION FOR FLEX CONTRIBUTION** - Employees must receive compensation for the entire pay period to receive the flexible benefit contribution amount. Use of accrued leave qualifies as compensation for this purpose. Employees will be ineligible for the flexible benefit contribution if the employee records absence without pay hours within the pay period. Catastrophic illness leave donations to employees will not meet the qualifications for the flex contribution. Disciplinary actions will not disqualify an employee from receiving the flex contribution. This provision shall not apply to a pay period during which an employee has exhausted all paid leave benefits. Its application shall take effect the following pay period.

## **ARTICLE 6 - RETIREMENT**

6.1 **CALPERS** The City contracts with CalPERS for retirement benefits. The definitions of “new member” and “classic member” are set forth below:

**A. For “Classic Member” Employees**

1. **Retirement Formula:** The City contracts with CalPERS to provide the 3% at 50 retirement formula (Tier 1) for all employees hired before December 31, 2012 as set forth in California Government Code Section 21362.2. For employees hired on or after December 31, 2012 who are classic members as defined, the City contracts with CalPERS to provide the 2% at 50 retirement formula (Tier 2) as set forth in California Government Code Section 21362.

2. **Retirement Benefit Calculation Period:** The City's contract with CalPERS provides for the "Single Highest Year" retirement benefit for which “classic member” employees hired prior to December 31, 2012 in the unit are included per Government Code section 20042. The retirement benefit is based on the highest annual compensation for the one year during the employee's membership in CalPERS. For employees hired on or after December 31, 2012 who are classic members as defined, final compensation will be based on the highest annual average compensation earnable during the three consecutive years of employment immediately preceding the effective date of their retirement or any other three consecutive year period chosen by the employee as set forth in Government Code section 20037.

3. **Payment of Employee/Member Contribution:**

a. Tier 1 Employees Subject to the 3% @50 formula:

Employees will pay the full nine percent (9%) CalPERS member contribution as compensation earnable towards their CalPERS member contribution. The City shall pay and report zero percent (0%) as an Employer Paid Member Contribution (EPMC) under Government Code section 20636(c)(4) pursuant to section 20691.

b. Tier 2 Employees Subject to the 2% @50 formula:

Employees pay the full nine percent (9%) CalPERS Member Contribution. The City pays and reports zero percent (0%) as an Employer Paid Member Contribution (EPMC) under Government Code section 20636(c)(4) pursuant to section 20691.

The City has adopted the CalPERS resolution in accordance with IRS Code section 414(h)(2) to ensure that the employee contribution is made on a pre-tax basis.

4. **Cost Sharing:**

a. Effective at the beginning of the pay period which includes July 1, 2024, employees in tier 1 subject to the 3% @50 formula pay an additional five percent (5%) for cost sharing into their employee account with PERS in accordance with Government Code section 20516(a). When this five percent (5%) is added to the employees' payment of nine percent (9%) towards their member contribution, employees shall pay fourteen percent (14%) compensation earnable towards their pension.

- b. Effective at the beginning of the pay period which includes July 1, 2024, employees in tier 2 subject to the 2%@50 formula pay additional an additional five percent (5%) for cost sharing into their employee account with PERS in accordance with Government Code section 20516(a). When this five percent (5%) is added to the employees' payment of nine percent (9%) towards their member contribution, employees shall pay fourteen percent (14%) compensation earnable towards their pension.

**B. For "New Members" (Tier 3) As Defined By the Public Employees' Pension Reform Act of 2013 (PEPRA)**

1. Retirement Formula: Unit members who are defined as "new members" under the PEPRA, are covered by the 2.7%@ 57 formula provided for by the Public Employees' Retirement Law at Government Code section 7522.25(d).
2. Retirement Benefit Calculation Period: For unit members defined as "new members" under the PEPRA such employees' final compensation will be based on the highest annual average compensation earnable during the three consecutive years of employment immediately preceding the effective date of their retirement or any other three consecutive year period chosen by the employee as set forth in Government Code section 7522.32(a).
3. Payment of Employee/Member Contribution: New member employees are responsible for paying the employee contribution of one-half of the total normal cost of the plan, as defined by CalPERS, through a payroll deduction. This amount will be determined by CalPERS in the future. The City has adopted the CalPERS resolution in accordance with IRS Code section 414(h)(2) to ensure that the employee contribution is made on a pre-tax basis.
4. Cost Sharing:
  - a. Employees who are defined as "New Members" by the PEPRA and who subject to the 2.7%@57 will pay one quarter percent (0.25%) compensation earnable as cost sharing in accordance with Government Code section 20516(f).

Notwithstanding the above, subsequent to July 1, 2024, the cost share payment for PEPRA employees will fluctuate if the normal cost rate changes. If the half the normal cost rate reduces below thirteen and three quarters percent (13.75%), the cost share (per Government Code section 20516(f)) will go up so that when combined with the half the normal cost rate, the employee is paying a total of fourteen percent (14%) for retirement. If the half the normal cost rate increases above thirteen and three quarters percent (13.75%), the cost share (per Government Code section 20516(f)) will go down so that when combined with the half the normal cost rate, the employee is paying a total of fourteen percent (14%) for retirement. If the half the normal cost rate goes above fourteen percent (14%), there will be no cost share payment due from the PEPRA new member (Tier 3) employees. Rather, the employee will just pay the applicable half the normal cost rate as determined by CalPERS.

If one-half the normal cost rate exceeds fourteen percent (14%) (and it is rounded by CalPERS to the nearest one-quarter of a percent), the City will contribute the amount above fourteen percent (14%) to the deferred compensation account (per IRS Code section 457(b)) of each new member.

**6.2 CalPERS CONTRACT** - The City will continue to provide pension benefits to represented employees in accordance with the CalPERS contract in effect on the effective date of this MOU. The City's contract with CalPERS for fire safety employees includes the following options:

- Section 20037 (Three Year Final Compensation, only applies to Tier 2)
- Section 20042 (One Year Final Compensation, only applies to Tier 1)
- Section 20516 (Employee Cost Share, only applies to Tier 1)
- Section 20965 (Credit for Unused Sick Leave)
- Sections 21624/21626 (Post-Retirement Survivor Allowance, only applies to Tier 1)
- Section 21620 (Retired Death Benefit of \$500)
- Section 21329 (COLA of 2%)

- Section 21362.2 (3% @ 50 Benefit Formula, only applies to Tier 1)
- Section 21362 (2% @ 50 Benefit Formula, only applies to Tier 2)
- Section 20903 (Two Years Additional Service – Golden Handshake)
- Section 21635 (Post-Retirement Survivor Allowance Continues After Remarriage)
- Section 21573 (Third Level of 1959 Survivor Benefits)
- Section 21551 (Death Benefit Continues After Remarriage)
- Section 20055 (Credit for Service Before CalPERS Contract)
- Section 20938 (Limited Prior Service Credit to Employees on Contract Date)
- Section 21536 (Local System Service Credit for Basic Death Benefit)
- Section 20481 (Transfer of Local System Assets to CalPERS)
- Section 21427 (Disability Retirement - Maximum 50% of Final Compensation)
- Section 21024 (Military Stats 76)
- Section 21023.5 (Peace Corps/AmeriCorps Service)
- Section 21022 (Public Service Layoff)
- Section 21548 (Pre-Retirement Option 2W)
- Section 21027 (Military Retiree)
- IRC 414(h)(2) (Pre-tax payroll deduction plan for member contributions and service credit purchase)

## **ARTICLE 7 - RETIREE MEDICAL PROGRAMS**

**7.1 RETIRED EMPLOYEES' MEDICAL PROGRAM** - The City shall continue to provide life and medical insurance for retired employees of the City as defined in Council Policy 300-1 for employees hired before January 2, 2004. Employees hired after January 1, 2004 who have funds on deposit in the Retirement Health Savings plan (contributions to which have been suspended) will maintain those funds.

## **ARTICLE 8 - HOLIDAY PAY BANK**

**8.1 CASH PAYMENT** - At the end of any pay period during the calendar year, employees may elect to receive a cash payment for earned holiday benefits up to a maximum of 145.6 hours per calendar year. Employees hired after January 1 of each year are eligible for holiday pay on a pro rata basis during the calendar year based on the established City holiday schedule. If an employee separates from the service of the City and has been paid for holiday pay in advance of the date(s) or day(s) the holidays actually occurred, the City will deduct the cash value for the holiday benefits paid, but unearned at the time of separation from the employee's final paycheck.

**8.2 ADDITIONAL HOLIDAY** - If the City provides an additional holiday to any other employee group during the term of this contract, the City will also provide the cash value of that additional holiday to the members of CMFA.

## **ARTICLE 9 - BILINGUAL PAY**

**9.1 BILINGUAL CERTIFICATION** - Bilingual pay for members of the Association will be 5% or 2.5% of the top step base salary for the Fire Engineer classification and shall be paid in addition to all other compensation to those sworn personnel who are certified as bilingual. Employees currently compensated above the 5% rate will be "grandfathered" until recertification. Fire Administration (Management Analyst, Administrative Captain) will keep records of the individuals who elect to receive bilingual training and those who receive bilingual pay. The City will pay for bilingual training or for the bilingual skill, but not both. Employees may be tested by the Human Resources Division annually as to their language proficiency in order to maintain eligibility for bilingual pay. The City will pay for one test per year per employee. An employee may take the test more than once during the calendar year at their own expense.

**9.2 SECOND LEVEL OF PROFICIENCY** - There is a second level of proficiency, designed for employees who are capable of "speaking only" and who shall receive 2.5% of top step Fire Engineer salary. Testing procedures will be determined and administered by the City. This level of proficiency is not intended to replace the "higher" 5% level of proficiency or to "demote" employees currently receiving that level of benefit providing they maintain appropriate proficiency.

9.3 **QUALIFICATION FOR 2.5% CERTIFICATION** - The following standard of spoken Spanish, Vietnamese, or American Sign Language is followed for the 2.5% Certification:

- a. The applicant has the ability to create with language, recombining and adapting learned material to express personal meaning and can handle simple situations and transactions in the course of their work such as paramedic calls, explanation of procedures, obtaining personal information, symptoms and health history, instructions to victims and onlookers, among others.
- b. The applicant is able to maintain simple face-to-face conversations, asking and answering questions regarding everyday survival on topics most related to self and immediate work environment; courtesy requirements, and personal needs during the course of routine calls not likely to be of a life or death nature.
- c. The applicant can be understood with some repetition by a sympathetic native speaker.
- d. The applicant demonstrates mastery of work-related vocabulary including: time, days of the week, months, family members, parts of the body, motions and states, greetings, home and community, food and beverages, alphabet and numbers, vehicles, simple commands, interrogatory words, etc.
- e. Accuracy is required in the present tense and gender distinctions.
- f. Core vocabulary of 300-600 words.

9.4 **QUALIFICATIONS FOR 5% CERTIFICATION** - In addition to Article 9.3 above, the 5% Certification requires:

- a. Accuracy in present and past tenses.
- b. Core vocabulary of 600-1200 words.
- c. Exhibits good pronunciation, stress, and intonation skills as judged by the ability to be understood with little repetition or confusion by native speaker.
- d. Ability to interview the victim of an accident, fire, or other situation involving a native speaker of Spanish and the conduct simple interrogations and investigations which could be of a life or death nature.
- e. Ability to understand description, narration, main ideas and details on a variety of topics beyond the immediate situation.

#### **ARTICLE 10 - LEAVE REPLACEMENT AND OVERTIME PAY**

10.1 **FLSA WORK PERIOD** - The parties acknowledge and agree to document that the City has adopted a work period pursuant to 29 U.S.C. section 207(k) and 29 C.F.R. section 553.230(a) for CMFA members and that the work period is fourteen (14) days. Members will not be entitled to overtime under the Fair Labor Standards Act until they have worked more than 106 hours in this work period. Firefighters on light duty are not subject to this work period.

10.2 **OVERTIME COMPENSATION** - Neither sick leave, vacation leave nor hours off of work on leave in accordance with Labor Code section 4850 shall be regarded as hours worked for FLSA accounting purposes.

10.3 **OVERTIME IF AN EMPLOYEE IS FORCE HIRED** - Notwithstanding Articles 10.1 and 10.2, the parties agree that an employee who is force hired (i.e., when an employee without availability is required (forced) to work) to work an overtime shift shall be entitled to receive overtime compensation at time and a half at the regular rate of pay for the force hired hours.

10.4 **CALL-BACK** - Anytime an off duty employee is required to report for duty for staffing level requirements, emergencies, disasters, fire investigation responsibilities, or other department-related needs, that employee shall receive a minimum of two (2) hours at one and a half times the employee's base salary rate. This does not apply to early reporting or "hold-overs".

#### **ARTICLE 11 – UNIFORM MAINTENANCE ALLOWANCE**

11.1 The City provides uniforms for employees represented by the Association who are classic members as defined by the Pension Reform Act of 2013 (PEPRA). The City will continue to replace, repair and maintain uniforms worn in the line of duty. The average cost of the uniforms/uniform allowances are reported as special compensation for retirement calculation purposes and is currently reported as \$17 per pay period.

## **ARTICLE 12 - STAFFING LEVELS AND WORK SCHEDULE**

12.1 **STAFFING** - Any and/or all provisions of department staffing levels shall be subject to change based upon concurrence of the Fire Chief and the City Manager. Although the Fire Chief and/or City Manager shall solicit and consider Association perspectives regarding any such contemplated change, the solicitation and consideration of Association perspectives shall not be governed by the requirements of Government Code § 3500 *et seq.*, the Meyers-Milias-Brown Act. Therefore, the Association clearly, knowingly, and unequivocally waives its rights to engage in the meet and confer process as a condition precedent to any changes.

## **ARTICLE 13- BENEFIT REVIEW COMMITTEE**

13.1 **BENEFIT REVIEW COMMITTEE** - CMFA shall maintain two representatives on the City's Benefit Review Committee. The Committee continually evaluates the City's benefit programs and makes recommendations on plan changes, benefit levels, payroll deductions and the addition or deletion of plans. Participation on the Benefit Review Committee meets the City's obligation to negotiate with CMFA on changes to the City's group benefit plans unless CMFA determines that such changes are detrimental to the interest of its members.

## **ARTICLE 14 - LABOR/MANAGEMENT MEETINGS**

14.1 **TWICE PER YEAR** - The City and CMFA agree to meet as needed not more than twice in a calendar year to discuss issues of mutual interest.

## **ARTICLE 15- HOURS POOL RECONCILIATION**

15.1 **ZEROING OF HOURS** - The Association agrees to the current status of the hours pool figures upon verification and acknowledges its obligation and responsibility in maintaining accurate reporting and documentation. The zeroing of the hours pool shall occur annually from the members' vacation bank hours. This zeroing shall occur at the end of the pay period in which all three (3) shifts normally reach zero in alignment with department shift movement due to shift bid process, followed by annual zeroing out one year from shift bid movement (on a date agreed to by the association and Fire administration). For "Exchanges of Time"; there will be an upper and lower threshold range of 96 hours up and 96 hours down for "open ended trades." Should an employee be "outside" of this range, their ability to trade will be suspended until their trade status is back within range. Three times per year (one month prior to the zero out dates) there will be a report generated to ensure that no employee is outside of this range. This report will be given to the Battalion Chief or their designee to ensure compliance. Open ended is defined as no payback day is scheduled.

## **ARTICLE 16 - TUITION REIMBURSEMENT**

16.1 **PASSING GRADE** - Tuition, certification fees, and textbook costs involved in educational courses which may be taken by an employee and which pertain to their City employment, shall be reimbursed to said employee by the City. The employee participating must achieve a passing grade of a "C" or better, Credit/No Credit or a Certificate of Completion and should see that the Human Resources Manager receives a copy, where appropriate, of the employee's grade(s) before any reimbursement.

16.2 **REIMBURSEMENT AMOUNT** - The City will reimburse up to a maximum of \$1,500 per fiscal year for qualifying expenses.

16.3 **ELIGIBLE CLASSES** - Eligible classes that pertain to an individual's City employment will include those that are job-related or those needed to complete a degree program. All courses or seminars related to any of the approved categories in the Certification Program are eligible for reimbursement.

16.4 **REQUIRED APPROVAL** - All claims for tuition reimbursement require the approval of Fire Administration before receiving the funds.

## **ARTICLE 17 – SPECIALTY ASSIGNMENT PAY**

17.1 **PARAMEDIC PAY** - Applicable to Fire Department personnel when assigned to the Mobile Intensive Care Division as follows:

- 10.00% above the monthly pay step of Firefighter when first assigned
- 11.25% above the monthly pay step of Firefighter after the first license renewal as a City employee
- 12.50% above the monthly pay step of Firefighter after the second license renewal as a City employee
- 13.75% above the monthly pay step of Firefighter after the third license renewal as a City employee

State Mandated Change - Any employee receiving Paramedic certification pay will not be adversely affected should the State mandate a change in the duration of the license renewal period. Paramedics will receive the same incremental increases for license renewals.

Bonus - The City will pay a \$500 bonus for the fourth and each and every subsequent license renewal.

## **ARTICLE 18 - RECRUITMENT AND RETENTION INCENTIVE PAY**

18.1 **RECRUITMENT AND RETENTION INCENTIVE PAY** - Recruitment and Retention Incentive Pay is compensation to incentivize Fire Department sworn employees to remain with the City of Costa Mesa. Recruitment and Retention Incentive Pay shall be paid on a biweekly basis.

Employees in this bargaining unit who have been employed in a full-time classification that is represented by this bargaining unit (i.e. Firefighter, Fire Engineer and Fire Captain) in a municipal, state or federal fire department or other agency (as determined by the Fire Chief) for twenty-five (25) years or more (with a maximum of 10 years in such a position outside of the City of Costa Mesa) shall receive recruitment and retention incentive pay of ten percent (10%).

Effective the payroll that includes July 1, 2024, employees in this bargaining unit who have been employed in a full-time classification that is represented by this bargaining unit (i.e. Firefighter, Fire Engineer and Fire Captain) in a municipal, state or federal fire department or other agency (as determined by the Fire Chief) for twenty (20) years or more (with a maximum of 10 years in such a position outside of the City of Costa Mesa) shall receive recruitment and retention incentive pay of seven and a half percent (7.5%).

Effective the payroll that includes July 1, 2025, employees in this bargaining unit who have been employed in a full-time classification that is represented by this bargaining unit (i.e. Firefighter, Fire Engineer and Fire Captain) in a municipal, state or federal fire department or other agency (as determined by the Fire Chief) for fifteen (15) years or more (with a maximum of 10 years in such a position outside of the City of Costa Mesa) shall receive recruitment and retention incentive pay of five percent (5%).

Effective the payroll that includes January 1, 2026, employees in this bargaining unit who have been employed in a full-time classification that is represented by this bargaining unit (i.e. Firefighter, Fire Engineer and Fire Captain) in a municipal, state or federal fire department or other agency (as determined by the Fire Chief) for ten (10) years or more (with a maximum of ten years in such a position outside of the City of Costa Mesa) shall receive recruitment and retention incentive pay of two and a half percent (2.5%).

Service in any classification other than Firefighter, Fire Engineer and Fire Captain will not count towards this purpose.

The parties agree, to the extent permitted by law, the compensation in this section is special compensation and shall be reported as such pursuant to Title 2 California Code of Regulations, Section 571 and 571.1.

## **ARTICLE 19 - FIRE ADMINISTRATION ASSIGNMENT**

19.1 **PAY FOR ASSIGNMENT** - An employee in the job classification of Firefighter, Fire Engineer and Fire Captain shall be entitled to compensation in the amount of ten percent (10%) over the assigned rate for their classification when permanently assigned by the Fire Chief to the Training, Safety and Professional Standards Manager position. An employee in the job classification of Fire Engineer or Fire Captain shall be entitled to compensation in the amount of ten percent (10%) over the assigned rate for their classification when permanently assigned by the Fire Chief to the Emergency Medical Services Manager position and shall also be



entitled to additional compensation in the amount of ten percent (10%) over the assigned rate for their classification for maintaining their paramedic certification. Only one employee may be assigned to the Training, Safety and Professional Standards Manager and Emergency Medical Services Manager positions (two employees total) at a time. Employees assigned to these positions will be placed on a forty (40) hour administrative assignment workweek.

## **ARTICLE 20 - ASSOCIATION VACATION BANK**

20.1 **CMFA HOURS BANK** - The City agrees to maintain a vacation bank to be administered by the CMFA Board of Directors. The bank will be comprised of hours voluntarily donated by Association members. The City will notify CMFA when this bank reaches a positive balance in excess of \$30,000.00 or a negative balance of \$5,000.00 so donations can be appropriately adjusted.

## **ARTICLE 21 - SICK LEAVE INCENTIVE PROGRAM**

21.1 **ACCUMULATION LIMITS** - Employees may accumulate up to a maximum of 672 hours of sick leave credit in a Primary Sick Leave Bank for each employee covered hereunder. Upon reaching this maximum number of accumulated sick leave hours, the employee's biweekly benefit of 6.72 hours will be distributed in the following manner:

- a. At the employee's option, one-half of the benefit will be:
  1. Paid to the employee at the employee's then current hourly base rate of pay.
  - OR
  2. Converted into vacation hours.
- b. The remaining one-half benefit will be placed in a Secondary Sick Leave Bank for the employee.

21.2 **PRIMARY SICK LEAVE BANK** - Hours in this bank may be used in accordance with the rules regarding sick leave use in general as defined in the City's Personnel Rules and Regulations..

21.3 **SECONDARY SICK LEAVE BANK** - If an employee has a Secondary Sick Leave Bank, hours in that bank will be used first in accordance with the rules regarding sick leave use. Hours in this bank may also be used in the event of a verified non-industrial disability which has resulted in an absence of 60 consecutive calendar days. In this event, sick leave in the Secondary Sick Leave Bank may be used for additional consecutive absences resulting from the disability; or it may be used to supplement LTD should that event occur. Additionally, an amount of sick leave equal to the hours used from an employee's Primary Bank for said disability may be transferred from the employee's secondary Bank to the Primary, provided that such transfer does not result in an excess of 672 hours in the employee's Primary Bank.

21.4 **SEPARATION FROM CITY** - Upon either separation from the City of Costa Mesa, with a minimum of 20 years of continuous honorable service; or eligibility for retirement benefits, (as defined in the benefit Plan applied for) the employee shall have the option of:

- a. Being paid at their current hourly base rate for one-half of the sick leave in their Primary Sick Leave Bank. There shall be no cash payment for sick leave in the Secondary Sick Leave Bank, or
- b. Alternatively, the employee can choose to apply all credited time in both their Primary and Secondary Sick Leave Banks toward service credit. In addition, if this alternative is selected, then the payoff indicated in 19.4a above becomes a survivor benefit, to be paid to their designated beneficiary.

## **ARTICLE 22 - LONG TERM DISABILITY**

22.1 **ELIGIBILITY** - An employee is eligible for Long Term Disability (LTD) after thirty (30) calendar days. Once eligible for LTD pursuant to the terms and conditions of the LTD Plan, an employee may exercise the option of using accumulated vacation and sick leave in their Primary and Secondary Sick Leave Bank to supplement LTD payments up to an amount not to exceed 100% of monthly salary.

22.2 **MEDICAL RETIREMENT** - A permanent separation from service for disability shall be termed a "medical retirement" whether or not such separated employee receives benefits from either the Retirement Plan or LTD Plan.

## **ARTICLE 23 – EDUCATION PAY**

23.1. **EDUCATION PAY** – Employees employed in the job classifications of Firefighter, Fire Engineer and Fire Captain shall be entitled to compensation in the amount of two and a half percent (2.5%) of top step base salary for the Fire Captain classification for completion of a Bachelor's degree. It is the intent of the parties that any degrees submitted are accredited by Western Association of Schools and Colleges, Council for Higher Education Accreditation, or pre-approved by the Fire Chief or designee. Payment for Associate's and Master's degree and unit equivalents are included in Article 24.

Effective the pay period that includes July 1, 2024, compensation for completion of a Bachelor's degree or 120 units will no longer be part of the certification program or subject to the certification program maximum compensation per Article 24.

Employees who are receiving certification pay for completion of 120 units as of July 1, 2008 will continue to receive \$180 per month. No new employees will receive education pay for completion of 120 units. Employees who are currently receiving certification pay for completion of 120 units and subsequently complete their Bachelor's degree will be eligible for two and a half percent (2.5%) education pay and no longer receive compensation for 120 units.

## **ARTICLE 24 - CERTIFICATION PROGRAM**

24.1 **ELIGIBILITY** - Employees employed in the classifications of Firefighter, Fire Engineer and Fire Captain will be eligible to participate in the Certification Program, based upon the following achievements and criteria.

### **24.2 CRITERIA**

- a. To become eligible for the Certification Program, employees must possess the Firefighter II certification.
- b. The pays employees are eligible to obtain shall be cumulative provided the total maximum monthly award payable to any employee shall not exceed seven and a half percent (7.5%) of the top step base salary for the Fire Engineer classification (for employees who do not possess a degree) and seven and a half percent (7.5%) of the top step base salary for the Fire Captain classification (for employees that possess a degree). Employees may not receive certification pays for both a degree and their unit equivalencies (i.e. employee cannot receive pay for both 60 units and an Associate's Degree).
- c. The parties recognize that this program needs to be reviewed and updated on a periodic basis to ensure its vitality and relevance including reviewing any revisions to the California State Fire Training (SFT) course matriculation plans.
- d. Potential certification equivalencies (i.e. FEMA, NWCG, etc.) will be considered and approved by the Fire Chief on a case-by-case basis.
- e. Employees who possess a certification for a promotional classification are eligible for move-up assignments and pay.
- f. For all certifications that have an SFT task book, employees will be required to complete the SFT task book or department specific task book as determined by the Fire Chief.
- g. Employees must submit official documentation/transcripts/completed task books to Fire Administration confirming that they are in possession of the required certifications and degrees prior to receiving an award.
- h. Fire Administration will be responsible for notifying the Human Resources Division of the award qualification, upon verification that an employee has met the required criteria. The effective date of the certification pay will be the 1<sup>st</sup> day of the payroll in which Fire Administration received the official documentation. Should there be a delay in the receipt of a certification due to SFT, the effective date of the certification pay may be applied retroactively by the Fire Chief on a case-by-case basis.
- i. To the extent permitted by Title 2 CCR Section 571 and 571.1, these pays shall be reported to PERS as "compensation earnable."
- j. It is the intent of the parties that any units/degrees submitted are accredited by Western Association of Schools and Colleges, Council for Higher Education Accreditation, or pre-approved by the Fire Chief or designee.

24.3 MONTHLY AWARDS – The monthly awards are listed in the following chart.

Classification	Certification/Degree	Monthly Award
Firefighter Fire Engineer Fire Captain	<b>Fire Investigator (eff 7/1/24)</b> Investigator II (prior to 7/1/24)	0.75%
	<b>Fire &amp; Emergency Services Instructor 2 (eff 7/1/24)</b> Instructor II (prior to 7/1/24)	0.75%
	<b>Fire &amp; Emergency Services Instructor 3 (eff 7/1/24)</b> Instructor III (prior to 7/1/24)	0.75%
	<b>Fire Inspector I (eff 7/1/24)</b> Prevention Officer II/Fire Inspector I (prior to 7/1/24)	0.75%
	<b>Fire Inspector II (eff 7/1/24)</b> Prevention Officer III/Fire Inspector II (prior to 7/1/24)	0.75%
	<b>Fire &amp; Life Safety Educator (eff 7/1/24)</b> Public Education Officer (prior to 7/1/24)	0.75%
	<b>CMFR Certified Engineer (eff 7/1/24)</b> Driver/Operator I (prior to 7/1/24) (Pump Apparatus – classes only, eff 7/1/24) (Fire Apparatus/Operator Pump – classes only prior to 7/1/24)	1.25% 0.75% (DOI)
	<b>Structural Collapse Specialist I (eff 7/1/24)</b> Rescue Specialist (Rescue Systems I & II prior to 7/1/24)	0.75%
	<b>Confined Space Operational Technician</b> (Confined Space Rescue Technician & Trench Rescue Technician eff 7/1/24) (Confined Space Operational Trench Shoring prior to 7/1/24)	0.75%
	<b>Specialized Rescue Technician</b> (Common Passenger Vehicle Extrication, River & Flood Rescue Technician Haz Mat First Responder, ICS-200 eff 7/1/24) (Vehicle Extrication, Swift Water Operational Technician, Haz Mat First Responder, ICS-200 prior to 7/1/24)	0.75%
	<b>Firing Operations (CA 219 or S219) (eff 7/1/24)</b>	0.50%
	<b>Field Observer (S244) (eff 7/1/24)</b>	0.50%
	<b>Safety Officer (S404) (eff 7/1/24)</b>	0.50%
	<b>Firefighter Rescue and RIC Operations / Firefighter Survival (eff 7/1/24)</b>	0.50%
	<b>Fire Control III (eff 7/1/24)</b>	0.50%
	<b>Structural Collapse Specialist II (eff 7/1/24)</b>	0.50%
	<b>Firefighter II (prior to 7/1/08)</b>	\$70
	<b>Company Officer (SFT Certified or CMFR Certified Captain) (eff 7/1/24)</b> Fire Officer Certification/Company Officer (prior to 7/1/24)	1.75%
<b>Fire Captain</b>	<b>Chief Fire Officer (SFT Certified or CMFR Certified) (eff 7/1/24)</b> Chief Officer/Chief Fire Officer (prior to 7/1/24)	1.75%
<b>Firefighter</b>	<b>Tiller</b>	0.75%
Firefighter Fire Engineer Fire Captain	<b>60 units</b>	\$120
	<b>120 units (see Article 23)</b>	N/A
	<b>180 units</b>	\$180
	<b>AS/AA Degree</b>	1.75%
	<b>BS/BA Degree (see Article 23)</b>	N/A
	<b>MS/MA Degree</b>	2.25%

## **ARTICLE 25 - LAYOFF PROCEDURES**

25.1 **THIRTY (30) CALENDAR DAYS** - In the event of a material change in the duties, mission or organization of the Costa Mesa Fire Department, or if a shortage of work or funds to operate the Fire Department develops, employees in the classified service may be laid off. Thirty (30) calendar days before the effective date of such a layoff, the appointing authority shall notify the Personnel Officer of the intended layoff, identifying any employee to be laid off and articulate the reasons therefore. Said employee shall be considered for re-employment as provided by the Personnel Rules and Regulations. If these layoff procedures result in the demotion of employees in rank (through bumping down), the last employee promoted shall be the first employee demoted. If position in rank becomes reinstated after demotion(s), then the last demoted will be the first promoted.

## **ARTICLE 26 - LEAVES OF ABSENCE**

26.1 **LEAVES OF ABSENCE ENTITLEMENT** - For the purpose of computing entitlement to leaves of absence, an employee's continuous service shall be based on the effective date of initial probationary employment in the City service. Such date shall be the employee's anniversary date for vacation and sick leave purposes subject to the provisions contained herein.

26.2 **VACATIONS** - The purpose of annual vacation leave is to enable each eligible employee annually to return to their work mentally refreshed. Any leave of absence without pay shall not accrue vacation leave for each full pay period of such absence.

- a. Regular full-time employees in the classified service with an average work-week of fifty-six (56) hours shall accrue an annual vacation with pay in accordance with following provisions:
  1. For one (1) year or more of continuous full-time service, such employee shall have accrued one hundred twenty-eight point eight (128.8) working hours per year.
  2. Upon completion of three (3) years of but less than five (5) years of continuous full-time service, such employee shall accrue one hundred sixty two point four (162.4) working hours per year.
  3. Upon completion of five (5) years, but less than ten (10) years of continuous full-time service, such employee shall accrue one hundred ninety-six (196) working hours per year.
  4. Upon completion of ten (10) years, but less than fifteen (15) years of continuous full-time service, such employee shall accrue two hundred twenty-nine point six (229.6) working hours per year.
  5. Upon completion of fifteen (15) years, but less than (20) years of continuous full-time service, such employee shall accrue two hundred sixty-three point two (263.2) working hours per year.
  6. Upon completion of twenty (20) years of continuous full-time service, such employee shall accrue two hundred ninety-six point eight (296.8) working hours per year.
- b. Maximum Accumulation of Vacation Leave

For employees assigned to the 56-hour suppression schedule

Years of Service	Annual 56 hour Accrual	Maximum Accrual
0-2	128.8	257.6
3-4	162.4	324.8
5-9	196	392
10-14	229.6	448
15-19	263.2	448
20+	296.8	448

For employees assigned to the 40-hour schedule

Years of Service	Annual 40 hour Accrual	Maximum Accrual
0-2	92	184
3-4	116	232
5-9	140	280
10-14	164	320
15-19	188	320
20+	212	320

c. Vacation Leave Cash Outs

On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out up to one hundred and twelve (112) hours of accrued vacation (in whole hour increments) which will be earned in the following calendar year at the employee's base rate of pay. On the pay day for the pay period which includes Thanksgiving in the following year, the employee will receive cash for the amount of vacation the employee irrevocably elected to cash out in the prior year. However, if the employee's vacation leave balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will receive cash for the amount of leave the employee has accrued at the time of the cash out.

d. Vacation Leave – Vacation will be used in accordance with current accepted Fire Department procedures.

e. Terminal Vacation Pay - Upon termination, a permanent employee will receive compensation at their current rate for all unused earned vacation up to and including the date of termination.

26.3 **SICK LEAVE** - Sick leave shall be used in case of a bona fide illness of the employee upon approval. Sick leave may also be used for serious illness or emergency of their child, parent, spouse, registered domestic partner, grandchild, grandparent, sibling or designated person who is incapacitated and/or requires the service of a physician, and when the presence of the employee is required. The maximum number of hours that may be used for serious illness or emergency of their child, parent, spouse registered domestic partner, grandchild, grandparent, sibling or designated person is half of the employee's annual accrual pursuant to Labor Code Section 233. At the conclusion of the emergency, said employee shall return to work as soon as possible. The employee taking such sick leave shall notify their immediate supervisor prior to or within one-half (1/2) hour after the time set for the beginning of their daily duties, or as otherwise specified by the department. When absence for illness is for more than two (2) consecutive work shifts, the employee may be required to present a physician's certificate verifying the illness or a personal letter of explanation for verification purposes to the on-duty Battalion Chief indicating fitness to return to duty. The Battalion Chief shall then forward the certificate or verification to Fire Administration.

a. Sick Leave Eligibility - Fire Department Members having a regular or probationary appointment shall accrue sick leave credit at the rate of twenty six percent (26%) of the standard average work-week for each full month of continuous service if the employee has worked or has been on authorized leave of absence with pay. Any leave of absence without pay shall not accrue sick leave for each full pay period of such absence.

b. Accumulation Of Sick Leave - Sick leave may be accumulated to a maximum of 672 hours in the primary sick leave bank. The secondary sick leave bank has no maximum accrual. If the primary sick leave bank credit accumulation is at the maximum, the biweekly amount of sick leave accumulation credit the employee earns during that pay period will be calculated and the employee will be granted pay or additional vacation accumulation in an amount equal to one-half (1/2) of this differential credit. The remaining one-half (1/2) accumulation shall be credited to the secondary sick leave bank.

26.4 **BEREAVEMENT LEAVE** - Whenever an employee who is compelled to be absent from duty by reason of a death or critical illness where death appears imminent of father, mother, grandfather, grandmother, brother, sister, wife, husband, domestic partner or child of employee or spouse, such employee shall, upon approval of their department director, be entitled to charge such absence as "bereavement leave" to a maximum of three (3) consecutive work shifts days per occurrence. Any additional time that may be required would be charged to sick leave. The City Manager, upon written request, may grant bereavement leave for persons other than heretofore listed.

26.5 **LEAVE OF ABSENCE WITHOUT PAY** - All paid leave must be exhausted prior to being granted leave without pay unless the employee is concurrently on a Family Care and Medical Leave or has reached the threshold for LTD eligibility. All paid leave must be exhausted prior to an employee being able to use catastrophic illness leave donations. Employees will not receive additional leave accruals while using catastrophic illness leave donations.

## **ARTICLE 27 - FITNESS ANALYSIS TESTING**

27.1 **MANDATORY TESTING** - The City has a mandatory testing program for all employees represented by the Association with the exception of those members that may be on modified duty or are excused for medical reasons. Personnel on modified duty or excused for medical purposes shall be required to submit to the testing as soon as they are released to full duty. Failure to submit to the testing will be considered a failure. All members will be required to choose which of the below two options they will be participating in for that calendar year at a predetermined date. A member will not be allowed to change their selection until the following year.

Option One – Participate in the Santa Ana College Fitness Analysis: When a member chooses this option, they must pass the treadmill component with a minimum time of 10 minutes. Any member falling below the standard will immediately be subject to the provisions for test failure set forth below in Section 27.7.

Option Two - Participate in the Santa Ana College Physical Abilities Test: When a member chooses this option, they must complete the abilities test within 12 minutes. Any member with a time greater than 12 minutes will immediately be subject to the provisions for test failure set forth below in Section 27.7.

In cases where Santa Ana College refuses to test an employee, a letter from a testing facility/physician stating that the employee completed the required evaluation or test at a passing percentage for the physical fitness evaluation will be the required method of documentation.

27.2 **PROGRESS TRACKED** - The company officers, or a member designated by Fire Administration, shall track the progress of each member of their crew. Battalion Chiefs, or a member designated by Fire Administration, shall document the progress of each Captain under their command. Information regarding performance should be noted in annual performance reviews.

27.3 **DOCUMENTATION METHOD** - A letter from the testing facility stating that the member completed the evaluation or test at a certain percent for the physical fitness evaluation will be the method of documentation. No other information from the member shall be required by the City as proof.

27.4 **START DATE** - January 1 of each year will be the start date for that year's program.

27.5 **CITY COST** - The City will pay for the cost of options one and two, and whenever operationally feasible, provide time on duty to be tested. If the member elects to be tested off-duty, the member will not be paid overtime for that time.

27.6 **WORKERS' COMP** - The City will provide worker's compensation coverage for all on-duty and off-duty testing.

27.7 **TEST FAILURE** - The following process exists for failure of the Santa Ana College Fitness Analysis or Physical Ability Test:

First Failure - After the first failure, an expert in exercise (possibly an exercise physiologist) will design a six-month mandatory program to assist the individual in successfully attaining the minimum standard. A Captain or Battalion Chief will supervise this exercise program.

Second Failure - After the second consecutive failure, there will be another six-month mandatory supervised period.

Third Failure - After the third consecutive failure of the Santa Ana College Fitness Analysis or Physical Abilities test, the employee will be sent for a medical Fitness for Duty Exam paid by the City. Should the employee pass the Fitness for Duty Exam, the employee will continue in the mandatory supervised program for that year until such time that the employee passes the Santa Ana College Fitness Analysis or Physical Ability Test. Employees in this third situation will only be required to test on an annual basis. If the employee does not pass the Medical Fitness for Duty, the appropriate process will be initiated.

## **ARTICLE 28 - DISABILITY DISCRIMINATION**

28.1 **DISCRIMINATION AVOIDANCE** - Because the Americans with Disabilities Act ("ADA") and the California Fair Employment and Housing Act ("FEHA") require accommodations for individuals protected under the ADA, and because these accommodations must be determined on an individual case-by-case basis, the parties agree that the provisions of this agreement may be disregarded in order for the City to avoid discrimination under ADA or FEHA relative to hiring, promotion, granting permanency, promotions, transfer, layoff, reassignment, termination, rehire, rates of pay, job and duty classification, seniority, leaves, fringe benefits, training opportunities, hours of work or other terms and privileges of employment.

28.2 **INTERACTIVE PARTICIPATION** - The Association recognizes that the City has the legal obligation to meet with the individual employee to be accommodated before any adjustment is made in working conditions. The Association will be notified of any proposed accommodations prior to implementation.

28.3 **PAST PRACTICE** - Any accommodation provided to an individual protected by the ADA or the FEHA, which are pursuant to ADA or FEHA, shall not establish a past practice, nor be cited or used as evidence of a past practice in any grievance/arbitration procedure.

## **ARTICLE 29 - COMPUTER AND INTERNET USE**

29.1 **CITY POLICY** - Members of the Association agree to adhere to the City's Computer Use and Internet Authorization Policies. The City will continue to maintain an Intranet bulletin board for Association use.

29.2 **ASSOCIATION-PAID LINES** - The City agrees that Association-paid phone lines, cable lines or other means paid for by the Association in fire stations can be used by members to gain Internet access with the understanding that such usage will be in a responsible, ethical and legal manner.

## **ARTICLE 30 - DRUG TESTING FOR FIRE ENGINEERS**

30.1 **REASONABLE SUSPICION** - The City will conduct reasonable suspicion drug testing for Fire Engineers and random testing for entry-level probationary employees per the City's Drug and Alcohol Policy Pursuant to the Department of Transportation Regulations.

## **ARTICLE 31 - GRIEVANCE PROCEDURES**

31.1 **SUPERCEDE RULES AND REGULATIONS** -The following guidelines supersede Sections 3 and 4 of Rule 25, Grievance Procedure, of the City's Personnel Rules and Regulations.

31.2 **DEFINITION** - A "grievance" is a formal, written allegation by an aggrieved employee or the Costa Mesa Firefighters' Association that an employee has been adversely affected in the terms and conditions of their employment by violation, misinterpretation or misapplication of the specific provisions of the Memorandum of Understanding, department rules, standard operating procedures and/or provisions of the Personnel Rules and Regulations. Other matters for which a special method of review is provided by law, ordinance, resolution, or by administrative regulations and procedures of the City, are not within the scope of this procedure. This procedure is not to be used in lieu of the Discipline Appeals Procedure.

### **31.3 PROCEDURE**

- a. **Informal Resolution:** Every effort shall be made to resolve a grievance through discussion between the employee and their immediate supervisor. It is the spirit and intent of this procedure that all grievances are settled quickly and fairly without subsequent discrimination against employees who may seek to adjust a grievance. Every effort should be made to find an acceptable solution at the lowest level of supervision. Within fifteen (15) calendar days after a grievant knew, or by reasonable diligence should have known, of the condition upon which a grievance may be based, the grievant shall attempt to resolve it by an informal conference with the grievant's immediate supervisor.
- b. The supervisor must respond with the answer within (14) calendar days of the meeting.

- c. If the supervisor's response does not result in an acceptable solution, the grievant and/or the Association may exercise its right to either proceed with the steps in this Grievance Procedure or waive the additional grievance steps and institute judicial proceedings.
- d. Within fourteen (14) calendar days from the date of receiving the answer from their supervisor, the grievant may request and be granted an interview with the Deputy Chief or designee, in order to discuss the grievance further.
- e. The Deputy Chief or designee must respond with the answer in writing within (14) calendar days of the meeting. Within seven (7) calendar days from the date of receiving the answer from the division manager, the grievant may request, in writing, and be granted an interview with the Fire Chief or designee.
- f. The Fire Chief or designee shall render their decision in writing within fifteen (15) calendar days of receiving the grievance. If the Fire Chief or designee and employee are unable to arrive at a satisfactory solution, the employee may, within ten (10) calendar days from the date of the decision by the department director, submit a written request with the City Manager or designee.
- g. The City Manager or designee shall review the grievance and respond to the employee within twenty (20) calendar days of receiving the appeal. The City Manager or designee shall have the option of scheduling a meeting to hear the grievance, or a response shall be provided in writing. This will be considered an expression of management's viewpoint, and shall be the final administrative review.
- h. If the time limits for further processing the employees' grievance at any step defined above should elapse, the grievance shall be considered withdrawn. Time limits may be extended by mutual consent.
- i. The employee may request the assistance of another person of their own choosing in preparing and presenting their appeal at any level of review. In the event the employee desires the presence of a representative who is an employee of the City, they shall make such request through the supervisor and the supervisor shall make the necessary arrangements for the employee representative to be present.
- j. The employee and/or their representative may use a reasonable amount of work time as determined by the appropriate supervisor or department director in presenting the appeal. However, no employee shall absent himself without first being excused by their supervisor.
- k. No employee shall be required to be represented by an employee organization in processing a grievance.
- l. Employees shall be assured freedom from reprisal for using the grievance procedures by both the City and the employee organization.
- m. The settlement terms of a grievance that is processed by an employee individually or by an informally recognized employee representative shall not conflict with the express provisions of a Memorandum of Understanding between the City and the formally recognized employee organization for such unit, if any.
- n. A group grievance may be filed when one (1) set of circumstances or occurrences affects more than one (1) employee in the same manner or to the same extent. The group may file one (1) document that all members of the group have read and signed. Members of the group shall be limited to those who have signed the grievance. The resolution of a group grievance may not be consistent among all employees in the group grievance due to differences in the circumstances or occurrences that brought about the grievance.
- o. In the case of an alleged contract violation where the Association has been unsuccessful in its attempts to resolve the matter with authorized representatives of the City, the Association may exercise its right to institute judicial proceedings, and its failure to pursue this grievance procedure shall not be regarded as a failure to exhaust administrative remedies.

## **ARTICLE 32 - DISCIPLINARY PROCEDURES**

**32.1 SUPERCEDERE RULES AND REGULATIONS** - Any conflict or discrepancy between this Article and Rule 26 of the Personnel Rules and Regulations shall be clarified in accordance with this Article.



32.2 **BASIS FOR DISCIPLINARY ACTION** - The tenure of every City employee shall be based on reasonable standards of personal conduct and job performance. Failure to meet such standards shall be grounds for appropriate disciplinary action, which shall be commensurate with the seriousness of the offense and with consideration of the employee's prior performance record. Disciplinary action shall be based upon any of the following grounds:

- a. Fraud in securing employment or making a materially false statement on an application for employment or on any supporting documents furnished with or made a part of any application.
- b. Incompetency such as failure to comply with the minimum standards for an employee's position for a significant period of time.
- c. Neglect of duty, such as failure to perform the duties required of an employee's position.
- d. Willful disobedience and insubordination such as a willful failure to submit to duly appointed and acting supervision or to conform to duly established orders or directions of persons in a supervisory position.
- e. Dishonesty involving employment.
- f. Being under the influence of alcohol or intoxicating drugs while on duty without a prescription.
- g. Abuse of alcoholic beverages, narcotics or any habit forming drug, in violation of the City's drug testing policy.
- h. Inexcusable absence without leave.
- i. Conviction of a felony or conviction of a misdemeanor involving moral turpitude. A plea or verdict of guilty, or a conviction following a plea of nolo contendere, to a charge of a felony or any offense involving moral turpitude is deemed to be a conviction within the meaning of this section.
- j. Discourteous treatment of the public.
- k. Improper or unauthorized use of City property.
- l. Violation of the rules and regulations of any department.
- m. Any act of conduct undertaken which, either during or outside of duty hours, is of such a nature that it causes discredit to fall upon the City, the employee's department or division.
- n. Failure to maintain proper conduct during working hours causing discredit to the employee's department or division.
- o. Abuse of sick leave.
- p. Inattention to duty, tardiness, indolence, carelessness or negligence in the care and handling of City property.
- q. Outside employment which conflicts with the employee's position and is not specifically authorized by the department head.
- r. Acceptance from any source of any emolument, reward, gift or other form of remuneration in addition to the employee's regular compensation, as a personal benefit to the employee for actions performed in the normal course of the employee's assigned duties.
- s. Falsification of any City report or record, or of any report or record required to be, or, filed by the employee.
- t. Violation of any of the provisions of the City Code, ordinances, resolutions, or any rules, regulations or policies which may be prescribed by the City Council, City Manager, department manager or supervisor.
- u. Political activities precluded by Local, State or Federal law.
- v. Other acts which are incompatible with service to the public.

32.3 **TYPES OF DISCIPLINE** - The following procedures shall be followed when, in the judgment of the Fire Chief or designee, an employee has committed an act or omission that justifies disciplinary action. Except for written warnings/reprimands, the Fire Chief or designee shall advise employees of contemplated disciplinary actions in writing and allow the employee reasonable opportunity to respond to such charges prior to taking action.

When life, or employee safety, is endangered, or the self-control of an employee is questionable, a supervisor shall take immediate action to reduce or eliminate the danger or to establish control. In case of an emergency, an employee shall have all of the rights set forth herein except that in the discretion of the appointing authority, an employee may be placed on administrative leave with pay pending predisciplinary procedures. The City Manager or designee must be contacted immediately.

- a. Warning/Reprimand - If the warning/reprimand is in writing, the Fire Chief or designee shall give the employee a copy and forward a copy to the City Manager or designee for review and retention in the employee's personal history file. A written warning/reprimand shall contain a description of the events which necessitated the action, specific expectations of change or improvement to be demonstrated by the employee, and notice of further action in the event a change by the employee does not occur. An employee shall have the right to attach a written rebuttal to this warning/reprimand.
- b. Suspension - The Fire Chief or designee may suspend an employee with or without pay from their position. The appointing authority shall advise the City Manager or designee in writing of such intended action and shall give a copy of such statement to the employee. The written statement shall be accompanied by copies of all materials relating to the subject of the proposed discipline and shall contain a description of the events which necessitated the suspension, a statement of the charges, the right of the employee to meet with the appointing authority and/or to respond in writing within a reasonable time frame to the charges, and notice of further action in the event a change by the employee does not occur. Unless extended by approval of the City Manager or designee on written recommendation of the Fire Chief or designee, the maximum period of suspension shall be thirty (30) calendar days.
- c. Demotion or Reduction in Pay - The Fire Chief or designee shall advise the City Manager or designee in writing of their intention to demote or reduce the salary of an employee prior to taking such action. In demoting an employee or reducing their salary, the department director shall make a written notice and shall give a copy of said notice for demotion or reduction in pay to the employee and forward a copy to the City Manager or designee for review and retention in the employee's personal history file. The written statement shall be accompanied by copies of all materials relating to the subject of the proposed discipline and shall contain a description of the events which necessitated the demotion, a statement of the charges, the right of the employee to meet with the appointing authority and/or respond in writing within a reasonable time frame to the charges, and notice of possible further action in the event a change or improvement by the employee does not occur.
- d. Dismissal - The Fire Chief or designee shall advise the City Manager or designee in writing of their intention to dismiss an employee before taking such action. In dismissing an employee, the department director shall make a written notice and shall give a copy of said notice of dismissal to the employee and forward a copy to the City Manager or designee for review and retention in the employee's personal history file. The written statement shall be accompanied by copies of all materials relating to the subject of the proposed discipline and shall contain a description of the events which necessitated the dismissal, a statement of the charges, and the right of the employee to meet with the appointing authority and/or respond in writing within a reasonable time frame to giving the employee notice of the charges.

32.4 **NOTICES** - Written notices will be given to the employee in person whenever possible and the employee's signature obtained to indicate receipt. In the absence of personal service, the notice may be sent by registered mail.

32.5 **EMPLOYEE'S RESPONSE** - An employee's opportunity to respond to the appointing authority is not intended to be an evidentiary hearing. An employee has the right to have a representative of their own choosing at the meeting. The employee need not be accorded the opportunity to cross-examine a departments' witnesses. However, the limited nature of this response does not obviate the appointing authority's responsibility to initiate further investigation if the employee's version of the facts raises doubts as to the accuracy of the department director's information leading to the discipline proposal. An employee may elect not to respond, thereby waiving any further predisciplinary response.

The appointing authority will evaluate the proposed discipline in light of the employees response, if any. Within five (5) business days of the employee's response, or other deadline for response established by the parties, the decision of the appointing authority will be transmitted in writing to the employee. Service of the decision will be in person or by registered mail.

**32.6 APPEAL PROCEDURES** - Any permanent employee in the classified service shall have the right to appeal any termination or demotion. The appeal process shall not be applicable to probationary employees. The appeal process shall not be applicable to verbal reprimands, performance evaluations and denial of merit increases.

An employee desiring to appeal the appointing authority's decision shall have ten (10) calendar days after receipt of the response to file an appeal. The employee's request for appeal must be addressed to the City Manager or designee and received in the Human Resources Division and date stamped by the Human Resources Division within the 10-day period.

If, within the 10-day appeal period, the employee involved does not file said appeal, unless good cause for the failure is shown, the action of the appointing authority shall be considered conclusive and shall take effect as prescribed. With respect to demotions and terminations, if, within the 10-day appeal period, the employee involved files such notice of appeal by giving written notice of appeal to the Human Resources Division, an advisory arbitration appeal hearing shall be established as follows:

- a. The employee shall file a written request with the Human Resources Division for advisory arbitration.
- b. At the initiation of this MOU and the beginning of each subsequent calendar year, a list of registered arbitrators will be certified by the parties. CMFA and the City shall each submit the names of five (5) arbitrators to complete a listing of ten (10) arbitrators. The arbitrators shall be registered with the American Arbitration Association, California State Conciliation Service or some other agreed upon source. If a new list of arbitrators is not certified prior to February 28<sup>th</sup> of each calendar year, then the previous year's list of arbitrators will be carried over.
- c. Within seven (7) calendar days of the employee's request for an arbitration appeals hearing, each party will strike three names from the established list. If a mutual agreement cannot be reached between the parties as to the selection of an arbitrator from the remaining four, the matter will be heard by the first available arbitrator who fits within the time frames of the process. The party to have the first opportunity to strike a name from the list of ten arbitrators shall be determined by lot. The priority of striking names shall alternate from one party to the other each time advisory arbitration is invoked by the same parties.
- d. The selected arbitrator shall serve as the hearing officer.
- e. Where practicable, the date for a hearing shall not be less than 20 calendar days, nor more than 60 calendar days, from the date of the filing of the appeal with the City Manager or designee. The parties may stipulate to a longer or shorter period in which to hear the appeal. All interested parties shall be notified in writing of the date, time, and place of hearing and the identity of the hearing officer to whom the matter has been assigned.
- f. All hearings shall be private, however, the employee may request to open the hearing to the public.
- g. Subpoenas and subpoenas duces tecums pertaining to a hearing shall be issued at the request of either party to the Hearing Officer, not less than seven (7) calendar days, prior to the commencement of such hearing. After the commencement of such hearing, subpoenas shall be issued only at the discretion of the hearing officer.
- h. The hearing need not be conducted in accordance with technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which reasonable persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rules that might make improper admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence but shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions. The rules of privilege shall be effective to the same extent that they are now or hereafter may be recognized in civil actions, and irrelevant and unduly repetitious evidence shall be excluded. The hearing officer shall not be bound by technical rules of evidence. The hearing officer shall rule on the admission or exclusion of evidence.
- i. Each party shall have these rights: To be represented by legal counsel or other person of their choice; to call and examine witnesses; to introduce evidence; to cross-examine opposing witnesses on any matter relevant to the issues even though that matter was not covered in the direct examination; to impeach any witness regardless of which party first called them to testify; and to rebut the evidence against them. If the employee does not testify in their own behalf, they may be called and examined as if under cross-examination. Oral evidence shall be taken only on oath or affirmation. A court reporter will be engaged to record the hearing, unless the parties (City, hearing officer, employee/employee representative) mutually agree that same is not necessary.

- j. The hearing shall proceed in the following order, unless the hearing officer, for special reason, otherwise directs:
  - 1. The party imposing discipline shall be permitted to make an opening statement;
  - 2. The appealing party shall then be permitted to make an opening statement;
  - 3. The party imposing disciplinary action shall produce the evidence on their part; the City bears the burden of proof and burden of producing evidence;
  - 4. The party appealing from such disciplinary action may then open their defense and offer their evidence in support thereof, the employee bears the burden of producing evidence for any affirmative defenses asserted;
  - 5. The parties may then, in order, respectively offer rebutting evidence only, unless the hearing officer for good reason, permits them to offer evidence upon their original case;
  - 6. Closing arguments shall be permitted and written briefs may be permitted at the discretion of the hearing officer.
- k. The hearing officer shall determine relevancy, weight, and credibility of testimony and evidence. They shall base their findings on the preponderance of evidence. During the examination of a witness, all other witnesses, except the parties, shall be excluded from the hearing unless the hearing officer, in their discretion, for good cause, otherwise directs. No still photographs, moving pictures, or television pictures shall be taken in the hearing chamber during a hearing. The hearing officer, before or during a hearing, may grant a continuance for any reason they believe to be important to reaching a fair and proper decision. The hearing officer shall render their judgment as soon after the conclusion of the hearing as possible and in no event later than 30 days after conducting the hearing, absent a stipulation from the parties that a longer period of time is warranted. Their decision shall set forth which charges, if any, are sustained and the reasons therefore. The opinion shall set forth findings of fact and conclusions.
- l. The hearing officer may recommend sustaining or rejecting any or all of the charges filed against the employee. They may recommend sustaining, rejecting, or modifying the disciplinary action invoked against the employee. They may not recommend discipline more stringent than that issued by the department director.
- m. The record of the administrative hearing and the hearing officer's opinion and recommendation shall be filed with the City Manager or designee, with a copy sent to the charged employee, and the City Manager or designee shall set forth their findings and recommendations. If it is a dismissal hearing and a dismissal is not the hearing officer's recommendation, the opinion shall set forth the date the employee is recommended to be reinstated and/or other recommended action. The reinstatement date, if appropriate, may be any time on or after the date of disciplinary action.
- n. The City Manager or designee shall read the administrative record of the hearing, review the hearing officer's opinion and recommendation and then render a decision on the appeal within thirty days of the filing of said opinion and recommendation. The decision of the City Manager or designee shall be final and conclusive. Copies of the City Manager or designee's decision, shall be filed where appropriate, including the employee's personnel file, unless no discipline is upheld by the City Manager or designee.
- o. The City shall bear the cost to the parties for the facilities, fees and expenses of the hearing officer if the hearing officer is not an employee of the City. These fees also include the fee of the court reporter and the costs of preparing the transcripts of the hearing. Each party shall bear its own witness and attorney fees. If either party unilaterally cancels or postpones a scheduled hearing, thereby resulting in a fee charged by the hearing officer or court reporter, then the party responsible for the cancellation or postponement shall be solely responsible for payment of that fee. This process may not apply to mutual settlements by the parties that result in an arbitration fee.
- p. In the case of suspension, demotion, reduction in salary, or dismissal prescribed by the City Manager or designee, the time of such discipline shall relate back to the date the employee was disciplined or after delivery of the City Manager or designee's decision if discipline was stayed pending the arbitration hearing. If the City Manager or designee's decision results in a reduction or elimination of a recommended loss of pay, the pay loss shall be restored to the employee.
- q. In the cases of appeals from suspensions and reductions in pay, the hearing shall be conducted by the City Manager or designee. The employee shall bear none of the costs of the facilities, the hearing officer or other costs incurred by the City.

- r. The provisions of Sections 1094.5 and 1094.6 of the Code of Civil Procedure shall be applicable to proceedings under this section, including the appeal of the City Manager or designee's final determination into the California Court System, which must be made in accordance to the time standards and procedures established by Section 1094.5 and 1094.6 of California's Code of Civil Procedure.

### **ARTICLE 33 - RETURN TO WORK POLICY**

33.1 **PHYSICIAN RELEASE** - The City has implemented through an Administrative Regulation a "Return to Work Policy" for employees who are released by their physician(s) to return to work for full duty in the manner set forth in Administrative Regulation 2.5 – Temporary Limited/Modified Duty.

#### **33.2 RETURN TO WORK TESTING**

- a. Employees on Leave of Absence for More Than Ten Shifts but Less Than Six Months - Upon return to work for duty on the first shift, for any leave of absence of ten shifts or more (except Vacation) but less than six months, the employee will have a manipulative abilities test administered at the training tower by the Training Officer and/or their designee with the employee tested in the following areas:

- 1) Pull and extend 1 ¾" crosslay (200') pre-connected line
- 2) Able to crawl following one section (50') of 1 ¾" hose
- 3) Perform both tip and butt positions of a 24' extension ladder (includes raising and lowering the fly)
- 4) Don Breathing Apparatus in accordance with current standards (under 2 minutes)
- 5) Carry two spare S.C.B.A. bottles in full turnouts and wearing a S.C.B.A. to the 2<sup>nd</sup> floor landing.

- b. Employees on Leave of Absence for Six Months or More – Upon return to work for duty on the first shift for any leave of absence of six months or more, the employee shall participate in the manipulative abilities test as described in Section 32.2 (a) and shall be required to complete the position specific tasks per the current Costa Mesa Fire and Rescue Policy Manual titled "Return to Work". The parties agreed to meet and confer on any changes to the "Return to Work" policy.

33.3 Any member not passing any of the above will placed on remedial training as described in the Costa Mesa Fire and Rescue Policy Manual titled "Return to Work".

### **ARTICLE 34 - MAXIMUM AGE FOR PUBLIC SAFETY EMPLOYEES**

34.1 **ADMINISTRATIVE REGULATION** - The City shall implement an Administrative Regulation regarding the maximum age for public safety employees in the manner set forth in Administrative Regulation 2.4 – Maximum Age Policy for Public Safety Employees.

### **ARTICLE 35 - MEET AND CONFER IN GOOD FAITH**

35.1 **ACT OR DECISION IMPACTING TERMS** -The City and CMFA agree to meet and confer in good faith within two weeks after passage of any Act or decision of any court of competent jurisdiction which has significant financial impact upon the City and may, as a result, affect the terms and conditions stated herein.

35.2 **NEW CONTRACT NEGOTIATIONS** - The parties agree to meet and confer in good faith after April 2027 (or earlier if both parties agree) on wages, hours and other terms and conditions of employment to be effective on or after the first pay period in July 2027.

REPRESENTATIVES OF THE COSTA MESA  
FIREFIGHTERS ASSOCIATION

---

STEVEN CATHEY  
CMFA President

---

STEVE AIREY  
CMFA Negotiations Team Member

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NICHOLAS A. CERCIELLO  
CMFA Negotiations Team Member

---

MARK M. GEIGER JR  
CMFA Negotiations Team Member

---

ANDREW HARRIS  
CMFA Negotiations Team Member

---

BRENT TURNER  
CMFA Negotiations Team Member

REPRESENTATIVES OF THE CITY OF  
COSTA MESA

---

LORI ANN FARRELL HARRISON  
City Manager

---

ALMA REYES  
Deputy City Manager

---

CAROL MOLINA  
Finance Director

---

KASAMA LEE  
Human Resources Manager

---

FANNI ACOSTA  
Human Resources Administrator

---

CATHLEEN SERRANO  
Acting Senior Budget Analyst



# CITY OF COSTA MESA

## Agenda Report

77 Fair Drive  
Costa Mesa, CA 92626

File #: 24-002

Meeting Date: 2/20/2024

### TITLE:

**ADOPT RESOLUTION APPROVING FY 2024-25 RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR THE COSTA MESA SUCCESSOR AGENCY AND THEN APPROVE DISSOLUTION OF THE SUCCESSOR AGENCY TO THE COSTA MESA REDEVELOPMENT AGENCY**

**DEPARTMENT: FINANCE DEPARTMENT**

**PRESENTED BY: CAROL MOLINA, AGENCY FINANCE DIRECTOR**

**CONTACT INFORMATION: CAROL MOLINA, AGENCY FINANCE DIRECTOR**

### RECOMMENDATION:

Staff recommends the City Council/Successor Agency Board:

1. Approve a Resolution of the City Council/Successor Agency Board of the City of Costa Mesa, California, approving the Recognized Obligation Payment Schedule (ROPS) in the amount of \$0 for the Fiscal Year 2024-25 (Attachment 1 and Exhibit A).
2. Approve a Resolution of the City Council/Successor Agency Board of the City of Costa Mesa, California, requesting the Oversight Board, Orange County Auditor-Controller and California Department of Finance approve of the dissolution of the Successor Agency to the Costa Mesa Redevelopment Agency (Attachment 2).
3. Direct the submission of the Resolutions to the Orange County Auditor-Controller and the California State Department of Finance.

### BACKGROUND:

On January 3, 1972, the City Council created the City of Costa Mesa Redevelopment Agency (CMRA) for the purpose of redeveloping areas that needed assistance in the interest of the health, safety, and general welfare of the people of the community. Thus, the Redevelopment Plan for the Downtown Redevelopment Project Area, which was approximately 198 acres of mixed commercial and residential uses, was adopted on December 24, 1973.

In an effort to balance the State's budget, all redevelopments in the State were ordered to be dissolved with Assembly Bill x1 26 (the Dissolution Act) so that the State could backfill its obligations to schools. The Dissolution Act was challenged in the California Supreme Court. In compliance with the Dissolution Act, the City Council elected to serve as the Successor Agency to the dissolved Costa Mesa Redevelopment Agency on September 6, 2011, with the responsibility of winding up its affairs

and undertaking the administrative tasks required for the dissolution process.

On December 29, 2011, the California Supreme Court upheld the Dissolution Act and directed all redevelopment agencies in the State to be dissolved effective February 1, 2012. Subsequent modifications to the dissolution process were enacted with the passage of Assembly Bill 1484 in 2012 and Senate Bill 107 in 2015.

### 1993 Downtown Development Project

In 1993, the CMRA issued its \$9,955,000 Downtown Redevelopment Project 1993 Tax Allocation Refunding Bonds (TAB) that were designated for Downtown Redevelopment Projects. The monies to pay the bonds yearly came from CMRA property tax increment.

Then in 2003, the 2003 Tax Allocation Bonds Refunding Bonds refinanced the 1993 TABs and were issued on October 9th, 2003, for \$7,470,000. At the time that the CMRA was dissolved, the outstanding payments on the bonds were \$4,818,000 and were paid by the Redevelopment Property Tax Trust Funds (RPTTF). The bonds matured and were paid off in October 2017.

### 1971 - 1993 Redevelopment Activities

The City loaned funds to CMRA from 1971 through 1993 to finance redevelopment activities. Each advance was documented by a promissory note. In 1993 all the outstanding notes were consolidated into a single note of principal sum of \$12,596,074 at 8% interest. During the initial years of the dissolution process, the State Department of Finance (DOF) disallowed the enforceable obligation of the outstanding loan from the City citing Health and Safety Code section 34171(d)(2) which states that any agreement or contract between the city that created the redevelopment agency, and the former redevelopment agency, are not considered enforceable obligations.

As a result of the DOF finding, on October 29, 2013, the City filed a lawsuit in the Sacramento Superior Court, Case No. 34-2013-80001675, against the DOF and the Orange County Auditor-Controller. The lawsuit sought to require the DOF to approve annual loan repayments to the City on future ROPS submitted by the Successor Agency.

On April 17, 2014, the local Oversight Board approved the finding that the loan was for legitimate redevelopment purposes pursuant to Health and Safety Code section 34191.4. which states in essence that "if the financial agreement between the City and the former Redevelopment Agency was made within two years of the inception of the Agency the agreement is an enforceable obligation." Once the Oversight Board makes such a finding, Health and Safety Code 34171(d)(2) requires "the accumulated interest on the remaining principal amount of the loan shall be recalculated from the origination at the interest rate earned by the Local Agency Investment Fund." As a result of the interest recalculation, the amount of remaining principal was determined to be \$10,237,174.

On May 6, 2014, the DOF sent a letter affirming the Oversight Board's decision that the loan was for legitimate redevelopment purposes and reestablished the loan agreement.



The City dismissed the referenced lawsuit in January 2019, after obtaining the primary objective of the lawsuit, by reviving the City's loan to its former redevelopment agency. This loan was paid off in July 2023.

### Successor Agency

As mandated by AB 1484, all successor agencies were required to develop a Long-Range Property Management Plan (LRPMP) that governed the disposition and use of all former redevelopment agency properties. The LRPMP was approved by the Successor Agency September 18, 2013. It disclosed that upon dissolution that the Successor Agency did not hold any property. The LRPMP was approved by the California State Department of Finance on January 22, 2014.

### **ANALYSIS:**

Below are the amounts of annual allocations of RPTTF that were paid to the General Fund after the CMRA was dissolved. This represents 80% of the allowable RPTTF. The other 20% was paid to the Housing Authority.

<b>Fiscal Year</b>	<b>General Fund</b>	<b>Housing Authority</b>
FY 2023/24	\$1,368,045	\$0
FY 2022/23	\$1,399,669	\$342,011
FY 2021/22	\$1,524,562	\$349,917
FY 2020/21	\$1,032,836	\$381,141
FY 2019/20	\$1,060,817	\$258,209
FY 2018/19	\$962,362	\$265,204
FY 2017/18	\$556,850	\$240,591
FY 2016/17	\$649,100	\$139,212
FY 2015/16	\$287,740	\$162,275
FY 2014/15	\$626,386	\$71,935
FY 2013/14	\$0	\$156,597
<b>Total</b>	<b>\$9,468,367</b>	<b>\$2,367,092</b>

With all enforceable obligations paid in full as of August 2023, all land disposed of, and all litigation settled, there is no need for the Agency to continue to exist and the criteria to proceed with formally dissolving has been met. Therefore, the Costa Mesa Successor Agency is not requesting any RPTTF allocation for FY 2024-25 and requests to submit a ROPS in the amount of \$0. This action is in keeping with Health & Safety Code Section 34177(m)(1)(B) which mandates a ROPS must be filed or mandates a \$10,000 daily fine.

Pursuant to HSC Section 34187(b), the County Oversight Board must act within 30 days to approve the Successor Agency's request to dissolve and then submit the request to the State Department of Finance (DOF). The DOF will have 30 days to approve or deny the request.

**ALTERNATIVES:**

The Board of Directors may choose not to approve the dissolution of the Successor Agency. However, this is not advisable, as the Agency would exist in an inactive state and would be required to submit a ROPS in the amount of \$0 annually.

**FISCAL REVIEW:**

After the Oversight Board's adoption of the Oversight Board's resolution and the DOF's approval of the Successor Agency's request to dissolve, the County Auditor-Controller will disburse such property tax monies to the taxing entities, including the City of Costa Mesa's General Fund. The Housing Authority will cease receiving 20% of the RPTTF.

**LEGAL REVIEW:**

The Agency Attorney's Office has reviewed this agenda report and approves as to form.

**CITY COUNCIL GOALS AND PRIORITIES:**

This item supports the following City Council Goal:

- Achieve Long Term Fiscal Sustainability

**CONCLUSION:**

Staff recommends the City Council/Successor Agency Board:

1. Approve a Resolution of the City Council/Successor Agency Board of the City of Costa Mesa, California, approving the Recognized Obligation Payment Schedule (ROPS) in the amount of \$0 for the Fiscal Year 2024-25 (Attachment 1 and Exhibit A).
2. Approve a Resolution of the City Council/Successor Agency Board of the City of Costa Mesa, California, requesting the Oversight Board, Orange County Auditor-Controller and California Department of Finance approve of the dissolution of the Successor Agency to the Costa Mesa Redevelopment Agency (Attachment 1).
3. Direct the submission of the Resolutions to the Orange County Auditor-Controller and the California State Department of Finance.

## SUCCESSOR AGENCY RESOLUTION NO. 24-XX

**A RESOLUTION OF THE SUCCESSOR AGENCY TO THE COSTA MESA REDEVELOPMENT AGENCY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE FY 2024-25 FOR THE ANNUAL FISCAL PERIOD OF JULY 1, 2024 TO JUNE 30, 2025, SUBJECT TO SUBMITTAL TO, AND REVIEW BY THE ORANGE COUNTYWIDE OVERSIGHT BOARD AND THE STATE OF CALIFORNIA, DEPARTMENT OF FINANCE UNDER CALIFORNIA HEALTH AND SAFETY CODE, DIVISION 24, PART 1.85; AND, AUTHORIZING THE POSTING AND TRANSMITTAL THEREOF**

**WHEREAS**, the former Costa Mesa Redevelopment Agency (“Former Agency”) was established as a redevelopment agency which was previously organized and existing under the California Community Redevelopment Law, Health and Safety Code Section 33000, *et seq.*, and previously authorized to transact business and exercise powers of a redevelopment agency pursuant to action of the City Council of the City of Costa Mesa (“City”); and

**WHEREAS**, Assembly Bill x1 26 added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 and by other subsequent legislation (together, as amended, the “Dissolution Law”); and

**WHEREAS**, as of February 1, 2012 the Former Agency was dissolved under the Dissolution Law, and as a separate public entity, the Successor Agency to the Costa Mesa Redevelopment Agency (“Successor Agency”) administers the enforceable obligations of the former Agency and otherwise resolves the former Agency’s affairs, all subject to the review and approval by a seven-member oversight board; and

**WHEREAS**, under Section 34179(j) of the Dissolution Law, in every California county there shall be one oversight board that is staffed by the county’s auditor-controller; and

**WHEREAS**, the applicable consolidated oversight board overseeing this Successor Agency is called the Orange Countywide Oversight Board (“Oversight Board”); and

**WHEREAS**, every oversight board, both the prior local oversight board and the Oversight Board, has fiduciary responsibilities to the holders of enforceable obligations and to the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188 of the Dissolution Law; and

**WHEREAS**, Sections 34177(m), 34177(o) and 34179 provide that each ROPS is submitted to, reviewed and approved by the Successor Agency and then reviewed and approved by the Oversight Board before final review and approval by the State of California, Department of Finance (“DOF”); and

**WHEREAS**, Section 34177(o) of the Dissolution Law requires that the annual ROPS for the 2023-24 A-B fiscal period of July 1, 2024 to June 30, 2025 (“ROPS FY

2024-25”) shall be submitted to the DOF by the Successor Agency, after approval by the Oversight Board, no later than February 1, 2024; and

**WHEREAS**, the ROPS FY 2024-25, in the form required by DOF, is attached as Exhibit A and fully incorporated by this reference; and

**WHEREAS**, the Successor Agency has reviewed the ROPS FY 2024-25 and desires to approve this schedule and to authorize and direct the Successor Agency staff to transmit the ROPS FY 2024-25 to the Oversight Board, with copies to the Orange County Administrative Officer (“CAO”), Orange County Auditor-Controller (“CAC”), the State Controller’s Office (“SCO”) and DOF as required by Dissolution Law; and

**WHEREAS**, the Successor Agency shall post the ROPS FY 2024-25 on the City/Successor Agency website [www.costamesaca.gov](http://www.costamesaca.gov).

**NOW, THEREFORE, BE IT RESOLVED BY THE SUCCESSOR AGENCY TO THE COSTA MESA REDEVELOPMENT AGENCY:**

**Section 1.** The foregoing recitals are incorporated into this Resolution by this reference, and constitute a material part of this Resolution.

**Section 2.** The Successor Agency approves ROPS FY 2024-25 submitted herewith as Attachment 1, under the requirements of the Dissolution Law; provided however, that the ROPS FY 2024-25 is approved subject to the condition such ROPS FY 2024-25 is to be transmitted to the Oversight Board for review and approval and a copy of such ROPS FY 2024-25 shall concurrently be sent to the CAO, CAC, SCO, and DOF. Further, the Finance Director (and her authorized designee), in consultation with legal counsel, shall be authorized to request and complete meet and confer session(s), if any, with the DOF and authorized to make augmentations, modifications, additions or revisions as may be necessary or directed by DOF.

**Section 3.** After approval by the Oversight Board, the Successor Agency authorizes transmittal of the approved ROPS FY 2024-25 again to the CAC, SCO and DOF.

**Section 4.** The Finance Director of the Successor Agency or her authorized designee is directed to post this Resolution, including the ROPS FY 2024-25, on the City/Successor Agency website ([www.costamesaca.gov](http://www.costamesaca.gov)) under the Dissolution Law.

**Section 5.** The Secretary of the Successor Agency shall certify to the adoption of this Resolution.

**APPROVED AND ADOPTED** this 6<sup>th</sup> day of February 2024.

---

John Stephens, Chair  
Successor Agency to the Costa Mesa  
Redevelopment Agency

(SEAL)

ATTEST:

---

Brenda Green, Secretary  
Successor Agency to the Costa Mesa Redevelopment Agency

APPROVED AS TO FORM

---

Kimberly Hall Barlow,  
Successor Agency Counsel

STATE OF CALIFORNIA            )  
COUNTY OF ORANGE            ) ss.  
CITY OF COSTA MESA            )

I, Brenda Green, Secretary of the Successor Agency to the Costa Mesa Redevelopment Agency, hereby certify that the foregoing resolution was duly adopted by the Successor Agency at a regular meeting held on the 6<sup>th</sup> day of February 2024, and that it was so adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

---

Brenda Green, Secretary  
Successor Agency to the Costa Mesa  
Redevelopment Agency

(SEAL)

**EXHIBIT A**  
**to Successor Agency Resolution No. 2024-xx**  
**RECOGNIZED OBLIGATION PAYMENT SCHEDULE FY 2024-25**  
**FOR PERIOD JULY 1, 2024 TO JUNE 30, 2025**

## RESOLUTION SA-24-xx

**A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE SUCCESSOR AGENCY TO THE COSTA  
MESA REDEVELOPMENT AGENCY REQUESTING  
THE ORANGE COUNTYWIDE OVERSIGHT BOARD  
TO FORMALLY DISSOLVE THE SUCCESSOR  
AGENCY**

## RECITALS:

- A. Pursuant to AB X1 26 (enacted in June 2011) and the *California Supreme Court's decision in California Redevelopment Association, et. I v. Matasantos, et al.*, 53 Cal. 4<sup>th</sup> 231 (2011), the Redevelopment Agency of the City of Costa Mesa (the "Former Agency") was dissolved as of February 1, 2012, and the Successor Agency to the Costa Mesa Redevelopment Agency (the "Successor Agency") was constituted.
- B. Pursuant to Section 34179(j) of the California Health and Safety Code ("HSC"), from and after July 1, 2018, the Orange Countywide Oversight Board (the "Oversight Board") is the oversight board for the Successor Agency.
- C. The Successor Agency is tasked with winding down the Former Agency's affairs.
- D. Pursuant to HSC Section 34187(b), the Successor Agency shall submit to the Oversight Board a request, with a copy to the Orange County Auditor-Controller (the "County Auditor-Controller"), to formally dissolve the Successor Agency within 30 days of meeting the following criteria (collectively, the "Dissolution Criteria"):
  - i. All enforceable obligations have been retired or paid off: and,
  - ii. All real property has been disposed of pursuant to HSC Section 34181 or 34191.4; and,
  - iii. All outstanding litigation has been resolved.
- E. The Successor Agency is not a party to any outstanding litigation.
- F. All the Successor's Agency real property (transferred from the Former Agency upon dissolution) has been disposed of pursuant to HSC Section 34181 or the Successor Agency's long-range property management plan ("LRPMP"), which LRPMP was approved by the California State Department of Finance (the "DOF") on January 22, 2014, per HSC Section 34191.4.
- G. At the time of the Former Agency's dissolution, there was one outstanding series of bonds issued by the Former Agency: the 2003 Tax Allocation Bonds Refunding Bonds.



- H. The final maturity date of the 2003 Tax Allocation Bonds Refunding Bonds was October 1, 2017 and have been fully paid.
- I. With the Successor Agency having met the Dissolution Criteria of HSC Section 34187(b), this Board of Directors (the "Board") desires to request the Oversight Board to approve the Successor Agency's request to dissolve and, after such approval, submit the request to the DOF.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE SUCCESSOR AGENCY TO THE COSTA MESA REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:**

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Board hereby finds and determines that all of the Dissolution Criteria set forth in HSC Section 34187(b) for the Successor Agency's dissolution have been met.

Section 3. The Board hereby requests the Oversight Board to adopt a resolution (the "OB Resolution") to: (i) approve the Successor Agency's request to formally dissolve, (ii) submit this Resolution and the OB Resolution to the DOF in accordance with HSC Section 34187(b).

Section 4. The Agency Clerk is hereby directed to cause copies of this Resolution to be submitted to: (i) the Oversight Board, and (ii) the County Auditor-Controller.

Section 5. The Board hereby finds and determines that the request to dissolve the Successor Agency set forth herein.

Section 6. The officers and the other staff members of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things, including the execution of any instruments, which they may deem necessary or advisable to effectuate this Resolution and any such actions previously taken are hereby ratified and confirmed.

**PASSED AND ADOPTED this 6th day of February, 2024.**

---

John Stephens, Chair

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Brenda Green, Agency Clerk

\_\_\_\_\_  
Kimberly Hall Barlow, Agency Attorney

STATE OF CALIFORNIA )  
COUNTY OF ORANGE ) ss  
CITY OF COSTA MESA )

I, BRENDA GREEN, Agency Clerk of the Successor Agency of the Costa Mesa Redevelopment Agency, DO HEREBY CERTIFY that the above and foregoing is the original of Resolution No. 24-xx and was duly passed and adopted by the Board of Directors of the Successor Agency of the Costa Mesa Redevelopment Agency at a regular meeting held on the xx day of February, 2024, by the following roll call vote, to wit:

AYES: Agency Members: \_\_\_\_\_

NOES: Agency Members: \_\_\_\_\_

ABSENT: Agency Members: \_\_\_\_\_

ABSTAIN: Agency Members: \_\_\_\_\_

IN WITNESS WHEREOF, I have hereby set my hand and affixed the seal of the City of Costa Mesa this xx day of February, 2024.

\_\_\_\_\_  
Brenda Green, Agency Clerk

**EXHIBIT A**

**Recognized Obligation Payment Schedule (ROPS 24-25) - Summary**  
**Filed for the July 1, 2024 through June 30, 2025 Period**

**Successor Agency:** Costa Mesa

**County:** Orange

<b>Current Period Requested Funding for Enforceable Obligations (ROPS Detail)</b>	<b>24-25A Total (July - December)</b>	<b>24-25B Total (January - June)</b>	<b>ROPS 24-25 Total</b>
<b>A Enforceable Obligations Funded as Follows (B+C+D)</b>	\$ -	\$ -	\$ -
B Bond Proceeds	-	-	-
C Reserve Balance	-	-	-
D Other Funds	-	-	-
<b>E Redevelopment Property Tax Trust Fund (RPTTF) (F+G)</b>	\$ -	\$ -	\$ -
F RPTTF	-	-	-
G Administrative RPTTF	-	-	-
<b>H Current Period Enforceable Obligations (A+E)</b>	\$ -	\$ -	\$ -

**Certification of Oversight Board Chairman:**

Pursuant to Section 34177 (o) of the Health and Safety code, I hereby certify that the above is a true and accurate Recognized Obligation Payment Schedule for the above named successor agency.

\_\_\_\_\_  
Name Title

/s/ \_\_\_\_\_  
Signature Date

Costa Mesa  
Recognized Obligation Payment Schedule (ROPS 24-25) - ROPS Detail  
July 1, 2024 through June 30, 2025

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W
Item #	Project Name	Obligation Type	Agreement Execution Date	Agreement Termination Date	Payee	Description	Project Area	Total Outstanding Obligation	Retired	ROPS 24-25 Total	ROPS 24-25A (Jul - Dec)					24-25A Total	ROPS 24-25B (Jan - Jun)					24-25B Total
											Fund Sources						Fund Sources					
											Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF		Bond Proceeds	Reserve Balance	Other Funds	RPTTF	Admin RPTTF	
								\$-		\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
6	Promissory Note Payable	City/County Loan (Prior 06/28/11), Cash exchange	09/30/1971	06/30/2024	City of Costa Mesa	Original Loan to establish RDA	Downtown	-	N	\$-	-	-	-	-	-	\$-	-	-	-	-	-	\$-

**Costa Mesa**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - Report of Cash Balances**  
**July 1, 2021 through June 30, 2022**  
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (I), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation.							
A	B	C	D	E	F	G	H
	ROPS 21-22 Cash Balances (07/01/21 - 06/30/22)	Fund Sources					Comments
		Bond Proceeds		Reserve Balance	Other Funds	RPTTF	
		Bonds issued on or before 12/31/10	Bonds issued on or after 01/01/11	Prior ROPS RPTTF and Reserve Balances retained for future period(s)	Rent, grants, interest, etc.	Non-Admin and Admin	
1	<b>Beginning Available Cash Balance (Actual 07/01/21)</b> RPTTF amount should exclude "A" period distribution amount.	-	-	-		3,000	Prior ROPS excess cash
2	<b>Revenue/Income (Actual 06/30/22)</b> RPTTF amount should tie to the ROPS 21-22 total distribution from the County Auditor-Controller					1,902,703	AB1484 requires 20% (\$381,141) of loan repayment (\$1,905,703) to be transferred to Low and Moderate Income Housing Asset Fund per HSC 34191.4(s)(2)(c).
3	<b>Expenditures for ROPS 21-22 Enforceable Obligations (Actual 06/30/22)</b>					1,905,703	Successor Agency's FY 21/22 total expenditures and loan repayments
4	<b>Retention of Available Cash Balance (Actual 06/30/22)</b> RPTTF amount retained should only include the amounts distributed as reserve for future period(s)						
5	<b>ROPS 21-22 RPTTF Prior Period Adjustment</b> RPTTF amount should tie to the Agency's ROPS 21-22 PPA form submitted to the CAC		No entry required				
6	<b>Ending Actual Available Cash Balance (06/30/22)</b> C to F = (1 + 2 - 3 - 4), G = (1 + 2 - 3 - 4 - 5)	\$-	\$-	\$-	\$-	\$-	

**Costa Mesa**  
**Recognized Obligation Payment Schedule (ROPS 24-25) - Notes**  
**July 1, 2024 through June 30, 2025**

Item #	Notes/Comments
6	