

Members of the public may address the City Council on any item shown on the agenda or matter of the Council's authority after completion of "Request to Address the Council Form" available in the lobby of the Council Chambers or in the City Clerk's office. This form must be completed 15 minutes prior to the scheduled meeting time. Pursuant to Section 54957.5 of the California Government Code, Any writings (Except for those writings which are exempt from disclosure) which are distributed to all or a majority of the members of the City Council are available for public inspection in the lobby of the City Council Chambers and in the office of the City Clerk during regular business hours.

**COMPTON CITY COUNCIL
AGENDA
06/04/2024**

**CLOSED SESSION - 4:00 PM
BUDGET WORKSHOP - 4:30 PM
PUBLIC MEETING - 5:30 PM**

WORKSHOP

BUDGET WORKSHOP - FISCAL YEAR 2024-2025@ 4:30PM

OPENING

MOMENT OF SILENCE

PLEDGE OF ALLEGIANCE

ROLL CALL

PUBLIC COMMENT ON CLOSED SESSION ITEMS ONLY

CLOSED SESSION

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Title: City Controller

Pursuant to California Government Code Section 54957

PUBLIC MEETING – 5:30 PM

REPORT ON CLOSED SESSION ACTIONS

COMMENDATORY RESOLUTIONS/PRESENTATIONS

1. COMMUNITY SERVICE PRESENTATION - Deputy Daryl Harkless, Los Angeles County Sheriff Department

PUBLIC COMMENTS ON AGENDA ITEMS AND NON-AGENDA MATTERS

CONSENT AGENDA

Consent items are routine and expected to be non-controversial. They will be acted upon by the Council at one time without discussion unless a Council Member requests an item be removed or discussed..

CITY MANAGER

2. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON APPROVING IN-KIND CONTRIBUTIONS IN SUPPORT OF THE 21st ANNUAL COMPTON STAND DOWN FOR VETERANS SEPTEMBER 21-23, 2024

REGULAR AGENDA

NEW BUSINESS

3. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICE AGREEMENT WITH AND ESTABLISH A PURCHASE ORDER FOR LIVEVIEW TECHNOLOGIES TO PROVIDE MOBILE SURVILLANCE CAMERAS IN THE AMOUNT OF EIGHTY-THREE THOUSAND DOLLARS (\$83,000)
4. A REQUEST TO RECEIVE AND FILE THE FISCAL YEAR 2020-2021 AUDITED FINANCIAL STATEMENTS, THE FISCAL YEAR 2020-2021 SINGLE AUDIT REPORT, AND THE FISCAL YEAR 2020-2021 UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE CITY OF COMPTON

5. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A MULTI-YEAR PROFESSIONAL SERVICES AGREEMENT WITH THE SCANNING COMPANY (TSC) IN THE AMOUNT OF TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$225,000) FOR SCANNING SERVICES, TO AMEND THE FY2023-2024 CITY BUDGET, AND TO ISSUE A PURCHASE ORDER IN THE AMOUNT OF TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$225,000) FOR SCANNING SERVICES TO BE PROVIDED.

6. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO LEGAL SERVICES RETAINER AGREEMENTS FOR FISCAL YEARS 2023-2024 AND 2024-25

COUNCIL COMMENTS

ADJOURNMENT

NEXT REGULAR MEETING: 6/11/2024 5:30PM

Visit our website at <http://www.comptoncity.org>

JUNE 4, 2024

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: CITY MANAGER

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON
APPROVING IN-KIND CONTRIBUTIONS IN SUPPORT OF THE 21st
ANNUAL COMPTON STAND DOWN FOR VETERANS SEPTEMBER
21-23, 2024**

SUMMARY

This Resolution approves in-kind contributions in support of the 21st Annual Compton Veterans Stand Down to be held on September 21-23, 2024.

BACKGROUND

The Stand Down for Homeless Veterans ("Stand Down") is an event that is held in cities all over the nation to provide food, clothing, medical services and referrals to veterans.

The Stand Down concept was used during the Vietnam War to provide a safe retreat for units returning from combat operations. At secure base camp areas, troops were able to take care of personal hygiene, get clean uniforms, enjoy warm meals, receive medical and dental care, mail and receive letters, and enjoy the camaraderie of friends in a safe environment. Today, Stand Down refers to grassroots, community-based intervention programs designed to help the nation's estimated 100,000 homeless veterans "combat" life on the streets.

The Compton Veteran Stand Down ("Stand Down") is a three-day event providing supplies and services to Veterans and their families inclusive of homeless, at risk, and down-trodden, services provided include assistance with housing, employment, VA benefits, VA enrollment, VA medical care, VA mental health care, legal assistance, military records assistance, dental care, treatment/counseling, social security assistance, vision screening, food, clothing, hygiene supplies, showers, haircuts and entertainment.

STATEMENT OF THE ISSUE.

The Compton Veterans Stand Down will be held during the period of, September 21-23, 2024, at 700 N. Bullis Road and set up is to be conducted on September 20, 2024. The City of Compton has been a supporter for many years and has been asked again to support the Stand Down through in-kind contributions.

Veterans Stand Down, Staff Report

June 4, 2024

Page 2

The City of Compton agrees to provide the following in-kind services:

FACILITY USAGE:

- 700 N. Bullis Road, Compton, CA 90220

First Floor: Offices (1B, 2B, 3A, 3B, 4B, 6B, 7B, 8B, 9B, 10A, 10B,
12A, 12B, 13A, 14A, 14B)
Conference Room 1
Area Outside of Lunch Room (13A)
Parking Lot
Lobby 2
Annex Building

EQUIPMENT USAGE:

- 1 Podium
- 2 Generators
- 10 (Ten) 100-foot Electrical Cords
- Water Hose (2)
- Traffic Control Barricades

STAFFING:

- One Custodian and one Lead Custodian to work two (8) eight-hour shifts:
6:00 am - 2:00 pm at \$30.83 per hour and \$40.59 per hour equals
\$1,714.08 and: 1:00 pm - 9:00 pm) at \$33.91 per hour and \$45.18 per hour
equals \$1,010.24 times three days (September 21-23, 2024) for a total of
1,898.16. Total of Three Thousand Six Hundred Twelve Dollars and
Twenty-Four Cents (\$3,612.24). This amount will be included in the 2024-
2025 fiscal year budget.

ALTERNATIVE

No alternative provided.

FISCAL IMPACT

The fiscal impact is \$3,612.24 in personnel overtime charges. These costs will be paid from the unencumbered budget balances from the following accounts within Fiscal Year 2023-2024 budget, upon adoption of the Fiscal Year 2024-2025 budget allowing for appropriation of sufficient funds within:

Council District 1 – Overtime Expense Account: 1001-400-C01-4171 (\$1,594.56)

Council District 4 – Overtime Expense Account: 1001-400-C04-4171 (\$1,594.56)

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution.

WILLIE A. HOPKINS JR.
CITY MANAGER

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
COMPTON APPROVING IN-KIND CONTRIBUTIONS IN SUPPORT
OF THE 21st ANNUAL COMPTON STAND DOWN FOR VETERANS
SEPTEMBER 21-23, 2024

WHEREAS, the Stand Down for Homeless Veterans (“Stand Down”) is an event that is held in cities all over the nation to provide food, clothing, medical services and referrals to veterans; and

WHEREAS, the Stand Down concept was used during the Vietnam War to provide a safe retreat for units returning from combat operations. At secure base camp areas, troops were able to take care of personal hygiene, get clean uniforms, enjoy warm meals, receive medical and dental care, mail and receive letters, and enjoy the camaraderie of friends in a safe environment; and.

WHEREAS, today, Stand Down refers to grassroots, community-based intervention programs designed to help the nation’s estimated 100,000 homeless veterans “combat” life on the streets.

WHEREAS, the Compton Veteran’s Stand Down is a three day event providing supplies and services to Veterans and their families inclusive of homeless, at risk, and downtrodden, services provided include assistance with housing, employment, VA benefits, VA enrollment, VA medical care, VA mental health care, legal assistance, military records assistance, dental care, treatment/counseling, social security assistance, vision screening, food, clothing, hygiene supplies, showers, haircuts and entertainment; and

WHEREAS, the Compton Veterans Stand Down will be held during the period of, September 21-23, 2024, at 700 N. Bullis Road, and set-up is to be conducted on September 20, 2024; and

WHEREAS, the City of Compton has been a supporter for many years and has been asked again to support the Stand Down through the following in-kind contributions:

FACILITY USAGE:

- 700 N. Bullis Road, Compton, CA 90220
First Floor: Offices (1B, 2B, 3A, 3B, 4B, 6B, 7B, 8B, 9B, 10A, 10B, 12A, 12B, 13A, 14A, 14B)
Conference Room 1
Area Outside of Lunch Room (13A)
Parking Lot
Lobby 2
Annex Building

EQUIPMENT USAGE:

- 1 Podium
- 2 Generators
- 10 (Ten) 100-foot Electrical Cords
- Water Hose (2)
- Traffic Control Barricades

STAFFING:

- One Custodian and one Lead Custodian to work two (8) eight-hour shifts: 6:00 am - 2:00 pm at \$30.83 per hour and \$40.59 per hour equals \$1,714.08 and: 1:00 pm - 9:00 pm) at \$33.91 per hour and \$45.18 per hour equals \$1,010.24 times three days (September 21-23, 2024) for a total of 1,898.16. Total of Three Thousand Six Hundred Twelve Dollars and Twenty-Four Cents (\$3,612.24). This amount will be included in the 2024-2025 fiscal year budget.

ALTERNATIVE

No alternative provided.

FISCAL IMPACT

The fiscal impact is \$3,612.24 in personnel overtime charges. These costs will be paid from the unencumbered budget balances from the following accounts within Fiscal Year 2023-2024 budget, upon adoption of the Fiscal Year 2024-2025 budget allowing for appropriation of sufficient funds within:

Council District 1 – Overtime Expense Account: 1001-400-C01-4171 (\$1,806.12)

Council District 4 – Overtime Expense Account: 1001-400-C04-4171 (\$1,806.12)

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the City Council of the City of Compton does hereby approve in-kind contributions referenced above in support of the Compton Veterans Stand Down, with set up on September 20, 2024.

SECTION 2 That funding for the in-kind contributions shall be charged to the following accounts:

Council District 1 – Overtime Expense Account: 1001-400-C01-4171 (\$1,806.12)

Council District 4 – Overtime Expense Account: 1001-400-C04-4171 (\$1,806.12).

SECTION 3 That the Compton Veterans Stand Down, September 21-23, 2024 shall utilize the following facility, equipment, and staffing:

FACILITY USAGE:

- 700 N. Bullis Road, Compton, CA 90220
First Floor: Offices (1B, 2B, 3A, 3B, 4B, 6B, 7B, 8B, 9B, 10A, 10B, 12A, 12B, 13A, 14A, 14B)
 - Conference Room 1
 - Area Outside of Lunch Room (13A)
 - Parking Lot
 - Lobby 2
 - Annex Building

EQUIPMENT USAGE:

- 1 Podium
- 2 Generators
- 10 (Ten) 100-foot Electrical Cords
- Water Hose (2)
- Traffic Control Barricades

STAFFING:

- One Custodian and one Lead Custodian to work two (8) eight-hour shifts: 6:00 am - 2:00 pm at \$30.83 per hour and \$40.59 per hour equals \$1,714.08 and: 1:00 pm - 9:00 pm) at \$33.91 per hour and \$45.18 per hour equals \$1,010.24 times three days (September 21-23, 2024) for a total of 1,898.16. Total of Three Thousand Six Hundred Twelve Dollars and Twenty-Four Cents (\$3,612.24). This amount will be included in the 2024-2025 fiscal year budget.

SECTION 2. That a certified copy of this Resolution shall be filed in the offices of the City Manager, City Attorney, City Clerk and City Controller.

SECTION 3. That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

SECTION 4. That a certified copy of this resolution shall be filed in the offices of the City Manager, General Services, and City Clerk.

ADOPTED this _____ day of _____, 2024

MAYOR OF THE CITY OF COMPTON

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

**STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON**

I, Vernell McDaniel, City Clerk of the City of Compton hereby certify that the foregoing resolution was adopted by the City Council of said City, signed by the Mayor and attested by the City Clerk at a regular meeting thereof held on the _____ day of _____, 2024.

That said resolution was adopted by the following vote, to wit:

AYES: Council Members-
NOES: Council Members-
ABSENT: Council Members-
ABSTAIN: Council Members-

CITY CLERK OF THE CITY OF COMPTON

June 4, 2024

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: CITY MANAGER

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A PROFESSIONAL SERVICE AGREEMENT WITH AND ESTABLISH A PURCHASE ORDER FOR LIVEVIEW TECHNOLOGIES TO PROVIDE MOBILE SURVILLANCE CAMERAS IN THE AMOUNT OF EIGHTY-THREE THOUSAND DOLLARS (\$83,000.00)

SUMMARY

Adoption of this Resolution will authorize the City Manager to enter into a 24-month (May 2024 through May 2026) Professional Services Agreement with LiveView Technologies to provide mobile surveillance cameras to the Community Improvement Department and establish a purchase order in the amount of Eighty-Three Thousand Dollars (\$83,000.00).

BACKGROUND

The City of Compton (City) has been plagued in recent months by vandalism, homelessness, illegal dumping and other crimes citywide. In January 2024, the Community Improvement Department did some research and an informal procurement to select a mobile security camera company to provide supplemental professional security services to maximize safety within our City. Out of five (5) vendors contacted the City received two (2) responses from potential vendors; however, the staff deemed that LiveView Technologies (LVT) submitted the most responsible estimate to provide professional security services in the City.

LVT is the premier provider of mobile surveillance technology. LVT units are proven to increase safety throughout the City and use cloud-based software to show what is happening in the City at any time, from any web-enabled device.

STATEMENT OF ISSUE

The Community Improvement Services Department obtained two (2) price estimates for the lease of two (2) mobile surveillance cameras. This lease option includes a 24/7 monitoring feature and custom monitoring feature:

<u>VENDOR</u>	<u>AMOUNT</u>
True Look	\$5,988.00
LVT	\$3,445.00

In order to provide the necessary security services, City Council authorization is needed for the City Manager to enter into a professional service agreement and establish a purchase order with LiveView Technologies in an amount not to exceed Eighty-Three Thousand Dollars (\$83,000).

FISCAL IMPACT

Funds in the amount of Eight-Three Thousand Dollars (\$83,000.00) are available in Contract Services Fiscal Year 2023-2024 Budget in Account No. 1083-540-000-4266 (JAG grant award). A purchase order is being requested to be opened for \$83,000.00 from Account No. 1083-540-000-4266.

RECOMMENDATION

Staff recommends that Council approve the attached Resolution.

TURMEL WOODS
GRANTS COMPLIANCE MANAGER

APPROVED FOR FORWARDING:

WILLIE A. HOPKINS JR.
CITY MANAGER

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON
AUTHORIZING THE CITY MANAGER TO ENTER INTO A PROFESSIONAL
SERVICES AGREEMENT WITH AND ESTABLISH A PURCHASE ORDER
FOR LIVEVIEW TECHNOLOGIES TO PROVIDE MOBILE SURVILLANCE
CAMERAS IN THE AMOUNT OF EIGHTY-THREE THOUSDAND DOLLARS
(\$83,000.00)**

WHEREAS, adoption of this resolution will authorize the City Manager to enter into a 24-month (May 2024 through May 2026) professional services agreement with LiveView Technologies to provide mobile surveillance cameras to the Community Improvement Department and establish a purchase order in the amount of Eighty-Three Thousand Dollars (\$83,000); and

WHEREAS, the City of Compton (City) has been plagued in recent years with vandalism, homelessness, illegal dumping and crimes occurring Citywide; and

WHEREAS, in January 2024, the Community Improvement Department did some research and informal procurement to select a mobile security camera company to provide supplemental professional security services to maximize safety within our city; and

WHEREAS, the City contacted five (5) vendors and only received two (2) response from potential vendors; however, the staff deemed that LiveView Technologies (LVT) submitted the most responsible estimate to provide professional security services in the City; and

WHEREAS, LVT is the premier provider of mobile surveillance technology. LVT units are proven to increase safety throughout the City and use cloud-based software to show what is happening in the City at any time, from any web-enabled device.

WHEREAS, the Community Improvement Services Department obtained two (2) price estimates for the lease of two (2) mobile surveillance cameras. This lease option includes a 24/7 monitoring feature and custom monitoring feature:

<u>VENDOR</u>	<u>AMOUNT</u>
True Look	\$5,988.00
LVT	\$3,445.00

WHEREAS, in order to provide the necessary security services, City Council authorization is needed for the City Manager to enter into a profession service agreement and establish a purchase order with LiveView Technologies in an amount not to exceed Eighty-Three Thousand Dollars (\$83,000.00).

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES
HEREBY RESOLVE AS FOLLOWS:**

Section 1. That the City Manager, on the advice and approval of the City Attorney is hereby authorized to enter into a service agreement and establish a purchase order with LiveView Technologies.

Section 2. That a purchase order using JAG 2023 grant funds in the amount of Eight-Three Thousand Dollars (\$83,000) shall be authorized to LVT, from account 1083-540-000-4266, Contract Services.

Resolution No. _____
Page 2

Section 3. That a copy of this Resolution shall be filed in the office of the City Manager, City Controller, City Clerk, City Attorney and Grants Division.

Section 4. That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

ADOPTED this _____ day of _____, 2024.

MAYOR OF THE CITY OF COMPTON

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA
COUNTY OF LOS ANGELES
CITY OF COMPTON: ss

I, Vernell McDaniel, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council, signed by the Mayor, and attested to by the City Clerk at a regular meeting thereof held on the _____ day of _____, 2024.

That said Resolution was adopted by the following vote, to wit:

AYES: COUNCIL MEMBER(S)
NOES: COUNCIL MEMBER(S)
ABSTAIN: COUNCIL MEMBER(S)
ABSENT: COUNCIL MEMBER(S)

CITY CLERK OF THE CITY OF COMPTON

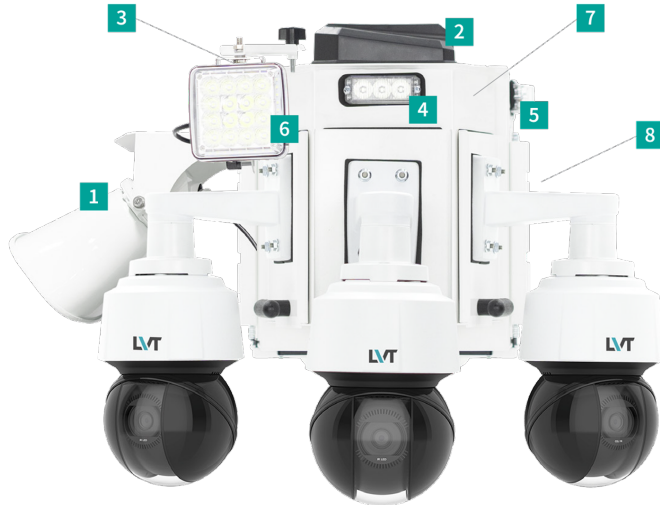


Product Information & General Pricing

768 E. 100 N. • Payson, UT • 84651
888.292.3384 • lotcop.com

D3 Security Unit

Discover, Deter, Defend



1. Two-way Speaker
2. Antenna
3. Strobe Light (right)
4. Strobe Light (center)

Key Features

- Cloud-based automated alerts (email, SMS)
- Active deterrence (flood light, two-way speaker, strobe lights)
- Live streaming and 24/7 recording accessible through cellular connectivity.
- Self-sufficient power management with tamper-resistant battery backup
- iOS and Android apps
- Optional live monitoring services
- Infrared analytics detect day and night.
- Face/License plate visual clarity up to ¼ mile away.

5. Strobe Light (left)
6. Flood Light
7. Edge Controller 2TBSSD (inside)
8. Tool-less Installation

The D3 Live Unit is a cutting-edge, cloud based security system. It provides a turn-key mobile solution for perimeter detection, deterrence, and alert based monitoring. It is completely portable and is easy to deploy, relocate, or remove because it does not require hardwired connections. Instead, the D3 Live Unit combines solar power and batteries with cellular connectivity and proprietary software to protect your property.

TECHNICAL SPECIFICATIONS

WEIGHT	1,900 lbs
SUSPENSION	3,500 lbs axle & springs
TIRE SIZE	13"
POWER	24 V DC @ 24 watts (disarmed) @ 36 watts (armed) @ 100 watts (max, floodlight on)
SOLAR GENERATION	800 watts
BATTERY CAPACITY	460 AH

MEASUREMENTS

	DEPLOYED	TRANSPORT	TOW
LENGTH	103"	100"	135"
HEIGHT	264"	102"	102"
WIDTH	96"	67.75"	67.75"





Product Information & General Pricing

768 E. 100 N. • Payson, UT • 84651
888.292.3384 • lotcop.com

ANTENNA

(INSIDE)
EDGE CONTROLLER
500GB-1TB SSD

TOOLLESS
INSTALLATION

360° PTZ CAMERA



Omni Security Unit Cutting-edge Surveillance

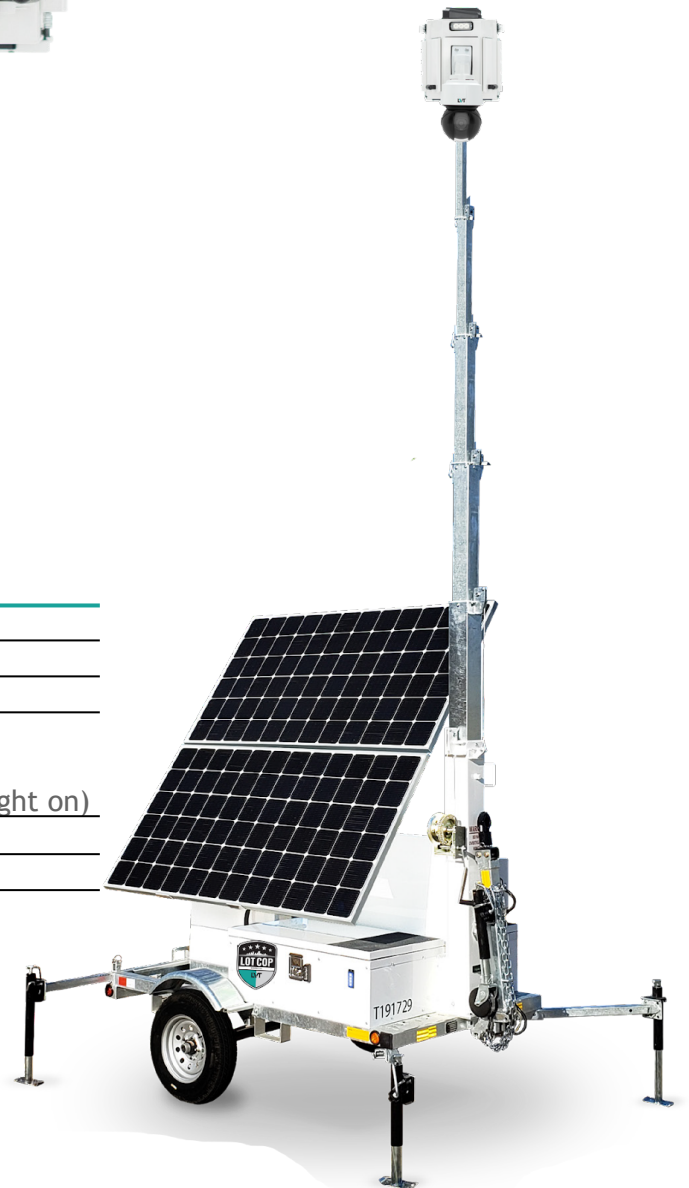
The Omni is a video solution that provides advanced surveillance to any location. It integrates with our iOS and Android mobile apps so you can monitor your surveillance whenever you need.

TECHNICAL SPECIFICATIONS

WEIGHT	1,900 lbs
SUSPENSION	3,500 lbs axle & springs
TIRE SIZE	13"
POWER	24 V DC @ 24 watts (disarmed) @ 36 watts (armed) @ 100 watts (max, floodlight on)
SOLAR GENERATION	800 watts
BATTERY CAPACITY	460 AH

MEASUREMENTS

	DEPLOYED	TRANSPORT	TOW
LENGTH	103"	100"	135"
HEIGHT	264"	102"	102"
WIDTH	96"	67.75"	67.75"



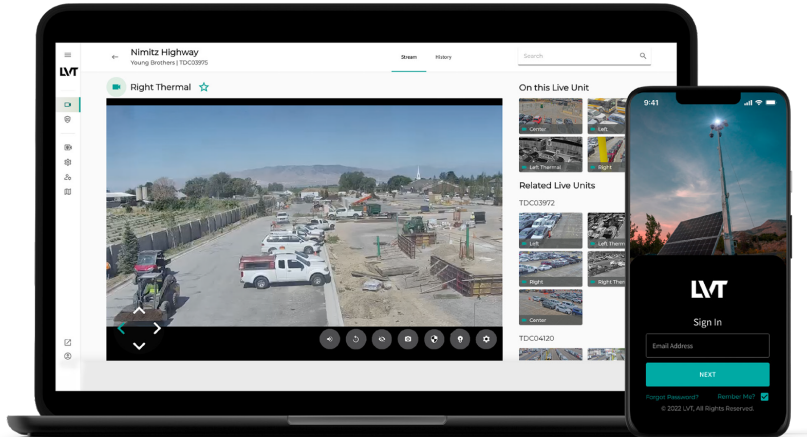


Product Information & General Pricing

768 E. 100 N. • Payson, UT • 84651
888.292.3384 • lotcop.com

LVT Platform

A WORLD-CLASS CLOUD VIDEO MANAGEMENT SYSTEM AVAILABLE ANYTIME, ANYWHERE.



WHAT IS THE LVT PLATFORM?

The LVT Platform is a web-based SaaS Platform that gives you control of your off-grid surveillance. With it, you have access to live feed and recordings as well as control of the cameras and alerts. The best part is, you can login from anywhere, anytime on any web enabled device, computer, or smartphone.

KEY FEATURES

- Manage your units at scale
- Set video presets and patrols
- View livestream and archived video
- Control pan, tilt, and zoom and take picture
- Download and share footage
- Receive text and email incident alerts
- Dewarp panoramic video

D3 GENERAL PRICING

This is a general price list for the D3 unit and the services and fees associated with it.

INITIAL FEES

Installation and onboarding	\$750 per Unit
Shipping Fees (Shipping fees waived with a 12+ month lease)	Dependant on location

ADDITIONAL OPTIONS

EFOY Back up Generator (required for ANY units located in northern half of US)	\$375 per Unit
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MONTHLY LEASING OPTIONS

D3 Unit	\$2,995
Custom Monitoring	\$300
24/7 Monitoring	\$450

PURCHASE OPTION

D3 Unit	\$56,500
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OMNI GENERAL PRICING

This is a general price list for the Omni unit and the services and fees associated with it.

INITIAL FEES

Installation and onboarding	\$750 per Unit
Shipping Fees (Shipping fees waived with a 12+ month lease)	Dependant on Location

MONTHLY LEASING OPTIONS

Omni Unit	\$1,695
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PURCHASE OPTION

Omni Unit	\$36,500
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TrueLook, Inc.
575 E. 4th Street
Winston-Salem, NC 27101
Toll Free: 833-878-3566

QUOTE

Date: January 25, 2024

Sales Rep: Ethan Coates
Email: ethan.coates@truelook.com
Mobile: +1 3369481032

Project Name: Illegal Dumping Trailer

Customer Shipping Address:
205 South Willowbrook Avenue
Compton, CA 90220, US
Anthony Ward
310-613-0290

Payment Terms
CC, Check, ACH, or Net 30
Payments due within 30 days of receipt
5% late fee on overdue payments
Quotes valid for 30 days
All prices in US dollars
Applicable tax collected
Lifetime Hardware Warranty and additional terms below

TrueLook Hardware						
	Description	List Price	Unit Discount	Unit Price	Qty/Term	Total Price
1080p IR PTZ Strobe and Siren Trailer 30' ID: P-2-SOL-TEC-30-SS	1080p IR PTZ with a 30 ft mast and interactive strobes and sirens.	\$28,799.00	(\$2,879.90)	\$25,919.10	1	\$25,919.10
Subtotal:						\$25,919.10

TrueLook Service						
	Description	List Price	Unit Discount	Unit Price	Qty/Term	Total Price
TrueLook Services ID: SERV1	Live viewing, streaming video, custom time-lapsing, 24/7 security video, free-forever media storage, no data caps Notes: 12 Months of TrueLook Camera Service - Discounted	\$499.00	(\$100.00)	\$399.00	12	\$4,788.00
Surveillance ID: NL1	24/7 site surveillance - 1 camera Notes: 12 Months of 24/7 Jobsite Surveillance and Monitoring	\$100.00	(\$0.00)	\$100.00	12	\$1,200.00
Subtotal:						\$5,988.00

Shipping: \$2,150.00

Sales Tax: \$2,656.71

QUOTE TOTAL: \$36,713.81

I agree to the terms outlined in this document and wish to proceed with the implementation of the aforementioned products and services.

Authorized signature for City of Compton

Date

TrueLook Lifetime Warranty. TrueLook will repair or replace any defective camera components for the life of your TrueLook camera system. Maximum liability under the TrueLook Lifetime Warranty shall be to exchange a defective camera or component for a new camera or component of the same or comparable model. TrueLook Lifetime Warranty does not cover acts of nature or mishandling of equipment.

Money Back Guarantee. 30-day Satisfaction Guarantee begins upon receipt of equipment and is not applicable to custom-built systems.

Service Period. The service period begins once your camera goes live on your jobsite. Service automatically renews on a month-to-month basis (after any prepaid service is used) until TrueLook is notified of cancellation. Our standard rate applies for any non-prepaid months of service. Any service credits are held for 90 days. Contact your sales representative or call 1-833-TRUELOOK anytime to cancel your service.

Installation. Unless installation service is being provided by TrueLook, the customer is responsible for installation of all hardware. It is the customer's responsibility to install the product per all local codes, requirements, and applicable safety standards and rules.

Shipping. Items are shipped to the address listed on the quote. Re-routing of shipments will accrue additional charges.

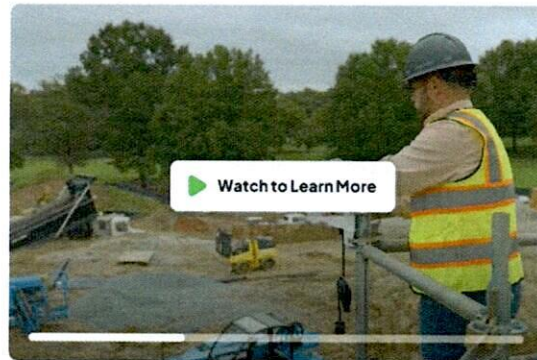
Order Cancellation. There is a 15% restocking fee for order cancellation. Customer is also responsible for freight charges and restocking fee for cancellation of solar equipment orders.

Terms and Conditions <https://www.truelook.com/terms-conditions/>

☐ TrueLook may occasionally wish to use photos or videos from your camera, most often for marketing purposes. If you do not want us to use any media from your project, please check this box. Otherwise, you grant TrueLook the following: a non-exclusive, transferable, royalty-free, worldwide license to use, reproduce, modify, adapt, publish, create derivative works from, distribute, perform, promote, and display any content from your TrueLook camera. We will never share non-camera data such as mobile photo uploads, imported files, usernames, or contact info.

No one makes construction cameras as hassle-free.

TrueLook Cameras offer the **most comprehensive feature set** for the jobsite, **giving you the features you need to keep your projects on track, without the added hassle.** With 24/7 support, lifetime warranty, no-contract service plans, and no limits on users, media storage, or data – TrueLook makes your job easier.



Included with every TrueLook Camera:

✓ Intelligent Security with Motion Alerts

✓ Unlimited Custom Time-Lapsing

✓ Remote HD Live Viewing

✓ Unlimited Data and Users

✓ Plug and Play Installation

✓ Integrations with Procore and Autodesk

✓ Built-in 4G LTE

✓ 24/7 USA Support

June 4, 2024

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: CITY CONTROLLER

SUBJECT: A REQUEST TO RECEIVE AND FILE THE FISCAL YEAR 2020-2021 AUDITED FINANCIAL STATEMENTS, THE FISCAL YEAR 2020-2021 SINGLE AUDIT REPORT, AND THE FISCAL YEAR 2020-2021 UNAUDITED MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE CITY OF COMPTON

SUMMARY

Adoption of this Resolution will formally acknowledge the receipt and filing of the Fiscal Year 2020-2021 Single Audit Report and the issuance of related financial statements.

BACKGROUND

Eadie & Payne LLP has audited the Fiscal Year 2020-2021 financial statements for the City of Compton as is required by the City to remain compliant with bond contractual requirements and granting agency requirements.

The audit consisted of the examination of the financial statements of the governmental activities, business related activities, use of each major fund, and the aggregate remaining fund information. The audit report includes the comprised related notes to the financial statements for the City of Compton as of June 30, 2021. The auditor performed tests of the City of Compton's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. The audit additionally included services to report on supplementary information other than the Required Supplementary Information (RSI) that accompanies City of Compton's financial statements. Services, such as comparing and reconciling accounting information and other records used to prepare the financial statements in accordance with the auditing standards generally accepted in the United States of America, were provided. Upon completion of the audit, Eadie & Payne LLP provided a written report and an opinion of the financial statements.

The objective of their audit was to provide an opinion as to whether the City's financial statements are appropriately and accurately presented in conformity with U.S. Generally Accepted Accounting Principles (GAAP). The objective also includes reporting on the precedence of internal controls over financial reporting in accordance to the laws and regulations set by the Government Auditing Standards.

The City has prepared its Management's Discussion and Analysis for Fiscal Year 2020-2021 (the "MD&A") to accompany the audited financial statements; however, the MD&A was not prepared and submitted to Eadie & Payne LLP in time to be included in its review

of the City's financial statements. The audit letter submitted by Eadie & Payne LLP states that, while the missing MD&A is required by the Governmental Accounting Standards Board as an essential part of the financial reporting for placing the City's basic financial statements in an appropriate operational, economic, or historical context, the opinion provided by Eadie & Payne LLP on the City's basic financial statements is not affected by the missing information.

STATEMENT OF THE ISSUE

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatements, the auditor performed tests on the City of Compton's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements.

The Uniform Guidance requires that the auditor plan and perform the audit to obtain reasonable assurance about whether the City has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. The purpose of these procedures was to express an opinion of the City of Compton's compliance with requirements applicable to each of its major programs in their report on compliance issued pursuant to the Uniform Guidance.

Financial Highlights:

- The assets and the deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the Fiscal Year 2020-2021 by approximately \$5.1 million (*net position*), which is approximately \$105.1 million higher than the previous year's net position. This is due primarily to a City-wide valuation of capital assets and an increase in tax revenue, including property taxes and sales taxes. While franchise tax and special assessment tax revenue remained mostly flat relative to fiscal year 2019-20, property tax and sales tax revenue improved relative to the prior year by approximately \$12.0 million and \$7.1 million, respectively. The unrestricted portion of net position as of June 30, 2021 increased by approximately \$21.4 million to (\$256,963,174) accumulating more resources that may be used to meet the City's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's Governmental Funds (e.g. General Fund, Capital Projects Funds, Special Revenue Funds, etc.) reported combined fund balances of approximately \$169.6 million, an increase of approximately \$59.1 million from the prior year. Of this amount, \$172.5 million, or approximately 102.1%, of total fund balances are reported as either "Nonspendable" (\$10.5 million), "Assigned" (\$140 thousand), "Committed" (\$3.4 million), or "Restricted" (\$162.2 million) fund balances, leaving negative \$(6.7 million) available as Unassigned for use at the City's discretion. This increase in

the City's governmental funds combined fund balances reported was primarily driven by increases in tax revenue (by approximately \$11 million) and an influx of bond proceeds (by approximately \$41.8 million) from the 2021 Sales Tax Revenue Bonds issued in March 2021.

- The City's net capital assets (land, buildings, equipment, infrastructure, less accumulated depreciation) were at \$208.8 million as of June 30, 2021, increasing by \$83.7 million over the previous year due mainly to a valuation of capital assets that the City had been performed which recognized prior unrecorded capital assets (\$73.4 million), as well as additions and improvements during Fiscal Year 2020-2021 for streets and pavement (\$14.5 million), and for Gonzales Park solar arrays (\$637.5 thousand).
- The City's net long-term liabilities increased by \$67.3 million to \$466.2 million, primarily as the result of issued bonds of \$41 million during March of 2021 along with Pension and OPEB liability increases of \$8.3 million and of \$20.0 million respectively. Offsets to these increases occurred from principal payments made by the City on exiting bonds payable, notes and loans payable.
- The City's financial position was elevated during Fiscal Year 2020-2021 with the removal of two "qualified" opinions from the City's Single Audit and audited financial statements. Prior to Fiscal Year 2020-2021, the City maintained a "qualified" audit opinion on its valuation of Capital Assets, as well as on the City's reporting of Housing Authority Equity balances. During Fiscal Year 2020-2021 City staff performed the necessary research to rectify the valuations and reporting of these assets and liabilities. This follows the research done during the prior Fiscal Year 2019-2020 which saw the removal of two "qualified" audit opinions regarding the City's recorded balances of Unearned Revenue and Loan Receivable. As of the Fiscal Year ended June 30, 2021 only one "qualified" opinion has remained for which research has begun for an anticipated rectification within the next audit report.
- Property Taxes increased by approximately \$12.0 Million, 24.6%, primarily as a result of an increase in assessed valuation from new non-residential construction (a 7.54% increase as shown in the Proposition 111 Analysis of the Office of the Assessor of Los Angeles County).
- Sales Taxes increased by approximately \$7.1 Million or 33%, as a result of increased spending volume.
- Utility User Taxes increased by approximately \$1.1 million, 10.2%, as a result of increased residential utility usage incurred from shut down orders in Los Angeles County during the Covid-19 pandemic.

Audit Findings:

In addition to the qualified opinion on the audited financial statements, the City received an updated list of auditor findings. Auditor findings are deficiencies found by the auditors while conducting the audit in areas of internal control, accounting errors, and non-compliance with grant, legal, or contractual requirements.

Corrective Action Plan:

The City Controller and the City Manager have provided responses as well as a corrective action plan to the auditor to address the findings and matters receiving a qualified audit opinion. In order for the City to overcome these findings the City Controller's Department is currently working with the City Manager's Department to do the following:

- Implement new policies and procedures,
- Cost Allocation Plan Update and Refinement
- Accounting research to rectify past accounting errors
- Appropriately implement financial accounting software and program reports where needed
- Provide Training

Implementing the corrective action plan provided to the auditors, as well as the steps described above will remove audit findings and audit qualification matters so that the City can operate more efficiently and effectively, obtain more opportunities for outside financing, and become a model for other cities to follow. The audit findings signify that some existing City practices allow for the opportunity for the misappropriation of City assets, as well as the possibility of losing granting opportunities.

FISCAL IMPACT

The impact of completing the Fiscal Year 2020-2021 Audit and releasing the Fiscal Year 2020-2021 Audited Financial Statements as well as the FY2021 Single Audit Report by the City's auditors allows the City to remain in compliance with grant and contractual requirements. Adoption will also greatly assist with removing the City from the State of California Auditor Department's list of cities with the greatest fiscal risk in the State of California.

RECOMMENDATION

It is the recommendation of staff that the City Council receive and file the attached set of Audited Financial Statements for Fiscal Year 2020-2021, the Single Audit Report for Fiscal Year 2020-2021, and the MD&A for Fiscal Year 2020-2021.

**SHARON RAHBAN NAVIZADEH
CITY CONTROLLER**

APPROVED FOR FORWARDING:

Willie A. Hopkins Jr.

RESOLUTION NO. _____

**A REQUEST TO RECEIVE AND FILE THE FISCAL YEAR 2020-2021
AUDITED FINANCIAL STATEMENTS, THE FISCAL YEAR 2020-2021 SINGLE
AUDIT REPORT, AND THE FISCAL YEAR 2020-2021 UNAUDITED
MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE CITY OF
COMPTON**

WHEREAS, adoption of this Resolution will formally acknowledge the receipt and filing of the Fiscal Year 2020-2021 Single Audit Report and the issuance of related financial statements; and

WHEREAS, the audit consisted of the examination of the financial statements of the governmental activities, business related activities, use of each major fund, and the aggregate remaining fund information. The audit report includes the comprised related notes to the financial statements for the City of Compton as of June 30, 2021. The auditor performed tests of the City of Compton's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. The audit additionally included services to report on supplementary information other than RSI that accompanies City of Compton's financial statements. Services, such as comparing and reconciling accounting information and other records used to prepare the financial statements in accordance with the auditing standards generally accepted in the United States of America, were provided. Upon completion of the audit, Eadie & Payne LLP provided a written report and an opinion of the financial statements.

WHEREAS, the objective of the audit was to provide an opinion as to whether the City's financial statements are appropriately and accurately presented in conformity with U.S. Generally Accepted Accounting Principles (GAAP). The objective also includes reporting on the precedence of internal controls over financial reporting in accordance to the laws and regulations set by the Government Auditing Standards.

WHEREAS, the City has prepared its Management's Discussion and Analysis for Fiscal Year 2020-2021 (the "MD&A") to accompany the audited financial statements; however, the MD&A was not prepared and submitted to Eadie & Payne LLP in time to be included in its review of the City's financial statements. The audit letter submitted by Eadie & Payne LLP states that, while the missing MD&A is required by the Governmental Accounting Standards Board as an essential part of the financial reporting for placing the City's basic financial statements in an appropriate operational, economic, or historical context, the opinion provided by Eadie & Payne LLP on the City's basic financial statements is not affected by the missing information.

WHEREAS, an audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, their audit involved judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

WHEREAS, an audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, the auditor communicated to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, Government Auditing Standards, and the Uniform Guidance.

WHEREAS, as part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, the auditor performed tests of City of Compton's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures was not to provide an opinion on overall compliance and they did not express such an opinion in the City's report on compliance issued pursuant to *Government Auditing Standards*.

WHEREAS, the Uniform Guidance requires that the auditor also plan and perform the audit to obtain reasonable assurance about whether the City has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Their procedures consisted of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of City of Compton's major programs. The purpose of these procedures was to express an opinion on City of Compton's compliance with requirements applicable to each of its major programs in their report on compliance issued pursuant to the Uniform Guidance.

WHEREAS, the auditors provided a "qualified" opinion on certain parts of the financial statements.

WHEREAS, a qualified opinion on these matters can change to an unqualified opinion in future years' audits when those particular matters are rectified. The City's Accounting Division is continuously performing the accounting research and work necessary to correct these matters.

WHEREAS, in addition to the qualified opinion on the audited financial statements, the City received an updated list of auditor findings. Auditor findings are deficiencies found by the auditors while conducting the audit in areas of internal control, accounting errors, and non-compliance with grant or contractual requirements.

WHEREAS, the City Controller and the City Manager have provided responses as well as a corrective action plan to the auditor to address the findings and matters receiving a qualified audit opinion. In order for the City to overcome these findings the City Controller's Department is currently working with the City Manager's Department to do the following:

- Implement new policies and procedures,
- Cost Allocation Plan Update and Refinement
- Capital/Fixed Assets Valuation
- Accounting research to rectify past accounting errors
- Appropriately implement financial accounting software and program reports where needed
- Provide Training

WHEREAS, implementing the corrective action plan provided to the auditors, as well as the steps described above will remove audit findings and audit qualification matters so that the City can operate more efficiently and effectively, obtain more opportunities for outside financing, and become a model for other cities to follow. The audit findings signify that some existing City practices allow for the opportunity for the misappropriation of City assets, as well as the possibility of losing granting opportunities.

WHEREAS, the impact of completing the Fiscal Year 2020-2021 Audit and releasing the Fiscal Year 2020-2021 Audited Financial Statements as well as the Fiscal Year 2020-2021 Single Audit Report by the City's auditors allows the City to remain in compliance with grant and contractual requirements. Adoption will also greatly assist with removing the City from the State of California Auditor Department's list of cities with the greatest fiscal risk in the State of California.

WHEREAS, it is the recommendation of staff that the City Council adopt this Resolution to receive and file the attached set of Audited Financial Statements for Fiscal Year 2020-2021, and the Single Audit Report for Fiscal Year 2020-2021.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Receive and File the Fiscal Year 2020-2021 Audited Financial Statements, Fiscal Year 2020-2021 Single Audit, and the unaudited MD&A.

Section 2. That a copy of this Resolution shall be filed in the offices of the City Clerk, City Attorney, City Manager, and City Controller.

Section 3. That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

ADOPTED this _____ day of _____, 2024.

MAYOR OF THE CITY OF COMPTON

ATTEST:

CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF COMPTON)

I, Vernell McDaniel, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council of the City of Compton, signed by the Mayor and attested by the City Clerk at a regular meeting thereof held on this _____ day of _____, 2024.

That said Resolution was adopted by the following vote, to wit:

AYES: COUNCILMEMBERS -
NOES: COUNCILMEMBERS -
ABSTAIN: COUNCILMEMBERS -
ABSENT: COUNCILMEMBERS -

CITY CLERK OF THE CITY OF COMPTON



CITY OF COMPTON

SINGLE AUDIT REPORT
FOR THE YEAR ENDED JUNE 30, 2021



CITY OF COMPTON

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JUNE 30, 2021

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**INDEPENDENT AUDITOR'S 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***

The Honorable City Council
City of Compton
Compton, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Compton, California (the City) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 18, 2024. Our report includes qualified opinions on those financial statements, because the City has not maintained sufficient records and we were unable to obtain sufficient appropriate audit evidence about the allocation of cash to the various funds. In addition, our report includes an emphasis of matters paragraph to bring attention to deficit fund balances in the general fund and other funds totaling approximately \$39 million.

Internal Control over Financial Reporting

In planning and performing our audit of the 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as findings 2021-009 and 2021-010 (marked MW) to be material weaknesses.

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. We consider the deficiencies described in the accompany schedule of findings and questioned as findings 2021-011 to 2021-016 (marked SD) to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as finding 2021-017 (marked NC).

City of Compton's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Eadie and Payne, LLP

Riverside, California
May 24, 2024



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

The Honorable City Council
City of ComptonCity of Compton
Compton, California

Report on Compliance for Each Major Federal Program

We have audited City of Compton's (the City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our qualified opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Basis for Qualified Opinion on Assistance Listing Number 14.871 Section 8 Housing Choice Vouchers

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding Assistance Listing Number 14.871 Section 8 Housing Choice Vouchers as described in finding number 2021-002 for reporting. Compliance with such requirement is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

Qualified Opinion on Assistance Listing Number 14.871 Section 8 Housing Choice Vouchers

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Assistance Listing Number 14.871 Section 8 Housing Choice Vouchers for the year ended June 30, 2021.

Unmodified Opinion on Each of the Other Major Federal Programs

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-004 to 2021-007. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-001 and 2021-002 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2021-003, 2021-006 to 2021-008 to be significant deficiencies.

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of and for the year ended June 30, 2021, and the related notes to the financial statements which collectively comprise the City's basic financial statements. We have issued our report thereon dated May 8, 2024, which contains qualified opinions on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Eadie and Payne, LLP

Riverside, California
May 24, 2024

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

CITY OF COMPTON
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor / Pass-through Grantor / Program or Cluster Title	Federal Assistance Listing Number	Program Identification Number	Federal Expenditures	Expenditures to Subrecipients	Total Federal Awards Expended for Loan or Loan Guarantee Programs
U.S. Department of Housing and Urban Development					
CDBG - Entitlement Grants Cluster					
Direct:					
Community Development Block Grants/Entitlement Grants	14.218	B-19-MC-06-0515	\$ 1,380,679	\$ 116,057	\$ -
COVID-19-CDBG - CV, Cares Act		B-20-MW-06-0515	4,068	-	-
Total CDBG - Entitlement Grants Cluster			<u>1,384,747</u>	<u>116,057</u>	<u>-</u>
Direct:					
Community Development Block Grants Section 108					
Section 108 Note Payable - current expenditures	14.248	Loans	\$ 506,125	\$ -	\$ 506,125
Section 108 Loans Receivable - balance at beginning of year			522,691	-	522,691
Total CDBG Section 108			<u>1,028,816</u>	<u>-</u>	<u>1,028,816</u>
Direct:					
Community development Block Grants/Disaster Recovery Grants (DRGR)	14.228	B-08-MN-06-0505	4,420	-	-
Direct:					
HOME Investment Partnership Program	14.239	M-19-MC-06-0506	148,848	-	-
Housing Voucher Cluster					
Direct:					
Section 8 Housing Choice Vouchers	14.871	CA-071	8,699,620	-	-
Direct:					
CARES Act - Supplemental Housing Assistance Payment (HAP) Funding Impacted by COVID-19, Extraordinary Circumstances	14.HCC		300,953	-	-
CARES Act -Supplemental Administrative Fee Funding Impacted by COVID-19			67,493	-	-
			368,446	-	-
Total Housing Voucher Cluster			<u>9,068,066</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			<u>12,663,713</u>	<u>116,057</u>	<u>2,057,632</u>
U.S. Department of Justice					
Direct:					
COVID-19 - Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-1040	149,719	-	-
Total U.S. Department of Justice			<u>149,719</u>	<u>-</u>	<u>-</u>
U.S. Department of Treasury					
Pass Through CA Department of Finance (#11918): Coronavirus Relief Fund (CRF)	21.019		1,210,414	-	-
Total U.S. Department of Treasury			<u>1,210,414</u>	<u>-</u>	<u>-</u>
Total Expenditures of Federal Awards			<u>\$ 14,023,846</u>	<u>\$ 116,057</u>	<u>\$ 2,057,632</u>

See accompanying notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.

CITY OF COMPTON
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal award activity of City of Compton (City) under programs of the federal government for the year ended June 30, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in financial position, or cash flows of the City.

2. BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting. Such expenditures are recognized following the Cost Principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. INDIRECT COST RATE

The City has not elected to use the 10% de minimis cost rate.

4. SUBAWARDS

The City passes through Federal awards to certain subrecipients. The programs and amounts passed through as of June 30, 2021 are as follows:

Program Name	Subawards
CDBG - Entitlement Grants Cluster	
ERD Campfire Safety Self	\$ 55,000
ERD Domestic Violence Prevention	13,457
Champions of Caring	17,600
Youth Building	20,000
Fair Housing	10,000
Total Subawards	\$ 116,057

5. LOAN PROGRAMS WITH CONTINUING COMPLIANCE REQUIREMENTS

The City participates in the Community Development Block Grants Section 108 Loan Guarantees (Assistance Listing No. 14.248) of the U.S. Department of Housing and Urban Development, which is subject to continuing compliance requirements for outstanding loans. The program's outstanding balance on loans with continuing compliance requirements as of June 30, 2021 are as follows:

Assistance Listing Number	Program Name	Outstanding Balance at June 30, 2021
14.248	Rosewood Family Loan	\$ 378,667
14.248	Fatburger Loan	144,024
		\$ 522,691

See accompanying notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.

CITY OF COMPTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2021

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP: Qualified

Internal control over financial reporting:

- Material weakness identified? x Yes No
- Significant deficiency identified? x Yes None reported

Noncompliance material to financial statements noted? x Yes No

Federal Awards

Internal control over major federal programs:

- Material weakness identified? x Yes No
- Significant deficiency identified? x Yes None reported

Type of auditor's report issued on compliance for major federal programs: Qualified Opinion and Unmodified Opinion

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? x Yes No

Identification of major federal programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Vouchers
14.218	CDBG-Entitlement Grants Cluster
21.019	Coronavirus Relief Fund (CRF)
14.248	CDBG- Section 108

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? Yes x No

See accompanying notes to Schedule of Expenditures of Federal Awards and Independent Auditor's Report on Compliance for Each Major Program; Report on Internal Control over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance.

CITY OF COMPTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2021

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Allowable Costs/Cost Principles 2021-004

Special Tests and Provisions 2021-005

Department of Treasury – Coronavirus Relief Fund

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CITY OF COMPTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

2021-001 – Filing of Single Audit Report (MW, NC)

Criteria: Pursuant to the Office of Management and Budget (OMB) 2 CFR Part 200, Appendix XI, Section 8-7-3, IV. Due Date for Audit Reports, the copy of the data collection form should be filed 'with the Federal Audit Clearinghouse (FAC) as the date 9 months after the end of the audit period'. The OMB extended the Single Audit submission deadline for fiscal years ended June 30, 2020 and June 30, 2021 by six months.

Condition: The City did not complete the audit and submit the Single Audit Reporting Package (the City's audited financial statements and single audit reports) for the fiscal years ended June 30, 2012, 2013, 2014, 2015, 2016, 2017, 2018, and 2019 within nine months after the end of audit period. The City did not complete the audit and submit the Single Audit Reporting Package for the fiscal years ended June 30, 2020 and 2021 within 15 months after the end of the audit period (the extended deadline).

Cause: The City has been severely behind on its recording and reconciliations for financial transactions. The City's Single Audit for 2013 was not completed until February of 2016. The City's predecessor auditor withdrew from the audit after issuance of the 2014 financial statements in November 2016 and did not issue a Single Audit report. Due to substantial employee turnover within the City at all levels, and incomplete records, the 2015, 2016, and 2017 audits were not completed and City did not issue financial statements. The City has been working diligently to update its records since 2018, however it still continues to experience a lack of qualified personnel and substantial employee turnover in the City Controller's Office.

Effect or Potential Effect: Failure to submit the required Single Audit Reporting Package timely automatically results in the City not qualifying for low risk auditee status for the following year's single audit. In addition, failure to file the required Single Audit Reporting Package timely could result in the loss of federal funding.

Questioned Cost: None

Context: The physical single audit reports for fiscal years 2015, 2016, and 2017, were submitted to the U.S. Department of Housing and Urban Development (Attn: Mr. Miguel Fontanez, Director of Housing Voucher Financial Management Division) at the Office of Public and Indian Housing, Washington, DC 20410-5000 on March 27, 2019. The Single Audit Reporting Package for fiscal years 2019 and 2020 were submitted on April 28, 2021 and March 28, 2022, respectively.

Statistical Sampling Validity: Not applicable. Sampling was not performed in relation to this finding.

Repeat of a Prior-Year Finding: 2020-003, 2019-007, 2018-011, 2017-011, 2016-007, 2015-010, 2014-009

Recommendation: We recommend that the City bring its accounting records up to date and have financial statement and Single Audits prepared timely. We also recommend the City develop, document, and implement policies and procedures for timely submission of the Single Audit Reporting Package.

Management Response and Corrective Action Plan

City's Response: The City concurs with the recommendation.

Corrective Action Plan: The City has hired outside CPA's with the goal of completing all audits through FY 2023 by December 2024.

Planned Implementation Date: December 2024

Responsible Person(s): Sharon Rahban, City Controller

2021-002 – Missing Reports (MW, NC)

Federal Program Title:	Section 8 Housing Choice Vouchers
Federal Catalog Number:	14.871
Federal Agency:	U.S. Department of Housing and Urban Development
Pass-Through Entity:	Not applicable
Federal Award Number and Year:	CA-071 - 2021
Category of Finding:	Reporting

Criteria: The Office of Management and Budget 2021 Compliance Supplement states that the following reports are required to be submitted to the U.S. Department of Housing and Urban Development.

HUD-52681-B, Voucher for Payment of Annual Contributions and Operating Statement (OMB No. 2577-0169). The PHA submits this form monthly to HUD electronically via the VMS. Congress has instructed HUD to use VMS data to determine renewal funding levels. HUD also uses VMS data for other funding, monitoring, and SEMAP-related decisions. HUD relies on the audit of the key line items below to determine the reasonableness of the data submitted for the purposes of calculating funding under the program.

Financial Reports (OMB No. 2535-0107) – Financial Assessment Subsystem, FASS-PH. The Uniform Financial Reporting Standards (24 CFR section 5.801) require PHAs to submit timely GAAP-based unaudited and audited financial information electronically to HUD. The FASS-PH system is one of HUD's main monitoring and oversight systems for the HCVP.

HUD-52648, SEMAP Certification – PHAs with jurisdiction in metropolitan Fair Market Rent areas have the option of submitting data to HUD with their annual SEMAP certifications on the percent of their tenant-based Section 8 families with children who live in and who have moved during the PHA fiscal year to low poverty census tracts in the PHA's principal operating area. Submission of this information with the SEMAP certification makes the PHA eligible for bonus points under SEMAP (24 CFR section 985.3(h)).

HUD 60002, Section 3 Summary Report, Economic Opportunities for Low- and Very Low-Income Persons (OMB No. 2529-0043) – Each recipient that administers covered public and Indian housing assistance, regardless of the amount expended, and each recipient that administers covered housing and community development assistance in excess of \$200,000 in a program year, must submit HUD 60002 information using the automated Section 3 Performance Evaluation and Registry System (SPEARS) (24 CFR sections 135.3(a)(1) and 135.90).

HUD-50058, Family Report (OMB No. 2577-0083) – The PHA is required to submit this form electronically to HUD each time the PHA completes an admission, annual reexamination, interim reexamination, portability move-in, or other change of unit for a family. The PHA must also submit the Family Report when a family ends participation in the program or moves out of the PHA's jurisdiction under portability (24 CFR Part 908 and 24 CFR section 982.158).

Condition: We were unable to obtain the following reports: HUD-52681-B, FASS-PH, and HUD-52648.

Cause: Turnover of staff in the Housing Authority and delay in recruitment. Lack of internal control over the retention of program reports.

Effect or Potential Effect: The City is facing sanctions from the Office of Inspector General (OIG) with a reduced Section 8 Management Assessment Program (SEMAP) rating from High Performer to Standard Performer. A reduced rating may result in HUD withholding additional grant funds or offset the Housing Choice Voucher (HCV) administrative fees.

Questioned Cost: None.

(MW) – Material Weakness (SD) – Significant Deficiency (NC) – Noncompliance

Context: The Housing Authority did not provide required reports.

Statistical Sampling Validity: Not applicable.

Repeat of a Prior-Year Finding: 2020-001, 2019-005, 2018-007

Recommendation: We recommend the City establish policies and procedures that will ensure the retention of program documents.

Management Response and Corrective Action Plan

City's Response: The City concurs with the recommendation.

Corrective Action Plan: The City Controller's Office drafted a grants policy that is currently under review by City Management. Community development staff will ensure a succession plan is in place for any staff turnover and for report preparation compliance.

Planned Implementation Date: December 31, 2024

Responsible Person(s): City Manager, Community Development Director, and City Controller

2021-003 – Incorrect Payrates (SD)

Federal Program Title:	Section 8 Housing Choice Vouchers
Federal Catalog Number:	14.871
Federal Agency:	U.S. Department of Housing and Urban Development
Pass-Through Entity:	Not applicable
Federal Award Number and Year:	CA-071 - 2021
Category of Finding:	Allowable Costs/Cost Principles

Criteria: Title 2, Subtitle A, Chapter II, Part 200, General Provisions for Selected Items of Cost, Section 200.430, Compensation – Personal Services requires that costs of compensation are allowable to the extent that they satisfy specific requirements which include that the total compensation of individual employees is determined and supported as provided in the Standards for Documentation of Personnel Expenses. The said standards require charges to Federal awards for salaries and wages must be based on records that must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.

Condition: The City uses personnel action forms (PA101) to document the approved payrates of City employees. During our audit, we noted that the payrates used to determine the amounts claimed for payroll costs associated with the program were lower than what was reflected in the PA 101 form.

Cause: The City approved retroactive pay increases for employees and the pay increases were processed as lump sum adjustments. The payroll records prior to the approval of the retroactive pay were not adjusted to reflect the change. The program costs were not adjusted either.

Effect or Potential Effect: The City missed the opportunity to claim higher payroll costs to the program.

Questioned Cost: None.

Context: Six instances of incorrect payrates were found out of 20 sample items. Since the costs claimed were lower than what they should have been, no questioned cost is reported.

Statistical Sampling Validity: Samples are haphazardly selected.

Repeat of a Prior-Year Finding: No

Recommendation: We recommend the City improve procedures to ensure that payrate changes are approved timely and payroll costs charged to the grant are also adjusted whenever payrate changes are approved.

Management Response and Corrective Action Plan

City's Response: The City concurs with the recommendation.

Corrective Action Plan: The general accounting policy will be updated for the accountant to check the payroll register to accrue retroactive pay changes to the correct period.

Planned Implementation Date: June 30, 2024

Responsible Person(s): City Controller

2021-004 – Distribution of Hours Worked (NC)

Federal Program Title:	Section 8 Housing Choice Vouchers
Federal Catalog Number:	14.871
Federal Agency:	U.S. Department of Housing and Urban Development
Pass-Through Entity:	Not applicable
Federal Award Number and Year:	CA-071 – 2021
Category of Finding:	Allowable Cost/Cost Principles

Criteria: Title 2, Subtitle A, Chapter II, Part 200, General Provisions for Selected Items of Cost, Section 200.430, Compensation – Personal Services requires that costs of compensation are allowable to the extent that they satisfy specific requirements which include that the total compensation of individual employees is determined and supported as provided in the Standards for Documentation of Personnel Expenses. The said standards require charges to Federal awards for salaries and wages must be based on records that must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.

Federal award recipients should support the distribution of the employee's salary or wages among specific activities or cost objectives if the employee works on more than one Federal award; a Federal award and non-Federal award; an indirect cost activity and a direct cost activity; two or more indirect activities which are allocated using different allocation bases; or an unallowable activity and a direct or indirect cost activity.

Condition: If an employee works on more than one program or fund, the employee's salary or wages and benefits are distributed by the City to the respective programs or funds based on the number of hours worked. The basis for the distribution is the employee's timecard. During our audit, we noted one employee's timecard did not indicate the number of hours worked for Section 8 or another program/fund, however only 10% of his/her payroll cost was charged to Section 8.

Cause: The City was unable to provide the timecard that showed the hours worked by the employee by program/fund.

Effect or Potential Effect: Over or understatement of payroll cost charged to the program.

Questioned Cost: None.

Context: One exception out of 20 sample items.

Statistical Sampling Validity: Samples are haphazardly selected.

Repeat of a Prior-Year Finding: No

Recommendation: We recommend that the City improve procedures to ensure that they retain all timecards that reflect the distribution of costs to programs/funds and make them available for the auditors.

Management Response and Corrective Action Plan

City's Response: The City concurs with the recommendation.

Corrective Action Plan: The payroll policy will be updated to require that timecards be updated with supervisor signature if changes are made to change allocation to another fund.

Planned Implementation Date: June 30, 2024

Responsible Person(s): City Controller

2021-005 – Housing Quality Standards Inspection (NC)

Federal Program Title:	Section 8 Housing Choice Vouchers
Federal Catalog Number:	14.871
Federal Agency:	U.S. Department of Housing and Urban Development
Pass-Through Entity:	Not applicable
Federal Award Number and Year:	CA-071 – 2021
Category of Finding:	Special Tests and Provisions

Criteria: The public housing agency (PHA) must inspect the unit leased to a family at least annually to determine if the unit meets Housing Quality Standards (HQS) and the PHA must conduct quality control re-inspections.

Condition: In one instance, the City did not perform the required annual inspection.

Cause: We were informed that the HUD system did not release the address for inspection so no inspection was performed.

Effect or Potential Effect: The City's failure to comply with stated requirements exposes the City to sanctions from the federal agency, including loss of funding.

Questioned Cost: None

Context: The exception was noted in one out of 60 participants tested. The City has noted that they will investigate the issue.

Statistical Sampling Validity: Samples are haphazardly selected.

Repeat of a Prior-Year Finding: No

Recommendation: We recommend the City to improve procedures to ensure that all annual inspections are performed.

Management Response and Corrective Action Plan

City's Response: The City concurs with the recommendation.

Corrective Action Plan: Policies will be enforced or monitored more closely by Housing Authority management to ensure all inspections and re-inspections are complete and documented.

Planned Implementation Date: December 31, 2024

Responsible Person(s): Community Development Director

2021-006 – Incorrect Payrates (SD, NC)

Federal Program Title:	Coronavirus Relief Fund
Federal Catalog Number:	21.019
Federal Agency:	U.S. Department of the Treasury
Pass-Through Entity:	CA Department of Finance
Federal Award Number and Year:	N/A - 2021
Category of Finding:	Allowable Costs/Cost Principles

Criteria: Title 2, Subtitle A, Chapter II, Part 200, General Provisions for Selected Items of Cost, Section 200.430, Compensation – Personal Services requires that costs of compensation are allowable to the extent that they satisfy specific requirements which include that the total compensation of individual employees is determined and supported as provided in the Standards for Documentation of Personnel Expenses. The said standards require charges to Federal awards for salaries and wages must be based on records that must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.

Condition: The City used incorrect payrates when calculating payroll costs charged to the program.

Cause: When the City calculated the Fire Department payroll and payroll costs related to Covid Leave, they used a report that reflected payrates that were higher than what the payroll register reported.

Effect or Potential Effect: The City overstated the payroll costs charged to the program.

Questioned Cost: \$32,314

Context: The exception was found in 10 out of 28 employees selected. The questioned cost is the amount projected to the entire population.

Statistical Sampling Validity: Samples are haphazardly selected.

Repeat of a Prior-Year Finding: No

Recommendation: We recommend the City enhance procedures to double check the payrates used when calculating charges to federal awards.

Management Response and Corrective Action Plan

City's Response: The City concurs with the recommendation.

Corrective Action Plan: The City has other eligible costs that were not claimed for this grant that can be used to offset the questioned cost. Procedures are already in place to enhance payrate calculations in the future.

Planned Implementation Date: Implemented as of April 2024

Responsible Person(s): City Controller

2021-007 – Missing Reports (SD, NC)

Federal Program Title:	Community Development Block Grant/Entitlement Grants
Federal Catalog Number:	14.218
Federal Agency:	U.S. Department of Housing and Urban Development
Pass-Through Entity:	No applicable
Federal Award Number and Year:	B-19-MC-06-0515 - 2019
Category of Finding:	Reporting

Criteria: The Office of Management and Budget 2021 Compliance Supplement states that the following reports are required to be submitted to the U.S. Department of Housing and Urban Development.

SF-425, Federal Financial Report – Applicable (cash status only) (this is the IDIS C04PR29 Cash on Hand Quarterly Report made available in IDIS on August 12, 2019, which allows grantees to generate this report by custom date ranges and export data to Excel and PDF)

Integrated Disbursement and Information System (IDIS) (OMB No. 25060077) – Grantees may include reports generated by IDIS as part of their annual performance and evaluation report that must be submitted for the CDBG Entitlement program 90 days after the end of a grantee's program year.

- (1) C04PR03 – Activity Summary Report
- (2) C04PR26 – CDBG Financial Summary Report
- (3) C04PR26 – CDBG-CV Financial Summary Report
- (4) C04PR26 – CDBG Activity Summary by Selected Grant

Section 3 of the Housing and Urban Development Act of 1968 – The purpose of Section 3 is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing federal, state, and local laws and regulations, be directed to low-and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low-and very low-income persons. Section 3 projects are housing rehabilitation, housing construction, and other public construction projects assisted under HUD programs that provide housing and community development financial assistance when the total amount of assistance to the project exceeds a threshold of \$200,000.

Consolidated Annual Performance and Evaluation Report (CAPER) (24 CFR 91.520) -- A grantee's CAPER, submitted through the IDIS e-Con Planning Suite, is due 90 days after the close of a jurisdiction's program year.

Condition: We were unable to obtain the following reports: SF-425, Section 3 report and CAPER.

Cause: Turnover of staff and lack of internal control over the retention of program reports.

Effect or Potential Effect: The City's failure to comply with stated reporting requirements exposes the City to sanctions from the federal agency, including loss of funding.

Questioned Cost: None

Context: The City did not provide the abovementioned reports.

Statistical Sampling Validity: Not applicable.

Repeat of a Prior-Year Finding: Yes, 2019-001, 2018-001

Recommendation: We recommend the City establish policies and procedures that will ensure the retention of program reports.

(MW) – Material Weakness (SD) – Significant Deficiency (NC) – Noncompliance

Management Response and Corrective Action Plan

City's Response: The City concurs with the recommendation.

Corrective Action Plan: The City Controller drafted a grants policy which is currently under review by the City Manager, that includes succession planning in case of staff turnover and parameters for grant reporting compliance.

Planned Implementation Date: December 31, 2024

Responsible Person(s): City Manager, Grants Manager

2021-008 – Incorrect Payrate and Hours Worked (SD)

Federal Program Title:	Community Development Block Grant/Entitlement Grants
Federal Catalog Number:	14.218
Federal Agency:	U.S. Department of Housing and Urban Development
Pass-Through Entity:	No applicable
Federal Award Number and Year:	B-19-MC-06-0515 - 2019
Category of Finding:	Allowable Cost/Cost Principles

Criteria: Title 2, Subtitle A, Chapter II, Part 200, General Provisions for Selected Items of Cost, Section 200.430, Compensation – Personal Services requires that costs of compensation are allowable to the extent that they satisfy specific requirements which include that the total compensation of individual employees is determined and supported as provided in the Standards for Documentation of Personnel Expenses. The said standards require charges to Federal awards for salaries and wages must be based on records that must be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.

Condition: During our audit, we found one instance where the employee's timecard did not reflect the number of hours worked for CDBG and another instance where the employee's payrate did not agree to the payrate stated on the personnel action form (PA 101).

Cause: For the exception related to timecard: The City was unable to provide the timecard that showed the hours worked by the employee by program/fund.

For the exception related to payrate: The City approved retroactive pay increases for employees and the pay increases were processed as lump sum adjustments. The payroll records prior to the approval of the retroactive pay were not adjusted to reflect the change. The program costs were not adjusted either.

Effect or Potential Effect: Over or understatement of costs charged to the program.

Questioned Cost: None

Context: One exception related to timecard and another exception related to payrate were found, out of 20 items selected.

Statistical Sampling Validity: Samples are haphazardly selected.

Repeat of a Prior-Year Finding: No

Recommendation: We recommend the City improve procedures to ensure completeness and accuracy of payroll costs charged to federal programs.

Management Response and Corrective Action Plan

City's Response: The City concurs with the recommendation.

Corrective Action Plan: The general accounting policy will be updated for the accountant to check the payroll register to accrue retroactive pay changes to the correct period. The payroll policy will also be updated to require that timecards be updated with supervisor signature if changes are made to change allocation to another fund.

Planned Implementation Date: June 30, 2024

Responsible Person(s): City Controller

CITY OF COMPTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS – FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2021

2021-009 – Allocation of Cash to City Funds/ Negative Cash Balances/ Fund Balance Deficits (MW)

Criteria: Negative cash balances occur within a fund when there is mismatch of expenditures and revenue. Since the City pools its cash, other funds (usually the General Fund) will cover temporary negative cash balances through interfund payable/receivable accounts. Interfund payable/receivable accounts should be settled within the current period.

In addition, the City should operate to maintain adequate fund balances in all of its funds to mitigate current and future risks, such as revenue shortfalls and unanticipated expenditures.

Condition: The City did not have consistent cash allocation and tracking procedures in place, which resulted in negative cash balances rolling forward from prior years through June 30, 2020. The City was able to reconcile the cash allocation among the various funds at June 30, 2021 in FY 2023, two years after the end of FY 2021. However, the City's general ledger continues to report a negative cash balance in excess of \$28.9 million in the general fund (Fund 1001) at June 30, 2021.

Furthermore, there are negative fund balances for various funds including the general fund, nonmajor governmental funds, and internal service funds.

Cause: There was a lack of policy over interfund transactions and weakness in internal control over reconciliations during FY 2021. Due to the vacancies in key positions in the City Controller's Office, staff fell behind on the monthly reconciliations and monitoring of cash balances across funds. There was also a weakness in internal control over operational spending and lack of consideration of long-term financial planning.

Effect or Potential Effect: Cash allocation could be materially misstated. Operating cash deficiencies for amounts not properly recorded, reimbursed, or transferred could exist and not detected and corrected on a timely basis. The fund balance deficits could also have a significant effect on operations on a go-forward basis. City programs and services involved with the fund may be curtailed.

Repeat of a Prior-Year Finding: 2018-014, 2018-037, 2019-010, 2019-025

Recommendation: We recommend the City review cash balances on a regular basis and prepare a plan to eliminate these negative cash balances. Policies and procedures need to be put in place for the regular review of cash balances and the initiation of transfers for reimbursements as needed. We also recommend that management review the negative fund balances and the affected operations to make provisions to eliminate the deficit balances going forward.

Management Response and Corrective Action Plan

City's Response: The City concurs with the recommendation.

Corrective Action Plan: The City hired a consultant to prepare a cost allocation plan which will be implemented in FY22 and future years. The City hired a consultant to prepare a fiscal sustainability plan and fee study, and City has issued an RFP for utility rate study. Also, the City has issued a request for proposal for collection agency, as well as for SB90 collection consultant. The City has approved a contract for consultant to study fire OT cost analysis which greatly contributes to overspending in the general fund. All of these efforts are expected to alleviate the negative cash balances across funds, including the General Fund.

(MW) – Material Weakness (SD) – Significant Deficiency (NC) – Noncompliance

Planned Implementation Date: December 31, 2024

Responsible Person(s): City Manager, City Controller

2021-010 – Information Technology (IT) Controls (MW)

Criteria: IT controls are a critical mechanism for ensuring the integrity of information systems and the reporting of the City's financial information. IT general controls (ITGC) are basic controls applied to IT systems. The objectives of ITGC are to ensure the integrity of data and processes that the IT systems support. ITGC have a pervasive effect on the City's system of internal control over financial reporting.

Condition: During FY 2020, we evaluated the design and implementation of ITGCs and noted 23 findings. We communicated such findings to the IT department and City management. Because those findings reveal vulnerabilities to, or otherwise increase the potential for an attack on, information technology systems of the City, the details of the findings will not be published in this document.

Repeat of a Prior-Year Finding: 2018-040, 2019-034

Recommendation: Our recommendations will be communicated to the City Council through a separate confidential written report.

Management Response and Corrective Action Plan

City's Response: The City concurs with the recommendation.

Corrective Action Plan: The City will update the IT risk assessment and develop a corrective action plan.

Planned Implementation Date: December 31, 2024

Responsible Person(s): City Manager, IT Director

2021-011 – Contingent Liabilities (SD)

Criteria: The City has been named a defendant in numerous lawsuits and claims arising in the course of operations. In aggregate, these claims seek monetary damages in significant amounts. Insurance claims payable reflected on the financial statements should represent the actual obligations and liabilities for incidents that have occurred during the year. Additional accruals for probable losses relating to uninsured risks should be made for incidents occurring during the year when the loss estimates can be made. The City should also disclose the contingency when there could be a material effect to the financial statements.

Condition: The City Controller's Office uses an actuarial report supplied by an outside actuary and risk management staff to record the liability for self-insurance claims. However, there are instances when contingent liabilities may have occurred, but they only learn about the liability when it is time to pay for the claim, which may be many months after the liability had been incurred. The City Attorney's office tracks the lawsuits and status of the lawsuits. However, they do not always inform the risk management team about any probable losses in a timely manner.

Cause: There is no established procedure for timely communication between the City Attorney's Office and the Risk Manager regarding potential contingent liabilities.

Effect or Potential Effect: Incomplete or inaccurate reporting of loss contingencies. Potential prior period adjustments.

Repeat of a Prior-Year Finding: No

Recommendation: The City should develop procedures to foster information-sharing between the City Attorney's Office and the risk management team.

Management Response and Corrective Action Plan

City's Response: The City concurs with the recommendation.

Corrective Action Plan: The City Attorney will provide litigation reports to keep all parties abreast of pending litigation.

Planned Implementation Date: April 31, 2024

Responsible Person(s): City Attorney, City Manager, Risk Manager

2021-012 – Procurement Policy (SD)

Criteria: A current official written policy should be in place for procurement and contracts conforming to applicable federal statutes and the updated procurement requirements per 2 CFR part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance).

Condition: A grants policy which includes Uniform guidance on procurement and conflict of interest has been taken to the City Council for receive and file action in March 2022. The City Manager has yet to implement this policy and make it into the Standard Operating Manual.

Cause: Turnover in the City Manager position.

Effect or Potential Effect: Goods or services could be acquired in violation of the administrative requirements federal regulations and other procurement requirements, such as inappropriately acquired from debarred or suspended parties or providers. Failure to document and retain evidence that procurement procedures were followed could result in the need to reimburse federal funds.

Repeat of a Prior-Year Finding: 2019-029

Recommendation: We recommend the City adopt and implement an official written policy for procurement and contracting and Conflict of Interest Code that are in line with the requirements of the Uniform Guidance.

Management Response and Corrective Action Plan

City's Response: The City concurs with the recommendation.

Corrective Action Plan: The City Manager will coordinate the implementation of the grants policy.

Planned Implementation Date: December 31, 2024

Responsible Person(s): City Manager

2021-013 - Bank Reconciliations (SD)

Criteria: Bank reconciliations should be prepared and reviewed in a timely manner.

Condition: Bank reconciliations are not prepared and reviewed in a timely manner. While the City Controller's Office has been working on preparing the bank reconciliations continuously since FY 2021, bank reconciliations for FY 2021 were completed only in FY 2023. As of April 2024, the City is working on bank reconciliations for FY 2024.

Cause: Weakness in internal control over reconciliations, lack of training, and lack of resources allocated to the bank reconciliation function. Due to the vacancies in key positions in the City Controller's Office, staff fell behind on the monthly reconciliations of the over 30 bank accounts.

Effect or Potential Effect: Potential fraud and misstatements in cash and other accounts.

Repeat of a Prior-Year Finding: 2018-013, 2019-009

Recommendation: The City should dedicate appropriate resources and have City employees trained to perform monthly bank reconciliations for all City bank accounts. Subsequently, a documented review and approval of the bank reconciliations should be performed in a timely manner to ensure that any discrepancies are discovered and addressed appropriately.

Management Response and Corrective Action Plan

City's Response: The City concurs with the recommendation.

Corrective Action Plan: In July of 2023 the City hired CPA firms and temp agency workers to assist City staff with catching up on bookkeeping and on audit preparation including bank reconciliation. At that point the City was 24 months behind in the general checking bank rec. As of April 2024, the City is only 9 months behind. Improvement has been made, but full catchup of bank reconciliations is expected to be done by October 2024.

Planned Implementation Date: October 2024

Responsible Person(s): Sharon Rahban, City Controller

2021-014 – Staffing (SD)

Criteria: City employees should have adequate qualifications, competency, and experience to effectively carry out day-to-day responsibilities directly correlated with their job description in a qualitative and timely manner.

Condition: The City Controller's Office filled some vacancies since FY 2021 however it still has vacancies in positions that are vital in the City's day-to-day accounting.

Cause: The City's recruitment process is lengthy. Additionally, departments are encouraged to explore internal recruitments more extensively, rather than initiating external recruitments.

Effect or Potential Effect: Upper management has been compensating for the lack of lower management available in the City Controller's Department, which results in delays of getting complex projects completed, i.e. financial statement audits, cost allocation plan revision, capital assets valuation, etc. The City Controller's Department has been delayed in its financial statement audits and other projects because vacancies are preventing day-to-day accounting activities from being effectively carried out. This has resulted in the City not having enough resources to move other projects forward.

Repeat of a Prior-Year Finding: 2020-007

Recommendation: We recommend that the City implement a remedial action plan to adequately staff the departments with qualified and experienced individuals who can contribute immediately to the performance of its accounting functions.

Management Response and Corrective Action Plan

City's Response: The City concurs with the recommendation.

Corrective Action Plan: The City has hired CPA firms and temp agencies to assist with catchup of work. The City is also en route to completing a compensation study that will likely yield compensation increases needed to attract the necessary talent to fully staff the controller's office with qualified personnel.

Planned Implementation Date: December 31, 2024

Responsible Person(s): City Manager, HR Director

2021-015 – Internal Audits (SD)

Criteria: Internal audits should be performed to ensure that information processed is accurate and valid. Departments should cooperate and make all information available for internal audits to be performed and completed effectively and efficiently.

Condition: There is a lack of cooperation from departments when supporting documentation is requested for internal audit purposes.

Cause: Departments other than the City Controller's Office do not agree that providing information to the internal auditor is their responsibility. These departments are not willing to use resources to fulfill a task that they believe is not included in their job description. Internal audit requests have not been common practice in the City in the recent years and, therefore, might not have been addressed in job descriptions. However, the City has been making efforts to resolve operational, accounting, and internal control issues that will allow the City to move forward.

Effect or Potential Effect: Lack of transparency results in information that cannot be considered timely or reliable. Additionally, failing to perform regular and timely internal audits creates an opportunity for malicious activities, including waste and abuse of City funds.

Repeat of a Prior-Year Finding: 2020-006

Recommendation: We recommend that City Council and City Management establish and reinforce policies and procedures that promote cooperation of all departments and educate them on the importance of checks and balances within departments across the City.

Management Response and Corrective Action Plan

City's Response: The City concurs with the recommendation.

Corrective Action Plan: The City Manager will formally adopt the internal audit policy.

Planned Implementation Date: December 31, 2024

Responsible Person(s): City Manager

2021-016 – Turnover and Lack of Consistent Leadership (SD)

Criteria: An entity in a governmental environment must have adequate and consistent, competent leadership demonstrating and exercising oversight responsibility.

Condition: The City has been experiencing a high degree of management turnover for years, since at least 2010, which can result in a lack of consistent leadership, lack of operational stability, and inefficient provision of services to its citizens. Between January 1, 2010, and January 1, 2024, more than ten different individuals served as City Manager. In addition, the City also experienced numerous turnover of the City Controller position in past years through FY 2021.

Cause: The high turnover has contributed to a lack of leadership and, in some cases, a lack of management oversight.

Effect or Potential Effect: In addition to potential effects noted above, for purposes of financial reporting, the City was unable to produce financial statements on a timely basis.

Repeat of a Prior-Year Finding: 2019-033

Recommendation: In line with SCO's comment, we recommend the City evaluate its hiring practices for its upper management positions. In addition, the City should develop a succession plan that will help it to ensure continued leadership even during management turnover.

Management Response and Corrective Action Plan

City's Response: The City concurs with the recommendation.

Corrective Action Plan: Per the State Auditor's report of October 2022, the City Manager and HR Director will prepare hiring policies and succession plans.

Planned Implementation Date: December 31, 2024

Responsible Person(s): City Manager, HR Director

2021-017 – Bond Compliance (NC)

Criteria: Governmental entities are subject to a variety of laws, regulations, and contracts that have a direct and material effect on their financial statements. Accordingly, governmental entities should establish a system of internal control over compliance to ensure compliance with laws, regulations, and contracts. Personnel assigned to monitor compliance should have the appropriate knowledge and experience related to the requirements.

Pursuant to Section 5.11 (c) of the Indenture dated July 1, 1993 with US Bank, the City is required to cause the independent certified public accountant to deliver to the City and the trustee a certificate showing that during such fiscal year the City was in compliance with its rate covenant as set forth in Section 5.09.

SEC Rule 15c2-12 requires local governments issuing bonds to provide certain information to the Municipal Securities Rulemaking Board (MSRB) about the securities on an ongoing basis.

Condition: The City and the Successor Agency were not in compliance with reporting provisions of the indentures for various bonds for the fiscal year ended June 30, 2021 because the City's audited financial statements were not issued within 180 to 270 days of the year-end. Additionally the City and the Successor Agency were not in compliance with continuing disclosure requirements under SEC Rule 15c2-12.

Cause: Lack of audited financial statements.

Effect or Potential Effect: Bonds could be deemed in default and could become due and payable. The City could not issue new bonds or refinance existing bonds.

Repeat of a Prior-Year Finding: 2018-036, 2019-024

Recommendation: We recommend the City develop a tactical plan to complete the audits for the City and become current by fiscal year 2024. For the long-term, we recommend the City develop, document, and implement policies and procedures to ensure the City's compliance with applicable laws, regulations, and contracts. Personnel assigned to monitor compliance should have the appropriate knowledge and experience with requirements.

Management Response and Corrective Action Plan

City's Response: The City concurs with the recommendation.

Corrective Action Plan: The City has hired outside CPAs and temp agencies to assist with audit catchup, and expects to be caught up on all audits through FY 2023 by December 2024.

Planned Implementation Date: December 2024

Responsible Person(s): Sharon Rahban, City Controller

CITY OF COMPTON
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FEDERAL AWARDS

Finding No.	Federal Program Name	Assistance Listing No.	Compliance Requirement(s)	Status of Corrective Action	Repeat Finding No.
2020-001	Section 8 Housing Choice Vouchers	14.871	Reporting (MW, NC)	In progress; FY 2018 to FY 2020 have been submitted	2021-002
2020-002	Section 8 Housing Choice Vouchers	14.871	Special Tests and Provisions - Rolling Forward Equity Balances (MW, NC)	Resolved for FY 2021	
2020-003	N/A; General finding	N/A	Filing of Single Audit Report (MW, NC)	In progress; FY 2018 to FY 2020 have been submitted.	2021-001
2020-004	N/A; General finding	N/A	Schedule of Expenditures of Federal Awards Preparation (SD, NC)	Resolved for FY 2021	
2019-001	Community Development Block Grants/Entitlement Grants	14.218	Reporting (MW, NC)	In progress. Grants policy was received and filed by the City Council in March 2022 but it needs to be implemented.	2021-006
2019-002	Community Development Block Grants/Entitlement Grants	14.218	Program Income - Identification, Determination, Assessment, and Recording (MW, NC)	Loans receivable balances were verified as of June 30, 2021. No program income in FY 2021.	
2019-003	Community Development Block Grants/Entitlement Grants	14.218	Program Income - CDBG Loan Listing (MW, NC)	Loans receivable balances were verified as of June 30, 2021. No program income in FY 2021.	
2019-004	Community Development Block Grants/Entitlement Grants	14.218	Equipment and Real Property Management (MW, NC)	Resolved for FY 2021	
2019-005	Section 8 Housing Choice Vouchers	14.871	Reporting (MW, NC)	In progress	2021-002
2019-006	Section 8 Housing Choice Vouchers	14.871	Special Tests and Provisions - Rolling Forward Equity Balances (MW, NC)	Resolved for FY 2021	
2019-007	N/A; General finding	N/A	Filing of Single Audit Report (MW, NC)	In progress; FY 2018 to FY 2020 have been submitted.	2021-001
2019-008	N/A; General finding	N/A	Schedule of Expenditures of Federal Awards Preparation (MW)	Resolved for FY 2021	
2018-001	Community Development Block Grants/Entitlement Grants	14.218	Reporting (MW, NC)	In progress. Grants policy was received and filed by the City Council in March 2022 but it needs to be implemented.	2021-006
2018-002	Community Development Block Grants/Entitlement Grants	14.218	Program Income - Identification, Determination, Assessment, and Recording (MW, NC)	Loans receivable balances were verified as of June 30, 2021. No program income in FY 2021.	

(MW) – Material Weakness (SD) – Significant Deficiency (NC) – Noncompliance

CITY OF COMPTON
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FEDERAL AWARDS (CONTINUED)

Finding No.	Federal Program Name	Assistance Listing No.	Compliance Requirement(s)	Status of Corrective Action	Repeat Finding No.
2018-003	Community Development Block Grants/Entitlement Grants	14.218	Program Income - CDBG Loan Listing (MW, NC)	Loans receivable balances were verified as of June 30, 2021. No program income in FY 2021.	
2018-005	Community Development Block Grants/Entitlement Grants	14.218	Allowable Costs/Cost Principles - Lack of Drawdown Supporting Documentation (MW, NC)	Not a finding in 2021	
2018-006	Community Development Block Grants/Entitlement Grants	14.218	Equipment and Real Property Management (MW, NC)	Resolved for FY 2021	
2018-007	Section 8 Housing Choice Vouchers	14.871	Reporting (MW, NC)	In progress; FY 2018 to FY 2020 have been submitted	2021-002
2018-010	Section 8 Housing Choice Vouchers	14.871	Special Tests and Provisions - Rolling Forward Equity Balances (MW, NC)	Resolved for FY 2021	
2018-011	N/A; General finding	N/A	Filing of Single Audit Report (MW, NC)	In progress; FY 2018 to FY 2020 have been submitted.	2021-001
2018-012	N/A; General finding	N/A	Schedule of Expenditures of Federal Awards Preparation (MW)	Resolved for FY 2021	

Findings for FYE 2017 and prior have been omitted in this report.

CITY OF COMPTON
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS – FINANCIAL
STATEMENTS

Findings No.	Level	Title	Status of Corrective Action	Repeat Finding No.
2020-005	SD	Land Held for Resale Appraisals	Resolved for FY 2021. Comparable sales and appraisals were obtained.	
2020-006	MW	Internal Audits	In progress. The internal audit policy was received and filed by the City Council. The internal audit division is still being staffed.	2021-015
2020-007	MW	Staffing	In progress. Staffing is still ongoing.	2021-014
2019-009	MW	Bank Reconciliations	In progress. Bank reconciliation policy was received and filed by the City Council in March 2022. Bank reconciliations through June 2023 have been completed.	2021-013
2019-010	MW	Cash - Negative Balances	In progress. Some of the negative balances have been removed as of June 30, 2021. A cost allocation plan and fiscal sustainability plan is being conducted to eventually remove the negative cash in the general fund. The City will adopt a grants policy that will allow grant funds to drawdown reimbursements on a timely manner.	2021-009
2019-011	SD	Accounts Receivable Roll Forward Balances	Resolved for FY 2021. A general accounting policy was received and filed by the City Council in March 2022. Procedures are in place to perform the reconciliations and staff are fully trained.	
2019-012	MW	Notes and Loans Receivable	Resolved for FY 2021. A general accounting policy was received and filed by the City Council in March 2022. Procedures are in place to perform the reconciliations and staff are fully trained.	
2019-013	SD	Utilities Allowance for Doubtful Accounts	Resolved for FY 2021. A general accounting policy was received and filed by the City Council in March 2022. Procedures are in place to perform the reconciliations and staff are fully trained.	
2019-014	SD	Prepaid Expenses and Roll Forward Balances	Resolved for FY 2021. A general accounting policy was received and filed by the City Council in March 2022. Procedures are in place to perform the reconciliations and staff are fully trained.	
2019-015	MW	Capital Assets	Resolved for FY 2021. The City conducted a full inventory and valuation of capital assets.	

(MW) – Material Weakness (SD) – Significant Deficiency (NC) – Noncompliance

CITY OF COMPTON
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS – FINANCIAL
STATEMENTS (CONTINUED)

Finding No.	Level	Title	Status of Corrective Action	Repeat Finding No.
2019-016	MW	Land Held for Resale	Resolved in 2021. Comparable sales and appraisals were obtained.	
2019-017	SD	Interfund Balances	Resolved for FY 2021. Interfund balances were reviewed in detail in FY 2021. The policies and procedures related to interfund balances are included in the grants policy that was received and filed by the City Council in March 2022.	
2019-018	MW	Interfund Balances - Advances to/from Repayment	Resolved for FY 2021. Interfund balances were reviewed in detail in FY 2021. The policies and procedures related to interfund balances are included in the grants policy that was received and filed by the City Council in March 2022. A repayment plan was approved by the City Council.	
2019-019	SD	Accrued Interest	Resolved for FY 2021. A general accounting policy was received and filed by the City Council in March 2022. Procedures are in place to perform the reconciliations and staff are fully trained.	
2019-020	MW	Accrued Liabilities	Resolved for FY 2021. A general accounting policy was received and filed by the City Council in March 2022. Procedures are in place to perform the reconciliations and staff are fully trained.	
2019-021	SD	Accrued Wages Payable	Resolved for FY 2021. A general accounting policy was received and filed by the City Council in March 2022. Procedures are in place to perform the reconciliations and staff are fully trained.	
2019-022	MW	Deferred Grant Revenues	Resolved for FY 2021	
2019-023	SD	Fund Balance Classification	Resolved for FY 2021. The recommendations were included in the general accounting policies received and filed by the City Council in March 2022.	
2019-024	MW	Bond Compliance	In progress. Bond covenant testing was performed in FY 2021.	2021-017

(MW) – Material Weakness (SD) – Significant Deficiency (NC) – Noncompliance

CITY OF COMPTON
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS – FINANCIAL
STATEMENTS (CONTINUED)

Finding No.	Level	Title	Status of Corrective Action	Repeat Finding No.
2019-025	MW	Negative Fund Balances	In progress. The City is taking several steps to resolve this finding: A cost allocation plan will be completed to properly allocate costs to various funds; a fee study is underway; a fiscal sustainability plan was also initiated. In the meantime, the City has resolved some of the negative fund balances with only a few funds remaining with negative fund balances.	2021-009
2019-026A	MW	Payroll Allocations	In progress. A payroll policy was submitted to the City Council and City Management for implementation.	
2019-026B	MW	Human Resources	In progress. A payroll policy was submitted to the City Council and City Management for implementation.	
2019-027	SD	Self-Insurance Liabilities and Expenditures/Expenses	In progress pending policy adoption by City Manager.	
2019-028	SD	Cash Disbursements - Payments Based on Quotes	Not observed in 2021. The accounts payable policy was submitted to City Council for review and file and is ready for implementation.	
2019-029	SD, NC	Procurement Policy	In progress. The purchasing policy was submitted to the City Council for review and file. It is awaiting approval by the City Manager to be included in the Standard Operating Manual of the City.	2021-012
2019-030	SD, NC	Procurement - Requests for Proposal (RFP) Documentation	In progress. The purchasing policy was submitted to the City Council for review and file. It is awaiting approval by the City Manager to be included in the Standard Operating Manual of the City.	2021-012
2019-031	SD	Journal Entries	Resolved for FY 2021	
2019-032	MW	Lack of Budgeted Fund Balances	Fully implemented for FY 2023 and FY 2024.	

(MW) – Material Weakness (SD) – Significant Deficiency (NC) – Noncompliance

CITY OF COMPTON
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS – FINANCIAL
STATEMENTS (CONTINUED)

Finding No.	Level	Title	Status of Corrective Action	Repeat Finding No.
2019-033	MW	Turnover and Lack of Consistent Leadership	In progress. The City has filled some of the executive positions at the City. A consultant will be engaged to provide succession planning services.	2021-016
2019-034	MW	Information Technology (IT) Controls	In progress	2021-010
2018-013	MW	Bank Reconciliations	In progress. Bank reconciliation policy was received and filed by the City Council in March 2022. Bank reconciliations through June 2023 have been completed.	2021-013
2018-014	MW	Cash - Negative Balances	In progress. Some of the negative balances have been removed as of June 30, 2021. A cost allocation plan and fiscal sustainability plan is being conducted to eventually remove the negative cash in the general fund. The City will adopt a grants policy that will allow grant funds to drawdown reimbursements on a timely manner.	2021-009
2018-015	SD	Accounts Receivable Roll Forward Balances	Resolved for FY 2021	
2018-016	MW	Notes and Loans Receivable	Resolved for FY 2021	
2018-017	MW	First Time Home Buyer Loan Program	Resolved for FY 2020	
2018-018	MW	Grants Receivable	Resolved for FY 2020	
2018-019	SD	Utilities Allowance for Doubtful Accounts	Resolved for FY 2021	
2018-020	SD	Prepaid Expenses and Roll Forward Balances	Resolved for FY 2021	
2018-021	SD	Interfund Balances	Resolved for FY 2021	
2018-022	MW	Interfund Balances - Advances to/from Repayment	Resolved for FY 2021	
2018-023	MW	Capital Assets	Resolved for FY 2021	
2018-024	SD	Land Held for Resale	Resolved for FY 2021	
2018-025	SD	Accounts Payable Supporting Documentation	Resolved for FY 2020	
2018-026	SD	Accrued Interest	Resolved for FY 2021	
2018-027	MW	Accrued Payroll	Resolved for FY 2021	
2018-028	MW	Accrued Liabilities	Resolved for FY 2021	
2018-029	SD	Retentions Payable	Resolved for FY 2021	
2018-030	SD	Deposits	Resolved for FY 2021	
2018-031	SD	Special Revenue Funds not Budgeted	Resolved for FY 2021	
2018-032			Resolved for FY 2019	
2018-033	SD	Deferred Grant Revenues	Resolved for FY 2021	
2018-034	SD	Bonds Payable	Resolved for FY 2021	

(MW) – Material Weakness (SD) – Significant Deficiency (NC) – Noncompliance

CITY OF COMPTON
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS – FINANCIAL
STATEMENTS (CONTINUED)

Finding No.	Level	Title	Status of Corrective Action	Repeat Finding No.
2018-035	SD	Bond Refunding	Resolved for FY 2021	
2018-036	MW	Bond Compliance	In progress. Bond covenant testing was performed in FY 2021.	2021-017
2018-037	MW	Fund Balance - Negative Fund Balances	In progress. The City is taking several steps to resolve this finding: A cost allocation plan will be completed to properly allocate costs to various funds; a fee study is underway; a fiscal sustainability plan was also adopted. In the meantime, the City has resolved some of the negative fund balances with only a few funds remaining with negative fund balances.	2021-009
2018-038	MW	Human Resources - Employee Compensation	In progress. A consultant was hired by the City Manager to prepare HR policies and procedures.	
2018-039	MW	Management Oversight and Control - Payroll Segregation of Duties	In progress. A consultant was hired by the City Manager to prepare HR policies and procedures.	
2018-040	MW	Information Technology (IT) Controls	In progress	2021-010

Findings for FYE 2017 and prior have been omitted in this report.

CITY OF COMPTON, CALIFORNIA
Management's Discussion and Analysis (UNAUDITED)
June 30, 2021

As management of the City of Compton, California (City) we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the Introductory Section of this report.

A) FINANCIAL HIGHLIGHTS

- The assets and the deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the Fiscal Year 2020-2021 by approximately \$5.1 million (*net position*), which is approximately \$105.1 million higher than the previous year's net position. This is due primarily to a City-wide valuation of capital assets and an increase in tax revenue, including property taxes and sales taxes. While franchise tax and special assessment tax revenue remained mostly flat relative to fiscal year 2019-20, property tax and sales tax revenue improved relative to the prior year by approximately \$12.0 million and \$7.1 million, respectively. The unrestricted portion of net position as of June 30, 2021 increased by approximately \$21.4 million to (\$256,963,174) accumulating more resources that may be used to meet the City's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, the City's Governmental Funds (e.g. General Fund, Capital Projects Funds, Special Revenue Funds, etc.) reported combined fund balances of approximately \$169.6 million, an increase of approximately \$59.1 million from the prior year. Of this amount, \$172.5 million, or approximately 102.1%, of total fund balances are reported as either "Nonspendable" (\$10.5 million), "Assigned" (\$140 thousand), "Committed" (\$3.4 million), or "Restricted" (\$162.2 million) fund balances, leaving negative \$(6.7 million) available as Unassigned for use at the City's discretion. This increase in the City's governmental funds combined fund balances reported was primarily driven by increases in tax revenue (by approximately \$11 million) and an influx of bond proceeds (by approximately \$41.8 million) from the 2021 Sales Tax Revenue Bonds issued in March 2021.
- The City's net capital assets (land, buildings, equipment, infrastructure, less accumulated depreciation) were at \$208.8 million as of June 30, 2021, increasing by \$83.7 million over the previous year due mainly to a valuation of capital assets that the City had been performed which recognized prior unrecorded capital assets (\$73.4 million), as well as additions and improvements during Fiscal Year 2020-2021 for streets and pavement (\$14.5 million), and for Gonzales Park solar arrays (\$637.5 thousand).
- The City's net long-term liabilities increased by \$67.3 million to \$466.2 million, primarily as the result of issued bonds of \$41 million during March of 2021 along with Pension and OPEB liability increases of \$8.3 million and of \$20.0 million respectively. Offsets to these increases occurred from principal payments made by the City on exiting bonds payable, notes and loans payable.
- The City's financial position was elevated during Fiscal Year 2020-2021 with the removal of two "qualified" opinions from the City's Single Audit and audited financial statements. Prior to Fiscal Year 2020-2021, the City maintained a "qualified" audit opinion on its valuation of Capital Assets, as well as on the City's reporting of Housing Authority Equity balances. During Fiscal Year 2020-2021 City staff performed the necessary research to rectify the valuations and reporting of these assets and liabilities. This follows the research done during the prior Fiscal Year 2019-2020 which saw the removal of two "qualified" audit opinions regarding the City's recorded balances of Unearned Revenue and Loan Receivable. As of the Fiscal Year ended June 30, 2021 only one "qualified" opinion has remained for which research has begun for an anticipated rectification within the next audit report.
- Property Taxes increased by approximately \$12.0 Million, 24.6%, primarily as a result of an increase in assessed valuation from new non-residential construction (a 7.54% increase as shown in the Proposition 111 Analysis of the Office of the Assessor of Los Angeles County).
- Sales Taxes increased by approximately \$7.1 Million or 33%, as a result of increased spending volume.
- Utility User Taxes increased by approximately \$1.1 million, 10.2%, as a result of increased residential utility usage incurred from shut down orders in Los Angeles County during the Covid-19 pandemic.
- Casino Tax Revenue significantly declined by approximately \$548,000 or 36%, as a result of shut-down orders in Los Angeles County during the Covid-19 pandemic.

CITY OF COMPTON, CALIFORNIA
Management's Discussion and Analysis (UNAUDITED)
June 30, 2021

B) OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: government-wide financial statements, fund financial statements and notes to basic financial statements. This report also contains supplementary information in addition to the basic financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the City's assets, deferred outflows of resources, liabilities, deferred inflows of resources, with the difference between the four reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the 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). Both of the 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). The governmental activities of the City include general government, public safety, public works, environmental and human services and debt service. The business-type activities of the City include operations of its Water, Sewer and Solid Waste utilities.

The government-wide financial statements include not only the City itself (known as the primary government), but also activities of three legally separate component units: the Successor Agency of the City of Compton, the Compton Public Finance Authority, and the Compton Housing Authority. Because the City Council acts as (or appoints) the governing board for each of these component units and because they function as part of the City government, their activities are blended with those of the primary government.

Fund Financial Statements

A fund is a grouping of related accounts that is 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 funds of the City can be divided into two categories: governmental funds and proprietary 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 the City's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the governmentwide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 141 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the

CITY OF COMPTON, CALIFORNIA
Management's Discussion and Analysis (UNAUDITED)
June 30, 2021

General Fund, the Retirement Fund, and the Compton Housing Successor Capital Projects Fund, each of which are considered to be major funds. Data from the other 138 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 in the Additional Financial Information section of this report.

The City adopts an annual appropriated budget for its General Fund, each of its special revenue funds, its debt service fund, and its capital projects fund. A budgetary comparison statement is provided for each of the City's major governmental funds or groups of funds to demonstrate compliance with this budget. The budgetary comparison statement for the General Fund and the Retirement Fund is located in the basic financial statements; the budgetary comparison statements for the Compton Housing Successor Capital Projects Fund and the non-major governmental funds are presented in the Additional Financial Information section of this report.

The basic governmental fund financial statements can be found on pages 8-11 of this report.

Proprietary Funds

The City maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the governmentwide financial statements. The City uses Enterprise Funds to account for its Water, Sewer and Solid Waste utilities. Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for the following activities:

- Equipment Usage and Rental
- Central Duplication, and
- Self-Insurance

Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the governmentwide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, Solid Waste, each of which is considered a major fund of the City. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the Additional Financial Information section of this report. The basic proprietary fund financial statements can be found starting at page 12 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 18 - 72 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's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 73 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds, together with information on the Retirement Fund budget comparison, are presented immediately following the required supplementary information on pensions and other postemployment benefits.

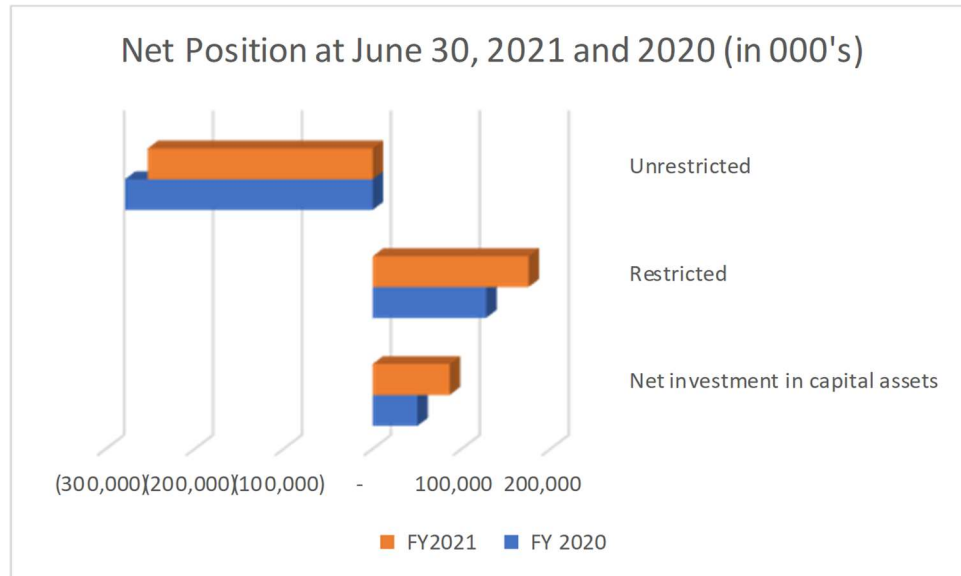
C) GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. In the case of the City, assets exceeded liabilities by \$5.1 million at the close of Fiscal Year 2020-2021.

A large portion of the City's net position, \$86.7 million reflects its net investment in capital assets (e.g., land, buildings, utility and general government infrastructure, machinery and equipment, etc.), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently,

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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 the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



Another large portion of the City's net position, \$175.3 million is restricted and, as noted earlier, is restricted to meet the City's ongoing obligations to creditors, grantors, and special-levy tax payers. A negative portion of the City's net position, (\$257.0 million) represents a deficit in resources that need to be set aside to cover long term liabilities. At the end of the fiscal year, due to the City's financial position and despite the impacts of the COVID-19 pandemic on the City's revenues, the City is able to report improvements in balances in net position for both its governmental activities as well as its business activities.

City of Compton, California (000's)							
As of June 30, 2021 and 2020							
	Governmental Activities		Business-type Activities		Total		
	2021	2020	2021	2020	2021	2020	
ASSETS							
Current assets	\$ 167,418	124,620	34,544	29,369	201,962	153,990	
Noncurrent Assets	31,538	(9,002)	29,776	30,220	61,314	21,218	
Capital assets	164,048	90,093	44,703	34,911	208,751	125,004	
Total assets	363,004	205,711	109,024	94,500	472,028	300,211	
Deferred outflows of resources	43,703	34,678	3,335	1,703	47,038	36,381	
LIABILITIES							
Current liabilities	35,504	20,392	8,294	7,082	43,798	27,474	
Long-term liabilities, net of current portion	388,533	327,212	77,710	71,757	466,244	398,969	
Total liabilities	424,037	347,604	86,004	78,839	510,041	426,443	
Deferred inflows of resources	3,693	9,705	233	484	3,926	10,188	
NET POSITION							
Net investment in capital assets	86,719	50,582	-	-	86,719	50,582	
Restricted	162,198	117,334	13,146	10,412	175,344	127,746	
Unrestricted	(269,939)	(284,835)	12,976	6,468	(256,963)	(278,367)	
Total net position	\$ (21,021)	(116,919)	26,121	16,880	5,100	(100,039)	

The City's governmental current assets increased by \$42.8 million (primarily due to an increase in tax revenues as well as from the City's receipt of grant proceeds from the American Rescue Plan) to \$167.4 million, while current assets for business-type activities increased by \$5.2 million to \$34.5 million. Net capital assets overall grew to \$208.8

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million at June 30, 2021. Growth in capital assets in governmental activities was due to a capital assets valuation that the City performed as well as from increases in buildings, infrastructure, and machinery and equipment, while growth in business-type activities was primarily due to the performance of the capital assets valuation which included the recording of past asset acquisitions. Long-term liabilities increased by \$67.3 million to \$466.2 million primarily as a result of the 2021 Sales Tax Revenue bonds issued in March of 2021 for \$41 million, as well as a result of the increase to the total of Pension and OPEB liabilities of approximately \$8.3 million and \$20.0 million, respectively.

City of Compton, Change in Net Position (000's)						
For the Years Ended June 30, 2021 and 2020						
	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Program revenues						
Charges for services	\$ 14,399	15,317	28,437	29,485	42,835	44,801
Op. grants & cont.	15,579	11,139	-	-	15,579	11,139
Cap. Grants & cont.	8,035	10,258	-	-	8,035	10,258
General Revenues						
Taxes						
Property	60,769	48,768	-	-	60,769	48,768
Sales	28,829	21,755	-	-	28,829	21,755
Utility user taxes	12,273	11,140	-	-	12,273	11,140
Franchise Taxes	2,737	2,565	-	-	2,737	2,565
Special Assessments	4,250	4,241	-	-	4,250	4,241
Transient occupancy taxes	68	105	-	-	68	105
Real property transfer taxes	237	242	-	-	237	242
Intergovernmental not restricted to specific programs	815	-	-	-	815	-
Investment earnings	1,334	1,558	50	124	1,385	1,682
Other Income	774	3,184	-	-	774	3,184
Transfer in from fiduciary fund	1,748	-	-	-	1,748	-
Total Revenues	<u>113,834</u>	<u>130,272</u>	<u>28,487</u>	<u>29,608</u>	<u>180,335</u>	<u>159,880</u>
Expenses						
General government	22,026	19,586	-	-	22,026	19,586
Public Safety	45,336	47,886	-	-	45,336	47,886
Public Works	13,504	9,551	-	-	13,504	9,551
Management Services	18,543	26,366	-	-	18,543	26,366
Environmental and Human Services	15,842	15,284	-	-	15,842	15,284
Interest on long-term debt	1,835	1,578	-	-	1,835	1,578
Water	-	-	18,682	9,510	18,682	9,510
Rubbish	-	-	6,161	9,005	6,161	9,005
Sewer	-	-	2,241	1,934	2,241	1,934
Total Expenses	<u>117,086</u>	<u>120,250</u>	<u>27,084</u>	<u>20,448</u>	<u>144,170</u>	<u>140,698</u>
Prior Year Adjustment	55,461	(5,900)	13,513	13,404	68,974	7,505
Transfers	5,675	5,651	(5,675)	(5,651)	-	-
Change in Net Position	40,437	15,673	(4,272)	3,510	36,165	19,182
Net Position, July 1 (as restated)	(61,458)	(132,592)	30,393	13,371	(31,065)	(119,221)
Net position, June 30	\$ <u>(21,022)</u>	<u>(116,919)</u>	<u>26,121</u>	<u>16,880</u>	<u>5,100</u>	<u>(100,039)</u>

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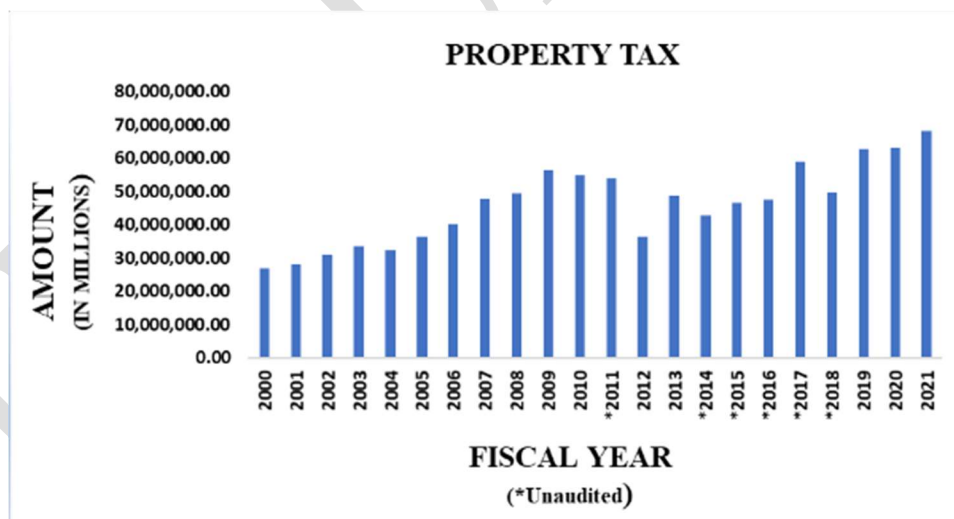
Total revenues increased from \$159.9 million in Fiscal Year 2019-2020 to \$180.3 million in Fiscal Year 2020-2021 or, an increase of \$20.5 million or 12.8%. The City experienced an increase of 22.9% in tax revenues or \$20.3 million. While Franchise Tax, and Special Assessment Taxes saw slight increases of \$181 thousand (6.7% from \$2.6 million to \$2.7 million), and \$10 thousand (0.2% from \$4.24 million to \$4.25 million) respectively, certain tax revenues were less affected by the Covid-19 pandemic. Sales Tax due to an increase in spending trends, recorded a \$12.0 million increase (32.5% from \$21.7 million to \$28.8 million). Similarly, Property Tax increased due to appreciation in assessed property values by \$20.3 million (24.6% from \$48.8 million to \$60.7 million). The City also experienced a decrease of \$2.0 million or 4.4% in revenue from charges for services provided due to reduced demand in services offered during the pandemic closures. Total expenses increased by \$3.5 million from \$140.7 million in fiscal year 2019-2020 to \$144.2 million in fiscal year 2020-2021 or 2.0%.

Governmental Activities

The total growth in net position for the City was \$105.1 million for the fiscal year ended June 30, 2021 compared to \$13.2 million in fiscal year ended June 30, 2020, a \$91.9 million increase. This was mainly due to the performance of the City-wide capital asset valuation and increases in tax revenue. Total general revenues and transfers increased \$20.5 million compared to the prior year primarily due to the increase in tax revenue. The City of Compton has three major tax sources, sales, property, and utility users tax. While these sources generally provide for a diversified and stable tax base, which reduces reliance on any one source, this year the City did see significant increases in both sales tax and property tax, further described below.

Property Tax

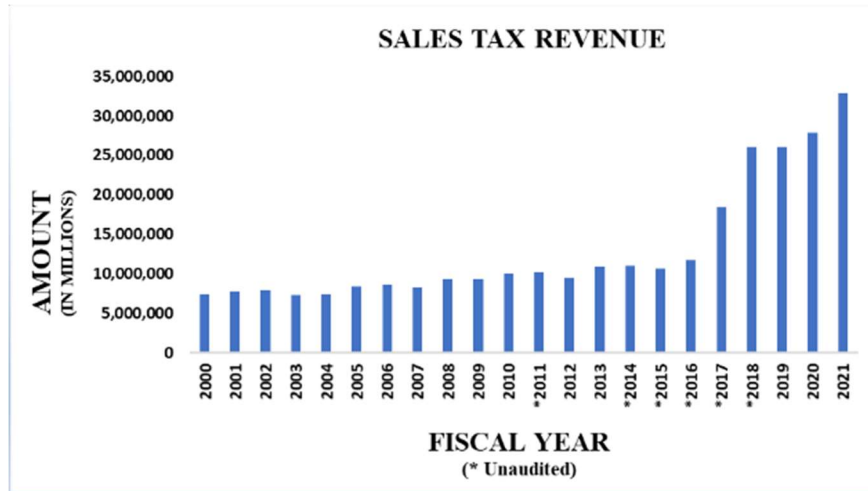
Property taxes are levied based on assessed values, which grew 7.54% (as shown in the Proposition 111 Analysis of the Office of the Assessor of Los Angeles County for new non-residential growth) this past year. This reflects a real estate market in the City of Compton that continues to gain strength resulting in a \$12.0 million or 24.6% increase in property tax revenues to a total of \$60.8 million.



Sales Tax

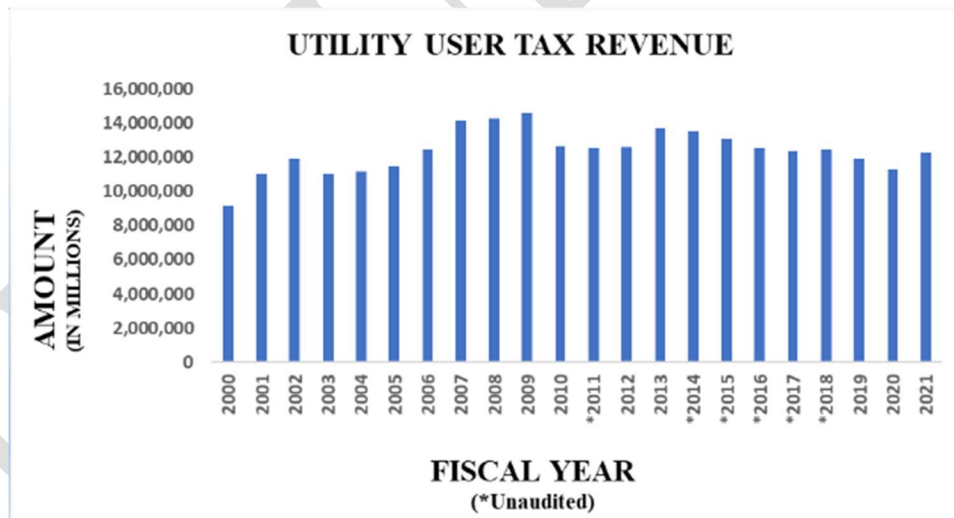
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Sales tax revenue increased by approximately \$7.1 million or 32.5% to \$28.8 million in fiscal year 2020-2021 compared to fiscal year 2019-2020, primarily due to increased spending volume.



Utility User Taxes

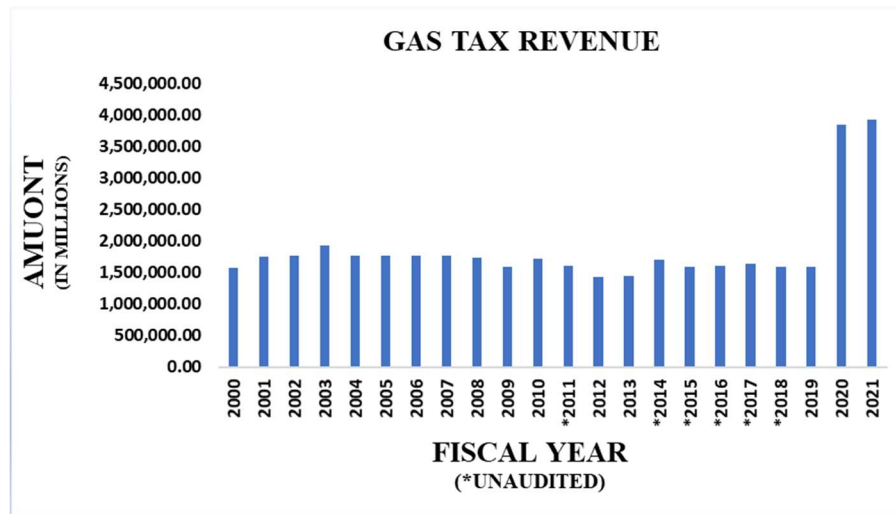
Utility User tax revenue also increased in fiscal year 2020-2021 to \$12.3 million, increasing \$1.1 million or 10.2% from \$11.1 million in prior fiscal year. For commercial, retail and certain other categories of utility user tax, the utility user tax is computed on units of utility usage. As a result, the increase in residential activities attributable to pandemic periods contributed to the increase of this revenue.



Gas Taxes

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Gas tax revenues for fiscal year 2020-2021 decreased by \$16 thousand or 0.4% for a total of \$3.94 million versus prior year actual receipts of \$3.95 million. The decrease in revenue is primarily driven by temporary shut-down orders in Los Angeles County due to the Covid-19 pandemic.



Franchise Taxes

Franchise tax revenues for fiscal year 2020-2021 increased by approximately \$172 thousand or 6.7% for a total of \$2.74 million versus prior year actual receipts of \$2.57 million. The increase in revenue is primarily driven by temporary increased usage of utilities due to Covid-19 shut downs.

Charges for services

Charges for Services slightly declined by approximately \$918 thousand or 6.0% to approximately \$14.4 million in Fiscal Year 2020-2021 due to the effect that the Covid-19 pandemic shut downs had on the demand for City services.

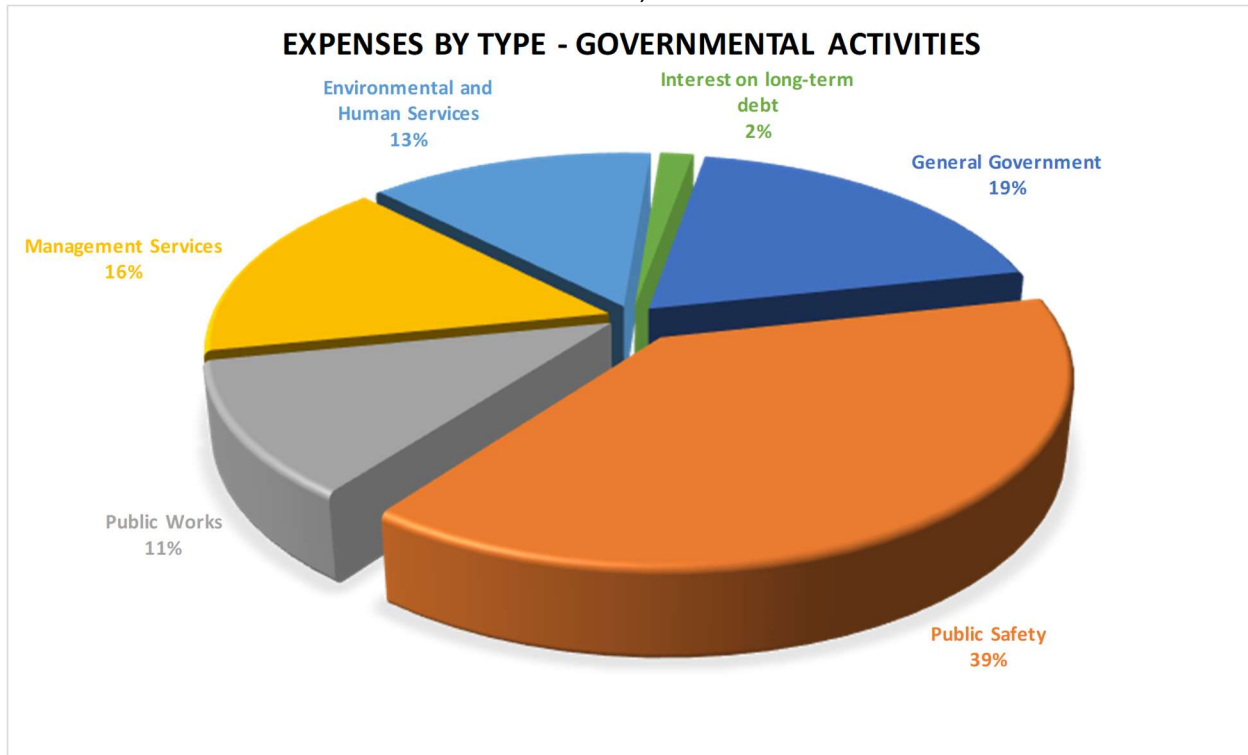
Investment revenues

Investment revenues also decreased by \$297 thousand or 17.7% due to a decrease in interest rates and investment returns.

Expenses of Governmental Activities

The City continued its efforts to maintain effective cost controls. Governmental activities expenses during fiscal year 2020-2021 were allocated as shown in the following chart:

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Public safety expenses

Public Safety expenses decreased 5.3% to \$45.3 million primarily due to a decrease in Pension expenses of approximately \$2.0 million due to change in projected earnings on Pension plan investments and recognized changes in assumptions. Additionally, there were decreases in Public Safety expenditures for salaries and crossing guard costs, approximately \$1.0 million. These decreases were primarily off-set by an increase of approximately \$1.2 million in the City's contract with the Los Angeles County Sheriff.

Public works expenses

Public works expenses increased 41.4% to \$13.5 million primarily due increase in depreciation expenses attributed to increases in public works capital assets being valued in the capital asset valuation study implemented in Fiscal Year 2020-2021.

Management services expenses

Management Services Expenses decreased 29.7% to \$18.5 million, primarily due to a \$6.3 million decrease in OPEB and pension costs due to change in projected earnings on Pension plan investments and recognized changes in OPEB and Pension assumptions. Additionally, expenses for the General Services department decreased by \$1.0 million, as those expenses were budgeted under the category of Public Works during FY2020-2021, instead of in Management Services as they were budgeted in FY 2019-2020. There was additionally, an approximate \$500 thousand decrease in utility costs of water and electricity used by the City.

General government expenses

General government expenses increased 12.5% from \$19.5 million to \$22.0 million mainly due an increase in general liability claims incurrence during FY 2020-2021.

Environmental and human services expenses

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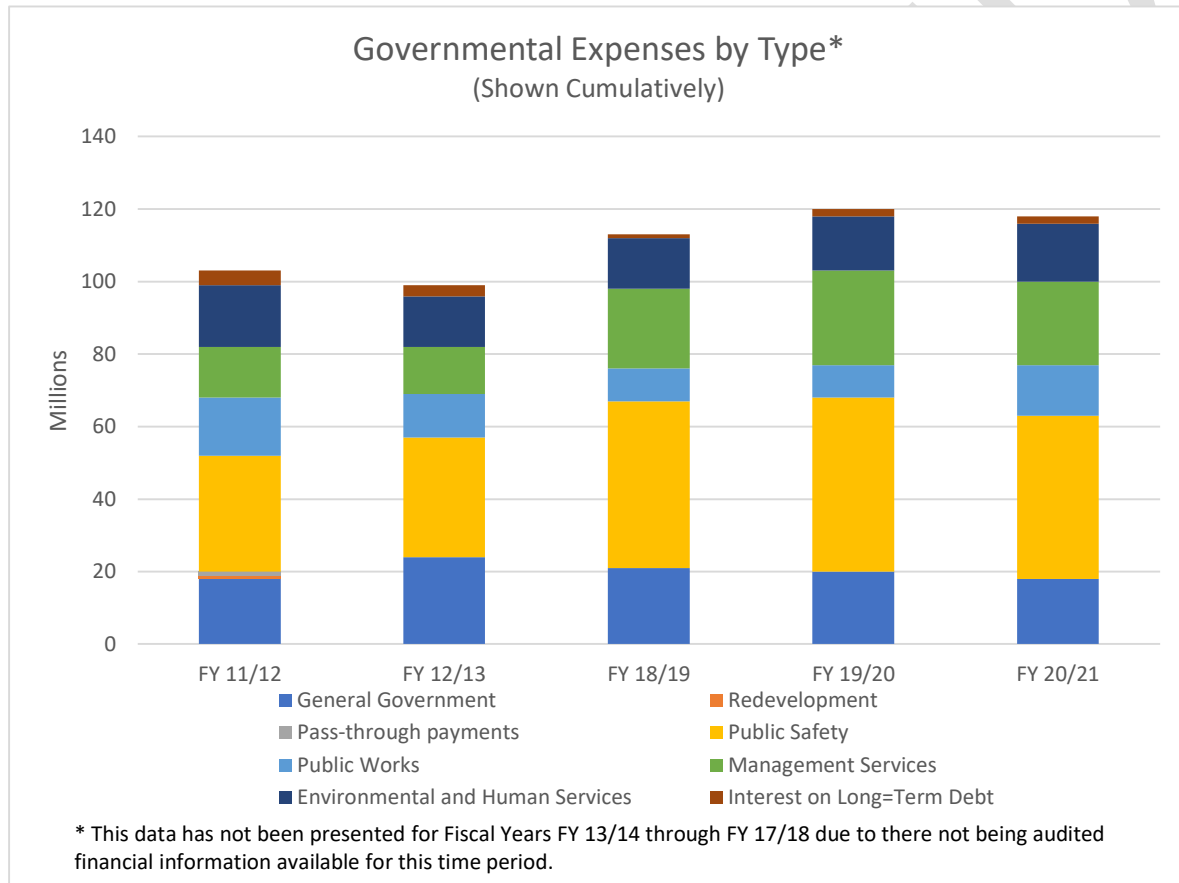
Environmental and human services expenses increased 3.7% from \$15.3 million to \$15.8 million primarily due a contribution to other agencies valued at \$2.9 million that was made from the Compton Housing Successor fund, primarily offset by \$2.1 million decrease in Recreation expenditures.

Interest on long-term debt

Interest on long-term debt increased 16.3% to \$1.8 million, with debt service payments of \$2.1 million, as a result of debt-service structures.

The following chart examines the City's governmental (i.e. non-business type) expenses over the past several years:

Governmental Expenses by Type



Business-type Activities

Business-type activities increased the City's net position by \$ 9.2 million in Fiscal Year 2020-2021 to \$26.1 million.

Key factors related to business-type activities include:

Total revenues for business-type activities were \$1.1 million lower than the previous year primarily due to \$1.8 million reduction in charges for services for the Rubbish Enterprise Fund as a result of lower demand due to the pandemic.

Total expenses in the business-type activities increased \$6.6 million compared to the prior fiscal year due primarily to a \$5.4 million increase in the Water Enterprise Fund from additions to OPEB cost.

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D) FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

As of the end of the 2020-2021 fiscal year, the City's governmental funds report combined ending fund balances of \$169.6 million, an increase of \$59.1 million over the prior year. Increases in tax and special assessment revenue for the current year provided a \$10.9 million or 12.4% increase in revenues to \$99.8 million. A \$5.2 million or 4.7% increase in expenditures to \$115.5 million was mostly due to an increase in capital outlay expenditures of \$9.1 million with a combining offset primarily from an approximate \$3.7 million decrease in Governmental fund expenditures due to decreases in General Government, Public Safety, Public Works, Management Services, and Environmental and Human Services (this included a wide variety of cost reduction measures that were undertaken as a result of the pandemic, such as reductions to materials, supplies, and contractual services, deferral of labor cost increases from labor negotiations, reduction of certain City services, slow hiring, position eliminations, and layoffs). The increase in capital outlay expenditures were primarily related to street and pavement projects, as well as a transfer of land in the Housing Successor Capital Projects Fund.

Fund Balance

The components of fund balance include the following line items:

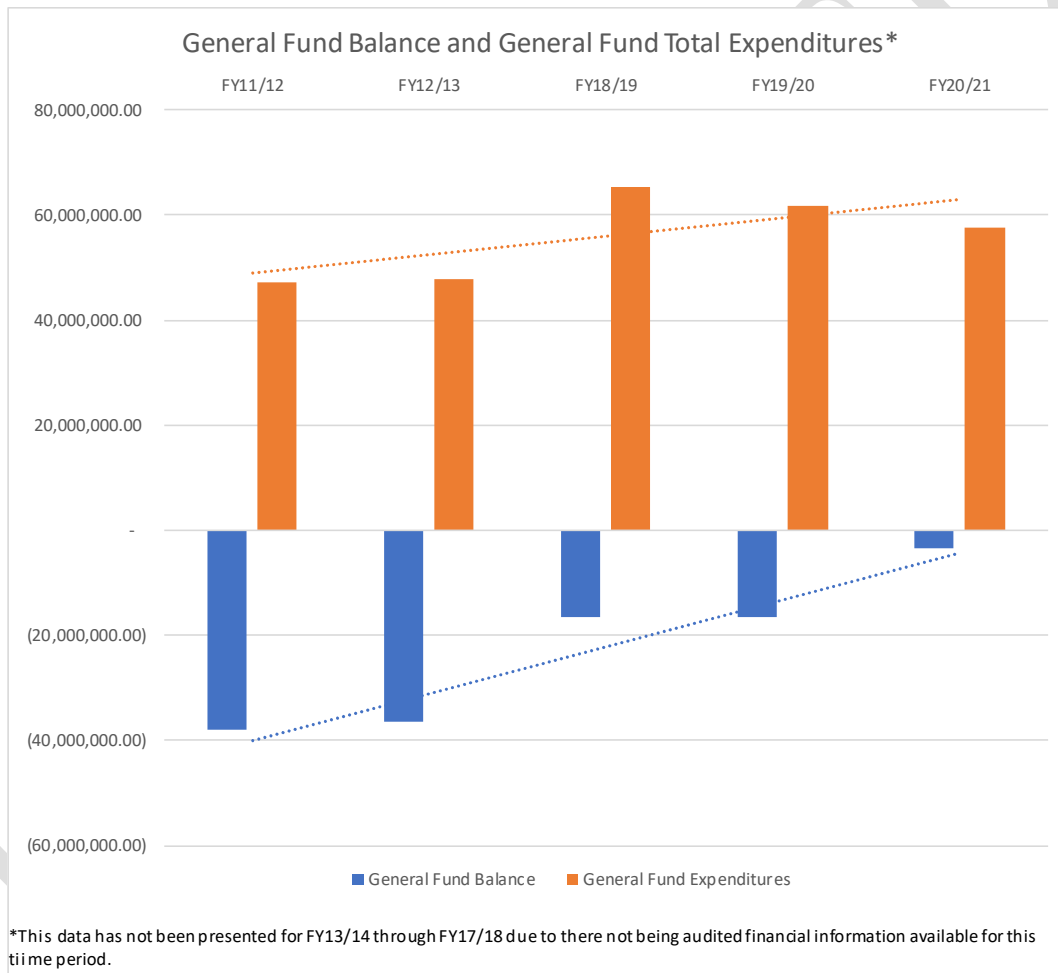
- a) **Nonspendable fund balance** - \$10.5 million (inherently nonspendable) include the portion of net resources that cannot be spent because of their form, such as long-term receivables, and the portion of net resources that cannot be spent because they must be maintained intact.
- b) **Restricted fund balance** - \$162.2 million (externally enforceable limitations on use) include amounts subject to limitations imposed by creditors, grantors, contributors, or laws and regulations of other government
- c) **Committed fund balance** - \$3.4 million (self-imposed limitation set in place prior to the end of the period) Limitation imposed at the highest level of decision making that requires formal action at the same level to remove.
- d) **Assigned fund balance** - \$141 thousand (limitation resulting from intended use) consists of amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes. Based on the City Charter, the City Manager is the designated official.
- e) **Unassigned fund balance** - (\$6.7 million) (residual net resources) is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance.

The fund balance of the City's General Fund increased by \$13.0 million during the current fiscal year. Revenues exceeded expenditures by approximately \$15.7 million in Fiscal Year 2020-2021. Expenditures in the General Fund decreased by \$4.4 million (which included a wide variety of cost reduction measures that were undertaken as a result of the pandemic, such as reductions to materials, supplies, and contractual services, deferral of labor cost increases from labor negotiations, reduction of certain City services, slow hiring, position eliminations, and layoffs). Additionally, Transfers In for charges for internal services exceeded Transfers Out (which were primarily for debt service payment funding of \$3.4 million) by approximately \$859 thousand.

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The fund balance of the City's Housing Successor Capital Projects Fund increased by \$859 thousand, primarily due to a reimbursement from the former CRA and current Compton Successor Agency related to a purchase of a property at Lot 14 from Prism Realty with APN #: 7318-003-077.

Perhaps the best measure of the City's effectiveness in weathering an economic downturn and building sustained growth for the future is its ability to catch up on building fund reserves. As a rule of thumb, a city should maintain sufficient reserves to weather the worst potential emergency scenarios. In the accompanying chart, the changes in the fund balance of the City's General Fund and the changes in total expenditures (excluding transfers out) is presented. As this chart demonstrates, the actions taken by the City have effectively improved revenues, controlled expenditures and allowed the City to increase its reserves for future needs. As shown in the chart below, in fiscal year 2011-2012 the fund balance was approximately negative \$38 million while total General Fund expenditures were \$48 million. By the end of fiscal year 2020-2021, on the other hand, the General Fund fund balance was approximately negative \$3.5 million while total expenditures were \$57.5 million.



Enterprise Funds

The City's enterprise funds account for financial transactions of the City's business-type function that primarily serve external customers. Total net position of the enterprise funds totaled \$26.1 million, an increase of \$9.2 million or 54.7%. The increase to total net position is the result of effective rate setting and managing available resources.

Other factors concerning the finances of these funds are as follows:

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Operating revenues for the Water Enterprise increased by approximately 3.5% to \$19.5 million. Residential, Commercial, Industrial, and Multi-family consumption all increased in a comparable manner compared to the consumption of the prior year. Operating expenses increased by \$9.2 million, or 130.1% during Fiscal Year 2020-2021 primarily due to an accrual of OPEB costs of \$5.4 million, as well as \$2.8 million recorded in Depreciation expenses which had not been determined in the prior year due to the City-wide valuation of capital assets occurring for Fiscal Year 2020-2021. Further, Materials and Supplies increased by approximately \$600 thousand in the Water Enterprise Fund due to the rising cost of wholesale water purchases. After factoring in non-operating items, net position in the Water Enterprise increased by \$7.8 million to \$22.9 million.

Operating revenues for the Sewer Enterprise increased slightly by approximately \$8 thousand or 0.3%. Operating expenses increased by 43.1% or by \$704 thousand primarily due to \$567 thousand recorded for Depreciation expenses which had not been determined in the prior year due to the City-wide valuation of capital assets occurring for Fiscal Year 2020-2021. These resulted in an overall, net position increase of approximately \$2.0 million to \$4.8 million.

Operating revenues for the Solid Waste Enterprise decreased \$1.7 million (21.6%) from \$7.9 million in prior fiscal year to \$6.2 million in current fiscal year. This decrease is due to an outsourcing of residential collection services that occurred during FY2019-2020. Operating expenses mirrored the trend and decreased \$(2.8) million to \$6.1 million due to reduced third party servicing company billing. Overall, the net position in the Solid Waste Enterprise Fund decreased \$(65) thousand to \$(1.5 million).

Internal Service Funds

The City's internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its Equipment Rental, Central Duplication, and Self-Insurance Services provided. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Factors concerning the finances of the internal service funds have already been addressed in the discussion of the City's governmental activities.

E) BUDGETARY HIGHLIGHTS

The City adopts annual appropriated operating budgets for its governmental funds (General Fund, special revenue funds, debt service fund, and Housing Successor capital projects fund), and reports the results of operations on a budgetary comparison basis. The City also uses annual financial plans as a management tool for its enterprise and internal service funds, although the City does not report the results of these funds on a budgetary comparison basis.

When preparing its budgets, the City attempts to estimate its revenues using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of additional revenues to allow for expansion of existing programs. During the course of the year, the City Council can amend the originally adopted budget to re-appropriate prior year approved projects and expenditures, increase legal and professional services, move up the timing of expenditures for capital projects, and provide additional funding for community support.

General Fund

The General Fund reflected a positive net budget variance of \$16.5 million when comparing actual amounts to the final budget for the 2020-2021 fiscal year. This budget variance reflects actual revenues exceeding the final budget by \$4.6 million and total actual expenditures of \$11.9 million less than the final budget.

F) CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

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The City performed a City-wide valuation of its capital assets which was effective for Fiscal Year 2020-2021. Due to this valuation, the City recognized that prior capital asset balances needed to be adjusted and these adjustments are reflected in the various City funds that house capital assets.

The City's investment in capital assets and CIP for its governmental and business-type activities amounts to approximately \$209 million net of accumulated depreciation and construction in progress as of June 30, 2021, which is a net increase of \$10.3 million (5.2%) over the restated amount of the prior year total of \$198.4 million.

Capital assets, net of accumulated depreciation, for governmental activities, increased from \$151.0 million at June 30, 2020 to \$164.0 million at June 30, 2021; a net increase of \$13.0 million or 8.6%. Capital asset additions totaled \$15.5 million, and depreciation expense totaled \$7.8 million. Significant additions include capital projects for streets and pavement (\$14.5 million), and for Gonzales Park solar arrays (\$637.5 thousand).

As of June 30, 2021 and 2020						
City of Compton's Capital Assets, Net of Accumulated Depreciation (000's)						
	Governmental Activities		Business-type Activities		Total	
	2021	2020 *	2021	2020 *	2021	2020 *
Land	88,425	88,425	162	162	88,587	88,587
Buildings	59,405	58,751	3,836	3,836	63,241	62,587
Infrastructure	123,917	109,429	70,285	70,285	194,202	179,714
Machinery and Equipment	20,001	19,607	3,379	3,379	23,380	22,986
Construction in Progress	6,305	1,016	-	-	6,305	1,016
Accumulated Depreciation	(134,005)	(126,229)	(32,959)	(30,213)	(166,964)	(156,443)
Total capital assets, net	164,048	150,999	44,703	47,449	208,751	198,448

* restated capital asset amount as of 7/1/2020

Capital assets, net of accumulated depreciation, for business-type activities, decreased from \$47.4 million at June 30, 2020 to \$44.7 million at June 30, 2021; a net decrease of \$2.7 million or 5.8%. Depreciation expense totaled \$2.7 million. Additional information on the City's capital assets can be found in Note D to the basic financial statements on pages 41 of this report.

Long-term Debt

At the end of the current fiscal year, the City had total long-term bonded debt outstanding of \$130.0 million, up by \$92.5 million from the prior year. The increase comprises a combination of bond repayments (\$6.1 million) and a new debt issuance, the 2021 Sales Tax Revenue Bonds (\$41 million) transacted on March 11, 2021. The new debt was issued in connection with financing certain improvements to the City's roadways. No rating was issued on the new debt.

Other long-term obligations include pension obligations of \$150.3 million, other post-employment benefits \$169.5 million (\$20.0 million increase is due to interest rate fluctuations), employee-compensated absences of \$5.0 million, and outstanding claims of \$21.9 million.

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G) PRIOR PERIOD ADJUSTMENTS

City of Compton's Capital Assets, Net of Accumulated Depreciation As of June 30, 2021 and 2020						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Bonds Payable	\$ 75,757,844.00	36,156,102	54,230,000	56,330,000	129,987,844	\$ 92,486,102.00
Mortgage Loan Payable	427,211	815,574	-	-	427,211	815,574
Notes Payable	-	500,000	-	-	-	500,000
Installment Payment Agreement	1,038,941	2,038,941	-	-	1,038,941	2,038,941
Compensated Absences	4,600,316	4,337,658	418,856	376,391	5,019,172	4,714,049
Claims Payable	17,883,006	18,551,000	-	-	17,883,006	18,551,000
Net Pension Liability	142,655,587	130,813,290	7,727,242	11,243,821	150,382,829	142,057,111
Total other postemployment benefits	153,091,386	140,363,905	16,436,883	9,188,166	169,528,269	149,552,071
Total debt	\$ 395,454,291.19	333,576,470	78,812,981	77,138,378	474,267,272	\$ 410,714,848.00

At the end of Fiscal Year 2020-2021, the City had prior period adjustments totaling \$68,973,728, an increase of \$74.9 million, from negative \$5,933,849 in prior period adjustments during Fiscal Year 2019-2020. The prior period adjustments during FY 2020-2021 were primarily due to the effects of the City's capital assets valuation that was performed with effective date of FY 2020-2021. The capital assets valuation identified assets net of their related accumulated depreciation which had not been recorded in prior periods totaled \$77.7 million across both Governmental Activities (\$64.8 million) and Business-type activities (\$12.9 million). These prior period adjustments were off-set primarily by an adjustment of negative \$6.9 million in the Retirement Fund to correct for proper revenue recognition in a prior period.

H) ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

While the adopted General Fund budget for Fiscal Year 2021-22 reflected projected revenues meeting operating expenditures, the overall result was an excess of revenues over expenditures of \$15.7 million when factoring in interfund transfers in and out. Transfers included a \$3.4 million transfer out to the Debt Service Fund to make bond repayments for the 2008 and 2016 Lease Revenue Bonds and a \$1.4 million transfer to the General Liability fund to finance ongoing claims and expenses. To address the unknowns regarding the possible economic decline related to the COVID-19 pandemic, Fiscal Year 2021-22 total revenues were forecasted conservatively at depressed amounts relative to pre-pandemic levels and additional strategies were executed for reducing the City's expenses, such as deferral of labor cost increases during labor negotiations, reductions of City services, and salary savings from existing vacancies. The City's cost cutting measures yielded an estimated total savings of \$803 thousand in personnel costs for fiscal year 2021- 22. Despite the contraction in staffing and other cost cutting measures, the adopted Fiscal Year 2021-22 budget provided for continuity of the robust services to the community for which Compton strives to achieve annually.

I) REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for readers of the financial statements. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Sharon Rahban Navizadeh, City Controller, City of Compton, 205 S. Willowbrook Avenue, City Controller's Office, Compton, California 90220. Additional information, including the prior year's audited financial statements and prior and current year budgets are available on the City's website at <https://www.comptoncity.org/departments/city-manager/budget-information>.

JUNE 4, 2024

TO: MAYOR AND CITY COUNCIL MEMBERS

FROM: CITY CONTROLLER

SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A MULTI-YEAR PROFESSIONAL SERVICES AGREEMENT WITH THE SCANNING COMPANY (TSC) IN THE AMOUNT OF TWO HUNDRED AND TWENTY-FIVE THOUSAND DOLLARS (\$225,000) FOR SCANNING SERVICES, TO AMEND THE FY2023-2024 CITY BUDGET (\$50,000), AND TO ISSUE A PURCHASE ORDER IN THE AMOUNT OF TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$225,000) FOR SCANNING SERVICES TO BE PROVIDED.

SUMMARY

Staff is requesting that the City Council consider adopting a Resolution authorizing the City Manager to enter into a multi-year professional services agreement with The Scanning Company (\$225,000) to provide scanning services to the City, amend the FY2023-2024 City budget to transfer (\$50,000) between accounts, and to issue a Purchase Order for the amount of Two-Hundred and Twenty-Five Thousand Dollars (\$225,000) for services to be provided by The Scanning Company.

BACKGROUND

Historically, the City has contracted out scanning services for City Departments. However, as those services ceased, old and new documents require digitization. Currently, hardcopy documents are scanned manually by City staff using desktop or specialized scanners. Multiple departments/divisions of the City have existing and ongoing digitizing needs for a backlog of files. Departments such as the City Controller's Office, Water Department, Fire Department, Building and Safety, City Clerk's Office, and Public Works Engineering have current and historical hard copies of the City's operations back dated for many years. Over the past decade, the reduction in the budget for equipment and staffing has made it challenging to uphold the scanning needs.

STATEMENT OF ISSUE

In December 2023, City staff released an RFP for Scanning Services that was published in the Compton Bulletin, City Website, and the CSMFO (California Society of Municipal Finance Officers) website. The City received four responses. The respondents were Metasource, URM, The Scanning Company, and Legal Vision. Staff reviewed the proposals and conducted an apples-to-apples comparison on their variable prices for estimated services. The apples-to-

apples comparison weighed the value of the provided service to the mentioned variable cost listed in the proposals. Staff from the Controller's Department, and other City Departments for which their services would be received, also interviewed the firms to establish the best candidate to meet the City's needs at the best cost. During the interviews, the candidates were asked a series of questions and were allowed to present a short demonstration of their capabilities, in which staff rated their overall interview afterwards. After conducting the apples-to-apples cost comparison and candidate interviews, staff has determined that The Scanning Company is the lowest responsible bidder for providing scanning services to the City. *(Please see Attachment "A" for cost comparison and Attachment "B" for Staff Rating Sheets)*

Digitizing the City's existing documents will ease the City's need for additional storage space and provide stakeholders and customers with greater access to City records, thus increasing transparency. The Scanning Company provides a service that meets the needs of the City at the most effective cost. Services to be provided will include boxing/packing with optional cataloguing, regular and oversized document scanning with preferred scaling and optional black/white or color scanning, indexing, transportation of documents to the scanning facility and brought back to the City, scanning preparation (removal of staples, paper clips...etc.), and re-preparation (documents are organized and put back in the boxes). Their digitizing software is compatible with the City and is capable of storing the scans at various preferred locations (i.e. flash drive, cd, cloud).

Staff believes that it is beneficial for the City to be able to digitize the City's documents from operations. Not only will the documents be more secured and require less storage space, but also will assist staff in being more efficient and effective when assisting the residents. The estimated costs for scanning services from The Scanning Company for multiple departments is Two-Hundred and Twenty-Five Thousand Dollars (\$225,000). The total cost is contingent on the need and type of service the City demands.

Staff is requesting authorization be given to enter into a multi-year professional agreement with The Scanning Company for scanning services, amend the FY2023-2024 City budget, and to open a Purchase Order in the amount of Two-Hundred and Twenty-Five Thousand Dollars (\$225,000) for services to be provided by The Scanning Company.

FISCAL IMPACT

As can be seen in the apples-to-apples comparison provided in Attachment "A," The Scanning Company provides the lowest responsible bid that is suitable for the City's needs. The costs for scanning services from The Scanning Company for multiple departments is estimated at Two-Hundred and Twenty-Five Thousand Dollars (\$225,000), and are contingently based on the needs of the City.

Budget amendment requests are as follows:

Decrease in Expenditure appropriations:

1001-770-000-4262	General Fund	\$50,000
	Building and Safety	
	Other Professional Services	

Increase in Expenditure appropriations:

1001-770-000-4266	General Fund	\$50,000
	Building and Safety	
	Contract Services	

A Purchase Order is also requested at this time for The Scanning Company in the amount of Two-Hundred and Twenty-Five Thousand Dollars (\$225,000) from the following account:

<u>Account Code</u>	<u>Account Name</u>	<u>Amount</u>
1001-650-000-4266	General Fund	\$50,000
	Controller's Department	
	Contract Services	
1001-710-000-4266	General Fund	\$100,000
	Public Works Engineering	
	Contract Services	
1001-770-000-4266	General Fund	\$50,000
	Building and Safety	
	Contract Services	
1001-690-000-4266	General Fund	\$25,000
	Fire Department	
	Contract Services	

RECOMMENDATION

Staff recommends the City Council to adopt the attached Resolution to authorize the City Manager to enter into a professional agreement with The Scanning Company, and also authorize the City Manager to open a Purchase Order in the amount of Two-Hundred and Twenty-Five Thousand Dollars (\$225,000) for The Scanning Company for scanning services to be provided.

**Staff Report – A Resolution Authorizing A Professional Agreement For Scanning Services
The Scanning Company
June 4, 2024**

**SHARON RAHBAN NAVIZADEH
CITY CONTROLLER FORWARDED TO CITY MANAGER**

APPROVED FOR FORWARDING:

**WILLIE A. HOPKINS, JR.
CITY MANAGER**

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON AUTHORIZING THE CITY MANAGER TO ENTER INTO A MULTI-YEAR PROFESSIONAL SERVICES AGREEMENT WITH THE SCANNING COMPANY (TSC) IN THE AMOUNT OF TWO HUNDRED AND TWENTY-FIVE THOUSAND DOLLARS (\$225,000) FOR SCANNING SERVICES, TO AMEND THE FY2023-2024 CITY BUDGET (\$50,000), AND TO ISSUE A PURCHASE ORDER IN THE AMOUNT OF TWO HUNDRED TWENTY-FIVE THOUSAND DOLLARS (\$225,000) FOR SCANNING SERVICES TO BE PROVIDED.

WHEREAS, historically, the City has contracted out scanning services for City Departments. However, as those services ceased, old and new documents require digitization; and

WHEREAS, currently, hardcopy documents are scanned manually by City staff using desktop or specialized scanners; and

WHEREAS, multiple departments/divisions of the City have existing and ongoing digitizing needs. Departments such as the City Controller's Office, Water Department, Fire Department, Building and Safety, City Clerk's Office, and Public Works Engineering have current and historical hard copies of the City's operations back dated for many years; and

WHEREAS, in December 2023, City staff released an RFP for Scanning Services, in which the City received four responses. The respondents were Metasource, URM, The Scanning Company, and Legal Vision; and

WHEREAS, City staff reviewed the proposals and conducted an apples-to-apples comparison on their variable prices for estimated services. The apples-to-apples comparison weighed the value of the provided service to the mentioned variable cost listed in the proposals; and

WHEREAS, staff from the Controller's Department, and other City Departments for which their services would be received, also interviewed the firms to establish the best candidate to meet the City's needs at the best cost. During the interviews, the candidates were asked a series of questions and were allowed to present a short demonstration of their capabilities, in which staff rated their overall interview afterwards; and

WHEREAS, after conducting the apples-to-apples cost comparison and candidate interviews, staff has determined that The Scanning Company is the lowest responsible bidder for providing scanning services to the City; and

WHEREAS, Digitizing the City's existing documents will ease the City's need for additional storage space and provide stakeholders and customers with greater access to City records, thus increasing transparency; and

WHEREAS, The Scanning Company provides a service that meets the needs of the City at the most effective cost. Services to be provided will include boxing/packing with optional cataloguing, regular and oversized document scanning with preferred scaling and optional black/white or color scanning, indexing, transportation of documents to the scanning facility and brought back to the City, scanning preparation (removal of staples, paper clips...etc.), and re-preparation (documents are organized and put back in the boxes). Their digitizing software is compatible with the City and is capable of storing the scans at various preferred locations (i.e. flash drive, cd, cloud); and

WHEREAS, the estimated costs for scanning services from The Scanning Company for multiple departments is Two-Hundred and Twenty-Five Thousand Dollars (\$225,000). The total cost is contingent on the need and type of service the City demands; and

WHEREAS, a budget amendment is requested and is as follows:

Decrease in Expenditure appropriations:

1001-770-000-4262	General Fund	\$50,000
	Building and Safety	
	Other Professional Services	

Increase in Expenditure appropriations:

1001-770-000-4266	General Fund	\$50,000
	Building and Safety	
	Contract Services	

WHEREAS, a Purchase Order is also requested at this time for The Scanning Company in the amount of Two-Hundred and Twenty-Five Thousand Dollars (\$225,000) from the following account:

<u>Account Code</u>	<u>Account Name</u>	<u>Amount</u>
1001-650-000-4266	General Fund	\$50,000
	Controller's Department	
	Contract Services	
1001-710-000-4266	General Fund	\$100,000
	Public Works Engineering	
	Contract Services	
1001-770-000-4266	General Fund	\$50,000
	Building and Safety	
	Contract Services	
1001-690-000-4266	General Fund	\$25,000
	Fire Department	
	Contract Services	

WHEREAS, staff recommends the City Council to adopt the attached Resolution to authorize the City Manager to enter into a professional agreement with The Scanning Company, and also authorize the City Manager to open a Purchase Order in the amount of Two-Hundred and Twenty-Five Thousand Dollars (\$225,000) for The Scanning Company for scanning services to be provided; and

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. That the City Manager is hereby authorized to enter into a professional services agreement with The Scanning Company for scanning services (\$225,000).

SECTION 2. That the City’s Fiscal Year 2023-2024 Budget is authorized to be amended as follows:

Decrease in Expenditure appropriations:

<u>Account Code</u>	<u>Account Name</u>	<u>Amount</u>
1001-770-000-4262	General Fund	\$50,000
	Building and Safety	
	Other Professional Services	

Increase in Expenditure appropriations:

<u>Account Code</u>	<u>Account Name</u>	<u>Amount</u>
1001-770-000-4266	General Fund	\$50,000
	Building and Safety	
	Contract Services	

SECTION 3. That a Purchase Order is to be issued for the amount of Two-Hundred and Twenty-Five Thousand Dollars (\$225,000) for The Scanning Company for scanning services to be provided.

<u>Account Code</u>	<u>Account Name</u>	<u>Amount</u>
1001-650-000-4266	General Fund	\$50,000
	Controller’s Department	
	Contract Services	
1001-710-000-4266	General Fund	\$100,000
	Public Works Engineering	
	Contract Services	
1001-770-000-4266	General Fund	\$50,000
	Building and Safety	
	Contract Services	
1001-690-000-4266	General Fund	\$25,000
	Fire Department	
	Contract Services	

SECTION 4. That a duly copy of the Resolution shall be filed with the offices of the City Manager, City Clerk, City Attorney, and City Controller.

SECTION 5. That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

ADOPTED this _____ day of _____, 2024.

MAYOR OF THE CITY OF COMPTON

ATTEST:

CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF COMPTON)

I, Vernell McDaniel, City Clerk of the City of Compton, hereby certify that the foregoing Resolution was adopted by the City Council of the City of Compton, signed by the Mayor and attested by the City Clerk at a regular meeting thereof held on this _____ day of _____, 2024.

That said Resolution was adopted by the following vote, to wit:

AYES: COUNCILMEMBERS -
NOES: COUNCILMEMBERS -
ABSTAIN: COUNCILMEMBERS -
ABSENT: COUNCILMEMBERS -

CITY CLERK OF THE CITY OF COMPTON

Attachment A

Scanning Services Comparison

Firm name	Set-up	Packaging and Boxing	Per page cost breakdown (Scanning) (including QC, Indexing, and OCR)	Additional Services	Optional Services (Not included)	Other Fees	Travel	Total Fee	
Metasource	Will meet with each City department to capture detailed specifications and review each document collection to be processed. (Complimentary Service)	Pull and box documents to be transported for processing. Prepare a manifest for each pickup. Barcode label attachment to the outside of each box. Barcodes will contain the box's contents. Manifest will be updated as each ID label is applied and the related box is loaded into the transport vehicle. Preparation- Removal of paper clips, staples...etc., unroll and flatten any papers, repair documents. \$41.92 per hour	<u>Regular Page</u> Prep/Scan- \$.1950 per page Color Prep/Scan- \$.1962 per page <u>Oversized Page</u> Prep/Scan- \$.7838 per page Color Prep/Scan- \$1.0273 per page	Batches of images (PDF format, text radable via OCR) and data will be delivered via DVD, sFTP, hard drive, or other method requested by the City. All output will be compatible with the City's ECM platform and will not require additional processing/formatting. Staff training	Offshore Indexing- All work to be performed with domestic labor in the state of California unless optional offshore rates are selected. Re-prep- placing documents back in folders and clasps, binders, but no re-stapling. Standard processing includes placing paper into boxes in the order scanned only. Heavy Prep (As needed)- billed hourly as an overage, only when a box requires more than 2 hours of prepping due to condition on the paper, damage, or need for additional handling or review.	None	Monthly Pickup \$98.36 per trip	\$60,233.10	
URM	Job Set-up Form- URM will prepare this document with the City. It will provide the Productions team instructions for how to prepare, index and ultimately deliver the scanned images of the City. \$205 per document type	Will provide bar code labels to be placed on boxes/containers of drawings/documents prior to pick up. Will provide boxes and personnel to pack the City's files for transport, if requested. The City will be responsible for identifying and segregating the files. \$65.00 per hr/per employee	<u>Regular Page</u> B/W Prep/Scan up to 11X17- \$.438 per page Color Prep/Scan up to 11X17- \$.44 per page <u>Oversized Page</u> B/W Prep/Scan Large Format- \$ 1.20 per page Color Prep/Scan Large Format- \$1.22 per page	Re-prep- URM will re-prep the documents and place them back in the container they came in. No re-binding or re-stapling. Staff training	Emergency 24- hour document request (Scan or Demand) IT Professional Services	\$42.00 \$192.50 per hour	Pick-Up and Transportation \$65.00 per trip	\$96,344.00	
The Scanning Company	Will discuss the needs required for each department	Will provide boxes and personnel to pack the City's files for transport, if requested. The City will be responsible for identifying and segregating the files. See optional services for On-site inventory list, if desired. Boxing/Packing Fee- \$9.00 per box. (cataloguing will be an additional \$1.00 per file)	<u>Regular Page</u> B/W and Color Prep/Scan- \$.04 per page <u>Oversized Page</u> B/W and Color Prep/Scan Large Format- \$.61 per page	Re-prep- Will re-prep the documents and place them back in the container they came in. No re-binding, re-stapling, no re-storing in cabinets Staff training	Rush Pull-Up to 2 files free per week Additional Services such as specialized indexing On-site inventory list	\$25.00 per file thereafter Staff- \$27.50 per hr \$1.00 per file	None	Pick-Up and Transportation \$150.00 per trip	\$38,650.00
Legal Vision Group	Will discuss the needs required for each department	LVG will receive, handle, sort and pack materials as outlined. Meta Data fees will capture box level and folder level instructions. Boxes will be provided, if requested. Cost for staffing for packaging/boxing will be applied to support staff services (See Optional Services) \$25.00 per hour/per employee	<u>Regular Page</u> B/W and Color Prep/Scan up to 11X17- \$.27 per page <u>Oversized Page</u> B/W and Color Prep/Scan Large Format- \$.91 per page *Meta Data included in fees for 5 fields *All fees are subject to negotiation	Re-prep- Will re-prep the documents and place them back in the container they came in. No re-binding, re-stapling, no re-storing in cabinets Staff training	Rush Pick-Up Technical Services (if needed) Support Staff (if needed)	\$35.00 per trip \$35.00 per hour \$25.00 per hour/per employee *All fees are subject to negotiation	DVD-R with customer label \$7.00 per *All fees are subject to negotiation	Pick-up and Return \$40.00 per trip *All fees are subject to negotiation	\$64,407.00

Sample:					
(Standard Services)	Sample Quantity	MetaSource	URM	The Scanning Company	Legal Vision
Packaging Per Hour Fee	100	\$4,192.00	\$13,000.00	\$0.00	\$5,000.00
Regular Pages (Color)	25,000	4,905.00	11,000.00	1,000.00	6,750.00
Oversized Pages (Color)	25,000	25,682.50	30,500.00	15,250.00	22,750.00
Regular Pages (B/W)	25,000	4,875.00	10,950.00	1,000.00	6,750.00
Oversized Pages (B/W)	25,000	19,595.00	30,000.00	15,250.00	22,750.00
Trips	10	983.60	650.00	3,000.00	400.00
Set up Fee	1	0	205.00	-	0.00
Other Fees		0	39.00	-	7.00
Packing Per Boxing Fee (7 Dept, 50 boxes per dept)	350	0	0	3,150.00	0.00
Total		\$60,233.10	\$96,344.00	\$38,650.00	\$64,407.00
			Note- Est. 2 employees for packing, 1 upload, 1 carton		Note - Est. 2 employees for packing, Est. 1 DVD

Attachment B

Rating Sheet For: Scanning Services

Number of Raters: 4

Proposal Criteria			Sharon				Calicia				Enrique				Curtis				Average Score			
Approach to Service Quality			The Scanning Company	Metasource	Legal Vision	URM	The Scanning Company	Metasource	Legal Vision	URM	The Scanning Company	Metasource	Legal Vision	URM	The Scanning Company	Metasource	Legal Vision	URM	The Scanning Company	Metasource	Legal Vision	URM
1	The proposal/presentation outlines an approach that is tailored based on the City of Compton's activities and special needs.	0-5	5	5	2	5	5	3	2	4	4	3	3	4	5	4	3	4	4.75	3.75	2.5	4.25
2	The proposal/presentation outlines the firm's processes for ensuring an efficient and effective process.	0-5	5	5	5	5	5	3	3	5	4	3	2	5	5	3	3	4	4.75	3.5	3.25	4.75
3	The proposal showcases the firm's commitment to providing quality services by voluntarily adhering to higher standards of quality.	0-5	5	5	5	5	5	3	2	5	4	4	3	4	5	3	3	4	4.75	3.75	3.25	4.5
4	The proposal/presentation outlines the firm's processes for ensuring on-going access to qualified staff.	0-5	5	5	5	5	5	3	3	5	4	4	3	3	5	4	3	4	4.75	4	3.5	4.25
5	Is the software compatible, accesible, and easy to use?	0-5	5	5	5	5	5	3	3	5	4	4	3	4	5	4	3	4	4.75	4	3.5	4.5
Total Approach to Service Quality			25	25	22	25	25	15	13	24	20	18	14	20	25	18	15	20	23.75	19	16	22.25

Team Knowledge and Experience			The Scanning Company	Metasource	Legal Vision	URM	The Scanning Company	Metasource	Legal Vision	URM	The Scanning Company	Metasource	Legal Vision	URM	The Scanning Company	Metasource	Legal Vision	URM	The Scanning Company	Metasource	Legal Vision	URM
6	The proposal/presentation highlights the firms' commitment to professional training and staff continuity.	0-5	3	4	3	4	5	4	2	5	5	4	4	4	5	4	4	4	4.5	4	3.25	4.25
7	The proposal/presentation outlines qualifications, industry experience, and strengths for all partners.	0-5	5	5	5	5	5	3	3	5	5	4	3	5	5	4	3	4	5	4	3.5	4.75
8	The proposal/presentation specifies the strengths of assigned team members as well as their years of prior experience in the area of providing scanning services.	0-5	5	5	5	5	5	4	3	5	5	3	3	4	5	4	3	5	5	4	3.5	4.75
9	The proposal/presentation identifies how the firm will use current best practices in digitizing documents.	0-5	5	5	4	5	5	3	3	5	4	4	3	4	4	4	3	4	4.5	4	3.25	4.5
10	The proposal/presentation provides the firm's background, client base, licensing information and years in business.	0-5	4	5	4	5	5	4	4	5	5	4	3	5	5	4	3	5	4.75	4.25	3.5	5
Total Knowledge and Experience			22	24	21	24	25	18	15	25	24	19	16	22	24	20	16	22	23.75	20.25	17	23.25

Value Added Services			The Scanning Company	Metasource	Legal Vision	URM	The Scanning Company	Metasource	Legal Vision	URM	The Scanning Company	Metasource	Legal Vision	URM	The Scanning Company	Metasource	Legal Vision	URM	The Scanning Company	Metasource	Legal Vision	URM
11	It is evident that the firm understands our business and our challenges. The firm is committed to providing services, beyond the engagement	0-5	4	5	3	5	5	4	2	5	5	4	4	5	5	5	3	5	4.75	4.5	3	5
12	Will the firm provide regular communication with staff	0-5	5	5	5	5	5	5	4	5	4	4	4	4	5	4	4	5	4.75	4.5	4.25	4.75
13	Does the firm provide recommendations for more efficiency and effectiveness for digitizing documents	0-5	5	5	5	5	5	4	4	5	4	4	3	4	5	5	5	5	4.75	4.5	4.25	4.75
14	Does the firm offer sufficient staff training services	0-5	5	5	5	5	5	3	2	5	3	3	3	3	4	4	4	4	4.25	3.75	3.5	4.25
15	Does the firm have adequate off-site spacing and equipment to provide the service?	0-5	5	5	5	5	5	4	3	4	4	4	3	4	5	4	3	5	4.75	4.25	3.5	4.5
Total Value Added Services			24	25	23	25	25	20	15	24	20	19	17	20	24	22	19	24	23.25	21.5	18.5	23.25

Scope and Pricing of the Engagement			The Scanning Company	Metasource	Legal Vision	URM	The Scanning Company	Metasource	Legal Vision	URM	The Scanning Company	Metasource	Legal Vision	URM	The Scanning Company	Metasource	Legal Vision	URM	The Scanning Company	Metasource	Legal Vision	URM
16	The proposal/presentation clearly provides a framework for the scope, timing, steps and resources to complete the engagement.	0-5	5	5	5	5	5	4	3	5	4	4	4	4	5	4	3	5	4.75	4.25	3.75	4.75
17	The proposal specifies the price for the engagement and how it will be billed.	0-5	5	5	5	5	5	4	3	4	4	4	3	3	5	5	3	5	4.75	4.5	3.5	4.25
18	The proposal addresses all items requested by us whether verbally or in the RFP	0-5	5	5	4	5	5	4	3	5	4	4	3	4	5	4	4	4	4.75	4.25	3.5	4.5
19	The proposed fee is reasonable based on the experience, unique value and knowledge the firm brings to the engagement.	0-5	5	4	3	2	5	4	4	5	4	3	3	3	4	4	3	4	4.5	3.75	3.25	3.5
20	Provision of 3 minimum references	0-5	5	5	5	5	5	4	3	5	4	4	3	4	5	5	3	5	4.75	4.5	3.5	4.75
Total Scope and Pricing of the Engagement			25	24	22	22	25	20	16	24	20	19	16	18	24	22	16	23	23.5	21.25	17.5	21.75

Total Interview		100	96	98	88	96	100	73	59	97	84	75	63	80	97	82	66	89	94.25	82	69	90.5
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Score criteria should be based on a 1-5 scale. (5-Excellent, 4-Good, 3-Average, 2-Below Average, and 1-Unsatisfactory)

JUNE 4, 2024

TO: HONORABLE MAYOR AND COUNCIL MEMBERS

FROM: CITY ATTORNEY

**SUBJECT: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON
AUTHORIZING THE CITY MANAGER TO ENTER INTO LEGAL
SERVICES RETAINER AGREEMENTS FOR FISCAL YEARS 2023-2024
AND 2024-2025**

SUMMARY

The City Council will consider adopting a Resolution authorizing the City Manager to enter into legal services retainer agreements for Fiscal Years 2023-2024 and 2024-2025 on an as needed basis to assist the City Attorney's Office.

BACKGROUND

The Compton City Charter, Section 702, authorizes the City Council to contract with outside attorneys to assist the City Attorney with professional legal services including ongoing legal advice and in the handling of various complex legal matters of the City. Historically, the City of Compton has retained the services of various outside law firms to assist the Office of the City Attorney with specific complex matters and in specialized areas of the law.

STATEMENT OF THE ISSUE

The City has identified the need to secure expert transactional, advisory and litigation support services to assist the City and the Office of the City Attorney on an as-needed basis with specialized projects such as City Attorney's Office conflict of interest matters, municipal labor and employment practices, labor negotiations, investigations, administrative and municipal hearings, litigation, housing development transactions and municipal advice letters. The attached resolution, if adopted, would authorize the as-needed services of the following law firms: Richards, Watson & Gershon; Liebert Cassidy Whitmore; Sanders Roberts LLP; The Westmoreland Law Firm, P.C.; Harrington, Foxx, Dubrow & Canter, LLP; Enso Law, LLP; Olivarez Madruga Law Organization LLP; Albright, Yee & Schmit, APC; Ivie McNeill Wyatt Purcell & Diggs; and Atkinson, Andelson, Loya, Rudd & Romo, P.C.

Staff acknowledges that the aforementioned law firms have the special skills and experience necessary to do and perform the services in accordance with the best standards of professional practice.

FINANCIAL IMPACT

Funding for expenditures made for these services will be utilized on an as needed basis and within the budgeted amount appropriated into the FY 2023-2024 and FY 2024-2025 budget accounts.

RECOMMENDATION

Staff recommends that the City Council adopt the attached Resolution.

**ERIC J. PERRODIN
CITY ATTORNEY**

APPROVED FOR FORWARDING:

**WILLIE A. HOPKINS
CITY MANAGER**

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF COMPTON
AUTHORIZING THE CITY MANAGER TO ENTER INTO LEGAL SERVICES
RETAINER AGREEMENTS FOR FISCAL YEARS 2023-2024 AND 2024-
2025**

WHEREAS, Section 702 of the Compton City Charter authorizes the City Council to contract with outside attorneys to assist the City Attorney with professional legal services including ongoing legal advice and in the handling of various complex legal matters of the City; and

WHEREAS, historically, the City of Compton has retained the services of various law firms to assist the Office of the City Attorney with specific cases and in specialized areas of the law; and

WHEREAS, the City has identified the need to secure expert transactional, advisory and litigation support services to assist the City and the Office of the City Attorney on an as-needed basis with specialized projects such as City Attorney's Office conflict of interest matters, municipal labor and employment practices, labor negotiations, investigations, administrative and municipal hearings, litigation, housing development transactions and municipal advice letters; and

WHEREAS, the Office of the City Attorney acknowledges that the following law firms possess the special skills and experience necessary to do and perform the services in accordance with the best standards of professional practice: Richards, Watson & Gershon; Liebert Cassidy Whitmore; Sanders Roberts LLP; The Westmoreland Law Firm, P.C.; Harrington, Foxx, Dubrow & Canter, LLP; Enso Law, LLP; Olivarez Madruga Law Organization LLP; Albright, Yee & Schmit, APC; Ivie McNeill Wyatt Purcell & Diggs; and Atkinson, Andelson, Loya, Rudd & Romo, P.C..

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF COMPTON
RESOLVES AS FOLLOWS:**

Section 1. That the City Manager is authorized to enter into legal retainer agreements, upon the advice of the City Attorney, with the following law firms for the 2023-2024 and 2024-2025 Fiscal Year Budgets to assist the City Attorney's Office as needed: Richards, Watson & Gershon; Liebert Cassidy Whitmore; Sanders Roberts LLP; The Westmoreland Law Firm, P.C.; Harrington, Foxx, Dubrow & Canter, LLP; Enso Law, LLP; Olivarez Madruga Law Organization LLP; Albright, Yee & Schmit, APC; Ivie McNeill Wyatt Purcell & Diggs; and Atkinson, Andelson, Loya, Rudd & Romo, P.C.

Section 2. That legal services performed pursuant to the above referenced legal retainer agreements shall be paid from account numbers: 1001-420-000-4261 (**City Attorney's Office - Legal Services**); 6400-420-000-4295 (**Liability Account**); 5100-510-000-4261 (**Solid Waste**); 1205-510-000-4261 (**Housing Successor**); 1201-510-000-4261 (**Successor Agency/CRA**); 1001-510-000-4261 (**City Manager's Office – Legal Services**) in amounts not to exceed that which is allocated in the 2023-2024 and 2024-2025 Fiscal Years budgets of the City Attorney's Office.

Section 3. That the hourly rates shall not exceed \$350.00 an hour.

Section 4. That a duly certified copy of this Resolution shall be delivered to the Offices of City Manager, City Attorney, City Controller and City Clerk.

Section 5. That the Mayor shall sign and the City Clerk shall attest to the adoption of this Resolution.

ADOPTED this _____ day of _____, 2024

MAYOR OF THE CITY OF COMPTON

ATTEST:

CITY CLERK OF THE CITY OF COMPTON

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF COMPTON)

I, Vernell McDaniel, City Clerk of the City of Compton hereby certify that the foregoing Resolution was adopted by the City Council of the City of Compton, signed by the Mayor and attested by the City Clerk at a regular meeting thereof held this _____ day of _____, 2024.

That said Resolution was adopted by the following vote, to wit:

AYES: COUNCIL MEMBERS-
NOES: COUNCIL MEMBERS-
ABSTAIN: COUNCIL MEMBERS-
ABSENT: COUNCIL MEMBERS-

CITY CLERK OF THE CITY OF COMPTON