

AGENDA

Wednesday, April 23, 2025

CITY OF CITRUS HEIGHTS CITY COUNCIL

6:00 PM REGULAR MEETING

City Hall Council Chambers

6360 Fountain Square Drive, Citrus Heights, CA

HOW TO PARTICIPATE:

The City of Citrus Heights welcomes your interest and involvement in the City's legislative process. The Council may take up any agenda item at any time, regardless of the order listed. If you wish to address the Council during the meeting, please fill out a Speaker Identification Sheet and give it to the City Clerk. When you are called upon to speak, step forward to the podium and state your name for the record. Normally speakers are limited to five minutes each with 30 minutes being allowed for all comments. Any public comments beyond the initial 30 minutes may be heard at the conclusion of the agenda. The Mayor has the discretion to lengthen or shorten the allotted times. Alternatively, you may submit your comment by 4:00 p.m. on the meeting day by completion of an online Speaker Card at <https://www.citrusheights.net/FormCenter/City-Council-Meetings-Speaker-Card-30>. Written public comments shall be limited to 250 words or less. Each comment will be read aloud by the City Clerk.

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection during normal business hours at City Hall, located at 6360 Fountain Square Drive. Audio / Visual presentation material must be provided to the City Clerk's Office at least 48 hours prior to the meeting. Email subscriptions of the agenda are available online by signing up with the City's [Notify Me](#) service.

If you need a disability-related modification or accommodation, to participate in this meeting, please contact the City Clerk's Office 916-725-2448, cityclerk@citrusheights.net, or City Hall 6360 Fountain Square Drive at least 48 hours prior to the meeting. TDD: California Relay Service 7-1-1.

April 23, 2025 City Council Agenda Packet

Documents:

[04-23-25 REGULAR COUNCIL AGENDA PACKET.PDF](#)

CALL REGULAR MEETING TO ORDER

1. Flag Salute
2. Roll Call: Council Members: Middleton, Nelson, Schaefer, Lopez- Taff, Karpinski- Costa
3. Video Statement

APPROVAL OF AGENDA

PRESENTATIONS

4. Proclamation Of The City Of Citrus Heights Proclaiming April 20-26, 2025 As National Volunteer Week

5. Proclamation Of The City Of Citrus Heights Proclaiming May As National Building Safety Month

6. Proclamation Of The City Of Citrus Heights Proclaiming April As Fair Housing Month

PUBLIC COMMENT

Members of the public are entitled to address the City Council concerning any item within the City Council's subject matter jurisdiction. Pursuant to the Brown Act, the City Council is prohibited from discussing or acting on any item raised during "Public Comment" not appearing on the posted agenda.

COMMENTS BY COUNCIL MEMBERS AND REGIONAL BOARD UPDATES

CONSENT CALENDAR

It is recommended that all consent items be acted on simultaneously unless separate discussion and/or action are requested by a Council Member.

7. SUBJECT: Approval Of Sunrise MarketPlace Property-Based Improvement District 2024 Annual Report

STAFF REPORT: M. Huber

RECOMMENDATION: Adopt Resolution No. 2025-_____, A Resolution of the City Council of the City of Citrus Heights Approving the Sunrise MarketPlace 2024 Annual Report

8. SUBJECT: Annual Comprehensive Financial Report, Single Audit Report, And Audited Financial Statements And Compliance Report For Transportation Development Act Funds

STAFF REPORT: S. Talwar / A. Preciado

RECOMMENDATION: Staff recommends the City Council receive and file the following for Fiscal Year Ended June 30, 2024:

- a. City of Citrus Heights Annual Comprehensive Financial Report,
- b. City of Citrus Heights Popular Annual Financial Report,
- c. Audit Communication Letter and the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters,
- d. Single Audit Report,
- e. City of Citrus Heights Transportation Development Act (TDA) Funds Audited Financial Statements and Compliance Report

9. SUBJECT: Second Reading - Ordinance Amending Citrus Heights Municipal Code Chapter 38 – Fire Prevention And Protection, Article III. – Fireworks, Sections 38-78 And 38-81

STAFF REPORT: A. Turcotte / M. Wells / R. Jones

RECOMMENDATION: Adopt Ordinance No. 2025-001, amending Citrus Heights Municipal Code Chapter 38 - Fire Prevention and Protection, Article III. - Fireworks Sections 38-78 and 38-81

10. SUBJECT: Authorize City Manager To Execute A Purchase Agreement With Cadence Team For The Replacement Of City's Network And Wireless Infrastructure

STAFF REPORT: S. Talwar / R. Miller

RECOMMENDATION: Adopt Resolution No. 2025- ____, A Resolution of the City Council of the City of Citrus Heights, California Authorizing the City Manager to Execute a Purchase Agreement with Cadence Team for the Replacement of the City's Network and Wireless Infrastructure

REGULAR CALENDAR

11. SUBJECT: Consideration Of Owner-Initiated Specific Plan Amendment For The Sunrise Tomorrow Specific Plan

STAFF REPORT: C. Kempenaar / M. Huber

RECOMMENDATION: Staff recommends the City Council review the proposed informal application and the analysis contained within the Staff Report and provide feedback and direction to staff and the applicant.

DEPARTMENT REPORTS

CITY MANAGER ITEMS

ITEMS REQUESTED BY COUNCIL MEMBERS / FUTURE AGENDA ITEMS

ADJOURNMENT

**CITY OF CITRUS HEIGHTS
 CITY COUNCIL
 Regular Meeting of Wednesday, April 23, 2025
 City Hall Council Chambers, 6360 Fountain Square Dr., Citrus Heights, CA
 Regular Meeting 6:00 p.m.**

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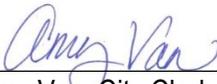
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The City provides three ways to watch a City Council meeting.

IN PERSON	ONLINE	ON TELEVISION
 City Council meetings take place in the City Hall Council Chambers.	 Watch the livestream and replay past meetings on the City website .	 Watch live and replays of meetings on Sac Metro Cable, Channel 14.

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April 18, 2025



 Amy Van, City Clerk

5:00 – 5:45 PM
Reception for Citrus Heights Volunteers – Citrus Heights City Hall

REGULAR CITY COUNCIL MEETING
6:00 PM

CALL REGULAR MEETING TO ORDER

1. Flag Salute
2. Roll Call: Council Members: Middleton, Nelson, Schaefer, Lopez-Taff, Karpinski-Costa
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CONSENT CALENDAR (Estimated Start Time 6:45 p.m.)

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ADJOURNMENT



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: April 23, 2025

TO: Mayor and City Council Members
Ashley Feeney, City Manager

FROM: Meghan Huber, Economic Development &
Community Engagement Director

SUBJECT: **Approval of Sunrise MarketPlace Property-Based Improvement
District 2024 Annual Report**

Summary and Recommendation

The Sunrise MarketPlace Property-Based Improvement District (PBID) is required by law to provide an annual report to the City Council. The PBID Board of Directors approved the 2024 Sunrise MarketPlace Annual Report on April 10, 2025 and are ready to present this report to the City Council.

Staff recommend the City Council adopt Resolution No. 2025-____ a Resolution of the City Council of the City of Citrus Heights approving the Sunrise MarketPlace 2024 Annual Report.

Fiscal Impact

There is no fiscal impact associated with this action.

Background and Analysis

The City Council approved the formation of the Sunrise MarketPlace PBID in 1999 and the most recent renewal in June 2024. Sunrise MarketPlace is an important partner of the City to achieve shared economic development goals.

The PBID is required to prepare an annual report and present it to the City Council for review and approval. The Sunrise MarketPlace Board of Directors approved the 2024 Annual Report at their board meeting on April 10, 2025. The meeting was noticed and held in accordance with the Brown Act.

Attachments

Subject: Approval of Sunrise MarketPlace Property and Business Improvement District 2024 Annual Report

Date: April 23, 2025

Page 2 of 2

1. Resolution 2025-___, a Resolution of the City Council of the City of Citrus Heights approving the Sunrise MarketPlace 2024 Annual Report
 - a. Sunrise MarketPlace 2024 Annual Report

RESOLUTION NO. 2025- ____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS, CALIFORNIA, APPROVING THE SUNRISE MARKETPLACE 2024 ANNUAL REPORT

WHEREAS, The City Council approved the formation of the Sunrise MarketPlace PBID in 1999 and the most recent renewal in June 2024;

WHEREAS, the Sunrise MarketPlace Board of Directors approved the Sunrise MarketPlace 2024 Annual Report on April 10, 2025; and

WHEREAS, the Sunrise MarketPlace 2024 Annual Report is incorporated as part of this Resolution and is on file with the City Clerk.

NOW THEREFORE BE IT RESOLVED AND ORDERED The City Council of the City of Citrus Heights does approve the Sunrise MarketPlace 2024 Annual Report.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 23rd day of April, 2025 by the following vote, to wit:

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

Dr. Jayna Karpinski-Costa, Mayor

ATTEST:

Amy Van, City Clerk

Attachment

Exhibit A - Sunrise MarketPlace 2024 Annual Report



SUNRISE MARKETPLACE

SHOP DINE DO PLAY

2024 ANNUAL REPORT

MESSAGE FROM THE CHAIR



BY **TIFFANY CLEMENT**

Chair - Sunrise MarketPlace board of directors

Property Manager - Merlone Geier Management / Sunrise Village

Last year, in this space, I asked for your support in renewing the Sunrise MarketPlace Business Improvement District (SMP), and you came through! SMP was renewed for a 10-year term - our longest term yet. The lengthier term allows for more long-term planning. We remain committed to providing the highest level of clean and safe services, marketing and special events, advocacy, and economic development. Detailed information on the success of these programs can be found in this report.

We have heard from many of our property and business owners, as well as employees, that they are concerned about Sunrise Mall's existing condition and future. The City of Citrus Heights has established a Specific Plan for the area that regulates uses on the property. It is up to the owners of the parcels at the mall to execute the Plan. Local Developer, Ethan Conrad, owns the former Sears parcel and has submitted a proposal to revise the Specific Plan to allow for quick-serve restaurants, an anchor tenant, Home Depot, and other uses. Since these uses are not permitted under the existing plan, Mr. Conrad's proposed revisions

will need to be approved by the City Council. We will keep you posted on any progress at the mall site. Please ensure you are signed up for our newsletter; we send out information to help you make decisions about your properties and businesses. Contact lisa@sunrisemarketplace.com to be added to the contact list.

SMP SUCCESSFULLY RENEWS THE DISTRICT FOR 10 YEAR TERM

Citrus Heights City Council renewed SMP for a 10-year term on Thursday, June 13th 2024. The ballot count closely aligned with our projections, garnering \$444,197 in YES votes and \$21,926 in NO votes. A total of 34 ballots were returned, comprising 28 YES ballots and 6 NO ballots. We are grateful for the support of our property owners and the City of Citrus Heights. Property and business owners affirmed that their priorities for the District are centered on maintaining a clean, safe, attractive, and entertaining environment. It is important that property and business owners in the District leverage their investment in SMP by utilizing the programs outlined in the Management District Plan. For questions, contact kathilynn@sunrisemarketplace.com.

 **SMP**

RENEWS

**10
YEAR
TERM**

2025 - 2035

PROGRAMS & SERVICES

CLEAN & SAFE PROGRAMS

WHY SECURITY?

Consumers visiting the District expect a clean and safe experience. Our mission is to create that environment with security patrols, porter service, placemaking and CPTED (crime prevention through environmental design) measures. Post-pandemic, shoplifting, vandalism and other nuisance crimes escalated in the District. To mitigate this behavior, SMP launched a security program in 2020. The program currently consists of daytime armed security seven days a week. SMP received a federal ARPA grant from Sacramento County to alleviate similar overnight issues.

Overnight patrols will operate from July 2024 through May 2025. SMP is collaborating with security organizations to provide alternative preventive measures such as camera trailers. Our partnership with the Citrus Heights Police Department has produced considerable benefits for the District. Through this collaboration, we develop both proactive and response strategies. CHPD was awarded a \$2.7 million grant to install 98 Flock Cameras throughout the City, including locations in the District. These cameras will decrease retail theft crimes.



PRIVATE SECURITY

Nor-Cal armed security officers patrol the District responding to calls and removing camps and individuals (that do not have a legitimate reason to be there) from private property. Officers are authorized to issue 602 trespass notices to meet the City's threshold for applying the chronic nuisance offender ordinance. This can result in arrests for those who habitually loiter and trespass.

Officers are generally scheduled from **9 AM to 5 PM** and can be reached at the Dispatch number: **279-587-1020**.

CALTAC Security conducted overnight patrols aimed at mitigating graffiti and illegal dumping, which predominantly occur during nighttime hours. Officers also mitigate unauthorized vehicles, trespassing, homeless camps, building break-ins, and other activities. The grant funding ends in May.

SMP's security program provides supplemental public safety service. It is not meant to replace shopping center, office building, or other on-site security.

NOR-CAL SECURITY RESULTS

	2024	2023
> Assistance Business Clearing, Foot Patrol, Medical	511	55
> Disturbance Drugs, Alcohol, Arson	190	248
> Loitering / Trespassing Camps & Panhandling, Street Sales	2,006	1,298
> Theft Prevention, Recovery & Assistance	243	392
> Vandalism / Tags / Dumping	101	43
> Vehicle / RV Incidents	92	42
> Total Incidents in 2024	3,206	2,078
> Merchandise Recovered	\$65,760	\$63,735
> Number of Transient Interactions	3,001	1,798
> Number of Non-Transient Interactions	717	713
> Total Number of Interactions	3,718	2,511

CALTAC SECURITY RESULTS

	2024
> Homeless removed from private property	1,112
> Parking Enforcement / Lewd Acts	225
> Dumpster Diving / Trash Dumped	96
> Vandalism / Disturbance / Fires	28
> Building Breaches & Police Calls for Service	27
> Drug Paraphernalia	13

CLEAN & SAFE COMMITTEE

This meeting takes place the second Wednesday of each month and is designed to bring together law enforcement representatives, city officials and executives, on-site security and loss prevention officers, SMP staff, and other key stakeholders to discuss issues related to SMP’s clean and safe efforts. The main goal is to facilitate the exchange of information and foster connections among everyone involved in promoting a clean and safe environment.

Contact Lisa@sunrisemarketplace.com to participate in the committee.

WHEN:

Every 2nd Wednesday of the month

WHERE:

Sunrise MarketPlace Office
8095 Greenback Lane, Suite D
Citrus Heights, CA 95610



Sunrise MarketPlace
Invites you to attend

CLEAN & SAFE MEETING

DISCUSSION ON

This meeting is designed to bring together law enforcement representatives, city officials and executives, SMP staff, and key stakeholders to discuss issues related to cleanliness and safety within the district. The main goal is to facilitate the exchange of information and foster connections among everyone involved in promoting a clean and safe environment.

**2ND WEDNESDAY OF EVERY MONTH
10 AM - 11 AM**
SMP OFFICE
8095 GREENBACK LANE
CITRUS HEIGHTS, CA 95610

COFFEE & DONUTS SERVED
TO RSVP EMAIL
LISA@SUNRISEMARKETPLACE.COM



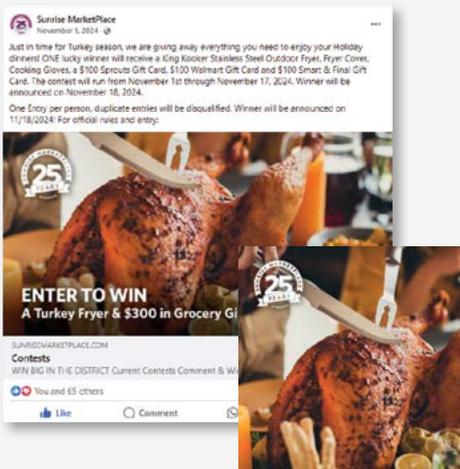
SMP contracts with City Wide Property Services to provide porter service in the District. The Porter removes illegally dumped items, homeless camps, abandoned shopping carts, cleans graffiti, and picks up trash. An assigned porter patrols the District Monday through Friday, four hours per day. **To request dumping, graffiti, or trash cleanup, phone or text Kathlynn Carpenter (916) 769-5615.**

City Wide Property Service Porter Incidents	2024	2023
Bags of Trash Removed	848	556
Shopping Carts Removed	631	757
Graffiti Tags Cleared	437	134
Items Removed	218	147
Hazardous Items <i>needles/paint/chemicals</i>	101	28

MARKETING & EVENTS

SOCIAL MEDIA

SMP actively leverages its social media platforms, including Facebook and Instagram to effectively promote local businesses within the District, alongside highlighting key events, engaging contests, and other topics of significant interest to the community. These consumer-facing platforms serve as dynamic channels to spotlight the unique offerings of the District, encouraging individuals to explore and engage with local shops, restaurants, recreational activities, and entertainment options. By creating compelling content and fostering community interaction, SMP aims to attract more visitors and residents to enjoy all that the District has to offer, ultimately boosting local commerce and community spirit.



FACEBOOK

13,174 Followers
- 22 from 2023

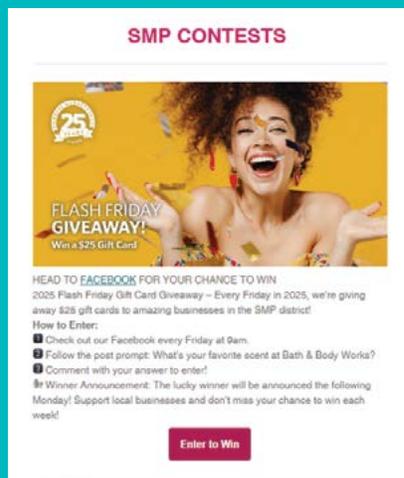
12,205 Engagements
- 1,746 from 2023



INSTAGRAM

2,327 Followers
+ 138 from 2023

18,314 Engagements
+ 1,942 from 2023



NEWSLETTER

10,089 Consumer Subscribers

467 Business Subscribers

Distributed 15 business newsletters and 30 consumer newsletters

Open Rate 29.0%

Click Rate 1.5%

VISIT [SHOPSMC.COM](https://shopsmc.com) TO SIGN UP FOR NEWSLETTERS

WEBSITE



117k Views

56k Active Users

ShopSMP.com remains a vital resource for both our local businesses and consumers. Each business operating within the District is prominently featured in our comprehensive

Business Directory, designed to connect consumers with the services and products they need. We invite all business owners to review their listings for accuracy and completeness, ensuring that essential details such as contact information, operating hours, and special offers are up to date. Please send us any updates or changes so we can keep our directory as informative and helpful as possible for our community. Your participation helps create a thriving local economy!

SPECIAL EVENTS IN THE DISTRICT

BREWS IN THE BURBS

On Saturday, May 18, 2024, Sunrise MarketPlace hosted an exciting event at the Sunrise Mall parking lot that showcased the best Craft Beer and Wine in the Northern California area. Over 700 attendees were treated to craft beer tastings, live music by Department of Rock and Wonder Bread Five, delicious food from Sactomofu food trucks, and backyard games. The 98Rock playground was a big hit, and visitors were thrilled to meet the Bailey Show Radio hosts who made appearances during the event.



HOLIDAY EVENTS



HARVEST FESTIVAL AND NIGHTMARE BEFORE CHRISTMAS MOVIE NIGHT

On October 11th, SMP hosted a Harvest Festival and Movie Night. The event took place under the stars and attracted over 300 attendees. The program included a screening of Tim Burton's classic, *The Nightmare Before Christmas*, carnival games, face painting, a free pumpkin patch with decorating activities, magic shows, and a trackless train ride from 5 pm to 8 pm. Citrus Heights HART (homeless assistance) operated a concession stand to raise funds, collecting approximately \$500.00!

LASER LIGHT SHOW

On December 1st, SMP kicked off the holiday season with a spectacular laser light show that attracted over 1000 attendees. The event took place at the Sunrise Mall, near Macy's Men's, and featured a mesmerizing laser light show, a night market, kids' carnival games, face painting, a magic show, inflatable laser tag, and a variety of food trucks.



WHOVILLE SKATE PARTY

In partnership with the Sunrise Rollerland, SMP hosted a Winter Wonderland-themed skate party on December 19, 2024. The event included skating, face painting, and a hot chocolate bar. SMP also worked with the Sunrise Christian Food Ministry to collect over 200 canned goods at the event.

COMMUNITY SUPPORT

COMMUNITY EVENTS SMP SUPPORTED:



- Citrus Heights HART
- American Legion
We Support Vets Event
- Big Day of Giving
- Bubble Bash at MarketPlace at Birdcage
- Cappuccino Cruisers Cruising for Kids

- Chamber Best Of Citrus Heights
- City of Citrus Heights
 - Arcade Creek Trail Ribbon Cutting
 - City of Citrus Heights 4th of July event
 - City of Citrus Heights Sunday Funday
 - City of Citrus Heights Tree Lighting
 - CHPD Police Officer Association
 - CHPD PALS



- Golf Tournament
- Trunk or Treat
- Citrus Heights HART Student Store Reopening Event
- Citrus Heights HART Spaghetti Fest
- Citrus Town Center Funtopia Events/Christmas Proimotion

- Rods and Rigs
- Single Mom Strong Valentines Fundraiser
- Sunrise Mall Easter and Santa Photos

ART IN THE MARKETPLACE

Two new murals were created at MarketPlace at Birdcage thanks to the partnership of the City of Citrus Heights Economic Development Fund, Gerrity Group, and SMP.



Mural Located at Ulta
5927 Sunrise Blvd
Citrus Heights, CA 95610

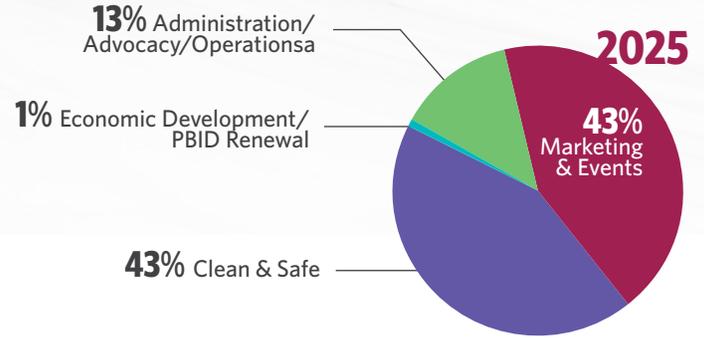
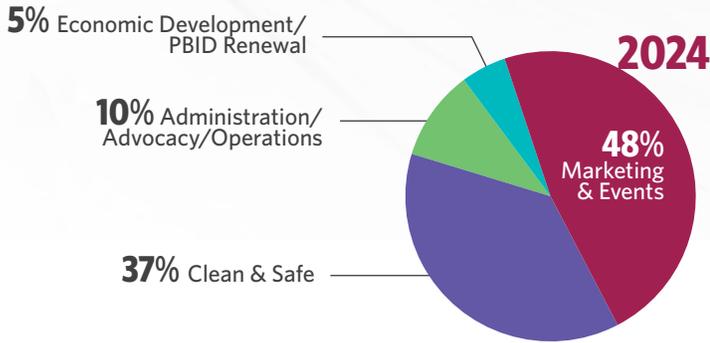


Sidewalk Mural located behind Jamba Juice
6061 Sunrise Blvd
Citrus Heights, CA 95610

ECONOMIC DEVELOPMENT

SMP is available to assist potential tenants navigate the entitlement process. Information can be found at the Locate in SMP section of our website. SMP is an added value location. Property and business owners are supported with our marketing, clean and safe and advocacy programs.

FINANCIALS



FINANCIAL REPORT

2024 ACTUAL INCOME

Surplus/Deficit	\$179,379
Assessment Income	\$841,732
Total Assessment Income	\$1,021,111
Grants/Sponsorships/Event/misc.	\$104,950
TOTAL	\$1,126,061

2024 ACTUAL EXPENSES

	2024	
Admin/Advocacy/Operations	\$122,697	12%
Economic Development/PBID Renewal	\$23,512	2%
Marketing & Events	\$465,087	45%
Clean & Safe	\$429,788	41%

TOTAL	\$1,041,084	100%
SURPLUS	\$84,977	

2025 BUDGET - INCOME

Surplus/Deficit	\$85,000
Assessment Income	\$880,780
Total Assessment Income	\$965,780
Grants/Sponsorships	\$124,092
TOTAL	\$1,089,872

2025 BUDGET - EXPENSES

	2025	
Admin/Advocacy/Maintenance	\$125,270	13%
Economic Development/PBID Renewal	\$9,250	1%
Marketing & Events	\$397,236	43%
Clean & Safe	\$396,026	43%

TOTAL	\$927,782	100%
SURPLUS	\$162,090	

SUMMARY OF 2025 TERM

Term: January 1, 2025- December 31, 2034

Assessment Rates: Retail zoned parcels will be assessed at \$0.07 cents per square foot of land, per year. Office/Professional zoned parcels will be assessed at \$0.045 cents per square foot of land per year.

Boundaries: The District includes parcels along Greenback Lane between Birdcage Street and Fair Oaks Blvd. and along Sunrise Blvd. between Madison Avenue and just north of Arcadia.

Management: Sunrise MarketPlace, Inc. will continue to serve as the Owners' Association for the District.

All information regarding the District is included in the Management District Plan, contact Kathilynn Carpenter: kathilynn@sunrisemarketplace.com for a copy.

OPENED IN 2024

Amazon Fresh
Sunrise Village

Citrus Heights Chamber of Commerce
Greenfaire Village

Citrus Town Event Center
Greenfaire Village

Home Goods
Marketplace at Birdcage

Sketchers
In Former Walgreens Location

Sweet Haven Bakery
Marketplace at Birdcage

COMING SOON IN 2025

Black Sails Coffee
Marketplace at Birdcage

Juice Time
Sunrise Village

Must Be Cow Korean BBQ
5511 Sunrise Blvd.

Nothing Bundt Cakes
Sunrise Village

Pinkberry
Sunrise Village

Teriyaki Madness
Marketplace at Birdcage

Club Studio
Sunrise Village

Fire and Ice Games
Sunrise Hills

2024 BOARD OF DIRECTORS

OFFICERS

Tiffany Clement
Chair
Merlone Geier
Sunrise Village

Don Tollefson
Treasurer
Batteries Plus

Kareem Daniels
Secretary
InterCal Real Estate
Citrus Town Center,
Greenback Square,
Greenfaire Village

Eric Brickson
Citrus Heights Pet Hospital

Christina DeCelle
Ben's Barketplace

Andy Gianulias
Greenback Associates

Ted Mitchell
Mitchell Properties

Ryan Eichorst
Gerrity Group
Marketplace at Birdcage

Brooke Bolden-Mallory
Sunrise Mall

Phil Jarrett
Propery Owner

Ross Tolbert
Ethan Conrad Properties

STAFF

Kathilynn Carpenter
Executive Director
kathilynn@sunrisemarketplace.com

Lisa Cordell
Marketing & Special Projects Manager
lisa@sunrisemarketplace.com

Mikhaila Freas
Marketing Assistant
mikhaila@sunrisemarketplace.com

CITY COUNCIL LIAISONS

Bret Daniels
Mayor

MariJane Lopez-Taft
Councilmember





CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: April 23, 2025

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Susan K. Talwar, Administrative Services Director
Alberto Preciado, Finance Manager

SUBJECT: **Annual Comprehensive Financial Report, Single Audit Report, and Audited Financial Statements and Compliance Report for Transportation Development Act Funds**

Summary and Recommendation

Staff recommends the City Council receive and file the following for Fiscal Year Ended June 30, 2024;

- City of Citrus Heights Annual Comprehensive Financial Report,
- City of Citrus Heights Popular Annual Financial Report,
- Audit Communication Letter and the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters,
- Single Audit Report,
- City of Citrus Heights Transportation Development Act (TDA) Funds Audited Financial Statements and Compliance Report

City Council Strategic Goal/Objective

This staff report aligns with the following Citrus Heights City Council Strategic Plan Goal:

Goal: Maintain and Enhance Fiscal Stability while supporting operational excellence.

Fiscal Impact

There is no fiscal impact associated with this action.

Background and Analysis

Annual Comprehensive Financial Report (ACFR)

Subject: Annual Comprehensive Financial Report, Single Audit Report, and Audited Financial Statements and Compliance Report for Transportation Development Act Funds

Date: April 23, 2025

Page 2 of 3

Financial Report

In accordance with the provisions of California Government Code Sections 37208, 53891, and Section 2-355 of the Citrus Heights Municipal Code, the City prepares and publishes annual audited financial statements. The accounting firm of Lance, Soll & Lunghard, LLP (LSL) performed the annual audit of the City's general purpose financial statements for the fiscal year ended June 30, 2024. The auditor has opined that the City's financial statements present fairly, in all material respects, the respective financial position of the City of Citrus Heights. The statements are in conformity with Generally Accepted Accounting Principles.

Some highlights from this year's ACFR include:

- An increase in Property Tax of \$420,000;
- A decrease in Sales Tax Revenue of \$695,000;
- An increase in State Vehicle In-Lieu tax of \$694,000;
- Higher than expected revenues in investment revenue and vehicle fines;
- Savings in the General Fund of approximately \$1.5 million due primarily to salary savings and lower than anticipated operating expenses;
- An increase in the General Fund balance of approximately \$11.2 million.

Popular Annual Financial Report

The City has also completed its fourth Popular Annual Financial Report (PAFR), a report intended to provide the City's citizens with an easy-to-read explanation of its finances. The information in the PAFR is derived from the City's ACFR.

The Annual Comprehensive Financial Report and the Popular Annual Financial Report for the fiscal year ended June 30, 2024 are posted on the City's website at:

<http://citrusheights.net/213/Financial-Reporting-Budget-CIP>.

The City received awards from the Governmental Finance Officers Association (GFOA) for both its 2023 ACFR and its 2023 PAFR, and the 2024 reports have been submitted for consideration of the awards.

Communications from LSL

The City's audit firm, LSL is required by auditing standards to provide communication to the Council in the form of an Auditor Communication Letter and an Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters.

The purpose of the Auditor Communication Letter is to communicate significant audit matters (if any) to the City Council. No significant audit matters were identified as a result of the audit procedures.

Subject: Annual Comprehensive Financial Report, Single Audit Report, and Audited Financial Statements and Compliance Report for Transportation Development Act Funds**Date: April 23, 2025****Page 3 of 3**

The purpose of the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters is to communicate any deficiencies in internal control or instances of noncompliance with certain provisions of laws, regulations, contracts, and grant agreements. LSL reports that they did not identify any deficiencies in internal control or instances of noncompliance.

Single Audit Report

A single audit is required by Title 2 of the U.S. Code of Federal regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) when federal expenditures during a fiscal year exceed \$750,000. For the fiscal year ended June 30, 2024, the City made federal expenditures of \$9.3 million. The City's audit firm, LSL, performed the single audit. The single audit report also includes the report on Internal Control over Financial Reporting and Compliance and Other Matters. LSL issued a clean audit opinion regarding compliance and internal control over compliance for the City's major federal programs and Schedule of Expenditures of Federal Awards (SEFA).

The Single Audit Report for the fiscal year ended June 30, 2024 is posted on the City's website at: <http://citrusheights.net/213/Financial-Reporting-Budget-CIP>.

Transportation Development Act Audit

The accounting firm of Richardson & Company, LLP was hired by the Sacramento Area Council of Governments to audit the transportation funds received by member agencies for the fiscal year ended June 30, 2024. They have determined that the City of Citrus Heights Transportation Fund financial statements present fairly, in all material respects, the financial position of the Transportation Development Act Funds of the City of Citrus Heights as of June 30, 2024. The statements are in conformity with Generally Accepted Accounting Principles.

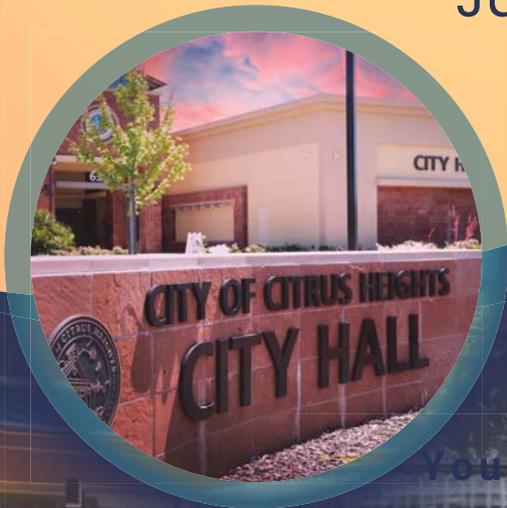
Attachments

1. City of Citrus Heights Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.
2. City of Citrus Heights Popular Annual Financial Report for the Fiscal Year Ended June 30, 2024.
3. Auditor Communication Letter.
4. Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters.
5. City of Citrus Heights Single Audit Report for the year ended June 30, 2024.
6. City of Citrus Heights Transportation Development Act Funds – Audited Financial Statements and Compliance Report as of June 30, 2024.

Citrus Heights, CA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the fiscal year ended
June 30, 2024



Your paragraph text



PREPARED BY:

Finance,
A division of the
Administrative
Services Department



CITY OF CITRUS HEIGHTS, CALIFORNIA
Annual Comprehensive Financial Report
For the Year Ended June 30, 2024

Prepared by
Finance,
A Division of the Administrative Services Department

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CITY OF CITRUS HEIGHTS, CALIFORNIA

Annual Comprehensive Financial Report

For the Year Ended June 30, 2024

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Annual Comprehensive Financial Report

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*The City of CITRUS HEIGHTS
is committed to providing
high quality, economical,
responsive city services
to our community.*

March 28, 2025

To the Honorable Mayor and Members of the City Council and Citizens of the City of Citrus Heights:

City staff is pleased to submit the City of Citrus Heights' Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2024. The City of Citrus Heights has a long tradition of self-reliance. Strong financial policies and responsible fiscal management of taxpayer dollars remain a core tenet of City operations. Our City is committed to continued strong fiscal stewardship, transparency, and accountability over taxpayer dollars. Working together, the City Council and City staff ensure our budget and financial policies reflect spending consistent with essential priorities.

It is the policy of the City Council that a licensed certified public accountant conducts an annual audit at the end of each fiscal year and issue a complete set of audited financial statements. The audit is conducted following generally accepted auditing standards and the financial statements are presented in conformity with Generally Accepted Accounting Principles (GAAP).

The City is responsible for the accuracy of the data and the fairness of the presentation, including all footnotes and disclosures. City staff believes that the information presented in this report is accurate in all material aspects and that it includes all necessary statements and disclosures to provide the reader with a comprehensive understanding of the City's financial activities.

The City's management has implemented an internal control system designed to safeguard the City's assets from loss, theft, or misuse, while also ensuring the collection of reliable information for the preparation of the City's financial statements in compliance with GAAP. Since the cost of implementing a control should not exceed its benefits, the goal is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatements.

While this report is traditionally directed to the governing body of the City, its purpose is to provide relevant financial information to the citizens of Citrus Heights, city staff, creditors, investors, and other interested parties. City staff encourages all readers to reach out to the Finance Division with any questions or comments regarding this report.

The City's financial statements have been audited by LSL, LLP, a firm of certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2024 are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

Based upon the audit, the independent auditors concluded that there was a reasonable basis for rendering an unmodified opinion, which states that the City's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports will be available in the City's separately issued Single Audit Reports.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A. The City's MD&A can be found immediately following the report of the independent auditors.

Profile of the City of Citrus Heights

The City of Citrus Heights operates under a Council-Manager form of government and provides municipal services that include public safety, public works, and community development. This report includes all funds of the City of Citrus Heights. The MD&A continues to demonstrate our commitment to providing essential quality-of-life services, maintaining public safety, improving the City's infrastructure including streets and roads, and growing our local economy while maintaining financial stability.

The City Council establishes annual budgets for the General Fund, Proprietary Funds, and Special Revenue Funds, with the exception of certain Special Revenue Funds where expenditures are controlled by grant funding or assessments received. Budgetary control is legally maintained at the fund level for these funds. Department directors submit their budget requests to the Administrative Services Director, who prepares revenue estimates and budget recommendations for the following year, which are then presented to the City Manager. The preliminary budget may be amended by the City Council and is adopted by resolution on or before June 30th of each year, in accordance with the City's Municipal Code.

The City of Citrus Heights was incorporated on January 1, 1997, as a general law city. Citrus Heights was the first new city in Sacramento County in more than 50 years and was the largest city to incorporate in the State of California. With a population of approximately 85,000 in a 14.2 square-mile area, Citrus Heights is 98% developed, with two large commercial corridors and a well-established residential community. We attract a population of all ages and have a higher percentage of millennials and retirees than other cities our size.

The Citrus Heights City Council consists of five members, elected to four-year overlapping terms in district-based elections. Council members must be residents of the City. The positions of Mayor and Vice Mayor are chosen by the City Council through policy direction determined by the City Council. The Mayor conducts the City Council meetings and represents the City on ceremonial occasions.

The City Council serves as the policy board for the municipality. As an elected Board of Directors, the City Council provides policy direction, establishes goals, and sets priorities for the City government. In addition to serving as the policy makers for the community, the City Council also is responsible for numerous land use decisions within its borders, including the General Plan. The City Council appoints the City Manager, City Attorney, and all members of advisory boards and commissions.

In Citrus Heights, the total labor force is approximately 46,300. Unemployment in Sacramento County is at approximately 4.9%, which is below the current rate of unemployment for California (5.3%). The City of Citrus Heights is home to a diverse labor force, specializing in such occupations as sales, executive and managerial services, technical support, professional specialties, and other services. As the geographic center of the Greater Sacramento area, Citrus Heights offers residents and workforce effective access to the region.

Most of Citrus Heights' commercial real estate comprises large retail and small office space. Citrus Heights has long been known as a retail mecca, but the current retail market is in a state of change. Consumers are relying less on brick-and-mortar stores now that online shopping is mainstream. Citrus Heights is home to one of the Sacramento area's first regional shopping centers, Sunrise Mall. In its prime, Sunrise Mall served as the economic engine of the City and the community's central gathering place. With the addition of other regional malls and a shift toward online shopping, Sunrise Mall has been impacted significantly — resulting in a significant decline since 2006.

In 2019, the City Council directed staff to embark on a specific plan process for Sunrise Mall. This plan has engaged each of the five owners of the 100-acre mall site, stakeholders, and the community, to work together on a new vision for Sunrise Mall. Through zoning, visioning, and entitling, the plan re-envisioned Sunrise Mall as a regional destination and economic engine for the community. Citrus Heights is a City that takes charge of its future. By undertaking this process, we are encouraging continued growth and prosperity for our commercial business community. The Specific Plan and Environmental Impact Report was unanimously approved by the City Council in October 2021.

In addition to ushering in a new era for Sunrise Mall, the City also works hard to support our small businesses. There are over 2,100 businesses in Citrus Heights, and 67% of those have less than 10 employees. Many of our small businesses are supported by three business districts: Sunrise MarketPlace, Auburn Blvd Business Association, and Antelope Crossing Business Association.

Budget Initiatives

The City of Citrus Heights has developed broad policy direction through the development of budget strategies that establish long-term policy guidance for conducting the City's financial activities. Citrus Heights has a long tradition of self-reliance and local control with excellent quality-of-life services our residents expect and deserve. The City Council has established policies to meet the following strategic objectives:

1. **Strategic Focus** – The City's financial management should be strategic, reflecting the Council's and the community's priorities for service while providing resources that realistically fund routine operations. Most importantly, we strive to maintain essential services reflective of our community's values and engage in continued fiscally responsible planning amid state mandates and takeaways.
2. **Fiscal Control and Accountability** – The City's financial activities should be fiscally sound and accountable to the City Council through the City Manager. It is our intent to maintain local control over local funds for our local needs in a fiscally prudent manner that addresses essential priorities.
3. **Clarity** – The City's financial planning and reporting should be clear and easy to understand so that all participants, the City Council, the community, and staff can productively participate in making good decisions. We intend to keep local government transparent and accountable, which includes our community's ability to engage with our financial information. The City of Citrus Heights regularly issues communications that inform and engage residents in fiscal updates.
4. **Long-Term Planning** – The City of Citrus Heights has always taken charge of its future. We became a city by intent, establishing our own police department and being fiscally responsible, and we have plans for our future. The City's financial planning should emphasize multi-year horizons to promote long-term planning of resource uses. We have always engaged in long-term and comprehensive financial planning to ensure that the City can keep its budget balanced while preserving local control and essential services such as public safety and street maintenance in Citrus Heights.

5. **Flexible and Cost-Effective Responses** – The City’s financial management practices should encourage a mission-driven organization that responds quickly and straightforwardly to community demands. The City’s management should flexibly respond to opportunities for better service, should proactively manage revenues, and should cost-effectively manage ongoing operating costs. We must maintain public safety, economic development, and local control to adequately address our community’s essential services and quality of life.
6. **Staffing Philosophy** – The City has worked towards establishing a balance between City employees and contract staff to ensure the most efficient City operations.

Financial Policies

The City Council has developed policy parameters for the City’s fiscal management. Those fiscal policies address several issues including financial activity reporting, budgeting and financial planning, appropriation control, debt management, investments, fees, purchasing, performance measures and competitive review, and reserves.

Long-Term Financial Planning

The City’s financial planning promotes long-term planning of its resources that is reflective of community priorities, essential services, and quality of life. The ten-year financial forecast has served as the primary budget guidance tool since the City’s incorporation in 1997. The forecast is updated annually to project future General Fund revenue and expenditures. Several factors directly affect the City’s General Fund revenue. Since the City currently receives approximately 27.6% of its General Fund revenue from sales and use tax, it is especially susceptible to economic downturns and the changing retail economy. In addition, the City is approximately 98% built out which results in fewer opportunities for revenue generating growth. The City will continue to balance the General Fund by implementing a combination of cost-saving measures as well as prudent financial planning.

In 2013 the City increased its fiscally conservative general fund balance reserve from ten percent to fifteen percent to cover unanticipated revenue shortfalls or expenditure requirements. In 2019, the general fund reserve was raised to seventeen percent. For the fiscal year ended June 30, 2024, the City’s uncommitted general fund reserve once again met the increased percentage policy requirement.

Current Economic Conditions and Outlook

The City of Citrus Heights received its first property tax revenue previously retained by the County of Sacramento with the end of the revenue neutrality agreement in January 2023. This milestone provides an important boost to the City’s fiscal health and enhances its ability to invest in local services and infrastructure.

The City’s economic development efforts and implementation of sound financial policies continue to promote fiscal stability. Since incorporation in 1997, at the direction of the City Council, staff has conducted a systematic review of operations, which has sometimes resulted in transitioning from contract services to an in-house operational model, renegotiating existing service contracts, or retaining the contract operational model with a different service provider. These operational analyses and reforms are designed to promote long-term stability, particularly in the face of economic trends affecting developed cities, such as rising housing costs, labor market challenges, and ongoing supply chain disruptions. The City is mindful of these factors and remains focused on ensuring that its economic development strategies are resilient, adaptable, and aligned with the needs of the community for the future.

Awards and Acknowledgements

The City of Citrus Heights is proud to announce that it has received the prestigious Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for its submission of the FY 2022-2023 Annual Comprehensive Financial Report. This marks the twenty-third consecutive year that the dedicated efforts of the City's staff have been recognized with this esteemed award, reflecting their commitment to transparency, accuracy, and excellence in financial reporting.

To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. City staff believes that this report will again meet the program requirements to receive the award.

The preparation of this Annual Comprehensive Financial Report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Division, particularly Finance Manager Alberto Preciado and Senior Accountant Dena Jenkins, whose hard work and expertise were instrumental in overcoming the challenges of implementing a new finance ERP system and ensuring the successful completion of the report. We also extend our gratitude to the auditing firm of LSL, LLP, as well as the City Manager and staff from various departments for their cooperation and support in planning and conducting the financial operations of the City during the past fiscal year.

Respectfully Submitted,



Susan Talwar

Administrative Services Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Citrus Heights
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

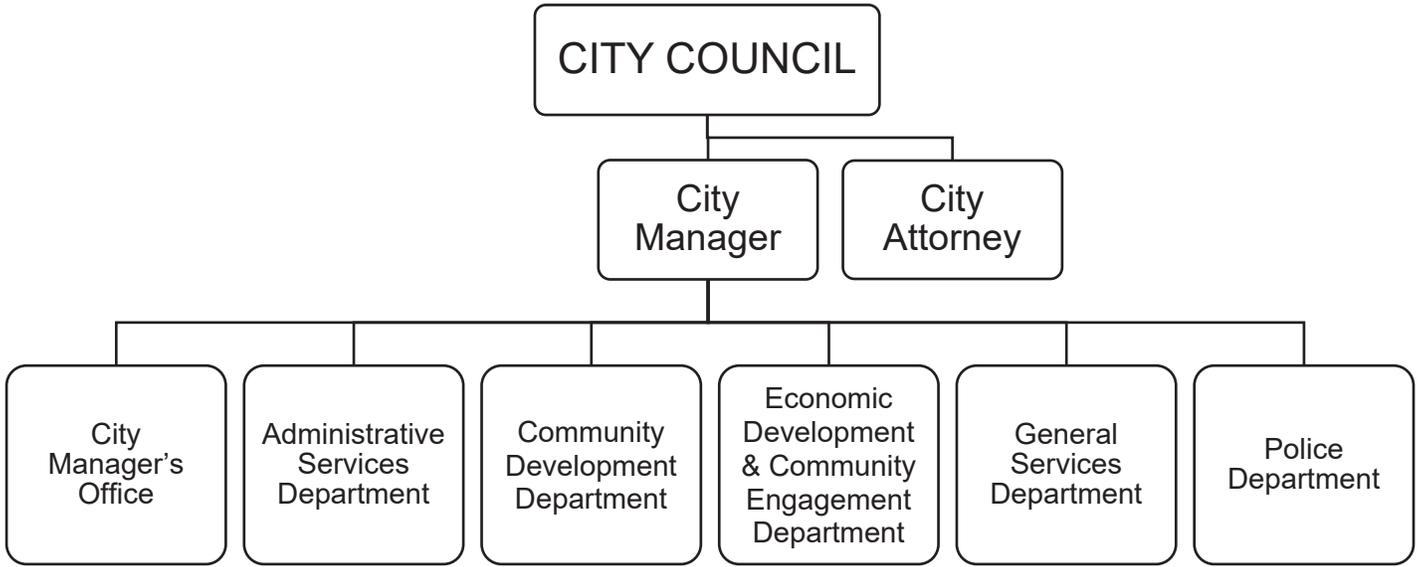
June 30, 2023

Christopher P. Morrill

Executive Director/CEO

CITY OF CITRUS HEIGHTS, CALIFORNIA

Organizational Chart



List of 2024 Officials

Elected

Mayor	Jayna Karpinski-Costa
Vice Mayor	MariJane Lopez-Taff
Council Member	Porsche Middleton
Council Member	Tim Schaefer
Council Member	Kelsey Nelson

Appointed

City Manager	Ashley Feeney
Administrative Services Director	Susan Talwar
Community Development Director	Casey Kempenaar
Economic Development & Community Engagement Director	Meghan Huber
General Services Director	Regina Cave
Chief of Police	Alexander Turcotte
City Attorney	Ryan R. Jones, Jones & Mayer

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Citrus Heights, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and required pension and other postemployment benefits schedules, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining and individual fund financial statements and schedules ("supplementary information") are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

LSL, LLP

Irvine, California
March 28, 2025

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**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

This section provides a narrative overview and analysis of the financial activities of the City of Citrus Heights (City) for the fiscal year ended June 30, 2024. It should be read in conjunction with the accompanying transmittal letter and basic financial statements.

FINANCIAL HIGHLIGHTS

- ◆ As of June 30, 2024, total assets and deferred outflows of the City's governmental activities exceeded its liabilities and deferred inflows by \$360,627,722 (net position). The portion of net position that may be used to meet the government's ongoing obligations to citizens and creditors (unrestricted net position) is \$21,944,597. The portion of net position that is restricted and may only be used for specific purposes is \$26,750,252. The remaining \$311,932,873 is invested in capital assets.
- ◆ As of June 30, 2024, the City's governmental funds reported combined ending fund balances of \$66,025,082. Of the combined fund balances, 58.54% (\$38.65 million) is available to meet the City's current and future needs (committed, assigned and unassigned balances).
- ◆ As of June 30, 2024, the committed amount in the General Fund of \$4,486,978 represents amounts committed for insurance, postemployment healthcare benefits and a Council commitment for economic uncertainties and anticipated future short-term structural deficits (i.e. revenue stabilization). See Note 8.
- ◆ For the fiscal year ending June 30, 2023, the City collected its first distribution of property tax, following the expiration of the revenue neutrality agreement with the County of Sacramento. In the current fiscal year, the City received \$7.57 million in property tax revenue.
- ◆ Capital assets, net of depreciation, decreased to \$316,139,717 from \$316,324,034, which includes \$253,783,836 of infrastructure per the requirements of GASB 34.

OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT

This Annual Comprehensive Financial Report is in three major parts:

- 1) **Introductory section**, which includes the Transmittal Letter and general information;
- 2) **Financial section**, which includes the Management's Discussion and Analysis, the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements along with the notes to these financial statements and Combining and Individual Fund Financial Statements and Schedules; and,
- 3) **Statistical section**, which includes detailed information as a context for understanding what the information in the financial statements and footnotes says about the City's overall financial health.

The Basic Financial Statements

The Basic Financial Statements are comprised of the Government-wide Financial Statements and the Fund Financial Statements. These two sets of financial statements provide two different views of the City's financial activities and financial position.

The Government-wide Financial Statements

The Government-wide Financial Statements provide a broad overview of the City's activities as a whole and are comprised of the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the City as a whole, including all of its capital assets and long-term liabilities on the full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all the City's revenues and expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of each of the City's programs. The Statement of Activities explains in detail the change in net position for the year.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT, Continued

All of the City's activities are grouped into Governmental Activities and Business-type activities, as explained below. All the amounts in the Statement of Net Position and the Statement of Activities are separated into Governmental Activities and Business-type Activities in order to provide a summary of these two activities of the City as a whole.

- ◆ **Governmental activities** – All of the City's basic services are considered to be governmental activities, including general government, community development, economic development, public safety, animal control, engineering, community events, public improvements, planning and zoning, building inspections, and general administration. These services are supported by general City revenues such as taxes and by specific program revenues such as user fees.
- ◆ **Business-type activities** – All of the City's enterprise activities are reported here. The City's only Business-type activity fund is Solid Waste. Unlike governmental services, this service is supported by charges paid by users based on the amount of the service they use.

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 a government's near-term financing requirements.

Because the focus of the Governmental Fund Financial Statements 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 Government-wide Financial Statement. By doing so, readers may better understand the long-term impact of the government's near-term financial 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 Governmental Fund Financial Statements provide detailed information about each of the City's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by GASB Statement 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each major fund is presented individually, with all nonmajor funds summarized and presented only in a single column. Subordinate schedules present the details of these nonmajor funds. Major funds present the major activities of the City for the year and may change from year to year as a result of changes in the pattern of the City's activities.

For the fiscal year ended June 30, 2024, the City's major funds include the General Fund, Solid Waste Fund, and Streets Fund.

For the fiscal year ended June 30, 2024, the City adopted annual appropriated budgets for the General Fund and Special Revenue funds.

Proprietary funds. The City maintains one Enterprise-type proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the Government-wide Financial Statements. The City uses an enterprise fund to account for Solid Waste activities.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

OVERVIEW OF THE ANNUAL COMPREHENSIVE FINANCIAL REPORT, Continued

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 Solid Waste operation.

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements can be found on pages 31-62 of this report. Required Supplementary Information follows the notes on page 65.

Combining and Individual Fund Financial Statements and Schedules. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to the financial statements and required supplementary information. Combining and individual fund statements can be found on pages 72-132 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position.

In the case of the City, assets exceeded liabilities by \$360,627,722 as of June 30, 2024. Under the revenue neutrality settlement, the County retained the annual property tax for the first twenty-five years after the City's incorporation through the fiscal year ending June 30, 2022. For the fiscal year ended June 30, 2024, the City received \$7,567,424 of property taxes.

The Summary of Net Position as of June 30, 2024, and 2023, follows:

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 85,363,296	\$ 73,519,244	\$ 2,639,545	\$ 1,978,384	\$ 88,002,841	\$ 75,497,628
Capital assets	315,805,381	315,981,825	334,336	342,209	316,139,717	316,324,034
Total Assets	401,168,677	389,501,069	2,973,881	2,320,593	404,142,558	391,821,662
Total Deferred Outflows	15,095,391	16,078,438	319,774	313,638	15,415,165	16,392,076
Long-term liabilities	31,872,439	26,132,424	646,059	552,395	32,518,498	26,684,819
Other liabilities	17,604,565	20,033,833	234,836	115,661	17,839,401	20,149,494
Total Liabilities	49,477,004	46,166,257	880,895	668,056	50,357,899	46,834,313
Total Deferred Inflows	6,159,342	6,524,394	49,025	47,234	6,208,367	6,571,628
Net position:						
Net investment in capital assets	311,932,873	314,998,711	334,336	342,209	312,267,209	315,340,920
Restricted	26,750,252	19,434,302	4,173	-	26,754,425	19,434,302
Unrestricted	21,944,597	18,455,843	2,025,226	1,576,732	23,969,823	20,032,575
Total Net Position	\$ 360,627,722	\$ 352,888,856	\$ 2,363,735	\$ 1,918,941	\$ 362,991,457	\$ 354,807,797

Restricted net position increased by \$7,320,123 due to an increase in the use of restricted funds in a number of special revenue funds for road maintenance, general capital improvement, transit services and various development activities. Unrestricted net position can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements. The City had \$23,969,823 of unrestricted net position as of June 30, 2024, which is an increase of \$3,937,248. While unrestricted net position is technically unrestricted, much of the amount is committed for a specific use as described in Note 8.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The City maintains a commitment of fund balance in the General Fund, commonly called the General Fund Reserve. It is set at a maximum of \$35 million at June 30, 2024, and the balance is currently \$4.5 million. The net position of business-type activities cannot be used to make up an unrestricted net position deficit in the governmental activities. The City generally can only use these assets to finance the continuing operations of the business-type activities.

The change in net position for the fiscal years ended June 30, 2024, and 2023, follows:

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 12,679,221	\$ 11,843,479	\$ 1,356,068	\$ 1,266,201	\$ 14,035,289	\$ 13,109,680
Grants and contributions:						
Operating	12,248,466	11,327,442	-	-	12,248,466	11,327,442
Capital	6,409,747	4,959,684	-	-	6,409,747	4,959,684
General revenues:						
Property taxes and assessments	7,872,534	7,538,744	-	-	7,872,534	7,538,744
Sales and use taxes	13,849,506	14,544,553	-	-	13,849,506	14,544,553
Utility users tax	2,732,097	2,974,871	-	-	2,732,097	2,974,871
Other taxes	1,442,886	1,522,937	-	-	1,442,886	1,522,937
Other revenue	7,572	28,941	61,711	41,705	69,283	70,646
Shared intergovernmental - unrestricted	11,155,935	10,510,268	-	-	11,155,935	10,510,268
Use of money and property	3,755,795	1,773,829	94,538	27,185	3,850,333	1,801,014
Total Revenues	72,153,759	67,024,748	1,512,317	1,335,091	73,666,076	68,359,839
Expenses:						
Governmental activities:						
General government	10,184,057	9,404,296	-	-	10,184,057	9,404,296
Public safety	26,368,209	25,813,011	-	-	26,368,209	25,813,011
Public ways and facilities	21,076,523	20,077,331	-	-	21,076,523	20,077,331
Culture and recreation	1,185,806	839,028	-	-	1,185,806	839,028
Economic development	1,141,315	1,123,525	-	-	1,141,315	1,123,525
Community enhancements	4,389,584	3,937,025	-	-	4,389,584	3,937,025
Interest on long-term debt	75,339	16,108	-	-	75,339	16,108
Business-type activities:						
Solid waste	-	-	1,061,583	897,894	1,061,583	897,894
Total Expenses	64,420,833	61,210,324	1,061,583	897,894	65,482,416	62,108,218
Excess of revenues over expenditures before transfers	7,732,926	5,814,424	450,734	437,197	8,183,660	6,251,621
Transfers	5,940	-	(5,940)	-	-	-
Change in Net Position	7,738,866	5,814,424	444,794	437,197	8,183,660	6,251,621
Net position, beginning of year	352,888,856	347,074,432	1,918,941	1,481,744	354,807,797	348,556,176
Net Position, June 30	\$ 360,627,722	\$ 352,888,856	\$ 2,363,735	\$ 1,918,941	\$ 362,991,457	\$ 354,807,797

Revenues

The City's total revenues for governmental and business-type activities were \$73,666,076 for the fiscal year ended June 30, 2024. Approximately 71.43% of the City's key revenues are generated from five major sources.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The following discusses variances in key revenues from the prior fiscal year:

1. **Sales Tax** - Annual receipts for the fiscal year ended June 30, 2024 decreased by \$695,047 from the prior year due to inflationary pressures causing a cutback in consumer spending, in addition to the closure of retail stores located in the City and the continued decline of the Sunrise Mall.
2. **Shared Intergovernmental Revenues** - Annual receipts for the fiscal year ended June 30, 2024 increased by \$645,667 from the prior year. This amount represents the property tax in-lieu of vehicle license fees.
3. **Property Tax** - Annual receipts for the fiscal year ended June 30, 2024 increased by \$333,790 from the prior year as real estate values increased modestly and new homes from the Mitchell Village development were included in the property tax rolls for the first time.
4. **Grants and Contributions - Governmental Activities Operating** - Governmental Activities operating grants and contributions were mainly from public safety street, road, and community enhancement grants that were for maintenance and operations as well as CARES Act allocations for CDBG Supplemental and DOJ for public safety. The amounts also included the CARES Act Relief funding for cities and the Coronavirus State and Local Fiscal Recovery Funds (SLFRF).
5. **Grants and Contributions - Governmental Activities Capital** - The increase in capital revenues reflects more projects with active construction than in the prior year, leading to increased capital project expenditures being reimbursed during the fiscal year.

Expenses

Governmental and business-type activity expenses of the City for the year totaled \$65,482,416. Governmental activity expenses totaled \$64,420,833 or 98.38% of total expenses. Business-type activities expenses totaled \$1,061,583 during the fiscal year. Public safety costs represented 40.93% of total governmental activities expenses and represented the largest single expense for governmental activities.

Governmental Activities

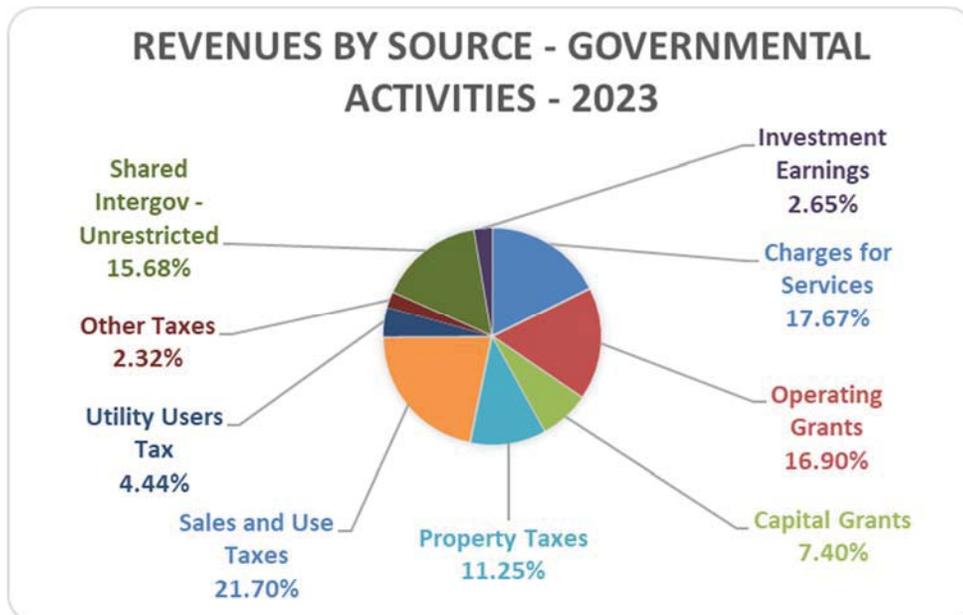
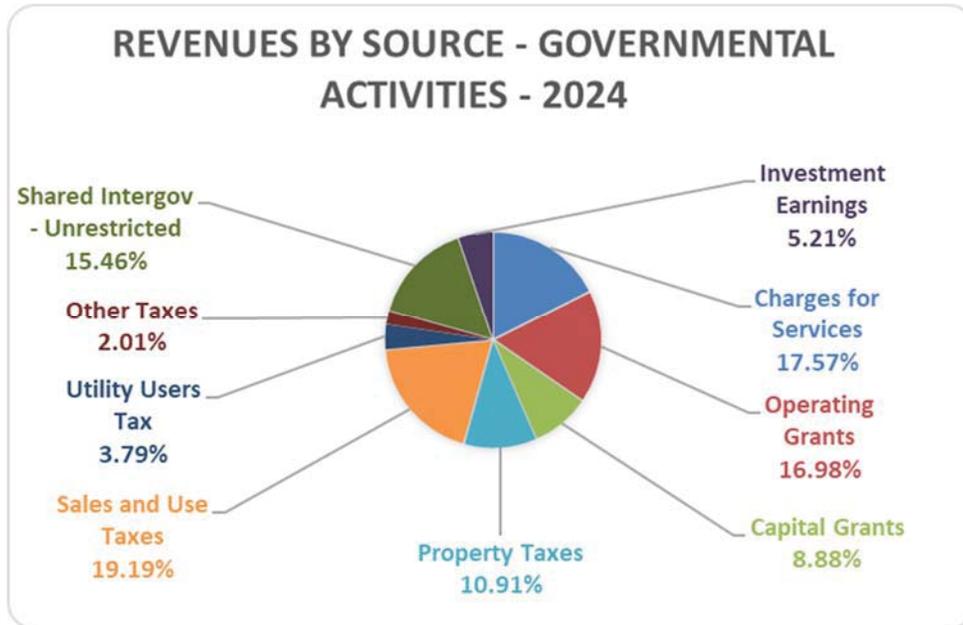
The following table shows the cost of each of the City's major programs and the net cost of the programs. The net cost reflects the financial burden that was placed on the City's taxpayers by each of the programs. The total cost of services and the net cost of services for the fiscal years ended June 30, 2024, and 2023, were as follows:

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 10,184,057	\$ (3,920,099)	\$ 9,404,296	\$ (4,022,592)
Public safety	26,368,209	(23,043,347)	25,813,011	(22,489,204)
Public ways and facilities	21,076,523	(3,365,067)	20,077,331	(4,697,341)
Culture and recreation	1,185,806	(1,139,568)	839,028	(806,880)
Economic development	1,141,315	(919,378)	1,123,525	(833,669)
Community enhancements	4,389,584	(620,601)	3,937,025	(213,925)
Interest on long-term debt	75,339	(75,339)	16,108	(16,108)
TOTAL	\$ 64,420,833	\$ (33,083,399)	\$ 61,210,324	\$ (33,079,719)

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

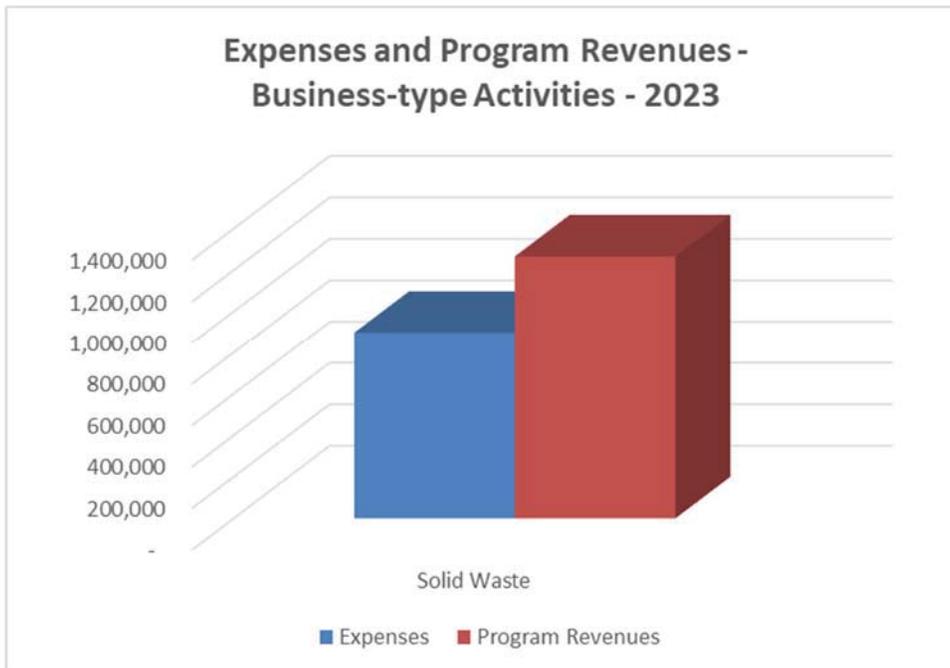
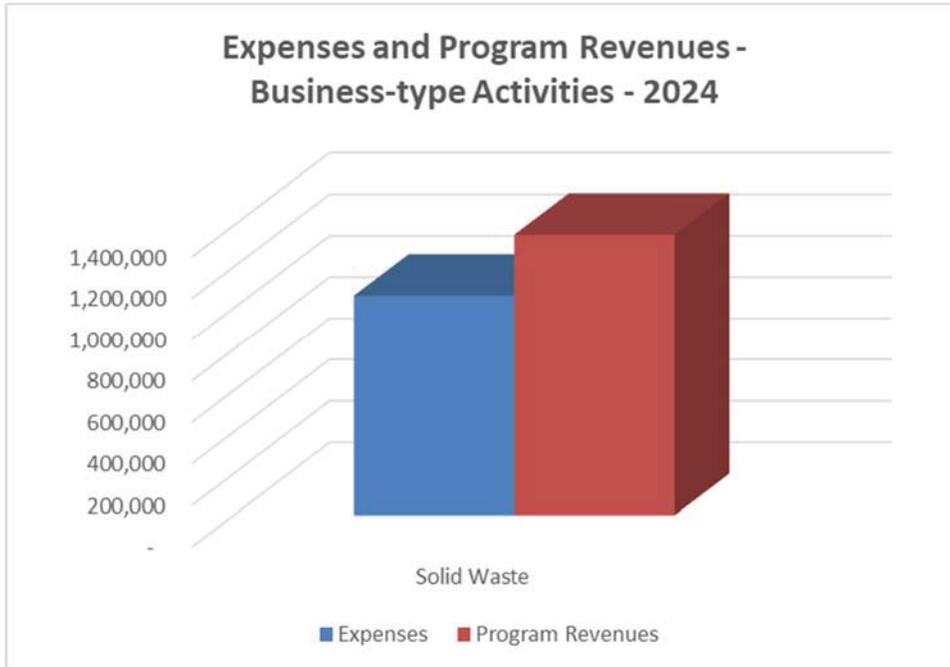
Revenues by source for the fiscal years ended June 30, 2024, and 2023, are as follows:



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

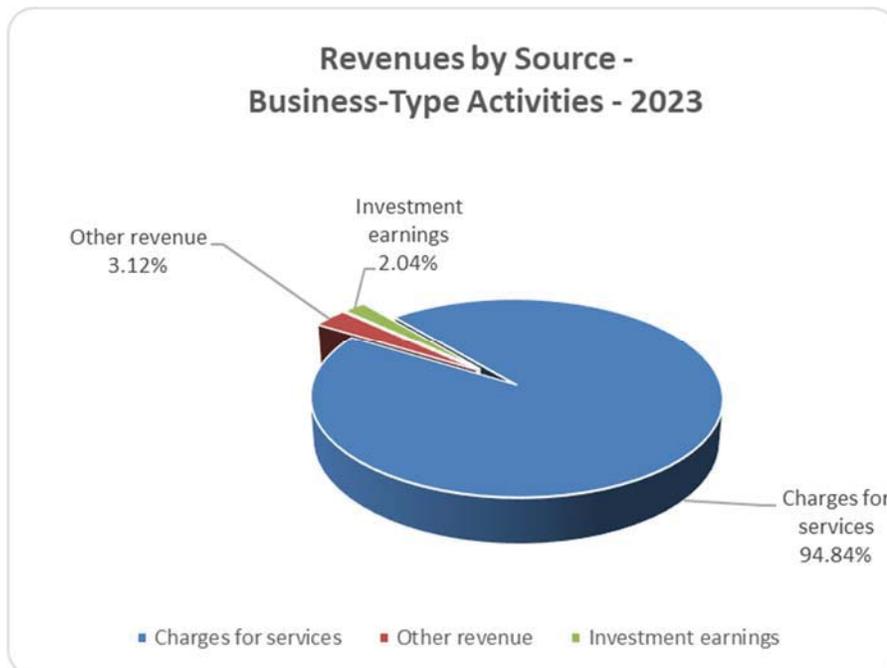
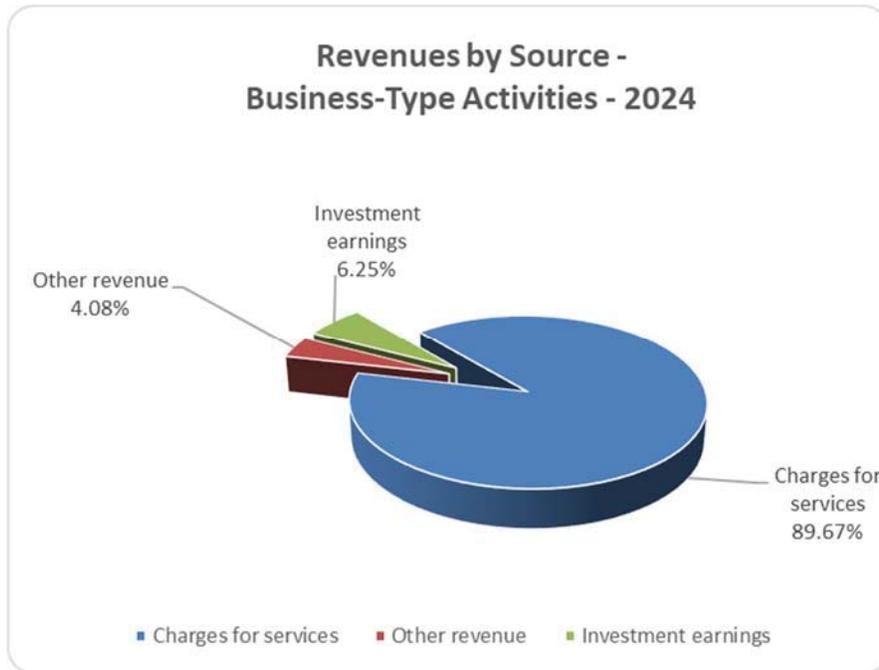
Business-type activities. The City's net position for business-type activities increased by \$444,794 for the fiscal year ended June 30, 2024. The City has one business-type activity, which is Solid Waste Operations. The expenses and program revenues for the Solid Waste Operation for the fiscal year ended June 30, 2024, and 2023, are as follows:



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The revenues by source for the solid waste business-type activity for the fiscal years ended June 30, 2024 and 2023 are as follows:



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

FUND FINANCIAL ANALYSIS**Financial Analysis of the Government's Funds**

The City of Citrus Heights uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide financial statements.

Governmental funds. The City's governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2024, the City's governmental funds reported combined fund balances of \$66,025,082

The General Fund is the chief operating fund of the City. At the fiscal year ended June 30, 2024, the General Fund's fund balance totaled \$35,047,874 of which \$4,486,978 was committed for reserves and revenue stabilization. Fund balance in the General Fund increased by \$11,189,979 largely due to the City's receipt of federal grant reimbursement revenues, and salary savings from vacant positions

The Streets Fund accounts for funds expended on various street capital improvement and paving projects. Fund balance in the Streets Fund decreased by \$130,064 due to increased spending on capital projects such as the Greenback Lane Complete Streets, Old Auburn Complete Streets, Auburn Boulevard Complete Streets, and the Electric Greenway.

Proprietary funds. The City has one business-type activity, which is Solid Waste Operations. The Proprietary fund unrestricted net position increased \$444,794 in the fiscal year ended June 30, 2024, largely due to increase in franchise fee revenue and savings in operating expenses.

General Fund Budgetary Highlights

The actual total revenues were \$5,794,993 higher than the final budgeted amount. All revenue categories exceeded budget estimates. The largest variance compared to the budget was in intergovernmental revenue, which was \$3,456,610 more than budgeted. This is due primarily to a significant increase in federal grant reimbursements including from the City's State and Local Fiscal Recovery Funds (also known as the American Recovery Plan Act, or ARPA funds). Revenue for licenses and permits and investment revenue were also higher than anticipated.

The actual total expenditures were greater than the final budgeted amounts by \$1,459,147 due mainly to purchase of subscription assets.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for governmental and business-type activities as of June 30, 2024 amounted to \$315,805,381. This investment in capital assets includes land, art, construction in progress costs for road and other improvements, buildings and improvements, infrastructure, the City Hall and Utility Yard assets, and machinery and equipment.

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 15,996,355	\$ 15,618,742	\$ -	\$ -	\$ 15,996,355	\$ 15,618,742
Art	113,951	113,951	-	-	113,951	113,951
Construction in progress	23,430,578	15,354,064	-	-	23,430,578	15,354,064
Subscriptions in progress	92,865	390,574	-	-	92,865	390,574
Buildings and improvements	16,525,784	16,921,926	-	-	16,525,784	16,921,926
Infrastructure	253,449,500	265,194,348	334,336	342,209	253,783,836	265,536,557
Subscription assets	3,364,867	195,076	-	-	3,364,867	195,076
Machinery and equipment	2,831,481	2,193,144	-	-	2,831,481	2,193,144
Total	\$ 315,805,381	\$ 315,981,825	\$ 334,336	\$ 342,209	\$ 316,139,717	\$ 316,324,034

The increase in construction in progress was mainly due to the following projects:

- Electric Greenway (Arcade Cripple Creek Trail),
- Fleet and Equipment not yet in service,
- 2022 Residential Street Resurfacing,
- Old Auburn Complete Streets, and
- Auburn Boulevard Complete Streets

More detail of the capital assets and current activity can be found in the notes to the financial statements on page 18.

Long-term Debt

The City's long-term debt at June 30, 2024 totaled \$34,951,094 and included a net pension liability of \$27,280,292. In the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions, a recommendation was made to CalPERS to modify retirement rates, termination rates, mortality rates, and rates of salary increases. This recommendation was adopted by the CalPERS Board of Administration. The modified actuarial assumptions are reflected on the actuarial valuation reports this year and resulted in an increase in the City's net pension liability.

Additionally, a subscription liability of \$2,726,830 is now reflected in the financial statements as required by GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This accounting standard became effective in the previous fiscal year; however, two large subscriptions did not become active until this year. More detail on the City's long-term debt can be found in Note 6 and 7 on pages 44-46, and Notes 11 and 12 on pages 51-61.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2024**

ECONOMIC OUTLOOK AND NEXT YEAR'S BUDGET

Economic Outlook

Looking to the next fiscal year, the following key factors may have an impact on City finances:

- Although median property taxes are decreasing in the Sacramento region, property taxes are expected to remain stable and grow by 4.2% for fiscal year 2024-2025 due to the appreciation of assessed property values.
- Sales tax revenue is expected to decline by 1.60% in fiscal year 2024-2025 due to an anticipated decrease in consumer spending across a variety of categories, including autos and transportation, fuel and service stations, and general consumer goods. Current projections expect this trend to reverse in fiscal year 2025-2026.
- Operating expenses are expected to increase due to rising costs of labor, service contracts, and increased insurance premiums.

Fiscal Year 2024-2025 Budget

The City Council adopted a two-year budget for fiscal years 2023-2024 and 2024-2025. The amended budget for fiscal year 2024-2025 includes revenues of \$45.64 million and expenses of \$46.83 million, including the use of \$1.36 million in general fund reserves for the purchase of two properties for City operations.

Requests for Information

This Annual Comprehensive Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the City's finances. If you have any questions about this report, need additional financial information, or would like to obtain component unit financial statements, contact the City of Citrus Heights Administrative Services Department, 6360 Fountain Square Drive, Citrus Heights, California 95621, or visit the City's web page at www.citrusheights.net.

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CITY OF CITRUS HEIGHTS, CALIFORNIA
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 64,781,439	\$ 2,440,464	\$ 67,221,903
Receivables (net of uncollectibles):			
Accounts	998,306	139,418	1,137,724
Accrued interest	560,578	19,848	580,426
Due from other governments	7,030,616	20,099	7,050,715
Notes and loans	1,408,845	-	1,408,845
Leases	3,779,172	-	3,779,172
Deposits	4,000	-	4,000
Net OPEB asset	365,743	4,173	369,916
Land held for resale	6,224,697	-	6,224,697
Prepaid costs	209,900	15,543	225,443
Capital assets (not being depreciated)	39,633,749	-	39,633,749
Capital assets (net of accumulated depreciation/amortization)	276,171,632	334,336	276,505,968
Total assets	401,168,677	2,973,881	404,142,558
DEFERRED OUTFLOWS OF RESOURCES			
Pension-related	14,197,202	309,527	14,506,729
OPEB-related	898,189	10,247	908,436
Total deferred outflows of resources	15,095,391	319,774	15,415,165
LIABILITIES			
Accounts payable	2,500,087	16,865	2,516,952
Pass-through payable	469,835	-	469,835
Due to other governments	1,167,363	217,971	1,385,334
Accrued liabilities	1,167,688	-	1,167,688
Accrued interest	61,063	-	61,063
Deposits payable	176,339	-	176,339
Unearned revenue	9,629,594	-	9,629,594
Noncurrent liabilities:			
Due within one year: notes, loans, leases, SBITA, claims, and compensated absences	2,432,596	-	2,432,596
Due in more than one year:			
Net pension liability	26,634,233	646,059	27,280,292
Notes, loans, leases, SBITA, claims and compensated absences	5,238,206	-	5,238,206
Total liabilities	49,477,004	880,895	50,357,899
DEFERRED INFLOWS OF RESOURCES			
Pension-related	1,876,708	34,472	1,911,180
OPEB-related	1,275,599	14,553	1,290,152
Lease-related	3,007,035	-	3,007,035
Total deferred inflows of resources	6,159,342	49,025	6,208,367
NET POSITION			
Net investment in capital assets	311,932,873	334,336	312,267,209
Restricted:			
Deposits for projects	45,620	-	45,620
Stormwater maintenance	3,902,703	-	3,902,703
Streets, roads and park projects	16,623,766	-	16,623,766
Assessment district maintenance	1,258,979	-	1,258,979
Police activities	1,996,756	-	1,996,756
Housing projects	1,555,255	-	1,555,255
Transit program	347,208	-	347,208
Tree mitigation	654,222	-	654,222
Net OPEB asset	365,743	4,173	369,916
Unrestricted	21,944,597	2,025,226	23,969,823
Total net position	\$ 360,627,722	\$ 2,363,735	\$ 362,991,457

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Statement of Activities
 For the Year Ended June 30, 2024

	<u>Program Revenues</u>			
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>
Functions/Programs:				
Primary government:				
Governmental activities:				
General government	\$ 10,184,057	\$ 2,057,078	\$ 4,206,880	\$ -
Public safety	26,368,209	2,064,564	1,260,298	-
Economic development	1,141,315	-	221,937	-
Culture and recreation	1,185,806	44,742	1,496	-
Public ways and facilities	21,076,523	5,769,421	5,821,541	6,120,494
Community enhancements	4,389,584	2,743,416	736,314	289,253
Interest on long-term debt	75,339	-	-	-
Total governmental activities	64,420,833	12,679,221	12,248,466	6,409,747
Business-type activities:				
Solid Waste	1,061,583	1,356,068	-	-
Total business-type activities	1,061,583	1,356,068	-	-
Total primary government	\$ 65,482,416	\$ 14,035,289	\$ 12,248,466	\$ 6,409,747

General revenues and transfers:

- General revenues:
 - Property taxes
 - Sales taxes
 - Transient occupancy taxes
 - Franchise taxes
 - Utility users tax
 - Other taxes
 - Motor vehicle in lieu - unrestricted
 - Use of money and property
 - Other
 - Gain on sale of capital asset
- Transfers

Total general revenues and transfers

Change in net position

Net position-beginning

Net position-ending

Net (Expenses) Revenues and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (3,920,099)	\$ -	\$ (3,920,099)
(23,043,347)	-	(23,043,347)
(919,378)	-	(919,378)
(1,139,568)	-	(1,139,568)
(3,365,067)	-	(3,365,067)
(620,601)	-	(620,601)
(75,339)	-	(75,339)
(33,083,399)	-	(33,083,399)
-	294,485	294,485
-	294,485	294,485
(33,083,399)	294,485	(32,788,914)
7,872,534	-	7,872,534
13,849,506	-	13,849,506
66,194	-	66,194
1,335,593	-	1,335,593
2,732,097	-	2,732,097
41,099	-	41,099
11,155,935	-	11,155,935
3,695,776	94,538	3,790,314
7,572	61,711	69,283
60,019	-	60,019
5,940	(5,940)	-
40,822,265	150,309	40,972,574
7,738,866	444,794	8,183,660
352,888,856	1,918,941	354,807,797
\$ 360,627,722	\$ 2,363,735	\$ 362,991,457

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Balance Sheet
 Governmental Funds
 June 30, 2024

	Capital Projects Fund		Total Nonmajor Funds	Total Governmental Funds
	General	Streets		
ASSETS				
Pooled Cash and investments	\$ 38,405,704	\$ -	\$ 26,375,735	\$ 64,781,439
Receivables (net of allowance for uncollectible):				
Accounts	660,564	-	337,742	998,306
Interests	354,677	-	205,901	560,578
Due from other governments	3,792,531	860,296	2,377,789	7,030,616
Notes and loans	5,881	-	1,402,964	1,408,845
Leases	3,779,172	-	-	3,779,172
Due from other funds	959,818	-	-	959,818
Deposits	4,000	-	-	4,000
Prepaid costs	201,642	-	8,258	209,900
Land held for resale	-	-	6,224,697	6,224,697
Total assets	\$ 48,163,989	\$ 860,296	\$ 36,933,086	\$ 85,957,371
LIABILITIES				
Accounts payable	\$ 821,979	\$ 582,449	\$ 1,133,480	\$ 2,537,908
Pass-through payables	-	432,014	-	432,014
Accrued liabilities	1,165,873	-	1,815	1,167,688
Unearned revenues	7,200,160	700,000	1,729,434	9,629,594
Deposits payable	176,339	-	-	176,339
Due to other governments	549,179	-	618,184	1,167,363
Due to other funds	-	449,697	510,121	959,818
Total liabilities	9,913,530	2,164,160	3,993,034	16,070,724
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	195,550	-	658,980	854,530
Leases	3,007,035	-	-	3,007,035
Total deferred inflows of resources	3,202,585	-	658,980	3,861,565
FUND BALANCES (DEFICITS)				
Nonespendable	983,660	-	8,258	991,918
Restricted	-	-	26,384,509	26,384,509
Committed	4,486,978	-	-	4,486,978
Assigned	-	-	5,931,383	5,931,383
Unassigned	29,577,236	(1,303,864)	(43,078)	28,230,294
Total fund balances (deficits)	35,047,874	(1,303,864)	32,281,072	66,025,082
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 48,163,989	\$ 860,296	\$ 36,933,086	\$ 85,957,371

CITY OF CITRUS HEIGHTS, CALIFORNIA
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2024

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

Total fund balances - governmental funds		\$ 66,025,082
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.		315,805,381
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.		
Deferred outflows-pension related	\$ 14,197,202	
Deferred outflows-OPEB related	898,189	
Deferred inflows-pension related	(1,876,708)	
Deferred inflows-OPEB related	<u>(1,275,599)</u>	
Total deferred outflows and inflows related to postemployment benefits		11,943,084
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.		
Net OPEB asset	365,743	
Miscellaneous revenues	<u>854,530</u>	
Total other long-term assets		1,220,273
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
Notes and loans payable	(713,664)	
Claims payable	(2,334,700)	
Subscriptions payable	(2,726,830)	
Compensated absences	(1,895,608)	
Accrued interest payable on long-term debt	(61,063)	
Net pension liability	<u>(26,634,233)</u>	
Total long-term liabilities		<u>(34,366,098)</u>
Net position of governmental activities		<u>\$ 360,627,722</u>

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

	<u>Capital Projects Fund</u>		<u>Total Nonmajor Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Streets</u>		
REVENUES				
Taxes	\$ 25,886,644	\$ -	\$ 10,379	\$ 25,897,023
Licenses and permits	2,404,735	-	170,820	2,575,555
Intergovernmental	15,680,962	3,598,944	9,753,746	29,033,652
Charges for services	2,325,250	-	6,567,803	8,893,053
Use of money and property	2,706,734	-	999,052	3,705,786
Fines and forfeitures	1,158,387	-	-	1,158,387
Contributions	20,004	-	5,054	25,058
Miscellaneous	47,242	7,572	170,332	225,146
Total revenues	50,229,958	3,606,516	17,677,186	71,513,660
EXPENDITURES				
Current:				
General government	9,014,714	-	18,885	9,033,599
Public safety	22,019,050	-	1,328,466	23,347,516
Community enhancements	1,607,992	-	883,298	2,491,290
Economic development	1,079,867	-	-	1,079,867
Culture and recreation	1,043,320	-	68,362	1,111,682
Public ways and facilities	1,654,724	40,687	8,809,236	10,504,647
Capital outlay	4,014,565	6,937,428	1,453,716	12,405,709
Debt service:				
Principal	417,764	-	538,364	956,128
Interest and fiscal charges	16,400	-	4,492	20,892
Total expenditures	40,868,396	6,978,115	13,104,819	60,951,330
Excess (deficiency) of revenues over (under) expenditures	9,361,562	(3,371,599)	4,572,367	10,562,330
OTHER FINANCING SOURCES (USES)				
Transfers in	-	2,461,791	1,249,275	3,711,066
Transfers out	(1,115,903)	-	(2,589,223)	(3,705,126)
Debt issuance proceeds	2,944,320	779,744	-	3,724,064
Proceeds for sale of capital assets	-	-	60,019	60,019
Total other financing sources (uses)	1,828,417	3,241,535	(1,279,929)	3,790,023
Net change in fund balances	11,189,979	(130,064)	3,292,438	14,352,353
Fund balances (deficit)-beginning	23,857,895	(1,173,800)	28,988,634	51,672,729
Fund balances (deficit)-ending	\$ 35,047,874	\$ (1,303,864)	\$ 32,281,072	\$ 66,025,082

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

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

Net change in fund balances - total governmental funds:		\$ 14,352,353
<p>Governmental funds report capital outlays are expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.</p>		
Capital outlay	\$ 12,551,645	
Depreciation/amortization expense	<u>(13,105,702)</u>	
Total adjustment		(554,057)
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.</p>		
Earned but unavailable other revenues	<u>32,221</u>	
Total adjustment		32,221
<p>The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase/(decrease) net position.</p>		
Donations of capital assets	<u>377,613</u>	
Total adjustment		377,613
<p>Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.</p>		
Notes and loans issued	(779,744)	
Subscriptions issued	(2,944,320)	
Principal payments	<u>956,128</u>	
Total adjustment		(2,767,936)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.</p>		
Accrued interest on long-term debt	(54,466)	
Compensated absences	(126,445)	
Claims payable	(300,419)	
Changes in pension liabilities and related deferred outflows and inflows of resources	(3,400,253)	
Changes in OPEB liabilities and related deferred outflows and inflows of resources	<u>180,255</u>	
Total adjustment		<u>(3,701,328)</u>
Change in net position of governmental activities		<u>\$ 7,738,866</u>

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CITY OF CITRUS HEIGHTS, CALIFORNIA
Statement of Net Position
Proprietary Funds
June 30, 2024

	<u>Solid Waste</u>
ASSETS	
Current assets:	
Cash and investments	\$ 2,440,464
Receivables (net of uncollectibles):	
Accounts	139,418
Accrued interest	19,848
Due from other governments	20,099
Prepaid items	15,543
Total current assets	<u>2,635,372</u>
Noncurrent:	
Net OPEB asset	4,173
Capital assets, net	334,336
Total noncurrent assets	<u>338,509</u>
Total assets	<u>2,973,881</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension-related	309,527
OPEB-related	10,247
Total deferred outflows of resources	<u>319,774</u>
LIABILITIES	
Current liabilities:	
Accounts payable	16,865
Due to other governments	217,971
Total current liabilities	<u>234,836</u>
Noncurrent liabilities:	
Net pension liability	646,059
Total noncurrent liabilities	<u>646,059</u>
Total liabilities	<u>880,895</u>
DEFERRED INFLOWS OF RESOURCES	
Pension-related	34,472
OPEB-related	14,553
Total deferred inflows of resources	<u>49,025</u>
NET POSITION	
Invested in capital assets	334,336
Restricted	4,173
Unrestricted	2,025,226
Total net position	<u>\$ 2,363,735</u>

CITY OF CITRUS HEIGHTS, CALIFORNIA
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	<u>Solid Waste</u>
OPERATING REVENUES	
Charges for services	\$ 1,356,068
Miscellaneous	61,711
Total operating revenues	<u>1,417,779</u>
OPERATING EXPENSES	
Administration and general	455,962
Transmission/collection	343,829
Source of supply	95,972
Pumping	157,947
Depreciation	7,873
Total operating expenses	<u>1,061,583</u>
Operating income (loss)	<u>356,196</u>
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	94,538
Total nonoperating revenues (expenses)	<u>94,538</u>
Income (loss) before transfers	<u>450,734</u>
Transfers out	(5,940)
Change in net position	<u>444,794</u>
Net position-beginning	1,918,941
Net position-ending	<u><u>\$ 2,363,735</u></u>

CITY OF CITRUS HEIGHTS, CALIFORNIA
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	<u>Solid Waste</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers	\$ 1,433,850
Payments to suppliers and service providers	(774,568)
Payments to employees for salaries and benefits	<u>(27,458)</u>
Net cash provided by (used for) operating activities	<u>631,824</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers to other funds	<u>(5,940)</u>
Net cash provided by (used for) noncapital financing activities	<u>(5,940)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	<u>85,757</u>
Net cash provided by (used for) investing activities	<u>85,757</u>
Net increase (decrease) in cash and cash equivalents	711,641
Cash and cash equivalents-beginning	<u>1,728,823</u>
Cash and cash equivalents-ending	<u>\$ 2,440,464</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	
Operating income (loss)	<u>\$ 356,196</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation/amortization expense	7,873
(Increase) decrease in accounts receivable	16,071
(Increase) decrease in prepaid items	(14,348)
Increase (decrease) in accounts payable	190,986
Increase (decrease) in accrued liabilities	(10,100)
Increase (decrease) in net pension liability	87,153
Increase (decrease) in net OPEB liability	<u>(2,007)</u>
Total adjustments	<u>275,628</u>
Net cash provided by (used for) operating activities	<u>\$ 631,824</u>

CITY OF CITRUS HEIGHTS, CALIFORNIA
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	<u>Custodial Funds</u>
ASSETS	
Cash and cash equivalents	\$ 237,176
Total assets	<u>237,176</u>
LIABILITIES	
Due from other governments	41,051
Total liabilities	<u>41,051</u>
NET POSITION	
Restricted for:	
Other governments	196,125
Total net position	<u>\$ 196,125</u>

CITY OF CITRUS HEIGHTS, CALIFORNIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	<u>Custodial Funds</u>
ADDITIONS	
Intergovernmental	\$ 28,423
Total additions	<u>28,423</u>
DEDUCTIONS	
Contractual services	5,345
Total deductions	<u>5,345</u>
Net increase (decrease) in fiduciary net position	23,078
Net position-beginning	<u>173,047</u>
Net position-ending	<u>\$ 196,125</u>

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CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units. The City applies all GASB pronouncements to its activities. The more significant of these accounting policies are described below.

Financial Reporting Entity

The City of Citrus Heights (City) was incorporated on January 1, 1997, under the laws and regulations of the State of California (State). The City operates under a City Council/Manager form of government and provides the following services: public safety (police), highways and streets, solid waste, stormwater utility, public improvements, planning and zoning, building, animal services, transit, and general administration.

The City operates as a self-governing local government unit within the State. It has limited authority to levy taxes and has the authority to determine user fees for the services that it provides. The City's main funding sources include sales taxes, utility user tax, other intergovernmental revenue from state and federal sources, user fees, and federal and state financial assistance.

The financial reporting entity consists of (a) the primary government, the City, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (a) the City has the ability to impose its will on the organization, or (b) there is a potential for the organization to provide a financial benefit to or impose a financial burden on the City.

As required by GAAP, these financial statements would present the government and its component units, entities for which the government is considered to be financially accountable. The City does not have any component units.

Basis of Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities display information about the nonfiduciary activities of the government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues, while business-type activities rely to a significant extent on fees and charges to external parties.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided by a given function or segment, 2) operating grants and contributions, and 3) capital grants and contributions restricted to the operating or capital requirements of a specific function or segment. All taxes and internally dedicated resources classified as program revenues are reported as general revenues.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenues or expenditures/expenses of that individual governmental fund are at least ten percent of the corresponding total for all funds of that category or type; and,
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

Qualitative factors are also considered in determining major programs as applicable.

The City reports the following major funds:

- **General Fund** – The General Fund is the primary operating fund of the City. It accounts for all activities except those legally or administratively required to be accounted for in another fund. From this fund are paid the City's general operating expenditures, the fixed charges, and the capital costs that are not paid through other funds.
- **Streets Capital Projects Fund** – Accounts for all capital project expenditures for various street projects.
- **Solid Waste Enterprise Fund** – Accounts for all administrative costs required for all solid waste activities.

Additionally, the City reports the following fund types:

Governmental Funds

Special Revenue Funds - The Special Revenue Funds are used to account for specific revenues that are legally or otherwise restricted to expenditures for particular purposes.

Capital Project Funds - The Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Fiduciary Funds

Custodial Funds - Custodial Funds account for assets held by the City in a fiduciary capacity. The Custodial Funds account for monies held for other governments and/or entities to which the City provides accounting and investing services, which none are held in trust. There are two custodial funds reported by the City, including a fund that collects fire development fees on behalf of the Sacramento Metropolitan Fire District and a fund that collects transportation fees on behalf of the State.

Measurement Focus

Measurement focus is a term used to describe which transactions are recorded within the various financial statements.

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds and fiduciary funds. The accounting objectives of economic resources measurement focus are the determination of net income, financial position, and cash flows. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

timing of related cash flows. Property taxes are recorded in the year for which they are levied. Sales taxes are recognized when the underlying sales transaction takes place. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. All assets and liabilities (whether current or noncurrent) as well as deferred outflows and inflows of resources, associated with their activities are reported. Fund equity is classified as net position, which serves as an indicator of financial position.

In the governmental fund financial statements, the “current financial resources” measurement focus is used and the modified accrual basis of accounting. Only current financial assets and liabilities along with deferred outflows and inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide statements, proprietary funds and private purpose trust funds are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Operating revenues in the fund are those revenues that are generated from the primary operations of the fund, including charges for services. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount, and available means the amount is collectible within the current period or soon enough thereafter to pay current liabilities. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year end, with the exception of grant revenues, sales tax and Transportation Development Act (TDA) revenues. Grant revenues are considered to be available if collected within 180 days and sales tax and TDA revenues are considered to be available if collected within 90 days of the end of the current fiscal period.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Equity

Cash and Investments

The City’s cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including the City’s investments in LAIF, and U.S. Agency Obligations.

The City pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools. Market value is used as fair value for those securities for which market quotations are readily available.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales and use taxes, utility user taxes, intergovernmental subventions, interest earnings, expense reimbursements, and leases.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, utility user tax, and intergovernmental subventions since they are usually both measurable and available. Non-exchange transactions collectible but not available, such as property tax, are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. The City's experience is that all accounts receivable are collectible; therefore an allowance for doubtful accounts is unnecessary.

Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds that may result in amounts owed between funds. Those related to goods and services type transactions are classified as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the government-wide Statement of Net Position. See Note 9 for details of interfund transactions, including receivables and payables at year-end.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. In the governmental fund financial statements, prepaid items are reported as nonspendable fund balance to indicate they do not constitute current resources available for appropriation. The consumption method is used to recognize prepaid items.

Capital Assets

The City's assets are capitalized at historical cost or estimated historical cost, if actual cost is unavailable. Donated capital assets are recorded at the acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date. The City policy has set the capitalization threshold at \$10,000 for non-infrastructure capital assets and \$50,000 for infrastructure capital assets.

Public domain (infrastructure) capital assets include roads, bridges, curbs and gutters, streets, sidewalks, drainage systems, and lighting systems. Prior to July 1, 2003, governmental activity infrastructure assets were not capitalized; however, since then these assets have been valued at estimated historical cost.

The accounting treatment of capital assets depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. Purchases of capital assets are reported as capital outlay expenditures in governmental funds and proceeds from sales of capital assets are reported as other financing sources. In the government-wide and proprietary fund statements, the cost of assets sold or retired, net of accumulated depreciation/amortization, is removed from the statement of net position in the year of sale or retirement and the resulting gain or loss on disposal is reported.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation/amortization of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation/amortization reflected in the Statement of Net Position. Depreciation/amortization is provided over the assets' estimated useful lives using the straight-line method of depreciation/amortization.

The range of estimated useful lives by type of asset is as follows:

Building and improvements	5-50 years
Leasehold improvements	5 years
Machinery and equipment	5 years
Network equipment/ phone system	10 years
Computer equipment	5 years
Vehicles	5-15 years
Subscription assets	Lesser of life of asset or length of agreement

Deferred Outflows and Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets by the government that is applicable to a future reporting period. Deferred inflows of resources represent an acquisition of net assets that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expenditure/expense) or an inflow of resources (revenue) until the earnings process is complete. The governmental funds report unavailable revenues for grants and other revenues when the amounts meet the asset recognition criteria under GASB Statement No. 33 and were accrued as receivables, but the amounts were not received in the availability period. Deferred outflows and inflows of resources include amounts deferred related to the City's lease under GASB 87 as described in Note 5, the City's pension plan under GASB 68 as described in Note 11, and the City's OPEB plan under GASB 75 as described in Note 12.

Compensated Absences

Employees accrue annual leave, long-term medical, holiday and compensatory time off benefits. City employees have vested interests in the amount of accrued time off, with the exception of long-term medical leave, and are paid at termination. Also, annually an employee may elect to be compensated for up to 40 hours of unused annual leave. However, this is contingent upon the employee using at least 40 hours of annual leave during the previous year and, the employee having a minimum balance of 80 annual leave hours after the payment. Compensated absences are accrued when incurred in the government-wide and proprietary financial statements. A liability for these amounts is reported in the governmental funds only if they have matured (for example, as a result of employee resignations or retirements) and are currently payable. The City had no employee resignations or retirements for which compensated absences should be accrued in governmental funds at year-end. The General Fund is typically used to liquidate compensated absences.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Equity Classification

Government-Wide Statements

Equity in government-wide and proprietary fund statements is classified as net position and is displayed in three components:

- a. Net investment in capital assets – consists of capital assets, including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – consists of net position with constraints placed on the use by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – all other net position that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Financial Statements

Governmental fund equity is classified as fund balance and displayed in the following components:

Nonspendable Fund Balance –

- Assets that will never convert to cash (prepaid items and inventory) and assets that will not convert to cash soon enough to affect the current period (long-term notes or loans receivable).

Restricted Fund Balance –

- Resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government (creditors, grantors, contributors and other governments).
- Resources that are subject to limitations imposed by law through constitutional provisions or enabling legislation (e.g., Gas Tax).

Committed Fund Balance –

- Self-imposed limitations set in place prior to the end of the period (encumbrances, economic contingencies and uncertainties).
- Limitation at the highest level of decision-making (Council) that requires formal action at the same level to remove. Council Resolution is required to be approved to establish, modify or rescind a fund balance commitment.

Assigned Fund Balance –

- Resources constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.
- Governmental fund amounts in excess of nonspendable, restricted and committed in other than the General Fund are automatically reported as assigned.
- Assigned amounts for specific purposes are determined and authorized by the City Manager. Use of assigned funds exceeding the City Manager’s \$50,000 spending authority are approved as part of the budget or by Council Resolution.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unassigned Fund Balance –

- Residual net resources.
- Total fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance (surplus).
- Excess of nonspendable, restricted and committed fund balance over total fund balance (deficit).

See Note 8 for more information about the City's net position and fund balances.

Revenues, Expenditures, and Expenses

Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Tax

The County of Sacramento (County) is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The City recognizes property taxes when the individual installments are due, provided they are collected within 60 days after year-end.

Secured property taxes are levied on or before the first day of September of each year. They become a lien on real property on March 1 preceding the fiscal year for which taxes are levied. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, cost, and interest when paid. If the delinquent taxes are not paid at the end of five years, the property is sold at public auction and the proceeds are used to pay the delinquent amounts due. Any excess is remitted, if claimed, to the taxpayer. Additional tax liens are created when there is a change in ownership of property or upon completion of new construction. Tax bills for these new tax liens are issued throughout the fiscal year and contain various payments and delinquent dates, but are generally due within one year. If the new tax liens are lower, the taxpayer receives a tax refund rather than a tax bill. Unsecured personal property taxes are not a lien against real property. These taxes are due on March 1, and become delinquent if unpaid on August 31.

The City participates in an alternative method of distribution of property tax levies and assessments known as the "Teeter Plan." The State Revenue and Taxation Code allow counties to distribute secured real property, assessment, and supplemental property taxes on an accrual basis resulting in full payment to cities each fiscal year. Any subsequent delinquent payments and penalties and interest during a fiscal year will revert to Sacramento County. The Teeter Plan payment, which includes 95% of the outstanding accumulated delinquency, is included in property tax revenue retained by Sacramento County under the revenue neutrality agreement. Under the Teeter Plan Code, 5% of the delinquency must remain with the County as a reserve for Teeter Plan funding.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interfund Transfers

Resources are reallocated between funds by reporting them as interfund transfers. For the purposes of the Statement of Activities, all interfund transfers within individual governmental funds have been eliminated. See Note 9 for more information about the City’s interfund transfers.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City’s California Public Employees’ Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund, Solid Waste Fund and any non-major special revenue funds that have contributions expense are used to liquidate the net pension liability.

Other Post-Employment Benefits Plan (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the plan and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund, Solid Waste Fund and any non-major special revenue funds that have contributions expense are used to liquidate the net OPEB liability.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

Joint Power Authorities or Jointly Governed Organizations

The City of Citrus Heights is a member of several Joint Powers Agencies (JPA) and/or jointly managed agencies, including:

<u>Agency Name</u>	<u>Purpose</u>
Sacramento Metropolitan Air Quality Management District	Monitors and enforces air quality requirements
Sacramento Regional County Sanitation District	Waste water conveyance, treatment and disposal
Sacramento Area Sewer District	Sewer service
Sacramento Transportation Authority	Administration of transportation projects
Sacramento Area Council of Governments	Regional planning (primarily transportation)

Funding, if any, for each of these agencies from the City is based on annual appropriations. The City has no continuing financial liability and does not expect any financial burden from its participation in any of these agencies. Separate financial statements of the JPA’s can be obtained by contacting the individual agencies.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 2: CASH AND INVESTMENTS

At June 30, 2024, the City’s pooled cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Position	
Cash and investments	\$ 67,221,903
Statement of Fiduciary Net Position	
Cash and cash equivalents	<u>237,176</u>
Total cash and investments	<u>\$ 67,459,079</u>

Cash and investments are categorized as follows under GASB Statement No. 40:

Cash on hand	\$ 4,600
Deposits with financial institutions	540,674
Investments	<u>66,913,805</u>
Total cash and investments	<u>\$ 67,459,079</u>

Investments Authorized by the California Government Code and the City’s Investment Policy

Investments are reported at fair value. California statutes authorize cities to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The table below identifies the investment types that are authorized for the City by the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

During the year ended June 30, 2024, the City’s permissible investments included the following instruments:

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity *	Maximum Percentage of Portfolio *	Maximum Investment in One Issuer *
U.S. Treasury obligations	Yes	5 years	None	None
U.S. agency securities	Yes	5 years	None	None
Bankers acceptances	Yes	180 days	40%	5%
Commercial paper	Yes	270 days	25%	5%
Certificates of deposit (nonnegotiable)	Yes	5 years	None	None
Certificates of deposit (negotiable)	Yes	5 years	30%	None
Repurchase agreements	Yes	1 year	None	5%
Medium-term notes	Yes	5 years	30%	5%
Municipal investments	Yes	5 years	10%	5%
Money market mutual funds	Yes	N/A	20%	10%
Mortgage pass-through securities	Yes	5 years	20%	None
Local Agency Investment Fund	Yes	N/A	None	\$50 million

* Based on state law requirements or City investment policy requirements, whichever is more restrictive.

The City complied with the provisions of California Government Code pertaining to the types of investments held, institutions in which deposits were made and security requirements. The City will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. In accordance with its investment policy, the City manages its exposures to declines in fair values by limiting the weighted average maturity of its investment portfolio to less than 5 years. As of June 30, 2024, the weighted average maturity of investments was 12 months or less.

Information about the sensitivity of the fair values of the City's investments to market rate interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months or Less	13 to 24 Months	25 to 60 Months
U.S. Treasury obligations	\$ 3,576,983	\$ 1,363,699	\$ 1,231,035	\$ 982,249
U.S. agency securities	2,963,226	198,982	1,017,122	1,747,122
Commercial paper	1,345,670	121,776	-	1,223,894
Medium-term notes	2,485,427	149,108	969,675	1,366,644
Money market mutual funds	19,628	19,628	-	-
Local Agency Investment Fund	56,522,871	56,522,871	-	-
Total	\$ 66,913,805	\$ 58,376,064	\$ 3,217,832	\$ 5,319,909

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, and the actual rating as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating	Moody's Rating as of Fiscal Year End			
			Aaa	Aa	A	Exempt or Not Rated
U.S. Treasury obligations	\$ 3,576,983	Exempt	\$ -	\$ -	\$ -	\$ 3,576,983
U.S. agency securities	2,963,226	Exempt	-	-	-	2,963,226
Commercial paper	1,345,670	A	1,345,670	-	-	-
Medium-term notes	2,485,427	A	121,495	1,018,148	1,345,784	-
Money market mutual funds	19,628	Aaa	19,598	-	-	30
Local Agency Investment Fund	56,522,871	Not Rated	-	-	-	56,522,871
Total	\$ 66,913,805		\$ 1,486,763	\$ 1,018,148	\$ 1,345,784	\$ 63,063,110

Concentration of Credit Risk

The investment policy of the City contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At June 30, 2024 the City did not hold investments in any one issuer, other than U.S. Treasury securities, mutual funds, and external investment pools that represent more than 5% of the City's investment portfolio.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits. The California Government Code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by depository regulated under state law (unless so waived by the governmental unit).

The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2024, the carrying amount of the City's deposits was \$540,674 and the balance in financial institutions was \$1,165,697. Of the balance in financial institutions, \$250,000 was covered by federal depository insurance and \$915,697 was collateralized as required by State law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the City and governmental agencies, but not in the name of the City.

Investment in LAIF

LAIF is stated at fair value. LAIF is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The total fair value amount invested by the City in LAIF is \$56,522,871 and is managed by the State Treasurer. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Uncategorized – Investments in the Local Agency Investment Funds/State Investment Pools (LAIF) are not measured using the input levels above because the City's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share. The City reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance of LAIF is available for withdrawal on demand.

As of June 30, 2024, 84.5% of the City's investments were invested in LAIF with a reported balance of \$56,522,871.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 3: LOANS AND NOTES RECEIVABLE

Through the City's various housing rehabilitation funds and first-time home buyer's funds, the City has loaned funds to qualifying individuals and businesses. Interest rates vary depending on the terms of the loan. Accrued interest receivable on the loans totaled \$536,411 at year-end. The City also has loans receivable from employees for computer purchases in the General Fund.

Governmental activities loans and notes receivable consisted of the following for the year ended June 30, 2024:

	Outstanding at June 30, 2024
General Fund	\$ 5,881
Home Program Grants	2,455,218
CDBG Grants Special Revenue Fund	1,348,078
Housing Agency	1,378,853
Allowance for Uncollectible Loans	<u>(3,779,185)</u>
	<u>\$ 1,408,845</u>

The following is a summary of the loans and notes receivable outstanding as of June 30, 2024:

General Fund – These loans are for employees to purchase computers for personal use as a benefit provided by the City, loans are provided on a two-year amortization schedule and do not bear interest. The balance of these loans at June 30, 2024, was \$5,881.

HOME Program Grants Special Revenue Fund – The City made various loans to qualifying participants within the City that are reported in this fund under the following programs:

Federal First Time Home Buyers Program (HOME) - Interest rates vary depending on the terms of the loan and interest is deferred until the loan is refinanced or title to the property changes. The loan principal may be assumed by another qualifying borrower or must be returned to the City if a nonqualifying buyer purchases the related property. Interest rates ranged from 0% to 3% at year-end and the loans mature through 2044. The HOME notes receivable balance at June 30, 2024, was \$2,455,218 and an allowance was set up for the full amount.

Community Development Block Grant (CDBG) Special Revenue Fund – The City participates in a CDBG Revolving loan program. The program is federally funded and provides housing rehabilitation loans to eligible applicants. The City makes loans to resident homeowners who qualify as low income, some of which are deferred and are not repaid until the title to the property changes. Interest rates range from 0% to 3% at year-end and mature through 2048. The balance of these loans outstanding at June 30, 2024, was \$1,348,078 of which, an allowance on uncollectible loans was set up for \$1,145,113.

Housing Agency Fund – The City took over maintenance of loans receivable during the year ended June 30, 2016, for Low and Moderate-income Housing that were previously reported in the Successor Agency Housing Fund. The City provides home rehabilitation loans to eligible low and moderate-income borrowers. Interest on certain loans may be waived by the City if the loan remains outstanding for the full term; therefore, interest income is recorded when received. Interest rates ranged from 0% to 3% and loans mature through 2044. The balance of these loans outstanding at June 30, 2024, was \$1,378,853, of which, an allowance on uncollectible loans was set up for \$178,854.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 4: CAPITAL ASSETS

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

	Balance July 1, 2023	Additions	Deletions	Transfers	Balance June 30, 2024
Governmental activities:					
Capital assets, not being depreciated/amortized					
Land	\$ 15,618,742	\$ 377,613	\$ -	\$ -	\$ 15,996,355
Art	113,951	-	-	-	113,951
Subscriptions-in-progress	390,574	92,865	-	(390,574)	92,865
Construction-in-progress	15,354,064	8,462,301	-	(385,787)	23,430,578
Total capital assets, not being depreciated/amortized	31,477,331	8,932,779	-	(776,361)	39,633,749
Capital assets, being depreciated/amortized					
Buildings	41,358,473	40,645	-	-	41,399,118
Machinery, equipment, and vehicles	8,083,760	791,288	(927,422)	385,787	8,333,413
Infrastructure	587,726,306	73,900	-	-	587,800,206
Subscription assets	243,290	3,090,646	-	390,574	3,724,510
Total capital assets, being depreciated/amortized	637,411,829	3,996,479	(927,422)	776,361	641,257,247
Less accumulated depreciation/amortization					
Buildings	(24,436,547)	(436,787)	-	-	(24,873,334)
Machinery, equipment, and vehicles	(5,890,616)	(538,738)	927,422	-	(5,501,932)
Infrastructure	(322,531,958)	(11,818,748)	-	-	(334,350,706)
Subscription assets	(48,214)	(311,429)	-	-	(359,643)
Total accumulated depreciation/amortization	(352,907,335)	(13,105,702)	927,422	-	(365,085,615)
Total capital assets, being depreciated/amortized, net	284,504,494	(9,109,223)	-	776,361	276,171,632
Total governmental activities capital assets	\$ 315,981,825	\$ (176,444)	\$ -	\$ -	\$ 315,805,381
Business-type activities:					
Capital assets, being depreciated					
Infrastructure	\$ 393,675	\$ -	\$ -	\$ -	\$ 393,675
Total capital assets, being depreciated	393,675	-	-	-	393,675
Less accumulated depreciation					
Infrastructure	(51,466)	(7,873)	-	-	(59,339)
Total accumulated depreciation	(51,466)	(7,873)	-	-	(59,339)
Total capital assets, being depreciated, net	342,209	(7,873)	-	-	334,336
Total business-type activities capital assets	\$ 342,209	\$ (7,873)	\$ -	\$ -	\$ 334,336

Depreciation/amortization expense for capital assets was charged to functions as follows:

General government	\$ 786,843
Public safety	509,680
Public ways and facilities	11,787,039
Culture and recreation	22,140
Total Governmental depreciation/amortization expense	\$ 13,105,702
Solid Waste	\$ 7,873
Total Business-Type depreciation expense	\$ 7,873

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 5: LEASE RECEIVABLE

The City is reporting a lease receivable of \$3,779,172 and deferred inflow of resources of \$3,007,035 at June 30, 2024. For 2024, the City reported lease revenue of \$126,494 and interest revenue of \$173,242 related to lease payments received.

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

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payment
2025	\$ 177,478	\$ 166,509	\$ 343,987
2026	231,933	157,411	389,343
2027	290,047	145,787	435,834
2028	352,018	131,469	483,487
2029	418,052	114,279	532,331
2030-2033	2,309,644	222,128	2,531,773
Total	\$ 3,779,172	\$ 937,583	\$ 4,716,755

Dignity Health Lease - On February 14, 2017, the City entered into a fifteen-and-1/2-year lease agreement with the Dignity Health Medical Foundation for the lease of land to place a medical building for the operation of hospital outpatient services and other medical and ancillary uses for the residents of the City and surrounding areas. Based on this agreement, the City is receiving monthly payments through 2033 and will collect \$177,478 in principal and \$166,509 in interest during fiscal year 2025. There are no renewal options included in this lease agreement.

NOTE 6: LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Amount Due Within One Year
Governmental activities:					
Equipment loan	\$ 141,952	\$ -	\$ 69,299	\$ 72,653	\$ 72,653
Streetlight retrofit	380,654	-	19,387	361,267	19,592
SACOG Loan	-	779,744	500,000	279,744	279,744
Subscriptions payable	149,952	2,944,320	367,442	2,726,830	295,275
Claims payable	2,034,281	792,734	492,315	2,334,700	1,035,607
Compensated absences	1,769,163	1,276,808	1,150,363	1,895,608	729,725
Total	\$ 4,476,002	\$ 5,793,606	\$ 2,598,806	\$ 7,670,802	\$ 2,432,596

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

On July 20, 2020, the City executed the equipment loan in the amount of \$347,268. The funds were used to purchase audio video equipment for use in the City’s Community Center. The loan bears interest of 4.84%. Payments of principal and interest are due annually in July. The final annual payment is due July 20, 2024. The outstanding balance at June 30, 2024, is \$72,653.

The annual debt services requirements at June 30, 2024, on the equipment loan are as follows:

Year Ending June 30,	Audio Video Equipment Loan		
	Principal	Interest	Total
2025	\$ 72,653	\$ 3,516	\$ 76,169
Totals	\$ 72,653	\$ 3,516	\$ 76,169

On December 30, 2021, the City executed the Energy Conservation Assistance Act Loan Agreement in the amount of \$396,601 to replace existing street lights with energy efficient materials and implement energy efficiency measures, including replacing the palm uprights on Sunrise Blvd in the Sunrise MarketPlace. The loan bears interest of 1%. Payments of principal and interest are due June 22 and December 22 of each year beginning December 22, 2022. The final annual payment is due December 22, 2041. The outstanding balance at June 30, 2024, is \$361,267.

The annual debt services requirements at June 30, 2024, on the Streetlight Retrofit Loan are as follows:

Year Ending June 30,	Streetlight Retrofit Loan		
	Principal	Interest	Total
2025	\$ 19,592	\$ 3,564	\$ 23,156
2026	19,788	3,368	23,156
2027	19,986	3,169	23,155
2028	20,593	2,563	23,156
2029-2033	104,020	11,759	115,779
2034-2038	109,267	6,544	115,811
2039-2041	68,021	1,543	69,564
Totals	\$ 361,267	\$ 32,510	\$ 393,777

On July 1, 2023, the City executed the SACOG Loan Agreement in the amount of \$779,744 for the Arcade Creek Trail project. The loan bears no interest. Payments of principal are due July 30. The final annual payment is due July 30, 2025. The outstanding balance at June 30, 2024, is \$279,744.

The annual debt services requirement at June 30, 2024, on the SACOG Loan are as follows:

Year Ending June 30,	SACOG Loan	
	Principal	Total
2025	\$ 279,744	\$ 279,744
Totals	\$ 279,744	\$ 279,744

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 6: LONG-TERM LIABILITIES (CONTINUED)

A. Subscription-Based Information Technology Arrangements

The City has entered into various subscription-based information technology agreements for the use of software as a service. The terms of these subscriptions range from 2 to 5 years. As of June 30, 2024, the total value of the subscription liability was \$2,726,830. The City is required to make annual payments ranging from \$12,953 to \$186,564. The subscriptions were valued using the City's incremental borrowing rate. Information on the subscription assets as of June 30, 2024, are as follows:

Asset Class	Value of Subscription Asset	Accumulated Amortization
Software	\$ 3,724,510	\$ 359,643
Subscriptions-in-progress	92,865	-
Total	\$ 3,817,375	\$ 359,643

The future principal and interest subscription payments as of June 30, 2024, were as follow:

Fiscal Year Ending June 30,	Governmental Activities	
	Principal Payments	Interest Payments
2025	\$ 295,275	\$ 94,684
2026	306,638	84,913
2027	289,343	74,855
2028	309,973	65,109
2029	314,513	54,621
2030-2034	1,211,088	105,918
Total	\$ 2,726,830	\$ 480,100

NOTE 7: COMPENSATED ABSENCES

Compensated absences are liquidated by the fund that has recorded the liability. The governmental activities compensated absences will be liquidated primarily by the General Fund. The following is a summary of changes in the City's compensated absences for the fiscal year ended June 30, 2024:

	Balance			Balance	
	June 30, 2023			Additions	
Governmental activities	\$ 1,769,163	\$ 1,276,808	\$ 1,150,363	\$ 1,895,608	\$ 729,725
Total	\$ 1,769,163	\$ 1,276,808	\$ 1,150,363	\$ 1,895,608	\$ 729,725

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 8: FUND BALANCES

Nonspendable, restricted, committed and assigned fund balance consisted of the following at June 30, 2024:

	Major Funds		Total Nonmajor Funds	Total Governmental Funds
	General	Streets		
Nonspendable				
Notes and loans receivable	\$ 5,881	\$ -	\$ -	\$ 5,881
Leases receivable	772,137	-	-	772,137
Deposits	4,000	-	-	4,000
Prepaid costs	201,642	-	8,258	209,900
Total nonspendable	983,660	-	8,258	991,918
Restricted				
Deposits for projects	-	-	45,620	45,620
Stormwater maintenance	-	-	3,902,703	3,902,703
Streets, roads and park projects	-	-	16,623,766	16,623,766
Assessment district maintenance	-	-	1,258,979	1,258,979
Police activities	-	-	1,996,756	1,996,756
Housing projects	-	-	1,555,255	1,555,255
Transit program	-	-	347,208	347,208
Tree mitigation	-	-	654,222	654,222
Total restricted fund balances	-	-	26,384,509	26,384,509
Committed				
Insurance	300,000	-	-	300,000
Petty cash	2,600	-	-	2,600
Revenue stabilization	4,184,378	-	-	4,184,378
Total committed fund balances	4,486,978	-	-	4,486,978
Assigned				
Capital improvement and equipment replacement	-	-	5,931,383	5,931,383
Total assigned fund balances	-	-	5,931,383	5,931,383
Unassigned	29,577,236	(1,303,864)	(43,078)	28,230,294
Total fund balances (deficits)	\$ 35,047,874	\$ (1,303,864)	\$ 32,281,072	\$ 66,025,082

Nonspendable

- **Loans and notes receivable** – used to segregate that portion of fund balance to indicate that long-term loans or notes receivable do not represent available, spendable resources, even though they are components of assets. Only loans and notes not deferred are reported in this category.
- **Leases receivable** – used to segregate that portion of fund balance to indicate that long-term leases receivable do not represent available, spendable resources, even though they are components of assets. Only the portion of leases receivable not deferred is reported in this category.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 8: FUND BALANCES (CONTINUED)

- **Prepaid items** – used to indicate that prepaid amounts do not represent available, spendable resources, even though they are components of assets.
- **Deposits** – used to indicate that deposits receivable do not represent available, spendable resources, even though they are components of assets.

Restricted

- **HOME Program Grants** – represents amounts restricted for housing under the HOME program.
- **CDBG Grants** – represents amounts restricted for housing purposes by the Department of Housing and Urban Development.
- **Housing Agency** – represents assets of the former redevelopment agency that are restricted for low and moderate-income housing.
- **Code Enforcement** – represents amounts restricted for the rental housing inspection program.
- **Gas Tax** – represents amounts restricted for street maintenance and construction by the State excise Gas Tax.
- **Road Maintenance and Rehabilitation** – represents amounts restricted for use by the Road Repair Accountability Act SB1.
- **Stormwater Utility Tax** – represents parcel tax revenue restricted for stormwater drainage activities.
- **Road Maintenance** – represents amounts restricted for streets and road maintenance by the Department of Transportation.
- **Transit** – represents transit revenues restricted for transit activities.
- **Transportation Development Act** – represents amounts restricted for use by the Transportation Development Act for transportation, including pedestrian and bicycle.
- **Police** – represents police revenues restricted to fund programs to combat drug abuse and divert gang activity.
- **Police Grants** – represents police grants revenues restricted for police programs and activities.
- **Property Based Improvement District** – represents special assessments on Sunrise Market Place businesses for marketing expenditures and special assessments on homeowners for lighting and landscaping and other expenses.
- **Roadway Development Fees** – represents impact fees restricted for roadway development.
- **Housing Mitigation Development Fees** – represents impact fees restricted for housing mitigation development.
- **Tree Mitigation Fees** – represents impact fees restricted for tree mitigation.
- **Park Facilities Development Fees** – represents impact fees restricted for park facilities development.
- **Transit Development Fees** – represents impact fees restricted for transit development.
- **Assessment District Funds** – represents special assessments restricted to assessment district activities.
- **Police Donations** – represents donations received restricted to police K-9 and other programs.
- **Measure A Construction** – represents funds received from the Sacramento Transportation Authority restricted for construction, upgrade and improvement of the City's roadways.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 8: FUND BALANCES (CONTINUED)

Committed

General Fund Reserve – used to represent that portion of fund balance committed for unexpected events that may impact the City’s ability to provide essential day-to-day services. The attached table lists specific amounts committed by the City Council. The revenue stabilization commitment amount may only be used if there is a revenue shortfall of 10% of budgeted revenues. This amount can only be changed by Council Resolution.

Assigned

The fund balances of the General Capital Improvements Fund and Community Capital Replacement Fund are assigned to various equipment and public improvement projects.

The City’s policy is to use restricted, committed, assigned and unassigned resources, in that order, when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. Deficit fund balances consisted of the following:

Fund	Deficit
Streets	\$ 1,303,864
Supplemental Law Enforcement Services	284
Other Grants	19,638
Lighting Assessment District	23,156
	\$ 1,346,942

These deficits were a result of expenditures incurred in advance of receipt of revenue and will be eliminated through future revenues and expenditure reductions.

NOTE 9: INTERFUND TRANSACTIONS

A. Due to and due from other funds

Due From Other Funds	Due to Other Funds	Amount
General fund	Nonmajor governmental funds	\$ 959,818
	Total	\$ 959,818

This balance resulted from the time lag between the dates that interfund goods and services are provided or reimbursable expenditures occur. All interfund receivables are expected to be paid back within the next fiscal year.

B. Interfund Transfers

Transfer Out	Transfer In	Amount
General Fund	Non-Major Governmental Funds	\$ 1,115,903
Solid Waste Fund	Streets Capital Project Fund	5,940
Non-Major Governmental Funds	Non-Major Governmental Funds	133,372
Non-Major Governmental Funds	Streets Capital Project Fund	2,455,851
	Total	\$ 3,711,066

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the funds that statute or budget requires to expend them and (2) subsidize operating losses. The majority of transfers were from city revenue funds to cover the costs of the City’s capital projects.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 10: RISK MANAGEMENT

The City is a member of the Public Agency Risk Sharing Authority of California (PARSAC), for liability and workers' compensation risk coverage. The liability program includes coverage for general liability, property, bond and employment practices. PARSAC is a statewide joint powers authority providing risk sharing services to California public entities that provide a municipal service. The City pays an annual premium to PARSAC for its risk coverage and purchases commercial insurance for claims exceeding PARSAC limits.

The City's insurance coverage for liability and workers' compensation provided through membership in PARSAC are as follows:

Amount	Coverage Provider	Payment Source
General Liability Claims		
\$0 - \$ 100,000	Self-insured retention	City funds
100,001 - 1,000,000	Public Agency Risk Sharing Authority of California	Shared risk pool
1,000,001 - 50,000,000	CSAC - Excess Insurance Authority	Shared risk pool
50,000,001 - statutory limits	Excess insurance (purchased with CSAC-EIA)	
Workers' Compensation Claims		
\$0 - \$ 100,000	Self-Insured retention	City funds
100,001 - 500,000	Public Agency Risk Sharing Authority of California	Shared risk pool
500,001 - 5,000,000	Local Agency Workers' Compensation Excess Pool	Shared risk pool
5,000,001 - 50,000,000	Commercial reinsurance (purchased with CSAC-EIA)	
50,000,001 - statutory limits	Excess insurance (purchased with CSAC-EIA)	

PARSAC is governed by a Board of Directors and member agencies are entitled to representation on the board. Upon termination of the joint powers authority agreements, all property of PARSAC would be returned to the respective parties that transferred the property to PARSAC and any surplus of funds and assets would be returned to the parties in proportion to actual balances of each entity. Complete financial information for PARSAC is available at 1525 Response Road, Sacramento, California 95815.

The City accrues a claims liability for probable losses under the self-insured retention amounts in the table above for the general liability and workers' compensation programs. While the ultimate amount of losses incurred through June 30 is dependent on future developments, the estimated claims liability is based upon information from the actuarial valuation reports. The liability is based on the estimated ultimate cost of settling the claims, including the effects of inflation and other societal and economic factors, and includes an estimate for incurred but not reported claims. There are no claims that exceed insurance coverage and no significant changes or reductions in insurance coverage over the last three fiscal years. Costs relating to the litigation of claims are charged to expenditures as incurred. Claims are generally liquidated by the General Fund. At June 30, 2024 and 2023, fund balance of \$300,000 has been committed for self-insured general liability claims.

Changes in the liability and workers' compensation claims payable amounts during the year ended June 30, 2024, were as follows:

	Balance June 30, 2023	Claims and Changes in Estimates	Claims Paid	Balance June 30, 2024	Due within one year
General Liability	\$ 739,494	\$ 372,019	\$ (97,941)	\$ 1,013,572	\$ 538,404
Workers' Compensation	1,294,787	420,715	(394,374)	1,321,128	497,203
Total	\$ 2,034,281	\$ 792,734	\$ (492,315)	\$ 2,334,700	\$ 1,035,607

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 11: PENSION PLANS

A. General Information about the Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's Cost-Sharing Multiple Employer Defined Benefit Pension Plan (the Plan or PERFC) administered by the California Public Employees' Retirement System (CalPERS). PERFC consists of a miscellaneous risk pool and a safety risk pool, which are comprised of the following rate plans:

- Miscellaneous Plan
- Miscellaneous Second Tier Plan
- PEPRA Miscellaneous Plan
- Safety Plan
- Safety Second Tier Plan
- PEPRA Safety Police Plan

Although one Plan exists, CalPERS provides the information separately for the Miscellaneous and Safety Risk Pools and the information is presented separately below where available. Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the 1959 Survivor Benefit level 4, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 11: PENSION PLANS (CONTINUED)

The rate plans' provisions and benefits in effect at June 30, 2024, are summarized as follows:

	Miscellaneous Rate Plan	Miscellaneous Second Tier Rate Plan	PEPRA Miscellaneous Rate Plan
Hire Date	Prior to August 13, 2011	August 13, 2011 to December 31, 2012	On or after January 1, 2013
Benefit Formula	2.7% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.96%	6.92%	7.68%
Required employer contribution rates	15.95%	11.84%	7.75%
Required UAL payment	\$791,588	\$ -	\$ -

	Safety Rate Plan	Safety Second Tier Rate Plan	PEPRA Safety Rate Plan
Hire Date	Prior to August 13, 2011	August 13, 2011 to December 31, 2012	On or after January 1, 2013
Benefit Formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	3.00%	2.40% to 3.00%	2.00% to 2.70%
Required employee contribution rates	8.99%	9.00%	13.75%
Required employer contribution rates	21.11%	20.59%	13.54%
Required UAL payment	\$699,098	\$28,635	\$546

All rate plans except the PEPRA plans are closed to new members that are not already CalPERS participants. All miscellaneous rate plans are combined and reported below as the Miscellaneous Risk Pool and all safety rate plans are combined and reported below as the Safety Risk Pool.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the risk pools are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 11: PENSION PLANS (CONTINUED)

For the year ended June 30, 2024, the contributions recognized as a reduction of the net pension liability for each risk pool were as follows:

	Miscellaneous Risk Pool	Safety Risk Pool	Total
Contributions - Employer	\$ 1,761,543	\$ 2,147,365	\$ 3,908,908

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources

As of June 30, 2024, the City reported a net pension liability for its proportionate share of the net pension liability of each risk pool as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous Risk Pool	\$ 13,445,554
Safety Risk Pool	13,834,738
Total Net Pension Liability	<u>\$ 27,280,292</u>

Financial Statement Classification:

Governmental Activities	\$ 26,634,233
Business-type Activities	646,059
Total Net Pension Liability	<u>\$ 27,280,292</u>

The City's net pension liability for each risk pool is measured as the proportionate share of the net pension liability. The net pension liability of each risk pool is measured as of June 30, 2023, and the total pension liability for each risk pool used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the risk pool relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for each risk pool as of June 30, 2023 and 2024 for the measurement date as of the previous year-end were as follows:

Measurement Date	Miscellaneous Risk Pool	Safety Risk Pool	Total
Proportion - June 30, 2022	0.25745%	0.17038%	0.42783%
Proportion - June 30, 2023	0.10778%	0.12989%	0.23767%
Change	<u>0.14967%</u>	<u>0.04049%</u>	<u>0.19016%</u>

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 11: PENSION PLANS (CONTINUED)

For the year ended June 30, 2024, the City recognized pension expense of \$4,111,804 for both risk pools combined. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to each risk pool and combined from the following sources:

	Miscellaneous Risk Pool		Safety Risk Pool		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to measurement date	\$ 1,819,237	\$ -	\$ 2,292,567	\$ -	\$ 4,111,804	\$ -
Differences between actual and expected experience	686,872	106,550	1,015,725	86,957	1,702,597	193,507
Changes in assumptions	811,769	-	807,414	-	1,619,183	-
Differences between the employer's contributions and the employer's proportionate share of contributions	2,176,956	610,868	1,893,280	1,106,805	4,070,236	1,717,673
Change in employer's proportion	946,939	-	2,055,970	-	3,002,909	-
Total	\$ 6,441,773	\$ 717,418	\$ 8,064,956	\$ 1,193,762	\$ 14,506,729	\$ 1,911,180

Financial Statement Classification

Governmental Activities	\$ 14,197,202	\$ 1,876,708
Business-type Activities	309,527	34,472
Total	\$ 14,506,729	\$ 1,911,180

The \$4,111,804 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the risk pools will be recognized as pension expense as follows:

Year Ended June 30	Miscellaneous Risk Pool	Safety Risk Pool	Total
2025	\$ 1,313,695	\$ 1,789,508	\$ 3,103,203
2026	859,073	1,133,745	1,992,818
2027	1,669,884	1,602,529	3,272,413
2028	62,466	52,845	115,311
Total	\$ 3,905,118	\$ 4,578,627	\$ 8,483,745

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 11: PENSION PLANS (CONTINUED)

Actuarial Assumptions

The total pension liabilities in the June 30, 2023, actuarial valuations for each risk pool was determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Projected Salary Increase	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS Membership Data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 80% of scale MP 2020. For more details on this table, please refer to the December 2021 experience study report that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2022, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

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

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical and forecasted information for all the Public Employees Retirement Funds' asset classes (which includes the agent plan and

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 11: PENSION PLANS (CONTINUED)

two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF C fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

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

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

² Figures are based on the 2021 Asset Liability Management study

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 11: PENSION PLANS (CONTINUED)

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

The following presents the City's proportionate share of the net pension liability for each risk pool, calculated using the discount rate for each risk pool, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous Risk Pool	Safety Risk Pool	Total
1% Decrease	5.90%	5.90%	5.90%
Net Pension Liability	\$ 21,815,498	\$ (1,603,871)	\$ 20,211,627
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	\$ 13,445,554	\$ 13,834,738	\$ 27,280,292
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability	\$ 6,556,371	\$ 5,683,005	\$ 12,239,376

Pension Plan Fiduciary Net Position

Detailed information about each risk pool's fiduciary net position is available in the separately issued CalPERS financial reports.

Defined Contribution Plan

On June 22, 2017, the City Council approved an Internal Revenue Code (IRC) Section 401(a) retirement plan in the form of a Governmental Money Purchase Plan & Trust (the 401(a) Plan), which is a single employer defined contribution retirement plan. Eligible employees include the City's full-time executive management directors, who may participate at their employment date. The 401(a) Plan is administered by the ICMA Retirement Corporation and assets are invested in an IRC qualifying trust fund with VantageTrust, which holds assets for the benefit of participants.

Benefit terms, including contribution requirements, for the 401(a) Plan are established and may be amended by the City Council. For each employee in the 401(a) Plan, the City is required to contribute a match 5% of the employee's annual salary to an individual employee account. Employees are mandated to contribute a minimum of 5% and up to 20% of their salary to the 401(a) Plan, subject to IRC contribution limits. Employees vest immediately in their own contributions and City contributions, as well as earnings on those contributions.

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS PLAN

Plan Description

The City's defined benefit other post-employment healthcare benefit plan, the City of Citrus Heights Retiree Healthcare Plan (the Plan), is an agent multiple-employer defined benefit plan administered by CalPERS. The Plan provides access to lifetime healthcare benefits to eligible retirees and their dependents. Employees are eligible to participate in the Plan if they retire directly from the City under CalPERS at age 50 or above and with five years of CalPERS service (there is no minimum service requirement if retirement is due to a service-connected disability). The City does not provide dental, vision, life, or Medicare Part B reimbursement to retirees. The City Council has the authority under the California Government Code and City Municipal Code to establish and amend the benefit provisions of the Plan subject to collective bargaining arrangements. The City participates in the California Employers' Retiree Benefit Trust (CERBT) Fund, which is administered by CalPERS. The CERBT is a tax-qualified irrevocable trust organized under Internal Revenue Code Section 115 to administer retiree healthcare benefits and collectively invest plan assets of all trust members. The CERBT issues publicly available financial statements that can be obtained from the CalPERS website at www.calpers.ca.gov. The City's Plan does not issue separate financial statements.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Benefits Provided

The City provides retiree medical benefits through the California Public Employees' Medical and Hospital Care Act (PEMHCA). The City pays the PEMHCA minimum contribution for active employees. For eligible retirees, the City contributes not less than 5% of the active employee contribution, multiplied by the number of years the City has participated in PEMHCA (the City joined PEMHCA in 1998). The City's active employee contributions were \$149 and \$143 per month and retiree contributions were \$149 and \$143 per month for the years ended June 30, 2022 and 2021, respectively. In May 2014, the Actuarial Standards Board released revisions to ASOP 6 requiring that the implied subsidy for claims in excess of premiums be valued for community rated plans such as PEMHCA.

Employees Covered by Benefit Terms

At the June 30, 2023, actuarial valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	30
Inactive employees entitled to but not yet receiving benefit payments	58
Active members	<u>202</u>
Total	<u><u>290</u></u>

Contributions

The City Council has the authority to establish and amend the contribution requirements of the City and employees, subject to the City's Memorandum of Understanding with employee bargaining units. The City currently funds Plan benefits through the CERBT by contributing at least 100% of the actuarially determined contribution based on the active employee contributions described above. During the measurement period, the City contributed \$0 to the CERBT, which were recognized as reductions to the City's net OPEB liability.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023.

Actuarial Assumptions

The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Normal, Level Percentage of Payroll
Actuarial assumptions:	
Discount rate	6.00%
Inflation	2.50%
Salary Increases	2.80%, aggregate

Healthcare cost trend rates	Based on 2021 Getzen model that reflects actual premium increases through 2023, followed by 5.50%, decreasing to an ultimate rate of 4.04% in 2076 and later years.
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CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Pre-retirement mortality information was derived from data collected during 1997 to 2015 CalPERS Experience Study dated December 2017 and post-retirement mortality information was derived from the 2007 to 2015 CalPERS Experience Study. The Experience Study Reports may be accessed on the CalPERS website www.calpers.ca.gov under Forms and Publications.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation CERBT- Strategy 1	Long-Term Expected Rate of Return
Global Equity	49.0%	4.50%
Fixed Income	23.0%	1.40%
Treasury Inflation Protected Securities (TIPS)	20.0%	3.70%
Commodities	5.0%	0.50%
Real Estate Investment Trusts (REITs)	3.0%	1.10%
Total	100%	
Assumed Long-Term Rate of Inflation		2.30%
Expected Long-Term Net Rate of Return, Rounded		6.00%

Discount Rate

The discount rate used to measure the total OPEB liability was 6.00% which was a decrease from the 6.75% discount rate used in the previous valuation. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2023 (6/30/2022 Measurement Date)	\$ 3,956,061	\$ 3,154,600	\$ 801,461
Changes in the year:			
Service Cost	202,788	-	202,788
Interest	245,726	-	245,726
Actual vs. expected experience	(1,057,712)	-	(1,057,712)
Assumption changes	7,274	-	7,274
Contributions - employer	-	365,618	(365,618)
Investment income	-	204,752	(204,752)
Administrative expenses	-	(917)	917
Benefit payments	(128,718)	(128,718)	-
Net changes	<u>(730,642)</u>	<u>440,735</u>	<u>(1,171,377)</u>
Balance at June 30, 2024 6/30/2023 Measurement Date)	<u>\$ 3,225,419</u>	<u>\$ 3,595,335</u>	<u>\$ (369,916)</u>

Financial Statement Classification:

Governmental Activities	\$ (365,743)
Business-Type Activities	(4,173)
	<u>\$ (369,916)</u>

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease	Current Discount Rate	1% Increase
	5.00%	6.00%	7.00%
Net OPEB liability	<u>\$ 365,071</u>	<u>\$ (369,916)</u>	<u>\$ (458,157)</u>

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
	(4.5%/4.5% decreasing to 3%)	(5.5%/5.5% decreasing to 4%)	(6.5%/6.5% decreasing to 5%)
Net OPEB liability	<u>\$ (537,824)</u>	<u>\$ (369,916)</u>	<u>\$ 481,066</u>

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 12: OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

OPEB Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in the separately issued CERBT financial report at www.calpers.ca.gov.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2024, the City recognized OPEB expense of \$196,248. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 378,510	\$ -
Changes of assumptions	268,755	(117,031)
Differences between expected and actual experience	33,137	(1,173,121)
Net difference between projected and actual earnings on OPEB plan investments	228,034	-
Total	\$ 908,436	\$ (1,290,152)

The \$378,510 reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Fiscal year ended June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ (58,986)
2026	(75,827)
2027	35,151
2028	(111,471)
2029	(109,792)
Thereafter	(439,301)
	\$ (760,226)

NOTE 13: COMMITMENTS AND CONTINGENCIES

The City is a party to claims and lawsuits arising in the ordinary course of business. The City’s management and legal counsel are of the opinion that the ultimate liability, if any, arising from these claims will not have material adverse impact on the financial position of the City.

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Basic Financial Statements
For the Year Ended June 30, 2024

NOTE 13: COMMITMENTS AND CONTINGENCIES (CONTINUED)

In 2011, the City purchased fifteen parcels in foreclosure along Sayonara Drive and demolished the buildings. Because affordable housing was demolished, a statutory requirement exists under the State of California Health & Safety Code, Redevelopment Law, Chapter 4, Article 9, Section 33413 to replace the affordable housing. The City must replace either 35 units or 70 bedrooms of affordable housing. The replacement requirement may be satisfied within or outside of the former redevelopment project area. The City is currently pursuing alternatives for replacement of the affordable housing. Options being considered include selling the property for fair market value and selling the property with an affordable housing requirement attached to the property. The parcels are reported as land held for resale in the Housing Agency Special Revenue Fund.

Contractual Commitments – The City had the following significant unexpended contractual commitments as of June 30, 2024:

Auburn Boulevard Complete Streets	\$ 28,918,865
Old Auburn Complete Streets	1,386,822
San Juan Complete Streets	<u>3,072,645</u>
Total significant commitments	<u>\$ 33,378,332</u>

NOTE 14: SUBSEQUENT EVENTS

The City evaluated subsequent events for recognition and disclosure through March 28, 2025 the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2024, that required recognition or disclosure in these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Taxes	\$ 26,317,011	\$ 25,857,270	\$ 25,886,644	\$ 29,374
Licenses and permits	1,662,109	1,662,109	2,404,735	742,626
Intergovernmental	11,545,667	12,224,352	15,680,962	3,456,610
Charges for services	1,941,379	1,941,379	2,325,250	383,871
Use of money and property	851,057	1,951,057	2,706,734	755,677
Fines and forfeitures	774,500	774,500	1,158,387	383,887
Contributions	5,000	5,000	20,004	15,004
Miscellaneous	19,298	19,298	47,242	27,944
Total revenues	43,116,021	44,434,965	50,229,958	5,794,993
EXPENDITURES				
Current:				
General government	10,123,703	10,131,703	9,014,714	1,116,989
Public safety	22,638,822	22,661,137	22,019,050	642,087
Community enhancements	3,855,682	3,953,567	1,607,992	2,345,575
Economic development	1,010,580	1,018,663	1,079,867	(61,204)
Culture and recreation	964,511	964,511	1,043,320	(78,809)
Public ways and facilities	-	201,168	1,654,724	(1,453,556)
Capital outlay	-	400,000	4,014,565	(3,614,565)
Debt service:				
Principal	78,500	78,500	417,764	(339,264)
Interest and fiscal charges	-	-	16,400	(16,400)
Total expenditures	38,671,798	39,409,249	40,868,396	(1,459,147)
Excess (deficiency) of revenues over (under) expenditures	4,444,223	5,025,716	9,361,562	4,335,846
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,110,000)	(1,110,000)	(1,115,903)	(5,903)
Debt issuance proceeds	-	-	2,944,320	2,944,320
Total other financing sources (uses)	(1,110,000)	(1,110,000)	1,828,417	2,938,417
Net change in fund balances	\$ 3,334,223	\$ 3,915,716	11,189,979	\$ 7,274,263
Fund balances (deficit)-beginning			23,857,895	
Fund balances (deficit)-ending			\$ 35,047,874	

CITY OF CITRUS HEIGHTS, CALIFORNIA
Schedules of Proportionate Share of Net Pension Liability
As of June 30, for the Last Ten Fiscal Years

Reporting Date ¹ as of June 30,	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Covered Payroll
<u>Miscellaneous Plan</u>				
2024	0.25745%	\$ 13,445,554	\$ 9,095,795	147.8%
2023	0.10778%	12,046,873	8,443,872	142.7%
2022	0.07394%	3,998,659	8,285,854	48.3%
2021	0.08832%	9,609,910	8,169,066	117.6%
2020	0.08366%	8,572,628	8,715,322	98.4%
2019	0.07897%	7,610,202	8,319,602	91.5%
2018	0.07939%	7,873,259	7,889,233	99.8%
2017	0.07496%	6,486,625	8,017,935	80.9%
2016	0.07230%	4,962,609	8,102,528	61.2%
2015	0.06364%	3,959,792	7,437,222	53.2%
<u>Safety Plan</u>				
2024	0.17038%	\$ 13,834,738	\$ 8,286,907	166.9%
2023	0.12989%	11,707,786	7,725,344	151.6%
2022	0.04075%	2,203,680	7,104,170	31.0%
2021	0.08190%	8,910,669	7,542,123	118.1%
2020	0.07275%	7,454,716	8,420,924	88.5%
2019	0.06658%	6,415,392	7,715,475	83.1%
2018	0.06404%	6,351,188	8,354,763	76.0%
2017	0.05852%	5,064,060	8,247,151	61.4%
2016	0.05364%	3,681,807	7,921,496	46.5%
2015	0.05785%	3,599,860	7,350,834	49.0%

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

Benefit Changes: None

Changes of Assumptions: None

1 The proportions and proportionate share of the net pension liability are measured as of one year behind the reporting date. Refer to notes to basic financial statements.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Schedules of Plan Contributions
As of June 30, for the Last Ten Fiscal Years ¹

Fiscal Year Ending June 30,	Actuarially Determined Contribution	Actual Employer Contributions	Contribution Deficiency (Excess)	Covered/ Covered- Employee Payroll	Contribution as a % of Covered/ Covered Employee Payroll
Miscellaneous Cost-Sharing, Multiple-Employer Pension Plan					
2024	\$ 1,819,237	\$ 1,819,237	\$ -	\$ 9,864,129	18.4%
2023	1,761,543	1,761,543	-	9,095,795	19.4%
2022	1,582,843	1,582,843	-	8,443,872	18.7%
2021	1,524,519	1,524,519	-	8,285,854	18.4%
2020	1,419,774	1,419,774	-	8,169,066	17.4%
2019	1,259,805	1,259,805	-	8,715,322	14.5%
2018	1,127,777	1,127,777	-	8,319,602	13.6%
2017	1,109,977	1,109,977	-	7,889,233	14.1%
2016	1,052,606	1,052,606	-	8,017,935	13.1%
2015	1,237,660	1,237,660	-	8,102,528	15.3%
Safety Cost-Sharing, Multiple-Employer Pension Plan					
2024	\$ 2,292,567	\$ 2,292,567	\$ -	\$ 9,106,958	25.2%
2023	2,147,365	2,147,365	-	8,286,907	25.9%
2022	1,965,298	1,965,298	-	7,725,344	25.4%
2021	1,958,149	1,958,149	-	7,104,170	27.6%
2020	1,782,277	1,782,277	-	7,542,123	23.6%
2019	1,743,186	1,743,186	-	8,420,924	20.7%
2018	1,675,225	1,675,225	-	7,715,475	21.7%
2017	1,605,543	1,605,543	-	8,354,763	19.2%
2016	1,460,317	1,460,317	-	8,247,151	17.7%
2015	1,937,578	1,937,578	-	7,921,496	24.5%
Agent, Multiple Employer OPEB Plan					
2024	\$ 312,623	\$ 378,510	\$ (65,887)	\$ 15,425,165	2.5%
2023	236,900	365,618	(128,718)	16,197,230	2.3%
2022	255,000	352,003	(97,003)	16,163,096	2.2%
2021	248,000	68,364	179,636	19,538,878	0.3%
2020	296,000	296,000	-	19,487,524	1.5%
2019	288,000	288,000	-	19,084,505	1.5%
2018	378,000	378,000	-	18,764,996	2.0%

¹ The proportions and proportionate share of the net pension liability are measured as of one year behind the reporting date. Refer to notes to basic financial statements.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Schedule of Changes in Net OPEB Liability and Related Ratios
As of June 30, for the Last Ten Fiscal Years ¹

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020
TOTAL OPEB LIABILITY				
Service cost	\$ 202,788	\$ 179,883	\$ 245,140	\$ 217,915
Interest on total pension liability	245,726	231,076	215,907	192,196
Changes of assumptions	7,274	327,698	(101,261)	(29,367)
Difference between expected and actual experience	(1,057,712)	26,784	16,101	-
Benefit payments, including refunds of employee contributions	(128,718)	(104,003)	(68,364)	(46,180)
Net change in total OPEB liability	(730,642)	661,438	307,523	334,564
Total OPEB liability-beginning	3,956,061	3,294,623	2,987,100	2,652,536
Total OPEB liability-ending (a)	3,225,419	3,956,061	3,294,623	2,987,100
PLAN FIDUCIARY NET POSITION				
Contributions-employer	365,618	352,003	68,364	-
Net investment income	204,752	(495,223)	734,994	92,830
Benefit payments, including refunds of employee contributions	(128,718)	(104,003)	(68,364)	(46,180)
Administrative expense	(917)	(893)	(1,011)	(1,282)
Net change in fiduciary net position	440,735	(248,116)	733,983	45,368
Plan fiduciary net position-beginning	3,154,600	3,402,716	2,668,733	2,623,365
Plan fiduciary net position-ending (b)	3,595,335	3,154,600	3,402,716	2,668,733
Net OPEB liability/(asset) (a) - (b)	\$ (369,916)	\$ 801,461	\$ (108,093)	\$ 318,367
Plan fiduciary net position as a percentage of the total OPEB liability	111.5%	79.7%	103.3%	89.3%
Covered-employee payroll	\$ 16,197,230	\$ 16,163,096	\$ 19,538,878	\$ 19,487,524
Plan net OPEB liability/(asset) as a percentage of covered-employee payroll	-2.3%	5.0%	-0.6%	1.6%

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

Benefit Changes: None

Changes of Assumptions: None

¹ Fiscal year 2018 was the first year of GASB Statement No. 75 implementation; therefore only seven years are shown.

	2020	2019	2018
	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
\$	217,491	\$ 211,156	\$ 205,006
	195,735	171,850	149,338
	(43,330)	-	-
	(380,831)	-	-
	<u>(37,626)</u>	<u>(33,358)</u>	<u>(20,597)</u>
	(48,561)	349,648	333,747
	<u>2,701,097</u>	<u>2,351,449</u>	<u>2,017,702</u>
	<u>2,652,536</u>	<u>2,701,097</u>	<u>2,351,449</u>
	288,000	378,000	373,000
	140,138	143,701	159,817
	(37,626)	(33,358)	(20,597)
	(479)	(3,288)	(837)
	<u>390,033</u>	<u>485,055</u>	<u>511,383</u>
	<u>2,233,332</u>	<u>1,748,277</u>	<u>1,236,894</u>
	<u>2,623,365</u>	<u>2,233,332</u>	<u>1,748,277</u>
\$	<u>29,171</u>	<u>467,765</u>	<u>603,172</u>
	98.9%	82.7%	74.3%
\$	19,084,505	\$ 18,764,996	\$ 18,696,235
	0.2%	2.5%	3.2%

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to Required Supplementary Information
For the Year Ended June 30, 2024

Budgetary Accounting

The City Council establishes budgets for the General Fund and all Special Revenue Funds, except for certain Special Revenue Funds for which expenditures are controlled by grant funding or by assessments received. Budgetary control is legally maintained at the fund level for these funds. Department heads submit budget requests to the City Manager. The City Manager prepares an estimate of revenues and prepares recommendations for the next year's budget. The preliminary budget may or may not be amended by the City Council and is adopted by resolution by the City Council on or before June 30 in accordance with the municipal code.

The City Council may amend the budget by motion during the fiscal year. Only the Council can authorize transfers between funds and approve inter-fund loans. The City Manager is authorized to transfer budgeted amounts within a fund without formal council action or approval.

Expenditures may not legally exceed appropriations at the fund level, which is the legal level of control. Supplemental appropriations, which increase appropriations, may be made during the fiscal year. There were no material supplemental appropriations made for the fiscal year ended June 30, 2024. Budget information is presented for the General and budgeted Special Revenue Funds in the fund financial statements. The budget information is presented on a basis consistent with generally accepted accounting principles. Appropriations, except open project appropriations and unexpended grant appropriations, lapse at the end of each fiscal year.

For the fiscal year ending June 30, 2024, the following funds had no adopted annual budgets:

Housing Agency
Roadway Development Fees
Transit Development Fees

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GOVERNMENTAL FUNDS

The following funds are reported in total on the Governmental Fund Financial Statements under the column Other Governmental Funds.

SPECIAL REVENUE FUNDS

HOME Program Grants – Accounts for HOME Program Grant funds used for low income housing activities.

CDBG Grants Special Revenue Fund – Accounts for revenues and expenditures for CDBG grants and programs.

Code Enforcement – Accounts for funds to be used on Code Enforcement for neighborhood enhancement activities.

Gas Tax – Accounts for State gas tax revenues used for street maintenance and construction.

Road Maintenance and Rehabilitation – Accounts for revenue and expenditures on deferred maintenance on local streets and road systems with State funds provided by the Road Repair and Accountability Act SB1.

Stormwater Utility Tax – Accounts for revenues and expenditures associated with the administration and coordination of stormwater drainage activities as supported by a parcel tax.

Road Maintenance – Accounts for sales tax revenue collected in accordance with a voter approved special tax to be used for repairs and maintenance of streets.

Transit – Accounts for Transportation Development Act revenues restricted for the City's transportation needs.

Transportation Development Act – Accounts for Transportation Development Act monies received for road and sidewalk improvement purposes and transit related activities.

Police – Accounts for police revenues received that are restricted to fund programs designed to combat drug abuse and divert gang activity.

Police Grants – Accounts for police grants received that are restricted to fund specific police programs, including sobriety checkpoints, methamphetamine enforcement, stolen vehicles, children exposed to domestic violence and other programs.

Supplemental Law Enforcement Services (SLES) – Accounts for revenues and expenditures associated with State funds provided as a match for the COPS Universal Hiring Grant.

Housing Agency – Accounts for the housing assets of the former redevelopment agency that are used for low and moderate income housing activities.

Roadway Development Fees – Accounts for the revenues and expenditures associated with new development of infrastructure and low income housing.

Housing Mitigation Development Fees – Accounts for the revenues and expenditures associated with new development of infrastructure and low income housing.

Tree Mitigation Fees – Accounts for the revenues and expenditures associated with new development of infrastructure and low income housing.

SPECIAL REVENUE FUNDS (CONTINUED)

Park Facilities Development Fees – Accounts for the revenues and expenditures associated with new development of infrastructure and low income housing.

Transit Development Fees – Accounts for the revenues and expenditures associated with new development of infrastructure and low income housing.

Other Grants – Accounts for revenues and expenditures for miscellaneous state grants and programs.

Assessment Districts: Accounts for special assessments collected for the assessment districts below within the City limits for which the City is obligated to maintain. The Lighting Assessment District accounts for special assessments used for street lighting purposes. The remaining assessment districts were organized under the Landscaping and Lighting Act of 1972 to account for special assessment used for street corridor landscape, open space maintenance and sound wall maintenance expenses.

- Assessment District 98-02 Zone 3
- Assessment District Zone 1
- Assessment District Zone 2
- Assessment District Zone 3
- Assessment District Zone 4
- Assessment District 98-01
- Assessment District 98-02
- Assessment District 03-01
- Assessment District 98-02, Zone 2
- Assessment District 03-01, Zone 2
- Lighting Assessment District
- Assessment District 03-01, Zone 3
- Assessment District 98-02 Fund

Police Donations – Accounts for donations received for K-9 and other police activities and programs.

Fire CFD Impact Fee Fund – Accounts for revenues and expenditures related to the Fire CFD impact fee.

SB1186 Access Comp Fund – Accounts for revenues and expenditures related to SB1186 access fee.

Multimodal Impact Fee Fund – Accounts for revenues and expenditures related to the multimodal impact fee.

CAPITAL PROJECT FUNDS

Measure A Construction – Accounts for Measure A revenues received from the Sacramento Transportation Authority that are restricted for expenditures associated with specific purposes, including construction, upgrade and improvements of the City's roadways.

General Capital Improvements – Accounts for funds collected and expended for the construction or purchase of public facilities and projects.

Community Capital Replacement – Accounts for funds expended on various capital improvement and replacement projects, including vehicle replacement.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	HOME Program Grants	CDBG Grants Special Revenue Fund	Code Enforcement	Gas Tax
ASSETS				
Cash and investments	\$ 2,022,149	\$ 30,536	\$ 642,769	\$ 2,506,794
Receivables (net of allowance for uncollectible):				
Accounts	-	-	337,084	-
Interest	9,721	261	3,715	21,797
Due from other governments	-	-	26,420	208,673
Notes and loans	-	202,965	-	-
Prepaid costs	-	-	2,310	-
Land held for resale	-	-	-	-
Total assets	2,031,870	233,762	1,012,298	2,737,264
LIABILITIES				
Accounts payable	-	41,181	1,500	163,431
Accrued liabilities	-	-	1,570	-
Unearned revenues	882,389	-	-	-
Due to other governments	-	1,292	-	11,386
Due to other funds	-	-	-	-
Total liabilities	882,389	42,473	3,070	174,817
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	335,155	-
Total deferred inflows of resources	-	-	335,155	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	2,310	-
Restricted	1,149,481	191,289	671,763	2,562,447
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	1,149,481	191,289	674,073	2,562,447
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 2,031,870	\$ 233,762	\$ 1,012,298	\$ 2,737,264

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2024

(Continued)

	Special Revenue Funds			
	Road Maintenance and Rehabilitation	Stormwater Utility Tax	Road Maintenance	Transit
ASSETS				
Cash and investments	\$ 4,085,448	\$ 3,807,272	\$ 3,552,974	\$ -
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Interest	33,649	39,383	31,441	-
Due from other governments	394,492	248,518	205,653	394,608
Notes and loans	-	-	-	-
Prepaid costs	-	-	2,075	-
Land held for resale	-	-	-	-
Total assets	4,513,589	4,095,173	3,792,143	394,608
LIABILITIES				
Accounts payable	23,081	162,602	491,515	6,337
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other governments	-	29,498	500,038	-
Due to other funds	-	-	-	66,689
Total liabilities	23,081	192,100	991,553	73,026
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	2,075	-
Restricted	4,490,508	3,903,073	2,798,515	321,582
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	4,490,508	3,903,073	2,800,590	321,582
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 4,513,589	\$ 4,095,173	\$ 3,792,143	\$ 394,608

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2024

	Special Revenue Funds			
	Transportation Development			Supplemental Law Enforcement Services (SLES)
	Act			Police
ASSETS				
Cash and investments	\$ 24,539	\$ 2,124,348	\$ -	\$ 455,561
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Interest	1,087	17,879	-	4,140
Due from other governments	323,825	5,287	491,891	-
Notes and loans	-	-	-	-
Prepaid costs	-	-	3,873	-
Land held for resale	-	-	-	-
Total assets	349,451	2,147,514	495,764	459,701
LIABILITIES				
Accounts payable	-	182	6,504	91,376
Accrued liabilities	-	-	245	-
Unearned revenues	-	150,780	41,147	368,609
Due to other governments	-	-	-	-
Due to other funds	-	-	443,432	-
Total liabilities	-	150,962	491,328	459,985
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	323,825	-	-	-
Total deferred inflows of resources	323,825	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	3,873	-
Restricted	25,626	1,996,552	563	-
Assigned	-	-	-	-
Unassigned	-	-	-	(284)
Total fund balances (deficits)	25,626	1,996,552	4,436	(284)
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 349,451	\$ 2,147,514	\$ 495,764	\$ 459,701

CITY OF CITRUS HEIGHTS, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

(Continued)

	Special Revenue Funds			
	Housing Agency	Roadway Development Fees	Housing Mitigation Development Fees	Tree Mitigation Fees
ASSETS				
Cash and investments	\$ 87,014	\$ 448,847	\$ 402,309	\$ 649,652
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Interest	-	-	3,465	5,576
Due from other governments	-	-	-	-
Notes and loans	1,199,999	-	-	-
Prepaid costs	-	-	-	-
Land held for resale	2,784,600	-	-	-
Total assets	4,071,613	448,847	405,774	655,228
LIABILITIES				
Accounts payable	20	-	-	1,006
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	20	-	-	1,006
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	4,071,593	448,847	405,774	654,222
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	4,071,593	448,847	405,774	654,222
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 4,071,613	\$ 448,847	\$ 405,774	\$ 655,228

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2024

	Special Revenue Funds			
	Park Facilities Development Fees	Transit Development Fees	Other Grants	Assessment District 98-02 Zone 3
ASSETS				
Cash and investments	\$ 122,998	\$ 207,543	\$ 278,088	\$ 36,560
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Interest	1,528	-	-	300
Due from other governments	-	-	2,125	75
Notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Land held for resale	-	-	-	-
Total assets	124,526	207,543	280,213	36,935
LIABILITIES				
Accounts payable	-	-	13,342	1,629
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	286,509	-
Due to other governments	-	-	-	16
Due to other funds	-	-	-	-
Total liabilities	-	-	299,851	1,645
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	124,526	207,543	-	35,290
Assigned	-	-	-	-
Unassigned	-	-	(19,638)	-
Total fund balances (deficits)	124,526	207,543	(19,638)	35,290
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 124,526	\$ 207,543	\$ 280,213	\$ 36,935

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2024

(Continued)

Special Revenue Funds

	Assessment District Zone 1	Assessment District Zone 2	Assessment District Zone 3	Assessment District Zone 4
ASSETS				
Cash and investments	\$ 40,718	\$ 66,028	\$ 2,343	\$ 4,254
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Interest	341	564	-	-
Due from other governments	197	79	40	72
Notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Land held for resale	-	-	-	-
Total assets	41,256	66,671	2,383	4,326
LIABILITIES				
Accounts payable	198	1,940	1,943	2,976
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other governments	-	-	395	1,350
Due to other funds	-	-	-	-
Total liabilities	198	1,940	2,338	4,326
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	41,058	64,731	45	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	41,058	64,731	45	-
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 41,256	\$ 66,671	\$ 2,383	\$ 4,326

CITY OF CITRUS HEIGHTS, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	Special Revenue Funds			
	Assessment District 98-01	Assessment District 98-02	Assessment District 03-01	Assessment District 98-02 Zone 2
ASSETS				
Cash and investments	\$ 135,252	\$ 69,352	\$ 831,874	\$ 47,615
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Interest	1,155	581	7,255	394
Due from other governments	113	518	14,159	296
Notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Land held for resale	-	-	-	-
Total assets	136,520	70,451	853,288	48,305
LIABILITIES				
Accounts payable	2,497	3,084	7,837	1,997
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other governments	325	-	13,306	-
Due to other funds	-	-	-	-
Total liabilities	2,822	3,084	21,143	1,997
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	133,698	67,367	832,145	46,308
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	133,698	67,367	832,145	46,308
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 136,520	\$ 70,451	\$ 853,288	\$ 48,305

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2024

(Continued)

	Special Revenue Funds			
	Assessment District 03-01 Zone 2	Lighting Assessment District	Police Donations	Assessment District 03-01 Zone 3
ASSETS				
Cash and investments	\$ 38,145	\$ 1,542	\$ 13,462	\$ 273,033
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Interest	318	-	-	2,233
Due from other governments	1,076	7,199	-	725
Notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Land held for resale	-	-	-	-
Total assets	39,539	8,741	13,462	275,991
LIABILITIES				
Accounts payable	1,013	11,028	2,439	263
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other governments	189	20,869	18	-
Due to other funds	-	-	-	-
Total liabilities	1,202	31,897	2,457	263
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	38,337	-	11,005	275,728
Assigned	-	-	-	-
Unassigned	-	(23,156)	-	-
Total fund balances (deficits)	38,337	(23,156)	11,005	275,728
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 39,539	\$ 8,741	\$ 13,462	\$ 275,991

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2024

Special Revenue Funds

	Fire CFD Impact Fee Fund	SB 1186 Access Comp Fund	Multimodal Impact Fee Fund	Assessment District 98-02 Fund
ASSETS				
Cash and investments	\$ 35,035	\$ 21,931	\$ 61,856	\$ 13,152
Receivables (net of allowance for uncollectible):				
Accounts	-	-	-	-
Interest	-	177	6,181	106
Due from other governments	-	-	-	1,238
Notes and loans	-	-	-	-
Prepaid costs	-	-	-	-
Land held for resale	-	-	-	-
Total assets	35,035	22,108	68,037	14,496
LIABILITIES				
Accounts payable	-	-	-	198
Accrued liabilities	-	-	-	-
Unearned revenues	-	-	-	-
Due to other governments	35,035	4,467	-	-
Due to other funds	-	-	-	-
Total liabilities	35,035	4,467	-	198
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	-
Restricted	-	17,641	68,037	14,298
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficits)	-	17,641	68,037	14,298
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 35,035	\$ 22,108	\$ 68,037	\$ 14,496

CITY OF CITRUS HEIGHTS, CALIFORNIA
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2024

	<u>Capital Projects Funds</u>			
	<u>Measure A</u>	<u>General</u>	<u>Community</u>	<u>Total</u>
	<u>Construction</u>	<u>Capital</u>	<u>Capital</u>	<u>Nonmajor</u>
		<u>Improvements</u>	<u>Replacement</u>	<u>Funds</u>
ASSETS				
Cash and investments	\$ 732,454	\$ 805,338	\$ 1,696,950	\$ 26,375,735
Receivables (net of allowance for uncollectible):				
Accounts	-	110	548	337,742
Interest	12,654	-	-	205,901
Due from other governments	50,510	-	-	2,377,789
Notes and loans	-	-	-	1,402,964
Prepaid costs	-	-	-	8,258
Land held for resale	-	3,440,097	-	6,224,697
Total assets	795,618	4,245,545	1,697,498	36,933,086
LIABILITIES				
Accounts payable	80,701	14	11,646	1,133,480
Accrued liabilities	-	-	-	1,815
Unearned revenues	-	-	-	1,729,434
Due to other governments	-	-	-	618,184
Due to other funds	-	-	-	510,121
Total liabilities	80,701	14	11,646	3,993,034
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	658,980
Total deferred inflows of resources	-	-	-	658,980
FUND BALANCES (DEFICITS)				
Nonspendable	-	-	-	8,258
Restricted	714,917	-	-	26,384,509
Assigned	-	4,245,531	1,685,852	5,931,383
Unassigned	-	-	-	(43,078)
Total fund balances (deficits)	714,917	4,245,531	1,685,852	32,281,072
Total liabilities, deferred inflows of resources, and fund balances (deficits)	\$ 795,618	\$ 4,245,545	\$ 1,697,498	\$ 36,933,086

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

	Special Revenue Funds			
	HOME Program Grants	CDBG Grants Special Revenue Fund	Code Enforcement	Gas Tax
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	107,993	280,845	-	2,411,090
Charges for services	5,709	-	733,496	-
Use of money and property	81,787	(18)	33,631	94,955
Contributions	-	-	-	-
Miscellaneous	147,607	450	-	296
Total revenues	343,096	281,277	767,127	2,506,341
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	855,696	-
Community enhancements	107,994	382,264	-	-
Culture and recreation	-	-	-	-
Public ways and facilities	-	-	-	1,490,564
Capital outlay	-	-	-	47,127
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	107,994	382,264	855,696	1,537,691
Excess (deficiency) of revenues over (under) expenditures	235,102	(100,987)	(88,569)	968,650
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	(101,770)
Proceeds from sale of capital asset	-	-	-	-
Total other financing sources (uses)	-	-	-	(101,770)
Net change in fund balances	235,102	(100,987)	(88,569)	866,880
Fund balances (deficit)-beginning	914,379	292,276	762,642	1,695,567
Fund balances (deficit)-ending	\$ 1,149,481	\$ 191,289	\$ 674,073	\$ 2,562,447

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

(Continued)

	Special Revenue Funds			
	Road Maintenance and Rehabilitation	Stormwater Utility Tax	Road Maintenance	Transit
REVENUES				
Taxes	\$ -	\$ 10,379	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	2,386,578	-	2,746,300	-
Charges for services	-	4,171,172	-	394,608
Use of money and property	117,012	181,017	179,672	6,037
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	2,503,590	4,362,568	2,925,972	400,645
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community enhancements	-	-	-	-
Culture and recreation	-	-	-	-
Public ways and facilities	23,081	3,481,405	2,643,822	285,683
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	503,255	-
Interest and fiscal charges	-	-	245	-
Total expenditures	23,081	3,481,405	3,147,322	285,683
Excess (deficiency) of revenues over (under) expenditures	2,480,509	881,163	(221,350)	114,962
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(23,365)	(1,064,047)	(437,182)	-
Proceeds from sale of capital asset	-	-	-	-
Total other financing sources (uses)	(23,365)	(1,064,047)	(437,182)	-
Net change in fund balances	2,457,144	(182,884)	(658,532)	114,962
Fund balances (deficit)-beginning	2,033,364	4,085,957	3,459,122	206,620
Fund balances (deficit)-ending	\$ 4,490,508	\$ 3,903,073	\$ 2,800,590	\$ 321,582

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

	Special Revenue Funds			
	Transportation Development Act	Police	Police Grants	Supplemental Law Enforcement Services (SLES)
	Act	Police	Police Grants	(SLES)
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	61,365	693,100	143,967
Charges for services	-	-	-	-
Use of money and property	7,317	75,878	-	18,640
Contributions	-	-	-	-
Miscellaneous	-	21,979	-	-
Total revenues	7,317	159,222	693,100	162,607
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	31,429	210,212	146,691
Community enhancements	-	-	-	-
Culture and recreation	-	-	-	-
Public ways and facilities	-	-	-	-
Capital outlay	-	-	418,441	-
Debt service:				
Principal	-	-	-	15,722
Interest and fiscal charges	-	-	-	478
Total expenditures	-	31,429	628,653	162,891
Excess (deficiency) of revenues over (under) expenditures	7,317	127,793	64,447	(284)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(101,713)	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total other financing sources (uses)	(101,713)	-	-	-
Net change in fund balances	(94,396)	127,793	64,447	(284)
Fund balances (deficit)-beginning	120,022	1,868,759	(60,011)	-
Fund balances (deficit)-ending	\$ 25,626	\$ 1,996,552	\$ 4,436	\$ (284)

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

(Continued)

	Special Revenue Funds			
	Housing Agency	Roadway Development Fees	Housing Mitigation Development Fees	Tree Mitigation Fes
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	6	465,000
Use of money and property	-	-	19,141	21,734
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	19,147	486,734
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community enhancements	-	-	-	20,412
Culture and recreation	-	-	-	-
Public ways and facilities	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	-	-	-	20,412
Excess (deficiency) of revenues over (under) expenditures	-	-	19,147	466,322
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	19,147	466,322
Fund balances (deficit)-beginning	4,071,593	448,847	386,627	187,900
Fund balances (deficit)-ending	\$ 4,071,593	\$ 448,847	\$ 405,774	\$ 654,222

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

	Special Revenue Funds			
	Park Facilities	Transit	Other Grants	Assessment
	Development	Development		District 98-02
	Fees	Fees		Zone 3
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	220,243	-
Charges for services	77,369	-	-	12,029
Use of money and property	9,487	-	-	1,398
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	86,856	-	220,243	13,427
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community enhancements	150,000	-	222,628	-
Culture and recreation	-	-	-	-
Public ways and facilities	-	-	-	6,012
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	150,000	-	222,628	6,012
Excess (deficiency) of revenues				
 over (under) expenditures	(63,144)	-	(2,385)	7,415
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(75,000)	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total other financing sources (uses)	(75,000)	-	-	-
Net change in fund balances	(138,144)	-	(2,385)	7,415
Fund balances (deficit)-beginning	262,670	207,543	(17,253)	27,875
Fund balances (deficit)-ending	\$ 124,526	\$ 207,543	\$ (19,638)	\$ 35,290

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

(Continued)

Special Revenue Funds

	Assessment District Zone 1	Assessment District Zone 2	Assessment District Zone 3	Assessment District Zone 4
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	10,518	12,942	6,561	4,659
Use of money and property	1,709	3,238	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	12,227	16,180	6,561	4,659
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community enhancements	-	-	-	-
Culture and recreation	-	-	-	-
Public ways and facilities	5,683	22,144	24,093	25,787
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	5,683	22,144	24,093	25,787
Excess (deficiency) of revenues over (under) expenditures	6,544	(5,964)	(17,532)	(21,128)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	17,532	21,128
Transfers out	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total other financing sources (uses)	-	-	17,532	21,128
Net change in fund balances	6,544	(5,964)	-	-
Fund balances (deficit)-beginning	34,514	70,695	45	-
Fund balances (deficit)-ending	\$ 41,058	\$ 64,731	\$ 45	\$ -

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

Special Revenue Funds

	Assessment District 98-01	Assessment District 98-02	Assessment District 03-01	Assessment District 98-02 Zone 2
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	11,256	23,596	92,804	17,336
Use of money and property	6,293	3,198	40,199	1,934
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	17,549	26,794	133,003	19,270
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community enhancements	-	-	-	-
Culture and recreation	-	-	-	-
Public ways and facilities	12,389	29,405	128,624	12,788
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	12,389	29,405	128,624	12,788
Excess (deficiency) of revenues over (under) expenditures	5,160	(2,611)	4,379	6,482
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	5,160	(2,611)	4,379	6,482
Fund balances (deficit)-beginning	128,538	69,978	827,766	39,826
Fund balances (deficit)-ending	\$ 133,698	\$ 67,367	\$ 832,145	\$ 46,308

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

(Continued)

	Special Revenue Funds			
	Assessment District 03-01 Zone 2	Lighting Assessment District	Police Donations	Assessment District 03-01 Zone 3
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	21,520	340,083	-	89,403
Use of money and property	1,332	-	-	9,379
Contributions	-	-	5,054	-
Miscellaneous	-	-	-	-
Total revenues	22,852	340,083	5,054	98,782
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	6,156	-
Community enhancements	-	-	-	-
Culture and recreation	-	-	-	-
Public ways and facilities	9,604	440,698	-	527
Capital outlay	-	-	-	-
Debt service:				
Principal	-	19,387	-	-
Interest and fiscal charges	-	3,769	-	-
Total expenditures	9,604	463,854	6,156	527
Excess (deficiency) of revenues over (under) expenditures	13,248	(123,771)	(1,102)	98,255
OTHER FINANCING SOURCES (USES)				
Transfers in	-	100,615	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total other financing sources (uses)	-	100,615	-	-
Net change in fund balances	13,248	(23,156)	(1,102)	98,255
Fund balances (deficit)-beginning	25,089	-	12,107	177,473
Fund balances (deficit)-ending	\$ 38,337	\$ (23,156)	\$ 11,005	\$ 275,728

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

	Special Revenue Funds			
	Fire CFD Impact Fee Fund	SB 1186 Access Comp Fund	Multimodal Impact Fee Fund	Assessment District 98-02 Fund
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	43,832	7,770	12,100	14,034
Use of money and property	-	649	33,520	218
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	43,832	8,419	45,620	14,252
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	43,832	-	-	-
Community enhancements	-	-	-	-
Culture and recreation	-	-	-	-
Public ways and facilities	-	-	-	394
Capital outlay	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	43,832	-	-	394
Excess (deficiency) of revenues over (under) expenditures	-	8,419	45,620	13,858
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Proceeds from sale of capital asset	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	8,419	45,620	13,858
Fund balances (deficit)-beginning	-	9,222	22,417	440
Fund balances (deficit)-ending	\$ -	\$ 17,641	\$ 68,037	\$ 14,298

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

	Capital Projects Funds			
	Measure A Construction	General Capital Improvements	Community Capital Replacement	Total Nonmajor Funds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 10,379
Licenses and permits	-	126,078	44,742	170,820
Intergovernmental	680,165	-	22,100	9,753,746
Charges for services	-	-	-	6,567,803
Use of money and property	49,695	-	-	999,052
Contributions	-	-	-	5,054
Miscellaneous	-	-	-	170,332
Total revenues	729,860	126,078	66,842	17,677,186
EXPENDITURES				
Current:				
General government	-	-	18,885	18,885
Public safety	-	-	34,450	1,328,466
Community enhancements	-	-	-	883,298
Culture and recreation	-	-	68,362	68,362
Public ways and facilities	166,533	-	-	8,809,236
Capital outlay	35,319	-	952,829	1,453,716
Debt service:				
Principal	-	-	-	538,364
Interest and fiscal charges	-	-	-	4,492
Total expenditures	201,852	-	1,074,526	13,104,819
Excess (deficiency) of revenues over (under) expenditures	528,008	126,078	(1,007,684)	4,572,367
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	1,110,000	1,249,275
Transfers out	(786,146)	-	-	(2,589,223)
Proceeds from sale of capital asset	-	-	60,019	60,019
Total other financing sources (uses)	(786,146)	-	1,170,019	(1,279,929)
Net change in fund balances	(258,138)	126,078	162,335	3,292,438
Fund balances (deficit)-beginning	973,055	4,119,453	1,523,517	28,988,634
Fund balances (deficit)-ending	\$ 714,917	\$ 4,245,531	\$ 1,685,852	\$ 32,281,072

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 HOME Program Grants
 For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 107,993	\$ (392,007)
Charges for services	-	-	5,709	5,709
Use of money and property	-	-	81,787	81,787
Miscellaneous	-	-	147,607	147,607
Total revenues	500,000	500,000	343,096	(156,904)
EXPENDITURES				
Current:				
Community enhancements	500,000	500,000	107,994	392,006
Total expenditures	500,000	500,000	107,994	392,006
Net change in fund balances	\$ -	\$ -	235,102	\$ 235,102
Fund balances (deficit)-beginning			914,379	
Fund balances (deficit)-ending			\$ 1,149,481	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 CDBG Grants Special Revenue Fund
 For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 660,000	\$ 660,000	\$ 280,845	\$ (379,155)
Use of money and property	-	-	(18)	(18)
Miscellaneous	-	-	450	450
Total revenues	<u>660,000</u>	<u>660,000</u>	<u>281,277</u>	<u>(378,723)</u>
EXPENDITURES				
Current:				
Community enhancements	660,000	660,000	382,264	277,736
Total expenditures	<u>660,000</u>	<u>660,000</u>	<u>382,264</u>	<u>277,736</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>(100,987)</u>	<u>\$ (100,987)</u>
Fund balances (deficit)-beginning			<u>292,276</u>	
Fund balances (deficit)-ending			<u>\$ 191,289</u>	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Code Enforcement
 For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 699,520	\$ 699,520	\$ 733,496	\$ 33,976
Use of money and property	-	-	33,631	33,631
Total revenues	<u>699,520</u>	<u>699,520</u>	<u>767,127</u>	<u>67,607</u>
EXPENDITURES				
Current:				
Public safety	834,050	834,050	855,696	(21,646)
Total expenditures	<u>834,050</u>	<u>834,050</u>	<u>855,696</u>	<u>(21,646)</u>
Net change in fund balances	<u>\$ (134,530)</u>	<u>\$ (134,530)</u>	<u>(88,569)</u>	<u>\$ 45,961</u>
Fund balances (deficit)-beginning			<u>762,642</u>	
Fund balances (deficit)-ending			<u>\$ 674,073</u>	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Gas Tax
 For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 2,521,494	\$ 2,521,494	\$ 2,411,090	\$ (110,404)
Use of money and property	-	-	94,955	94,955
Miscellaneous	-	-	296	296
Total revenues	2,521,494	2,521,494	2,506,341	(15,153)
EXPENDITURES				
Current:				
Public ways and facilities	1,998,973	1,998,973	1,490,564	508,409
Capital outlay	-	-	47,127	(47,127)
Total expenditures	1,998,973	1,998,973	1,537,691	461,282
Excess (deficiency) of revenues over (under) expenditures	522,521	522,521	968,650	446,129
OTHER FINANCING SOURCES (USES)				
Transfers out	(400,000)	(400,000)	(101,770)	298,230
Total other financing sources (uses)	(400,000)	(400,000)	(101,770)	298,230
Net change in fund balances	\$ 122,521	\$ 122,521	866,880	\$ 744,359
Fund balances (deficit)-beginning			1,695,567	
Fund balances (deficit)-ending			\$ 2,562,447	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Road Maintenance and Rehabilitation
 For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 1,826,647	\$ 1,826,647	\$ 2,386,578	\$ 559,931
Use of money and property	-	-	117,012	117,012
Total revenues	1,826,647	1,826,647	2,503,590	676,943
EXPENDITURES				
Current:				
Public ways and facilities	-	-	23,081	(23,081)
Total expenditures	-	-	23,081	(23,081)
Excess (deficiency) of revenues over (under) expenditures	1,826,647	1,826,647	2,480,509	653,862
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,800,000)	(1,800,000)	(23,365)	1,776,635
Total other financing sources (uses)	(1,800,000)	(1,800,000)	(23,365)	1,776,635
Net change in fund balances	\$ 26,647	\$ 26,647	2,457,144	\$ 2,430,497
Fund balances (deficit)-beginning			2,033,364	
Fund balances (deficit)-ending			\$ 4,490,508	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Stormwater Utility Tax
 For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ -	\$ -	\$ 10,379	\$ 10,379
Charges for services	3,965,879	3,965,879	4,171,172	205,293
Use of money and property	-	-	181,017	181,017
Total revenues	3,965,879	3,965,879	4,362,568	396,689
EXPENDITURES				
Current:				
Public ways and facilities	2,395,215	2,395,215	3,481,405	(1,086,190)
Capital outlay	600,000	600,000	-	600,000
Total expenditures	2,995,215	2,995,215	3,481,405	(486,190)
Excess (deficiency) of revenues over (under) expenditures	970,664	970,664	881,163	(89,501)
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,460,000)	(1,460,000)	(1,064,047)	395,953
Total other financing sources (uses)	(1,460,000)	(1,460,000)	(1,064,047)	395,953
Net change in fund balances	\$ (489,336)	\$ (489,336)	(182,884)	\$ 306,452
Fund balances (deficit)-beginning			4,085,957	
Fund balances (deficit)-ending			\$ 3,903,073	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Road Maintenance
 For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 2,692,987	\$ 2,692,987	\$ 2,746,300	\$ 53,313
Use of money and property	-	-	179,672	179,672
Total revenues	2,692,987	2,692,987	2,925,972	232,985
EXPENDITURES				
Current:				
Public ways and facilities	1,965,627	1,965,627	2,643,822	(678,195)
Capital outlay	975,000	975,000	-	975,000
Debt service:				
Principal	-	-	503,255	(503,255)
Interest and fiscal charges	-	-	245	(245)
Total expenditures	2,940,627	2,940,627	3,147,322	(206,695)
Excess (deficiency) of revenues over (under) expenditures	(247,640)	(247,640)	(221,350)	26,290
OTHER FINANCING SOURCES (USES)				
Transfers out	(120,000)	(120,000)	(437,182)	(317,182)
Total other financing sources (uses)	(120,000)	(120,000)	(437,182)	(317,182)
Net change in fund balances	\$ (367,640)	\$ (367,640)	(658,532)	\$ (290,892)
Fund balances (deficit)-beginning			3,459,122	
Fund balances (deficit)-ending			\$ 2,800,590	

CITY OF CITRUS HEIGHTS, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Transit

For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 372,696	\$ 372,696	\$ 394,608	\$ 21,912
Use of money and property	-	-	6,037	6,037
Total revenues	372,696	372,696	400,645	27,949
EXPENDITURES				
Current:				
Public ways and facilities	338,026	338,026	285,683	52,343
Capital outlay	10,300	10,300	-	10,300
Total expenditures	348,326	348,326	285,683	62,643
Net change in fund balances	\$ 24,370	\$ 24,370	114,962	\$ 90,592
Fund balances (deficit)-beginning			206,620	
Fund balances (deficit)-ending			\$ 321,582	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Transportation Development Act
 For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 101,275	\$ 101,275	\$ -	\$ (101,275)
Use of money and property	-	-	7,317	7,317
Total revenues	<u>101,275</u>	<u>101,275</u>	<u>7,317</u>	<u>(93,958)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>101,275</u>	<u>101,275</u>	<u>7,317</u>	<u>(93,958)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(208,000)	(208,000)	(101,713)	106,287
Total other financing sources (uses)	<u>(208,000)</u>	<u>(208,000)</u>	<u>(101,713)</u>	<u>106,287</u>
Net change in fund balances	<u>\$ (106,725)</u>	<u>\$ (106,725)</u>	<u>(94,396)</u>	<u>\$ 12,329</u>
Fund balances (deficit)-beginning			120,022	
Fund balances (deficit)-ending			<u>\$ 25,626</u>	

CITY OF CITRUS HEIGHTS, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Police

For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 61,365	\$ 61,365
Use of money and property	-	-	75,878	75,878
Miscellaneous	-	-	21,979	21,979
Total revenues	-	-	159,222	159,222
EXPENDITURES				
Current:				
Public safety	63,184	63,184	31,429	31,755
Total expenditures	63,184	63,184	31,429	31,755
Net change in fund balances	\$ (63,184)	\$ (63,184)	127,793	\$ 190,977
Fund balances (deficit)-beginning			1,868,759	
Fund balances (deficit)-ending			\$ 1,996,552	

CITY OF CITRUS HEIGHTS, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Police Grants

For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 192,650	\$ 192,650	\$ 693,100	\$ 500,450
Total revenues	192,650	192,650	693,100	500,450
EXPENDITURES				
Current:				
Public safety	158,377	158,377	210,212	(51,835)
Capital outlay	-	-	418,441	(418,441)
Total expenditures	158,377	158,377	628,653	(470,276)
Net change in fund balances	\$ 34,273	\$ 34,273	64,447	\$ 30,174
Fund balances (deficit)-beginning			(60,011)	
Fund balances (deficit)-ending			\$ 4,436	

CITY OF CITRUS HEIGHTS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Supplemental Law Enforcement Services (SLES)
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 133,393	\$ 133,393	\$ 143,967	\$ 10,574
Use of money and property	-	-	18,640	18,640
Total revenues	<u>133,393</u>	<u>133,393</u>	<u>162,607</u>	<u>29,214</u>
EXPENDITURES				
Current:				
Public safety	23,690	23,690	146,691	(123,001)
Interest and fiscal charges	-	-	478	(478)
Total expenditures	<u>23,690</u>	<u>23,690</u>	<u>162,891</u>	<u>(139,201)</u>
Net change in fund balances	<u>\$ 109,703</u>	<u>\$ 109,703</u>	(284)	<u>\$ (109,987)</u>
Fund balances (deficit)-beginning			-	
Fund balances (deficit)-ending			<u>\$ (284)</u>	

CITY OF CITRUS HEIGHTS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Housing Mitigation Development Fees
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 17,483	\$ 17,483	\$ 6	\$ (17,477)
Use of money and property	-	-	19,141	19,141
Total revenues	<u>17,483</u>	<u>17,483</u>	<u>19,147</u>	<u>1,664</u>
EXPENDITURES				
Current:				
Community enhancements	54,636	54,636	-	54,636
Total expenditures	<u>54,636</u>	<u>54,636</u>	<u>-</u>	<u>54,636</u>
Net change in fund balances	<u>\$ (37,153)</u>	<u>\$ (37,153)</u>	<u>19,147</u>	<u>\$ 56,300</u>
Fund balances (deficit)-beginning			<u>386,627</u>	
Fund balances (deficit)-ending			<u>\$ 405,774</u>	

CITY OF CITRUS HEIGHTS, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Tree Mitigation Fes

For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 38,246	\$ 38,246	\$ 465,000	\$ 426,754
Use of money and property	-	-	21,734	21,734
Total revenues	38,246	38,246	486,734	448,488
EXPENDITURES				
Current:				
Community enhancements	21,371	21,371	20,412	959
Total expenditures	21,371	21,371	20,412	959
Net change in fund balances	\$ 16,875	\$ 16,875	466,322	\$ 449,447
Fund balances (deficit)-beginning			187,900	
Fund balances (deficit)-ending			\$ 654,222	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Park Facilities Development Fees
 For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 117,420	\$ 117,420	\$ 77,369	\$ (40,051)
Use of money and property	-	-	9,487	9,487
Total revenues	117,420	117,420	86,856	(30,564)
EXPENDITURES				
Current:				
Community enhancements	75,000	75,000	150,000	(75,000)
Total expenditures	75,000	75,000	150,000	(75,000)
Excess (deficiency) of revenues over (under) expenditures	42,420	42,420	(63,144)	(105,564)
OTHER FINANCING SOURCES (USES)				
Transfers out	-	-	(75,000)	(75,000)
Total other financing sources (uses)	-	-	(75,000)	(75,000)
Net change in fund balances	\$ 42,420	\$ 42,420	(138,144)	\$ (180,564)
Fund balances (deficit)-beginning			262,670	
Fund balances (deficit)-ending			\$ 124,526	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Other Grants
 For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Intergovernmental	\$ 32,000	\$ 32,000	\$ 220,243	\$ 188,243
Total revenues	<u>32,000</u>	<u>32,000</u>	<u>220,243</u>	<u>188,243</u>
EXPENDITURES				
Current:				
Community enhancements	121,374	121,374	222,628	(101,254)
Total expenditures	<u>121,374</u>	<u>121,374</u>	<u>222,628</u>	<u>(101,254)</u>
Net change in fund balances	<u>\$ (89,374)</u>	<u>\$ (89,374)</u>	<u>(2,385)</u>	<u>\$ 86,989</u>
Fund balances (deficit)-beginning			<u>(17,253)</u>	
Fund balances (deficit)-ending			<u>\$ (19,638)</u>	

CITY OF CITRUS HEIGHTS, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

AD 98-02 Zone 3

For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 11,988	\$ 11,988	\$ 12,029	\$ 41
Use of money and property	-	-	1,398	1,398
Total revenues	11,988	11,988	13,427	1,439
EXPENDITURES				
Current:				
Public ways and facilities	6,077	6,077	6,012	65
Total expenditures	6,077	6,077	6,012	65
Net change in fund balances	\$ 5,911	\$ 5,911	7,415	\$ 1,504
Fund balances (deficit)-beginning			27,875	
Fund balances (deficit)-ending			\$ 35,290	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Assessment District Zone 1
 For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 10,523	\$ 10,523	\$ 10,518	\$ (5)
Use of money and property	-	-	1,709	1,709
Total revenues	10,523	10,523	12,227	1,704
EXPENDITURES				
Current:				
Public ways and facilities	17,142	17,142	5,683	11,459
Total expenditures	17,142	17,142	5,683	11,459
Net change in fund balances	\$ (6,619)	\$ (6,619)	6,544	\$ 13,163
Fund balances (deficit)-beginning			34,514	
Fund balances (deficit)-ending			\$ 41,058	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Assessment District Zone 2
 For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 12,785	\$ 12,785	\$ 12,942	\$ 157
Use of money and property	-	-	3,238	3,238
Total revenues	<u>12,785</u>	<u>12,785</u>	<u>16,180</u>	<u>3,395</u>
EXPENDITURES				
Current:				
Public ways and facilities	14,849	14,849	22,144	(7,295)
Total expenditures	<u>14,849</u>	<u>14,849</u>	<u>22,144</u>	<u>(7,295)</u>
Net change in fund balances	<u>\$ (2,064)</u>	<u>\$ (2,064)</u>	<u>(5,964)</u>	<u>\$ (3,900)</u>
Fund balances (deficit)-beginning			<u>70,695</u>	
Fund balances (deficit)-ending			<u>\$ 64,731</u>	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Assessment District Zone 3
 For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 6,550	\$ 6,550	\$ 6,561	\$ 11
Total revenues	6,550	6,550	6,561	11
EXPENDITURES				
Current:				
Public ways and facilities	16,037	16,037	24,093	(8,056)
Total expenditures	16,037	16,037	24,093	(8,056)
Excess (deficiency) of revenues over (under) expenditures	(9,487)	(9,487)	(17,532)	(8,045)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	17,532	17,532
Total other financing sources (uses)	-	-	17,532	17,532
Net change in fund balances	\$ (9,487)	\$ (9,487)	-	\$ 9,487
Fund balances (deficit)-beginning			45	
Fund balances (deficit)-ending			\$ 45	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Assessment District Zone 4
 For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 4,718	\$ 4,718	\$ 4,659	\$ (59)
Total revenues	4,718	4,718	4,659	(59)
EXPENDITURES				
Current:				
Public ways and facilities	20,177	20,177	25,787	(5,610)
Total expenditures	20,177	20,177	25,787	(5,610)
Excess (deficiency) of revenues over (under) expenditures	(15,459)	(15,459)	(21,128)	(5,669)
OTHER FINANCING SOURCES (USES)				
Transfers in	6,321	6,321	21,128	14,807
Total other financing sources (uses)	6,321	6,321	21,128	14,807
Net change in fund balances	\$ (9,138)	\$ (9,138)	-	\$ 9,138
Fund balances (deficit)-beginning			-	
Fund balances (deficit)-ending			\$ -	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Assessment District 98-01
 For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 11,288	\$ 11,288	\$ 11,256	\$ (32)
Use of money and property	-	-	6,293	6,293
Total revenues	<u>11,288</u>	<u>11,288</u>	<u>17,549</u>	<u>6,261</u>
EXPENDITURES				
Current:				
Public ways and facilities	14,520	14,520	12,389	2,131
Total expenditures	<u>14,520</u>	<u>14,520</u>	<u>12,389</u>	<u>2,131</u>
Net change in fund balances	<u>\$ (3,232)</u>	<u>\$ (3,232)</u>	<u>5,160</u>	<u>\$ 8,392</u>
Fund balances (deficit)-beginning			<u>128,538</u>	
Fund balances (deficit)-ending			<u>\$ 133,698</u>	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Assessment District 98-02
 For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 23,552	\$ 23,552	\$ 23,596	\$ 44
Use of money and property	-	-	3,198	3,198
Total revenues	<u>23,552</u>	<u>23,552</u>	<u>26,794</u>	<u>3,242</u>
EXPENDITURES				
Current:				
Public ways and facilities	32,056	32,056	29,405	2,651
Total expenditures	<u>32,056</u>	<u>32,056</u>	<u>29,405</u>	<u>2,651</u>
Net change in fund balances	<u>\$ (8,504)</u>	<u>\$ (8,504)</u>	<u>(2,611)</u>	<u>\$ 5,893</u>
Fund balances (deficit)-beginning			<u>69,978</u>	
Fund balances (deficit)-ending			<u>\$ 67,367</u>	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Assessment District 03-01
 For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 94,102	\$ 94,102	\$ 92,804	\$ (1,298)
Use of money and property	-	-	40,199	40,199
Total revenues	<u>94,102</u>	<u>94,102</u>	<u>133,003</u>	<u>38,901</u>
EXPENDITURES				
Current:				
Public ways and facilities	116,138	116,138	128,624	(12,486)
Total expenditures	<u>116,138</u>	<u>116,138</u>	<u>128,624</u>	<u>(12,486)</u>
Net change in fund balances	<u>\$ (22,036)</u>	<u>\$ (22,036)</u>	<u>4,379</u>	<u>\$ 26,415</u>
Fund balances (deficit)-beginning			<u>827,766</u>	
Fund balances (deficit)-ending			<u>\$ 832,145</u>	

CITY OF CITRUS HEIGHTS, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Assessment District 98-02 Zone 2

For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 17,279	\$ 17,279	\$ 17,336	\$ 57
Use of money and property	-	-	1,934	1,934
Total revenues	17,279	17,279	19,270	1,991
EXPENDITURES				
Current:				
Public ways and facilities	18,589	18,589	12,788	5,801
Total expenditures	18,589	18,589	12,788	5,801
Net change in fund balances	\$ (1,310)	\$ (1,310)	6,482	\$ 7,792
Fund balances (deficit)-beginning			39,826	
Fund balances (deficit)-ending			\$ 46,308	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Assessment District 03-01 Zone 2
 For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 21,318	\$ 21,318	\$ 21,520	\$ 202
Use of money and property	-	-	1,332	1,332
Total revenues	21,318	21,318	22,852	1,534
EXPENDITURES				
Current:				
Public ways and facilities	28,477	28,477	9,604	18,873
Total expenditures	28,477	28,477	9,604	18,873
Net change in fund balances	\$ (7,159)	\$ (7,159)	13,248	\$ 20,407
Fund balances (deficit)-beginning			25,089	
Fund balances (deficit)-ending			\$ 38,337	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Lighting Assessment District
 For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 350,000	\$ 350,000	\$ 340,083	\$ (9,917)
Total revenues	350,000	350,000	340,083	(9,917)
EXPENDITURES				
Current:				
Public ways and facilities	484,828	484,828	440,698	44,130
Debt service:				
Principal	-	-	19,387	(19,387)
Interest and fiscal charges	-	-	3,769	(3,769)
Total expenditures	484,828	484,828	463,854	20,974
Excess (deficiency) of revenues over (under) expenditures	(134,828)	(134,828)	(123,771)	11,057
OTHER FINANCING SOURCES (USES)				
Transfers in	90,000	90,000	100,615	10,615
Total other financing sources (uses)	90,000	90,000	100,615	10,615
Net change in fund balances	\$ (44,828)	\$ (44,828)	(23,156)	\$ 21,672
Fund balances (deficit)-beginning			-	
Fund balances (deficit)-ending			\$ (23,156)	

CITY OF CITRUS HEIGHTS, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

Police Donations

For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Contributions	\$ -	\$ -	\$ 5,054	\$ 5,054
Total revenues	<u>-</u>	<u>-</u>	<u>5,054</u>	<u>5,054</u>
EXPENDITURES				
Current:				
Public safety	1,545	1,545	6,156	(4,611)
Total expenditures	<u>1,545</u>	<u>1,545</u>	<u>6,156</u>	<u>(4,611)</u>
Net change in fund balances	<u>\$ (1,545)</u>	<u>\$ (1,545)</u>	<u>(1,102)</u>	<u>\$ 443</u>
Fund balances (deficit)-beginning			<u>12,107</u>	
Fund balances (deficit)-ending			<u>\$ 11,005</u>	

CITY OF CITRUS HEIGHTS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Assessment District 03-01 Zone 3
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 91,516	\$ 91,516	\$ 89,403	\$ (2,113)
Use of money and property	-	-	9,379	9,379
Total revenues	<u>91,516</u>	<u>91,516</u>	<u>98,782</u>	<u>7,266</u>
EXPENDITURES				
Current:				
Public ways and facilities	32,650	32,650	527	32,123
Total expenditures	<u>32,650</u>	<u>32,650</u>	<u>527</u>	<u>32,123</u>
Net change in fund balances	<u>\$ 58,866</u>	<u>\$ 58,866</u>	<u>98,255</u>	<u>\$ 39,389</u>
Fund balances (deficit)-beginning			<u>177,473</u>	
Fund balances (deficit)-ending			<u>\$ 275,728</u>	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Fire CFD Impact Fee Fund
 For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 50,000	\$ 50,000	\$ 43,832	\$ (6,168)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>43,832</u>	<u>(6,168)</u>
EXPENDITURES				
Current:				
Public safety	16,000	16,000	43,832	(27,832)
Total expenditures	<u>16,000</u>	<u>16,000</u>	<u>43,832</u>	<u>(27,832)</u>
Net change in fund balances	<u>\$ 34,000</u>	<u>\$ 34,000</u>	-	<u>\$ (34,000)</u>
Fund balances (deficit)-beginning			-	
Fund balances (deficit)-ending			<u>\$ -</u>	

CITY OF CITRUS HEIGHTS, CALIFORNIA

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual

SB 1186 Access Comp Fund

For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 10,500	\$ 10,500	\$ 7,770	\$ (2,730)
Use of money and property	-	-	649	649
Total revenues	10,500	10,500	8,419	(2,081)
EXPENDITURES				
Current:				
Community enhancements	10,500	10,500	-	10,500
Total expenditures	10,500	10,500	-	10,500
Net change in fund balances	\$ -	\$ -	8,419	\$ 8,419
Fund balances (deficit)-beginning			9,222	
Fund balances (deficit)-ending			\$ 17,641	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Multimodal Impact Fee Fund
 For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 276,147	\$ 276,147	\$ 12,100	\$ (264,047)
Use of money and property	-	-	33,520	33,520
Total revenues	<u>276,147</u>	<u>276,147</u>	<u>45,620</u>	<u>(230,527)</u>
EXPENDITURES				
Current:				
Public ways and facilities	200,000	200,000	-	200,000
Total expenditures	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Net change in fund balances	<u>\$ 76,147</u>	<u>\$ 76,147</u>	<u>45,620</u>	<u>\$ (30,527)</u>
Fund balances (deficit)-beginning			<u>22,417</u>	
Fund balances (deficit)-ending			<u>\$ 68,037</u>	

CITY OF CITRUS HEIGHTS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Assessment District 98-02 Fund
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Charges for services	\$ 9,224	\$ 9,224	\$ 14,034	\$ 4,810
Use of money and property	-	-	218	218
Total revenues	<u>9,224</u>	<u>9,224</u>	<u>14,252</u>	<u>5,028</u>
EXPENDITURES				
Current:				
Public ways and facilities	1,675	1,675	394	1,281
Total expenditures	<u>1,675</u>	<u>1,675</u>	<u>394</u>	<u>1,281</u>
Net change in fund balances	<u>\$ 7,549</u>	<u>\$ 7,549</u>	<u>13,858</u>	<u>\$ 6,309</u>
Fund balances (deficit)-beginning			440	
Fund balances (deficit)-ending			<u>\$ 14,298</u>	

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

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ 3,598,944	\$ 3,598,944
Miscellaneous	-	-	7,572	7,572
Total revenues	-	-	3,606,516	3,606,516
EXPENDITURES				
Current:				
Public ways and facilities	4,125,000	4,125,000	40,687	4,084,313
Capital outlay	4,221,500	4,221,500	6,937,428	(2,715,928)
Total expenditures	8,346,500	8,346,500	6,978,115	1,368,385
Excess (deficiency) of revenues over (under) expenditures	(8,346,500)	(8,346,500)	(3,371,599)	4,974,901
OTHER FINANCING SOURCES (USES)				
Transfers in	8,346,500	8,346,500	2,461,791	(5,884,709)
Debt issuance proceeds	-	-	779,744	779,744
Total other financing sources (uses)	8,346,500	8,346,500	3,241,535	(5,104,965)
Net change in fund balances	\$ -	\$ -	(130,064)	\$ (130,064)
Fund balances (deficit)-beginning			(1,173,800)	
Fund balances (deficit)-ending			\$ (1,303,864)	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
 Measure A Construction
 For the Year Ended June 30, 2024

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	\$ 666,159	\$ 666,159	\$ 680,165	\$ 14,006
Use of money and property	-	-	49,695	49,695
Total revenues	666,159	666,159	729,860	63,701
EXPENDITURES				
Current:				
Public ways and facilities	350,000	350,000	166,533	183,467
Capital outlay	-	-	35,319	(35,319)
Total expenditures	350,000	350,000	201,852	148,148
Excess (deficiency) of revenues over (under) expenditures	316,159	316,159	528,008	211,849
OTHER FINANCING SOURCES (USES)				
Transfers out	(296,000)	(296,000)	(786,146)	(490,146)
Total other financing sources (uses)	(296,000)	(296,000)	(786,146)	(490,146)
Net change in fund balances	\$ 20,159	\$ 20,159	(258,138)	\$ (278,297)
Fund balances (deficit)-beginning			973,055	
Fund balances (deficit)-ending			\$ 714,917	

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

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 89,000	\$ 89,000	\$ 126,078	\$ 37,078
Total revenues	<u>89,000</u>	<u>89,000</u>	<u>126,078</u>	<u>37,078</u>
Net change in fund balances	<u>\$ 89,000</u>	<u>\$ 89,000</u>	<u>126,078</u>	<u>\$ 37,078</u>
Fund balances (deficit)-beginning			<u>4,119,453</u>	
Fund balances (deficit)-ending			<u>\$ 4,245,531</u>	

CITY OF CITRUS HEIGHTS, CALIFORNIA
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual
Community Capital Replacement
For the Year Ended June 30, 2024

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Licenses and permits	\$ 30,000	\$ 30,000	\$ 44,742	\$ 14,742
Intergovernmental	-	-	22,100	22,100
Total revenues	30,000	30,000	66,842	36,842
EXPENDITURES				
Current:				
General government	-	-	18,885	(18,885)
Public safety	-	-	34,450	(34,450)
Culture and recreation	-	-	68,362	(68,362)
Capital outlay	-	-	952,829	(952,829)
Total expenditures	-	-	1,074,526	(1,074,526)
Excess (deficiency) of revenues over (under) expenditures	30,000	30,000	(1,007,684)	(1,037,684)
OTHER FINANCING SOURCES (USES)				
Transfers in	1,110,000	1,110,000	1,110,000	-
Proceeds for sale of capital assets	-	-	60,019	60,019
Total other financing sources (uses)	1,110,000	1,110,000	1,170,019	60,019
Net change in fund balances	\$ 1,140,000	\$ 1,140,000	162,335	\$ (977,665)
Fund balances (deficit)-beginning			1,523,517	
Fund balances (deficit)-ending			\$ 1,685,852	

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Combining Statement of Fiduciary Net Position
 Fiduciary Funds - Custodial Funds
 June 30, 2024

	<u>STA Fees</u>	<u>WISN ESAC</u>	<u>Total Custodial Funds</u>
ASSETS			
Cash and cash equivalents	\$ 41,066	\$ 196,110	\$ 237,176
Total assets	41,066	196,110	237,176
LIABILITIES			
Due from other governments	41,051	-	41,051
Total liabilities	41,051	-	41,051
	-	-	-
NET POSITION			
Restricted for:			
Other governments	15	196,110	196,125
Total net position	\$ 15	\$ 196,110	\$ 196,125

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Combining Statement of Changes in Fiduciary Net Position
 Fiduciary Funds - Custodial Funds
 For the Year Ended June 30, 2024

	<u>STA Fees</u>	<u>WISN ESAC</u>	<u>Total Custodial Funds</u>
ADDITIONS			
Intergovernmental	\$ -	\$ 28,423	\$ 28,423
Total additions	<u>-</u>	<u>28,423</u>	<u>28,423</u>
DEDUCTIONS			
Contractual services	-	5,345	5,345
Total deductions	<u>-</u>	<u>5,345</u>	<u>5,345</u>
Net increase (decrease) in fiduciary net position	-	23,078	23,078
Net position-beginning	<u>15</u>	<u>173,032</u>	<u>173,047</u>
Net position-ending	<u><u>\$ 15</u></u>	<u><u>\$ 196,110</u></u>	<u><u>\$ 196,125</u></u>

CITY OF CITRUS HEIGHTS, CALIFORNIA

This part of the City of Citrus Heights' annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, footnotes, and required supplementary information says about the City's overall financial health.

Contents	Page(s)
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	135-138
Revenue Capacity	
These schedules contain information to help the reader assess the City's ability to generate revenues. Property taxes, sales and use taxes, charges for services, licenses, permits and fees and intergovernmental revenue are the City's most significant revenue sources.	139-145
Debt Capacity	
These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	146-148
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	149-151
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	152-153

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

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CITY OF CITRUS HEIGHTS, CALIFORNIA
 Net Position by Component
 Last Ten Fiscal Years
 (Fiscal year ended June 30)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Invested in capital assets	\$362,247,604	\$351,834,754	\$355,292,096	\$344,507,138	\$336,912,872	\$328,594,520	\$319,214,442	\$316,887,986	\$314,998,711	\$311,932,873
Restricted	15,682,624	15,279,052	15,935,790	16,266,052	13,375,587	19,575,754	25,779,873	25,868,240	23,418,902	26,750,252
Unrestricted	12,581,607	14,663,297	4,264,024	1,755,048	1,882,908	(6,606,540)	(7,281,556)	4,318,206	14,471,243	21,944,567
Total governmental activities net position	\$390,511,835	\$381,777,103	\$375,491,910	\$362,528,238	\$352,171,367	\$341,563,734	\$337,712,759	\$347,074,432	\$352,888,856	\$360,627,692
Business-type activities										
Invested in capital assets	\$ 200,000	\$ 321,123	\$ 389,449	\$ 381,575	\$ 373,702	\$ 365,829	\$ 357,956	\$ 350,082	\$ 342,209	\$ 334,336
Restricted	-	-	-	-	-	-	-	-	-	4,173
Unrestricted	406,354	265,517	160,563	219,434	306,142	533,964	775,308	1,131,508	1,576,732	2,025,226
Total business-type activities net position	\$ 606,354	\$ 586,640	\$ 550,012	\$ 601,009	\$ 679,844	\$ 899,793	\$ 1,133,264	\$ 1,481,590	\$ 1,918,941	\$ 2,363,735
Primary government										
Invested in capital assets	\$362,447,604	\$352,155,877	\$355,681,545	\$344,888,713	\$337,286,574	\$328,960,349	\$319,572,398	\$317,238,068	\$315,340,920	\$312,267,209
Restricted	15,682,624	15,279,052	15,935,790	16,266,052	13,375,587	19,575,754	25,779,873	25,868,240	23,418,902	26,754,425
Unrestricted	12,987,961	14,928,814	4,424,587	1,974,482	2,189,050	(6,072,576)	(6,506,248)	5,449,714	16,047,975	23,969,793
Total primary government net position	\$391,118,189	\$382,363,743	\$376,041,922	\$363,129,247	\$352,851,211	\$342,463,527	\$338,846,023	\$348,556,022	\$354,807,797	\$362,991,427

Source: City Administrative Services Department

CITY OF CITRUS HEIGHTS, CALIFORNIA
Changes in Net Position
Last Ten Fiscal Years
(Fiscal year ended June 30)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 5,401,023	\$ 4,704,899	\$ 5,463,122	\$ 6,106,557	\$ 6,909,949	\$ 7,360,783	\$ 10,210,576	\$ 7,729,201	\$ 9,404,296	\$ 10,184,057
Public safety	18,092,747	17,355,288	18,378,242	21,698,128	24,025,017	24,443,611	23,338,398	15,877,629	25,813,011	26,368,209
Public ways and facilities	30,037,037	34,185,103	24,188,701	24,395,899	21,730,069	19,019,629	18,149,133	17,660,038	20,077,331	21,076,523
Culture and recreation	555,342	654,183	669,948	722,254	720,442	830,572	540,427	906,037	839,028	1,185,806
Economic development	159,243	214,978	402,904	353,608	296,233	950,409	916,027	55,751	1,123,525	1,141,315
Community enhancements	4,319,791	4,313,943	4,710,977	4,664,278	3,953,127	3,928,848	3,877,993	4,085,740	3,937,025	4,389,584
Interest on long-term debt	-	-	-	-	70,962	151,957	144,455	131,908	16,108	75,339
Total governmental activities expenses	58,565,183	61,428,394	53,813,894	57,940,724	57,705,799	56,885,909	57,177,009	46,446,304	61,210,324	64,420,833
Business-type activities:										
Solid waste	903,522	757,028	798,694	751,291	809,466	675,849	732,927	788,023	897,894	1,061,583
Total business-type activities expenses	903,522	757,028	798,694	751,291	809,466	675,849	732,927	788,023	897,894	1,061,583
Total primary government expenses	59,468,705	62,185,422	54,612,588	58,692,015	58,515,265	57,361,658	57,909,936	47,234,327	62,108,218	65,482,416
Program revenues										
Governmental activities:										
Charges for services:										
General government	381,923	1,120,688	1,151,570	1,185,547	1,888,219	1,902,206	1,904,861	1,745,213	1,951,865	2,057,078
Public safety	337,199	1,547,840	1,759,927	1,488,252	1,978,407	2,133,898	2,074,980	2,173,237	2,320,214	2,064,564
Public ways and facilities	4,666,240	4,359,774	4,500,372	4,324,674	4,474,641	5,344,895	4,759,239	5,357,787	4,990,571	5,769,421
Culture and recreation	311,350	352,401	354,517	449,711	32,526	22,473	-	18,313	31,948	44,742
Economic development	100	50	-	-	-	-	-	-	216,596	-
Community enhancements	1,298,079	1,912,936	1,597,005	498,673	1,242,148	1,508,999	2,730,818	3,221,746	2,332,285	2,743,416
Operating grants and contributions	13,179,453	10,236,552	6,087,515	6,265,040	7,165,367	6,053,305	11,072,674	10,921,489	11,327,442	12,248,466
Capital grants and contributions	2,418,225	4,489,329	2,006,396	1,483,643	7,101,580	3,790,741	3,589,794	5,389,435	4,959,684	6,409,747
Total governmental activities program revenues	22,592,569	24,019,570	17,457,302	15,695,540	23,882,888	20,756,517	26,132,366	28,827,220	28,130,605	31,337,434
Business-type activities:										
Charges for services:										
Solid waste	710,618	732,401	761,614	798,838	839,030	829,397	904,130	1,092,589	1,266,201	1,356,068
Total business-type activities program revenues	710,618	732,401	761,614	798,838	839,030	829,397	904,130	1,092,589	1,266,201	1,356,068
Total primary government program revenues	23,303,187	24,751,971	18,218,916	16,494,378	24,721,918	21,585,914	27,036,496	29,919,809	29,396,806	32,693,502
Net (Expense)/Revenue										
Governmental activities	(35,972,614)	(37,408,824)	(36,356,592)	(42,245,184)	(33,822,911)	(35,929,292)	(31,044,643)	(17,619,084)	(33,079,719)	(33,083,399)
Business-type activities	(192,904)	(24,627)	(37,080)	47,547	29,564	153,548	171,203	304,566	368,307	294,485
Total primary government net expense	(36,165,518)	(37,433,451)	(36,393,672)	(42,197,637)	(33,793,347)	(35,775,744)	(30,873,440)	(17,314,518)	(32,711,412)	(32,788,914)

CITY OF CITRUS HEIGHTS, CALIFORNIA
Changes in Net Position
Last Ten Fiscal Years
(Fiscal year ended June 30)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Continued from previous page:										
General Revenues and Other Changes in Net Position:										
Governmental activities:										
Taxes:										
Property taxes	138,659	946,113	991,552	758,653	339,571	306,250	383,773	638,183	7,538,744	7,872,534
Sales and use tax	11,230,382	15,977,575	15,412,345	15,653,986	12,542,158	12,083,836	13,373,483	14,412,009	14,544,553	13,849,506
Utility users tax	2,768,562	2,810,771	2,881,617	2,932,236	2,739,888	2,650,891	2,717,945	2,794,196	2,974,871	2,732,097
Other taxes	1,416,552	1,601,229	1,616,163	1,600,300	2,225,772	2,019,859	1,412,898	1,807,986	1,551,878	1,450,458
Shared intergovernmental revenues	7,015,174	7,260,670	7,611,171	8,037,540	8,436,657	8,887,426	9,303,916	9,683,155	10,510,268	11,155,935
Investment earnings	246,710	527,734	1,108,551	254,162	32,181	458,727	1,650	-	1,773,829	3,695,776
Gain (loss) on sale of assets	-	-	-	-	-	-	-	-	-	60,019
Transfers	-	-	-	-	-	-	-	-	-	5,940
Total governmental activities	22,816,039	29,124,092	29,621,399	29,236,877	26,316,227	26,406,989	27,193,665	29,335,529	38,894,143	40,822,265
Business-type activities:										
Investment earnings	4,158	4,913	452	3,450	49,255	66,401	1,117	(14,531)	27,185	94,538
Other revenue	-	-	-	-	-	-	61,151	58,444	41,705	61,711
Transfers	-	-	-	-	-	-	-	-	-	(5,940)
Total business-type activities	4,158	4,913	452	3,450	49,255	66,401	62,268	43,913	68,890	150,309
Total primary government	22,820,197	29,129,005	29,621,851	29,240,327	26,365,482	26,473,390	27,255,933	29,379,442	38,963,033	40,972,574
Changes in Net Position										
Governmental activities	(13,156,575)	(8,284,732)	(6,735,193)	(13,008,307)	(10,356,855)	(10,607,634)	(3,850,978)	9,361,673	5,814,424	7,738,866
Business-type activities	(188,746)	(19,714)	(36,628)	50,997	78,819	219,949	233,471	348,480	437,197	444,794
Total primary government	\$ (13,345,321)	\$ (8,304,446)	\$ (6,771,821)	\$ (12,957,310)	\$ (10,278,036)	\$ (10,387,685)	\$ (3,617,507)	\$ 9,710,153	\$ 6,251,621	\$ 8,183,660

Source: City Administrative Services Department

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Fund Balances, Governmental Funds
 Last Ten Fiscal Years
 (Fiscal year ended June 30)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund:										
Nondisposable	\$ 962,457	\$ 298,407	\$ 32,159	\$ 279,210	\$ 135,485	\$ 302,545	\$ 145,343	\$ 64,859	\$ 1,430,808	\$ 983,660
Restricted	14,148	14,613	25,394	21,143	-	-	-	-	-	-
Committed	19,395,418	18,616,257	4,559,378	4,559,378	4,561,978	4,486,978	4,486,978	4,486,978	4,486,978	4,486,978
Unassigned	64,943	146,734	1,101,504	314,061	1,833,065	490,603	4,258,505	7,380,554	17,940,110	29,577,236
Total general fund	<u>20,436,966</u>	<u>19,076,011</u>	<u>5,718,435</u>	<u>5,173,792</u>	<u>6,530,528</u>	<u>5,280,126</u>	<u>8,890,826</u>	<u>11,932,391</u>	<u>23,857,896</u>	<u>35,047,874</u>
All Other Governmental Funds:										
Nondisposable	-	-	-	2,784,600	2,285,330	1,980	2,345	8,083	6,231	8,258
Restricted	9,479,154	9,723,591	10,067,839	8,702,340	13,375,587	20,775,754	25,779,873	25,868,240	23,418,902	26,384,509
Assigned	1,652,198	928,925	894,318	1,374,838	945,767	1,141,407	1,172,209	1,467,001	5,642,970	5,931,383
Unassigned (deficit)	(570,131)	(122,707)	(132,660)	(262,719)	(181,979)	(140,450)	(415,934)	(32,428)	(1,253,269)	(1,346,942)
Total all other governmental funds	<u>10,561,221</u>	<u>10,529,809</u>	<u>10,829,497</u>	<u>12,599,059</u>	<u>16,424,705</u>	<u>21,778,691</u>	<u>26,538,493</u>	<u>27,310,896</u>	<u>27,814,834</u>	<u>30,977,208</u>
Total all governmental funds	<u>\$ 30,998,187</u>	<u>\$ 29,605,820</u>	<u>\$ 16,547,932</u>	<u>\$ 17,772,851</u>	<u>\$ 22,955,233</u>	<u>\$ 27,058,817</u>	<u>\$ 35,429,319</u>	<u>\$ 39,243,287</u>	<u>\$ 51,672,730</u>	<u>\$ 66,025,082</u>

Source: City Administrative Services Department

CITY OF CITRUS HEIGHTS, CALIFORNIA
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Fiscal year ended June 30)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues:										
Taxes and assessments	\$ 15,582,175	\$ 16,984,351	\$ 16,631,964	\$ 16,522,415	\$ 16,837,829	\$ 16,252,772	\$ 17,671,002	\$ 19,197,868	\$ 26,581,105	\$ 25,897,023
Licenses, permits and fees	1,467,405	1,524,848	1,631,147	1,462,504	1,567,925	1,949,980	3,000,422	3,540,116	2,449,287	2,575,555
Fines and forfeitures	1,454,939	1,084,980	1,247,094	1,147,719	1,127,317	1,154,133	1,227,526	1,265,820	1,466,712	1,158,387
Intergovernmental	19,573,316	22,748,760	19,003,009	18,839,531	21,159,815	17,640,156	23,490,200	25,327,254	26,322,994	29,033,652
Use of money and property	577,893	874,978	1,398,709	515,517	944,989	761,884	191,732	311,632	1,773,829	3,705,786
Charges for services	6,197,842	6,470,344	6,598,162	6,594,424	7,049,858	7,694,919	7,317,943	7,726,053	7,704,911	8,893,053
Contributions	27,126	1,807,470	155,409	19,726	26,872	42,369	103,390	4,416	34,002	25,058
Other revenues	6,031	216,226	1,082,642	491,114	1,580,426	1,430,106	328,076	710,956	409,448	225,146
Total revenues	44,886,727	51,711,957	47,748,136	45,592,950	50,295,031	46,926,319	53,330,291	58,084,115	66,742,288	71,513,660
Expenditures:										
General government	4,732,760	4,940,481	5,547,678	5,582,583	6,364,953	6,481,755	8,989,692	8,086,021	8,932,680	9,033,599
Public safety	18,954,246	19,537,621	19,631,973	20,018,189	21,352,292	21,743,031	21,077,282	20,242,145	21,037,886	23,347,516
Public ways and facilities	14,809,940	16,288,336	12,303,244	11,251,339	10,177,443	7,469,779	6,347,685	6,348,281	8,221,805	10,504,647
Culture and recreation	560,376	667,099	724,750	704,866	673,253	787,545	478,510	961,940	777,710	1,111,682
Economic development	159,924	223,753	405,901	298,781	289,440	927,770	907,684	576,313	823,900	1,079,867
Community enhancements	4,388,846	4,425,724	4,714,654	4,306,626	3,920,072	3,708,522	3,573,622	4,139,680	3,918,990	2,491,290
Capital outlay	25,084,392	7,036,250	4,144,138	2,318,319	5,103,347	4,060,450	3,737,928	10,695,156	10,554,732	12,405,709
Debt service:										
Lease principal ¹	7,638,960	-	13,749,031	-	-	-	-	-	-	-
Principal ²	-	-	-	-	-	-	76,169	3,583,049	112,258	956,128
Interest and fiscal charges	-	-	-	-	70,962	76,664	154,731	184,839	21,780	20,892
Total expenditures	76,329,444	53,119,264	61,221,369	44,480,703	47,951,762	45,255,516	45,343,303	54,817,424	54,401,741	60,951,330
Reconciliation of Governmental Revenues										
Less Expenditures to Fund Equity:										
Revenues over (under) expenditures	(31,442,717)	(1,407,307)	(13,473,233)	1,112,247	2,343,269	1,670,803	7,986,988	3,266,691	12,340,547	10,562,330
Other financing sources (uses):										
Tax sharing payments	21,387,991	-	-	-	-	-	-	-	-	-
Loan issued	-	-	-	-	-	-	347,268	396,601	-	-
Draw on line of credit	-	-	-	-	50,001	3,470,000	-	-	-	-
Subscriptions	-	-	-	-	-	-	-	-	-	-
Proceeds from sale of capital assets	109,684	14,940	415,345	112,672	32,181	48,112	36,246	150,676	18,918	2,944,320
Transfers in	2,642,014	2,514,601	15,236,333	1,514,764	320,356	4,176,222	2,148,207	11,428,316	69,978	60,019
Transfers out	(2,642,014)	(2,514,601)	(15,236,333)	(1,514,764)	(320,356)	(4,176,222)	(2,148,207)	(11,428,316)	2,487,416	3,711,066
Total other financing sources (uses)	21,497,675	14,940	415,345	112,672	82,182	3,518,112	383,514	547,277	88,896	3,790,023
Net change in fund balances	\$ (9,945,042)	\$ (1,392,367)	\$ (13,057,888)	\$ 1,224,919	\$ 2,425,451	\$ 5,188,915	\$ 8,370,502	\$ 3,813,968	\$ 12,429,443	\$ 14,352,353
Debt service as a percentage of noncapital expenditures	14.91%	0.00%	24.09%	0.00%	0.17%	0.19%	0.55%	8.54%	0.31%	2.01%

¹ In 2015, the City entered into a capital lease payable agreement for a new City Hall building and utility yard. In 2017, the City exercised its option to purchase the City Hall building and utility yard by making payments totaling \$13,749,031.

² In 2022, the City repaid the outstanding revolving line of credit balance. Due to the purchase, the capital lease liability was extinguished.

Source: City Administrative Services Department

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Assessed Value and Actual Value of Taxable Property
 For the Last Ten Fiscal Years
 (In thousands of dollars)

	City *										Redevelopment Agency			Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property	Other Property	Secured Property	Unsecured Property	Total Assessed	Estimated Full Market	Total Direct Tax Rate	Secured	Unsecured	Less: Exceptions	Table Assessed Value	
FY 14-15	\$ 4,722,373,921	\$ 946,555,612	\$ 24,549,642	\$ 36,971,515	\$ 5,730,450,690	\$ 129,655,189	\$ 5,860,105,879	\$ 5,860,105,879	7.66%	\$ 519,033,049	\$ 48,319,149	\$ 420,000	\$ 566,932,198	0.084%
FY 15-16	4,904,511,049	959,298,396	25,096,287	51,406,049	5,940,311,781	108,306,288	6,048,620,069	6,048,620,069	7.74%	505,368,074	38,951,421	378,000	543,941,495	0.084%
FY 16-17	5,123,458,670	995,114,927	26,777,317	48,869,328	6,194,220,242	127,456,727	6,321,676,969	6,321,676,969	7.76%	515,200,283	39,266,230	371,000	564,095,513	0.084%
FY 17-18	5,436,063,995	1,071,328,921	27,361,771	44,407,597	6,579,162,284	125,883,733	6,705,046,017	6,705,046,017	8.14%	532,993,401	36,254,710	322,000	568,926,111	0.084%
FY 18-19	5,759,511,551	1,094,930,040	31,158,659	47,155,289	6,932,755,539	131,198,394	7,063,953,933	7,195,152,327	7.84%	-	-	-	-	0.000%
FY 19-20	6,063,826,197	1,109,893,409	28,709,180	54,462,552	7,256,891,338	129,920,746	7,386,812,084	7,516,732,830	7.84%	-	-	-	-	0.000%
FY 20-21	6,368,025,400	1,142,931,179	29,220,643	63,644,340	7,603,821,562	133,241,641	7,737,063,203	7,870,304,844	7.94%	-	-	-	-	0.000%
FY 21-22	6,676,628,818	1,104,565,332	29,522,369	86,849,964	7,897,566,483	126,225,115	8,023,791,598	8,150,016,713	7.97%	-	-	-	-	0.000%
FY 22-23	7,361,001,973	1,115,342,553	30,218,661	66,349,526	8,574,912,713	148,741,399	8,723,654,112	8,872,395,511	8.02%	-	-	-	-	0.000%
FY 23-24	7,849,766,253	1,185,142,926	43,954,106	48,509,131	9,127,374,416	157,194,022	9,284,568,438	9,284,568,438	8.06%	-	-	-	-	0.000%

Source: Sacramento County Assessor 2014/15 - 2023/24 Combined Tax Rolls
 Source: HDL Coren & Cone

* Due to a Revenue Neutrality law, the City has entered into a contract with the County, whereby the County will keep all of the City's property tax revenue through June 2022. Values are provided by the County.

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is assessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Direct and Overlapping Tax Rates
For the last ten fiscal years

(Rate per \$100 of taxable value)	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
Basic Levy ¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Grant Joint High	0.04850	0.03060	0.06480	0.01460	0.03320	0.02940	0.02000	0.02360	0.01200	0.01460
Los Rios College Gob	0.01130	0.00910	0.01410	0.01300	0.01310	0.02320	0.02230	0.02490	0.02260	0.01920
North Sacto Elementary Gob	0.01850	0.01260	0.01680	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Rio Linda Elementary Bond	0.05290	0.04890	0.05210	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
San Juan Unified	0.15090	0.15470	0.15220	0.21150	0.19930	0.17930	0.18090	0.18870	0.18730	0.17320
Twin Rivers Elementary Sfid	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.03410
Twin Rivers Unified	0.05520	0.03890	0.04810	0.14430	0.07340	0.10330	0.10610	0.09840	0.09280	0.10700
Total Direct & Overlapping² Tax Rates	1.33730	1.29480	1.34810	1.38340	1.31900	1.33520	1.32930	1.33560	1.31470	1.34810
City's Share of 1% Levy Per Prop 13 ³	0.08431	0.08431	0.08431	0.08431	0.08431	0.08431	0.08431	0.08431	0.08431	0.08431
Total Direct Rate ⁵	0.07664	0.07735	0.07759	0.08140	0.07837	0.07908	0.07943	0.07966	0.08021	0.08061

¹ In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

² Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

³ City's Share of 1% levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The ERAF general fund tax shifts are unknown and may not be subtracted from the City's share.

⁴ Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

⁵ Total Direct Rate is the weighted average of all individual direct rates applied by the City/Agency preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City/Agency in the same proportions as general fund revenue.

Source: Sacramento County Assessor 2014/15 - 2023/24 Tax Rate Table
Source: HDL Coren & Cone

CITY OF CITRUS HEIGHTS, CALIFORNIA
Principal Property Tax Payers
Current Year and 9 Years Ago

Property Owner	2023-2024			2014-2015		
	Assessed Valuation	Rank	% of Total	Assessed Valuation	Rank	% of Total
KW Fund VI Autumn Ridge LLC	\$ 122,400,000	1	1.32%			
Montage Apartments Properties Owners LLC	84,199,375	2	0.91%			
Birdcage GRF2 LLC	71,381,382	3	0.77%			
29SC Arcade LP	55,080,000	4	0.59%			
Lakeview Gold	51,285,717	5	0.55%			
MG Atwood Apartments Ria LLC	50,393,496	6	0.54%			
Mitchell Sippola LP	44,486,342	7	0.48%	\$ 35,736,138	5	0.61%
Ethan Conrad	40,923,371	8	0.44%			
Gallery Park LLC Westfal LLC Et Al	34,889,238	9	0.38%			
Walmart/Sams	30,722,237	10	0.33%	24,080,999	8	0.41%
Steadfast Sunrise				84,889,376	1	1.45%
FAOF Oak Creek LLC				52,433,753	2	0.89%
MP Birdcage Marketplace LLC				49,660,040	3	0.85%
J M Marlow Family Trust				43,742,375	4	0.75%
Fairfield Sunrise LLC				29,802,025	6	0.51%
Oakmont Properties				27,665,026	7	0.47%
Marshall Field Stores				23,555,598	9	0.40%
Costco Wholesale Copr				21,941,765	10	0.37%
	<u>\$ 585,761,158</u>		<u>6.31%</u>	<u>\$ 393,507,095</u>		<u>6.72%</u>

Source: Sacramento County Assessor 2014/15 - 2023/24 Tax Rate Table

Source: HDL Coren & Cone

CITY OF CITRUS HEIGHTS, CALIFORNIA
Direct and Overlapping Sales Tax Rates
Last Ten Fiscal Years

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>City</u> <u>Direct Rate</u>	<u>Sacramento</u> <u>County</u>	<u>STA</u> <u>Measure A</u>	<u>State of</u> <u>California</u>	<u>Total Sales</u> <u>Tax Rate</u>
2015	1.00	0.25	0.50	6.25	8.00%
2016	1.00	0.25	0.50	6.25	8.00%
2017	1.00	0.25	0.50	6.00	7.75%
2018	1.00	0.25	0.50	6.00	7.75%
2019	1.00	0.25	0.50	6.00	7.75%
2020	1.00	0.25	0.50	6.00	7.75%
2021	1.00	0.25	0.50	6.00	7.75%
2022	1.00	0.25	0.50	6.00	7.75%
2023	1.00	0.25	0.50	6.00	7.75%
2024	1.00	0.25	0.50	6.00	7.75%

Source: California Department of Tax and Fee Administration

CITY OF CITRUS HEIGHTS, CALIFORNIA
Schedule of Top 25 Sales Tax Remitters (listed in alphabetical order)
Current Year and Nine Years Ago
Fiscal Year Ended June 30, 2024

2023 (represents 51.75% of total sales tax)	2014 (represents 53.52% of total sales tax)
76 Market	Arco AM PM
Arco AM PM	Arco AM PM
Arco AM PM	AT&T Mobility
Best Buy	Barnes & Noble
Burlington	Best Buy
Citrus Heights Shell	Burlington
Contractors' Warehouse	Chevron
Costco	Costco
El Tapatio Mexican Cuisine	Granite Data Solutions
Future Honda	JC Penney
Green Acres Nursery & Supply	Kmart
Lowe's	Kohls
Macy's	Lowe's
Marshalls	Macy's
McDonalds	Maita Honda
Pastor Auto Care	Marshalls
Petsmart	Pastor Auto Care
Quik Stop	Ross
Ross	Sams Club w/Fuel
Sams Club w/Fuel	Sears
Target	Shell
Texas Roadhouse	Target
Ulta Beauty	Toys R Us
Walgreens	Walgreens
Walmart Supercenter	Walmart Supercenter

* Firms Listed Alphabetically

Period: January 2023 thru December 2023

Period: January 2014 thru December 2014

Note: The lists above includes both public and private entities and therefore the dollar values have been omitted because the information is not public information and is not provided by HDL. Rankings are determined by the sales dollar volume.

Source: The HDL Companies, State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office

CITY OF CITRUS HEIGHTS, CALIFORNIA
Property Tax Levies and Collections
For the last ten fiscal years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year*	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years **	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2015	\$ 4,481,889	\$ 4,481,889	100%	-	\$ 4,481,889	100%
2016	4,801,882	4,662,052	100%	-	4,662,052	100%
2017	4,960,511	4,774,258	100%	-	4,774,258	100%
2018	5,286,616	4,885,101	100%	-	4,885,101	100%
2019	5,593,319	5,593,319	100%	-	5,593,319	100%
2020	5,888,260	5,888,260	100%	-	5,888,260	100%
2021	6,203,470	6,203,470	100%	-	6,203,470	100%
2022	6,521,191	6,521,191	100%	-	6,521,191	100%
2023	7,147,126	7,147,126	100%	-	7,147,126	100%
2024	7,494,038	7,494,038	100%	-	7,494,038	100%

Source: Sacramento County Auditor-Controller's Office

* Due to a Revenue Neutrality law, the City entered into a contract with the County of Sacramento (County), whereby the County kept all of the City's property tax revenue through June 2022. Numbers through Fiscal Year 2022 were provided by the County.

** The City participates in a Teeter Plan (Plan) with the County. Any delinquencies at June 30 are purchased by the County and remitted to the City. As part of the Plan, the County retains the penalties and interest on the delinquent taxes.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Direct and Overlapping Debt
Current Year
June 30, 2024

2023-24 Assessed Valuation \$9,290,920,888

	Total Debt 6/30/2024	% Applicable ¹	City's Share of Debt 6/30/2024
OVERLAPPING TAX & ASSESSMENT DEBT:			
Los Rios Community College District	\$ 399,905,000	3.492%	\$ 13,964,683
San Juan Unified School District	726,020,411	19.681	142,888,077
Twin Rivers Unified School District	82,920,000	0.204	169,157
Twin Rivers Unified School District (former Grant Joint UHSD)	282,905,505	0.162	458,307
CA Statewide Communities Development Authority Assessment District No. 19-14	4,390,000	100.000	4,390,000
TOTAL OVERLAPPING TAX & ASSESSMENT DEBT			<u>161,870,224</u>
DIRECT & OVERLAPPING GENERAL FUND DEBT:			
Sacramento County General Fund Obligations	\$ 104,675,553	4.193%	4,389,046
Sacramento County Pension Obligation Bonds	433,295,000	4.193	18,168,059
Sacramento Board of Education Certificates of Participation	1,645,000	4.193	68,975
City of Citrus Heights Loans	713,664	100.000	713,664
City of Citrus Heights Subscription Liabilities	2,726,830	100.000	2,726,830
Sacramento Metropolitan Fire District General Fund Obligations	7,277,000	10.392	756,226
Sacramento Metropolitan Fire District Pension Obligations Bonds	22,935,000	10.392	2,383,405
Orangevale Recreation and Park District Certificates of Participation	823,000	0.037	305
Sunrise Recreation and Park District Certificates of Participation	4,600,000	54.886	2,524,756
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>31,731,266</u>
Less: Sacramento County supported obligations			463,769
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 31,267,497</u>
TOTAL DIRECT DEBT			<u>\$ 3,440,494</u>
TOTAL GROSS OVERLAPPING DEBT			<u>\$190,160,996</u>
TOTAL NET OVERLAPPING DEBT			<u>\$189,697,227</u>
GROSS COMBINED TOTAL DEBT			<u>\$193,601,490</u> ²
NET COMBINED TOTAL DEBT			<u>\$193,137,721</u>

⁽¹⁾The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded capital lease obligations.

Ratios to 2023-24 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.74%
Direct Debit	0.04%
Gross Combined Total Debt	2.08%
Net Combined Total Debt	2.08%

Source: California Municipal Statistics, Inc.
 City Administrative Services Department

CITY OF CITRUS HEIGHTS, CALIFORNIA
Legal Debt Margin Information
Last Ten Fiscal Years
(Dollars in thousands)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assessed Value	\$ 5,536,342,474	\$ 5,860,105,879	\$ 6,048,620,069	\$ 6,321,676,969	\$ 6,705,046,017	\$ 7,063,953,933	\$ 7,386,812,084	\$ 7,737,063,203	\$ 8,574,912,713	\$ 9,127,374,416
Conversion Percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted Assessed Value	1,384,085,619	1,465,026,470	1,512,155,017	1,580,419,242	1,676,261,504	1,765,988,483	1,846,703,021	1,934,265,801	2,143,728,178	2,281,843,604
Debt Limit Percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	207,612,843	219,753,970	226,823,253	237,062,886	251,439,226	264,898,272	277,005,453	290,139,870	321,559,227	342,276,541
Legal debt margin	\$ 207,612,843	\$ 219,753,970	\$ 226,823,253	\$ 237,062,886	\$ 251,439,226	\$ 264,898,272	\$ 277,005,453	\$ 290,139,870	\$ 321,559,227	\$ 342,276,541
Total net debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Source: City Administrative Services Department

Notes: The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed secured tax valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of the assessed value for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

The City does not have any outstanding general obligation debt subject to the limit.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Ratios of Outstanding Debt by Type - Government Activities
Last Ten Calendar Years

Fiscal Year Ended June 30	Debt	Subscription Liabilities	Percentage of Personal Income	Per Capita
2015	\$ 13,749,031	\$ -	651.70%	\$ 159.33
2016	13,749,031	-	655.61%	158.01
2017	-	-	-	-
2018	-	-	-	-
2019	50,001	-	1.96%	0.57
2020	3,520,001	-	130.45%	40.09
2021	3,791,100	-	134.40%	43.90
2022	604,652	-	20.42%	7.04
2023	522,606	149,952	21.61%	6.11
2024	713,664	2,726,830	n/a (1)	n/a (1)

Source: City Administrative Services Department

Note: (1) Demographic and economic statistics for 2024 are not yet available.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Demographic and Economic Statistics
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (In Thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>Median Age</u>	<u>% of Pop 25+ w/ High School Degree</u>	<u>% of Pop 25+ w/ Bachelor's Degree</u>
2014	84,550	\$ 2,107,324	\$ 24,924	7.7%	37.0	89.2%	18.9%
2015	86,291	2,109,711	24,448	6.3%	37.8	89.2%	18.9%
2016	87,013	2,097,135	24,101	5.6%	37.3	89.9%	18.8%
2017	87,731	2,193,100	24,997	4.5%	37.7	89.6%	19.0%
2018	88,095	2,377,290	26,985	3.7%	37.6	90.2%	20.0%
2019	87,811	2,548,891	29,027	3.5%	37.7	90.2%	20.7%
2020	87,811	2,698,425	30,729	9.0%	38.0	90.3%	20.4%
2021	86,367	2,820,690	32,659	6.6%	37.6	90.2%	21.6%
2022	85,837	2,961,101	34,496	3.8%	37.9	90.4%	22.4%
2023*	85,554	3,112,386	36,379	4.2%	38.1	90.6%	22.0%

Notes and Data Sources:

Information collected by: HDL Coren & Cone

Population: California State Department of Finance. Unemployment Data: California Employment Development Department

Income, Age and Education Data: US Census Bureau, most recent American Community Survey

* Data for 2024 is not yet available

CITY OF CITRUS HEIGHTS, CALIFORNIA
Principal Employers
Current Year and Ten Years Ago

Employer	2024*			2015*		
	Employees	Rank	Percentage of Top 10 Employment	Employees	Rank	Percentage of Top 10 Employment
State of California	113,610	1	57.86%	74,329	1	51.14%
UC Davis/US Davis Health System	16,075	2	8.19%	9,706	3	6.68%
Sacramento County	13,611	3	6.93%	10,598	2	7.29%
Kaiser Permanente	11,856	4	6.04%	6,464	7	4.45%
U.S. Government	10,699	5	5.45%	9,668	4	6.65%
Sutter Health Sacramento Sierra Region	10,129	6	5.16%	8,817	5	6.07%
Dignity Health	7,353	7	3.74%	6,286	8	4.32%
San Juan Unified School District	5,346	8	2.72%	7,523	6	5.18%
Intel	4,300	9	2.19%	6,200	9	4.27%
Los Rios Community College District	3,366	10	1.71%			
Elk Grove Unified School District				5,758	10	3.96%
Total	196,345		100.00%	145,349		100.00%

Notes:

* Information presented is for the Largest Sacramento County Employers and Largest Private-Sector Employers, since separate data is not available for the City of Citrus Heights. Companies surveyed for this list have offices in Sacramento County. Not all responded to inquires.

Source: Sacramento Business Journal

CITY OF CITRUS HEIGHTS, CALIFORNIA
Full-time and Part-time City Employees by Function
Last Ten Fiscal Years
(Fiscal year ended June 30)

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	22	25	28	28	23	31	31	27	25	26
Public safety	145	144	144	151	149	149	133	138	147	149
Public works	25	20	18	16	28	16	19	17	24	28
Community development	17	18	18	18	15	14	13	12	12	13
Economic development	0	0	0	0	0	0	0	0	3	3
Event center	14	14	11	9	8	6	4	8	4	4
Total	223	221	219	222	223	216	200	202	215	223

Source: City Administrative Services Department

CITY OF CITRUS HEIGHTS, CALIFORNIA
Operating Indicators by Function
Last Ten Fiscal Years
(Fiscal year ended June 30)

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police										
Arrests	3,185	2,990	2,730	2,452	2,249	1,966	2,054	1,411	1,538	2,559
Parking citations issued	685	520	650	908	906	581	393	681	1,122	1,813
Total police actions	<u>3,870</u>	<u>3,510</u>	<u>3,380</u>	<u>3,360</u>	<u>3,155</u>	<u>2,547</u>	<u>2,447</u>	<u>2,092</u>	<u>2,660</u>	<u>4,372</u>
Fire **	n/a									
Public works										
Street resurfacing (miles)	2	4	1	0	0	2	0	6	3	3
Parks and recreation **	n/a									
Water **	n/a									
Sewer **	n/a									
Building:										
Commercial/Industrial Construction	3	12	2	1	2	1	5	2	1	0
Residential Construction	43	28	9	17	26	24	140	189	43	14
Total building actions	<u>46</u>	<u>40</u>	<u>11</u>	<u>18</u>	<u>28</u>	<u>25</u>	<u>145</u>	<u>191</u>	<u>44</u>	<u>14</u>

** Services are provided by Special Districts, which are separate from the City. Information not available.

Source: City Administrative Services Department

CITY OF CITRUS HEIGHTS, CALIFORNIA
Capital Asset Statistics by Function
Last Ten Fiscal Years
(Fiscal year ended June 30)

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Fire *										
Fire stations	5	4	4	4	4	4	4	4	4	4
Public works										
Streets (miles)	237	237	237	237	214	237	237	242	242	242
Streetlights	4407	4497	4480	4702	4714	4736	4741	4810	4810	4810
Parks and recreation										
Parks *	14	15	15	15	15	17	17	17	17	17
Community centers	3	3	3	3	3	3	3	3	3	3
Water *										
Water mains (miles)	225.00	225.00	225.00	225.00	225.00	340.00	340.00	366.66	366.66	367.00
Daily average consumption in MGD **	17.80	12.00	12.00	12.00	12.00	14.05	13.42	13.53	12.62	12.48
Sewer *										
Sanitary sewers (miles)	235	235	235	235	235	238	240	240	240	240
Number of pump stations	1	1	1	1	1	2	2	2	2	2
Building										
Commercial/Industrial Construction Value	\$ 4,387,549	\$ 22,135,000	\$ 7,105,826	\$ 680,000	\$ 9,950,000	\$ 875,001	\$ 591,141	\$ 11,269,708	\$ 340,000	\$ -
Residential Construction Value	10,993,691	6,898,647	6,306,226	2,753,290	4,495,473	2,720,549	1,047,021	50,274,112	6,919,674	2,123,278

* Services are provided by Special Districts, which are separate from the City. The data provided are for those portions of the system located within the City of Citrus Heights.

** MGD = Million Gallons per Day.

Source: City Administrative Services Department

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Citrus Heights, CA

Popular Annual Financial Report 2024

For the fiscal year ended
June 30, 2024



Prepared By
Finance,
A Division of the
Administrative Services
Department

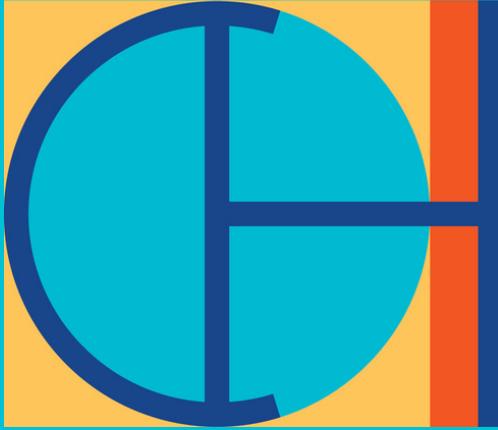


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Government Finance Officers Association

Award for
Outstanding
Achievement in
Popular Annual
Financial Reporting

Presented to

**City of Citrus Heights
California**

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

View the ACFR
on the City's
website



<http://www.citrusheights.net/213/Financial-Reporting-Budget-CIP>

Message from the Administrative Services Director

March 31, 2025

Dear Citizens of Citrus Heights:

I'm excited to share the City of Citrus Heights' fourth Popular Annual Financial Report (PAFR)! Also known as the Citizen's Report, this document is designed to give you a clear, easy-to-read snapshot of our City's financial health.

Inside, you'll find a breakdown of where our revenue comes from, how we invest those dollars back into our community, and a summary of the City's financial position for the fiscal year ending June 30, 2024 (FY24).

At the Finance Division of the Administrative Services Department, we are passionate about transparency and fiscal accountability. This report is part of our commitment to keeping you informed and engaged in the financial decisions that shape our city.

We're also thrilled to announce that our 2023 PAFR received the Certificate of Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association (GFOA)—marking the third consecutive year we've earned this honor!

We'd love to hear from you! If you have any comments, questions, or suggestions, reach out to the City of Citrus Heights Administrative Services Department at finance@citrusheights.net or call (916) 725-2448.

Thank you for taking the time to stay informed about your city's finances. We appreciate your engagement and support!

Susan K. Talwar
Administrative Services Director

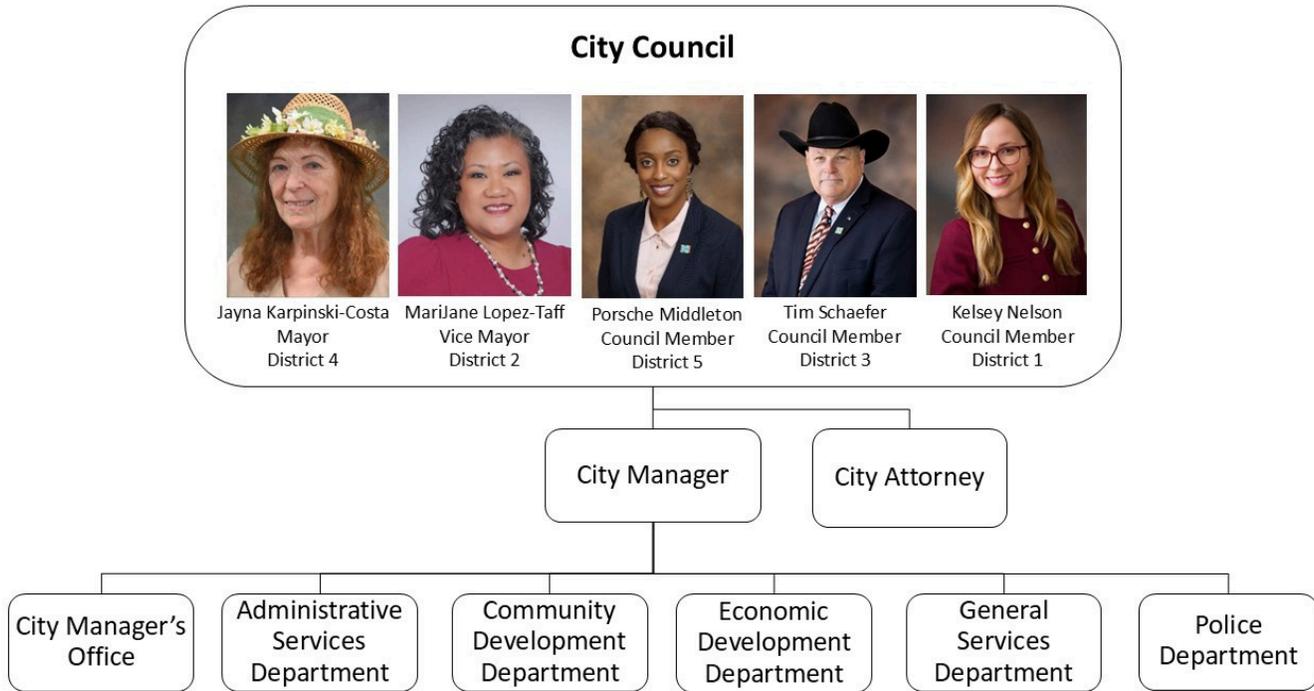


2 Meet the City Council

The Citrus Heights City Council consists of five members, elected to four-year overlapping terms in district-based elections. Council members must be residents of the City. The positions of Mayor and Vice Mayor are chosen by the City Council through policy direction determined by the City Council. The Mayor conducts the City Council meetings and represents the City on ceremonial occasions.

The City Council responsibilities include:

- Provides policy direction,
- Establishes goals,
- Sets priorities for the City government,
- Decides on land use within its borders, including the General Plan, and
- Appoints the City Manager, City Attorney, and all members of advisory boards and commissions.



Jayna Karpinski-Costa
Mayor
District 4



MariJane Lopez-Taff
Vice Mayor
District 2



Porsche Middleton
Council Member
District 5



Tim Schaefer
Council Member
District 3



Kelsey Nelson
Council Member
District 1

Ashley Feeney
City Manager

Susan Talwar
Administrative Services
Director

Casey Kempenaar
Community Development
Director

Meghan Huber
Economic Development &
Community Engagement Director

Regina Cave
General Services Director

Alexander Turcotte
Chief of Police

Ryan R. Jones
City Attorney

About Citrus Heights 3



Citrus Heights is located 15 miles northeast of California's capital of Sacramento. It neighbors the City of Roseville to the North, Orangevale to the East, Fair Oaks and Carmichael to the South, and Antelope to the west. Interstate 80 runs through Citrus Heights attracting both Sacramento/San Francisco and Tahoe bound travelers. It occupies approximately 14.2 square miles and is 98% developed with two large commercial corridors and a well established residential community.



The city is rooted back to the 1800's but didn't grow significantly until gold was discovered in the foothills of the Sierra Mountains. The construction of the Transcontinental Railroad and Lincoln Highway brought a new wave of travelers into the area. Citrus Heights remained predominantly rural until the 1960's when it began its emergence as a regionally important retail destination with the development of the Sunrise Mall and Birdcage Walk shopping centers.



Measure R supporters Doug Ose, left, and Patti Hintz mount a victory sign during an election night party at the Citrus Heights

The path to incorporation started in 1984 when citizen- members of the local chamber of commerce circulated petitions and received signatures forming the Citrus Heights Incorporation Project (CHIP). During the next several years, CHIP fought a long battle with the County of Sacramento to place the City's incorporation on the ballot.



Historic first council session



The first Citrus Heights City Council members meet (from left: Alma Kenyon, Roberta MacOlashan, Bill Hughes, James Shelby and Tim Raney). The session was unofficial, however, members will not take office until Jan. 2.

Finances, staffing Citrus Heights' first concerns
 By JIM DUNCAN together the staff and ordinances needed County's fifth municipality - the most popu-

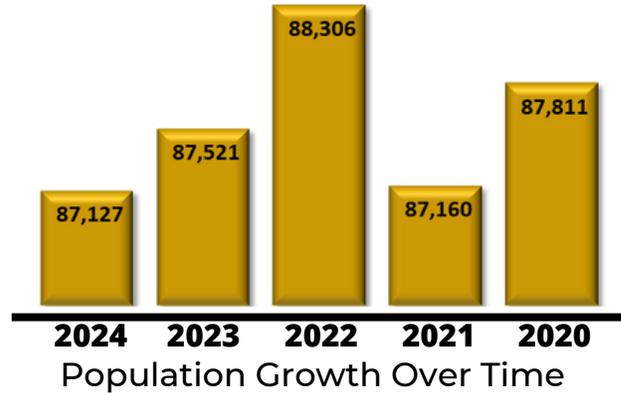
It wasn't until 1994 that an agreement was reached with the County. It was the first agreement for cityhood in California to include terms from a 1992 Senate bill, SB 1559, which required communities to share tax dollars with county governments. The agreement required the City of Citrus Heights to give its property tax revenues to the County of Sacramento for the first 25 years of its incorporation.

Voters approved the measure to incorporate on November 5, 1996 and Citrus Heights became a City effective January 1, 1997. Citrus Heights received the first full allocation of property taxes in fiscal year 2023.

4 Demographics & Statistics



Total Population
87,127



Population 18-35
21,935



Population 55+
26,317

Average House
Sales Value
\$457,896

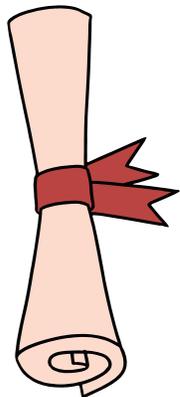


Median Age of Citizens
38.1

Total Regional
Employment
19,926



Median Household
Income
\$75,022



High School
Degree
90.6%

Unemployment
Rate
4.2%



Bachelor's
Degree
22.0%

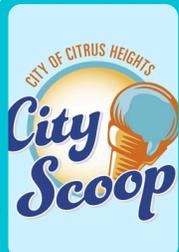
Avg. Earnings
Per Job
\$69.3K



Notable Events 5

Stars & Stripes

Citrus Heights hosted the first annual Stars & Stripes Celebration. The event featured a fireworks show, live music, food trucks, and a kids zone.

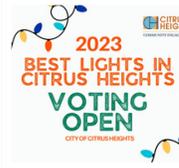



City Scoop

This annual event promotes police-community partnerships & neighborhood camaraderie to make our neighborhoods safer and more caring places to live.

Organized Retail Theft Grant

The Citrus Heights Police Dept was awarded \$2.6M to assist the business community with launching crime detection technology.

Best Lights

Relaunched for the 5th year, residents submit their vote for the Citrus Heights homes with the best holiday light display.

Reporting Dashboard

Citrus Heights cares program launched a reporting dashboard where residents can view the progress of their request for service through SeeClickFix.




Meals on Wheels Café

Meals on Wheels' community All Seasons Café is back to Citrus Heights where seniors 60+ who want to get out may go enjoy a hot meal.

Trailblazing

The grand opening of the Arcade Cripple Creek Trail took place in May 2024. This 3.45 mile multi-use trail connects Arcade Creek Park Preserve and Wachtel Way.




Public Works Showcase

Citrus Heights hosted the 3rd annual Public Works Showcase. It had meet and greet with the machines and their operators as well as job and education opportunities.

6 Explanation of Accounting Terms



Accrual Basis Accounting:

Recognizes revenues when earned and expenses when incurred, regardless of when cash changes hands, providing a more accurate view of the city's financial performance and position.

Business-type activities:

City services that are supported by charges paid by users based on the amount of the service they use.

Deferred Inflows:

Represents an acquisition of net assets by the City that is applicable to a future reporting period.

Deferred Outflows:

Represents a consumption of net assets by the City that is applicable to a future reporting period.

Fund balance:

Governmental fund equity (assets minus liabilities) is classified as Fund Balance and displayed as Nonspendable, Restricted, Committed, Assigned, or Unassigned.

Governmental activities:

The City's basic services that are supported by general City revenues are considered governmental activities, including general government, community development, economic development, public safety, public improvements, etc.



Net investment in Capital Assets:

Represents the difference between the amount paid for capital assets (such as equipment and buildings), the accumulated depreciation of those assets, and any outstanding debt used to pay for them.

Nonspendable:

Amounts that are not in a spendable form or are required to be maintained intact.

Restricted:

Funds that are not available for City use because they must be used for a specific purpose or project as required by law or regulation.

Unassigned:

Includes all spendable amounts not contained in the other classifications

Unrestricted:

The remaining balance available for use that is not invested capital assets or restricted.



Net Position Statement

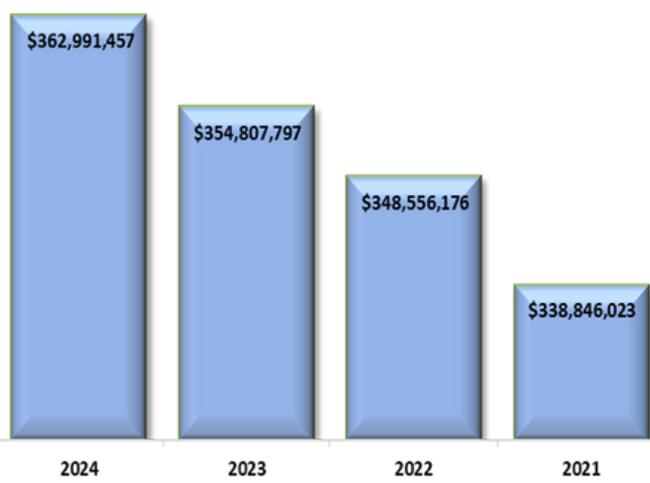
The Statement of Net Position provides information about the financial position of the City as a whole; much like a balance sheet does for a corporation. It represents the difference between all of its assets (everything the City owns) and its liabilities (everything the City owes) on an accrual basis. It is an indication of the City's financial health at the end of each fiscal year.

Totals				
Assets/Deferred Outflows	2024	2023	2022	2021
Current and other assets	\$ 88,002,841	\$ 75,497,628	\$ 65,279,479	\$ 53,555,723
Capital assets	316,139,717	316,324,034	317,842,720	319,843,497
Total Assets	404,142,558	391,821,662	383,122,199	373,399,220
Total Deferred Outflows	15,415,165	16,392,076	7,271,254	7,070,630

Liabilities/ Deferred Inflows				
Long-term liabilities	34,951,094	26,684,819	8,367,682	24,211,436
Other liabilities	15,406,805	20,149,494	22,813,780	16,289,280
Total Liabilities	50,357,899	46,834,313	31,181,462	40,500,716
Total Deferred Inflows	6,208,367	6,571,628	10,655,735	1,123,111

Net position				
Net investment in capital assets	312,267,209	315,340,920	317,238,068	319,572,398
Restricted	26,754,425	23,418,902	25,868,240	25,779,873
Unrestricted	23,969,823	16,047,975	5,449,868	(6,506,248)
Total Net Position	\$ 362,991,457	\$ 354,807,797	\$ 348,556,176	\$ 338,846,023

Net Position Over Time



Restricted net position increased by \$3,335,523 due to an increase in the use of restricted funds in a number of special revenue funds for road maintenance, general capital improvement, transit services and various development activities. Unrestricted net position can be used to finance day to day operations without constraints established by debt covenants or other legal requirements. The City had \$23,969,823 of unrestricted net position as of June 30, 2024, which is an increase of \$7,921,848. While unrestricted net position is technically unrestricted, much of the amount is committed for a specific use.

8 Statement of Activities

The Statement of Activities reflects the City's fiscal year revenues and costs for governmental activities and business-type activities. The net revenues are broken out by program revenue (i.e. charges for services, operating and capital contributions, and grants) and general revenues (i.e. various tax revenue and shared intergovernmental revenues). The net costs reflect the financial burden that was placed on the City's taxpayers by each of the programs. A summary of activities were as follows:

	FY 2024	% change	FY 2023	% change	FY 2022	% change	FY 2021
Revenues							
Governmental Activities Revenues							
Program Revenues	\$ 31,337,434	11%	\$ 28,130,605	-2%	\$ 28,827,220	10%	\$ 26,132,366
General Revenues	40,822,265	5%	38,894,143	33%	29,335,529	8%	27,193,665
Business-type Activities Revenues							
Solid Waste	1,506,377	13%	1,335,091	17%	1,136,503	18%	966,398
Total Revenues	73,666,076	8%	68,359,839	15%	59,299,252	9%	54,292,429
Expenses							
Government Activities							
General Government	10,184,057	8%	9,404,296	22%	7,729,201	-24%	10,210,576
Public safety	26,368,209	2%	25,813,011	63%	15,877,629	-32%	23,338,398
Public ways and facilities	21,076,523	5%	20,077,331	14%	17,660,038	-3%	18,149,133
Culture and recreation	1,185,806	41%	839,028	-7%	906,037	68%	540,427
Economic development	1,141,315	2%	1,123,525	1915%	55,751	-94%	916,027
Community enhancements	4,389,584	11%	3,937,025	-4%	4,085,740	5%	3,877,993
Interest on long-term debt	75,339	368%	16,108	-88%	131,908	-9%	144,455
Business-type activities expenses							
Solid waste	1,061,583	18%	897,894	14%	788,023	8%	732,927
Total primary government expenses	65,482,416	5%	62,108,218	31%	47,234,327	-18%	57,909,936
Change in Net Position							
Governmental activities	7,738,866	33%	5,814,424	-50%	11,716,445	-404%	(3,850,978)
Business-type activities	444,794	2%	437,197	25%	348,480	49%	233,471
Total primary government	\$ 8,183,660	31%	\$ 6,251,621	-48%	\$ 12,064,925	-434%	\$ (3,617,507)

The large variances from FY23 to FY24 are:

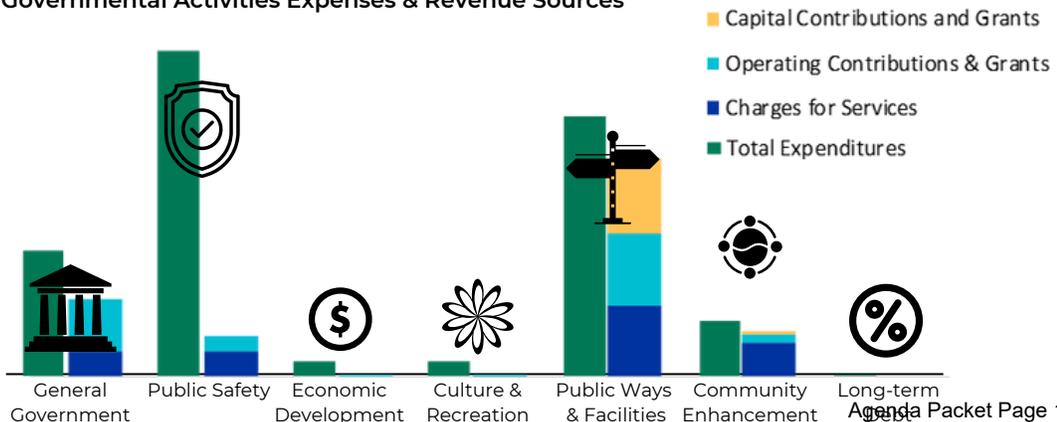
Program Revenue - Increase is due to additional grant funding and operating contributions from outside agencies.

Solid waste revenue - Charges for service and investment earnings increased for the fiscal year.

Interest on long-term debt - increased in FY 2024 due to additional IT subscriptions subject to special accounting standards.

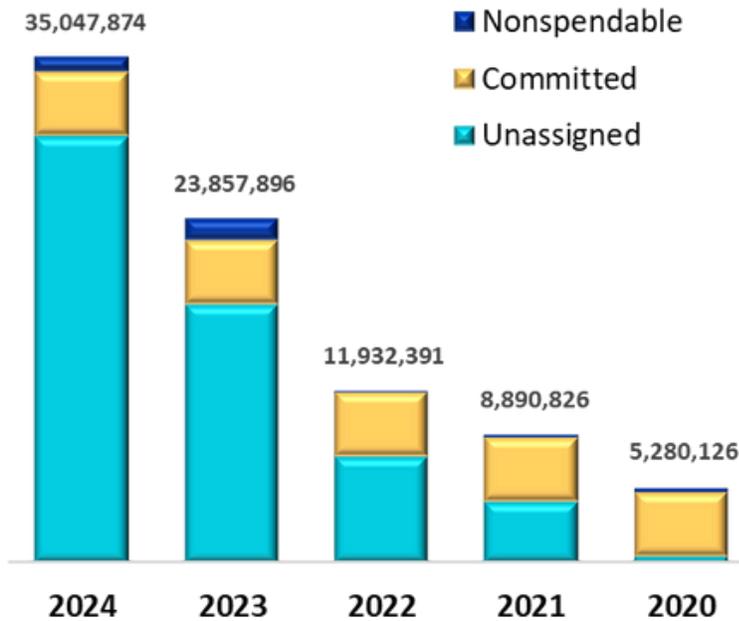
Culture & recreation - costs increased in FY 2024 due to rising employee and maintenance costs.

Governmental Activities Expenses & Revenue Sources



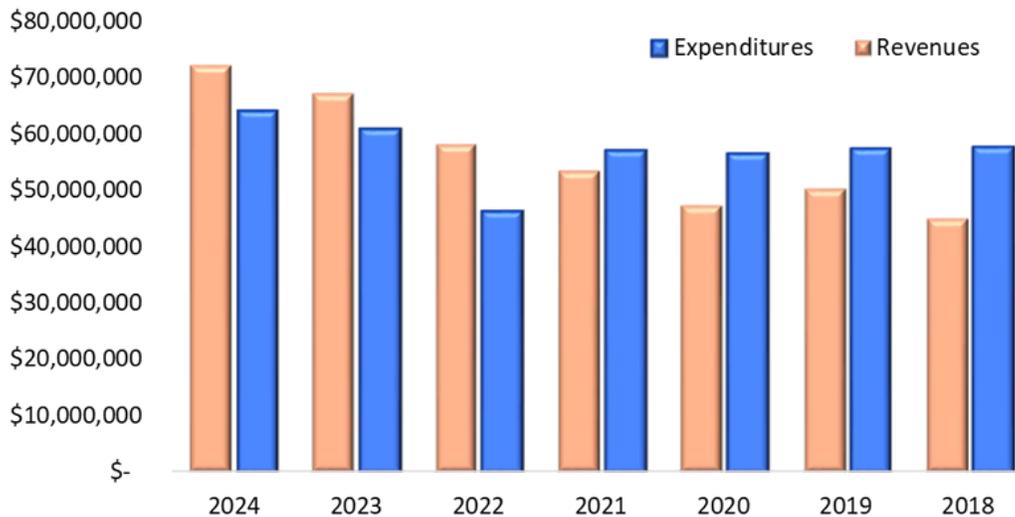
General Fund 9

The General Fund is the chief operating fund of the City. It is used to account for all revenues and expenditures that are not required to be reported in another fund and is the City's primary fund. The activities being paid for through the general fund constitute the core administrative and operational tasks of the government entity.



The fund balance is used to measure the financial resources available. As such it is a good measure of the financial health of the City. At the fiscal year end on June 30, 2024, the General Fund's fund balance totaled \$35,047,874, of which \$4,486,978 was committed for reserves and revenue stabilization. Fund balance in the General Fund increased by \$11,189,978 largely due increased revenue from sales tax, grants and contributions to cover capital and operating costs, and intergovernmental revenues.

Additionally, spending in FY 2024 increased from FY 2023 at a significantly slower rate.



The actual total revenues were \$5,794,993 higher than the final budgeted amount. All revenue categories exceeded budget estimates. The largest variance compared to the budget was in intergovernmental revenue, which was \$3,456,610 more than budgeted. This is due primarily to a significant increase in federal grant reimbursements including from the City's State and Local Fiscal Recovery Funds (also known as the American Recovery Plan Act, or ARPA funds). Revenue for licenses and permits and investment revenue were also higher than anticipated.

10 Revenues

The City's total revenues for governmental and business-type activities were \$73,666,076 for the fiscal year ended June 30, 2024. Approximately 71.43% of the City's key revenues are generated from four major sources.

	Governmental Activities	Business-type Activities	Totals	Percent of Total
Program Revenue				
Charges for services	\$ 12,679,221	\$ 1,356,068	\$ 14,035,289	19.1%
Operating Grant	12,248,466		12,248,466	16.6%
Capital Grant	6,409,747		6,409,747	8.7%
General Revenue				
Property taxes and assmt	7,872,534		7,872,534	10.7%
Sales and use taxes	13,849,506		13,849,506	18.8%
Utility user taxes	2,732,097		2,732,097	3.7%
Other taxes	1,376,692		1,376,692	1.9%
Shared intergovernmental - unrestricted	11,155,935		11,155,935	15.1%
Investment earnings (loss)	3,695,776	94,538	3,790,314	5.1%
Other revenue	139,725	55,771	195,496	0.3%
Total Revenue	\$ 72,159,699	\$ 1,506,377	\$ 73,666,076	100%

Four Major Sources of Revenues:



Sales Tax - Annual receipts for the fiscal year ended June 30, 2024 decreased by \$695,047 from the prior year due to inflationary pressures causing a cutback in consumer spending, in addition to the closure of retail stores located in the City and the continued decline of the Sunrise Mall.



Shared Intergovernmental Revenues - Annual receipts for the fiscal year ended June 30, 2024 increased by \$645,667 from the prior year. This amount represents the property tax in-lieu of vehicle license fees



Grants and Contributions - Governmental Activities Operating & Capital - Governmental Activities operating grants and contributions were mainly from public safety street, road, and community enhancement grants that were for maintenance and operations as well as CARES Act allocations for CDBG Supplemental and DOJ for public safety. The increase in capital revenues reflects more projects with active construction than in the prior year, leading to increased capital project expenditures being reimbursed during the fiscal year.



Property Tax - Annual receipts for the fiscal year ended June 30, 2024 increased by \$333,790 from the prior year as real estate values increased modestly and new homes from the Mitchell Village development were included in the property tax rolls for the first time.

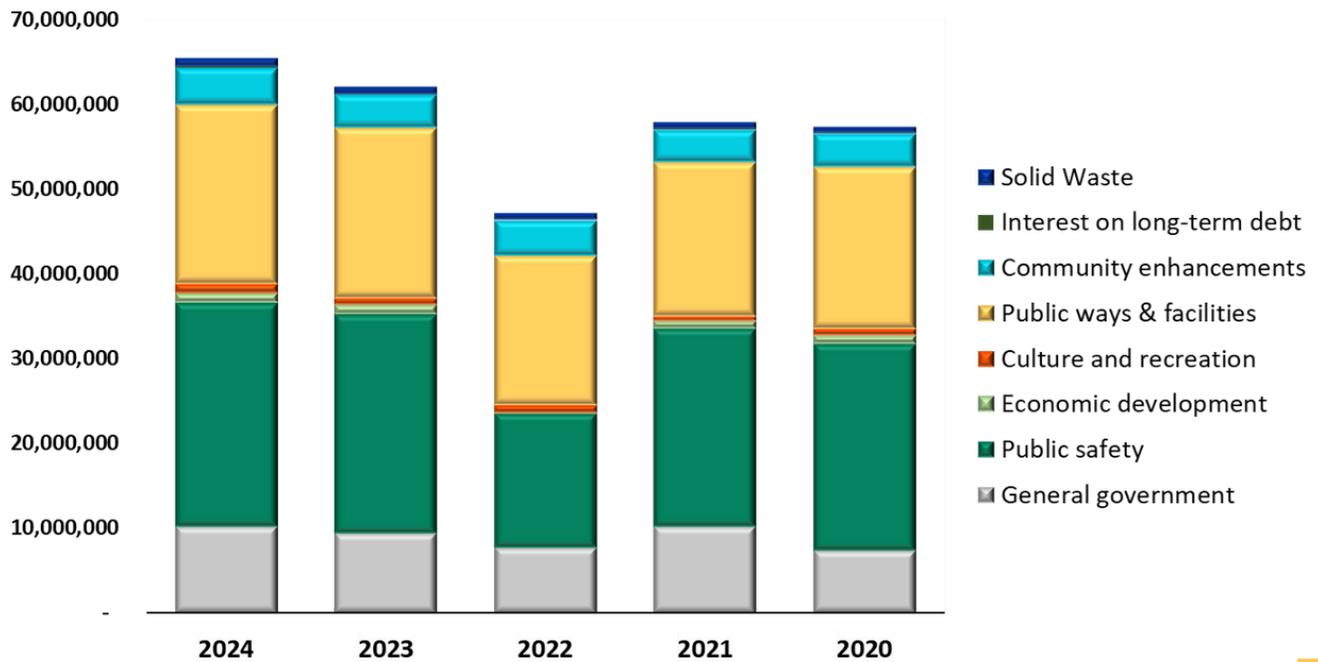
Expenditures 11

Governmental and business-type activity expenses of the City for the year totaled \$65,482,416. Governmental activity expenses totaled \$64,420,833 or 98.38% of total expenses. Business-type activities expenses totaled \$1,061,583 during the fiscal year. Public safety costs represented 40.93% of total governmental activities expenses and represented the largest single expense for governmental activities.

2023 Expenses by Function



Historical Trends of Expenditures



12 Arcade Cripple Creek Trail

ABOUT ACCT



The Arcade-Cripple Creek Trail, often referred to as ACCT for short, is a 3.45 mile long multi-use trail starting at Arcade Creek Park Preserve and ending at Wachtel Way. The trail connect several neighborhoods to eight parks, several schools and the Sunrise MarketPlace



KEEP THE ARCADE-CRIPPLE CREEK TRAIL BEAUTIFUL IN 3 EASY STEPS!



REPORT



MAINTAIN



CHIP-IN

REPORT

- Report litter, graffiti and maintenance issues by submitting a Service Request via SeeClickFix at CitrusHeights.net/ServiceRequests or by calling (916) 727-4770. *Please note your nearest post mile or trail light number.*
- Call 9-1-1 for emergencies or (916) 727-5500 for non-emergencies.

MAINTAIN

- Keep a clean environment by picking up after yourself and your pets. Trash receptacles and dog waste stations are located throughout the trail.

CHIP-IN

- Visit our Volunteer Hub to sign up for local beautification needs on the trail and in our City at CitrusHeightsVolunteers.net.

SHOW US YOUR ACCT FUN!

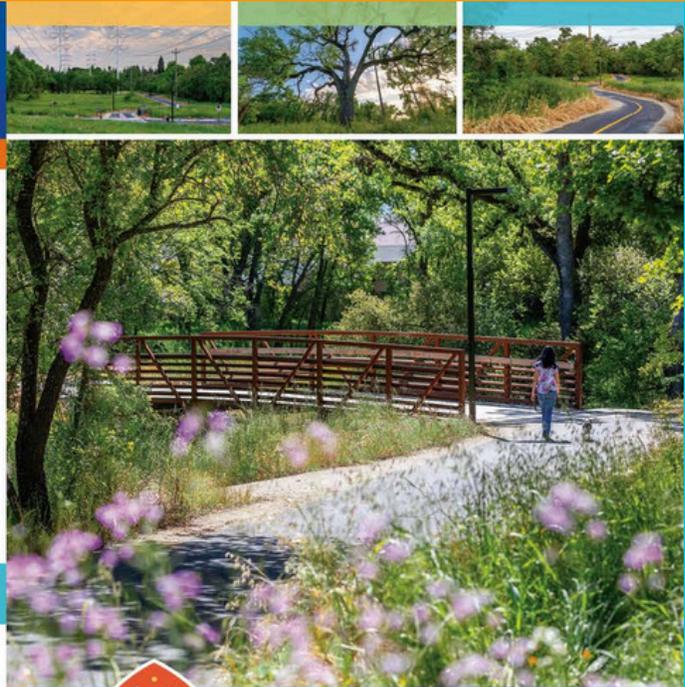


Tag us in your photos on social media for the chance to be shared on our channels!



ACCT TRAIL PARTNERS

This project is a partnership between the City of Citrus Heights, Sunrise Recreation and Park District, Orangevale Recreation & Park District, San Juan Unified School District, Sacramento County, and Sacramento Municipal Utility District (SMUD).



WELCOME to the ARCADE-CRIPPLE CREEK TRAIL

Arcade Cripple Creek Trail 13



POINTS OF INTEREST ALONG THE TRAIL

EXPLORE THESE SPOTS ALONG THE TRAIL!

- 

Cripple Creek Bridge

 - Over 27 tons of steel make up the structure
 - 128 feet long
 - 180 bolts to install this bridge
 - Weighs 135,812 lbs - the weight of 9 elephants!
- 

Oak Tree at Sundance Nature Area

 - Large Valley Oak (*Quercus Lobata*)
 - Approximate age is 285 years
 - Trunk circumference of 14.75 feet - that's the average height of a female giraffe!
- 

Arcade Creek Bridge

 - Install in 2023
 - Weighs 34,067 pounds
 - 41.8 feet long - the length of a full-sized school bus!
- 

Oak Tree at Northwoods Park

 - Large Valley Oak (*Quercus Lobata*)
 - Approx. age is 250 years - the year of the Boston Tea Party, 1773!
 - Trunk circumference of 12.75 feet
- 

SMUD Pollinator Garden

 - Features local native plants loved by bees & butterflies.
 - Plants selected for blooms that occur throughout the year.
 - Uses "upcycled" resources! The benches are from salvaged redwood logs and the mulch is from tree trimmings.

- 1 SUNRISE MARKETPLACE** - Corner of Greenback Ln. and Sunrise Blvd.

 - Walk or bike to shopping, dining, and entertainment (P)
- 2 ARCADE CREEK PARK PRESERVE** - 6377 Bonham Cir. Citrus Heights

 - Take the zipline or use calisthenic equipment (P)
- 3 MITCHELL VILLAGE PARK** - 7900 Pitcher St., Citrus Heights

 - Take the zipline or use calisthenic equipment
- 4 TEMPO PARK** - 13125 Fair Oaks Blvd., Citrus Heights (P)

 - Play tennis and soccer or stroll along Arcade Creek.
- 5 SUNDANCE NATURE AREA** - 13120 Fair Oaks Blvd., Citrus Heights

 - 14.18 acres of meandering wooded natural area
 - Identify native plants and flowers
 - Enjoy the Arcade Creek Bridge and views of Arcade Creek
- 6 STRENG PARK** - 8300 Strenge Ave., Citrus Heights

 - Travel off-street between neighborhoods.
- 7 NORTHWOODS PARK** - 8236 Old Ranch Rd., Citrus Heights

 - Play tennis and basketball or see the landmark oak tree on the hilltop.
- 8 C-BAR-C PARK** - 8275 Oak Ave., Citrus Heights (P)

 - Visit the dog park, playground, or picnic area or play baseball.
- 9 WOODSIDE K-8 SCHOOL** - 8248 Villa Oak Dr., Citrus Heights

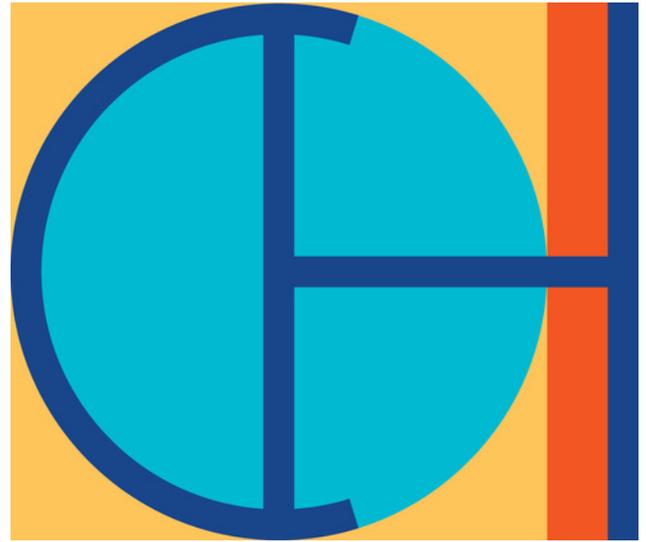
 - Take the trail to school, avoid the busy streets and cars.
- 10 WOODSIDE OAKS PARK** - Near Wachtel Way & Olivine Ave. (P)

 - Visit the creek or start your walk at the Wachtel Way trailhead.

Contact Us

6360 Fountain Square Drive
Citrus Heights, CA 95621

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TTY/DD: CA Relay Service 7-1-1
Fax: 916-725-5799
<http://www.citrusheights.net/>



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COCitrusHeights



Nextdoor



Sign up for News

March 28, 2025

To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Citrus Heights, California (the “City”) for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 9, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by [Name of Governmental Unit] are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during June 30, 2024. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City’s financial statements were:

Management’s estimates of its net pension liability, net other postemployment benefits (OPEB), and self-insured liability are based on actuarial valuation specialist assumptions. We evaluated the methods, assumptions, and data used to develop the net pension liability, net other postemployment benefits, and self-insurance in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We are pleased to report that no such misstatements were identified during the course of our audit.



To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 28, 2025.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, the budgetary comparison schedules for the general fund and major special revenue funds, and the required pension and other postemployment benefits schedules, which are required supplementary information ("RSI") that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining and individual fund statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections of the Annual Comprehensive Financial Report, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.



To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

Future GASB Pronouncements

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

Fiscal Year 2024-2025

GASB Statement No. 101, *Compensated Absences*.

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

Fiscal Year 2025-2026

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

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

Future Projects

Comprehensive Project, *Revenue and Expense Recognition*.

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

Major Project, *Infrastructure Assets*.

Practice Issue, *Classification of Nonfinancial Assets*.

Practice Issue, *Risks and Uncertainties Disclosures*.

Practice Issue, *Subsequent Events*.

Restriction on Use

This information is intended solely for the information and use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

LSL, LLP

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

To the Honorable Mayor and Members of the City Council
 City of Citrus Heights, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Citrus Heights, California (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 28, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

Purpose of This Report

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

LSL, LLP

Irvine, California
March 28, 2025



CITY OF CITRUS HEIGHTS, CALIFORNIA

FOR THE YEAR ENDED JUNE 30, 2024

SINGLE AUDIT REPORT

Focused
on YOU



CITY OF CITRUS HEIGHTS, CALIFORNIA

Single Audit Report

For the Year Ended June 30, 2024

CITY OF CITRUS HEIGHTS, CALIFORNIA

Single Audit Report

For the Year Ended June 30, 2024

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

To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Citrus Heights (the "City"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 28, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.



To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

Purpose of This Report

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

LSL, LLP

Irvine, California
March 28, 2025

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE AND REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS REQUIRED BY UNIFORM GUIDANCE

To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Citrus Heights, California (the "City")'s compliance with the types of compliance requirements identified as subject to audit 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, 2024. 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.

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 major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards,



To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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 a 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. *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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.



To the Honorable Mayor and Members of the City Council
City of Citrus Heights, California

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

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, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements. We issued our report thereon dated March 28, 2025, which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 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.

LSL, LLP

Irvine, California
March 28, 2025

CITY OF CITRUS HEIGHTS, CALIFORNIA
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2024

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Total Federal Expenditures</i>
U.S. Department of Housing and Urban Development			
Office of Community Planning and Development - Direct Program			
Community Development Block Grants/Entitlement Grants Cluster			
2023 Community Development Block Grants	14.218	N/A	\$ 243,230
2024 Community Development Block Grants	14.218	N/A	101,255
COVID-19 Community Development Block Grants (CARES Act)	14.218	N/A	37,778
Subtotal - Assistance Listing 14.218			<u>382,263</u>
Total Department of Housing and Urban Development Programs			<u>382,263</u>
U.S. Department of Justice			
Bureau of Justice Assistance - Direct Program			
Bulletproof Vest Partnership Program	16.607	N/A	9,456
FY23 Public Safety Partnership and Community Policing Grants	16.710	N/A	700
2022 Edward Byrne Memorial Justice Assistance Program	16.738	N/A	23,593
Equitable Sharing Program	16.922	N/A	1,142
Total U.S. Department of Justice			<u>34,891</u>
U.S. Department of Transportation			
National Highway Traffic Safety Administration - Direct Program			
Highway Safety Cluster			
2023 Selective Traffic Enforcement Program	20.600 / 20.608	N/A	27,121
2024 Selective Traffic Enforcement Program	20.600 / 20.608	N/A	67,168
Total Highway Safety Cluster			<u>94,289</u>
Total U.S. Department of Transportation			<u>94,289</u>
Highway Planning and Construction			
Federal Highway Administration			
Passed through California State Transportation Agency, Department of Transportation			
Highway Planning and Construction			
Signalized Intersection Safety Improvements	20.205	N4YFFGL4CDX5	3,808
Auburn Blvd-Rusch/Northern Limits	20.205	N4YFFGL4CDX5	62,727
San Juan Avenue	20.205	N4YFFGL4CDX5	203,545
Old Auburn Rd	20.205	N4YFFGL4CDX5	145,855
Arcade Cripple Creek / Electric Greenway	20.205	N4YFFGL4CDX5	2,893,756
Subtotal - Assistance Listing 20.205			<u>3,309,691</u>
Total Highway Planning and Construction			<u>3,309,691</u>
Total U.S. Department of Transportation Highway Planning and Construction			<u>3,403,980</u>
Other Programs			
U.S. Department of Treasury			
Equitable Sharing	21.016	N/A	5,345
COVID-19 Coronavirus State and Local Recovery Funds*	21.027	N/A	3,979,873
Total Other Programs			<u>3,985,218</u>
Total Expenditures of Federal Awards			<u>7,806,352</u>
Federal Loan Beginning Balances with a Continuing Compliance Requirement			
Community Development Block Grant	14.218		1,338,525
HOME Investment Partnership Program	14.239		178,854
Total Federal Loan Balances with a Continuing Compliance Requirement			<u>1,517,379</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS INCLUDING LOANS			<u>\$ 9,323,731</u>

* Major Program

Note a: Refer to Note 1 to the Schedule of Expenditures of Federal Awards for a description of significant accounting policies used in preparing this schedule.

Note b: There were no federal awards expended in the form of noncash assistance and insurance in effect during the year.

Note c: Total amount provided to subrecipients during the year was \$0.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2024

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES APPLICABLE TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

A. Scope of Presentation

The accompanying schedule presents only the expenditures incurred by the City of Citrus Heights, California, that are reimbursable under federal programs of federal financial assistance. For the purposes of this schedule, federal awards include both federal financial assistance received directly from a federal agency, as well as federal funds received indirectly by the City from a non-federal agency or other organization. Only the portion of program expenditures reimbursable with such federal funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal reimbursement authorized or the portion of the program expenditures that were funded with state, local or other non-federal funds are excluded from the accompanying schedule.

B. Basis of Accounting

The expenditures included in the accompanying schedule were reported on the modified accrual basis of accounting. Under the modified accrual basis of accounting, expenditures are incurred when the City becomes obligated for payment as a result of the receipt of the related goods and services. Expenditures reported included any property or equipment acquisitions incurred under the federal program. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 2: LOAN PROGRAMS WITH CONTINUING COMPLIANCE REQUIREMENTS

The City participates in certain federal award programs that sponsor revolving loan programs, which are administered by the City. These programs required servicing arrangements with the City. The funds are returned to the programs upon repayment of the principal and interest. Current year transactions relating to these programs are included in the Schedule of Expenditures of Federal Awards. In accordance with 2 CFR section 200.502(b), the balance of loan program outstanding June 30, 2024, are as follows:

Assistance Listing Number	Program Name	Outstanding Balance at June 30, 2024
14.218	CDBG Loans	\$ 1,348,078
14.239	HOME Loans	178,854
	Total Loans Outstanding	<u>\$ 1,526,932</u>

CITY OF CITRUS HEIGHTS, CALIFORNIA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

CITY OF CITRUS HEIGHTS, CALIFORNIA
Schedule of Prior Year Findings and Questioned Costs
For the Year Ended June 30, 2023

No matters were reported.

CITY OF CITRUS HEIGHTS
TRANSPORTATION DEVELOPMENT ACT FUNDS

Audited Financial Statements
and Compliance Report

June 30, 2024

CITY OF CITRUS HEIGHTS

TRANSPORTATION DEVELOPMENT ACT FUNDS

Audited Financial Statements
and Compliance Report

June 30, 2024

Audited Financial Statements

Independent Auditor’s Report 1
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Compliance Report

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* and the Transportation Development Act..... 8



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INDEPENDENT AUDITOR'S REPORT

To the City Council
 City of Citrus Heights, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the Transportation Development Act Funds (the Funds) of the City of Citrus Heights (the City), as of and for year ended June 30, 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Transportation Development Act Funds of the City of Citrus Heights, as of June 30, 2024, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis-of-Matter

As discussed in Note B, the financial statements present only the Transportation Development Act Funds of the City of Citrus Heights and do not purport to, and do not, present fairly the financial position of the City as of June 30, 2024 and 2023, the changes in financial position, or where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting

To the City Council
City of Citrus Heights, California

from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matters

Prior Year Comparative Information

We have previously audited the June 30, 2023 Transportation Act Funds of the City of Citrus Heights' financial statements dated February 22, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2023 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Required Supplementary Information

Management has omitted management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 17, 2025 on our consideration of the City's internal control over financial reporting related to the Funds and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, and the Transportation Development Act. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Richardson & Company, LLP

March 17, 2025

CITY OF CITRUS HEIGHTS

TRANSPORTATION DEVELOPMENT ACT FUNDS

BALANCE SHEETS

June 30, 2024

(With Prior Year Data For Comparative Purposes Only)

	2024			(Comparative Purposes Only) 2023
	Transit	Non-Transit	Total	
ASSETS				
Cash and investments		\$ 24,539	\$ 24,539	\$ 289,985
Interest receivable		1,088	1,088	2,095
Due from other governments	\$ 394,608	323,825	718,433	256,810
TOTAL ASSETS	\$ 394,608	\$ 349,452	\$ 744,060	\$ 548,890
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 6,337		\$ 6,337	\$ 798
Salaries and benefits payable				4,854
Due to other funds	66,689		66,689	
TOTAL LIABILITIES	73,026		73,026	5,652
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues		\$ 323,825	323,825	216,596
FUND BALANCES				
Restricted for transit administration	321,582		321,582	206,621
Restricted for pedestrian and bicycle facilities		25,627	25,627	120,021
TOTAL FUND BALANCES	321,582	25,627	347,209	326,642
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 394,608	\$ 349,452	\$ 744,060	\$ 548,890

The accompanying notes are an integral part of these financial statements.

CITY OF CITRUS HEIGHTS

TRANSPORTATION DEVELOPMENT ACT FUNDS

STATEMENTS OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2024
(With Prior Year Data For Comparative Purposes Only)

	2024			(Comparative Purposes Only) 2023
	Transit	Non-Transit	Total	
REVENUES				
Contract administration payment from SacRT	\$ 394,608		\$ 394,608	\$ 402,056
Use of money and property	6,037	\$ 7,319	13,356	6,128
TOTAL REVENUES	<u>400,645</u>	<u>7,319</u>	<u>407,964</u>	<u>408,184</u>
EXPENDITURES				
Administration	250,684		250,684	249,665
Contract Services	35,000		35,000	35,000
Pedestrian and bicycle facilities		101,713	101,713	16,195
TOTAL EXPENDITURES	<u>285,684</u>	<u>101,713</u>	<u>387,397</u>	<u>300,860</u>
NET CHANGE IN FUND BALANCES	114,961	(94,394)	20,567	107,324
Fund balances at beginning of year	<u>206,621</u>	<u>120,021</u>	<u>326,642</u>	<u>219,318</u>
FUND BALANCES AT END OF YEAR	<u>\$ 321,582</u>	<u>\$ 25,627</u>	<u>\$ 347,209</u>	<u>\$ 326,642</u>

The accompanying notes are an integral part of these financial statements.

CITY OF CITRUS HEIGHTS

TRANSPORTATION DEVELOPMENT ACT FUNDS

NOTES TO FINANCIAL STATEMENTS

June 30, 2024

NOTE A – ORGANIZATION

The City of Citrus Heights (the City) receives funds under the provisions of the Transportation Development Act (TDA) from the Sacramento County Local Transportation Fund (LTF) under Article 3, Section 99234 for pedestrian and bicycle facilities. The City's Article 3 LTF funds represent amounts set aside by the Sacramento Area Council of Governments (SACOG), the transportation planning agency administering TDA funds, to be allocated for pedestrian and bicycle facilities within the jurisdictions of Sacramento County and represent up to 2% of the available funds countywide.

On January 1, 2019, the City's transit operations were annexed by the Sacramento Regional Transit District (SacRT). As a result of this annexation, beginning in April of 2019, the City's transit related State Transit Assistance (STA), State of Good Repair (SGR) and LTF funds, with the exception of Article 3 funds, will be claimed directly from SACOG by SacRT. The transit administration allocation is provided by SacRT and will be adjusted in each future fiscal year to match the percent increase or decrease in the budgeted TDA apportionment to the City for that fiscal year as compared to the previous year. The City will also continue to receive an apportionment for pedestrian and bicycle facilities under Article 3. The City of Citrus Heights' Transit Fund and Transportation Development Act Fund (the Funds) are used to account for Transit and Non-transit TDA funds, received by the City.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation: The financial statements of the Transportation Development Act Funds (the Funds) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity: The financial statements are intended to present the financial position and results of operations of only those transactions recorded in the Funds. The Funds are included in the financial statements of the City.

Fund Accounting: The accounts of the City are organized on the basis of funds. A fund is an accounting entity with a self-balancing set of accounts established to record the financial position and results of operations of a specific governmental activity.

The City utilizes the special revenue fund type of the governmental fund group to account for the activities of the Funds. Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Basis of Accounting: The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. A special revenue fund is accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows of resources, liabilities and deferred inflows of resources are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used by special revenue funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, which is generally 90 days. TDA revenues are recognized when all eligibility requirements have been met. Expenditures are recorded when the related fund liability is incurred.

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

CITY OF CITRUS HEIGHTS

TRANSPORTATION DEVELOPMENT ACT FUNDS

NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Short-term Interfund Receivables/Payables: During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” and “due to other funds” on the balance sheet. The “due to other funds” at June 30, 2023 represents revenue posted in the Transit Fund that should have been posted in another City fund.

Deferred Inflows of Resources: Deferred inflows of resources in governmental funds arise when a potential revenue source does not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred inflows of resources consisted of revenues for which all eligibility requirements had been met at year end, but the amounts were not received from the Sacramento County Auditor – Controller’s Office within the 90-day availability period.

Fund Balance: Restrictions of fund balance represent amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation. The restrictions of fund balance are according to the provisions of the Transportation Development Act and the purpose of each restriction is indicated by the account title on the face of the balance sheets.

Use of Estimates: The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Comparative Financial Statements: The financial statements include certain prior-year summarized comparative information in total, but not by individual fund. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Funds’ financial statements for the year ended June 30, 2023, from which the summarized information was derived.

NOTE C – CASH AND INVESTMENTS

Investment Policy: The City’s investment policy may be found in the notes to City’s basic financial statements.

Investment in the City’s Investment Pool: The Funds’ cash is held in the City’s investment pool. The City maintains an investment pool and allocates interest to the various funds based upon the average daily cash balances. Investments held in the City’s investment pool are available on demand to the Funds and are stated at fair value.

Interest Rate Risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As of June 30, 2024, the weighted average maturity of the investments contained in the City of Citrus Heights investment pool was approximately 310 days.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City’s investment pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk: Custodial risk is the risk that the government will not be able to recover its deposits or the value of its investments that are in the possession of an outside party. Custodial credit risk does not apply to a local government’s indirect deposits or investment in securities through the use of government investment pools (such as the City’s investment pool).

CITY OF CITRUS HEIGHTS
 TRANSPORTATION DEVELOPMENT ACT FUNDS
 NOTES TO FINANCIAL STATEMENTS (Continued)

June 30, 2024

NOTE D – DUE FROM OTHER GOVERNMENTS

The due from other governments consists of the following at June 30, 2024:

	<u>Transit</u>	<u>Non-Transit</u>	<u>2024</u>	<u>(Comparative Purposes Only) 2023</u>
Transportation Development Act:				
Local Transportation Fund				
Fiscal Year 2023/24		\$ 107,229	\$ 107,229	
Fiscal Year 2022/23		109,253	109,253	\$ 109,253
Fiscal Year 2021/22		94,880	94,880	94,880
Fiscal Year 2020/21		7,799	7,799	7,799
Fiscal Year 2019/20		4,664	4,664	4,664
Sacramento Regional Transit District	\$ 394,608		394,608	40,214
Total due from other governments	<u>\$ 394,608</u>	<u>\$ 323,825</u>	<u>\$ 718,433</u>	<u>\$ 256,810</u>

NOTE E – CONCENTRATION

The Funds receive a substantial amount of their support from a statewide retail sales tax from the LTF created by the TDA. A significant reduction in the level of this support, if this were to occur, may have a significant effect on the Funds' activities.



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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*
 AND THE TRANSPORTATION DEVELOPMENT ACT

To the City Council
 City of Citrus Heights, 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 City of Citrus Heights' (the City) Transportation Development Act Funds, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements, and have issued our report thereon dated March 17, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of 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. Our audit was further made to determine that Transportation Development Act (TDA) funds allocated and received by the City were expended in conformance with the applicable statutes, rules and regulations of the TDA and Section 6666 and 6667 of the California Code of Regulations. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or the TDA.

To the City Council
City of Citrus Heights, California

Purpose of this Report

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

Richardson & Company, LLP

March 17, 2024



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: April 23, 2025

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Alexander A. Turcotte, Chief of Police
Michael Wells, Commander
Ryan Jones, City Attorney

SUBJECT: **Second Reading, Ordinance Amending Citrus Heights Municipal Code Chapter 38 – Fire Prevention and Protection, Article III. – Fireworks, Sections 38-78 and 38-81**

Summary and Recommendation

On April 9, 2025, staff provided Council with proposed changes to Citrus Heights Municipal Code Chapter 38-Sections 38-78 and 38-81. The proposal was introduced, read by title only and waived the first full reading of the Ordinance.

Staff recommends the City Council move to approve Ordinance No. 2025-001, amending Citrus Heights Municipal Code Chapter 38 – Fire Prevention and Protection, Article III. – Fireworks Sections 38-78 and 38-81.

If Council passes this motion, the proposed ordinance will become effective 30 days thereafter.

City Council Strategic Goal/Objective

This staff report aligns with the following Citrus Heights City Council Strategic Plan Objectives:

Goal: Preserve and enhance public safety

Objective: Evaluate best practices and consider necessary updates to the Firework Ordinance review and update as appropriate.

Fiscal Impact

This action has no direct impact on the General Fund.

Subject: Ordinance Amending Citrus Heights Municipal Code Chapter 38 – Fire Prevention and Protection, Article III. – Fireworks, Sections 38-78 and 38-81

Date: April 23, 2025

Page 2 of 3

Background and Analysis

At the June 24, 2021, Citrus Heights City Council meeting, council voted to adopt Urgency Ordinance No. 2021-001, related to the regulation and enforcement of fireworks in Citrus Heights. The urgency ordinance created social host language, modified the hours of fireworks usage by prohibiting legal fireworks from 11:00pm to 9:00am, and it increased the penalties of violations to \$750 for the first violation and \$1,000 for each subsequent violation.

Pursuant to state law, the City Council extended the initial urgency ordinance until June 2022, by adopting Ordinance No. 2021-002. In June 2022, the City Council voted to permanently adopt the language from the urgency ordinance into the Citrus Heights Municipal Code (CHMC) via Ordinance 2022-004.

Residents have continued to express concerns regarding fire danger and the inability to enjoy a quiet environment due to illegal fireworks. To improve public safety, reduce environmental impact and enhance quality of life for our residents, staff conducted a review of regional jurisdictions to ensure that CHMC related to the regulation of illegal fireworks was consistent with regional partners.

The following table shows the current penalties associated with illegal fireworks enforcement violations in regional jurisdictions:

Current Penalties:

Agency	First Violation	Second Violation	Third Violation	Other
Citrus Heights	\$750	\$1,000	\$1,000	N/A
Roseville	\$750	\$1,000	\$1,000	Each firework is considered a violation
Folsom	\$1,000	\$2,500	\$5,000	Second and subsequent violations are within a year timeframe
Sacramento County	\$1,000	\$2,500	\$5,000	Second and subsequent violations are within a year timeframe
Rancho Cordova	\$1,000	\$2,500	\$5,000	Second and subsequent violations are within a year timeframe Enhanced penalties at specific locations
Stockton	\$1,000	\$2,000	\$3,000	N/A
Woodland	\$1,000	N/A	N/A	Each firework is considered a violation

Subject: Ordinance Amending Citrus Heights Municipal Code Chapter 38 – Fire Prevention and Protection, Article III. – Fireworks, Sections 38-78 and 38-81

Date: April 23, 2025

Page 3 of 3

After review of regional agencies, staff recommend amending CHMC 38-81 to increase the penalties for illegal fireworks. The recommended increase includes making each device (firework) possessed, ignited, exploded, discharged, used, or displayed a violation of the ordinance and therefore subject to a \$1,000 fine for each device, \$2,500 for each device on the second offense, and \$5,000 for each device on subsequent offenses within one year.

Proposed New Penalties:

Agency	First Violation	Second Violation	Third Violation
Citrus Heights	\$1,000	\$2,500	\$5,000

Additionally, staff recommends that the amending CHMC Section 38-78 to clarify violations of the social host ordinance by including language to make it clear that violations can occur in areas under the host’s apparent control and to include adjacent sidewalks and streets. This allows enforcement and clarification of the social host ordinance for those that allow illegal fireworks on the sidewalk or in the roadway in front of a residence. The current policy does not specify or include the sidewalk or street adjacent to the host’s private property.

Attachment

1. Ordinance of the Citrus Heights City Council Amending Citrus Heights Municipal Code Chapter 38 – Fire Prevention and Protection, Article III. – Fireworks, Sections 38-78 and 38-81

ORDINANCE NO. 2025-001**AN ORDINANCE OF THE CITY OF CITRUS HEIGHTS AMENDING CITRUS HEIGHTS MUNICIPAL CODE CHAPTER 38 – FIRE PREVENTION AND PROTECTION, ARTICLE III. – FIREWORKS, SECTIONS 38-78 AND 38-81**

The City Council of the City of Citrus Heights does ordain as follows:

The provisions of Chapter 38, Article III. of the Citrus Heights Municipal Code

SECTION 1. Amendment. Section 38.78 of the Citrus Heights Code is hereby amended to read as set forth below:

Sec 38-78 - Host's liability.

No host shall knowingly allow any person to violate a provision of this chapter on the host's private property.

(a) The provisions of this section shall not apply to:

1. The possession, manufacture, storage, display, sale, use, or discharge of fireworks as permitted under federal or state law;
2. A host who initiates contact with law enforcement or fire officials to assist in removing any person from the property or terminating the activity in order to comply with this chapter, if the request for assistance is made before any other person contacts law enforcement or fire officials to complain about the violation of this chapter.

No host shall aid or abet another person's violation of a provision of this chapter in a public right of way, street, and/or sidewalk adjacent to the host's private property or property under the host's apparent control. A host aids and abets another person's violation of a provision of this chapter if he or she knows of the other person's unlawful purpose and the host specifically intends to, and does in fact, aid, facilitate, promote, encourage, or instigate the other person's commission of that violation.

SECTION 2. Amendment. Section 38.81 of the Citrus Heights Code is hereby amended to read as set forth below:

Sec. 38-81. - Penalty for violation.

- (a) Any person who allows, permits, aids, or abets any discharge of fireworks (including a public display) without having first obtained a permit therefor from the Fire Marshal, or designee, shall be in violation of this section, unless otherwise permitted by ordinance.
- (b) Any person who stores fireworks, including those classified as "safe and sane" by the California State Fire Marshal, except as expressly allowed by this Code, shall be in violation of this section.
- (c) Administrative Citation. Upon identification of an unpermitted discharge or illegal storage of fireworks, law enforcement may issue an administrative citation or a

notice of violation to all responsible person(s) present at the unpermitted discharge of fireworks. Law enforcement shall notify those responsible persons present at the unpermitted discharge or illegal storage that further violation of the ordinance may result in the issuance of increased fines and assessment of response costs. Each device (firework) possessed, ignited, exploded, discharged, used, or displayed constitutes a violation of the ordinance and therefore is subject to an administrative fine:

1. One thousand dollars (\$1,000.00) fine, for each device
2. Two thousand five hundred dollars (\$2,500.00) for each device on subsequent offenses within one year.

(d) Upon identification of an unpermitted discharge of fireworks, law enforcement may also issue a written notice to all other identifiable responsible persons not present at the unpermitted discharge of fireworks that a violation of the fireworks ordinance has occurred and that further violations may result in the assessment of response costs.

(e) Nothing in this chapter shall be intended to limit any of the penalties provided for under the California Health and Safety Code or Penal Code with regard to the sale, use, possession, delivery, storage, and/or transportation of dangerous fireworks.

(f) The penalties set forth herein are intended to be nonexclusive and are intended to be in addition to any other remedies provided in this chapter or any other law, statute, ordinance or regulation.

(g) Any person who violates this section shall be guilty of a misdemeanor.

(h) Response Costs. A responsible person(s) who has been issued a second administrative citation and/or written notice of violation of this ordinance may be liable for response costs incurred in responding to the unpermitted discharge or illegal storage of fireworks. All responsible persons shall be jointly and severally liable for the response costs incurred in the response and all subsequent responses. The amount of response costs constitutes a debt owed to the city.

If a responsible person is a juvenile, then the parents or guardians of that juvenile and the juvenile will be jointly and severally liable for the response costs incurred pursuant to this chapter. To incur liability for response costs imposed by this chapter, the responsible person for the unpermitted discharge or illegal storage of fireworks need not be present at the event that causes the response giving rise to the imposition of response costs. This chapter therefore imposes vicarious as well as direct liability upon responsible persons.

(i) Notice of the response costs shall be served by first-class mail on the hosts liable for such costs. The notice shall contain the following information:

1. The name of the host who is liable for the response costs;
2. The address of the private property where the incident occurred;
3. The date and time of the response;
4. The law enforcement, fire, or other emergency response personnel who responded
5. An itemized list of the response costs.

(j) Payment for response costs shall be remitted to the city of Citrus Heights within 30 calendar days of the date of the notice. The payment of any such costs shall be stayed upon the filing of a timely appeal.

(k) A host charged with response costs may, within 10 calendar days of the date of the notice of response costs, appeal the response costs. The appeal hearing shall be scheduled and conducted in the manner prescribed in this chapter.

- (l) Failure to timely file an appeal constitutes a failure to exhaust available administrative remedies, and bars any further review or administrative appeal of the response costs.
- (m) Violations of this chapter are hereby declared to be a public nuisance.
- (n) Any person who violates a provision of this chapter is liable for civil penalties of not less than \$750 or more than \$25,000 for each day the violation continues.
- (o) All remedies prescribed under this chapter are cumulative and the election of one or more remedies does not bar the city from the pursuit of any other remedy to enforce this chapter.
- (p) Any recipient of an administrative citation may appeal the citation by completing a request for hearing form and returning it to city within thirty days from the date of the administrative citation, together with an advance deposit of the fine.
- (q) Any recipient of an administrative citation may appeal the citation by completing a request for hearing form and returning it to city within thirty days from the date of the administrative citation, together with an advance deposit of the fine.

SECTION 3. Severability. If any section, subdivision, sentence, clause, phrase or portion of this Ordinance is for any reason held invalid or unconstitutional by any court of competent jurisdiction, such portion shall be deemed a separate, distinct and independent provision, and such holding shall not affect the validity of the remaining portions thereof.

SECTION 4. Effective Date and Notice. This ordinance shall take effect thirty (30) days after its adoption, provided it is published in full or in summary within fifteen (15) days of its adoption, in a newspaper of general circulation published and circulated in the City of Citrus Heights.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights this 23rd day of April, 2025 by the following vote:

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

Dr. Jayna Karpinski-Costa, Mayor

ATTEST:

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: April 23, 2025

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Susan Talwar, Administrative Services Director
Robert Miller, Information Technology Manager

SUBJECT: **Authorize City Manager to Execute a Purchase Agreement with Cadence Team for the Replacement of City's Network and Wireless Infrastructure**

Summary and Recommendation

The purpose of this item is to request authorization for the City Manager to enter into a purchase agreement with Cadence Team for the replacement of the City's network and wireless equipment as part of the City's replacement program.

Staff recommend the City Council adopt Resolution No. 2025-___ a Resolution of the City Council of the City of Citrus Heights, California authorizing the City Manager to Execute a Purchase Agreement with Cadence Team for the Replacement of the City's Network and Wireless Infrastructure.

City Council Strategic Goal/Objective

This staff report aligns with the following Citrus Heights City Council Strategic Plan Objectives:

Goal: Maintain and Enhance Fiscal Stability while Supporting Operational Excellence

Fiscal Impact

The fiscal impact of the network and wireless replacements with Cadence Team, totaling \$315,585.00, is mitigated by the fact that this expenditure has already been allocated within the Information Technology replacement fund. The I.T. replacement fund beginning balance is \$623,382.00. After expenditure, the I. T. replacement fund balance will be \$307,797.00. The purchases will not require additional financial resources or adjustments to the current budget. The allocation of these funds for network and wireless replacements was anticipated in the

Subject: Authorize City Manager to Execute a Purchase Agreement with Cadence Team the Replacement of City's Network and Wireless Infrastructure**Date: April 23, 2025****Page 2 of 3**

capital planning process, ensuring that the expenditure aligns with the city's long-term financial strategy.

Although this purchase was originally slated for the regular budget cycle, the evolving tariff landscape makes delay fiscally unwise. HP Enterprise has announced list price surcharges of roughly 10–20 percent beginning in May 2025, and if the order slips into July, when additional reciprocal and semiconductor related duties could take effect, overall costs may escalate by as much as 50 percent. For the current purchase request, that would add an estimated \$31,000 to \$150,000, depending on the shipment date and each unit's country of origin. Because replacement funds are already appropriated, advancing the purchase now will shield the City from these avoidable increases and ensure the most efficient use of its budgeted resources.

A competitive bidding process was conducted, and Cadence Team was selected as the lowest-cost bidder. The City currently holds a proposal from Cadence Team that guarantees pricing through April 30, 2025.

Background and Analysis

Replacing network and wireless equipment is essential for ensuring reliable and secure electronic communications, enhancing operational efficiency, safeguarding critical public services, and protecting citizens' sensitive information from cybersecurity threats.

Industry's best practice recommends the replacement of network switches at 8 years and wireless access points every 6 years due to advances in technology around speed, capabilities and security. I.T. currently maintains over 30 network switches (between 10 and 20 years old) and 20 wireless access points (8+ years old), putting the City's network infrastructure in an urgent need for modernization. Due to the aging infrastructure, I.T. staff spends a significant amount of time and resources implementing work arounds or temporary patches just to make existing network and wireless infrastructure compatible with today's technological needs of our departments.

Updating outdated switches and access points with modern, supported hardware delivers several key benefits. First, it closes known security gaps by replacing end-of-life devices that no longer receive patches or security updates. Second, it enables advanced security features, such as network segmentation, strong authentication, and automated monitoring, that protect critical systems and data. These improvements represent just one element of a broader, multi-phase strategy aimed at reducing the City's overall cyber-risk profile, an assessment conducted routinely by the California Intergovernmental Risk Authority (CIRA), which, in turn, contributes to securing more favorable insurance premium rates.

In addition to fortifying the City's overall security posture, we are proactively ensuring compliance with the latest Department of Justice (DOJ) regulations (CJIS Security Policy v5.9.5 Section, SC 5.10). These guidelines mandate the segregation of all Police Department network and data traffic, plus requiring advanced security measures and encryption protocols to protect

Subject: Authorize City Manager to Execute a Purchase Agreement with Cadence Team the Replacement of City's Network and Wireless Infrastructure

Date: April 23, 2025

Page 3 of 3

the storage and transmission of California Justice Information Services (CJIS)-related information. Compliance with the CJIS Security Policy isn't merely just a best practice, but rather the technical foundation for legal access to vital criminal-justice data, the protection of sensitive information, uninterrupted operations, and maintaining both public trust and interagency cooperation. Failure to comply exposes the department to severe operational, legal and reputational risks.

The City applied for the California State & Local Cybersecurity Grant to help offset the cost of upgrading its network and wireless infrastructure but was ultimately not awarded. Staff explored the potential for securing future grant funding related to cybersecurity and/or other I.T.-related expenses but was informed that under the current federal administration, these areas are not being prioritized for grant support at this time.

In conclusion, modernizing the City's network infrastructure enhances reliability, strengthens security, ensures compliance with recommended/mandated regulations, protects critical data, and strengthens the City's overall risk profile.

Attachments

1. Resolution No. 2025-___ Authorizing the City Manager to the City to Execute a Purchase Agreement with Cadence Team the Replacement of City's Network and Wireless Infrastructure.

RESOLUTION NO. 2025- ____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CITRUS HEIGHTS,
CALIFORNIA AUTHORIZING THE CITY MANAGER TO EXECUTE A PURCHASE
AGREEMENT WITH CADENCE TEAM FOR THE REPLACEMENT OF CITY'S
NETWORK AND WIRELESS INFRASTRUCTURE**

WHEREAS, the City's network and wireless equipment replacements with Cadence Team totals \$315,585;

WHEREAS, funds for the network and wireless replacement have already been allocated within the Information Technology replacement fund, ensuring no additional budgetary adjustments or financial appropriations are required;

WHEREAS, timely procurement is financially prudent in light of announced HPE price increases of 10–20 percent beginning May 2025 and potential additional tariff-related increases of up to 50 percent by July 2025, potentially adding between \$31,000 to \$150,000 to the purchase if delayed;

WHEREAS, a competitive bidding process was conducted and Cadence Team was selected as the lowest-cost bidder, providing a proposal that guarantees pricing through April 30, 2025;

WHEREAS, the City's current infrastructure includes over 30 network switches aged 10 – 18 years and more than 20 wireless access points and controllers beyond recommended replacement cycles, posing heightened risks of operational failure, cybersecurity vulnerabilities, and reduced efficiency;

WHEREAS, replacing end-of-life switches and access points will eliminate known hardware vulnerabilities, enable modern security controls and automated patching, and align the City with industry best-practice frameworks and cyber-insurance requirements;

WHEREAS, these infrastructure improvements support compliance with the Department of Justice (DOJ) CJIS Security Policy v5.9.5, Section SC 5.10, which mandates secure segregation of Police Department network and data traffic, thereby protecting sensitive information, ensuring operational integrity, and preserving public trust and inter-agency cooperation; and

WHEREAS, upgrading aging network switches and wireless access points will enhance reliability, streamline operations, and deliver cost-effective, secure solutions that better support City services and safeguard critical data.

NOW THEREFORE BE IT RESOLVED AND ORDERED that the City Council of the City of Citrus Heights does hereby authorize the City Manager to execute a purchase agreement with Cadence Team for the replacement of the City's network and wireless infrastructure in the amount of \$315,585.

The City Clerk shall certify the passage and adoption of this Resolution and enter it into the book of original resolutions.

PASSED AND ADOPTED by the City Council of the City of Citrus Heights, California, this 23rd day of April, 2025 by the following vote, to wit:

AYES: **Council Members:**
NOES: **Council Members:**

ABSTAIN: Council Members:
ABSENT: Council Members:

Dr. Jayna Karpinski-Costa, Mayor

ATTEST:

Amy Van, City Clerk



CITY OF CITRUS HEIGHTS

CITY COUNCIL STAFF REPORT MEMORANDUM

DATE: April 23, 2025

TO: Mayor and City Council Members
Ashley J. Feeney, City Manager

FROM: Casey Kempenaar, Community Development Director
Meghan Huber, Economic Development and Community Engagement Director

SUBJECT: **Consideration of Owner-initiated Specific Plan Amendment for the Sunrise Tomorrow Specific Plan**

Summary and Recommendation

Sunrise Mall has historically been an economic engine and community gathering space for Citrus Heights. Over the last several years the Sunrise Mall faced numerous challenges and declining fiscal impact. Recognizing the importance of the Sunrise Mall site in the City's past and future, the City's General Plan was updated in 2019 to codify the Sunrise Mall as a high priority worthy of comprehensive planning through a community driven process.

The 2019 General Plan update called for the development of a Specific Plan to comprehensively plan for the future of the 100-acre Sunrise Mall site. The City Council allocated \$1.1- million to initiate the development of the Specific Plan. On November 10, 2021, after nearly two years of community outreach and engagement the City Council unanimously adopted the Sunrise Tomorrow Specific Plan (STSP) and Environmental Impact Report and associated entitlements (Attachment 1 and 5).

Since the Specific Plan's adoption, the City has been working on a variety of related efforts to support the buildout of the site as called for in the Specific Plan. These efforts include:

- Approval of a Tentative Parcel Map and Development Agreement to support the development of the Sunrise Tomorrow Hotel project
- Approval of a Minor Use Permit and Minor Administrative Modification to allow a Montessori School within the former Sears Appliance Building (currently under construction)
- Approval of an Electric Vehicle Charging Station (currently under construction)
- Application and procurement of Green Means Go funding to support infrastructure planning for the site (\$338,000)

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- Evaluation and investigation of opportunities to support infrastructure development of the site including consideration of an Enhanced Infrastructure Financing District
- Evaluation of points of connection, existing infrastructure conditions, phasing, preliminary design, and similar needs for underground infrastructure to serve the site
- Submitted an application for HCD HIT Grant for \$10M to support frontage improvements along Sunrise Boulevard
- Ongoing discussions with interested developers for the mall site
- Application for SACOG prioritization grant to support federal grant opportunities

Informal Specific Plan Amendment Initiation Request

Recently, the City was approached by one of the mall property owners, inquiring about amending the STSP to expand the allowable uses beyond the current vision and intent of the approved Specific Plan. The Applicant, Ethan Conrad Properties (ECP) has submitted an informal application seeking input from the Council on their interest in an amendment to the Sunrise Tomorrow Specific Plan (Initiation Request). The proposed amendment, specific to the portions owned or in contract to be owned by the applicant, would affect approximately 2/3 of the mall site in two phases. The primary focus of the application is Phase 1, which is the approximately 25 acres of the former Sears site.

Sears Site (Phase 1) Context and Specific Plan History

During the development of the Sunrise Tomorrow Specific Plan, the prior owner of the Sears site was Seritage (Seritage) Growth Properties, a Real Estate Investment Trust and developer. Seritage was a significant stakeholder in the development of the Sunrise Tomorrow Specific Plan. Seritage embraced the development and the community's vision of the Specific Plan including mix of uses, typology of housing, and the 5 Big Ideas.

During the Specific Plan development, Seritage presented staff with preliminary plans for the site focused on entertainment and housing within the Sears property, consistent with the adopted Specific Plan. They also acknowledged and understood the need for collaborative approaches with adjacent property owners to manage infrastructure investment and achieve a shared vision for the site.

Despite this alignment and initial movement, in 2022, Seritage, divested most of its real estate holdings throughout the country, including the Sears in Citrus Heights.

Subsequently, in November 2022, nearly a year after the adoption of the Sunrise Tomorrow Specific Plan, (ECP) purchased the Sears portion of the Sunrise Mall site. The requirements of the Specific Plan including land use restrictions were clearly communicated to ECP prior to purchase of the site and the designated uses and stormwater considerations likely informed the ECP purchase price of the Sears site from Seritage.

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Specific Plan Amendment Initiation Request

The Specific Plan Amendment Initiation Request **does not qualify as nor does it forgo a formal application** for a Specific Plan Amendment. The direction provided by the City Council is intended to provide early feedback and identify project concerns and consistency/inconsistency based on the preliminary information submitted. This process was offered to facilitate early and consistent collaboration to support potential redevelopment of the property.

Staff recommends the Council evaluate the preliminary proposal and consider one of the following options:

1. Direct the applicant to proceed with a formal application as described in the preliminary proposal for future consideration
2. Provide direction that the Council is not interested in amending the Specific Plan
3. Provide direction for a modified version of the applicant's proposal for future consideration

Environmental Review Considerations

This review process does not constitute a formal action of the Council. The result will be neither approval nor denial of the proposed project. The applicant may receive feedback and elect to submit a formal Specific Plan Amendment in the future incorporating any feedback received. Any Council direction would be related to the vision and intent of the Specific Plan and will not take any eventual formal proposal environmental review requirements or factors into consideration. Early dialogue allows for incorporation of feedback into a formal proposal thereby saving time and money of the property owner.

Any future formal submittal would follow the standard Specific Plan Amendment process including routing to partner agencies, California Environmental Quality Act (CEQA) analysis, a public hearing process before the Planning Commission and City Council. The more thorough review that occurs during the formal application process could reveal issues and circumstances that were not known or reviewed during the much shorter review of the initiation process.

Preliminary Specific Plan Amendment Proposal Description

In July 2024, Ethan Conrad Properties (ECP) submitted an application to request initiation of a Specific Plan Amendment for the Sunrise Tomorrow Specific Plan. Over the last several months ECP has conducted additional community outreach to solicit feedback from the community. On March 28, 2025, in response to outreach efforts and community feedback, ECP submitted an updated application reflecting alterations to the July 2024 plan.

The applicant proposes to amend the Specific Plan in two phases. Phase I of the Specific Plan Amendment will focus on the southern approximately 25 acres, and Phase II of the Specific Plan Amendment will address the remaining approximately 50 acres as further described in the

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Applicant's project description (Attachment 2 and 3). The project application does not include the following:

- JC Penney's property – 18.1 acres
- Antioch Steet LP property (US Bank/Hotel Site) – 2.8 acres
- Kuen property (Red Robin) – 3.2 acres

The proposed Amendment Project Description and Justification (Attachment 2) calls for a variety of modifications to the Specific Plan, summarized below:

The applicant proposes to amend the Specific Plan in two phases:

- Phase I of the Specific Plan Amendment will focus on the southern approximately 25 acres (21.27 acres in Phase I are owned by ECP, with approximately 4 acres owned by Namdar Realty)
- Phase II of the Specific Plan Amendment will address the remaining approximately 50 acres as further described in the Applicant's project description (this property is currently owned by Namdar Realty)

Proposed changes to the Specific Plan include:

- The allowance of six quick-service restaurant/drive-thru businesses (three in each phase)
- Allowance of building and landscape materials sales (Home Depot)
- Storage uses within the basement of the existing Sears Buildings
- The reduction of requirements for open space, elimination of open space in Phase I and any creek restoration requirements
- Modifying where stormwater runoff and detention be handled in each sub-area of the plan versus being done comprehensively to allow for greater land use efficiency
- Phase I had been planned to accommodate stormwater detention for the overall development, the proposed SPA would eliminate that current requirement
- Allow for typical "mixed-uses", providing more than one use or purpose within a shared building or development area that may include any combination of housing, office, retail, medical, recreational, or commercial components, in either vertical or horizontal layout throughout all areas of the Specific Plan irrespective of the Specific Plan sub-area.

The applicant's site plan (Attachment 3) has been updated to identify the following changes:

- Relocation and reduction of the Open Space designated Sunrise Commons in the Specific Plan to an open space/event area east of the Men's Macy's (Phase 2)
- A multi-family residential component north of Home Depot (Phase 2)
- Sunrise Montessori School (Approved August 13, 2024)
- Home Depot
- Judi's Cleaners
- EV Charging Station
- National Bowling/Entertainment Use
- In-N-Out Burger

The applicant has also indicated that simultaneous with a formal Specific Plan Amendment, they would like to submit for processing a commercial parcel map, which will merge and reconfigure

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some of the existing parcels to allow for the above-mentioned businesses to be located on individual parcels. The exact number of parcels and configuration is unknown at this time.

Staff Recommendation

Staff recommends the City Council review the proposed informal application and the analysis contained within the Staff Report and provide feedback and direction to staff and the applicant.

The City Council should weigh the merits of the Initiation Request application on the factors it determines applicable to the request. Suggested consideration points may include (but not limited to):

- If the proposed application is consistent with the goals and objectives of the General Plan, and/or adopted strategic plan, and/or adopted Specific Plan; and
- If public infrastructure, facilities and services are available or can be feasibly provided to serve the proposed project without adverse impact to existing or approved development; and
- If the proposed amendment provides additional public benefit to the community as compared to the existing land use designation(s), density/intensity range, plan, or site design.

Additional considerations for discussion may include, but not be limited to:

- Appropriateness of the proposed size, density of the project;
- Provision of additional benefit to the community;
- Provision of public facilities;
- Potential environmental effects; and
- Level and diversity of community support and opposition.

Fiscal Impact Considerations

The City invested \$1.1 million of non-general fund resources into the development of the Sunrise Tomorrow Specific Plan and associated Environmental Impact Report (EIR). These community driven efforts provide both zoning and environmental review clearance for uses consistent with the Sunrise Tomorrow Specific Plan.

There is no immediate fiscal impact with this item. Depending on the Council's direction, a subsequent formal application for a Specific Plan Amendment may have a financial impact on the City in terms of staffing and long-term financial outcomes anticipated resulting from the buildout of the Specific Plan.

If a formal Specific Plan amendment is initiated, analysis would be required to review the potential impacts associated with the amendment. Staff anticipates CEQA review and fiscal impact analysis would be required to evaluate any proposed amendment. Costs associated with the requisite analysis would be the responsibility of the applicant; however, it is anticipated to be in the \$200,000 range. Fiscal impacts of the proposed amendment are unknown at this time.

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Similar to the analysis necessary to create the Specific Plan, the analysis required for an amendment, particularly related to traffic, noise, greenhouse gasses, and fiscal impacts is anticipated to be a significant driver in consideration of an amendment. While some of the uses in the proposed amendment would generate sales tax, the proposed storage uses do not generate meaningful tax revenue.

Grant Competitiveness/Funding Risk Considerations

The Sunrise Mall site necessitates a significant investment of underground and frontage improvements to enable future comprehensive redevelopment of the site. Grant funds to fund infrastructure and roadway improvements are extremely competitive and generally need to achieve numerous state and federal goals to be competitive.

Current funding trends focused on active transportation, housing, greenhouse gas reduction, and infill development make up the lion share of state and federal funding streams that support infrastructure and redevelopment opportunities. Significant investments from regional, state, and federal funding are coming to fruition, with much support attributed to the fact that the STSP exemplifies the type of project these entities are looking to fund as examples to replicate elsewhere.

In that vein, the City has been successful at attracting funding to support the redevelopment of the Sunrise Mall site based on the vision and standards contained in the STSP:

Green Means Go - \$338,000

In an effort to comply with state and federal requirements for housing and greenhouse gas reductions, SACOG developed the Green Means Go program to accelerate development within areas of existing communities by prioritizing incentives and removing barriers. In addition to reducing vehicle emissions, the program is intended to stimulate economic development and improve quality of life in the region. To support the pilot program, the SACOG Board has directed that eligible future state funds be used on the Green Means Go program.

The City was successful in obtaining two tranches of SACOG's Green Means Go funding to support the underground infrastructure necessary to support the physical development of the STSP. This funding has been used to support the following efforts:

- Evaluation of Infrastructure Financing Options – Evaluation of opportunities for publicly funded infrastructure to support the development of infrastructure to serve the site. The analysis evaluated the feasibility of Enhanced Infrastructure Financing Districts (EIFD) and Community Facilities Districts (CFD) to support necessary infrastructure improvements
- Engineering Evaluation of existing onsite infrastructure and necessary infrastructure phasing and upgrades of infrastructure necessary to support trunkline investments to enable full buildout of the site

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Reconnecting Communities- \$450,000

The City was part of a collaboration between SACOG and its associated local governments to obtain \$22.5-million in federal Reconnecting Communities Grant funds regional funding further support the Green Means Go funding program. The SACOG announcement (Attachment 4) prominently features a rendering from the STSP and summarizes the grant scope:

The planning investment will accelerate infill development in ten areas across the region in designated Green Zones, or areas that have been identified for infill development, to reimagine neighborhoods and address transportation needs. By pairing transportation planning and housing investments together in Green Zones, it will help build more complete communities where residents can meet their daily needs more holistically within their neighborhoods.

HIT Grant - \$10-Million (Unsuccessful)

In June 2023, the City applied for a High Impact Transformative (HIT) grant through the State Housing and Community Development Department (HCD). The competitive grant program would have funded \$10-million for frontage improvements along Sunrise Boulevard including Transit Center improvements, Green Loop trail construction, a new intersection, and trunkline utility connections onto the mall site. The City Council authorized a \$1-million ARPA match to increase the competitiveness of the application.

With a total state-wide allocation of \$30-million the program was extremely competitive; however, the City narrowly missed obtaining the grant, representing 1/3 of the total allocation. After the award notifications HCD provided specific feedback about the grant application. The primary critique of the project was that the only entitlement application received for development for the site was for a hotel and a focus of the grant was infrastructure that resulted in housing in the nearer term. Although HCD is extremely supportive of the broader project, in particular the housing included in the plan, the request for a large proportion of available funding and lack of near-term housing production resulted in a narrow miss for receiving this funding.

Additional funding opportunities similar to these past opportunities are evolving and continue to be potential public funding opportunities to support the redevelopment of the Sunrise Mall site. Most of these opportunities require a comprehensive, community-based plan that supports a mix of uses and higher densities of housing, particularly along high-quality transit to be competitive. Modifying the STSP as outlined in the applicants proposed amendment will likely significantly reduce the competitiveness of future applications to support infrastructure and other public investments to stimulate redevelopment of the site.

Background and Analysis

Between 2017-2019, there were numerous inquiries to subdivide Sunrise Mall into additional parcels as well as add additional out-parcel development along the periphery of the mall

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property. These requests were concentrated in frontage real estate and lacked a comprehensive approach for the whole site which is key to understanding and addressing operational impacts such as traffic, onsite circulation, parking, open space, stormwater, utilities and other infrastructure concerns.

The City of Citrus Heights is 98-percent built out and the ability to ensure redevelopment of underutilized land is paramount for the future redevelopment and economic development in the City. The Sunrise Mall property represents the single greatest potential economic development and housing site in the city having the potential to achieve broader city goals. The Sunrise Mall property is nearly 100-acres, of which 75-acres are underutilized parking fields. Recognizing the importance of this site within the city, on May 23, 2019, the City Council directed staff to pursue a General Plan Amendment related to the Sunrise Mall property.

2019 General Plan Amendment

On July 11, 2019, the City Council adopted a General Plan Amendment directing the development of a Specific Plan for the Sunrise Mall property:

Goal 12: Create an inviting and distinctive identity for Sunrise MarketPlace to promote its image as the City's premier destination to shop, work, live and play.

Policy 12.3 Transform the Sunrise Mall area (see inset map) into a premier regional destination and a flourishing center of community life where residents and visitors shop, work, live, and play.

Action A. Prior to issuing any discretionary approval in the Sunrise Mall area, develop a comprehensive specific plan that includes:

- *An effective concentration and complementary mix of land uses*
- *Streetscape and community gathering features that are engaging and support an active street life and a stronger sense of place*
- *Architectural and design details to transition this area from an auto-oriented suburban center to an amenity-rich, pedestrian-friendly, and experience-oriented regional destination*
- *Phasing, infrastructure, and financing approaches*
- *The specific plan shall reflect changing market conditions and provide sustained economic benefit to the city.*

Specific Plan Creation and Adoption

Commencing in late 2019, the City invested significant staffing and financial resources to prepare the Specific Plan as called for in the 2019 General Plan Amendment. The City Council selected Gensler to develop the Specific Plan and EIR as part of a \$1.1M investment into holistically planning for the site.

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The Specific Plan development process included dozens of stakeholder/owner engagements, three community workshops, numerous Council/Planning Commission updates, and multiple opportunities for interested parties to participate in the Plan development. Cumulatively, the development of the STSP represents the City's largest community engagement effort since incorporation. (See Attachment 8, Community Engagement Summary)

The Vision for the Specific Plan was developed based on community feedback developed during the various engagement opportunities during the plan development. The Vision establishes the "Big Picture" for the ultimate development of the Sunrise Tomorrow site. The Vision is comprised of five Big Ideas:

1. Community and Regional Destination – Sunrise Tomorrow is designed around a dynamic Main Street and community gathering space with lots to do and see.
2. Connected Green Spaces – Sunrise Tomorrow creates a network of parks, plazas, and streets that are safe and connected with shade trees and sustainable landscaping.
3. Streets for People – Sunrise Tomorrow envisions streets designed for people, with a network of safe and slow speed streets that serve pedestrians and cyclists while allowing vehicular access.
4. Livable Neighborhoods – Sunrise Tomorrow creates connected communities with various housing options and a high quality of life.
5. Economic Engine – Sunrise Tomorrow creates an economic engine with environments that promote economic activity and job creation, where both employers and employees want to be.

For a full description of each Big Idea, please see Chapter 2 of the Specific Plan. The intent of the Vision is to establish the overall intent of the development to ensure the expectations and ideas come together in a plan that achieves the community's objectives. Together, the Vision and Big Ideas are the basis for plan implementation and determination if a particular project is consistent with the Specific Plan.

The Sunrise Tomorrow Specific Plan was unanimously adopted by City Council in November 2021. There were numerous letters and comments of support provided by stakeholders including the property owners of the mall:

- Namdar (current primary mall owner)
- Seritage (former Sears Site owner)
- Antioch Street LP (US Bank parcel owner)
- SACOG
- Regional Transit
- Sacramento Metropolitan Air Quality Management District
- Greater Sacramento Economic Council

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2021 General Plan Amendment

In conjunction with the Specific Plan adoption, the City updated the General Plan language to recognize the adoption of the Specific Plan and to ensure future alignment between the Specific Plan and General Plan:

Policy 12.3: *Transform the Sunrise Mall area into a premier regional destination and a flourishing center of community life where residents and visitors shop, work, live, and play.*

Actions:

- A. Implement the Sunrise Tomorrow Specific Plan to ensure the long term viability of the Sunrise Mall Property.*
- B. Use a flexible planning approach for Sunrise Tomorrow to allow for a variety of uses and to respond to evolving market conditions and community needs.*
- C. Promote uses in Sunrise Tomorrow that can be economically supported, are financially feasible and self-sustaining, and maximize fiscal benefits to the City.*
- D. Promote development in Sunrise Tomorrow in a manner that creates an attractive, distinct, cohesive, high quality place where residents and visitors come to shop, work, live, and play. Features shall include: urban design that supports the site as a community and regional destination, open space and multi-use trails that connect between land uses, streets designed for people, and livable neighborhoods providing a variety of housing typologies.*
- E. Strongly discourage uses that do not contribute to a walkable, pedestrian friendly environment.*

Consideration of Initiation of Amendment

In general, consideration of a Specific Plan Amendment requires a robust application and supporting documentation to allow for a thorough evaluation of project proposals for consistency with the General Plan, Specific Plan, Zoning Code and any requisite environmental review. In addition, depending on the scope of the proposed application, a General Plan amendment may also be required (if the Council finds the proposed amendment is inconsistent with the General Plan, including Policy 12.3).

If the City Council decides to direct the applicant to initiate an amendment, the formal review process, including compliance with the California Environmental Quality Act (CEQA), would be required. It should be noted that City Council direction to proceed with an amendment, is not a guarantee that the request will later be approved.

If the City Council decides not to initiate a Specific Plan Amendment, no further action is required, and the Specific Plan will remain as approved in 2021.

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Due to the costs, timeline and resources required of processing an amendment; this consideration will allow the Council to determine if allocating resources to the proposed amendment is warranted.

Analysis of Proposed Amendment Request

In order to support the Council's review of the proposed initiation, staff recommends the following factors for consideration:

1. General Plan Consistency – Are the proposed amendments consistent with the General Plan?
2. Specific Plan Consistency – Do the proposed amendments adhere to the Specific Plan Amendment Criteria?
3. Timing – Are the proposed amendments premature in relation to the inventory of similarly designated land and the timing of projected growth?
4. Public Infrastructure – Are facilities and services available or can be feasibly provided to serve the proposed project without adverse impact to existing or approved development?
5. Public Benefit – Do the proposed amendments provide additional public benefit to the community as compared to the existing land use designation(s), density/intensity range, plan, or site design?

The suggested factors for Council consideration are listed below and are followed by an evaluation of the request in relation to the factors.

1. General Plan Consistency

Attachment 6 includes a brief analysis of the applicable General Plan Goals, Policies, and Objectives that are applicable to the Sunrise Tomorrow project as compared to the applicant's proposed Specific Plan Amendment. Although dozens of policies are applicable and discussed in the attachment, for ease of reference, a few of the most directly relevant General Plan Policies are briefly discussed below:

Policy 12.3: Transform the Sunrise Mall area into a premier regional destination and a flourishing center of community life where residents and visitors shop, work, live, and play.

The proposed application deviates from the intent of this policy. The applicant's proposed mix of land uses is consistent with a planning paradigm that is focused on convenience for vehicles that are passing by the site. While housing is still shown on Phase II, it is greatly reduced from what was envisioned and does not appear to be large enough to be consistent with what California Housing and Community Development (HCD) has allocated to the site as part of the City's approved Regional Housing Needs Allocation. The "play" factor of this policy is also diminished by a reduction in open space areas for both phases.

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A significant outcome of the community engagement that resulted in this policy, focused on the need for a mix of uses to encourage residents and visitors to park once, and shop, work, live or play on the site. The proposed focus on uses that are catering to visitors passing by the site does not encourage or create a regional destination and flourishing center of community life as called for in the policy. Further, Quick Service Restaurant uses with drive-throughs are ubiquitous in not only the City but also in the region. While the applicant notes that the other uses in the STSP would still be allowed, there was purpose and intent for restricting certain uses that are being requested as part of the ECP proposed amendment as the requested uses for amendment do not promote a built environment that is consistent with this policy or vision.

A. Implement the Sunrise Tomorrow Specific Plan to ensure the long-term viability of the Sunrise Mall Property.

The Sunrise Tomorrow Plan was created as a long-term vision to comprehensively plan for the buildout of the site to ensure the buildout of the site is well thought out and maximizes the mix and density of uses. The impact of the applicant's proposal may limit the viability of future redevelopment and does not address or provide specific strategies for the long-term viability of the existing 1.2M square foot mall structure. The requested modifications to the stormwater management would result in less efficiency across the entire STSP area. As the lowest part of the site, Phase I had been determined to be a critical area to help accommodate overall stormwater management which was planned with the prior owner of the ECP property and was known at the time of ECP acquisition. Modifying this plan requirement would impact other plan areas relative to efficiently managing stormwater which is intended to be accomplished consistent with master planning best practices.

B. Use a flexible planning approach for Sunrise Tomorrow to allow for a variety of uses and to respond to evolving market conditions and community needs.

The Sunrise Tomorrow Specific Plan was built upon flexibility to ensure the plan was "future-proofed" from future unknowns likely to change the market and mix of uses of the site. A variety of tools were included in the plan to allow flexibility- as long as the changes supported the overall vision of the plan (See Specific Plan Big Ideas discussion later in this Staff Report). The need for flexibility was particularly acute as the Specific Plan was adopted during the pandemic, and existing trends related to retail, office, hotel, and entertainment uses have continued to evolve and have not fully settled.

Although flexibility was at the forefront of the development of the STSP development, the overall vision for the site was predicated on uses that are symbiotic and supportive of a "flourishing center of community life". Significant forethought about uses that are compatible with the mix of uses and densities/intensities called for in the plan resulted in the allowed use tables in the Specific Plan.

The plan intentionally prohibits uses including drive-throughs, automotive uses, and building/landscape supply uses due to the incompatibility of those uses with uses called for by the plan. Specifically, traffic, noise, hazardous materials, and circulation concerns from those

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uses was deemed to be incompatible with uses such as housing, entertainment, and community/institutional uses.

Further, most drive-through employment opportunities are considered low wage or entry level jobs, contrary to the City's longstanding goals to diversify its traditionally retail-based economy. Related General Plan Policy 15.1 states:

Pursue non-retail development and reuse (including home occupations, information services, lodging and conference uses) to provide additional job opportunities, reduce the City's long-term dependence on retail sales for jobs and revenue, and provide viable alternatives for currently underutilized retail centers.

Significant community feedback related to traffic and parking concerns for a redeveloped Sunrise Mall site led to an intentional mix of uses that provided off-peak parking and traffic demands that support minimizing parking and traffic impacts while maximizing intensity and mix of symbiotic uses.

The proposed amendment includes a mix of uses that are not consistent with the vision, goals, and intended outcome of the plan related to traffic, noise and circulation. In general, most drive through restaurants have peak traffic demands at the same time ambient traffic demand is highest on adjacent roadways. This influx of peak traffic generation may lead to circulation impacts on-site and on adjacent roadways.

The STSP EIR identified a potentially significant impact to transit operations along Sunrise Boulevard during the PM Peak hour. This impact was mitigated through a mix of uses with complementary traffic demands and significant investment in transit improvements to streamline transit performance. It is unclear what impact the proposed amendment will have on transit performance; however, it may create impacts that would need to be further evaluated.

C. Promote uses in Sunrise Tomorrow that can be economically supported, are financially feasible and self-sustaining, and maximize fiscal benefits to the city.

The STSP was developed to achieve a conceptual buildout supported by a robust market analysis. The market analysis, prepared by MXD Development Strategists in 2020, identified a strong market for a synergetic mix of uses of varying density and intensity that would be unique in a suburban environment. This informed the development standards, allowed uses, and policies within the Specific Plan. The MXD market analysis anticipates a generation of \$5-million annually following the buildout of the site comprised of property tax, sales tax, and transient occupancy tax. The plan includes a development ceiling that exceeds the point-in-time market demand to allow for future-proofing and flexibility to support changing market conditions as the site develops over time.

As part of the City's efforts to further unlock the site for development to occur, the City has been working with Kosmont Companies to identify funding strategies to support the infrastructure necessary to serve the site. Kosmont peer reviewed the MXD market analysis as part of their

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scope of work and found the MXD analysis technically sound and accurate. Kosmont affirmed that a reduced buildout of synergistic mix of uses is still supported by the market including:

- 938 Residential Units
- 240 Hotel Rooms
- 112,000 SF or Retail/Entertainment
- 192,000 SF of Office/Flex
- 45,000 SF of Community/Institutional uses.

According to the Sunrise Tomorrow Local Traffic Analysis (LTA) approximately 2/3 of vehicles that pass by the project site do not stop nor start in Citrus Heights. This proof-points the existence of significant cut through traffic along both Sunrise Boulevard and Greenback Lane that generates significant infrastructure and traffic costs while not generating any economic benefit for the city.

Through the development of the STSP, the City evaluated the demographics of those drivers passing by the Sunrise Mall site. Over 40% of travelers passing by the site have an annual household income of at least \$75,000 with approximately 25% of passersby earning over \$100,000 per year. This analysis demonstrates an attractive market for development where people can stop, shop, and spend money on the site; however, as described previously the synergistic mix of uses is what makes the site an attractive destination for drivers that would otherwise just pass by.

This market potential funnels into the sales tax generation anticipated by the plan, as well as overall vibrancy goals of the site. Drive Throughs, offering convenience as well as some sales tax generation, do not result in the lifestyle center and regional destination vision called for by the plan, which provide opportunities to generate significant revenue. Drive-through uses are intended to keep customers in their cars whereas the vision of the plan is to get customers to park and shop in a lifestyle center setting. The proposed storage uses are inconsistent with the goal of this policy around maximizing fiscal benefits to the city.

D. Promote development in Sunrise Tomorrow in a manner that creates an attractive, distinct, cohesive, high quality place where residents and visitors come to shop, work, live, and play. Features shall include: urban design that supports the site as a community and regional destination, open space and multi-use trails that connect between land uses, streets designed for people, and livable neighborhoods providing a variety of housing typologies.

The proposed amendment does not provide adequate information to determine if the proposed architectural design is consistent with an attractive, high-quality place. However, the proposed site plan and project description fail to include urban design principles espoused by the plan.

In particular, the proposed application eliminates all of the open space and park in Phase I and significantly reduces the open space called for by the plan in Phase II. Similarly, the proposed amendment fails to address the Plan's goal of "Streets for People" – streets that are designed to support walking, biking, and traffic calming that are key components of successful mixed-use

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village concepts. Contrary to the Streets for People concept and the “green loop”, the application reflects retaining the use of existing parking lots and drive aisles to support pad development along the periphery of the site.

E. Strongly discourage uses that do not contribute to a walkable, pedestrian friendly environment.

The majority of proposed uses identified in the application are contrary to a walkable, pedestrian friendly environment. Drive-through uses specifically cater to automotive traffic and prioritize vehicles over pedestrians from a design perspective, making challenging walking environments to navigate.

Lengthy queuing and similar circulations challenges result in significant space allocation to be used to accommodate stacking of cars and onsite circulation. This, combined with the lack of “Streets for People” and open space, results in similar walking environment found on the mall site today – expansive, exposed, and challenging to navigate due to extensive parking areas.

Although the “Streets for People” and associated street standards contained in the STSP would assist in creating a more walkable environment, the application does not reflect the requirements called for in the Specific Plan. Even if the project included streets as required by the Specific Plan, the proposed mix of uses does not support a walkable or pedestrian environment that can be overcome from street improvements alone.

Policy 25.2: Strive to meet the City’s fair share housing allocation based on the Regional Housing Needs Assessment

The Housing Element of the General Plan is the only element of the General Plan which necessitates review and approval from an outside agency, California Housing and Community Development Department (HCD). The Housing Element for 2021-2029 was reviewed and approved by the City Council in 2021 and by HCD in August 2021.

A significant component of the Housing Element that is considered by HCD is the Regional Housing Needs Assessment (RHNA). As part of the RHNA process, the City is required to demonstrate sufficient sites to accommodate projected growth allocated by SACOG within the eight-year housing element cycle.

For 2021- 2029 – the City’s allocation was 697 units, including 211 at low/very low income (required to be at least 20 units per acre). The City must demonstrate, via Vacant/Underutilized Land Inventory, that it has sufficient land available to accommodate these units or rezone sufficient land to accommodate these units.

The City’s Vacant/Underutilized Land Inventory identified 349 units on the Sunrise Mall site, including 255 units on parcels included in the subject request (110 units on Women’s Macys and 145 units on Sears site).

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The proposed amendment would call into question the validity of the assumptions in the Vacant/Underutilized Land Inventory, which provides a significant portion of the City's RHNA allocation. Government Code Section 65863 (No Net Loss Law), is to ensure development opportunities remain available throughout the planning period to accommodate RHNA. Under GC 65863, if the City approves a development of a parcel identified in its Housing Element sites inventory with fewer units than shown in the Housing Element, it must either make findings that the Housing Element's remaining sites have sufficient capacity to accommodate the remaining unmet RHNA by each income level or identify and make available sufficient sites to accommodate the remaining unmet RHNA for each income category.

This could result in the need to rezone additional sites to accommodate the displaced units assumed for these sites including any requisite environmental review. It is anticipated that the Sunrise Mall site will serve an important role in meeting the City's RHNA needs in both the current Housing Element cycle as well as the 2029 Housing Element cycle. Due to the built-out nature of the City, identifying opportunities for housing is extremely difficult and the Sunrise Mall site serves as the single most likely opportunity site to accommodate state mandated housing growth.

Policy 9.5: Discourage the creation of any new parcels within existing commercial centers, if such creation might hinder the viability and/or future redevelopment of the center.

In 2018, the City Council adopted this General Plan policy to address increased interest in subdivision of large shopping centers. The policy aims to give the review body discretion to approve future subdivisions only if planning and design do not hinder potential redevelopment.

The applicant's proposed amendment does not identify future parcel locations; however the applicant has indicated a desire to subdivide the property to allow sale of individual parcels supporting the proposed uses/pads. This type of parcelization does not reflect the holistic and comprehensive planning necessary to preserve future redevelopment opportunities for the impacted or adjacent properties. Circulation, easements, utilities, and similar considerations are important factors to fully evaluate downstream effects of parcelization and to understand impacts to future redevelopment opportunities.

2. Specific Plan Consistency Analysis

Chapter 8.1.4 of the STSP identifies the thresholds for when a Specific Plan Amendment would be required of a potential application. A Specific Plan Amendment is required if any of the following criteria are met. Each criterion includes a brief analysis of the proposed amendment:

Would the project create or significantly increase previous environmental impacts?

It is impossible to quantify the potential impacts of the proposed amendments without significant levels of technical review of CEQA topics. The scope of the proposed amendments clearly differs significantly from the scope of the adopted STSP. Notably, the amendments are expected to differ significantly for CEQA topic areas including traffic, noise, air quality, and greenhouse

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gas emissions. Additional analysis would be needed to assess whether the proposal aligns with the impacts and assumptions included in the adopted EIR.

Would the project change the total development to exceed the maximum development intensity allowed in the Planning Area or Plan Overall?

The proposed amendment would reduce the ability of the plan to yield full buildout. The amount of site dedicated to vehicular circulation and queuing would increase significantly and reduce the buildable area of the site. The proposed amendment introduces uses that may not be compatible with more sensitive uses such as residential uses (anticipated noise, air quality, and circulation impacts). Further, the proposed modifications to stormwater management and detention further reduce overall plan land use efficiencies.

Would the project result in changes to the distribution of land uses?

Would the project introduce a new type of land use not specifically discussed in the STSP?

Would the project affect compatibility of land uses?

Yes, several new land uses are proposed including drive-throughs, building materials/landscape materials sales, storage, and light industrial uses. These uses were intentionally not included in the development of the STSP because they limit the feasibility of and desirability from and compatibility with more sensitive land uses called for in the STSP, including residential uses.

Would the project make significant changes to the circulation pattern that may alter the infrastructure network or capacity (utility or roadways)?

Yes, the proposed application does not include construction of street and utilities identified by the STSP, and may impact the planning and functionality of the future infrastructure network. The circulation impacts and effects on adjacent roadways is not known at this time; additional traffic analysis would be required to evaluate the potential impacts.

Would the project exceed the analysis limitation of the EIR?

Most likely. Additional analysis, including but not limited to, traffic, noise, air quality and greenhouse gasses, would be required to determine whether or not the outcomes of the amendment are consistent with the EIR.

Would the project alter the quality or character of the Plan Area including the Specific Plan Vision and Big Ideas?

Yes, the amendment is a significant departure from the vision of the approved Specific Plan and 5 Big Ideas.

Specific Plan Consistency

Attachment 6 includes a brief analysis of the applicable Specific Plan Goals, Policies, and Objectives that are applicable to the Sunrise Tomorrow project. Although dozens of policies are

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applicable and discussed in the attachment, for ease of reference, a few of the most directly relevant Specific Plan Vision (Big Ideas) and policies are discussed below.

Specific Plan Vision

The Specific Plan Vision States:

Sunrise Tomorrow transforms the Sunrise Mall into a 21st Century Main Street. The Specific Plan creates a new economic engine and regional destination with a diverse mix of uses and livable neighborhoods that support a high quality of life for Citrus Heights.

Big Ideas

To achieve the overall vision for Sunrise Tomorrow, the Specific Plan is structured around five big ideas intended to elevate quality of life and facilitate economic growth.

A brief analysis of the proposed amendment's consistency with the five big ideas is discussed below:

Community and Regional Destination Big Idea

Proposal Inconsistent with STSP – This Big Idea calls for the return of the mall site as a regional draw that brings in visitors from throughout the region. The idea is predicated on a mix of synergetic uses, open space, and programming that provides an opportunity for visitors and residents to gather and connect.

The proposed amendment is predicated on uses that largely focus on fast food and convenience from within a car; not the “park once, shop/eat/play” mantra that was a focus of the community feedback during the plan development. The limited mix and large square footage needs of proposed uses and lack of open space/gathering area planning inhibits the ability of the plan to achieve this idea. The proposed mix of uses is not supportive of or attractive to other uses that are dependent on the quality of place such as higher quality residential, hotel and office uses that help facilitate at regional draw.

Connected Green Spaces Big Idea

Proposal Inconsistent with STSP – This Big Idea requires a transformation from “a sea of surface parking lots into a green oasis” including both green space internal to the site as well as external connectivity to the regional trail network. The proposed amendment would eliminate all open space requirements in Phase I and significantly reduces the open space requirements in Phase II within the impacted planning areas and potentially eliminates the viability of connected spaces for community gathering and landscaped amenities.

Streets for People Big Idea

Proposal Inconsistent with STSP – This Big Idea is predicated on a network of new streets designed to safely accommodate all users. The intent of the idea is to provide connectivity internal and external to the site to encourage the “park once and walk” mantra called for within

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this Big Idea. The proposed amendment does not provide new streets; rather, it relies on the existing drive aisles and parking areas for circulation.

Livable Neighborhoods Big Idea

Undetermined – This Big Idea calls for a mix of housing offerings at varying densities throughout the site. The proposed amendment significantly reduces the number of housing units called for under the plan and reduces the location to one area, eliminating options for housing varieties. Furthermore, there are compatibility concerns with the uses proposed (building material sales) with the location of shown residential area.

Economic Engine Big Idea

Undetermined – The Specific Plan calls for a synergetic mix of uses that collectively supports economic growth. The proposed amendment may result in sales tax generation; however, the full impact of a reduced buildout with alternative uses as compared to the assumptions of the STSP is unknown. Storage uses are not a component that contributes to an economic engine.

Specific Plan Policy Analysis

Policy LU-7 Minimize Impacts to Adjacent Residential Communities

Proposal Inconsistent with STSP – This policy states “along the southern and eastern edges of the Plan Area, adjacent to existing residential uses, development shall be limited to residential, and community uses. Landscaping and sound walls shall be used to minimize noise to adjacent residential uses. No development of roadways shall be permitted within 20 feet of the southern edge of the Plan Area”.

The proposed amendment includes the introduction of a Building Materials/ Landscape Supplies (Home Depot) near the southeast corner of the site, adjacent to the abutting existing residential neighborhood and the proposed residential area. Proposed deliveries via tractor trailers would take place immediately adjacent to the residential neighborhood resulting in potential impacts from back up alarms, forklifts, and similar operations.

Policy LU-8 Auto-Oriented and Drive Through Businesses

Proposal Inconsistent with STSP – This policy clarifies that the STSP finds that Auto-Oriented and Drive Through uses are incompatible with the STSP vision of creating a walkable and pedestrian oriented district. The proposed amendment introduces six drive-through businesses along the periphery of the site.

Policy M-1 Street Standards.

Proposal Inconsistent with STSP – The policy calls for complete street standards to provide safe and efficient circulation throughout the site and connecting to the adjacent roadway network. The proposed amendment does not include the construction of new roadways; instead relies on existing facilities and infrastructure within the mall parking lot; largely lacking complete street improvements and associated pedestrian connectivity.

Policy M-3 Pedestrian Circulation

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Proposal Inconsistent with STSP – The policy requires a network of sidewalks, pedestrian paths, paseos, and multi-use paths. No pedestrian improvements are proposed as part of the amendment. Additionally, positioning of proposed pads would remove the ability of the Green Loop portion of the STSP from occurring.

Policy OS-1 Provide a High Quality And Active Open Space Network

Proposal Inconsistent with STSP – The policy calls for minimum open space targets for each planning area comprise of landscaped areas, paseos, Green Loop, and similar improvements. The overall target for the STSP is for up to 25 acres of Open Space. The proposed amendment reduces the Open Space to less than one acre and requests reduction of Open Space targets.

Policy S-6 Tree Canopy

Proposal Inconsistent with STSP – The policy calls for protection and enhancement of the site’s tree canopy including open spaces and tree lined streets. The proposed amendment does not include new streets or open spaces.

3. Timing

Is the proposed amendment premature in relation to the inventory of similarly designated land and the timing of projected growth?

Although staff, Council, and the community would all appreciate the realization of the plan to occur more quickly, it has been long understood that projects of this magnitude take significant time and commitment to advance. Additionally, development market variables including construction costs and interest rates in the last few years have limited development opportunity.

The Sunrise Tomorrow Specific Plan was developed in a manner to allow a transition from a shopping mall into a thriving 21st century main street. In 2021, the adoption of the Specific Plan cleared significant hurdles for redevelopment of the site including zoning, environmental clearance, and community support. The STSP anticipates a 20-year horizon to achieve the vision of the plan.

As the second largest infill development site in the Sacramento Region (behind the Railyards in Sacramento), the full realization of the site is likely to progress at a similar pace. Significant progress has been made towards answering questions that need to be addressed surrounding infrastructure and public infrastructure financing that will likely be necessary to catalyze development and advance the plan.

Similarly, the City has approved a Parcel Map with Development Agreement for the Sunrise Tomorrow Hotel project, which is consistent with the Specific Plan and will continue to advance the plan’s vision.

The proposed amendment would significantly diminish the Plan's ability to achieve the overall vision and goals established through the community-based planning process. Given the early

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stage of the Plan's implementation and the success that has occurred to date, staff believes an amendment is not warranted at this time.

4. Public Infrastructure

Are facilities and services available or can be feasibly provided to serve the proposed project without adverse impact to existing or approved development?

Public Infrastructure to serve the STSP is available in the surrounding road network at capacities to serve the buildout envisioned by the plan. The existing onsite infrastructure is nearing the end of its useful life and is not sized adequately to support the full buildout of the plan. Investment into onsite infrastructure and new connections to trunk line infrastructure is required to realize the plan's vision and any substantive densification in general.

To achieve the Plan's Vision a holistic approach to infrastructure is required to enable shared infrastructure across the site to maximize development potential and reduce costs. The proposed amendment includes a provision to "not share responsibility for stormwater infrastructure", which would result in duplicative efforts to manage stormwater for the site, particularly when stormwater relies on gravity flow.

By approaching infrastructure on a parcel-by-parcel basis, the full buildout of the site may be more challenging to achieve and result in increased costs for future development to support infrastructure connections to the other portions of the site not included in the proposed amendment.

5. Public Benefit

Does the proposed amendment provide additional public benefit to the community as compared to the existing land use designation(s), density/intensity range, plan, or site design?

The proposed amendment would significantly change the trajectory of the Sunrise Tomorrow Specific Plan. The proposed amendment focuses on a different approach to land development that is catering to those passing by the site, rather than drawing people into the site. While there is demand for fast food, the proposed amendment would change the tone for the site and hamper the ability to deliver a future of the site called for in the STSP.

The impact to the public is unknown; however, traffic, noise, air quality, greenhouse gas emissions and fiscal impacts are likely to be significantly different than expected under STSP.

The impact of the proposed amendment is likely to severely impact the City's ability to attract grant funding to support much needed infrastructure investment and economic development.

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Environmental Review

The California Environmental Quality Act does not apply to the analysis contained in this report, because the resulting initial council feedback does not constitute a “Project” under CEQA Guidelines Sec. 15378. If the project moves forward as a subsequent submittal for a formal Specific Plan Amendment, the project would be subject to the appropriate environmental review as required per CEQA for the proposed amendments.

If a formal Specific Plan Amendment moves forward, an initial study would be necessary to prepare to determine the type of CEQA document required; however, based on traffic impacts, noise impacts, and air quality impacts from the proposed informal amendment, it is anticipated that a Supplemental EIR or EIR Addendum, and associated technical studies would be required.

Public Outreach/Comments

Development Pending Signs were posted onsite (one on Greenback Lane and one on Sunrise Boulevard) and the City’s various Neighborhood Areas, Sunrise MarketPlace, and Chamber of Commerce were notified of the City Council’s consideration of the applicant’s proposal.

The project was included in a City News Flash, included an online feedback form (comments incorporated in Attachments 11 - 14), and featured in regional media. The proposed amendment has been scheduled twice for City Council consideration and ultimately postponed at the request of the applicant. Each hearing notice has been widely advertised and been a significant topic of conversation in the community.

Property owners within 500 feet of the project site were mailed a meeting notice. Comments received prior to April 2025 are linked in the attachments below. These comments were based on the 2024 project submittal. The applicant revised the application in March 2025 as depicted in Attachments 2 and 3). All comments received after April 1, 2025 are included as Attachment 14.

Applicant Community Outreach and Engagement

As referenced in the Applicant’s Project Description (Attachment 2), the applicant conducted community outreach to the City’s Neighborhood Areas and other community stakeholders. This outreach was based on the Applicant’s 2024 submittal. Based on stakeholder feedback received, the applicant submitted a revised project submittal (March 2025), which was the basis for the analysis in this staff report.

Attachments

1. [Sunrise Tomorrow Specific Plan](#)
2. Applicant Project Description and Big Ideas Narrative
3. Applicant Proposed Site Map
4. [SACOG Reconnecting Communities News Item](#)
5. Sunrise Tomorrow Conceptual Land Use Map

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6. General Plan Policy Consistency Review and Sunrise Tomorrow Specific Plan Policy Consistency Review
7. Sunrise Tomorrow Specific Plan Community Engagement Summary
8. [October 20, 2021 Planning Commission Staff Report](#)
9. [November 10, 2021 City Council Staff Report](#)
10. [Public Comment Letters and Emails received prior to 11/6/24](#)
11. [Public Comment Letters and emails received between 11/6/24 and 1/31/25](#)
12. [Public Comment Letters and emails received 1/31/25 and 2/27/25](#)
13. [Public Comment Letters and emails received 3/1/25 and 3/31/25](#)
14. Public Comment Letters and emails received after 4/1/25

Sunrise Tomorrow Specific Plan Amendment

Submitted to: City of Citrus Heights, March 31, 2025

Applicant: Ethan Conrad Properties Inc.

Representative: Holloway Land Company

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Project Description

Ethan Conrad Properties (the “applicant”) proposes amendments to the adopted Sunrise Tomorrow Specific Plan adopted on November 10, 2021.

Ethan Conrad Properties controls 75+/- acres of the southern portion of the Sunrise Mall Marketplace (formerly known as Sunrise Shopping Mall), and is located within the Sunrise Tomorrow Specific Plan area.

The applicant proposes to amend the Specific Plan in two phases. Phase I of the Specific Plan Amendment will focus on the southern approximately 25 acres, and Phase II of the Specific Plan Amendment will address the remaining approximately 50 acres. The Specific Plan Amendment will allow for retail and commercial businesses, including, but not limited to: large format retail stores; childcare facilities; quick-serve food establishments; drive through services (limited to three in Phase I, and three in Phase II); on-site commercial storage and public storage (limited to basement areas of the former Sears and Sears Auto building in Area 3-A); private educational schools; as well as indoor commercial recreation facilities. These focused amendments are proposed to better serve the existing Citrus Heights community and more fully meet local needs.

Simultaneous with the Specific Plan Amendment, the applicant proposes to submit for processing a commercial parcel map application, which will merge and reconfigure some of the existing parcels to allow for the above referenced businesses to be located on individual parcels.

Justification Summary

This proposed Specific Plan Amendment encompasses much of the area within the Sunrise Tomorrow Specific Plan identified as Neighborhoods 3-A, 3-B, 3-C, and 4-C.

Benefits of the Specific Plan Amendment include keeping local dollars within the community and reducing travel times by providing desirable services in the immediate area. These benefit the local economy, create jobs, generate tax revenue to support public safety, education and other local programs, and support our environment through reduced traffic congestion and related automotive emissions.

The Specific Plan Amendment will allow retail and commercial businesses, including large format retail stores, hotels, childcare facilities, quick-serve food establishments, drive through services, on-site commercial storage and public storage, private educational schools, as well as indoor commercial recreation facilities within sub-areas of the adopted Specific Plan and its zoning.

Relevant and Supportive General Plan Policies

The project is consistent with many goals, policies and objectives of the Citrus Heights General Plan, adopted on August 11, 2011

The Project is Consistent with Policy 2.4 of the General Plan

The Project is Consistent with the following General Plan policy:

- **Policy 2.4:** Preserve individual neighborhoods and promote a prosperous business community

The Project is Consistent with Policy 7.2 of the General Plan

The Project is Consistent with the following General Plan policy:

- **Policy 7.2:** Promote new development that is designed to encourage neighborliness, a sense of belonging to the community and community pride.

The Project is Consistent with Goal 8 of the General Plan

The Project is Consistent with the following General Plan goal and policy:

- **Goal 8:** Maintain the economic strength of retail centers by focusing retail activities at major intersections
 - **Policy 8:** Locate retail businesses at or near major intersections.
 - **Action A.** Improve streetscapes and access, and allow creative signage as incentives for retention and expansion of retail businesses at major intersections.

The Project is Consistent with Goal 9 of the General Plan

The Project is Consistent with the following General Plan goal and policies:

- **Goal 9:** Revitalize and maintain corridors as economically viable and physically attractive
 - **Policy 9.2:** Provide opportunities for mixed-use projects within commercial corridors.
 - **Policy 9.3:** Include all major corridors in a redevelopment district. **Policy 9.4:** Implement the Boulevard Plan, Reinventing the Auburn Boulevard Corridor, which promotes improvements that will enrich existing businesses, stimulate private investment, and encourage new business opportunities.

The Project is Consistent with Policy 10.2 of the General Plan

The Project is Consistent with the following General Plan policy:

- **Policy 10.2:** Design buildings to revitalize streets and public spaces and to enhance a sense of community and personal safety.

The Project is Consistent with Goal 11 of the General Plan

The Project is Consistent with the following General Plan goal:

- **Goal 11:** Maintain and strengthen Sunrise MarketPlace as the heart of commercial activity in Citrus Heights Policy
 - **11.1:** Actively seek to attract, retain and expand commercial activities at Sunrise MarketPlace.
 - **Action B.** Establish an ongoing business attraction, retention and expansion program that includes partnerships with key property owners, real estate brokers and retailers.

The Project is Consistent with Goal 12 of the General Plan

The Project is Consistent with the following General Plan goal and policies:

- **Goal 12:** Create an inviting and distinctive identity for Sunrise MarketPlace to promote its image as the City's premier destination to shop, work, live, and play.
 - **12.12 Action A:** Support the Sunrise MarketPlace Property-based Business Improvement District's efforts to market and advertise Sunrise MarketPlace as the City's premier business district.
 - **Policy 12.3:** Transform the Sunrise Mall area into a premier regional destination and a flourishing center of community life where residents and visitors shop, work, live, and play.
 - **Action B:** Use a flexible planning approach for Sunrise Tomorrow to allow for a variety of uses and to respond to evolving market conditions and community needs.

- **Action D:** Promote development in Sunrise Tomorrow in a manner that creates an attractive, distinct, cohesive, high quality place where residents and visitors come to shop, work, live, and play

The Project is Consistent with Policy 13 of the General Plan

The Project is Consistent with the following General Plan policies:

- **Policy 13.4:** Facilitate the development of new buildings in areas currently devoted to parking to shorten distances between buildings and foster better pedestrian connections between shopping centers.
- **Policy 13.5:** Promote transit-oriented development through reuse and redevelopment of opportunity sites near the Greenback Lane/Sunrise Boulevard intersection

The Project is Consistent with Goal 14 of the General Plan

The Project is Consistent with the following General Plan goal and policies:

- **Goal 14:** Strengthen the retail base to ensure the City's fiscal stability, provide needed goods and services, and promote the vitality of City commercial districts and nodes
 - **Policy 14.1:** Retain and expand the City's base of retail jobs and sales tax revenue.
 - **Action A:** Enhance business attraction, retention and expansion activities that includes partnerships with key property owners, real estate brokers and retailers.
 - **Action B.** Continue to foster public/private partnerships with the Chamber of Commerce, the Sunrise MarketPlace Property-based Business Improvement District, and other business groups.
 - **Action C.** Support the Sunrise MarketPlace as a core location for retail business attraction, retention and expansion activities.
 - **Action D.** Use Redevelopment and other available City resources to leverage, reinforce and assist property owner efforts to retain and attract retail clients.
 - **Policy 14.2:** Provide incentives to the private sector for catalyst projects that stimulate private investment in the City's commercial districts.

The Project is Consistent with Goal 15 of the General Plan

The Project is Consistent with the following General Plan goal and policy:

- **Goal 15:** Diversify the local economy to meet the present and future employment, shopping, and service needs of Citrus Heights residents and sustain long-term fiscal health
 - **Policy 15.2:** Ensure that the City’s regulations and processes support economic development opportunities.
 - **Action A:** Review and amend the Zoning Code to address any regulatory impediments to attracting target businesses, and to facilitate desired business expansions and reuse.

The Project is Consistent with Policy 16.2 of the General Plan

The Project is Consistent with the following General Plan policy:

- **Policy 16.2:** Focus economic revitalization and redevelopment efforts on key opportunity sites within the City to be catalysts for economic revitalization and/or redevelopment.

The Project is Consistent with Goal 18 of the General Plan

The Project is Consistent with the following General Plan goal and policy:

- **Goal 18:** Be responsive to changing economic conditions and opportunities
 - **Policy 18.1:** Keep the Economic Development Strategy and Action Plan current to reflect evolving economic conditions, local needs, and priorities.

The Project is Consistent with Policy 22.2 of the General Plan

The Project is Consistent with the following General Plan policy:

- **Policy 22.2:** Provide for youth [...] programs and activities.

The Project is Consistent with Policy 45.2 of the General Plan

The Project is Consistent with the following General Plan policy:

- **Policy 45.2:** Continue to work with the Chamber of Commerce to develop business involvement in City decision making processes.
 - **Actions A.** Work with government, private and nonprofit entities to provide a broad range of support in such areas as transportation, job training, recreation and housing.

The Project is Consistent with Policy 47 of the General Plan

The Project is Consistent with the following General Plan policies:

- **Policy 47.1:** Support businesses, organizations, and programs that respond to youth and family needs.
 - **Actions A.** Work with agencies and nonprofits to address the problems of youth in innovating, caring ways.
 - **Action B.** Work with the private sector to develop businesses that serve youth and families.
- **Policy 47.2:** Encourage events that integrate family, school and community.
- **Policy 47.3:** Promote the development of a range of child care facilities and arrangements, including family day care homes, quasi-public and private child care centers, before- and after-school programs and recreational activities, to fulfill the needs of Citrus Heights residents and employees.
 - **Actions A.** Prepare and adopt Community Design Guidelines that encourage child care facilities to be located in [...] in commercial developments, especially near major transportation corridors.

Additional General Plan Support for the Specific Plan Amendment

"The General Plan seeks to protect and enhance those portions of the corridors that support viable and attractive commercial development and high quality residential areas. [...] In the stretches of corridor between the retail nodes, non-retail uses such as offices, service businesses, mixed use and residential development are encouraged. [...] the General Plan provides a Corridor Transition Overlay designation, which allows for low intensity commercial and mixed use developments that are compatible with surrounding land uses [...]"

Sunrise Boulevard: The southern portion of Sunrise Boulevard within the City is dominated by Sunrise MarketPlace, which is designated for commercial and office uses. Two other commercial areas exist at Woodmore Oaks Drive and between Old Auburn Road and Antelope Road. The General Plan seeks to retain existing medium and high density residential developments along Sunrise Boulevard, and other residential uses that back or side onto Sunrise Boulevard. Some areas with single family residences, some of which front on Sunrise Boulevard, are designated with the Corridor Transition Overlay designation." **Page 2-17**

"Sunrise MarketPlace will need a vibrant, distinct identity to remain a major regional draw and top revenue source for the City. Aggressive marketing and business promotion efforts and beautification will be required to ensure the continued success of Sunrise MarketPlace as a commercial center and community resource.

Protecting and enhancing Sunrise MarketPlace is a critical part of the City's economic development strategy [...] intended to support the efforts of the Sunrise MarketPlace Property-based Business". **Page 2-20**

"The City of Citrus Heights, through General Plan policies, redevelopment, and partnerships with the private sector, seeks to maintain and enhance the quality of life of its residents by retaining and encouraging expansion of existing businesses and employment. Business activity is an important part of the City's fabric, providing a source of jobs, shopping and services to City residents, and in providing revenues for the financially healthy city." **Page 2-24**

Relevant and Supportive Sunrise Tomorrow Plan Policies

The Project is Consistent with the Sunrise Tomorrow Development Frameworks

The Project aligns with the following Sunrise Tomorrow policies:

- **Development Framework for Planning Area 3** is “envisioned as an entertainment district with retail and entertainment uses” (pg 59)
- **D-6 Development Standards** envision “establishing a vibrant mixed use district” (pg 65)

The Project is Consistent with the Sunrise Tomorrow Land Use Plan

The Project aligns with the following Sunrise Tomorrow policies:

3.3.1 Land Use Plan provides for:

- **Retail/Food and Beverage:** “Anchor Retail Department Stores, Ground Floor Retail Stores, [...] Grocery Stores, Restaurants, Breweries and Bars.”
- **Community Institutional:** “Child Care Centers, [...] Community Recreation Centers” (pg 67)

The Project is Consistent with the Sunrise Tomorrow Frontage Plan

The Project aligns with the following Sunrise Tomorrow policies:

3.3.2. Frontage Plan provides for:

- **Active Retail Frontage:** “active retail, restaurant and entertainment uses are encouraged”
- **Active Mixed Use Frontage:** “active retail, restaurant and entertainment uses may occur” (pg 69)

The Project is Consistent with the Sunrise Tomorrow Land Use Policies

The Project is Consistent with the following Sunrise Tomorrow policies:

3.3.3 Land Use Policies envision:

- **LU-1.** “A community and regional destination”
- **LU-3.** “An economic engine and employment center”
- **LU-5.** “Building frontages along streets intended for the highest level of pedestrian activity are designated ‘Active Retail Frontage.’ Along these streets, active retail, restaurant, and entertainment uses are required.”
- **LU-6.** “Developers of projects containing ground floor commercial space designated for retail, restaurant, or entertainment use shall strive to create a mix of complementary, vibrant, high-quality retail, restaurant, and entertainment uses. [...] Retail stores providing daily needs, such as grocery stores, are encouraged.” (pg 71)

The Project is Consistent with the Sunrise Tomorrow Mobility Policies

The Project aligns with the following Sunrise Tomorrow policies:

3.4.3 Mobility Policies state:

- **M-7.** “Vehicular parking shall be provided for all uses according to the minimum and maximum requirements.”
- **M-5.** “A bus transit center shall be established along Sunrise Boulevard” (pg 77)

The Project is Consistent with the Sunrise Tomorrow Parking Development Standards

The Project aligns with the following Sunrise Tomorrow policies:

4.2.3 Parking Development Standards require:

- **DS-3.** “All surface parking lots [...] shall provide demarcated safe accessible pedestrian access and circulation through all parking areas to a pedestrian pathway.” (pg 95)

The Project is Consistent with the Sunrise Tomorrow Key Design Elements

The Project is Consistent with the following Sunrise Tomorrow policies:

4.4.2 Sub Area 2-A:

- **Key Design Elements** envision that “Mixed-use buildings along Main Street should have active ground floor uses such as dining and retail

4.4.3 Sub Area 2-B:

Key Design Elements envision that “Street-facing ground floor should have active uses”

4.5.2 Sub Area 3-A: Entertainment Anchor

- **Key Design Elements** envision:
 1. “Outdoor dining, seating areas [...] and game areas”
 2. “The primary entertainment use main entry and marquee should be centrally located and visually significant with compelling design elements.” (pg 133)

The Project is Consistent with the Sunrise Tomorrow Planning Area 3 Use Regulations

The Project is Consistent with the following Sunrise Tomorrow policies:

Table 4.15 Planning Area 3 Uses provides for:

- Commercial recreation facility - Indoor Minor
- Commercial recreation facility - Indoor Major
- General Retail
- “Restaurant” (s)
- Child day care center and
- Parking facility, public or commercial, surface (pg 145)

The Project is Consistent with the Sunrise Tomorrow Planning Area 4 Use Regulations

The Project is Consistent with the following Sunrise Tomorrow policies:

Table 4.21 Planning Area 4 Uses provides for:

- Commercial recreation facility - Indoor Minor
- Commercial recreation facility - Indoor Major
- Drive-Through Facility
- “Restaurant” (s)
- Parking facility, public or commercial, surface (pg. 165)

Additional Specific Plan Amendment Modifications and Clarifications

- Remove maximum retail GLA allocation in areas 3 and 4.
- Remove any minimum FAR requirements in areas 3 and 4.
- Reduce the minimum 30%-40% open space Delete Policy OS-3 regarding restoring creek.
- Modify the open space of areas 3 and 4.
- Each sub-area within the Specific Plan shall be designed to detain or otherwise accommodate stormwater runoff from that sub-area.
- Areas 3 and 4 will no longer provide stormwater detention for the overall shopping center.
- In the lower levels (basement areas always used as storage) of the former Sears and Sears Auto Building in Area 3-A, on-site commercial storage and public storage,
- Quick-serve restaurants are allowed to have drive-through service subject to City standards and limitations described herein.
- As an item of clarification, the allowed uses described herein and per the Specific Plan shall be allowed in all portions of the Specific Plan Area as opposed to certain specific areas.

Attachments

The Sunrise Tomorrow Plan's Five Big Ideas are Achieved in the Proposed Specific Plan Amendment (SPA);

Site Plan

**The Sunrise Tomorrow Plan's
Five Big Ideas are Achieved in the
Proposed Specific Plan Amendment (SPA)**

1. Community & Regional Destination

Proposed SPA - Attracting popular retailers and enhancing the property with capital improvements to create an appealing and engaging destination.

2. Connected Green Spaces

Proposed SPA - The addition of a new, open event space for community gatherings, concerts, a farmer's market, or other local uses to bring together neighbors, families, and the entire Citrus Heights community.

3. Streets for People

Proposed SPA - The new property enhancements through the Sunrise Tomorrow Plan will reinvigorate the Sunrise Mall property; instead of a vacant, dilapidated dead mall, this plan will provide a vibrant community gathering space that can be enjoyed by everyone.

4. Livable Neighborhoods

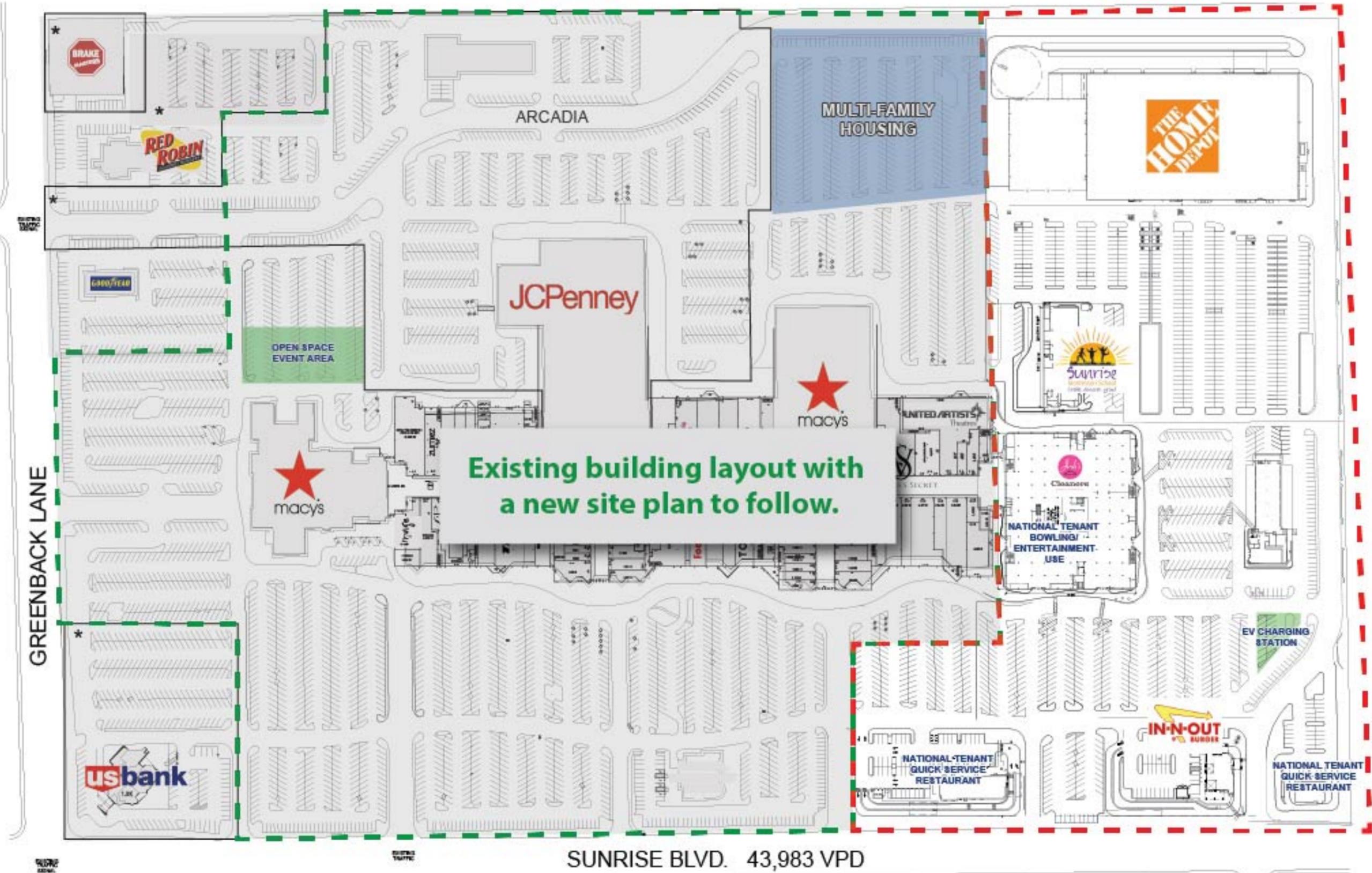
Proposed SPA - Sunrise Tomorrow Evolution will provide 350 new multi-family housing units and help address the housing shortage in the Citrus Heights community.

5. Economic Engine

Proposed SPA - Strong national retailers to help stimulate the economy, bringing jobs and vital tax revenues the community needs and depends on to fund essential services, including public safety, education, and transportation.

PHASE II

PHASE I



*Not Part of SPA Application

3.1 Overview

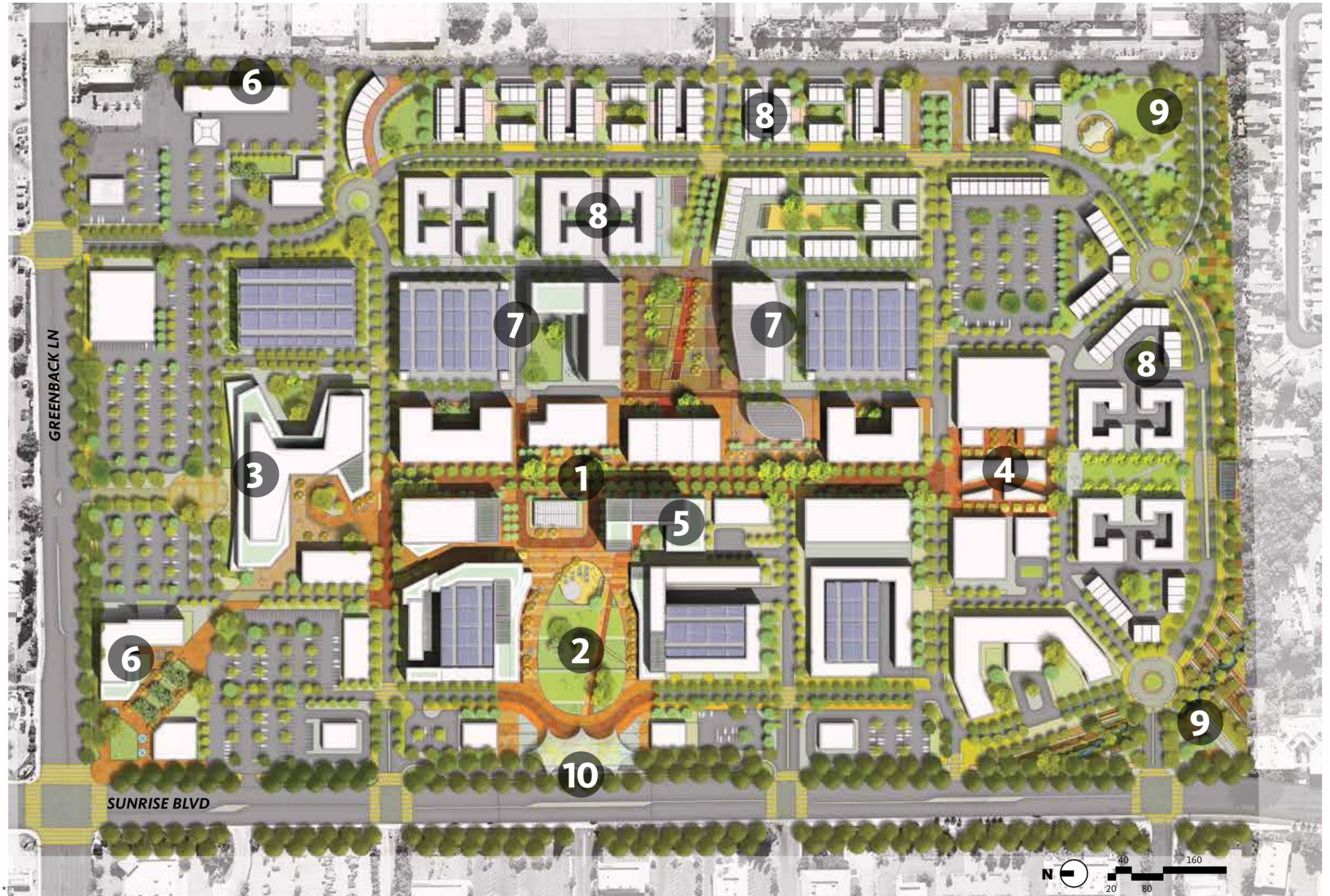
3.1.1 Illustrative Plan

This Illustrative Plan shows the potential future development of the Sunrise Tomorrow Plan Area.

Development shown in the illustrative plan, and other exhibits throughout this document, is based on the projected market demand and represents one example of development that conforms with the requirements of the Specific Plan. Further detail per each development site is provided in Chapter 4: Development Standards.

- 1 MAIN STREET
- 2 SUNRISE COMMONS
- 3 EMPLOYMENT ANCHOR
- 4 ENTERTAINMENT ANCHOR
- 5 FULL-SERVICE HOTEL
- 6 BUSINESS HOTEL
- 7 RETAIL ANCHOR / FUTURE MIXED USE DEVELOPMENT
- 8 RESIDENTIAL NEIGHBORHOODS
- 9 OPEN SPACE
- 10 TRANSIT CENTER

FIGURE 3.1 ILLUSTRATIVE PLAN



Citrus Heights General Plan	
GOAL 2: Preserve the unique character of Citrus Heights, and create a distinctive community identity (Land Use)	
Policy	Consistent/Inconsistent/ Insufficient Information
<p>Policy 2.1: Distinguish Citrus Heights from other communities through quality development that typifies the City’s desired image.</p>	<p><u>Insufficient Information</u> – Site Plans provided by the applicant depict new buildings with limited detail about landscaping and other site elements.</p> <p>The Design Standards of the Sunrise Tomorrow Specific Plan are intended to encourage design that is higher quality and unique to the region. It is unclear whether or not the architectural styling or site planning will adhere to these standards. The Specific Plan includes roadway design standards, open space, and landscape standards that if applied could aid in achieving this goal, however, they are not reflected in the site plan.</p>
<p>Policy 2.4: Preserve individual neighborhoods and promote a prosperous business community.</p>	<p><u>Insufficient Information</u> – The project site is adjacent to both single-family and multi-family neighborhoods on the southern and eastern frontages. The southern neighborhood, accessed via Sawgrass Circle, was an involved stakeholder in the development of the Specific Plan. This neighborhood raised a number of concerns with ongoing challenges with speeding, side shows, and noise.</p> <p>The Specific Plan identifies the use of open space to provide a landscape buffer and sound wall to aid with noise reduction from the Sunrise Tomorrow Site. Specific Plan Policy LU-7 restricts development and roadways within 20’ of the southern property line. It is unclear if this would be achieved through the proposed site plan.</p> <p>The proposed site plan depicts a Home Depot adjacent to the Sawgrass Circle neighborhood. The proposed building is approximately 30’ away from the southern property line. It is unclear how this will interface with the existing roadway and the</p>

	<p>existing planter. Noise impacts associated with forklifts, delivery trucks, and similar operational challenges may impact this neighborhood. A detailed site plan and acoustic evaluation would be required if the project moves forward.</p>
<p>Goal 8: Maintain the economic strength of retail centers by focusing retail activities at major intersections (Corridors)</p>	
<p>Policy 8.2: Discourage spot retail commercial developments and the creation of new strip commercial areas. Focus new retail uses within the retail nodes identified on Map 3.</p>	<p><u>Inconsistent</u> – The STSP prohibits drive-throughs, and the preliminary plan depicts a number of drive-throughs along the periphery of the site which do not encourage walkability and connections to the retail portions of the plan. Each pad is a disconnected retail node limiting safe access to the rest of the center.</p>
<p>Policy 8.3: Support the creation of transit centers near Greenback Lane/Sunrise Boulevard and Greenback Lane/Auburn Boulevard</p>	<p><u>Inconsistent/Insufficient Information</u> – The Sunrise Tomorrow Specific Plan includes the relocation of the existing Transit Center (Arcadia Drive) to the Sunrise Boulevard frontage of the site. The central location of the proposed Transit Center is intended to support the anticipated Bus Rapid Transit (BRT) along Sunrise Boulevard and proposed intensity and density of the Sunrise Tomorrow Specific Plan.</p> <p>While the proposed amendments may not preclude the Transit Center in this location, the proposed amendments are uses that are generally not supportive of the density and intensity of uses that are supportive of higher quality transit service including BRT.</p>
<p>Policy 9.5: Discourage the creation of any new parcels within existing commercial centers, if such creation might hinder the viability and/or future redevelopment of the center.</p>	<p><u>Inconsistent/Insufficient Information</u> – This General Plan Policy was created to ensure new parcels do not get in the way of the anticipated intensification and densification of land uses when redeveloping commercial centers.</p>
<p>Goal 10: Achieve attractive, inviting, and functional corridors (Corridors)</p>	
<p>Policy 10.1: Require superior architectural and functional site design features for new development projects along major corridors.</p>	<p><u>Insufficient Information</u> – No architecture plans submitted to evaluate this Policy.</p>
<p>Policy 10.2: Design buildings to revitalize streets and public spaces and to enhance a sense of community and personal safety.</p>	<p><u>Insufficient Information</u> – Design of buildings has not been provided at this time.</p>

<p>Policy 10.3: Discourage trademark or generic architecture in order to provide unique visual interest in Citrus Heights.</p>	<p><u>Insufficient Information</u> – No architectural plans have been provided at this time. The proposed amendments include the allowance of drive-through services to national quick service tenants and include a proposed In-N-Out restaurant. National quick service chains such as In-N-Out have a distinct trademark architecture that ensures brand recognition and typically do not differ in architectural design.</p>
<p>Policy 10.8: Discourage concentration of auto intensive facilities (such as drive-through and gas station uses) and ensure that drive through businesses are allowed only where compatible with the surrounding areas.</p>	<p><u>Inconsistent</u> – The proposal shows up to six drive through uses adjacent to each other.</p> <p>While there are a few locations in the City that have similar conditions, these are considered legacy conditions inherited from Sacramento County. Since incorporation, there has been no new drive throughs permitted by the City in such close proximity or concentration, in particular, drive throughs of this level of impact (queuing, trips generated, etc.).</p> <p>For context, as part of the Stock Ranch Guide for Development adoption process, the property owner requested consideration of two drive-throughs as part of the Specific Plan regulations. The Council felt that two drive-throughs included in close proximity were inappropriate for the specific plan and the project site; so the Specific Plan is limited to a single drive through, which was recently approved as a Starbucks.</p> <p>In addition, during the design and development phase of the Sylvan Market project (Sylvan Corners) the developer requested two drive-through uses. Due to circulation concerns and overall impacts to the site, the project was approved with a single drive through user, Starbucks).</p> <p>The prohibition of drive throughs as part of the Sunrise Tomorrow Specific Plan was very intentional due to the impacts these uses can have on more sensitive uses promoted by the plan (housing,</p>

	<p>parks, etc.). In particular, some major drive-through users (i.e. Chic-fil-A and In-N-Out, are well known to have extremely long vehicle queues that can create a number of circulation challenges, air quality impacts, noise impacts, and similar challenges that can make locating sensitive uses envisioned by the plan more difficult due to compatibility issues.</p>
<p>Goal 11L Maintain and strengthen Sunrise MarketPlace as the heart of commercial activity in Citrus Heights (Sunrise MarketPlace)</p>	
<p>Policy 11.1.C Identify opportunities to expand entertainment, restaurant, lodging and leisure activities that complement and support the retail uses in Sunrise MarketPlace.</p>	<p><u>Inconsistent</u> – While the proposal reflects a bowling alley in the existing Sears structure, this use is currently allowed in the STSP, no modification to the Specific Plan would be required to allow a bowling alley.</p> <p>The balance of the proposal is not expanding or providing any uses listed in the Policy. The Quick Service Restaurants are encouraging pass-through visitors. The proposed Home Depot is a service destination where visitors pick up needs and return home or to job sites.</p>
<p>Policy 11.3: Promote new regional and community-oriented commercial development within Sunrise MarketPlace that is compatible and supportive of existing uses.</p>	<p><u>Inconsistent</u> – While a Home Depot can be a semi-regional draw, the location as proposed may not be compatible with the adjacent single-family homes south of the site.</p> <p>Specific design considerations and setbacks were included in the STSP to ensure compatibility with the adjacent residential areas. The STSP indicates neighborhood park and community space in this location providing buffer between the residences and the shopping center.</p>
<p>Policy 11.1.D. Identify opportunities to expand civic and community activities that complement and promote the retail uses in Sunrise MarketPlace.</p>	<p><u>Inconsistent</u> – Open space policies were integrated into the Sunrise Tomorrow Plan to help foster social interactions and community engagement. Part of the open space framework includes an entertainment plaza, and a central gathering space for large community events. Providing accessible and walkable gathering areas can increase foot traffic and boost business in the surrounding space.</p>

	<p>The proposed plan depicts the area set aside for gathering and community engagement has been reduced to approximately one half of an acre, less than one percent of the project area. This reduction of dedicated open space would limit the project from meeting this goal.</p>
<p>Policy 11.2: Locate office buildings in Sunrise MarketPlace to increase the vitality of the area.</p>	<p><u>Inconsistent/Insufficient information</u> – The proposed amendment does not indicate any office uses. Providing office space can increase foot traffic and boost business in the surrounding area.</p>
<p>Goal 12: Create an inviting and distinctive identity for Sunrise MarketPlace to promote its image as the City’s premier destination to shop, work, live, and play. (Sunrise MarketPlace)</p>	
<p>Policy 12.3: Transform the Sunrise Mall area into a premier regional destination and a flourishing center of community life where residents and visitors shop, work, live, and play.</p>	<p><u>Inconsistent</u> – The proposed application deviates from the intent of this policy. The applicant’s proposed mix of land uses is consistent with a planning paradigm that is dated and focused on convenience for vehicles that are passing by the site.</p> <p>The intent of this policy is to re-establish the Sunrise Mall site into a regional draw exceeding the regional impact the mall provided during its first thirty years of existence.</p> <p>As part of the STSP development, traffic data indicates that 2/3 of all vehicles do not start or stop in Citrus Heights, they are just passing through.</p> <p>A significant outcome of the community engagement that resulted in this policy, focused on the need for a mix of uses to encourage residents and visitors to park once, and shop, work, live or play on the site.</p> <p>The proposal focuses on uses that are catering to visitors passing by the site which does not encourage nor create a regional destination and flourishing center of community life as called for in the policy. Further, Quick Service Restaurant uses with drive-throughs are ubiquitous in the City and in the region.</p>

<p>Policy 12.3A: Implement the Sunrise Tomorrow Specific Plan to ensure the long-term viability of the Sunrise Mall Property.</p>	<p><u>Inconsistent</u> – The proposal is inconsistent with the STSP and may be detrimental to achieving the proposed mix of uses and housing called for in the plan. As discussed later in this analysis, the STSP includes “5 Big Ideas” which are intended to be the vision for the plan and the metric for evaluating consistency.</p>
<p>Policy 12.3B: Use a flexible planning approach for Sunrise Tomorrow to allow for a variety of uses and to respond to evolving market conditions and community needs.</p>	<p><u>Inconsistent</u> – The STSP provides for a variety of flexible approaches for proposals that are consistent with the intent and scope of the plan, including the 5 Big Ideas. For example, the plan allows staff level amendments “Minor Administrative Modifications” for minor interpretations of land uses or similar standards. A Minor Administrative Modification was used recently to allow the Sunrise Montessori School within the former Sears Repair center. The proposed plan would require an amendment for policy or regulation changes to reflect uses in the proposal.</p>
<p>Policy 12.3C: Promote uses in Sunrise Tomorrow that can be economically supported, are financially feasible and self-sustaining, and maximize fiscal benefits to the City.</p>	<p><u>Insufficient Information</u> – The outcome of the proposal on achieving this policy is unknown at this time. While the proposed uses are likely to generate sales tax revenue, it is unclear for the longer-term impact of these uses on the Sunrise Mall site and the ability to achieve the mix of density and mix of uses called for in the STSP. Storage facilities do not generate a sales tax base and do not promote a customer base. While a large box home improvement store would generate a sales tax base, it is unknown how much of this tax base would just be a shift from another large box home improvement store that is operating less than three-quarters of a mile away.</p> <p>The proposal does not reflect a clear path to replacing the 1.1M square feet of substantially vacant retail within the mall itself.</p>
<p>Policy 12.3D: Promote development in Sunrise Tomorrow in a manner that creates an attractive, distinct, cohesive, high quality place where residents and visitors come to shop, work, live, and play. Features shall include urban design that supports the site as a community and regional destination, open space and multi-use</p>	<p><u>Inconsistent/Insufficient Information</u> – The Sunrise Tomorrow Plan outlines a mix of policies intended to create symbiotic uses that create an attractive place for visitors and residents to shop, work, live and play.</p>

<p>trails that connect between land uses, streets designed for people, and livable neighborhoods providing a variety of housing typologies</p>	<p>This is achieved through a variety of design principles and a complementary mix of uses. The applicant’s proposal eliminates several policies intended to create this environment, including the reduction of open space minimums which greatly inhibits the ability to provide common, accessible open areas. The proposed open space areas integrate a network of parks, plazas, paseos, and trails, creating connectivity between land uses within the Sunrise Mall property and the surrounding areas.</p> <p>It is unclear whether the proposed housing called for in the STSP, creating a vibrant neighborhood would be able to be achieved if the applicant’s proposal were to move forward.</p>
<p>Policy 12.3E: Strongly discourage uses that do not contribute to a walkable, pedestrian friendly environment</p>	<p><u>Inconsistent/Insufficient Information</u> – The information in the preliminary application does not reflect many of the requirements of the Specific Plan including internal roadway design, pedestrian circulation and similar attributes.</p> <p>Further, drive-through uses are generally designed to serve drivers first; and pedestrians second. Most drive throughs can be challenging to navigate for pedestrians due to traffic volume, queuing/stacking, and similar challenges.</p> <p>Similarly, the proposed Home Depot does not reflect design principles included in the specific plan related to pedestrian and vehicular circulation that supports a walkable environment. Home Improvement Stores are generally oriented to vehicular traffic due to the size and nature of the goods sold. Vehicular and delivery traffic associated with these uses can create challenging pedestrian environments.</p>
<p>Goal 13: Increase activity in the Sunrise MarketPlace through transportation investments that enhance the convenience and safety of driving, riding transit, bicycling, and walking to, from, and within the district. (Sunrise MarketPlace)</p>	
<p>Policy 13.1: Improve mobility in the Sunrise MarketPlace area to provide adequate access for vehicles, transit, bicycles and pedestrians.</p>	<p><u>Inconsistent</u> – Increasing Drive-Through pads does not promote walkability and/or contribute to safe access to other areas within</p>

	the MarketPlace. The proposal does not reflect the “Streets for People” approach from the STSP intended to support this policy.
Policy 13.2: Create convenient connections across Sunrise Boulevard for vehicles, bicycles, pedestrians and transit.	<u>Insufficient Information</u> – No information from the proposal identifies pedestrian connections to nearby centers or the proposed transit facility.
Policy 13.4: Facilitate the development of new buildings in areas currently devoted to parking to shorten distances between buildings and foster better pedestrian connections between shopping centers.	<u>Potentially Consistent</u> – Pad buildings may reduce the large expanses of parking between tenant spaces; however as proposed significant distances between proposed pad buildings and the existing mall remain. Drive-through queuing areas and lack of landscaping and “Streets for People” may be inconsistent with this approach.
Policy 13.5: Promote transit-oriented development through reuse and redevelopment of opportunity sites near the Greenback Lane/Sunrise Boulevard intersection, including potential mixed-use projects with a residential component. Coordinate potential development plans with transit near this intersection.	<p><u>Insufficient Information</u> – The proposal does not reflect a location for the Transit Center called for in the STSP. The relocation of the existing Transit Center (Arcadia Drive) to the Sunrise Boulevard frontage of the site is intended to support the anticipated density of the Sunrise Tomorrow Specific Plan.</p> <p>While the proposed plan indicates an area for multi-family housing (350 units), it is far less than the number of units anticipated in the STSP. The STSP proposed a residential character which includes a variety of high-quality open space i.e. gardens, active trails and seamless interface into the adjoining neighborhood.</p>
Goal 14: Strengthen the retail base to ensure the City’s fiscal stability, provide needed goods and services, and promote the vitality of City commercial districts and nodes (Sunrise MarkePlace)	
Goal 14: Strengthen the retail base to ensure the City’s fiscal stability, provide needed goods and services, and promote the vitality of City commercial districts and nodes.	<u>Insufficient Information</u> – The types of uses proposed are not unique to the City and may impact existing retailers. The fiscal impact of the proposal is uncertain.
Policy 14.1: Retain and expand the City’s base of retail jobs and sales tax revenue.	<u>Consistent/Inconsistent</u> – The project as proposed introduces at least three new businesses that currently are not found in Citrus Heights. The proposal to include these uses will generate sales tax. The addition of additional retail users that do not currently exist within the City can result in increased base of retail jobs and sales tax.

	<p>The applicant has proposed allowing mini-storage as an allowed use. This use, currently prohibited, could generate a nominal amount of sales tax for goods sold associated with the storage use; however, this is considered a very minor sales tax generating use.</p>
<p>Goal 15: Diversify the local economy to meet the present and future employment, shopping, and service needs of Citrus Heights residents and sustain long-term fiscal health. (Economic Development)</p>	
<p>Policy 15.1: Pursue non-retail development and reuse (including home occupations, information services, lodging and conference uses) to provide additional job opportunities, reduce the City’s long-term dependence on retail sales for jobs and revenue, and provide viable alternatives for currently underutilized retail centers.</p>	<p><u>Inconsistent</u> – The majority of the uses identified by the applicant are considered retail uses. Mini-storage can contribute a handful of jobs potentially; however, any tax revenue generated would be considered nominal.</p>
<p>Goal 16: Make adequate land available for economic development opportunities (Economic Development)</p>	
<p>Policy 16.2: Focus economic revitalization and redevelopment efforts on key opportunity sites within the City to be catalysts for economic revitalization and/or redevelopment.</p>	<p><u>Potentially Consistent/Inconsistent</u> – The proposal will add additional users to the City’s largest redevelopment opportunity.</p> <p>One of the driver’s for developing the Sunrise Tomorrow Specific Plan was ensuring a mix and intensity of users for the site to ensure maximization of the site for economic opportunities.</p>
<p>Policy 23.2: Incorporate plazas or other public outdoor activity spaces into public and private development projects.</p> <p>Policy 23.3: Promote development of attractive public and quasi-public spaces in non-residential development as amenities for workers and customers.</p>	<p><u>Inconsistent/Insufficient Information</u> – The proposal identifies a small site area (less than one acre of the site) set aside for public space. A significant driver of the Sunrise Tomorrow Plan includes the establishment of Public/Quasi Public Open Space spread throughout the site. A target of up to 25 acres of Open Space was set for the STSP. The proposed open space is disconnected from the balance of the proposal.</p>
<p>Policy 25: Provide adequate sites for a variety of housing opportunities to serve all residents (Housing)</p>	
<p>Policy 25.1: Promote development of a variety of housing types in terms of location, cost, design, style, type, and tenure, while ensuring compatibility with adjacent uses of land.</p>	<p><u>Insufficient Information</u> – The site plan sets aside a small area for 350 multi-family housings units, far less than the intended densities of up to 360 units (Planning Area 3) and 480 units (Planning Area 4), each of varying densities and typologies.</p>

	<p>Based on the proposed site plan, accommodating the number of housing units identified would be unlikely due to lack of physical space and proximity to uses that can be incompatible with residential uses.</p>
<p>Policy 25.2: Strive to meet the City’s fair share housing allocation based on the Regional Housing Needs Assessment.</p> <p>Policy 25.4: Support a variety of housing opportunities on vacant or underutilized lands.</p>	<p><u>Insufficient Information</u> – As part of the 2021-2029 Regional Housing Needs Allocation (RHNA) the City identified 349 units of housing allocated to the Sunrise Mall Site, including up to 145 units within Planning Area 3 and up to 110 units within Planning Area 4 collectively representing about 50% of the City’s RHNA allocation.</p> <p>While the proposal indicates an area set-aside for 350 housing units within Phase 2, these units are collectively in one area of the site where it is unknown if spacing is adequate.</p> <p>The STSP calls for a mix of housing typologies spread throughout the site. It should be noted that if the project provides less than the number of housing units listed in the RHNA, the City would be required to demonstrate the availability of vacant/ underutilized land elsewhere that could accommodate the units allocated to these planning areas as part of RHNA. While a portion of these could be reallocated to other portions of this site; there are extremely limited alternatives to reallocate this share of RHNA elsewhere in the City.</p> <p>Pursuant to Government Code Section 65863, the Council would need to demonstrate the availability of alternative sites prior to approval of a Specific Plan Amendment.</p>
<p>Policy 25.3: Facilitate mixed-use development and redevelopment in appropriate areas.</p>	<p><u>Inconsistent/ Insufficient Information</u> – The majority of the proposed uses are retail-focused. The STSP envisions a mix of uses that would provide synergy between uses and create residents living on the site to shop and frequent new established uses.</p>

<p>Policy 25.3.B. The City will adopt a Specific Plan for the Sunrise Mall site by January 2022 including policies that promote and require residential uses for the overall plan development. Residential development in the Specific Plan shall be encouraged to be at densities of at least 20 units per acre and shall include design standards such as reduced parking and setbacks and increased building heights as compared to existing zoning. Site planning should include logical phases or developable areas of 50-150 units of varying housing typologies. The City will routinely coordinate with property owners and implement CEQA streamlining afforded by the Specific Plan.</p>	<p><u>Insufficient Information</u> – This Policy was developed in coordination with the California Department of Housing and Community Development (HCD) to comply with the state mandated Housing Element Update.</p> <p>As part of the 2021-2029 Regional Housing Needs Allocation (RHNA) the City identified 349 units of housing allocated to the Sunrise Mall Site, including up to 145 units within Planning Area 3 and up to 110 units within Planning Area 4 collectively representing about 50% of the City’s RHNA allocation. While the site plan depicts an area for 350 units, more evaluation is required in order to determine if this land area is sufficiently sized and feasible.</p> <p>If the proposed Specific Plan Amendment is approved, the City would be required to demonstrate the availability of vacant/ underutilized land elsewhere that could accommodate the units allocated to these planning areas as part of RHNA. While a portion of these could be reallocated to other portions of this site; there are extremely limited alternatives to reallocate this share of RHNA elsewhere in the City.</p> <p>Pursuant to Government Code Section 65863, the Council would need to demonstrate the availability of alternative sites prior to approval of a Specific Plan Amendment.</p>
<p>Policy 25.3.C. Pursue funding to incentivize and promote housing within the City’s three identified “Green Zones” for the SACOG Green Means Go Pilot Project, with the goal of achieving 25-35% of the city’s overall RHNA requirement within these zones.</p>	<p><u>Inconsistent</u> – SACOG’s Green Means Go pilot project is intended for projects that create more infill housing, increase mobility, and reduce vehicle emissions. The City has successfully leveraged the City investment in the Sunrise Tomorrow project to obtain grant funding which has been used to evaluate strategies to facilitate the infrastructure necessary to support the redevelopment of the Sunrise Mall site.</p>

	<p>The Sunrise Tomorrow Project is regularly highlighted by SACOG as a model for the “why” regional infrastructure investment is necessary to unlock infill sites to redevelopment of mixed-use projects.</p> <p>Straying from the vision and intent of the Sunrise Tomorrow Plan could change perceptions from SACOG and other funding sources which would reduce competitiveness for future grant funding to support the redevelopment of this site.</p> <p>As identified in the January 13, 2025 SACOG letter, pending Reconnecting Communities funding (\$450,000) may be jeopardized based on the proposed plan amendment.</p>
<p>Goal 29: Plan, design, construct, and manage a Complete Streets transportation network that accommodates the needs of all mobility types, users and ability levels. (Transportation and Mobility)</p> <p>Goal 30: Promote attractive and well-maintained roadways and sidewalks</p> <p>Goal 31: Provide access to public transit service to all Citrus Heights residents and high quality, frequent public transit service to those residents living along designed transit routes.</p>	
<p>Policy 29.1: When constructing or modifying transportation facilities, strive to provide for the movement of vehicles, commercial trucks, alternative and low energy vehicles, transit, bicyclists and pedestrians appropriate for the road classification and adjacent land use.</p> <p>Policy 29.4: Support safe, complete and well-connected neighborhood street, bicycle, and pedestrian access and connections that balance circulation needs with the neighborhood context.</p> <p>Policy 30.2: Require public street right-of-way dedications and improvements as development occurs. Ultimate right-of-way and improvements should be installed at the time of development, except when a lesser right-of-way will avoid significant social, neighborhood or environmental impacts and perform the same traffic movement function.</p>	<p><u>Insufficient Information</u> – The Specific Plan requires each property owner to provide frontage improvements to accommodate the necessary Transit Improvements to support the future Bus Rapid Transit along the Sunrise Boulevard corridor. It is unclear whether the proposed drive-through uses would facilitate the improvements as identified by the Specific Plan.</p> <p>Further, the Specific Plan identifies a variety of on-site roadway improvements with roadways that are designed to include pedestrian amenities, landscaping and similar improvements. It does not appear these features are proposed as part of the proposed site plan.</p>

<p>Policy 31.4: Require new development to provide transit enhancements, (including, but not limited to bus pull-outs and bus shelters) where appropriate, that decrease transit travel times, improve access to transit stops, or improve the amenities, security, or travel information at transit stops.</p>	
<p>Policy 29.2: Measure customer satisfaction related to vehicle travel using level of service (LOS) according to procedures in the latest version of the Highway Capacity Manual published by the Transportation Research Board. The City will strive to achieve LOS E or better conditions for City roadways and intersections during peak hours (these may include weekday AM, Mid-Day, and PM hours as well as Saturday Mid-Day or PM peak hours). The intent of the policy is to effectively utilize the roadway network capacity while balancing the desire to minimize potential adverse effects of vehicle travel on the environment and other modes.</p> <p>Policy 29.3: Require development proposals to analyze future transportation impacts and mitigate significant impacts consistent with Policies 29.1 and 29.2.</p>	<p><u>Insufficient Information</u> – The Specific Plan included approval of an Environmental Impact Report which evaluated transportation impacts of the plan on the surrounding roadways for automobiles, transit, and active modes of transportation.</p> <p>The EIR assumptions, based on a robust transportation analysis included assumptions of a mix of uses that were transit supportive in nature and at intensities that supported a “park once” philosophy generally seen in more urban mixed-use projects.</p> <p>In addition, the EIR assumed development of the specific plan would be consistent with the uses allowed under the approved plan. Specific uses including home improvement and extremely high-volume drive-through uses were not contemplated as part of the EIR. Further, a distribution of the higher traffic generating uses across the site were anticipated rather than such close proximity as shown in the new proposal.</p> <p>Since the passage of SB743, LOS impacts to single occupancy vehicles are no longer considered an environmental impact under CEQA; however, the City’s General Plan policies related to LOS are still relevant when considering development applications. Further, impacts to Transit Service are still considered impacts under CEQA. The EIR identified potential impacts to transit service by the time the site is fully built out, which necessitates mitigation measures to reduce the impacts to transit service. These mitigation measures are applicable to ensure transit service meets basic performance metrics for transit service.</p>

	<p>It is unclear, at this time, whether the proposed Specific Plan Amendment would exacerbate the anticipated impacts to transit as compared to the Specific Plan. An updated Transportation Impact Study would be required to evaluate the difference between the proposed amendment and the approved Specific Plan.</p>
<p>Goal 52: Protect City residents from the harmful and annoying effects of exposure to excessive noise through noise reduction and suppression techniques and appropriate land use policies (Noise)</p>	
<p>Policy 52.1: Review proposed development projects for compliance with the standards in Table 9: Acceptable Noise Levels. If it appears that a project may exceed the limits of Table 9, require an acoustical analysis to identify potential noise levels and attenuation methods.</p> <p>Policy 52.3: Protect the community, especially noise sensitive receptors, including schools, residences and care facilities, from excessive noise. Residential uses located in a commercial zone are not considered noise sensitive receptors.</p> <p>Policy 52.4: Require major development proposals to reduce noise impacts on adjacent properties through appropriate techniques.</p> <p>Policy 52.5: When located adjacent to existing or planned sensitive residential and public/quasi-public uses, require new nonresidential development to mitigate noise to a maximum of 60 dBA Ldn at the property line.</p>	<p><u>Insufficient Information</u> – The applicant’s proposal includes uses that can generate noise levels that exceed the City’s standards. A specific acoustic assessment would be required as part of any formal Specific Plan Amendment application.</p>
<p>Goal 59: Ensure that ample and appropriate parks and recreation facilities and programs are available to all residents (Parks and Recreation)</p>	
<p>Policy 59.2: Promote acquisition and improvement of both developed and undeveloped park sites and provide recreation facilities necessary to meet or exceed the level of 3.55 parkland acres per 1,000 residents.</p>	<p><u>Inconsistent</u> – The proposal allocates approximately 0.5 acres of open space/event area inconsistent with the Open Space called for by the Specific Plan and the anticipated number of residents within the site.</p>

<p>Policy 59.4: Support provision of recreation facilities and services by private businesses.</p>	
<p>Goal 60: Build greener infrastructure and promote development of a healthy community. (Parks and Recreation)</p>	
<p>Policy 60.1: Mitigate the urban heat island effect and sequester carbon.</p>	<p><u>Insufficient Information</u> – The proposal does not include a landscape plan. The Specific Plan and Zoning Code require minimum landscape standards for parking lots and planter areas. The Zoning Code requires a minimum of 50% of parking areas to be shaded within 15 years.</p>
<p>Goal 64: Support private utility companies and public utility districts to provide adequate levels of utility services to Citrus Heights residents and businesses, and ensure that necessary infrastructure is constructed to minimize negative effects on surrounding development. (Utilities)</p>	
<p>Goal 64: Support private utility companies and public utility districts to provide adequate levels of utility services to Citrus Heights residents and businesses, and ensure that necessary infrastructure is constructed to minimize negative effects on surrounding development.</p>	<p><u>Insufficient Information</u> – The Sunrise Tomorrow Specific Plan and EIR confirmed the availability of adequate utilities to serve the full development envisioned under the Specific Plan. This infrastructure is largely located within Sunrise Boulevard.</p> <p>Existing on-site infrastructure is nearing the end of its useful life and was not designed for expansion necessary to accommodate an increase in utility demand. No utility plans have been provided.</p> <p>The Specific Plan anticipates coordination between property owners to develop shared onsite utility trunk mains to support the ultimate buildout of the site.</p>
<p><i>Sunrise Tomorrow Specific Plan</i></p>	
<p>Vision Statement: Sunrise Tomorrow transforms Sunrise Mall into a 21st Century Main Street.</p> <p>The Specific Plan creates a new economic engine and regional destination with a diverse mix of uses and livable neighborhoods that support a high-quality of life for Citrus Heights.</p>	<p><u>Inconsistent</u> – The proposed amendment does not include the mix of uses, urban design, and similar components necessary to achieve the vision. The amendment largely reflects retail uses and does not provide for the cohesive mix of uses necessary to achieve the vision.</p>

<p>Five Big Ideas</p>	
<p>1. Community and Regional Destination Sunrise Tomorrow is designed around a dynamic Main Street and community gathering space with lots to do and see.</p>	<p><u>Inconsistent</u> – The proposed amendment does not reflect the building blocks to achieve a dynamic main street including Open Space/Community Gathering space, or “Streets for People”.</p> <p>Most of the proposed uses are readily available in the City and regionally.</p>
<p>2. Connected Green Spaces Sunrise Tomorrow creates a network of parks, plazas and streets that are safe and connected with shade trees and sustainable landscaping.</p>	<p><u>Inconsistent</u> – The applicant has requested a reduction of the Open Space requirements from the STSP and the site plan reflects approximately 0.5 acres allocated for open space in Phase 2. The STSP includes a target of up to 25-acres of Open Space.</p> <p>Existing Open Space requirements and maximum Floor Area Ration (FAR) requirements allows for more designated space for local amenities for the community. This provides safe and easy pedestrian and bike access through areas to enhance the livability, health and wellness, and recreation.</p> <p>Parks, trails, and possible restoration of the tributary of the Creek can play a vital role in the local ecosystem, while providing contrast to the existing urban landscape.</p> <p>The reduction of open spaces limit the intent of safe, internal and external pedestrian friendly connectivity.</p>
<p>3. Streets for People Sunrise Tomorrow envisions streets designed for people, with a network of safe and slow speed streets that serve pedestrians and cyclists while allowing vehicular access.</p>	<p><u>Inconsistent</u> – The proposed site plan relies on existing drive aisles that serve the Sunrise Mall. These drive aisles do not provide facilities for pedestrians as called for in the STSP.</p>
<p>4. Livable Neighborhoods Sunrise Tomorrow creates connected communities with various housing options and a high quality of life.</p>	<p><u>Inconsistent/Insufficient Information</u> – Even though the proposed site plan includes a small area for housing, it is unclear if housing would be viable due to challenges with compatibility with proposed uses. The concentration of 350 units of housing within a</p>

	<p>small site is inconsistent with the intent of the mix of densities called for in the STSP.</p>
<p>5. Economic Engine Sunrise Tomorrow creates an economic engine with environments that promote economic activity and job creation, where both employers and employees want to be.</p>	<p><u>Inconsistent/Insufficient Information</u> – The proposed site plan provides uses that are inconsistent with various portions of the STSP. While some uses will generate revenue; the magnitude of revenue produced is uncertain when compared to the revenue assumptions of the STSP.</p>
<p><i>Sunrise Tomorrow Specific Plan Policies:</i> <i>The following policies supplement General Plan policies and apply to future development projects proposed within the Plan Area.</i></p>	
<p>D-1 MAXIMUM DEVELOPMENT ALLOWANCE</p> <p>Total development within Plan Area shall not exceed the Maximum Development Allowance of 3,200,000 Gross Square Feet (GSF).</p> <p>Total development within each Planning Area shall not exceed the following: Planning Area 1: 445,000 GSF Planning Area 2: 1,110,000 GSF Planning Area 3: 485,000 GSF Planning Area 4: 480,000 GSF Planning Area 5: 610,000 GSF Planning Area 6: 70,000 GSF The Maximum Development Allowance is inclusive of all uses, and includes both existing and new development.</p>	<p><u>Inconsistent</u> – The applicant’s proposal requests removal of maximum retail GLA in Planning Areas 3 and 4. These limits are necessary to establish a “ceiling” for the environmental review and traffic analysis.</p>
<p>D-2 DEVELOPMENT ALLOWANCE BY LAND USE</p> <p>In addition to the Maximum Development Allowance, the following development allowances are established for each land use category within the Plan Area: 320,000 GSF of retail / commercial buildings 960,000 GSF of office buildings 450,000 GSF of community / institutional buildings</p>	<p><u>Inconsistent</u> – The applicant’s proposal requests removal of maximum retail GLA in Planning Areas 3 and 4. These limits are necessary to establish a “ceiling” for the environmental review and traffic analysis.</p>

<p>2,220 residential units 480 hotel rooms Development allowances by land use are further established for each Planning Area, as shown in Table 3.2. Development allowances by land use exclude the area occupied by existing uses while they continue to operate; however, the total building area (including existing and new development) may not exceed the Maximum Development Allowance.</p>	
<p>D-3 COMMITMENT TO FLEXIBILITY AND MARKET-BASED DEVELOPMENT To allow flexibility to respond to changing market conditions over time, the Specific Plan establishes processes for reviewing and approving development proposals with minor changes to development allowance by land use or development standards that otherwise comply with the overall intent and purpose of the Specific Plan.</p>	<p><u>Inconsistent</u> – The STSP includes flexible tools including Minor Administrative Amendments and Exchange of Development Allowances for uses considered consistent with the STSP and underlying assumptions in the EIR. The proposed modification would require a significant Specific Plan Amendment and Environmental Review.</p>
<p>LU-1 COMMUNITY AND REGIONAL DESTINATION - Development shall support the Specific Plan vision of creating a community and regional destination. Uses which serve on-site and Citrus Heights residents and attract customers from the greater Sacramento Region are encouraged. Specifically, destination retail, restaurants, theater, family entertainment, and hotel uses are encouraged within the areas of the plan designated for “Main Street,” “Sunrise Commons,” and “Entertainment Anchor.”</p>	<p><u>Inconsistent/Insufficient Information</u> – In general, the proposed site plan does not identify uses that are consistent with a regional destination.</p>
<p>LU-2 LIVABLE COMMUNITIES - Development shall support the Specific Plan vision of creating a variety of housing options and a high quality of life. A variety of housing typologies, including town houses, stacked flats, apartments, and senior housing, are encouraged in areas of the plan designated for “Neighborhood Residential” and “Mixed-Use Residential,” ...</p>	<p><u>Inconsistent/Insufficient Information</u> – The STSP calls for a mix of housing types and densities distributed throughout the site. The proposed site plan includes minimal housing concentrated in one area of the site.</p>
<p>LU-5 ACTIVE GROUND FLOOR USES - Development shall support the Specific Plan vision of creating a walkable and pedestrian-oriented district. To create a pedestrian-oriented district, where people feel safe walking with lots to do and see, the Specific</p>	<p><u>Inconsistent/Insufficient Information</u> – The proposed site plan does not adhere to the conceptual site plan in the STSP and architectural plans have not been provided at this time.</p>

<p>Plan establishes standards for building frontages (see Figure 3.6). Building frontages along streets intended for the highest level of pedestrian activity are designated “Active Retail Frontage.” Along these streets, active retail, restaurant, and entertainment uses are required. Non-active frontages, such as blank walls, service access, and parking access are prohibited in areas designated “Active Retail Frontage”.</p>	
<p>LU-6 GROUND-FLOOR RETAIL, RESTAURANTS, AND ENTERTAINMENT USES - Developers of projects containing ground floor commercial space designated for retail, restaurant, or entertainment use shall strive to create a mix of complementary, vibrant, high-quality retail, restaurant, and entertainment uses. Developers should consider existing and/or approved retail end uses within other specific plan area development sites as a factor for diversifying their respective retail offerings. Retail stores providing daily needs, such as grocery stores, are encouraged.</p>	<p><u>Inconsistent/Insufficient Information</u> – The proposed site plan does not adhere to the conceptual site plan in the STSP and architectural plans have not been provided at this time.</p>
<p>LU-7 MINIMIZE IMPACTS TO ADJACENT RESIDENTIAL COMMUNITIES - Development shall be designed to minimize impacts to adjacent residential communities. Along the southern and eastern edges of the Plan Area, adjacent to existing residential uses, development shall be limited to residential and community uses. Within these areas, height restrictions, setbacks, and open space requirements are established to minimize the visual impact of development on existing residents.</p> <p>Landscaping and sound walls shall be used to minimize noise to adjacent residential uses. No development or roadways shall be permitted within 20 feet of the southern edge of Plan Area.</p>	<p><u>Inconsistent/Insufficient Information</u> – The proposed site plan does not adhere to the conceptual site plan in the STSP. It is unclear what impact the proposal will have on the adjacent residential neighborhood to the south of the site.</p>
<p>LU-8 AUTO-ORIENTED USES & DRIVE-THROUGH BUSINESSES - Auto-oriented uses and drive-throughs are not compatible with the Specific Plan vision of creating a walkable and pedestrian-oriented district. Auto-oriented uses, such as auto parts retailers, car washes, service stations (gas station), and vehicle sales and</p>	<p><u>Inconsistent</u> – The proposed amendment would allow up to six drive-through users and automotive related uses. The prohibition of these uses was intentional in the STSP to support the development of higher intensity and diversified land uses.</p>

<p>service, are not permitted within the Plan Area. Drive-through businesses are not permitted in the Plan Area.</p>	
<p>M-1 STREET STANDARDS - All streets within the Plan Area shall be designed as complete streets and constructed to the standards identified in the cross-section for each respective roadway classification unless modification of one or more of the classification standards are approved by the Community Development Director and City Engineer.</p> <p>M-3 PEDESTRIAN CIRCULATION - Pedestrian circulation shall be provided by a network of sidewalks, pedestrian paths, paseos, and multiuse paths, as shown in Figure 3.7. Sidewalks shall be provided along both sides of all streets. Marked crosswalks shall be installed at all legs of each intersection. Pedestrian network shall provide connections to adjacent neighborhoods, including Sawgrass Circle and Mitchell Village, where feasible.</p> <p>M-4 BICYCLE CIRCULATION - Bicycle circulation shall be provided by a network of bike lanes, shared streets, and multi-use paths, as shown in Figure 3.7 Bicycle parking shall be provided for all uses according to the requirements established in Chapter 4, Development Standards. Short-term bicycle parking may be uncovered and shall be provide close to activity generators such as retail, parks, and community centers. Long-term bicycle parking shall be covered and secure, and shall be provided within each multifamily residential, office, and institutional building in a location approved by the Community Development Director. Bicycle network shall provide connections to adjacent neighborhoods, including Sawgrass Circle and Mitchell Village, where feasible.</p> <p>M-5 TRANSIT CENTER - bus transit center shall be established along Sunrise Boulevard at the location indicated in Figure 3.7. Northbound and southbound bus platforms shall be provided as</p>	<p><u>Inconsistent</u> – The proposed site plan does not adhere to the conceptual site plan in the STSP or the Mobility related standards described in the Specific Plan.</p> <p>The proposed site plan does not reflect the Street Standards or Bike/Ped/ Transit Improvements as called for in the STSP.</p>

<p>well as passenger amenities including seating, shade structures, and signage with real-time arrival information. The transit center is intended to replace the existing bus transit center on Arcadia Drive and serve bus routes operating along both Sunrise Boulevard and Greenback Lane. The transit center shall be designed to accommodate potential future bus rapid transit (BRT) service along Sunrise Boulevard.</p> <p>M-6 VEHICULAR ACCESS & CIRCULATION - Vehicular access and circulation shall be provided by a network of streets, as shown in Figure 3.8. Primary vehicular access shall be provided by the existing signalized intersections on Greenback Lane at Arcadia Drive, Sunrise Boulevard. at Birdcage Center, and a new signalized intersection between that intersection and Macy Plaza Drive. Secondary vehicular access shall be provided by the existing signalized intersection on Sunrise Boulevard. at Macy Plaza Drive and existing right-in/right-out driveways.</p>	
<p>OS-1 PROVIDE A HIGH-QUALITY AND ACTIVE OPEN SPACE NETWORK Open space is required to be provided in each Planning Area. Table 3.3 identifies the open space target for each Planning Area. These targets are intended to guide development and are not considered a minimum or maximum. Landscaped areas, plazas, paseos, the Green Loop, and other common open areas accessible to the public shall all count towards the open space target. Open spaces should be modeled after the open spaces illustrated in the Open Space Framework Plan (Figure 3.9). Sidewalks, roads, driveways, parking lots, storage areas, and similar features shall not be counted as open space.</p> <p>In order to ensure that shared outdoor spaces are properly scaled to accommodate a range of uses and events, minimum size requirements are established for certain Primary Open Spaces in</p>	<p><u>Inconsistent/Insufficient Information</u> – The site plan indicates an area of less than one-acre of open space, which does not adhere with the minimum open space target of the STSP (25 acres). Additionally, the applicant is proposing to eliminate the option to restore the underground tributary of Arcade Creek.</p>

<p>Table 3.4. The area of Primary Open Spaces shall count towards the open space target for each Planning Area.</p> <p>OS-2 CONNECT AND ENRICH THE LOCAL CONTEXT Open spaces and trails throughout the Plan Area shall connect to spaces internally as well as externally to adjacent neighborhoods, streets, shopping developments, and regional active parks and trails. The green open spaces proposed in this plan are intended to provide local amenities for the community around the site and provide safe and easy pedestrian and bike access through the site to better connect sites on the perimeter of the project.</p> <p>OS-3 RESTORE NATURAL SYSTEMS AND HABITATS Since the construction of the Sunrise Mall in 1971, most of the site has been covered by surface parking lots. The Specific Plan offers a new future for the site. Landscaped areas identified in the Open Space Framework shall incorporate natural landscapes and restorative habitats. This shift not only fosters native plants and wildlife throughout, but also introduces production agricultural land to local food production. The buried tributary of Arcade Creek could be uncovered and restored. Uncovering and supporting the site’s natural systems can allow the site to play a larger role in the local ecosystem and will differentiate Sunrise Tomorrow as uniquely Citrus Heights development with a special draw to new residents, employers, and visitors.</p>	
<p>S-6 TREE CANOPY Development within the Plan Area shall protect and enhance the existing tree canopy. A well-balanced tree canopy will provide shade across the Plan Area, decrease heat island temperatures, and naturally collect and infiltrate storm water during the rainy winter months. Where feasible, exiting mature trees should be maintained, consistent with the City of Citrus Heights 2015 Urban Forest Master Plan (UFMP). New trees shall be planted within proposed parks, plazas, and open space. A continuous tree</p>	<p><u>Insufficient Information</u> – A Landscape Plan has not been provided to evaluate this Policy.</p>

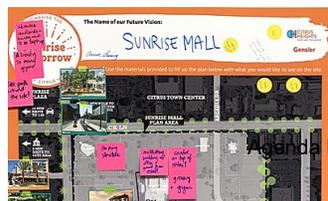
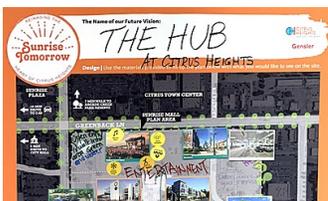
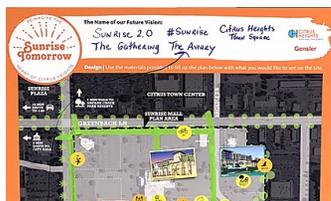
<p>canopy shall be provided along all streets, sidewalks and pedestrian pathways. Surface parking areas shall be planted as 'orchards' with canopy trees.</p> <p>DS-41. Plant street trees throughout the project, thereby contributing to the spatial definition and visual appeal of the project's roadways, while providing shade and comfort for pedestrians.</p>	
<p>DS-45. Introduce traffic calming measures where pedestrian activity is heaviest, including curb bulb-outs, raised crosswalks (with bollards to protect sidewalk), park strips or tree wells with canopy tree planting and on-street parking</p>	<p><u>Inconsistent</u> – The proposed site plan does not propose modification of the existing circulation network.</p>
<p>DS-48. Provide generous sidewalks with sufficient width to accommodate clear pedestrian passage while allowing sufficient room for street trees and other streetscape amenities, as well as commercial activity such as sidewalk dining as appropriate.</p>	<p><u>Inconsistent</u> – The proposed site plan does not propose modification of the existing circulation network.</p>
<p>DS-52. Bicyclists are encouraged to use the off-street Multi-Use Path. All interior streets within project site shall be shared routes with sharrows prominently indicated in-lane, defining a shared lane between automobile and bicycle traffic.</p>	<p><u>Inconsistent</u> – The proposed site plan does not propose modification of the existing circulation network.</p>
<p>5.1.5 Street Standards All streets shall be built as defined in Table 5.1.</p>	<p><u>Inconsistent</u> – The proposed site plan does not propose modification of the existing circulation network.</p>
<p>6.8 Green Loop Multi-Use Trail 6.8.1 Design Character The Green Loop Multi-Use Trail is a path for walking, running, and biking that is located around the edge of the Sunrise Tomorrow project site and connects to adjacent neighborhood trails and sidewalks. The loop path is approximately 1.5 mi long and connects to all major public open spaces in the project, giving users a variety of scenery and destinations. This path provides a safe and easy way for residents, daily workers, and visitors to stay active and navigate to destinations within the project by avoiding car traffic on roads.</p>	<p><u>Inconsistent</u> – The proposed site plan does not propose modification of the existing circulation network.</p>



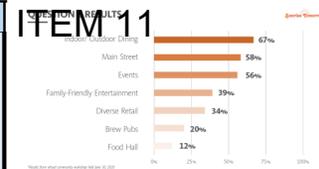
City of Citrus Heights

Sunrise Tomorrow Specific Plan Outreach Summary

Outreach Effort	Date	Purpose/Objectives	Input Received	Stakeholders Attending
Stakeholder Interviews	Jan. 6 - 10, 2020	City staff interviewed almost 50 community stakeholders to hear what they had to say about the Sunrise Mall project.	Excitement around the redevelopment concepts and data analysis, opportunities for growth in new land uses at the site, focus on alternate modes of transportation, emphasis on community partnerships and owner engagement, nostalgia around memories of the mall's former glory	Citrus Heights residents, business owners, and civic leaders
Idea Wall	Jan. 8, 2020	Virtual "Idea Wall" Launches on the City's Sunrise Tomorrow website	Over 180 online "Idea Wall" comments collected on: ideas, inspirations, mall memories, and feedback on the 21st Century Main Street vision.	Open to all community members
Community Workshop #1	Feb. 11, 2020	An interactive workshop to share project information to-date and hear the community's vision for the Sunrise Mall site. Check out the photo gallery below to see pictures from the event and the community designs!	Community members were divided into teams to work on community designs, simultaneously providing City staff feedback on our community's vision while also learning about the core design principals guiding our redevelopment.	Over 300 community members
Summary of Workshop # 1 Outcomes	Online as of March 2020	Summarized feedback from in-person community workshop, for those that couldn't attend.	Consensus that community workshop feedback aligns with the overall community vision, including consistent trends for top 10 desired activities supported by new development.	Open to all community members online
Special City Council and Planning Commission Study Session	Mar. 12, 2020	Formally report on the project's community outreach, our market analysis, and specific plan options developed to date.	City Council, Planning Commission, and members of the public had the opportunity to provide feedback.	City Council, Planning Commission, and the community at-large



Outreach Effort	Date	Purpose/Objectives	Input Received	Stakeholders Attending
Community Workshop #2	Jun. 30, 2020	Present vision based on feedback from our community, the City Council, and other key stakeholders: 21st Century Main Street.	Staff gauged feedback via polls centered on what the new vision for the site can offer the community, transportation methods the site can support, and job markets the site could attract. We answered questions from the community in realtime.	Over 100 community members
Special City Council and Planning Commission Study Session #2	Jul. 9, 2020	Special Joint Meeting with City Council and the Planning Commission on the Preferred Plan option: 21st Century Main Street	City Council, Planning Commission, and members of the public had the opportunity to provide feedback.	City Council, Planning Commission, and the community at-large
Specific Plan Summary	Jul. 9, 2020	Published and promoted an overview of the changes proposed in the Specific Plan. It is the result of an eight-month process involving Citrus Heights residents, various stakeholder organizations, community members, business and property owners, city staff and elected officials.	Community members could download the summary and provide feedback via the "Idea Wall" on the project context and existing conditions, project vision, proposed development and development standards, and potential implementation strategies and economic benefits.	Open to all community members online
Draft Specific Plan Live	Jul. 20, 2021	Announced the Specific Plan draft is live for review.	Community members were encouraged to email feedback and public comment on the draft Specific Plan, and attend Workshop #3 to learn more.	Promoted on the project's website, City social channels, City website, newsletters, and more.
Community Workshop #3	Aug. 5, 2021	Presentation of the Draft Specific Plan, how the plan is responsive to COVID-19 trends, and Q&A.	Attendees were polled on topics like pre- and post-COVID dining and shopping preferences, workplace atmospheres, and more. We answered questions from the community in realtime.	Over 150 community members
Special Planning Commission Meeting	Sep. 1, 2021	Deep Dive into Draft Specific Plan & EIR for Sunrise Mall Site	Those looking for even more information about the Sunrise Tomorrow Specific Plan and EIR were invited to attend the City's virtual Planning Commission meeting.	Planning Commission and open to the public



The Draft Specific Plan for Sunrise Mall is complete!



- 1 MAIN STREET
- 2 SUNRISE COMMONS
- 3 EMPLOYMENT ANCHOR
- 4 ENTERTAINMENT ANCHOR
- 5 FULL SERVICE HOTEL
- 6 BUSINESS HOTEL
- 7 RETAIL ANCHOR / OFFICE/RECREATION DEVELOPMENT
- 8 RESIDENTIAL NEIGHBORHOODS
- 9 OPEN SPACE
- 10 TRANSIT CENTER



ITEM 11

First Name	Last Name	Comments
Jen	Haley	If a Home Depot is going to be put in, there should be extreme excess of making it looks beautiful and not just a standard home depot. This should be so nice people want to live next to it! And there should be plenty of lighting to ensure that there is safety in mind when designing the facility. It is understandable if the larger businesses like this attract more business, but us residents would really rather see a multi use like stores on bottom/housing up top like Santana Row but less fancy. Thanks!
Carol	White	I am appalled by the amendment that is being offered. It does not fit the original Specific Plan at all! 1) Another building supply store directly across the street from an existing one is redundant. 2) We have more than enough fast food restaurants in the area. 3) Two green space areas would be deleted from the plan. They are needed, in this area in particular, to help mitigate auto exhaust and provide calming areas for the body and soul. 4) It reduces the number of housing units. And, 5) Has nothing but paving everywhere - no landscaping to beautify the area or help mitigate the heat in the summer. PLEASE hold fast to the original intent for the area and send the owner back to the drawing board to provide what is best for the community.
Robert	Carlson	Citrus Heights Council Members, I urge you to deny Ethan Conrad's proposed amendment to the Sunrise Mall Redevelopment plan. It is clear Ethan Conrad lacks the vision or desire to redevelop the site into something meaningful and useful to the city and its residents. Based on the information in the amendment and the February 12, 2025, ABC 10 interview, it is clear Ethan Conrad's goal is to do this redevelopment as cheaply as possible. Using terms like "stick" is a red flag that the city and its residents will not get a redevelopment they are proud of. Instead, we will be stuck with a mall building with a fresh coat of paint and maybe some businesses who are also struggling like Macys and JC Penny. The city must demand that the mall and surrounding buildings be torn down to provide the city with a clean slate. The proposed amendment also removes open space in the southeast corner of the site. Given the proximity to the residential neighborhoods, this green space is vital to the residents who live in the area. Lastly, the city must also revisit the plan approved in 2021 as demand has shifted. Requiring nearly 1,000,000 SF of office space is likely overkill given the number of commercial vacancies in the area and along the highway 50 corridor with a much better appeal tenants.
Yvonne	Sundahl	I am opposed to the amendment because of the Home Depot being in the back yard of the Sawgrass Circle properties. Please move it elsewhere or do not approve of this amendment
Karen	Lesser	This revised plan basically gives the developer everything he wants and nothing the residents want. ie:Phase I and II. Basically, there is no Phase II. Just empty promises. This plan is all fluff and no substance. The map and description does not address the outdated mall at all. It needs to be torn down in my opinion. That is the only way a whole new concept can be conceived. The developer should not be able to proceed until all these issues are resolved. This amendment is a joke. Signage; what type of signage will be allowed on Sunrise Boulevard and Greenback Lane for the new tenants? Pollution: Is an environmental impact study needed to address the added pollution from idling cars that will be sitting in these 5/6/? new restaurants (especially In n Out) all located in close proximity to each other? Traffic Congestion: Will any peak time periods affect the flow of traffic around the mall?
Christine	Pfost	Privacy: Will tall sound walls and/or greenery be a barrier between the business and the proposed and existing housing? Style: Will the style and layout of the buildings conform to the boulevard architecture? Trees and plants: Will more greenery be planted and maintained? What steps will be taken to ensure adequate watering during designated dry periods? We've all seen how businesses along Sunrise Boulevard and other areas just shut off their water and allowed trees and other mature growth to die when we were in a drought. The Water Resources guidelines to water trees not grass was obviously not followed. It was distressing to see these mature trees die a slow death.
Pamela	Schulz	We don't need more big box stores or drive through restaurants. The original plans for mixed use *(housing, outdoor community space, etc.) was great planning for use of the space. Additionally, having a covered outdoor space to house our Farmers Market and other community events would be well worth the cost. Concerts, 4th of July and other events would benefit from the space which would also bring in revenue to the city. Please carefully consider what is done with the mall. The plan must benefit the city now and in the long term
benjamin	collier-mccoy	SAYING NO, ABSOLUTELY NOT TO THE REVISED VERSION OF THE SUNRISE MALL PLAN. STICK TOT HE ORIGINAL PLAN AND THE CITY WILL BE A WINNER. MAKE CITRUS HEIGHTS GREAT!!!
Carlene	Duran-Costa	I live in Orangevale. I would like to see Home Depot, Chick-fi-la, and In out Out Burger on the Sunrise Mall property

Anna	Dascenzi	<p>Please hold fast on the current version of the sunrise mall development plan. Do not cave to one developer's interests and allow multiple fast food drive thru and another Home Depot and storage units to fill the space.</p> <p>This is a once in a lifetime opportunity to decide if Citrus Heights becomes a thriving city with character and community or just another urban sprawl pass through to better places. I have lived in this community for over 30 years and have been so happy to see us take charge of our future by incorporating and gaining the ability to choose. You have my and my family and neighbors full support to hold firm and not bow to short sighted changes that will harm our city. The best results come from standing strong and aiming for success. Thank you for reading my comments.</p>
Julie	Jones	Citrus Heights deserves a plan we can be proud of which doesn't approve Ethan Conrad's plan.
Lynn	Avery	<p>Why can't we just have a quaint little area with a theme?? We could think of a 'draw. that would 'draw' people, (not a Santa Claus Village-) but something local and relevant to our area, I'm sure that there would be many ideas to wrestle with.--something that would reflect the growing core of our City, I have said publicly (many times) that were are a schizophrenic City--there is no cohesion--no core- no fusion of thought, Possibly it is only a delusion But It doesn't HAVE to be--we could start our creative juices flowing in stead of lying fallow and complaining</p>
Kathleen	Day	<p>Sunrise Mall</p> <p>I'd love to see a civic auditorium - stage and seating for 500.</p> <p>I'd also like to an auditorium for home shows, craft shows, antique shows, seasonal (xmas) shows.</p> <p>Sincerely, Kathleen Day</p>
Logan	Ramshaw	<p>In my opinion, this amendment is in complete contrast to the goal of the Sunrise Tomorrow Specific Plan. As a consumer, all this looks like is an expansion to the existing mall.</p> <p>The goal of the Sunrise Tomorrow Plan should be to create an attractive, walkable shopping/entertainment district similar to the Palladio in Folsom. Far too much of the amendment space is dedicated to accommodating cars car parking, when it should be focused on creating a walkable area. The parking requirements should be taken care of with a parking structure or two, instead of just having a giant parking lot.</p> <p>As it stands, this proposed amendment won't bring me back to the area, and I suspect that a majority of consumers would feel the same. Why would I go to this mall/shopping area, when there are other, nicer spaces in the neighboring communities?</p> <p>In conclusion, I urge the city council to reject the proposed amendment and to be steadfast in creating a Live/Work space that we as a community can be proud of.</p>
Anmol	Bains	<p>Hello,</p> <p>As a young new home owner in Citrus Heights, I felt it was pivotal to try and make an impact within the community to the best I can, as I do plan to live and raise a family here.</p> <p>Ethan's plan does not seem like a genuine belief towards revitalizing Citrus Heights.</p> <p>Sunrise Mall was a staple of the community, times have changed and we must adapt.</p> <p>Adding a Home Depot while having a Lowe's across the street seems odd.. not sure the thought process here. The amount of empty land, unnecessary parking spots&#x2013;</p> <p>This has potential to be a gem for Citrus Heights, if done right</p>
Diana	Hurff	<p>This area needs a complete 180. The mall has been empty for years, let's make this an area for the community and families to enjoy again.</p> <p>It's time to modernize Citrus Heights with its surrounding areas as well uplift.</p> <p>I hope that in your recent trips within council, you've come to realize that, having newly built infrastructure, engaging businesses, restaurants, will help bring out the people of Citrus Heights</p> <p>I like the mall the way it is. I hate the new ideas!</p>
Robyn	Fredericks	<p>Hi,</p> <p>I'm a fairly new resident of Citrus Heights. I did attend the meeting regarding the Sunrise Mall development.</p> <p>I am in favor of the redevelopment plan which includes Home Depot. Already hearing of the vandalism at the mall as it becomes more & more vacant, I am concerned that it will become an abandoned property with all the issues associated with that. I know the plan is not perfect and cannot please everyone but I believe it's a good start.</p> <p>Thank you,</p> <p>Robyn Fredericks</p> <p>Mariposa Ave resident</p>
Emanuel Nathaniel	Amaha	It should be used as a DMV, hospital, Department of Health and Human Services and Social Services. Possible apartments