



Staff Report

TO: City Council

FROM: Jennifer Ustation, Finance Director
Lisa Leach, CPA, Assistant Finance Director

DATE June 17, 2025

SUBJECT: Fiscal Year 2024 City of Beaumont, California Multiple Species Habitat Conservation Plan Agreed Upon Procedures Report

Description Results of the MSHCP Agreed Upon Procedures

Background and Analysis:

The City of Beaumont is required to collect and remit development mitigation fees as part of its participation in the Multiple Species Habitat Conservation Plan (MSHCP), which aims to preserve ecosystems and wildlife corridors. The Western Riverside County Regional Conservation Authority (RCA) engaged Eide Bailly LLP, an independent accounting firm, to perform agreed-upon procedures evaluating Beaumont's compliance with fee collection and remittance requirements.

Agreed-Upon Procedures Overview

An Agreed-Upon Procedures (AUP) engagement is a form of review where specific procedures are performed at the request of a third party. Unlike a full financial audit, an AUP does not express an opinion or conclusion but instead reports factual findings based on the agreed-upon scope of work. In this case, the RCA identified compliance-related procedures regarding Beaumont's collection and remittance of MSHCP mitigation fees.

Summary of Findings

Eide Bailly LLP conducted its review per the procedures detailed in **Attachment A** of the report dated May 15, 2025. Key findings include:

- **Fees Collected:** The City collected a total of \$1,399,362 in mitigation fees from building permits during FY 2024.
- **Ordinance Compliance:** No new ordinances or resolutions regarding MSHCP fees were adopted in FY 2024. Beaumont continues to follow Ordinance No. 1131 (adopted May 18, 2021) and Resolution No. 2021-19.
- **Permit Testing:** Of 38 building permits tested, six exceptions were noted:
 - **Five permits** were incorrectly used for prior-year MSHCP fees. As a result, Beaumont owes RCA \$1,336.91 in additional fees plus interest of \$92.49.
 - One permit was overcharged, meaning RCA owes Beaumont a refund of \$165,840. A letter of refund request was signed by the City Manager and sent to RCA on May 14, 2025.
- **Civic & Infrastructure Projects:**
 - The Mesa Lift Station Force Main Project did not remit the required MSHCP fee. Beaumont owes RCA \$19,411.45, plus \$1,087.61 in interest.
 - The Stewart Park Improvement and Veterans & First Responders Memorial Plaza projects were deemed exempt.

The City has indicated that the outstanding remittances and interest calculations will be included in its May 2025 report to RCA.

Fiscal Impact:

- **\$1,336.91** in additional fees owed to RCA
- **\$92.49** in interest on outstanding payments
- **\$19,411.45** owed for civic infrastructure project fees
- **\$1,087.61** in interest related to the civic infrastructure project
- **\$165,840 refund** due from RCA

The additional fees for the civic infrastructure will be charged to the project costs. The additional permit fees will be attempted to be recovered by the developer, otherwise, they will be charged to the Public Works budget. The refund due from RCA will be remitted back to the developer. The cost to prepare this report is \$250.

Recommended Action:

It is recommended that the City Council receive and file the Agreed Upon Procedures Report for the MSHCP Fees Compliance Review for the fiscal year ended June 30, 2024.

Attachments:

- A. FY 2024 City of Beaumont California Multiple Species Habitat Conservation Plan
Agreed Upon Procedures Report