

# CITY OF INDUSTRY

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## CITY COUNCIL REGULAR MEETING AGENDA

APRIL 12, 2018  
9:00 AM



Mayor Mark Radecki  
Mayor Pro Tem Cory Moss  
Council Member Abraham Cruz  
Council Member Catherine Marcucci  
Council Member Newell Ruggles

Location: City Council Chamber, 15651 East Stafford Street, City of Industry, California 91744

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### **Addressing the City Council:**

- ★ **Agenda Items:** Members of the public may address the City Council on any matter listed on the Agenda. In order to conduct a timely meeting, there will be a three-minute time limit per person for any matter listed on the Agenda. Anyone wishing to speak to the City Council is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed card should be submitted to the City Clerk prior to the Agenda item being called and prior to the individual being heard by the City Council.
- ★ **Public Comments (Non-Agenda Items):** Anyone wishing to address the City Council on an item not on the Agenda may do so during the "Public Comments" period. In order to conduct a timely meeting, there will be a three-minute time limit per person for the Public Comments portion of the Agenda. State law prohibits the City Council from taking action on a specific item unless it appears on the posted Agenda. Anyone wishing to speak to the City Council is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed card should be submitted to the City Clerk prior to the Agenda item being called by the City Clerk and prior to the individual being heard by the City Council.

### **Americans with Disabilities Act:**

- ★ In compliance with the ADA, if you need special assistance to participate in any City meeting (including assisted listening devices), please contact the City Clerk's Office (626) 333-2211. Notification of at least 48 hours prior to the meeting will assist staff in assuring that reasonable arrangements can be made to provide accessibility to the meeting.

### **Agendas and other writings:**

- ★ In compliance with SB 343, staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 East Stafford Street, Suite 100, City of Industry, California, at the office of the City Clerk during regular business hours, Monday through Friday 9:00 a.m. to 5:00 p.m. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.
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1. Call to Order
2. Flag Salute
3. Roll Call

4. Presentation of Proclamation recognizing "Donate for Happy Donor Awareness Month"
5. Presentation by Mr. Larry Hartmann, Chairman of the Industry Hills Charity Events Council; Mr. Ron McPeak, President of The Gabriel Foundation; and Mr. Tim Seal, Executive Director of Delhaven Community Center providing information on the 2018 Industry Hills Charity Events Council Rebranding and Marketing Ventures, The Gabriel Foundation Grant Process, and the Beneficiary Impacts
6. Public Comments

7. **CONSENT CALENDAR**

All matters listed under the Consent Calendar are considered to be routine and will be enacted by one vote. There will be no separate discussion of these items unless members of the City Council, the public, or staff request specific items be removed from the Consent Calendar for separate action.

7.1 Consideration of the Register of Demands for April 12, 2018

*RECOMMENDED ACTION: Approve the Register of Demands and authorize the appropriate City Officials to pay the bills*

7.2 Consideration of the minutes of the November 10, 2016 regular meeting, November 17, 2016 special meeting, November 18, 2016 special meeting, December 8, 2016 regular meeting, December 8, 2016 special meeting, December 22, 2016 regular meeting

*RECOMMENDED ACTION: Approve as submitted.*

7.3 Consideration of a Retainer Agreement with EXTTI Incorporated for legal services related to human resources and personnel matters.

*RECOMMENDED ACTION: Approve the Retainer Agreement.*

8. **ACTION ITEMS**

8.1 Consideration of Resolution No. CC 2018-08 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING A DONATION TO MEGAN'S WINGS, INC., IN THE AMOUNT OF TEN THOUSAND DOLLARS (\$10,000.00) FOR THE NINTH ANNUAL BIDS FOR KIDS GALA

*RECOMMENDED ACTION: Provide direction to staff.*

- 8.2 Discussion and direction regarding a sponsorship request from the Industry Hills Charity Events Council in the amount of \$105,000.00

*RECOMMENDED ACTION: Provide direction to staff.*

- 8.3 Staff update, discussion, and direction regarding the Human Resources and Payroll module upgrades and transition, and the City's agreement with Tyler Technologies

*RECOMMENDED ACTION: Provide direction to staff.*

- 8.4 Consideration of the City's Annual Financial Report for Fiscal Year Ending June 30, 2017

*RECOMMENDED ACTION: Receive and file.*

- 8.5 Consideration of amendments to the agreements for Planning and Engineering Staff Augmentation Services with Annealta Group, and Cordoba Corporation

*RECOMMENDED ACTION: Approve the Amendments.*

- 8.6 Consideration of an Agreement for the Installation of a Ground Water Discharge Line between San Gabriel Valley Council of Governments, Rowland Water District, and City of Industry

*RECOMMENDED ACTION: Approve the Agreement.*

- 8.7 Consideration of a Bailment Agreement with the County of Los Angeles for the Use of a Vehicle by the Los Angeles County Sheriff's Department SAO Team.

*RECOMMENDED ACTION: Approve the Agreement.*

- 8.8 Consideration of a Bailment Agreement with the County of Los Angeles for the Use of a Vehicle by the Los Angeles County Sheriff's Department

*RECOMMENDED ACTION: Approve the Agreement.*

9. **CITY COUNCIL COMMITTEE REPORTS**

10. **AB 1234 REPORTS**

11. **CITY COUNCIL COMMUNICATIONS**

12. **CLOSED SESSION**

- 12.1 CONFERENCE WITH LEGAL COUNSEL – Anticipated Litigation  
Initiation of litigation pursuant to Government Code Section 54956.9(d)(4)  
(1 Potential Case)
- 12.2 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Significant exposure to litigation pursuant to Government Code Section  
54956.9(d)(2): One Case
- 12.3 CONFERENCE WITH LEGAL COUNSEL – Public Employment pursuant  
to Government Code Section 54957  
Title: City Manager
- 12.4 CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION  
Pursuant to Government Code Section 54956.9(d)(1)  
Case: City of Diamond Bar v. Oversight Board of the Successor Agency to  
the Industry Urban-Development Agency; Successor Agency to the  
Industry Urban-Development Agency; et al.  
Superior Court of California, County of Sacramento  
Case No. 34-2017-80002718-CU-WM-GDS
- 12.5 CONFERENCE WITH LEGAL COUNSEL -- EXISTING LITIGATION  
Pursuant to Government Code Section 54956.9(d)(1)  
Case: City of Chino Hills v. Oversight Board of the Successor Agency to  
the Industry Urban-Development Agency; Successor Agency to the  
Industry Urban-Development Agency; et al.  
Superior Court of California, County of Sacramento  
Case No. 34-2017-80002719-CU-WM-GDS
- 12.6 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
Pursuant to Government Code Section 54956.9(d)(1)  
Case: City of Diamond Bar v. City of Industry, City of Industry City  
Council; Successor Agency to the Industry Urban-Development Agency;  
Board of Directors of the Successor Agency to the Industry Urban-  
Development Agency; Oversight Board of the Successor Agency to the  
Industry Urban-Development Agency; et al.  
Superior Court of California, County of Los Angeles  
Case No. BS171295
- 12.7 CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
Pursuant to Government Code Section 54956.9(d)(1)  
Case: City of Chino Hills v. City of Industry, City of Industry City Council;  
Successor Agency to the Industry Urban-Development Agency; Board of  
Directors of the Successor Agency to the Industry Urban-Development  
Agency; Oversight Board of the Successor Agency to the Industry Urban-  
Development Agency; et al.  
Superior Court of California, County of Los Angeles  
Case No. BS171398

12.8 Conference with real property negotiators pursuant to Government Code Section 54956.8:

- a. Property: 15431 Nelson Avenue, City of Industry, CA, also known as Assessor Parcel Numbers 8208-024- 906, 8208-024-907  
Agency Negotiators: James M. Casso, City Attorney  
Joshua Nelson, Contract City Engineer  
Negotiating Parties: Successor Agency to the Industry Urban-Development Agency  
Under Negotiation: Price and terms of payment
- b. Property: Southeast corner of Workman Mill Road and Crossroads Parkway North, City of Industry, CA, also known as Assessor's Parcel Number 8120-027-270  
Agency Negotiators: James M. Casso, City Attorney  
Joshua Nelson, Contract City Engineer  
Negotiating Parties: Successor Agency to the Industry Urban-Development Agency  
Under Negotiation: Price and terms of payment
- c. Property: 12940 Crossroads Parkway South and 12980 Crossroads Parkway South, City of Industry, CA, also known as Assessor Parcel Numbers 8125-021-940, 8125-021-941  
Agency Negotiators: James M. Casso, City Attorney  
Joshua Nelson, Contract City Engineer  
Negotiating Parties: Successor Agency to the Industry Urban-Development Agency  
Under Negotiation: Price and terms of payment
- d. Property: 15400 Stafford Street, City of Industry, CA, also known as Assessor Parcel Numbers 8208-025-940  
Agency Negotiators: James M. Casso, City Attorney  
Joshua Nelson, Contract City Engineer  
Negotiating Parties: Successor Agency to the Industry Urban-Development Agency  
Under Negotiation: Price and terms of payment
- e. Property: 15500 Rausch Road and 100 South Hacienda Boulevard, City of Industry, CA, also known as Assessor Parcel Numbers 8208-025-922, 8208-025-902 and 8208-025-948

Agency Negotiators: James M. Casso, City Attorney  
Joshua Nelson, Contract City Engineer  
Negotiating Parties: Successor Agency to the Industry Urban-  
Development Agency  
Under Negotiation: Price and terms of payment

- f. Property: 911 Bixby Drive, City of Industry, CA, also  
known as Assessor Parcel Number 8242-013-  
901

Agency Negotiators: James M. Casso, City Attorney  
Joshua Nelson, Contract City Engineer  
Negotiating Parties: Successor Agency to the Industry Urban-  
Development Agency  
Under Negotiation: Price and terms of payment

- g. Property: 17647 Gale Avenue, City of Industry, CA,  
also known as Assessor Parcel Numbers  
8264-013-914, 8264-012-923, and 8264-  
013-913

Agency Negotiators: James M. Casso, City Attorney  
Joshua Nelson, Contract City Engineer  
Negotiating Parties: Successor Agency to the Industry Urban-  
Development Agency  
Under Negotiation: Price and terms of payment

- h. Property: 841 7<sup>th</sup> Avenue, City of Industry, CA, also  
known as Assessor Parcel Number 8217-  
001-901

Agency Negotiators: James M. Casso, City Attorney  
Joshua Nelson, Contract City Engineer  
Negotiating Parties: Successor Agency to the Industry Urban-  
Development Agency  
Under Negotiation: Price and terms of payment

- i. Property: 120 North Hudson Avenue, City of Industry,  
CA, also known as Assessor Parcel Number  
8208-025-939

Agency Negotiators: James M. Casso, City Attorney  
Joshua Nelson, Contract City Engineer  
Negotiating Parties: Successor Agency to the Industry Urban-  
Development Agency  
Under Negotiation: Price and terms of payment

- j. Property: Southwest and northwest corners of North  
Hacienda Boulevard and Stafford Street, City  
of Industry, CA, also known as Assessor  
Parcel Number 8208-025-938, 8208-025-941

Agency Negotiators: James M. Casso, City Attorney  
Joshua Nelson, Contract City Engineer  
Negotiating Parties: Successor Agency to the Industry Urban-  
Development Agency  
Under Negotiation: Price and terms of payment

- k. Property: 15555 Stafford Street, City of Industry, CA,  
also known as Assessor Parcel Number  
8208-025-937

Agency Negotiators: James M. Casso, City Attorney  
Joshua Nelson, Contract City Engineer  
Negotiating Parties: Successor Agency to the Industry Urban-  
Development Agency  
Under Negotiation: Price and terms of payment

- l. Property: 15660 Stafford Street, City of Industry, CA,  
also known as Assessor Parcel Numbers  
8208-025- 942

Agency Negotiators: James M. Casso, City Attorney  
Joshua Nelson, Contract City Engineer  
Negotiating Parties: Successor Agency to the Industry Urban-  
Development Agency  
Under Negotiation: Price and terms of payment

- m. Property: 555 El Encanto Road, City of Industry, CA,  
also known as Assessor Parcel Numbers  
8208-027- 902, 8208-027-901

Agency Negotiators: James M. Casso, City Attorney  
Joshua Nelson, Contract City Engineer  
Negotiating Parties: Successor Agency to the Industry Urban-  
Development Agency  
Under Negotiation: Price and terms of payment

- n. Property: 425 Parriott Place, City of Industry, CA, also  
known as Assessor Parcel Number 8208-027  
918

Agency Negotiators: James M. Casso, City Attorney  
Joshua Nelson, Contract City Engineer  
Negotiating Parties: Successor Agency to the Industry Urban-  
Development Agency  
Under Negotiation: Price and terms of payment

- o. Property: East of Russell, south of UPRR, City of  
Industry, CA, also known as Assessor Parcel  
Number 8245-001- 912

Agency Negotiators: James M. Casso, City Attorney  
Joshua Nelson, Contract City Engineer  
Negotiating Parties: Successor Agency to the Industry Urban-  
Development Agency  
Under Negotiation: Price and terms of payment

12. Adjournment. The next regular City Council Meeting will be Thursday, April 26, 2018 at 9:00 a.m.



*CITY COUNCIL*

ITEM NO. 7.1

**CITY OF INDUSTRY  
AUTHORIZATION FOR PAYMENT OF BILLS  
CITY COUNCIL MEETING OF APRIL 12, 2018**

**FUND RECAP:**

<u>FUND</u>	<u>DESCRIPTION</u>	<u>DISBURSEMENTS</u>
100	GENERAL FUND	2,226,967.48
103	PROP A FUND	9,771.39
120	CAPITAL IMPROVEMENT FUND	6,962,655.23
161	IPUC - ELECTRIC	419,934.79
TOTAL ALL FUNDS		9,619,328.89

**BANK RECAP:**

<u>BANK</u>	<u>NAME</u>	<u>DISBURSEMENTS</u>
BOFA	BANK OF AMERICA - CKING ACCOUNTS	278,086.64
WFBK	WELLS FARGO - CKING ACCOUNT	9,341,242.15
TOTAL ALL BANKS		9,619,328.79

**APPROVED PER ACTING DIRECTOR OF DEVELOPMENT SERVICES AND ADMINISTRATION**

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**CITY OF INDUSTRY  
BANK OF AMERICA  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITYELEC.CHK - City Electric</b>				
1440	03/21/2018		CITY OF INDUSTRY	\$194,239.48
	Invoice	Date	Description	Amount
	03/21/18	03/21/2018	TRANSFER FUNDS-ELECTRIC	\$194,239.48
<b>CITYGEN.CHK - City General</b>				
WT1061	03/15/2018		JOHN HANCOCK USA	\$9,809.11
	Invoice	Date	Description	Amount
	FEB 2018	03/15/2018	PARS CONTRIBUTION FOR FEBRUARY 2018	\$9,809.11
WT1062	03/20/2018		CAL-PERS	\$45,945.43
	Invoice	Date	Description	Amount
	APRIL 2018	03/20/2018	CALPERS MEDICAL PREMIUM FOR APRIL 2018	\$45,945.43
WT1063	03/21/2018		MIDAMERICA ADMINISTRATIVE &	\$23,874.08
	Invoice	Date	Description	Amount
	03/21/18	03/21/2018	MEDICAL PRMIUM REIMBURSEMENTS	\$23,874.08
<b>PROPA.CHK - Prop A Checking</b>				
11762	03/21/2018		CITY OF INDUSTRY	\$4,218.54
	Invoice	Date	Description	Amount
	03/21/18-A	03/21/2018	TRANSFER FUNDS-PROP/A - A/P	\$4,218.54

CITY OF INDUSTRY

BANK OF AMERICA

April 12, 2018

<u>Check</u>	<u>Date</u>	<u>Payee Name</u>	<u>Check Amount</u>
<hr/>			

<u>Checks</u>	<u>Status</u>	<u>Count</u>	<u>Transaction Amount</u>
	Total	5	\$278,086.64

**CITY OF INDUSTRY**  
**WELLS FARGO VOIDED CHECKS**  
**April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
67546	11/08/2017		L A COUNTY REGISTRAR-	(\$2,216.25)
	Invoice	Date	Description	Amount
	PLAN 17-2	11/06/2017	FEE-NOTICE OF DETERMINATION FOR PLAN 17-2	(\$2,216.25)
68232	02/26/2018		L A COUNTY REGISTRAR-	(\$64.50)
	Invoice	Date	Description	Amount
	PLAN 17-2-A	02/21/2018	BALANCE OF UPDATED FEE FOR PLAN 17-2	(\$64.50)
68254	03/08/2018		CORDOBA CORPORATION	(\$268,494.77)
	Invoice	Date	Description	Amount
	218130	02/09/2018	REAL ESTATE ADVISORY-JAN 2018	(\$45,000.00)
	218132	02/13/2018	UTILITY ADMINISTRATION-JAN 2018	(\$144,631.34)
	217596	12/12/2017	COI STORMWATER CAPTURE PROJECT	(\$78,863.43)

Checks	Status	Count	Transaction Amount
	Total	3	(\$270,775.52)

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
68423	03/16/2018		CALPINE ENERGY SOLUTIONS, LLC	\$67,572.26
	Invoice	Date	Description	Amount
	180680008618068	03/09/2018	WHOLESALE USE-FEB 2018	\$67,572.26
68424	03/16/2018		CITY OF CUDAHY	\$225,000.00
	Invoice	Date	Description	Amount
	03/16/2018	03/16/2018	EXCHANGE FOR PROP A FUNDS	\$225,000.00
68425	03/16/2018		CSMFO	\$80.00
	Invoice	Date	Description	Amount
	180989	03/16/2018	MEETING ON 3/21/18-SUSAN AND CHRISTINA	\$80.00
68426	03/16/2018		L A COUNTY REGISTRAR-	\$2,355.75
	Invoice	Date	Description	Amount
	PLAN 17-2-B	03/15/2018	FEE-NOTICE OF DETERMINATION FOR DEV PLAN 17-	\$2,355.75
68427	03/16/2018		LAW OFFICES OF DAYTON	\$17,500.00
	Invoice	Date	Description	Amount
	03/16/2018	03/16/2018	EXECUTED SETTLEMENT AGREEMENT	\$17,500.00
68428	03/21/2018		AT & T	\$19.03
	Invoice	Date	Description	Amount
	2018-00001148	03/01/2018	03/01-03/31/18 SVC - CITY WHITE PAGES	\$19.03
68429	03/21/2018		AT & T	\$401.00
	Invoice	Date	Description	Amount
	2388700401	02/23/2018	01/19-02/18/18 SVC - 600 S BREA CYN-METROLINK	\$176.00
	8964210260	03/01/2018	03/01-03/31/18 SVC - 600 S BREA CYN-METROLINK	\$225.00
68430	03/21/2018		FRONTIER	\$3,297.47
	Invoice	Date	Description	Amount

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date	Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>			
2018-00001124	02/28/2018	02/28-03/27/18 SVC - EM-179 S. GRAND AVE	\$37.79
2018-00001125	02/28/2018	02/28-03/27/18 SVC - EM-21700 BAKER PKWY BLDG	\$51.31
2018-00001127	02/28/2018	02/28-03/27/18 SVC - EM-21912 GARCIA LN-ALARM	\$66.38
2018-00001131	03/01/2018	03/01-03/31/18 SVC - GS-21700 VALLEY BLVD	\$54.19
2018-00001133	03/01/2018	03/01-03/31/18 SVC - GS-21650 VALLEY BLVD	\$51.50
2018-00001135	03/01/2018	03/01-03/31/18 SVC - VARIOUS GENERATOR SITES	\$1,056.85
2018-00001136	03/01/2018	03/01-03/31/18 SVC - VARIOUS SITES	\$967.05
2018-00001138	03/02/2018	03/02-04/01/18 SVC - IH GOLF COURSE FUEL PUMP	\$147.50
2018-00001140	03/04/2018	03/04-04/03/18 SVC - EM-21858 GARCIA LN	\$75.60
2018-00001141	03/04/2018	03/04-04/03/18 SVC - GS-21620 VALLEY BLVD	\$63.22
2018-00001142	03/07/2018	03/07-04/06/18 SVC - GS-408 BREA CYN RD	\$27.56
841 7TH-MAR18	03/10/2018	03/10-04/09/18 SVC - 841 S. SEVENTH	\$111.45
2018-00001143	03/10/2018	03/10-04/09/18 SVC - EM-21808 GARCIA LN-ALARM	\$75.60
2018-00001144	03/10/2018	03/10-04/09/18 SVC - GS-21640 VALLEY BLVD	\$60.53
2018-00001145	03/10/2018	03/10-04/09/18 SVC - EM-21508 BAKER PKWY BLDG	\$60.53
2018-00001146	03/10/2018	03/10-04/09/18 SVC - 600 BREA CYN RD	\$231.55
2018-00001147	03/10/2018	03/10-04/09/18 SVC - GS-747 S. ANAHEIM PUENTE RD	\$158.86
<b>68431</b>	<b>03/21/2018</b>	<b>ROWLAND WATER DISTRICT</b>	<b>\$2,160.46</b>
Invoice	Date	Description	Amount
2018-00001108	02/28/2018	01/22-02/14/18 SVC - AZUSA AVE 205597	\$53.04
2018-00001109	02/28/2018	01/18-02/13/18 SVC - 930 AZUSA AVE	\$429.76
2018-00001110	02/28/2018	01/18-02/13/18 SVC - 17401 VALLEY BLVD	\$461.76
2018-00001111	02/28/2018	01/18-02/13/18 SVC - 18044 ROWLAND-LAWSON	\$62.64
2018-00001112	02/28/2018	01/18-02/13/18 SVC - HURLEY STREET & VALLEY	\$372.16
2018-00001113	02/28/2018	01/22-02/14/18 SVC - AZUSA AVE - CENTER	\$56.24
2018-00001114	02/28/2018	01/18-02/13/18 SVC - AZUSA AVE (RC)	\$49.55
2018-00001115	02/28/2018	01/18-02/13/18 SVC - 755 NOGALES (RC)	\$198.45
2018-00001116	02/28/2018	01/18-02/13/18 SVC - 17217 & 17229 CHESTNUT - IRR	\$110.24
2018-00001117	02/28/2018	01/18-02/13/18 SVC - 1123D HATCHER ST	\$59.04
2018-00001118	02/28/2018	01/18-02/13/18 SVC - 1135 HATCHER STREET	\$33.44

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	2018-00001119	02/28/2018	01/18-02/13/18 SVC - 1123C HATCHER ST	\$119.84
	2018-00001120	02/28/2018	01/22-02/14/18 SVC - 1100 AZUSA AVE	\$154.30
<b>68432</b>	03/21/2018		<b>SAN GABRIEL VALLEY WATER CO.</b>	<b>\$9,546.59</b>
	Invoice	Date	Description	Amount
	2018-00001149	02/28/2018	1/26-2/27/18 SVC-PELLISSIER	\$371.44
	2018-00001150	02/28/2018	1/26-2/27/18 SVC-PELLISSIER	\$369.43
	2018-00001151	02/28/2018	1/26-2/27/18 SVC-PELLISSIER	\$1,078.18
	2018-00001152	02/28/2018	1/26-2/27/18 SVC-PECK/UNION PACIFIC B	\$545.14
	2018-00001153	02/28/2018	1/26-2/27/18 SVC-S/E COR OF PELLISSIER	\$947.32
	2018-00001154	02/28/2018	1/26-2/27/18 SVC-CROSSROADS PKY SOUTH	\$1,126.93
	2018-00001155	02/28/2018	1/26-2/27/18 SVC-STA 103-80 CROSSROADS PKY	\$187.93
	2018-00001156	02/28/2018	1/26-2/27/18 SVC-CROSSROADS PKY SOUTH	\$2,505.26
	2018-00001157	02/28/2018	1/26-2/27/18 SVC-CROSSROADS PKY NORTH	\$951.22
	2018-00001158	02/28/2018	1/26-2/27/18 SVC-STA 129-00 CROSSROADS PKY	\$918.09
	2018-00001159	02/28/2018	1/26-2/27/18 SVC-STA 111-50 CROSSROADS PKY	\$348.02
	2018-00001160	02/28/2018	1/26-2/27/18 SVC-IRRIG SALT LAKE/SEVENTH	\$197.63
<b>68433</b>	03/21/2018		<b>SO CALIFORNIA EDISON COMPANY</b>	<b>\$29,140.30</b>
	Invoice	Date	Description	Amount
	5010ENGLISH-FEB	03/01/2018	1/26-2/27/18 SVC-5010 ENGLISH	\$114.37
	2018-00001172	03/01/2018	1/26-2/27/18 SVC-205 N HUDSON AVE	\$368.17
	2018-00001173	03/02/2018	2/1-3/1/18 SVC-1 VALLEY/AZUSA OL1	\$16.00
	2018-00001174	03/02/2018	2/1-3/1/18 SVC-600 BREA CYN RD	\$475.48
	2018-00001175	03/06/2018	2/1-3/1/18 SVC-INTERCONNECT	\$322.47
	2018-00001176	03/06/2018	2/1-3/5/18 SVC-208 S WADDINGHAM WAY CP	\$142.03
	2018-00001177	03/06/2018	1/1-2/15/18 SVC-900 NOGALES U	\$93.90
	2018-00001178	03/06/2018	1/1-2/20/18 SVC-1015 NOGALES ST	\$936.82
	2018-00001179	03/07/2018	2/1-3/5/18 SVC-15625 STAFFORD ST	\$1,973.34
	155560STAFF-FEB	03/07/2018	1/26-2/27/18 SVC-15660 STAFFORD ST	\$1,783.71
	2018-00001180	03/08/2018	2/1-3/1/18 SVC-NOGALES ST/SAN JOSE AVE	\$467.69



**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	2018-00001181	03/08/2018	2/5-3/7/18 SVC-1123 HATCHER AVE STE A	\$175.07
	2018-00001182	03/08/2018	2/5-3/7/18 SVC-1135 HATCHER AVE	\$234.31
	2018-00001183	03/09/2018	2/1-3/1/18 SVC-208 S WADDINGHAM WAY	\$20,908.22
	2018-00001184	03/09/2018	2/5-3/7/18 SVC-VARIOUS SITES	\$99.78
	2018-00001185	03/10/2018	2/1-3/1/18 SVC-GALE AVE/L STREET	\$36.06
	2018-00001186	03/13/2018	2/8-3/12/18 SVC-575 BALDWIN PK BLVD U	\$69.79
	2018-00001187	03/13/2018	1/12-3/8/18 SVC-VALLEY BLVD U	\$863.19
	2018-00001188	03/14/2018	2/9-3/13/18 SVC-490 7TH U	\$59.90
<b>68434</b>	03/21/2018		<b>SOCALGAS</b>	<b>\$1,809.68</b>
	Invoice	Date	Description	Amount
	2018-00001123	03/02/2018	1/29-2/28/18 SVC-710 NOGALES ST	\$15.74
	2018-00001126	03/06/2018	1/31-3/2/18 SVC-2700 CHINO HILLS PKY	\$104.15
	2018-00001128	03/06/2018	1/31-3/2/18 SVC-1 INDUSTRY HILLS PKY	\$16.81
	2018-00001129	03/07/2018	2/1-3/1/18 SVC-1 INDUSTRY HILLS PKY UNIT B	\$50.00
	2018-00001130	03/08/2018	2/2-3/6/18 SVC-15651 STAFFORD ST	\$285.27
	2018-00001132	03/08/2018	2/2-3/6/18 SVC-15633 RAUSCH RD	\$444.93
	2018-00001134	03/08/2018	2/2-3/6/18 SVC-15625 STAFFORD ST	\$352.51
	2018-00001137	03/08/2018	2/2-3/6/18 SVC-15625 STAFFORD ST APT B	\$483.26
	2018-00001139	03/09/2018	1/1-1/29/18 SVC-1015 NOGALES ST STE 101	\$57.01
<b>68435</b>	03/21/2018		<b>SUBURBAN WATER SYSTEMS</b>	<b>\$257.72</b>
	Invoice	Date	Description	Amount
	180021369168	03/02/2018	02/03-03/02/18 SVC - NE CRN VALLEY/STIMS	\$257.72
<b>68436</b>	03/21/2018		<b>VERIZON BUSINESS</b>	<b>\$46.70</b>
	Invoice	Date	Description	Amount
	62668559	03/10/2018	02/01-02/28/18 SVC - VARIOUS SITES	\$46.70
<b>68437</b>	03/21/2018		<b>VERIZON WIRELESS - LA</b>	<b>\$1,524.94</b>
	Invoice	Date	Description	Amount

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	9802443172	02/26/2018	01/27-02/26/18 SVC - VARIOUS WIRELESS	\$1,524.94
<b>68438</b>	03/21/2018		<b>WALNUT VALLEY WATER DISTRICT</b>	<b>\$6,744.37</b>
	Invoice	Date	Description	Amount
	2928383	03/06/2018	02/01-02/28/18 SVC - BREA CYN RD & OLD RANCH RD	\$35.94
	2928464	03/06/2018	02/01-02/28/18 SVC - 60 FWY INTERCHANGE	\$20.00
	2928297	03/06/2018	02/01-02/28/18 SVC - IRR 820 FAIRWAY DR	\$86.38
	2928349	03/06/2018	02/01-02/28/18 SVC - LEMON AVE N OF CURRIER RD	\$89.64
	2928399	03/06/2018	02/01-02/28/18 SVC - FERRERO & GRAND EAST	\$659.18
	2928461	03/06/2018	02/01-02/28/18 SVC - BREA CYN N OF RR TRKS	\$143.18
	2928462	03/06/2018	02/01-02/28/18 SVC - BREA CYN N OF CURRIER	\$25.37
	2928448	03/06/2018	02/01-02/28/18 SVC - BAKER PKWY & GRAND N/W	\$1,094.15
	2928428	03/06/2018	02/01-02/28/18 SVC - 22002 VALLEY BLVD	\$25.20
	2928418	03/06/2018	02/01-02/28/18 SVC - BAKER PKWY METER #1	\$179.90
	2928425	03/06/2018	02/01-02/28/18 SVC - GRAND AVE CROSSING	\$199.91
	2928419	03/06/2018	02/01-02/28/18 SVC - BAKER PKWY METER #2	\$185.62
	2928426	03/06/2018	02/01-02/28/18 SVC - GRAND AVE CROSSING	\$77.73
	2928489	03/06/2018	02/01-02/28/18 SVC - 21627 GRAND CROSSING PKWY	\$148.46
	2928490	03/06/2018	02/01-02/28/18 SVC - 21627 GRAND CROSSING PKWY	\$133.46
	2928482	03/06/2018	02/01-02/28/18 SVC - END OF BAKER PKWY TEMP	\$3,034.65
	2928455	03/06/2018	02/01-02/28/18 SVC - E/S GRAND S/O BAKER PKWY	\$140.08
	2928447	03/06/2018	02/01-02/28/18 SVC - GRAND CROSSING WEST	\$59.21
	2928446	03/06/2018	02/01-02/28/18 SVC - GRAND CROSSING EAST	\$43.10
	2928445	03/06/2018	02/01-02/28/18 SVC - 21350 VALLEY-MEDIAN	\$252.53
	2929144	03/07/2018	02/01-02/28/18 SVC - PUMP STN N/W CHERYL	\$25.20
	2929387	03/07/2018	02/01-02/28/18 SVC - NOGALES PUMP STN	\$65.48
	2929164	03/07/2018	02/01-02/28/18 SVC - PUMP STN BREA CYN	\$20.00
<b>68439</b>	03/21/2018		<b>WALNUT VALLEY WATER DISTRICT</b>	<b>\$153.22</b>
	Invoice	Date	Description	Amount
	2928268	03/06/2018	2/1-2/28/18 SVC-IRR METROLINK STA-SPANISH LN	\$133.22

**CITY OF INDUSTRY  
WELLS FARGO BANK**

**April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	2929163	03/07/2018	2/1-2/28/18 SVC-PLATFORM METROLINK BREA CYN	\$20.00
<b>68440</b>	03/27/2018		<b>HUMANA INSURANCE COMPANY</b>	<b>\$5,085.62</b>
	Invoice	Date	Description	Amount
	389690356	03/13/2018	DENTAL PREMIUM FOR APRIL 2018	\$5,085.62
<b>68441</b>	03/27/2018		<b>KEENAN AND ASSOCIATES</b>	<b>\$5,834.93</b>
	Invoice	Date	Description	Amount
	209732	01/18/2018	CYBER LIABILITY INSURANCE	\$5,834.93
<b>68442</b>	03/27/2018		<b>MUTUAL OF OMAHA</b>	<b>\$6,642.42</b>
	Invoice	Date	Description	Amount
	715645446	04/01/2018	LIFE INSURANCE PREMIUM FOR APRIL 2018	\$6,642.42
<b>68443</b>	03/27/2018		<b>UNUM LIFE INSURANCE COMPANY</b>	<b>\$5,241.57</b>
	Invoice	Date	Description	Amount
	4/1-4/30/18	03/19/2018	LONG TERM CARE PREMIUM FOR APRIL 2018	\$5,241.57
<b>68444</b>	03/28/2018		<b>BANK OF AMERICA - VISA</b>	<b>\$1,921.29</b>
	Invoice	Date	Description	Amount
	2018-00001190	03/06/2018	2/7-2/28/18 CREDIT CARD EXPENSES-PHILIPS	\$1,921.29
<b>68445</b>	03/28/2018		<b>BANK OF AMERICA - VISA</b>	<b>\$1,987.42</b>
	Invoice	Date	Description	Amount
	2018-00001191	03/06/2018	2/7-3/6/18 CREDIT CARD EXPENSES-AGUIRRE	\$1,987.42
<b>68446</b>	03/28/2018		<b>FIDELITY SECURITY LIFE</b>	<b>\$1,344.30</b>
	Invoice	Date	Description	Amount
	163463178	04/01/2018	VISION PREMIUM FOR APRIL 2018	\$1,344.30
<b>68447</b>	03/29/2018		<b>CASSO &amp; SPARKS, LLP</b>	<b>\$115,776.50</b>

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	Invoice	Date	Description	Amount
	20276	03/21/2018	COI-LEGAL SVC FOR DEC 2017	\$57,686.48
	20279	03/20/2018	COI-LEGAL SVC FOR NOV 2017	\$58,090.02
<b>68448</b>	03/29/2018		<b>INDUSTRY PUBLIC UTILITY</b>	<b>\$3,468.79</b>
	Invoice	Date	Description	Amount
	2018-00001194	03/16/2018	02/10-03/10/18 SVC - 600 BREA CYN RD	\$3,404.48
	2018-00001195	03/16/2018	02/10-03/10/18 SVC - 370 GRAND AVE SOUTH	\$64.31
<b>68449</b>	03/29/2018		<b>SAN GABRIEL VALLEY WATER CO.</b>	<b>\$244.49</b>
	Invoice	Date	Description	Amount
	2018-00001196	03/16/2018	02/14-03/15/18 SVC - 14329 VALLEY	\$244.49
<b>68450</b>	03/29/2018		<b>SO CALIFORNIA EDISON COMPANY</b>	<b>\$8,915.72</b>
	Invoice	Date	Description	Amount
	2018-00001197	03/17/2018	02/14-03/16/18 SVC - 1341 FULLERTON RD	\$24.18
	2018-00001198	03/17/2018	02/14-03/16/18 SVC - 17635 GALE	\$1,111.77
	2018-00001199	03/20/2018	02/15-03/19/18 SVC - 900 NOGALES U	\$19.26
	2018-00001200	03/20/2018	02/09-03/16/18 SVC - VARIOUS SITES	\$2,147.78
	2018-00001202	03/20/2018	02/14-03/16/18 SVC - PECK RD S/O PELLISSIER	\$35.45
	841 7TH-MAR18	03/20/2018	02/14-03/16/18 SVC - 841 7TH AVE	\$512.63
	2018-00001204	03/20/2018	02/14-03/16/18 SVC - VARIOUS SITES	\$5,064.65
<b>68451</b>	03/29/2018		<b>SO CALIFORNIA EDISON COMPANY</b>	<b>\$210.44</b>
	Invoice	Date	Description	Amount
	2018-00001201	03/20/2018	01/22-02/21/18 SVC - 600 S BREA CYN B	\$210.44
<b>68452</b>	03/29/2018		<b>SOCALGAS</b>	<b>\$14.79</b>
	Invoice	Date	Description	Amount
	2018-00001203	03/19/2018	02/13-03/15/18 SVC - 610 S BREA CYN RD	\$14.79

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
68453	04/03/2018		AT & T	\$344.92
	Invoice	Date	Description	Amount
	2018-00001220	03/17/2018	03/17-04/16/18 SVC - 15000 TONNER CYN RD-GUARD	\$162.69
	2018-00001221	03/17/2018	03/17-04/16/18 SVC - 17001 CARBON CYN RD-	\$182.23
68454	04/03/2018		CITY OF CHINO HILL UTILITY	\$245.14
	Invoice	Date	Description	Amount
	2018-00001222	03/19/2018	02/14-03/15/18 SVC - 1550 RANCHO HILLS DR	\$245.14
68455	04/03/2018		FRONTIER	\$607.47
	Invoice	Date	Description	Amount
	2018-00001226	03/16/2018	03/16-04/15/18 SVC - BREA CYN PUMP STN	\$69.26
	2018-00001227	03/16/2018	03/16-04/15/18 SVC - GS-208 OLD RANCH RD	\$49.11
	2018-00001228	03/16/2018	03/16-04/15/18 SVC - PH AUTO PLAZA	\$170.04
	2018-00001229	03/19/2018	03/19-04/18/18 SVC - EM-21438 BAKER PKWY BLDG	\$51.50
	2018-00001230	03/19/2018	03/19-04/18/18 SVC - EM-21415 BAKER PKWY	\$51.50
	2018-00001231	03/19/2018	03/19-04/18/18 SVC - GS-21660 VALLEY BLVD	\$44.17
	2018-00001232	03/19/2018	03/19-04/18/18 SVC - FOLLOW'S CAMP GUARD	\$66.20
	2018-00001233	03/22/2018	03/22-04/21/18 SVC - EM-21733 BAKER PKWY BLDG	\$51.50
	2018-00001234	03/22/2018	03/22-04/21/18 SVC - GS-21858 VALLEY BLVD	\$54.19
68456	04/03/2018		SAN GABRIEL VALLEY WATER CO.	\$168.40
	Invoice	Date	Description	Amount
	841 7TH-MAR18	03/20/2018	02/16-03/19/18 SVC - 841 S SEVENTH	\$168.40
68457	04/03/2018		SO CALIFORNIA EDISON COMPANY	\$49,927.35
	Invoice	Date	Description	Amount
	2018-00001205	03/20/2018	01/26-03/16/18 SVC - VARIOUS SITES	\$2,708.35
	2018-00001206	03/20/2018	02/14-03/16/18 SVC - VARIOUS SITES	\$3,277.14
	2018-00001207	03/20/2018	02/01-03/01/18 SVC - VARIOUS SITES	\$4,160.47
	2018-00001208	03/20/2018	10/24/17-03/01/18 SVC - VARIOUS SITES	\$38,411.21

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	2018-00001209	03/22/2018	02/20-03/21/18 SVC - 1015 NOGALES ST	\$522.26
	2018-00001210	03/22/2018	02/20-03/21/18 SVC - 14661 & 14911 CLARK AVE U	\$112.91
	2018-00001211	03/23/2018	02/21-03/22/18 SVC - 580 BREA CYN RD	\$23.93
	2018-00001212	03/23/2018	02/21-03/22/18 SVC - 1007 LAWSON ST TC1	\$45.21
	2018-00001213	03/23/2018	02/21-03/22/18 SVC - 21380 VALLEY PED	\$23.37
	2018-00001214	03/23/2018	02/21-03/22/18 SVC - 575 BREA CYN RD	\$24.08
	2018-00001216	03/27/2018	02/23-03/26/18 SVC - 745 ANAHEIM PUENTE RD CP	\$85.90
	2018-00001217	03/27/2018	02/23-03/26/18 SVC - 17378 GALE AVE B	\$432.87
	2018-00001218	03/27/2018	02/01-03/23/18 SVC - 600 S BREA CYN RD	\$99.65
<b>68458</b>	04/03/2018		<b>SO CALIFORNIA EDISON COMPANY</b>	<b>\$139.22</b>
	Invoice	Date	Description	Amount
	2018-00001215	03/24/2018	02/22-03/23/18 SVC - 5010 ENGLISH RD	\$139.22
<b>68459</b>	04/03/2018		<b>SO CALIFORNIA EDISON COMPANY</b>	<b>\$11,154.88</b>
	Invoice	Date	Description	Amount
	7500886285	03/21/2018	02/01-02/28/18 SVC - 745 ANAHEIM-PUENTE RD	\$1,027.46
	7500886295	03/21/2018	02/01-02/28/18 SVC - 133 N. AZUSA AVE	\$1,860.71
	7500886296	03/21/2018	02/01-02/28/18 SVC - 208 S. WADDINGHAM WAY	\$8,266.71
<b>68460</b>	04/03/2018		<b>SOCALGAS</b>	<b>\$185.99</b>
	Invoice	Date	Description	Amount
	2018-00001223	03/26/2018	02/21-03/22/18 SVC - 15415 DON JULIAN RD	\$185.99
<b>68461</b>	04/03/2018		<b>SUBURBAN WATER SYSTEMS</b>	<b>\$356.04</b>
	Invoice	Date	Description	Amount
	180070802093	03/21/2018	02/22-03/21/18 SVC - 205 HUDSON AV	\$48.67
	18001981581	03/22/2018	02/23-03/22/18 SVC - AZUSA & GEMINI	\$307.37
<b>68462</b>	04/12/2018		<b>ACE CONSTRUCTION AUTHORITY</b>	<b>\$6,795,316.22</b>
	Invoice	Date	Description	Amount

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	204-850-5-A	03/29/2018	FAIRWAY/LEMON AVE PROJ	\$6,795,316.22
<b>68463</b>	04/12/2018		<b>ACE CONSTRUCTION AUTHORITY</b>	<b>\$2,627.09</b>
	Invoice	Date	Description	Amount
	ACE-RWD	03/20/2018	REIMBURSEMENT FOR COSTS ASSOCIATED	\$2,627.09
<b>68464</b>	04/12/2018		<b>ADVANCED DISCOVERY, INC.</b>	<b>\$1,779.60</b>
	Invoice	Date	Description	Amount
	B221307	02/28/2018	DOCUMENT MGMT SVC-FEB 2018	\$1,779.60
<b>68465</b>	04/12/2018		<b>AGUILAR, DENNIS, EDMOND</b>	<b>\$400.00</b>
	Invoice	Date	Description	Amount
	PPDAVF2018	03/29/2018	PIANO PERFORMANCE-VICTORIAN FAIR	\$400.00
<b>68466</b>	04/12/2018		<b>APPLIED METERING</b>	<b>\$3,130.00</b>
	Invoice	Date	Description	Amount
	5878	03/08/2018	UTILITY OPERATIONS & MAINT-FEB 2018	\$3,130.00
<b>68467</b>	04/12/2018		<b>ARAMARK REFRESHMENT SERVICE,</b>	<b>\$170.97</b>
	Invoice	Date	Description	Amount
	7754059	03/12/2018	COFFEE/OFFICE SUPPLIES	\$170.97
<b>68468</b>	04/12/2018		<b>ASTRA INDUSTRIAL SERVICES, INC</b>	<b>\$58.02</b>
	Invoice	Date	Description	Amount
	00160967	03/09/2018	SUPPLIES-HOMESTEAD	\$58.02
<b>68469</b>	04/12/2018		<b>B. SHACKMAN COMPANY</b>	<b>\$178.06</b>
	Invoice	Date	Description	Amount
	73423	03/23/2018	STORE MERCHANDISE-HOMESTEAD	\$178.06
<b>68470</b>	04/12/2018		<b>BLAKE AIR CONDITIONING</b>	<b>\$2,838.00</b>

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	Invoice	Date	Description	Amount
	M41233-A	12/22/2017	QTRLY A/C MAINT-CITY HALL	\$1,419.00
	M42242	03/21/2018	QTRLY A/C MAINT-CITY HALL	\$1,419.00
<b>68471</b>	04/12/2018		<b>BRAVO SIGN &amp; DESIGN INC</b>	<b>\$1,965.00</b>
	Invoice	Date	Description	Amount
	180054	03/14/2018	DESIGN & APPLY GRAPHICS-PASSENGER VANS	\$1,965.00
<b>68472</b>	04/12/2018		<b>BROWN RUDNICK, LLP</b>	<b>\$28,064.46</b>
	Invoice	Date	Description	Amount
	729465	02/01/2018	PROF SVC FROM 1/1-1/29/18	\$28,064.46
<b>68473</b>	04/12/2018		<b>BRYAN PRESS</b>	<b>\$82.65</b>
	Invoice	Date	Description	Amount
	0079058	03/20/2018	BUSINESS CARDS-DIANE AND TROY	\$82.65
<b>68474</b>	04/12/2018		<b>CALVO, ELISE</b>	<b>\$1,052.00</b>
	Invoice	Date	Description	Amount
	JAN-DEC 2017	03/30/2018	CHILD CARE FROM 01/01-12/31/2017	\$1,052.00
<b>68475</b>	04/12/2018		<b>CASC ENGINEERING AND</b>	<b>\$11,511.07</b>
	Invoice	Date	Description	Amount
	38783	02/28/2018	NPDES CONSULTING SVC-COI	\$5,145.00
	0038794	02/28/2018	INITIAL STUDY-16601 E. CHESTNUT ST	\$1,260.00
	0038799	02/28/2018	INITIAL STUDY-13031 TEMPLE AVE	\$4,186.07
	38786	02/28/2018	NPDES SVC-FOLLOW'S CAMP	\$920.00
<b>68476</b>	04/12/2018		<b>CHEM PRO LABORATORY, INC</b>	<b>\$283.00</b>
	Invoice	Date	Description	Amount
	631557	02/23/2018	WATER TREATMENT-FEB 2018	\$283.00



**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
68477	04/12/2018		CINTAS CORPORATION LOC 693	\$331.53
	Invoice	Date	Description	Amount
	693843556	03/19/2018	DOOR MATS	\$55.60
	693843221	03/16/2018	DOOR MATS	\$55.60
	053221274	03/26/2018	DOOR MATS	\$220.33
68478	04/12/2018		CITY OF FOSTER CITY	\$1,112.33
	Invoice	Date	Description	Amount
	11876	03/07/2018	CALOPPS ANNUAL FEE 12/10/17-6/30/18	\$1,112.33
68479	04/12/2018		CITY OF INDUSTRY	\$2,075.87
	Invoice	Date	Description	Amount
	2018-00000053	02/28/2018	IH FUEL PUMP-CITY HALL VEHICLES	\$1,160.89
	2018-00000051	02/28/2018	IH FUEL PUMP-SECURITY VEHICLES	\$914.98
68480	04/12/2018		CITY OF INDUSTRY-PAYROLL ACCT	\$100,000.00
	Invoice	Date	Description	Amount
	P/R PE 3/23/18	03/29/2018	REIMBURSE FOR PAYROLL PE 3/23/18	\$100,000.00
68481	04/12/2018		CIVILTEC ENGINEERING, INC	\$8,264.00
	Invoice	Date	Description	Amount
	38567	03/09/2018	SEPARATION PUMP STN UPGRADE	\$8,264.00
68482	04/12/2018		CNC ENGINEERING	\$33,321.13
	Invoice	Date	Description	Amount
	456594	03/29/2018	WALNUT DR SOUTH WIDENING	\$18,792.72
	456597	03/29/2018	TONNER CYN PROPERTY	\$1,748.05
	456600	03/29/2018	AJAX AVE STORM DRAIN	\$338.76
	456602	03/29/2018	UNRUH AVE AND DON JULIAN RECONSTRUCTION	\$2,242.11
	456604	03/29/2018	ON-CALL SURVEY AND RIGHT-OF-WAY	\$1,499.72
	456617	03/29/2018	WALNUT DR SOUTH WIDENING	\$2,320.00

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	456593	03/29/2018	U-HAUL LEGAL PROCEEDINGS	\$1,121.06
	456576	03/08/2018	U-HAUL LEGAL PROCEEDINGS	\$258.71
	042018	04/01/2018	MEALS/WHEELS RENT-APR 2018	\$5,000.00
<b>68483</b>	04/12/2018		<b>CORDOBA CORPORATION</b>	<b>\$443,143.68</b>
	Invoice	Date	Description	Amount
	217353	07/18/2017	COI STORMWATER CAPTURE PROJ-JUN 2017	\$11,100.00
	218139	02/12/2018	COI STORMWATER CAPTURE PROJ-JAN 2018	\$46,192.50
	218169	03/08/2018	COI STORMWATER CAPTURE PROJ-FEB 2018	\$62,808.27
	218170	03/08/2018	UTILITY ADMINISTRATION-FEB 2018	\$99,548.14
	218132-A	02/13/2018	UTILITY ADMINISTRATION-JAN 2018	\$144,631.34
	217596-A	12/12/2017	COI STORMWATER CAPTURE PROJ-NOV 2017	\$78,863.43
<b>68484</b>	04/12/2018		<b>COUNTY OF LA DEPT OF PUBLIC</b>	<b>\$90,789.09</b>
	Invoice	Date	Description	Amount
	PW-18031205530	03/12/2018	TRAFFIC SIGNAL MAINT	\$23,994.10
	PW-18031205274	03/12/2018	EMERGENCY ROAD SERVICE	\$332.68
	PW-18031205272	03/12/2018	LITTER/DEBRIS REMOVAL	\$363.03
	PW-18031205276	03/12/2018	PAVEMENT PATCHING	\$707.75
	PW-18031205313	03/12/2018	TRAFFIC SIGNAL CONSTRUCTION/INSPECTION	\$1,388.61
	PW-18031205280	03/12/2018	PUMP HOUSE MAINT	\$231.10
	PW-18031205277	03/12/2018	STREET MAINT/INSPECTION	\$4,200.19
	PW-18031205334	03/12/2018	CITYWIDE STRIPING	\$18,266.98
	PW-18031205273	03/12/2018	CONCRETE REPAIRS	\$39,347.87
	PW-18031205531	03/12/2018	TRAFFIC SIGNAL MAINT	\$1,956.78
<b>68485</b>	04/12/2018		<b>CREATIVE IMAGE PRODUCTS</b>	<b>\$46.76</b>
	Invoice	Date	Description	Amount
	1435	03/23/2018	POLO SHIRT W/COI LOGO	\$46.76
<b>68486</b>	04/12/2018		<b>CRIA-EQUESTRIAN CENTER</b>	<b>\$112.00</b>

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	Invoice	Date	Description	Amount
	PAV-022218-A	02/26/2018	BALANCE-LINENS USED FOR EVENT ON 2/22/18	\$112.00
<b>68487</b>	04/12/2018		<b>DANGELO CO.</b>	<b>\$1,182.53</b>
	Invoice	Date	Description	Amount
	S1330855.001	02/26/2018	MISC SUPPLIES-17217 & 17229 CHESTNUT AVE	\$247.12
	S1330716.001	02/23/2018	MISC SUPPLIES-TONNER CYN	\$935.41
<b>68488</b>	04/12/2018		<b>DAPEER, ROSENBLIT, AND LITVAK,</b>	<b>\$14,969.83</b>
	Invoice	Date	Description	Amount
	14177	01/31/2018	LEGAL SVC-CODE ENFORCEMENT	\$7,055.50
	14279	02/28/2018	LEGAL SVC-CODE ENFORCEMENT	\$5,150.85
	14179	01/31/2018	SPECIALIZED LEGAL SVC-JAN 2018	\$329.00
	14178	01/31/2018	SPECIALIZED LEGAL SVC-JAN 2018	\$1,328.48
	14281	02/28/2018	SPECIALIZED LEGAL SVC-FEB 2018	\$50.00
	14280	02/28/2018	SPECIALIZED LEGAL SVC-FEB 2018	\$1,056.00
<b>68489</b>	04/12/2018		<b>DEPT OF ANIMAL CARE &amp; CONTROL</b>	<b>\$2,624.22</b>
	Invoice	Date	Description	Amount
	03/15/18	03/15/2018	SHELTER COST-FEB 2018	\$2,624.22
<b>68490</b>	04/12/2018		<b>EASYLINK SERVICES</b>	<b>\$68.50</b>
	Invoice	Date	Description	Amount
	07634191803	03/02/2018	FAX SVC-FEB 2018	\$68.50
<b>68491</b>	04/12/2018		<b>ELECTRA-MEDIA, INC</b>	<b>\$1,763.00</b>
	Invoice	Date	Description	Amount
	7170	03/15/2018	PUENTE HILLS AUTO DISPLAY	\$1,763.00
<b>68492</b>	04/12/2018		<b>ENCO UTILITY SERVICES</b>	<b>\$3,215.00</b>
	Invoice	Date	Description	Amount

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	20-3-03-39	03/13/2018	CUSTOMER ACCOUNT SVC-FEB 2018	\$3,215.00
<b>68493</b>	04/12/2018		<b>ERNEST MILLER</b>	<b>\$135.85</b>
	Invoice	Date	Description	Amount
	PPEM11	03/29/2018	REIMBURSEMENT FOR SUPPLIES USED ON	\$135.85
<b>68494</b>	04/12/2018		<b>ERNEST MILLER</b>	<b>\$300.00</b>
	Invoice	Date	Description	Amount
	PPEMVF2018	03/29/2018	PRESENTATION-VICTORIAN FAIR	\$300.00
<b>68495</b>	04/12/2018		<b>FEDERAL EXPRESS CORP.</b>	<b>\$593.07</b>
	Invoice	Date	Description	Amount
	6-113-08579	03/09/2018	MESSENGER SVC	\$593.07
<b>68496</b>	04/12/2018		<b>FERGUSON ENTERPRISES, INC</b>	<b>\$13.05</b>
	Invoice	Date	Description	Amount
	5782553	02/26/2018	PLUMBING SUPPLIES-AZUSA/AZUSA WAY	\$13.05
<b>68497</b>	04/12/2018		<b>FREEWAY LACE GUILD</b>	<b>\$100.00</b>
	Invoice	Date	Description	Amount
	VFFLG2	03/07/2018	LACE MAKING DEMO-VICTORIAN FAIR	\$100.00
<b>68498</b>	04/12/2018		<b>FUEL PROS, INC.</b>	<b>\$5,921.91</b>
	Invoice	Date	Description	Amount
	34727	03/09/2018	IH FUEL STN MAINT	\$28.87
	34726	03/09/2018	IH FUEL STN MAINT	\$150.00
	34095	01/31/2018	IH FUEL STN MAINT	\$5,743.04
<b>68499</b>	04/12/2018		<b>G S AND W PRINTING &amp; MAILING,</b>	<b>\$495.41</b>
	Invoice	Date	Description	Amount
	49358	03/26/2018	VICTORIAN FAIR MAILER-HOMESTEAD	\$495.41

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
<b>68500</b>	04/12/2018		<b>GREATER LOS ANGELES AREA</b>	<b>\$10,181.75</b>
	Invoice	Date	Description	Amount
		03/31/2015	TONNER CYN WATER CHARGES-MAR 2015	\$3,356.52
		04/30/2015	TONNER CYN WATER CHARGES-APR 2015	\$1,378.72
		05/30/2015	TONNER CYN WATER CHARGES-MAY 2015	\$2,008.02
		06/30/2015	TONNER CYN WATER CHARGES-JUN 2015	\$1,738.32
		02/28/2018	TONNER CYN WATER CHARGES-FEB 2018	\$1,700.17
<b>68501</b>	04/12/2018		<b>HADDICK'S AUTO BODY</b>	<b>\$40.00</b>
	Invoice	Date	Description	Amount
	186345	03/14/2018	CONTAINER STORAGE	\$40.00
<b>68502</b>	04/12/2018		<b>HDL COREN &amp; CONE</b>	<b>\$2,000.00</b>
	Invoice	Date	Description	Amount
	0025100-IN	03/19/2018	REPORT FOR PROJ 1,2, & 3	\$2,000.00
<b>68503</b>	04/12/2018		<b>HINDERLITER, DE LLAMAS AND</b>	<b>\$71,297.33</b>
	Invoice	Date	Description	Amount
	0028859-IN	03/14/2018	AUDIT SVC-SALES TAX 3RD QTR 2017	\$71,297.33
<b>68504</b>	04/12/2018		<b>HISTORICAL RESOURCES, INC.</b>	<b>\$87,330.64</b>
	Invoice	Date	Description	Amount
		03/29/18	AGRMT REIMBURSEMENT FOR MAR 2018	\$84,684.11
		03/29/18-A	REIMBURSEMENT FOR F&M CREDIT CARD	\$2,419.62
		03/28/18	REIMBURSEMENT FOR OFFICE SUPPLIES	\$226.91
<b>68505</b>	04/12/2018		<b>HISTORICAL RESOURCES, INC.</b>	<b>\$325.00</b>
	Invoice	Date	Description	Amount
	1069	03/29/2018	INVENTORY OF ARTIFACTS OWNED BY HSSC	\$325.00

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
68506	04/12/2018		HOME DEPOT CREDIT SERVICE	\$45.83
	Invoice	Date	Description	Amount
	5365032	03/14/2018	MISC SUPPLIES-CITYWIDE	\$45.83
68507	04/12/2018		HUNDLEY, LEONARD	\$850.00
	Invoice	Date	Description	Amount
	PPLHVF2018	03/29/2018	FIRST AID SVC-VICTORIAN FAIR	\$850.00
68508	04/12/2018		INDUSTRY MANUFACTURERS	\$70,289.60
	Invoice	Date	Description	Amount
	FEBRUARY 2018	04/03/2018	EXPENSE REIMBURSEMENT-FEB 2018	\$70,289.60
68509	04/12/2018		INDUSTRY SECURITY SERVICES	\$50,602.37
	Invoice	Date	Description	Amount
	14-22275	03/09/2018	SECURITY SVC-TRES HERMANOS	\$2,187.12
	14-22295	03/16/2018	SECURITY SVC-TRES HERMANOS	\$2,187.12
	14-22335	03/23/2018	SECURITY SVC-TRES HERMANOS	\$2,187.12
	14-22337	03/23/2018	VEHICLE FUEL-TRES HERMANOS	\$827.80
	14-22298	03/16/2018	SECURITY SVC 3/9-3/15/18	\$14,339.56
	14-22267	03/09/2018	SECURITY SVC 3/2-3/8/18	\$14,418.42
	14-22327	03/23/2018	SECURITY SVC 3/16-3/22/18	\$14,455.23
68510	04/12/2018		INDUSTRY SECURITY SERVICES	\$5,189.19
	Invoice	Date	Description	Amount
	14-22296	03/16/2018	SECURITY SVC-METROLINK	\$1,729.73
	14-22276	03/09/2018	SECURITY SVC-METROLINK	\$1,729.73
	14-22336	03/23/2018	SECURITY SVC-METROLINK	\$1,729.73
68511	04/12/2018		INDUSTRY TIRE SERVICE	\$150.00
	Invoice	Date	Description	Amount
	0280614	03/21/2018	REPAIR LOOSE TIRE	\$35.00

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	0280587	03/20/2018	REPAIR TIRE-LIC 29260E1	\$115.00
<b>68512</b>	04/12/2018		<b>JANE G. PISANO</b>	<b>\$7,500.00</b>
	Invoice	Date	Description	Amount
	2018-2A	03/15/2018	ANALYSIS OF OPERATION-HOMESTEAD	\$7,500.00
<b>68513</b>	04/12/2018		<b>JANUS PEST MANAGEMENT</b>	<b>\$1,800.00</b>
	Invoice	Date	Description	Amount
	196252	02/14/2018	PEST SVC-TONNER CYN	\$122.00
	196298	02/22/2018	PEST SVC-OLD BREA CYN RD	\$168.00
	196297	02/07/2018	PEST SVC-OLD BREA CYN RD	\$168.00
	196270	02/19/2018	PEST SVC-15660 STAFFORD	\$85.00
	196271	02/19/2018	PEST SVC-15559 RAUSCH RD	\$85.00
	196268	02/19/2018	PEST SVC-CITY HALL	\$145.00
	196184	02/14/2018	PEST SVC-TRES HERMANOS	\$125.00
	196489	03/01/2018	PEST SVC-HOMESTEAD	\$580.00
	196269	02/19/2018	PEST SVC-IMC	\$145.00
	196251	02/14/2018	PEST SVC-TONNER CYN	\$102.00
	196256	02/14/2018	PEST SVC-TONNER CYN	\$75.00
<b>68514</b>	04/12/2018		<b>JAS PACIFIC</b>	<b>\$26,160.00</b>
	Invoice	Date	Description	Amount
	BI 12856	03/05/2018	DEVELOPMENT SVC SUPPORT-FEB 2018	\$26,160.00
<b>68515</b>	04/12/2018		<b>JEFF PARRIOTT PHOTOGRAPHIC</b>	<b>\$2,120.00</b>
	Invoice	Date	Description	Amount
	00539	03/21/2018	PROF SVC-HOMESTEAD	\$2,120.00
<b>68516</b>	04/12/2018		<b>KAREN WISE</b>	<b>\$20,000.00</b>
	Invoice	Date	Description	Amount
	2018-2A	03/15/2018	ANALYSIS OF OPERATION-HOMESTEAD	\$20,000.00

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
<b>68517</b>	04/12/2018		<b>KLAUS DUEBBERT</b>	<b>\$1,000.00</b>
	Invoice	Date	Description	Amount
	VFKD2018	03/29/2018	ROPE MAKING DEMO-VICTORIAN FAIR	\$1,000.00
<b>68518</b>	04/12/2018		<b>KLINE'S PLUMBING, INC.</b>	<b>\$14,412.60</b>
	Invoice	Date	Description	Amount
	10675-01	03/22/2018	REPAIR WORK-MAYO AND GRAND CROSSING PKY	\$12,612.60
	10654	03/06/2018	BALANCE-REPAIR AT ARNOLD LAKE (TRES	\$1,800.00
<b>68519</b>	04/12/2018		<b>L A COUNTY DEPT OF PUBLIC</b>	<b>\$25.25</b>
	Invoice	Date	Description	Amount
	IN180000660	03/12/2018	SEWER SVC-PARCEL 8264-012-295	\$25.25
<b>68520</b>	04/12/2018		<b>L A COUNTY SHERIFF'S</b>	<b>\$820,275.31</b>
	Invoice	Date	Description	Amount
	183123CY	03/22/2018	SPECIAL EVENT-DIRECTED PATROL	\$24,471.57
	182913CY	03/07/2018	SHERIFF CONTRACT-FEB 2018	\$795,143.39
	183122CY	03/22/2018	SPECIAL EVENT-DIRECTED PATROL	\$660.35
<b>68521</b>	04/12/2018		<b>LA PUENTE VALLEY COUNTY</b>	<b>\$285.58</b>
	Invoice	Date	Description	Amount
	BS;03/18	03/21/2018	WATER MONITORING-BOY SCOUTS RESERVOIR	\$285.58
<b>68522</b>	04/12/2018		<b>LANG, HANSEN, O'MALLEY &amp;</b>	<b>\$7,258.05</b>
	Invoice	Date	Description	Amount
	6881	03/02/2018	LEGISLATIVE SVC FROM 3/1-3/9/18	\$7,258.05
<b>68523</b>	04/12/2018		<b>LIEBERT CASSIDY WHITMORE</b>	<b>\$3,000.00</b>
	Invoice	Date	Description	Amount
	1456321	02/28/2018	WORKSHOP ON 2/26/18	\$3,000.00



**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
<b>68524</b>	04/12/2018		<b>LOCKS PLUS</b>	<b>\$967.57</b>
	Invoice	Date	Description	Amount
	24151	03/13/2018	PADLOCKS	\$426.40
	24144	03/05/2018	PADLOCKS	\$383.25
	24042	10/16/2017	DUPLICATE KEYS	\$50.26
	23949	09/11/2017	DUPLICATE KEYS	\$107.66
<b>68525</b>	04/12/2018		<b>MAILFINANCE INC.</b>	<b>\$1,906.16</b>
	Invoice	Date	Description	Amount
	N7041972	03/10/2018	MAIL EQUIPMENT RENTAL 4/11-7/10/18	\$1,906.16
<b>68526</b>	04/12/2018		<b>MICHAEL BAKER INTERNATIONAL,</b>	<b>\$1,500.00</b>
	Invoice	Date	Description	Amount
	1007266	03/08/2018	CLIMATE ACTION PLAN, JN9271	\$1,500.00
<b>68527</b>	04/12/2018		<b>MISTY LEE DINI</b>	<b>\$700.00</b>
	Invoice	Date	Description	Amount
	PPMLVF2018	03/29/2018	PRESENTATION-VICTORIAN FAIR	\$700.00
<b>68528</b>	04/12/2018		<b>MR PLANT &amp; INTERIOR BOTANICAL</b>	<b>\$720.00</b>
	Invoice	Date	Description	Amount
	APR 8491	04/01/2018	PLANT MAINT-APR 2018	\$720.00
<b>68529</b>	04/12/2018		<b>NATALIE MEYER</b>	<b>\$600.00</b>
	Invoice	Date	Description	Amount
	PPNMVF2018	03/29/2018	FASHION PROGRAM-VICTORIAN FAIR	\$600.00
<b>68530</b>	04/12/2018		<b>NATALIE MEYER</b>	<b>\$300.00</b>
	Invoice	Date	Description	Amount
	PPNMRW2018	03/29/2018	VICTORIAN FLOWER WORKSHOP ON 4/21/18-	\$300.00

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
<b>68531</b>	04/12/2018		<b>NELSON, WALTER</b>	<b>\$900.00</b>
	Invoice	Date	Description	Amount
	PPWNVF2018	03/29/2018	PERFORMANCE-VICTORIAN FAIR	\$900.00
<b>68532</b>	04/12/2018		<b>OLMOS PROFESSIONAL SERVICES</b>	<b>\$8,782.00</b>
	Invoice	Date	Description	Amount
	308	03/31/2018	JANITORIAL SVC-15660 STAFFORD	\$1,815.00
	310	03/31/2018	JANITORIAL SVC-CITY HALL	\$5,500.00
	309	03/31/2018	JANITORIAL SVC-IMC	\$1,467.00
<b>68533</b>	04/12/2018		<b>PACIFIC UTILITY INSTALLATION</b>	<b>\$9,652.40</b>
	Invoice	Date	Description	Amount
	16259	11/30/2017	OPERATIONS/MAINT SVC	\$675.00
	16430	01/18/2018	OPERATIONS/MAINT SVC	\$852.00
	16695	03/29/2018	SUBSTATION MAINT	\$4,200.00
	16650	03/09/2018	OPERATIONS/MAINT SVC	\$2,875.00
	15444R	06/21/2017	SUBSTATION MAINT	\$1,050.40
<b>68534</b>	04/12/2018		<b>PARS</b>	<b>\$600.00</b>
	Invoice	Date	Description	Amount
	39721	03/09/2018	ARS FEES-PLAN T3-ARS17A	\$300.00
	39780	03/13/2018	REP FEES-PLAN T-3-REP16A	\$300.00
<b>68535</b>	04/12/2018		<b>POST ALARM SYSTEMS</b>	<b>\$286.90</b>
	Invoice	Date	Description	Amount
	1052115	03/05/2018	MONITORING SVC-HOMESTEAD	\$286.90
<b>68536</b>	04/12/2018		<b>PUENTE HILLS CHEVROLET</b>	<b>\$742.32</b>
	Invoice	Date	Description	Amount
	97001	03/16/2018	AUTO MAINT-LIC 98407C1	\$742.32

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
<b>68537</b>	04/12/2018		<b>PUENTE HILLS FORD</b>	<b>\$966.49</b>
	Invoice	Date	Description	Amount
	140859	02/13/2018	AUTO MAINT-LIC 29260E1	\$966.49
<b>68538</b>	04/12/2018		<b>R.F. DICKSON CO., INC.</b>	<b>\$16,754.06</b>
	Invoice	Date	Description	Amount
	2509030	02/28/2018	STREET & PARKING LOT SWEEPING	\$16,754.06
<b>68539</b>	04/12/2018		<b>RBM LOCK &amp; KEY SERVICE</b>	<b>\$10,753.97</b>
	Invoice	Date	Description	Amount
	0002127256	03/08/2018	DATA WIRE RUN-IMC	\$125.00
	0002127250	03/08/2018	MODIFICATION TO KEY SYSTEM-CITY HALL	\$3,796.96
	0002126460	01/22/2018	NEW CARD ENTRY SYSTEM-IMC	\$6,832.01
<b>68540</b>	04/12/2018		<b>REYNOLD'S BUICK</b>	<b>\$656.32</b>
	Invoice	Date	Description	Amount
	56244	01/15/2018	REPAIR OF 2015 ISUZU TRUCK	\$656.32
<b>68541</b>	04/12/2018		<b>RICOH USA, INC.</b>	<b>\$2,255.78</b>
	Invoice	Date	Description	Amount
	24261297	03/16/2018	COPIER LEASE-FINANCE	\$289.36
	24261298	03/16/2018	COPIER LEASE-FIELD SVC	\$252.66
	5052720401	03/06/2018	METER READING-VARIOUS COPIERS	\$1,081.17
	5052769540	03/12/2018	METER READING-HR COPIER	\$25.70
	5052689756	03/04/2018	METER READING-DEVELOPMENT SVC	\$80.19
	5052872353	03/21/2018	METER READING-FINANCE COPIER	\$237.02
	5052757033	03/09/2018	METER READING-FIELD SVC	\$289.68
<b>68542</b>	04/12/2018		<b>RICOH USA, INC.</b>	<b>\$2,934.70</b>
	Invoice	Date	Description	Amount

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	58465959	03/10/2018	COPIER LEASE-VARIOUS	\$2,650.76
	58540677	03/19/2018	COPIER LEASE-HR	\$283.94
<b>68543</b>	04/12/2018		<b>ROBERTSON-BRYAN, INC.</b>	<b>\$925.00</b>
	Invoice	Date	Description	Amount
	12820	03/27/2018	ELECTRIC UTILITY OPERATIONS SUPPORT	\$925.00
<b>68544</b>	04/12/2018		<b>SAN GABRIEL VALLEY NEWSPAPER</b>	<b>\$1,158.00</b>
	Invoice	Date	Description	Amount
	0000369333	02/28/2018	MONTHLY ADVERTISING-HOMESTEAD	\$1,158.00
<b>68545</b>	04/12/2018		<b>SC FUELS</b>	<b>\$23,834.62</b>
	Invoice	Date	Description	Amount
	3530828	03/07/2018	FUEL FOR PUMPS AT INDUSTRY HILLS	\$23,834.62
<b>68546</b>	04/12/2018		<b>SCHYLLING INC.</b>	<b>\$444.20</b>
	Invoice	Date	Description	Amount
	S19811254	03/22/2018	STORE MERCHANDISE-HOMESTEAD	\$444.20
<b>68547</b>	04/12/2018		<b>SCS FIELD SERVICES</b>	<b>\$14,577.00</b>
	Invoice	Date	Description	Amount
	0320809	02/28/2018	IH MAINT-LANDFILL GAS SYSTEM	\$14,577.00
<b>68548</b>	04/12/2018		<b>SO CAL INDUSTRIES</b>	<b>\$280.16</b>
	Invoice	Date	Description	Amount
	317007	03/07/2018	RR RENTAL-TONNR CYN/57 FWY	\$280.16
<b>68549</b>	04/12/2018		<b>SPARKLETTS</b>	<b>\$151.81</b>
	Invoice	Date	Description	Amount
	16916898 031618	03/16/2018	WATER/DISPENSER-CITY HALL	\$151.81

**CITY OF INDUSTRY  
WELLS FARGO BANK  
April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
68550	04/12/2018		SST CONSTRUCTION, LLC	\$1,212.00
	Invoice	Date	Description	Amount
	36103	03/15/2018	PREVENTIVE MAINT-METRO SOLAR	\$1,212.00
68551	04/12/2018		STAPLES BUSINESS ADVANTAGE	\$972.51
	Invoice	Date	Description	Amount
	8048980153	03/03/2018	OFFICE SUPPLIES	\$714.17
	8049161537	03/17/2018	OFFICE SUPPLIES	\$258.34
68552	04/12/2018		STOTZ EQUIPMENT	\$1,933.45
	Invoice	Date	Description	Amount
	P88656	03/15/2018	PARTS FOR JOHN DEERE TRACTOR	\$1,007.92
	P88413	03/09/2018	PARTS FOR JOHN DEERE TRACTOR	\$744.09
	P88906	03/21/2018	PARTS FOR JOHN DEERE TRACTOR	\$181.44
68553	04/12/2018		SYNCHRONY BANK/AMAZON	\$1,235.45
	Invoice	Date	Description	Amount
	S8SQC630	03/10/2018	MISC OFFICE AND IT SUPPLIES	\$1,235.45
68554	04/12/2018		TAKE MY PICTURE, INC.	\$550.00
	Invoice	Date	Description	Amount
	PPGLVF2018	03/30/2018	DOCUMENTARY PHOTOGRAPHY-VICTORIAN FAIR	\$550.00
68555	04/12/2018		THOMAS, STEVEN	\$685.00
	Invoice	Date	Description	Amount
	PPST2VF2018	03/29/2018	HISTORIC BIKE DISPLAY-VICTORIAN FAIR 4/29/18	\$350.00
	PPSTVF2018	03/29/2018	HISTORIC BIKE DISPLAY-VICTORIAN FAIR 4/28/18	\$335.00
68556	04/12/2018		THOMAS AXWORTHY	\$5,580.00
	Invoice	Date	Description	Amount
	PPTAVF2018	03/29/2018	BRASS BAND-VICTORIAN FAIR	\$5,580.00

**CITY OF INDUSTRY  
WELLS FARGO BANK**

**April 12, 2018**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
68557	04/12/2018		TREV GET FIT	\$500.00
	Invoice	Date	Description	Amount
	8	03/31/2018	CONSULTANT FOR CITY'S WELLNES CTR-FINAL	\$500.00
68558	04/12/2018		TYLER TECHNOLOGIES, INC.	\$57,752.16
	Invoice	Date	Description	Amount
	045-217434	02/28/2018	APPLICATION SVC 1/1-12/31/18	\$52,406.87
	045-216215	02/28/2018	IMPLEMENTATION/TRAINING SVC-PR & HR	\$5,345.29
68559	04/12/2018		UNITED STORM WATER INC	\$85,838.50
	Invoice	Date	Description	Amount
	SW33585	01/31/2018	CLEANOUT OF STORMWATER TREATMENT	\$85,838.50
68560	04/12/2018		WE ARE THE NEXT	\$500.00
	Invoice	Date	Description	Amount
	PPWATN12018	03/29/2018	CO-SPONSORSHIP FOR 2018 YOUTH HERITAGE	\$500.00
68561	04/12/2018		WEATHERITE SERVICE	\$1,445.00
	Invoice	Date	Description	Amount
	L176218	03/19/2018	A/C MAINT-15660 STAFFORD/15559 RAUSCH	\$400.00
	L176228	03/20/2018	A/C MAINT-HOMESTEAD	\$612.00
	L176220	03/19/2018	A/C MAINT-IMC	\$433.00
68562	04/12/2018		WINDSTREAM	\$863.66
	Invoice	Date	Description	Amount
	69890560	03/11/2018	CITY HALL PHONE SVC-MAR 2018	\$863.66

Checks	Status	Count	Transaction Amount
	Total	140	\$9,612,017.77

*CITY COUNCIL*

ITEM NO. 7.2

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
NOVEMBER 10, 2016  
PAGE 1

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**CALL TO ORDER**

The Regular Meeting of the City Council of the City of Industry, California, was called to order by Mayor Mark D. Radecki at 9:00 a.m. in the City of Industry Council Chamber, 15651 East Stafford Street, California.

**FLAG SALUTE**

The flag salute was led by Mayor Mark D. Radecki.

**ROLL CALL**

PRESENT: Mark D. Radecki, Mayor  
Cory C. Moss, Mayor Pro Tem  
Abraham N. Cruz, Council Member  
Newell W. Ruggles, Council Member

ABSENT: Roy Haber, Council Member

STAFF PRESENT: Paul J. Philips, City Manager; James M. Casso, City Attorney; Diane M. Schlichting, Chief Deputy City Clerk; Alex Gonzalez, Director of Development Services and Administration; Troy Helling, Senior Planner; and Clem Calvillo, City Engineer

**PUBLIC COMMENTS**

Mr. Daniel Luevanos, One Legacy and Donate Life, introduced himself to the City Council and provided information on how to become an organ donor and gave statistics on organ transplants.

**CONSENT CALENDAR**

Mayor Pro Tem Moss recused herself from check number 65066 for item 1 (Register of Demands) because she had a potential or actual financial conflict of interest in that she is employed by CNC Engineering.

Mayor Radecki recused himself from check number 65127 for item 1 (Register of Demands) because he had a potential or actual financial conflict of interest in that he is employed by Square Root Golf and Landscape.



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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
NOVEMBER 10, 2016  
PAGE 2

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Council Member Cruz recused himself from check number 65127 for item 1 (Register of Demands) because he had a potential or actual financial conflict of interest in that he is employed by Square Root Golf & Landscape.

Council Member Ruggles recused himself from check number 65088 for item 1 (Register of Demands) because he had a potential or actual financial conflict of interest in that he is employed by Haddick's Auto Body.

MOTION BY MAYOR PRO TEM MOSS, AND SECOND BY COUNCIL MEMBER RUGGLES THAT THE RECOMMENDATIONS BE ACCEPTED FOR THE REMAINING ITEMS LISTED ON THE CONSENT CALENDAR, WITH MAYOR PRO TEM MOSS RECUSING FROM CHECK NUMBER 65066 ON ITEM 1 (REGISTER OF DEMANDS), WITH MAYOR RADECKI AND COUNCIL MEMBER CRUZ BOTH RECUSING FROM CHECK NUMBER 65127 ON ITEM 1 (REGISTER OF DEMANDS), AND WITH COUNCIL MEMBER RUGGLES RECUSING FROM CHECK NUMBER 65088 ON ITEM 1 (REGISTER OF DEMANDS). MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT	COUNCIL MEMBERS:	HABER
ABSTAIN	COUNCIL MEMBERS:	NONE

**1. CONSIDERATION OF REGISTER OF DEMANDS FOR NOVEMBER 10, 2016**

APPROVED THE REGISTER OF DEMANDS AND RATIFIED THE ISSUANCE OF THE CHECKS.

**CONSIDERATION OF CHANGE ORDER NUMBERS 5 AND 6, SUBMITTED BY SULLY MILLER CONTRACTING COMPANY FOR \$17,084.73 FOR ITEMS NOT IDENTIFIED IN THE BID PROPOSAL AND FINAL BID QUANTITIES IN CONJUNCTION WITH CLARK AVENUE SIDEWALK CONSTRUCTION, CONTRACT NO. CITY-1422**

City Engineer Calvillo provided a staff report to the City Council and responded to questions.

MOTION BY COUNCIL MEMBER CRUZ, AND SECOND BY COUNCIL MEMBER RUGGLES TO APPROVE CHANGE ORDER NUMBERS 5 AND 6. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
NOVEMBER 10, 2016  
PAGE 3

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AYES: COUNCIL MEMBERS: CRUZ, RUGGLES, MOSS, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: HABER  
ABSTAIN: COUNCIL MEMBERS: NONE

**PUBLIC HEARING FOR THE CONSIDERATION TO EXTEND A MORATORIUM ON THE CULTIVATION, PROCESSING, MANUFACTURING, LABORATORY TESTING, LABELING, STORING AND WHOLESALE AND RETAIL DISTRIBUTION OF CANNABIS IN THE CITY OF INDUSTRY**

Mayor Radecki opened the public hearing.

City Attorney Casso presented a staff report to the City Council and responded to questions.

Mayor Radecki inquired if anyone wanted to be heard on the matter.

Mayor Radecki closed the public hearing.

**CONSIDERATION OF URGENCY ORDINANCE NO. 798 – AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF INDUSTRY EXTENDING A CITYWIDE MORATORIUM ON THE CULTIVATION, PROCESSING, MANUFACTURING, LABORATORY TESTING, LABELING, STORING AND WHOLESALE AND RETAIL DISTRIBUTION OF CANNABIS IN THE CITY, FOR A PERIOD OF 10 MONTHS AND 15 DAYS, PURSUANT TO GOVERNMENT CODE SECTION 65858 (A)**

MOTION BY COUNCIL MEMBER RUGGLES, AND SECOND BY COUNCIL MEMBER CRUZ TO ADOPT URGENCY ORDINANCE NO. 798. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: CRUZ, RUGGLES, MOSS, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: HABER  
ABSTAIN: COUNCIL MEMBERS: NONE

**PUBLIC HEARING FOR THE CONSIDERATION OF TENTATIVE PARCEL MAP 348 TO SUBDIVIDE AN EXISTING 28.9 ACRE PARCEL INTO FIVE PARCELS AND DEVELOPMENT PLAN NO. 15-12 TO DEVELOP FIVE NEW INDUSTRIAL WAREHOUSE BUILDINGS LOCATED ON THE SOUTHEAST CORNER OF AZUSA**

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
NOVEMBER 10, 2016  
PAGE 4

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**AVENUE AND CHESTNUT STREET IN THE CITY OF INDUSTRY, AND CERTIFYING A FINAL ENVIRONMENTAL IMPACT REPORT, ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS AND A MITIGATION MONITORING AND REPORTING PROGRAM REGARDING SAME**

Mayor Radecki opened the public hearing.

Senior Planner Helling presented a staff report to the City Council.

Mayor Radecki inquired if anyone wanted to be heard on the matter. There were no comments.

There were no public comments.

Mayor Radecki closed the public hearing.

Mr. David Ball with CT Realty introduced himself to the City Council, and provided background information and updated the City Council on the project, and responded to questions.

Deputy City Engineer Nelson provided additional information on the project and responded to questions.

Mayor Radecki closed the public hearing.

**CONSIDERATION OF RESOLUTION NO. CC 2016-75 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, CERTIFYING THE FINAL ENVIRONMENTAL IMPACT REPORT FOR THE CHESTNUT AVENUE WAREHOUSE PROJECT (SCH #2015101079) ADOPTING A STATEMENT OF OVERRIDING CONSIDERATIONS, AND MITIGATION MONITORING AND REPORTING PROGRAM FOR THE PROPERTY LOCATED AT THE SOUTHEAST CORNER OF AZUSA AVENUE AND CHESTNUT STREET IN THE CITY OF INDUSTRY, WITHIN THE "I" INDUSTRIAL ZONE AND "C" COMMERCIAL ZONE**

MOTION BY COUNCIL MEMBER CRUZ, AND SECOND BY COUNCIL MEMBER RUGGLES TO ADOPT RESOLUTION NO. CC 2016-75. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: CRUZ, RUGGLES, MOSS, RADECKI  
NOES: COUNCIL MEMBERS: NONE

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
NOVEMBER 10, 2016  
PAGE 5

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ABSENT: COUNCIL MEMBERS: HABER  
ABSTAIN: COUNCIL MEMBERS: NONE

**CONSIDERATION OF RESOLUTION NO. CC 2016-76 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING TENTATIVE PARCEL MAP 348 TO SUBDIVIDE AN EXISTING 28.9 ACRE PARCEL INTO FIVE PARCELS, AND DEVELOPMENT PLAN NO. 15-12 FOR THE CONSTRUCTION OF FIVE INDUSTRIAL WAREHOUSE BUILDINGS AT THE PROPERTY LOCATED AT THE SOUTHEAST CORNER OF AZUSA AVENUE AND CHESTNUT STREET IN THE CITY OF INDUSTRY, CALIFORNIA**

MOTION BY COUNCIL MEMBER CRUZ, AND SECOND BY COUNCIL MEMBER RUGGLES TO ADOPT RESOLUTION NO. CC 2016-76. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: CRUZ, RUGGLES, MOSS, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: HABER  
ABSTAIN: COUNCIL MEMBERS: NONE

**CITY COUNCIL COMMITTEE REPORTS**

There were none.

**AB1234 REPORTS**

There were none.

**CITY COUNCIL COMMUNICATIONS**

Mayor Pro Tem Moss mentioned that the Veteran's Day Team Roping Benefit was taking place this weekend at the Expo Center and spoke of the benefits the program provided to the Veterans.

**CLOSED SESSION**

Chief Deputy City Clerk Schlichting announced there was a need for Closed Session as follows:

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
NOVEMBER 10, 2016  
PAGE 6

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11.1 CONFERENCE WITH LEGAL COUNSEL- EXISTING LITIGATION  
Pursuant to Government Code Section 54956.9(d)(1 ), City of Industry  
v. ZERP Management Corporation, et al., Case No. BC 583096

11.2 CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
Pursuant to Government Code Section 54956.8

Property: 1123-1135 Hatcher Avenue  
City Negotiators: Paul J. Philips, City Manager and  
James M. Casso, City Attorney  
Negotiating Party: Ryan Gaytan  
Under Negotiation: Price and Terms of Payment

11.3 CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
Pursuant to Government Code Section 54956.8

Property: Assessor's Parcel Number 8201-028-013  
250 Puente Avenue  
City Negotiators: Paul J. Philips, City Manager and  
James M. Casso, City Attorney  
Negotiating Party: New Venture Properties, LLC/Charles Tsai  
Under Negotiation: Price and Terms of Payment

There were no public comments on the Closed Session items.

Mayor Radecki recessed the meeting into Closed Session at 9:39 a.m.

### **RECONVENE CITY COUNCIL MEETING**

Mayor Radecki reconvened the meeting at 11:21 a.m. All members of the City Council were present, except for Council Member Haber who was absent

City Attorney Casso reported out of Closed Session.

With regard to Closed Session Item 11.1, the City Council provided direction to the City Attorney and no further action was taken, with regard to Closed Session Items 11.2 and 11.3, the City Council provided direction to the City's Negotiators, took no further action, and nothing further to report.

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
NOVEMBER 10, 2016  
PAGE 7

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**ADJOURNMENT**

There being no further business, the City Council adjourned at 11:22 a.m.

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MARK D. RADECKI  
MAYOR

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DIANE M. SCHLICHTING  
CHIEF DEPUTY CITY CLERK

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CITY COUNCIL SPECIAL MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
NOVEMBER 17, 2016  
PAGE 1

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**CALL TO ORDER**

The Special Meeting of the City Council of the City of Industry, California, was called to order by Mayor Mark D. Radecki at 9:00 a.m. in the City of Industry Council Chamber, 15651 East Stafford Street, California.

**FLAG SALUTE**

The flag salute was led by Mayor Mark D. Radecki.

**ROLL CALL**

PRESENT: Mark D. Radecki, Mayor  
Cory C. Moss, Mayor Pro Tem  
Abraham N. Cruz, Council Member  
Roy Haber, Council Member  
Newell W. Ruggles, Council Member

STAFF PRESENT: Paul J. Philips, City Manager; James M. Casso, City Attorney; Diane M. Schlichting, Chief Deputy City Clerk; Alex Gonzalez, Director of Development Services and Administration; Troy Helling, Senior Planner; and Clem Calvillo, City Engineer.

**PUBLIC COMMENTS**

Mr. Ron Whittemore advised the City Council that he was retiring and thanked the City Council for all of their support throughout the years.

**CONSIDERATION OF RESOLUTION NO. CC 2016-77 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING THE THIRD AMENDMENT TO THE AGREEMENT FOR THE OPERATION AND MANAGEMENT OF THE CITY OF INDUSTRY POTABLE WATER SYSTEM, BETWEEN THE CITY OF INDUSTRY AND LA PUENTE VALLEY COUNTY WATER DISTRICT**

Director of Finance Paragas presented a staff report to the City Council and responded to questions.

MOTION BY COUNCIL MEMBER HABER, AND SECOND BY MAYOR PRO TEM MOSS TO ADOPT RESOLUTION NO. CC 2016-77. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

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CITY COUNCIL SPECIAL MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
NOVEMBER 17, 2016  
PAGE 2

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AYES: COUNCIL MEMBERS: CRUZ, HABER, RUGGLES, MOSS, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: NONE  
ABSTAIN: COUNCIL MEMBERS: NONE

**CONSIDERATION OF A MAINTENANCE SERVICES AGREEMENT WITH SURETECK INDUSTRIAL AND COMMERCIAL SERVICES, INC., FOR MAINTENANCE SERVICES FROM NOVEMBER 17, 2016 TO NOVEMBER 17, 2017, IN AN AMOUNT NOT-TO-EXCEED \$250,000.00.**

Director of Development Services and Administration Gonzalez provided a staff report to the City Council and responded to questions.

MOTION BY COUNCIL MEMBER CRUZ, AND SECOND BY COUNCIL MEMBER RUGGLES TO APPROVE THE AGREEMENT. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: CRUZ, HABER, RUGGLES, MOSS, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: NONE  
ABSTAIN: COUNCIL MEMBERS: NONE

**CONSIDERATION OF AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY AND MUNIENVIRONMENTAL, LLC, IN AN AMOUNT NOT-TO-EXCEED \$145,277.50, FROM NOVEMBER 17, 2016 TO MAY 17, 2017**

Director of Development Services and Administration Gonzalez provided a staff report to the City Council and responded to questions.

MOTION BY MAYOR PRO TEM MOSS, AND SECOND BY COUNCIL MEMBER HABER TO APPROVE THE AMENDMENT. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: CRUZ, HABER, RUGGLES, MOSS, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: NONE  
ABSTAIN: COUNCIL MEMBERS: NONE



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CITY COUNCIL SPECIAL MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
NOVEMBER 17, 2016  
PAGE 3

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**CONSIDERATION OF A PROFESSIONAL SERVICES AGREEMENT WITH CORDOBA CORPORATION TO PROVIDE ENGINEERING STAFF AUGMENTATION SERVICES, IN AN AMOUNT NOT-TO-EXCEED \$3,000,000.00, FROM NOVEMBER 17, 2016 TO NOVEMBER 17, 2019**

Director of Development Services and Administration Gonzalez provided a staff report to the City Council and responded to questions.

MOTION BY MAYOR PRO TEM MOSS AND SECOND BY COUNCIL MEMBER CRUZ TO APPROVE THE AGREEMENT. MOTION CARRIED 4-1, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, HABER, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE
ABSTAIN:	COUNCIL MEMBERS:	RUGGLES

**CONSIDERATION OF A PROFESSIONAL SERVICES AGREEMENT WITH JMDIAZ ENGINEERING, INC., TO PROVIDE ENGINEERING STAFF AUGMENTATION SERVICES, IN AN AMOUNT NOT-TO-EXCEED \$3,000,000.00, FROM NOVEMBER 17, 2016 TO NOVEMBER 17, 2019**

Director of Development Services and Administration Gonzalez provided a staff report to the City Council and responded to questions.

MOTION BY COUNCIL MEMBER HABER, AND SECOND BY COUNCIL MEMBER RUGGLES TO APPROVE THE AGREEMENT. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE
ABSTAIN:	COUNCIL MEMBERS:	NONE

**CONSIDERATION OF A LICENSE AGREEMENT WITH GAYTAN FOODS, A CALIFORNIA CORPORATION, FOR PROPERTY LOCATED AT 1123-1135 SOUTH HATCHER AVENUE IN THE CITY OF INDUSTRY, FOR THE STORAGE OF EQUIPMENT AND SUPPLIES.**

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CITY COUNCIL SPECIAL MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
NOVEMBER 17, 2016  
PAGE 4

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Director of Development Services and Administration Gonzalez provided a staff report to the City Council and responded to questions.

City Attorney Casso provided additional information to the City Council.

MOTION BY COUNCIL MEMBER CRUZ, AND SECOND BY COUNCIL MEMBER RUGGLES TO APPROVE THE AGREEMENT. MOTION CARRIED 5-0, BY THE FOLLOWING VOTE:

AYES :	COUNCIL MEMBERS:	CRUZ, HABER, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	NONE
ABSTAIN:	COUNCIL MEMBERS:	NONE

Chief Deputy City Clerk Schlichting announced there was a need for Closed Session as follows:

- 6.1 CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION  
Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2) (One Case).

There were no public comments on the Closed Session item.

Mayor Radecki recessed the meeting into Closed Session at 9:34 a.m.

#### **RECONVENE CITY COUNCIL MEETING**

Mayor Radecki reconvened the meeting at 9:50 a.m. All members of the City Council were present.

City Attorney Casso reported out of Closed Session.

With regard to Closed Session items 6.1, the City Council took no reportable action.

#### **ADJOURNMENT**

There being no further business, the City Council adjourned at 9:50 a.m.

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CITY COUNCIL SPECIAL MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
NOVEMBER 17, 2016  
PAGE 5

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MARK D. RADECKI  
MAYOR

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DIANE M. SCHLICHTING  
CHIEF DUPUTY CITY CLERK

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CITY COUNCIL SPECIAL MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
NOVEMBER 18, 2016  
PAGE 1

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**CALL TO ORDER**

The Special Meeting of the City Council of the City of Industry, California, was called to order by Mayor Mark D. Radecki at 9:02 a.m. in the City of Industry Council Chamber, 15651 East Stafford Street, California.

**FLAG SALUTE**

The flag salute was led by Mayor Mark D. Radecki.

**ROLL CALL**

PRESENT: Mark D. Radecki, Mayor  
Cory C. Moss, Mayor Pro Tem  
Abraham N. Cruz, Council Member  
Roy Haber, Council Member  
Newell W. Ruggles, Council Member

STAFF PRESENT: Paul J. Philips, City Manager; James M. Casso, City Attorney; Diane M. Schlichting, Chief Deputy City Clerk; Alex Gonzalez, Director of Development Services and Administration; Troy Helling, Senior Planner; and Clem Calvillo, City Engineer.

**PUBLIC COMMENTS**

There were no public comments.

**CLOSED SESSION**

Chief Deputy City Clerk Schlichting announced there was a need for Closed Session as follows:

- 5.1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2) (One Case).

There were no public comments on the Closed Session item.

Mayor Radecki recessed the meeting into Closed Session at 9:04 a.m.

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CITY COUNCIL SPECIAL MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
NOVEMBER 18, 2016  
PAGE 2

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**RECONVENE CITY COUNCIL MEETING**

Mayor Radecki reconvened the meeting at 10:29 a.m.. All members of the City Council were present.

City Attorney Casso reported out of Closed Session.

With regard to Closed Session item 5.1, the City Council provided direction to the City Attorney, and took no reportable action.

**ADJOURNMENT**

There being no further business, the City Council adjourned at 10:30 a.m.

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MARK D. RADECKI  
MAYOR

---

DIANE M. SCHLICHTING  
CHIEF DUPUTY CITY CLERK

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 8, 2016  
PAGE 1

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**CALL TO ORDER**

The Regular Meeting of the City Council of the City of Industry, California, was called to order by Mayor Mark D. Radecki at 9:00 a.m. in the City of Industry Council Chamber, 15651 East Stafford Street, California.

**FLAG SALUTE**

The flag salute was led by Mayor Mark D. Radecki.

**ROLL CALL**

PRESENT: Mark D. Radecki, Mayor  
Abraham N. Cruz, Council Member  
Newell W. Ruggles, Council Member

ABSENT: Cory C. Moss, Mayor Pro Tem  
Roy Haber, Council Member

STAFF PRESENT: Paul J. Philips, City Manager; James M. Casso, City Attorney; Diane M. Schlichting, Chief Deputy City Clerk; Alex Gonzalez, Director of Development Services and Administration; Troy Helling, Senior Planner; and Clem Calvillo, City Engineer.

**PUBLIC COMMENTS**

There were no public comments.

**CONSENT CALENDAR**

Mayor Radecki recused himself from check number 65300 for item 1 (Register of Demands) because he had a potential or actual financial conflict of interest in that he is employed by Square Root Golf and Landscape.

Council Member Cruz recused himself from check number 65300 for item 1 (Register of Demands) because he had a potential or actual financial conflict of interest in that he is employed by Square Root Golf & Landscape.

MOTION BY COUNCIL MEMBER CRUZ, AND SECOND BY COUNCIL MEMBER RUGGLES THAT THE RECOMMENDATIONS BE ACCEPTED FOR THE REMAINING ITEMS LISTED ON THE CONSENT CALENDAR, WITH MAYOR PRO TEM MOSS

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 8, 2016  
PAGE 2

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RECUSING FROM CHECK NUMBER 65264 ON ITEM 1 (REGISTER OF DEMANDS) WITH MAYOR RADECKI AND COUNCIL MEMBER CRUZ BOTH RECUSING FROM CHECK NUMBER 65300 ON ITEM 1 (REGISTER OF DEMANDS). MOTION CARRIED 3-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, RUGGLES, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT	COUNCIL MEMBERS:	HABER, MOSS
ABSTAIN	COUNCIL MEMBERS:	NONE

**1. CONSIDERATION OF REGISTER OF DEMANDS FOR DECEMBER 8, 2016**

APPROVED THE REGISTER OF DEMANDS AND AUTHORIZED THE APPROPRIATE CITY OFFICIALS TO PAY THE BILLS.

**2. CONSIDERATION OF PROPOSITION A ASSIGNMENT AGREEMENT BETWEEN THE CITY OF INDUSTRY AND THE CITY OF LA VERNE**

APPROVED THE AGREEMENT

**3. CONSIDERATION TO CLOSE CITY HALL BETWEEN THE CHRISTMAS AND NEW YEAR HOLIDAY (DECEMBER 26<sup>TH</sup> THROUGH DECEMBER 30<sup>TH</sup>)**

APPROVED THE EXTENDED HOLIDAY CLOSURE

**PRESENTATION BY BEN WONG TO PROVIDE AN UPDATE ON IMC ORGANIZATIONAL REFOCUSING, RESTRUCTURING, AND REBRANDING**

Mr. Ben Wong, Executive Director of the Industry Manufacturers Council, provided an update to the City Council on the Refocusing, Restructuring, and Rebranding of the Industry Manufacturers Council, and responded to questions.

MOTION BY COUNCIL MEMBER RUGGLES, AND SECOND BY COUNCIL MEMBER CRUZ TO RECEIVE AND FILE REPORT. MOTION CARRIED 3-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, RUGGLES, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	HABER, MOSS
ABSTAIN:	COUNCIL MEMBERS:	NONE

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 8, 2016  
PAGE 3

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**CONSIDERATION OF RESOLUTION NO. CC 2016-80 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF AN AMENDMENT NO. 1 OF AGREEMENT FOR STATE ADMINISTRATION OF LOCAL SALES AND USE TAXES; AND AUTHORIZING NECESSARY ACTIONS IN CONNECTION THEREWITH**

Director of Finance Paragas provided a report to the City Council and responded to questions.

MOTION BY MAYOR RADECKI, AND SECOND BY COUNCIL MEMBER CRUZ TO ADOPT RESOLUTION NO. CC 2016-80. MOTION CARRIED 3-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, RUGGLES, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	HABER, MOSS
ABSTAIN:	COUNCIL MEMBERS:	NONE

**CONSIDERATION OF AN ARCHITECTURE SERVICES BENCH, TO PROVIDE STAFF AUGMENTATION SERVICES AND DEVELOPMENT REVIEW SERVICES, ENVIRONMENTAL REVIEW SERVICES, TRANSPORTATION PLANNING SERVICES, AND ENVIRONMENTAL PLANNING SERVICES TO THE CITY ON AN AS-NEEDED BASIS**

Director of Development Services and Administration Gonzalez provided a report to the City Council and responded to questions.

MOTION BY MAYOR RADECKI, AND SECOND BY COUNCIL MEMBER CRUZ TO APPROVE THE ARCHITECTURE SERVICES BENCH. MOTION CARRIED 3-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, RUGGLES, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	HABER, MOSS
ABSTAIN:	COUNCIL MEMBERS:	NONE

**CONSIDERATION OF A PLANNING SERVICES BENCH, TO PROVIDE STAFF AUGMENTATION SERVICES, DEVELOPMENT REVIEW SERVICES, ENVIRONMENTAL REVIEW SERVICES, TRANSPORTATION PLANNING SERVICES,**



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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 8, 2016  
PAGE 4

---

**AND ENVIRONMENTAL PLANNING SERVICES TO THE CITY ON AN AS-NEEDED BASIS**

Director of Development Services and Administration Gonzalez provided a report to the City Council and responded to questions.

MOTION BY MAYOR RADECKI, AND SECOND BY COUNCIL MEMBER CRUZ TO APPROVE THE PLANNING SERVICES BENCH. MOTION CARRIED 3-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: CRUZ, RUGGLES, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: HABER, MOSS  
ABSTAIN: COUNCIL MEMBERS: NONE

**CONSIDERATION OF AN ENGINEERING SERVICES BENCH, TO PROVIDE CIVIL ENGINEERING SERVICES, STRUCTURAL ENGINEERING SERVICES, PROJECT MANAGEMENT/CONSTRUCTION MANAGEMENT SERVICES GEOTECHNICAL ENGINEERING SERVICES, SURVEY AND RIGHT-OF-WAY ENGINEERING SERVICES, TRAFFIC AND TRANSPORTATION ENGINEERING SERVICES, CONTRACT FUNDING AND ADMINISTRATION SERVICES, PERMIT INSPECTIONS, POTABLE WATER, RECYCLED WATER AND STORM WATER DESIGN SERVICES, ELECTRICAL ENGINEERING SERVICES, INTERNET AND DATA UTILITY DESIGN SERVICES, LANDFILL MANAGEMENT DESIGN SERVICES, ADA AND CASP SUPPORT SERVICES, AND ENVIRONMENTAL ENGINEERING SERVICES TO THE CITY ON AN AS-NEEDED BASIS**

Director of Development Services and Administration Gonzalez provided a report to the City Council and responded to questions.

MOTION BY MAYOR RADECKI, AND SECOND BY COUNCIL MEMBER CRUZ TO APPROVE THE ENGINEERING SERVICES BENCH. MOTION CARRIED 3-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: CRUZ, RUGGLES, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: HABER, MOSS  
ABSTAIN: COUNCIL MEMBERS: NONE

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 8, 2016  
PAGE 5

---

**CONSIDERATION OF AN AGREEMENT FOR CONSTRUCTION SERVICES WITH ALL AMERICAN CONTRACTING CORPORATION FOR INTERIOR UPGRADES AND CODE COMPLIANCE REPAIRS AT 16200-5 TEMPLE AVENUE, IN AN AMOUNT NOT-TO-EXCEED \$359,106.00**

Director of Development Services and Administration Gonzalez provided a report to the City Council and responded to questions.

Council Member Ruggles inquired as to the intention of the rental of the house and the costs of the upgrades versus the amount of rent being charged. Discussion was held.

MOTION BY COUNCIL MEMBER CRUZ, AND SECOND BY MAYOR RADECKI TO APPROVE THE AGREEMENT. MOTION CARRIED 2-1, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, RUGGLES, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	HABER, MOSS
ABSTAIN:	COUNCIL MEMBERS:	RUGGLES

**CONSIDERATION OF AN AGREEMENT FOR CONSTRUCTION SERVICES WITH ALL AMERICAN CONTRACTING CORPORATION FOR INTERIOR REPAIRS, MOLD AND TERMITE REMEDIATION AND UPGRADES AT 16224 TEMPLE AVENUE, IN AN AMOUNT NOT-TO-EXCEED \$130,951.50**

Director of Development Services and Administration Gonzalez provided a report to the City Council and responded to questions.

MOTION BY COUNCIL MEMBER CRUZ, AND SECOND BY MAYOR RADECKI TO APPROVE THE AGREEMENT. MOTION CARRIED 3-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, RUGGLES, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	HABER, MOSS
ABSTAIN:	COUNCIL MEMBERS:	NONE

**CONSIDERATION OF AMENDMENT NO. 1 TO THE MAINTENANCE SERVICES AGREEMENT WITH APPLIED METERING TECHNOLOGIES, INC., FOR UTILITY OPERATIONS AND MAINTENANCE SERVICES IN AN AMOUNT NOT-TO-EXCEED \$105,000.00, FROM SEPTEMBER 8, 2016 TO DECEMBER 8, 2019**

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 8, 2016  
PAGE 6

---

Director of Development Services and Administration Gonzalez provided a report to the City Council and responded to questions.

MOTION BY COUNCIL MEMBER RUGGLES, AND SECOND BY COUNCIL MEMBER CRUZ TO APPROVE THE AMENDMENT. MOTION CARRIED 3-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, RUGGLES, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	HABER, MOSS
ABSTAIN:	COUNCIL MEMBERS:	NONE

**CONSIDERATION OF AMENDMENT NO. 1 TO THE MAINTENANCE SERVICES AGREEMENT WITH APPLIED METERING TECHNOLOGIES, INC., FOR UTILITY OPERATIONS AND MAINTENANCE SERVICES IN AN AMOUNT NOT-TO-EXCEED \$105,000.00, THROUGH SEPTEMBER 8, 2016 TO DECEMBER 8, 2019**

Director of Development Services and Administration Gonzalez provided a report to the City Council and responded to questions.

MOTION BY COUNCIL MEMBER RUGGLES, AND SECOND BY COUNCIL MEMBER CRUZ TO APPROVE THE ARCHITECTURE SERVICES BENCH. MOTION CARRIED 3-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, RUGGLES, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	HABER, MOSS
ABSTAIN:	COUNCIL MEMBERS:	NONE

**CONSIDERATION OF A PROFESSIONAL SERVICES AGREEMENT WITH ENCO UTILITY SERVICES, LLC, FOR CUSTOMER ACCOUNT SERVICES IN AN AMOUNT NOT-TO-EXCEED \$90,000.00, FROM DECEMBER 8, 2016 TO DECEMBER 8, 2019**

Director of Development Services and Administration Gonzalez provided a report to the City Council and responded to questions.

MOTION BY COUNCIL MEMBER RUGGLES, AND SECOND BY COUNCIL MEMBER CRUZ TO APPROVE THE ARCHITECTURE SERVICES BENCH. MOTION CARRIED 3-0, BY THE FOLLOWING VOTE:

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 8, 2016  
PAGE 7

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AYES: COUNCIL MEMBERS: CRUZ, RUGGLES, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: HABER, MOSS  
ABSTAIN: COUNCIL MEMBERS: NONE

**CONSIDERATION OF A PROFESSIONAL SERVICES AGREEMENT WITH ANNEALTA GROUP TO PROVIDE PLANNING SERVICES IN AN AMOUNT NOT-TO-EXCEED \$834,600.00, FROM DECEMBER 8, 2016 TO DECEMBER 8, 2019**

Director of Development Services and Administration Gonzalez provided a report to the City Council and responded to questions.

MOTION BY COUNCIL MEMBER CRUZ, AND SECOND BY COUNCIL MEMBER RUGGLES TO APPROVE THE ARCHITECTURE SERVICES BENCH. MOTION CARRIED 3-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: CRUZ, RUGGLES, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: HABER, MOSS  
ABSTAIN: COUNCIL MEMBERS: NONE

**CONSIDERATION OF A PROFESSIONAL SERVICES AGREEMENT WITH JASON ADDISON SMITH CONSULTING SERVICES, INC., TO PROVIDE CONTRUCTION MANAGEMENT SUPPORT SERVICES IN AN AMOUNT NOT-TO-EXCEED \$499,200.00, FROM DECEMBER 8, 2016 TO DECEMBER 8, 2017, WITH TWO ADDITIONAL ONE-YEAR RENEWAL OPTIONS**

Director of Development Services and Administration Gonzalez provided a report to the City Council and responded to questions.

MOTION BY COUNCIL MAYOR RADECKI, AND SECOND BY COUNCIL MEMBER CRUZ TO APPROVE THE ARCHITECTURE SERVICES BENCH. MOTION CARRIED 3-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: CRUZ, RUGGLES, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: HABER, MOSS  
ABSTAIN: COUNCIL MEMBERS: NONE

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 8, 2016  
PAGE 8

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**CONSIDERATION OF A RIGHT-OF-WAY AGREEMENT WITH SUNESYS, LLC, TO LOCATE CERTAIN FACILITIES IN CITY RIGHT-OF-WAYS**

Director of Development Services and Administration Gonzalez provided a report to the City Council and responded to questions.

MOTION BY COUNCIL MEMBER CRUZ, AND SECOND BY COUNCIL MEMBER RUGGLES TO APPROVE THE ARCHITECTURE SERVICES BENCH. MOTION CARRIED 3-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: CRUZ, RUGGLES, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: HABER, MOSS  
ABSTAIN: COUNCIL MEMBERS: NONE

**CONSIDERATION OF A SUPPLEMENTAL AGREEMENT WITH UNION PACIFIC RAILROAD TO AN AGREEMENT DATED AUGUST 10, 1961, TO ALLOW THE INSTALLATION OF TWO (2) PARALLEL 1.5 INCH SCHEDULE 80 PVC CONDUITS FOR THE PURPOSE OF COLLECTING STORM WATER SAMPLES FOR A STORM WATER QUALITY PROGRAM DONE IN CONJUNCTION WITH LOS ANGELES COUNTY DEPARTMENT OF PUBLIC WORKS**

Director of Development Services and Administration Gonzalez provided a report to the City Council and responded to questions.

MOTION BY COUNCIL MEMBER RUGGLES, AND SECOND BY COUNCIL MEMBER CRUZ TO APPROVE THE ARCHITECTURE SERVICES BENCH. MOTION CARRIED 3-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: CRUZ, RUGGLES, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: HABER, MOSS  
ABSTAIN: COUNCIL MEMBERS: NONE

**PUBLIC HEARING FOR THE CONSIDERATION OF TENTATIVE PARCEL MAP 350 TO SUBDIVIDE AN EXISTING 13.4 ACRE PARCEL INTO SEVEN PARCELS. ZONE EXCEPTON 16-1 TO REDUE THE FRONT SETBACK REQUIREMENT ON LOUKELTON STREET FROM 30 FEET FROM THE CURB TO 15 FEET FROM THE CURB, AND DEVELOPMENT PLAN 16-3, TO DEVELOP SEVEN NEW INDUSTRIAL WAREHOUSE BUILDINGS LOCATED ON THE SOUTHWEST CORNER OF**

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 8, 2016  
PAGE 9

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**LOUKELTON STREET AND ECHELON AVENUE IN THE CITY OF INDUSTRY, AND MITIGATED NEGATIVE DECLARATION REGARDING THE SAME.**

Mayor Radecki opened the public hearing.

Senior Planner Helling presented a staff report.

Mayor Radecki inquired if anyone wanted to be heard on the matter.

Mayor Radecki closed the public hearing.

**CONSIDERATION OF RESOLUTION NO. CC 2016-78 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, ADOPTING AN INITIAL STUDY AND MITIGATED NEGATIVE DECLARATION AND A MITIGATION MONITORING AND REPORTING PROGRAM FOR THE ECHELON AVENUE INDUSTRIAL PROJECT PROPERTY LOCATED AT THE SOUTHWEST CORNER OF LOUKELTON STREET AND ECHELON AVENUE IN THE CITY OF INDUSTRY, WITHIN THE "I" INDUSTRIAL ZONE**

MOTION BY COUNCIL MEMBER RUGGLES, AND SECOND BY COUNCIL MEMBER CRUZ TO ADOPT RESOLUTION NO. CC 2016-78. MOTION CARRIED 3-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, RUGGLES, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	HABER, MOSS
ABSTAIN:	COUNCIL MEMBERS:	NONE

**CONSIDERATION OF RESOLUTION NO. CC 2016-79 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING TENTATIVE PARCEL MAP 350 TO SUBDIVIDE AN EXISTING 13.4 ACRE PARCEL INTO SEVEN PARCELS, ZONE EXCEPTION 16-1 FOR A REDUCED SETBACK ON LOUKELTON STREET AND MINOR PARKING AND LANDSCAPING DEVIATIONS AND DEVELOPMENT PLAN NO. 16-3 FOR THE CONSTRUCTION OF SEVEN INDUSTRIAL WAREHOUSE BUILDINGS AT HE PROPERTY LOCATED SOUTHWEST OF THE INTERSECTION OF LOUKELTON STREET AND ECHELON AVENUE IN THE CITY OF INDUSTRY, CALIFORNIA**

MOTION BY COUNCIL MEMBER RUGGLES, AND SECOND BY COUNCIL MEMBER CRUZ TO ADOPT RESOLUTION NO. CC 2016-79. MOTION CARRIED 3-0, BY THE

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 8, 2016  
PAGE 10

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**FOLLOWING VOTE:**

AYES:	COUNCIL MEMBERS:	CRUZ, RUGGLES, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	HABER, MOSS
ABSTAIN:	COUNCIL MEMBERS:	NONE

**CITY COUNCIL COMMITTEE REPORTS**

There were none.

**AB1234 REPORTS**

There were none.

**CITY COUNCIL COMMUNICATIONS**

There were none.

**ADJOURNMENT**

There being no further business, the City Council adjourned at 9:44 a.m.

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MARK D. RADECKI  
MAYOR

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DIANE M. SCHLICHTING  
CHIEF DEPUTY CITY CLERK

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CITY COUNCIL SPECIAL MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 8, 2016  
PAGE 1

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**CALL TO ORDER**

The Special Meeting of the City Council of the City of Industry, California, was called to order by Mayor Mark D. Radecki at 9:00 a.m. in the City of Industry Council Chamber, 15651 East Stafford Street, California.

**FLAG SALUTE**

The flag salute was led by Mayor Mark D. Radecki.

**ROLL CALL**

PRESENT: Mark D. Radecki, Mayor  
Abraham N. Cruz, Council Member  
Newell W. Ruggles, Council Member

ABSENT: Cory C. Moss, Mayor Pro Tem  
Roy Haber, Council Member

STAFF PRESENT: Paul J. Philips, City Manager; James M. Casso, City Attorney; Diane M. Schlichting, Chief Deputy City Clerk; Alex Gonzalez, Director of Development Services and Administration; Troy Helling, Senior Planner; and Clem Calvillo, City Engineer.

**PUBLIC COMMENTS**

There were no public comments.

**CONSIDERATION OF A LEGAL SERVICES AGREEMENT TO PROVIDE REAL ESTATE SERVICES BETWEEN THE CITY OF INDUSTRY AND PRICE, POSTEL & PARMA, LLP**

MOTION BY COUNCIL MEMBER CRUZ, AND SECOND BY COUNCIL MEMBER RUGGLES TO APPROVE THE AGREEMENT. MOTION CARRIED 3-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	CRUZ, RUGGLES, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	HABER, MOSS
ABSTAIN:	COUNCIL MEMBERS:	NONE



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CITY COUNCIL SPECIAL MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 8, 2016  
PAGE 2

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**CLOSED SESSION**

Chief Deputy City Clerk Schlichting announced there was a need for Closed Session as follows:

- 6.1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Initiation of litigation pursuant to Government Code Section 54956.9(d)(4):  
(One Case).

There were no public comments on the Closed Session item.

Mayor Radecki recessed the meeting into Closed Session at 10:26 a.m.

**RECONVENE CITY COUNCIL MEETING**

Mayor Radecki reconvened the meeting at 11:26 a.m., except for Mayor Pro Tem Moss and Council Member Haber who were absent.

City Attorney Casso reported out of Closed Session.

With regard to Closed Session item 6.1, the City Council provided direction to the City Attorney, took no reportable action, and nothing further to report.

**ADJOURNMENT**

There being no further business, the City Council adjourned at 11:26 a.m.

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MARK D. RADECKI  
MAYOR

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DIANE M. SCHLICHTING  
CHIEF DUPUTY CITY CLERK

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 22, 2016  
PAGE 1

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**CALL TO ORDER**

The Regular Meeting of the City Council of the City of Industry, California, was called to order by Mayor Mark D. Radecki at 9:00 a.m. in the City of Industry Council Chamber, 15651 East Stafford Street, California.

**FLAG SALUTE**

The flag salute was led by Mayor Mark D. Radecki.

**ROLL CALL**

PRESENT: Mark D. Radecki, Mayor  
Cory C. Moss, Mayor Pro Tem  
Roy Haber, Council Member  
Newell W. Ruggles, Council Member

ABSENT: Abraham N. Cruz, Council Member

STAFF PRESENT: Paul J. Philips, City Manager; James M. Casso, City Attorney; Diane M. Schlichting, Chief Deputy City Clerk; Alex Gonzalez, Director of Development Services and Administration; Troy Helling, Senior Planner; and Clem Calvillo, City Engineer.

**PUBLIC COMMENTS**

There were no public comments.

**CONSENT CALENDAR**

Mayor Pro Tem Moss recused herself from check number 65181 for item 1 (Register of Demands) and check number 65343 for item 2 (Register of Demands) because she had a potential or actual financial conflict of interest in that she is employed by CNC Engineering.

Council Member Ruggles recused himself from check number 65193 for item 1 (Register of Demands) because he had a potential or actual financial conflict of interest in that he is employed by Haddick's Auto Body.

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 22, 2016  
PAGE 2

---

MOTION BY COUNCIL MEMBER HABER, AND SECOND BY MAYOR PRO TEM MOSS THAT THE RECOMMENDATIONS BE ACCEPTED FOR THE REMAINING ITEMS LISTED ON THE CONSENT CALENDAR, WITH MAYOR PRO TEM MOSS RECUSING FROM CHECK NUMBER 65181 ON ITEM 1 (REGISTER OF DEMANDS) AND CHECK NUMBER 65343 ON ITEM 2 (REGISTER OF DEMANDS), AND WITH COUNCIL MEMBER RUGGLES RECUSING FROM CHECK NUMBER 65193 ON ITEM 1 (REGISTER OF DEMANDS). MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	HABER, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT	COUNCIL MEMBERS:	CRUZ
ABSTAIN	COUNCIL MEMBERS:	NONE

**1. CONSIDERATION OF THE REGISTER OF DEMANDS FOR NOVEMBER 24, 2016**

APPROVED THE REGISTER OF DEMANDS AND RATIFIED THE ISSUANCE OF THE CHECKS.

**2. CONSIDERATION OF THE REGISTER OF DEMANDS FOR DECEMBER 22, 2016**

APPROVED THE REGISTER OF DEMANDS AND AUTHORIZED THE APPROPRIATE CITY OFFICIALS TO PAY THE BILLS.

**CONSIDERATION OF RESOLUTION NO. CC 2016-81 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, CALLING FOR THE HOLDING OF AN ALL MAIL BALLOT ELECTION TO BE HELD ON JUNE 6, 2017, FOR THE ELECTION OF CERTAIN CITY COUNCIL MEMBERS, IN ACCORDANCE WITH THE PROVISIONS OF THE STATE LAW, THE CITY’S CHARTER AND THE CITY’S MUNICIPAL CODE**

MOTION BY MAYOR PRO TEM MOSS, AND SECOND BY COUNCIL MEMBER RUGGLES TO ADOPT RESOLUTION NO. CC 2016-81. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	HABER, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	CRUZ

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 22, 2016  
PAGE 3

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ABSTAIN: COUNCIL MEMBERS: NONE

**CONSIDERATION OF RESOLUTION NO. CC 2016-82 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO RENDER SPECIFIED SERVICES TO THE CITY RELATING TO THE CONDUCT OF A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, JUNE 6, 2017**

City Manager Philips provided a staff report to the City Council and responded to questions.

MOTION BY COUNCIL MEMBER HABER, AND SECOND BY COUNCIL MEMBER RUGGLES TO ADOPT RESOLUTION NO. CC 2016-82. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: HABER, RUGGLES, MOSS, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: CRUZ  
ABSTAIN: COUNCIL MEMBERS: NONE

**CONSIDERATION OF AN ORDINANCE ADOPTING TITLE 33 OF THE LOS ANGELES COUNTY EXISTING BUILDING CODE, INCORPORATING BY REFERENCE THE CALIFORNIA EXISTING BUILDING CODE, WITH LOCAL AMENDMENTS**

City Attorney Casso provided a staff report to the City Council and responded to questions.

City Attorney Casso stated that Item 7.1 was related to this item and recommended that it also be considered at this time.

**CONSIDERATION OF ORDINANCE NO. 799 – AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF INDUSTRY ADOPTING BY REFERENCE, PURSUANT TO GOVERNMENT CODE SECTION 50022.2, TITLE 33 OF THE LOS ANGELES COUNTY EXISTING BUILDING CODE; INCORPORATING BY REFERENCE THE CALIFORNIA EXISTING BUILDING CODE; AND ADOPTING LOCAL AMENDMENTS THERETO, AND MAKING FINDINGS FOR SAME**

MOTION BY COUNCIL MEMBER RUGGLES, AND SECOND BY COUNCIL MEMBER HABER TO (1) WAIVE READING OF ORDINANCE NO. 799 AND READ BY TITLE ONLY; (2) INTRODUCE ORDINANCE NO. 799 – AN ORDINANCE OF THE CITY

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 22, 2016  
PAGE 4

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COUNCIL OF THE CITY OF INDUSTRY ADOPTING BY REFERENCE, PURSUANT TO GOVERNMENT CODE SECTION 50022.2, TITLE 33 OF THE LOS ANGELES COUNTY EXISTING BUILDING CODE; INCORPORATION BY REFERENCE THE CALIFORNIA EXISTING BUILDING CODE; AND ADOPTING LOCAL AMENDMENTS THERETO, MAKING FINDINGS FOR SAME; AND (3) SET THE DATE OF JANUARY 12, 2017, TO CONDUCT A PUBLIC HEARING FOR THE ADOPTION OF ORDINANCE NO. 799. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: HABER, RUGGLES, MOSS, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: CRUZ  
ABSTAIN: COUNCIL MEMBERS: NONE

**PUBLIC HEARING TO CONSIDER AN URGENCY ORDINANCE ADOPTING TITLE 33 OF THE LOS ANGELES COUNTY EXISTING BUILDING CODE, INCORPORATING BY REFERENCE THE CALIFORNIA EXISTING BUILDING CODE, WITH AMENDMENTS.**

Mayor Radecki opened the public hearing.

Mayor Radecki inquired if anyone wanted to be heard on the matter.

There were no public comments.

Mayor Radecki closed the public hearing.

**CONSIDERATION OF URGENCY ORDINANCE NO. 800 – AN URGENCY ORDINANCE OF THE CITY COUNCIL OF THE CITY OF INDUSTRY ADOPTING BY REFERENCE, PURSUANT TO GOVERNMENT CODE SECTION 50022.2, TITLE 33 OF THE LOS ANGELES COUNTY EXISTING BUILDING CODE; INCORPORATING BY REFERENCE THE CALIFORNIA EXISTING BUILDING CODE; AND ADOPTING LOCAL AMENDMENTS THERETO, AND MAKING FINDINGS FOR SAME, AND DECLARING THE URGENCY THEREOF**

MOTION BY MAYOR PRO TEM MOSS, AND SECOND BY COUNCIL MEMBER HABER TO (1) OPEN THE PUBLIC HEARING AND TAKE PUBLIC TESTIMONY; (2) CLOSE THE PUBLIC HEARING; (3) READ URGENCY ORDINANCE NO. 800-U BY TITLE ONLY; AND (4) ADOPT URGENCY ORDINANCE NO. 800-U. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: HABER, RUGGLES, MOSS, RADECKI

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 22, 2016  
PAGE 5

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NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: CRUZ  
ABSTAIN: COUNCIL MEMBERS: NONE

**CONSIDERATION OF RESOLUTION NO. CC 2016-83 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, ACCEPTING DEDICATION OF RIGHT-OF-WAY AS SHOWN ON PARCEL MAP NO. 347, FOR THE PROPERTY LOCATED AT 825 AJAX AVENUE, CITY OF INDUSTRY, CALIFORNIA, FROM BP INDUSTRY AJAX, LLC**

City Engineer Calvillo presented a staff report to the City Council and responded to questions.

MOTION BY MAYOR PRO TEM MOSS, AND SECOND BY COUNCIL MEMBER HABER TO ADOPT RESOLUTION NO. CC 2016-83. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: HABER, RUGGLES, MOSS, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: CRUZ  
ABSTAIN: COUNCIL MEMBERS: NONE

**CONSIDERATION OF A BAILMENT AGREEMENT WITH THE COUNTY OF LOS ANGELES FOR THE USE OF VEHICLES BY THE LOS ANGELES COUNTY SHERIFF'S DEPARTMENT.**

Director of Development Services and Administration Gonzalez presented a staff report to the City Council and responded to questions. Discussion was held and this item was continued to the January 12, 2017 City Council Meeting.

**CONSIDERATION OF A FUNDING AGREEMENT BETWEEN THE CITY AND LOS ANGELES COUNTY METROPOLITAN AUTHORITY FOR THE WESTBOUND GRAND AVENUE OFF-RAMP TO SR-60 FREEWAY PROJECT**

Director of Development Services and Administration Gonzalez presented a staff report and responded to questions.

MOTION BY COUNCIL MEMBER RUGGLES, AND SECOND BY MAYOR PRO TEM MOSS TO APPROVE THE AGREEMENT. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 22, 2016  
PAGE 6

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AYES: COUNCIL MEMBERS: HABER, RUGGLES, MOSS, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: CRUZ  
ABSTAIN: COUNCIL MEMBERS: NONE

**CONSIDERATION OF AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT FOR MICHAEL BAKER INTERNATIONAL, INC., FOR PLANNING SUPPORT AND CONSULTING SERVICES IN AN AMOUNT OF \$180,000.00 FOR A TOTAL AGREEMENT AMOUNT NOT-TO-EXCEED \$500,000.00, FROM FEBRUARY 23, 2016 TO FEBRUARY 23, 2017**

Director of Development Services and Administration Gonzalez presented a staff report and responded to questions.

MOTION BY COUNCIL MEMBER HABER, AND SECOND BY COUNCIL MEMBER RUGGLES TO APPROVE THE AMENDMENT. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: HABER, RUGGLES, MOSS, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: CRUZ  
ABSTAIN: COUNCIL MEMBERS: NONE

**CONSIDERATION OF THE REQUEST FOR PROPOSALS FOR LED LIGHTING AND T-BAR CEILING TILE REPLACEMENT AT THE CITY HALL BUILDING LOCATED AT 15625 EAST STAFFORD STREET, AND CONSIDERATION OF A CONSTRUCTION SERVICES AGREEMENT WITH JEFF J. POLICH, INC., DBA ALL AMERICAN ELECTRIC, IN AN AMOUNT NOT-TO-EXCEED \$79,500.00**

Director of Development Services and Administration Gonzalez presented a staff report and responded to questions.

MOTION BY COUNCIL MEMBER HABER AND SECOND BY MAYOR PRO TEM MOSS TO APPROVE THE AGREEMENT. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES: COUNCIL MEMBERS: HABER, RUGGLES, MOSS, RADECKI  
NOES: COUNCIL MEMBERS: NONE  
ABSENT: COUNCIL MEMBERS: CRUZ  
ABSTAIN: COUNCIL MEMBERS: NONE

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 22, 2016  
PAGE 7

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**CONSIDERATION OF CHANGE ORDER NOS. 1, 2, 3, AND 4 SUBMITTED BY SULLY MILLER CONTRACTING COMPANY FOR \$21,109.13 FOR ADDITIONAL WORK INCURRED DUE TO UNFORESEEN OR DIFFERENT SITE CONDITIONS, ITEMS OF WORK NOT IDENTIFIED IN THE CONTRACT SPECIFICATIONS, NOR THE PROJECT PLANS, INCLUDING REIMBURSEMENT OF PERMIT FEES IN CONJUNCTION WITH VALLEY BOULEVARD RECONSTRUCTION WITH PCC PAVEMENT FROM TURNBULL CANYON ROAD TO HACIENDA BOULEVARD, CONTRACT NO. CITY-1421**

City Engineer Calvillo presented a staff report.

MOTION BY COUNCIL MEMBER HABER, AND SECOND BY MAYOR PRO TEM MOSS TO APPROVE THE CHANGE ORDERS. MOTION CARRIED 4-0, BY THE FOLLOWING VOTE:

AYES:	COUNCIL MEMBERS:	HABER, RUGGLES, MOSS, RADECKI
NOES:	COUNCIL MEMBERS:	NONE
ABSENT:	COUNCIL MEMBERS:	CRUZ
ABSTAIN:	COUNCIL MEMBERS:	NONE

#### **CITY COUNCIL COMMITTEE REPORTS**

There were none.

#### **AB1234 REPORTS**

There were none.

#### **CITY COUNCIL COMMUNICATIONS**

Mayor Radecki thanked all of the City staff and consultants for all of their hard work and wished everyone a Merry Christmas.

#### **CLOSED SESSION**

Chief Deputy City Clerk Schlichting announced there was a need for Closed Session as follows:

11.1 CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8



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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 22, 2016  
PAGE 8

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Property: Tres Hermanos Property – APN: 8701-021-271, 8701-022-270, and 8701-022-273 (Los Angeles County), 1000-011-19, 1000-011-20, 1000-011-21, and 1000-011-22, 1000-021-13, 1000-021-14, 1000-031-14, and 1000-031-15 (San Bernardino County)

City Negotiators: Paul J. Philips, City Manager and James M. Casso, City Attorney

Negotiating Party: Paul J. Philips, Executive Director  
James M. Casso, Agency Legal Counsel

Under Negotiation: Price and Terms of Payment

11.2 CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8

Property: Larrache Land Company (Homes)  
APN: 8208-023-057

City Negotiators: Paul J. Philips, City Manager and James M. Casso, City Attorney

Negotiating Party: Larrache Land Company

Under Negotiation: Price and Terms of Payment

11.3 CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8

Property: Larrache Land Company (Storage Yard)  
APN: 8208-023-052

City Negotiators: Paul J. Philips, City Manager and James M. Casso, City Attorney

Negotiating Party: Larrache Land Company

Under Negotiation: Price and Terms of Payment

There were no public comments on the Closed Session item.

Mayor Radecki recessed the meeting into Closed Session at 9:36 a.m.

**RECONVENE CITY COUNCIL MEETING**

Mayor Radecki reconvened the meeting at 10:05 a.m. All members of the City Council were present, except for Council Member Cruz who was absent.

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CITY COUNCIL REGULAR MEETING MINUTES  
CITY OF INDUSTRY, CALIFORNIA  
DECEMBER 22, 2016  
PAGE 9

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City Attorney Casso reported out of Closed Session.

With regard to Closed Session items 11.1, 11.2, and 11.3, the City Council provided direction to the City Manager and City Attorney, no final action was taken, and nothing further to report.

**ADJOURNMENT**

There being no further business, the City Council adjourned at 10:06 a.m.

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MARK D. RADECKI  
MAYOR

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DIANE M. SCHLICHTING  
CHIEF DEPUTY CITY CLERK

*CITY COUNCIL*

ITEM NO. 7.3



### Retainer Agreement

This agreement is made this \_\_\_ day of April, 2018 ("Effective Date") between EXTTI, Incorporated, a California corporation, and the City of Industry, a California municipal corporation (hereinafter "the Client"). EXTTI is being retained to provide limited legal services concerning human resources and personnel matters for the Client. These services are being provided to facilitate the rendering of legal advice by the Client's in-house or outside counsel. EXTTI personnel are not being hired as advocates for the Client.

The Client shall only use the results of the legal services for proper and lawful purposes. Client shall comply with all applicable laws.

EXTTI legal services will be determined by a Scope of Engagement ("Engagement") based upon any individual assignment and needs of the Client. The specific details of that Engagement will be determined by EXTTI and the Client at such time that EXTTI is asked to commence legal services.

1. Prior to the commencement of any Engagement under this Agreement, EXTTI will be given a retainer of Five Thousand Dollars (\$5000). For all professional services rendered (including travel time), EXTTI will be paid an hourly rate of Two Hundred Seventy-Five Dollars (\$275.00).
2. EXTTI will be reimbursed for reasonable out-of-pocket expenses incurred during the Engagement, including mileage, photo copying, messenger or Federal Express charges, long distance telephone charges, transcription (\$4.25 per page if requested), etc. A detailed listing of costs and fees will be submitted on a monthly basis and will be paid in full by the Client within thirty days of receipt. All out of pocket expenses shall be reimbursed at cost. EXTTI reserves the right to charge interest at the rate of 12% (compounded) per annum for all bills not paid within this 30-day time frame.
3. It is understood that EXTTI personnel will not disclose to anyone (outside of EXTTI) any facts relating to the Engagement, except: (1) to the Client's designated representative, or to anyone else as authorized by the Client; (2) to others involved in the Engagement --but only to the extent necessary to provide the legal services; (3) to others as required by law.
4. If there is a proceeding in which testimony of EXTTI personnel is required, said personnel will provide complete and truthful testimony. EXTTI personnel will be paid at the rate delineated in paragraph 1 above both to prepare for such testimony and to testify. If testimony is required, EXTTI retains the right to hire legal counsel with respect to any services relating to such testimony. The Client will be responsible for payment of such legal counsel at that counsel's usual and customary rate but in no event greater than 90% of the rate the Client is paying for the senior-most counsel involved in representing the Client in the matter in which the testimony of EXTTI personnel is required.

5. If as a result of services performed under any Engagement, EXTTI or its personnel (whether employees or independent contractors of EXTTI) are named as defendants (or respondents, charged parties, or parties of any sort) in any legal action, the Client will provide a defense at its expense through its legal counsel. The Client also will indemnify and hold EXTTI and its personnel (whether employees or independent contractors) harmless with respect to any judgment entered against them or any settlement Agreement (approved in advance by the Client) that is entered into. This paragraph does not apply to any allegations brought by the Client, against EXTTI or its personnel.
6. EXTTI hereby advises Client that EXTTI carries a current insurance policy for errors and omissions insurance coverage.
7. If any provision of this Agreement is deemed unenforceable, the remaining provisions will be given full force and effect.
8. This Agreement will be governed by and construed, interpreted, applied, and enforced according to the laws of California, including California law relating to choice of law. Any action to enforce or interpret this Agreement shall be filed in the Superior Court of Los Angeles County, California or in the Federal District Court for the Central District of California.
9. This Agreement may be signed in sub-parts and may be transmitted by email and/or telecopy.
10. **Conflicts.** EXTTI represents public agencies in California and is accepting new engagements all the time. It is virtually inevitable that EXTTI work on projects from other clients having different governmental or political objectives, beliefs or views from Client. In view of the fact that the Client is a public entity this letter confirms that the services which we are rendering to you are limited in scope and for the benefit of the Client, only. EXTTI performs a variety of professional services for its clients and it is possible that we will represent public agency clients which are adverse to Client on other matters. To avoid potential problems, Client agrees to expressly waive any actual or potential conflicts that might arise from such representation, that Client will not attempt to disqualify EXTTI on such matters, and that EXTTI is free to represent its clients on such matters. By signing this Agreement, Client acknowledges that EXTTI and Client have discussed these matters and Client confirms that the Client does not object to EXTTI's representation of clients on matters where their legal, governmental or political objectives and/or positions may be different from or adverse to those of the Client, and that the Client waives any conflict of interests with respect to our representation of such clients with differing legal, governmental or political interests. Client further confirms that it will not assert any conflict of interest concerning such representation or attempt to disqualify EXTTI from representing such clients notwithstanding such adversity. While Client is certainly free to terminate this Agreement, Client agrees that EXTTI is nonetheless free to represent such clients even on those matters which Client considers adverse, and that Client waives any conflict of interest in connection therewith.

Needless to say, these acknowledgments do not permit EXTTI to represent another client in opposing the specific Engagement for which Client engages us without Client's specific written consent.

Client may wish, and EXTTI encourages Client, to consult legal counsel regarding the effect of this conflict waiver.

11. This Agreement constitutes the entire agreement between the parties relating to the subject matters set forth herein. It only may be modified by a written agreement, signed by an Agent of EXTTI and the Client.

**For EXTTI, Incorporated: (Tax ID 95-4685649)**

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

Michael A. Robbins, Esq.  
President

**For The Client:**

\_\_\_\_\_  
Mark D. Radecki, Mayor

ATTEST:

By: \_\_\_\_\_  
Diane M. Schlichting, City Clerk

*CITY COUNCIL*

ITEM NO. 8.1

**RESOLUTION NO. CC 2018-08**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA APPROVING A DONATION TO MEGAN'S WINGS, INC. IN THE AMOUNT OF TEN THOUSAND DOLLARS (\$10,000.00) FOR THE NINTH ANNUAL BIDS FOR KIDS GALA**

**RECITALS**

**WHEREAS**, Megan's Wings, Inc. ("Megan's Wings") is a California non-profit organization that works to positively impact the lives of children living with cancer by providing temporary housing to their parents to enable them to live close to the hospital where their child is receiving treatment, provides assistance with expensive transportation costs, along with medical expenses, funds for therapies not covered by insurance, and funding for funeral expenses for those children without life insurance who lose their battle with cancer; and

**WHEREAS**, annually, Megan's Wings holds a gala to raise funds for the operation of its programs; and

**WHEREAS**, Megan's Wings requested a donation from the City to assist in the operation of its programs; and

**WHEREAS**, the City's donation serves a public purpose in that Megan's Wings has provided financial assistance to families that work in the City, as well as families throughout Los Angeles, Riverside and San Bernardino counties. The donation will assist the families of children battling cancer with much needed medical payments, for medical items such as prosthetics and therapies not covered by insurance, mortgage and rent payments, gas and grocery gift cards, and other related expenses. This financial assistance allows Megan's Wings to help with expenses that allow the families to obtain necessary treatment for their children. Megan's Wings works with medical social workers to provide assistance in an expedited fashion, avoiding administrative delays. Further, Megan's Wings is a resource for middle and low-income families that do not have the resources to stay afloat while caring for a child battling cancer. The City's donation will allow Megan's Wings to provide valuable services to families who work in the City, and throughout Southern California; and

**WHEREAS**, all legal prerequisites to the adoption of this Resolution have occurred.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDUSTRY DOES HEREBY RESOLVE, DETERMINE, FIND, AND ORDER AS FOLLOWS:**

**SECTION 1:** The City Council finds that all of the facts set forth in the Recitals are true and correct, and are incorporated herein by reference.



**SECTION 2:** The City's donation serves a public purpose in that Megan's Wings has provided financial assistance to families that work in the City, as well as families throughout Los Angeles, Riverside and San Bernardino counties. The donation will assist the families of children battling cancer with much needed medical payments, for medical items such as prosthetics and therapies not covered by insurance, mortgage and rent payments, gas and grocery gift cards, and other related expenses. This financial assistance helps Megan's Wings to assist with expenses that allow the families to obtain necessary treatment for their children. Megan's Wings works with medical social workers to provide assistance in an expedited fashion, avoiding administrative delays. Further, Megan's Wings is a resource for middle and low-income families that do not have the resources to stay afloat while caring for a child battling cancer. The City's donation will allow Megan's Wings to provide valuable services to families who work in the City, and throughout Southern California.

**SECTION 3:** The City Council hereby approves a donation of Ten Thousand Dollars (\$10,000.00) to Megan's Wings for its Ninth Annual Bids for Kids Gala.

**SECTION 4:** The City's Director of Finance is hereby authorized and directed to take such other and further action consistent with this Resolution, in order to implement this Resolution on behalf of the City.

**SECTION 5:** The provisions of this Resolution are severable and if any provision, clause, sentence, word or part thereof is held illegal, invalid, unconstitutional, or inapplicable to any person or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, clauses, sentences, sections, words or parts thereof of the Resolution or their applicability to other persons or circumstances.

**SECTION 6:** That the City Clerk shall certify to the adoption of this Resolution and that the same shall be in full force and effect.

**(RECORD OF VOTE AND SIGNATURES ON FOLLOWING PAGE)**

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Industry at a regular meeting held on April 12, 2018, by the following vote:

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

\_\_\_\_\_  
Mark D. Radecki, Mayor

**ATTEST:**

\_\_\_\_\_  
Diane M. Schlichting, City Clerk

*CITY COUNCIL*

ITEM NO. 8.2



March 22, 2018

City Council  
City of Industry  
From Industry Hills Charity Events Council

Over the past 32 years, this annual community event has raised over \$2.3 million for local nonprofit organizations providing programs and resources to disadvantaged children in the San Gabriel Valley. In addition, the sponsored "Community Kids Day" has introduced "Western Heritage" to thousands of 3<sup>rd</sup>, 4<sup>th</sup>, and 5<sup>th</sup> grade school children. Each year 4 local Service Clubs use the Rodeo event as their major fund raising event.

Last year, a record number of notable participants turned out for the Rodeo, many of whom went on to the National Finals in horse and rodeo competitions. Our event had grand attendance for both the Saturday and Sunday performances. Equally important, our Community Kids Day held on Friday attracted over 3200 students, teachers and chaperones. Furthermore, over 400 community volunteers (including local law enforcement) helped plan and operate the 3 days of performances.

This year we are transitioning to a new format with more events, and are requesting City Sponsorship of \$105,000, the same as last year, which would be used to promote and conduct all of our events. We sincerely appreciate the generous support of the City and the IMC. We believe that the City Of Industry receives positive exposure and publicity from our events. Together we are creating a strong community environment, and all because of the support you have given all these years. Our promotional material prominently features the City and IMC names and logos. Whenever feasible, the City of Industry name is mentioned in the press, email and social media etc. In addition, we feel the City benefits by showcasing the Industry Expo Center and Grand Arena for potential events.

Again, we thank the City and IMC for the past support and help in making this a unique event, which not only raises funds for underprivileged children but also brings together the local community. We are attaching some additional documents regarding organizations that have received Grant funds. We are pleased to provide any additional information or clarification. Your support of our events means everything to so many of our children in the San Gabriel Valley.

*Ron McPeak*

*President*

*The Gabriel Foundation*

*Larry Hartmann*

*Chairman*

*Industry Hills Charity Events Council*

*C626.824.5695*

**INDUSTRY HILLS CHARITY EVENTS COUNCIL**

PO Box 7006 • City of Industry CA 91744-7006

626.961.6892 • (F) 626.961.0691

[eventsCouncil@aol.com](mailto:eventsCouncil@aol.com) [www.industrycharityevents.org](http://www.industrycharityevents.org)



The Gabriel Foundation

Grant Recap

1985 to 2018



The Gabriel Foundation

Grant Applications

Submitted 2017



\$ 2,000

GRANT APPLICATION

Legal Name of Organization SAN GABRIEL FOUNDATION FOR DENTAL HEALTH

Address PO BOX 99

City Temple City State CA Zip 91780

Authorized Contact Person KELLIE NEWCOMBE

Title EXECUTIVE DIRECTOR Phone (949) 253-3244

Purpose of Organization: TO PROVIDE DENTAL CARE AND EDUCATION TO ECONOMICALLY DISADVANTAGED CHILDREN AGES 2-19 THROUGHOUT THE SAN GABRIEL VALLEY, INCLUDING OUR CLINIC, SCHOOLS AND COMMUNITY ORGANIZATIONS.

Year Founded 1997 Total Current Operating Budget \$190,500

Primary Source(s) of Funds GRANTS, PRIVATE DONATIONS, DENTAL

Date Last Audited 1/11/17 Federal Tax ID 95-4590029

Purpose of Gabriel Foundation Grant TO SUPPORT THE SALARY AND OTHER EXPENSES OF THE OUTREACH PROGRAM COORDINATOR.

Amount Requested \$2,500 Total Project Cost \$52,775

Geographic Area Served SAN GABRIEL VALLEY

Project Time Period ONGOING

Your proposal of no more than 5 pages must be attached to this form and returned to the Gabriel Foundation.

The proposal should include: Needs statement, specific objectives, your organization's qualifications, if the project is new or ongoing, constituency served, community and volunteer involvement, evaluation and sources listed. Please include pertinent publications.

Also submit a copy of the most recent IRS letter on your organization's tax-exempt status, or a copy of your application for tax-exempt status, or evidence that your agency is a governmental unit. NOTE: A federal tax or employer ID number of a state tax-exempt certification does not prove federal tax-exempt status.

Any information, photos or other material you provide in your proposal may be used in the Foundation's press releases, reports, research or other published matter unless confidentiality is specifically requested.

PLEASE ENCLOSE A COPY OF YOUR LATEST FORM 990, EXEMPT ORGANIZATION RETURN.

Signature of Contact Person [Signature] Date 1/20/18

BOARD OF DIRECTORS

Chairman Emeritus  
THOMAS L. MORELAND\*

President  
RONALD P. McPEAK  
Western Insurance Marketing Corporation

Vice President  
TIM SEAL  
Delhaven Community Center

Chief Financial Officer  
PATRICK MEDLOCK  
Patrick W. Medlock, CPA

Secretary  
ROBERT R. DIPRE JR.

Members  
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Pace Marketing Communications

DEAN BOWEN

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JOHN E. BYERS

ANNA LEE FARBBER  
Marketing & communications

DEE GALBRAITH  
Southern California Edison, Retired

LEONA HARRIS

LARRY HARTMANN  
Larry Hartmann Seminars

JAMES E. JOHNSON  
Educator, Retired

DOUG KNUDSON

JOHN KRAMER  
Educator, Retired

FAITH M. LUNDGREN

ROBERT PACHECO  
Former Assemblyman/  
Attorney-at-Law

DAVID PEREZ

KENNETH J. RAMMELL  
CPA, Retired

\*Deceased

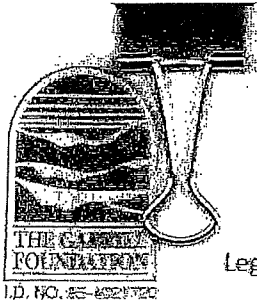
PO Box 7006

City of Industry, CA 91744

Telephone 626-961-6892 Fax 626-961-0691

www.gabrielfoundation.gives





GRANT APPLICATION

Legal Name of Organization Young Men's Christian Association of Orange County

Address 13821 Newport Ave, Ste 200

City Tustin State CA Zip 92780

Authorized Contact Person Sarah Steffen

Title Associate Development Director Phone (714) 508-7639

Purpose of Organization: The YMCA puts Christian principles into practice through programs that build healthy spirit, mind and body for all.

Year Founded 1888 Total Current Operating Budget \$41,846,410

Primary Source(s) of Funds Program Fees

Date Last Audited 11/1/2017 Federal Tax ID 95-1644055

Purpose of Gabriel Foundation Grant to allow low-income San Gabriel Valley youth the opportunity to develop their interests and abilities at Camp Elk.

Amount Requested \$8,000 Total Project Cost \$40,000

Geographic Area Served East San Gabriel Valley

Project Time Period 2018

Your proposal of no more than 5 pages must be attached to this form and returned to the Gabriel Foundation.

The proposal should include: Needs statement, specific objectives, your organization's qualifications, if the project is new or ongoing, constituency served, community and volunteer involvement, evaluation and sources listed. Please include pertinent publications.

Also submit a copy of the most recent IRS letter on your organization's tax-exempt status, a copy of your application for tax-exempt status, or evidence that your agency is a governmental unit. NOTE: A federal tax or employer ID number of a state tax-exempt certification does not prove federal tax-exempt status.

Any information, photos or other material you provide in your proposal may be used in the Foundation's press releases, reports, research or other published matter unless confidentiality is specifically requested.

PLEASE ENCLOSE A COPY OF YOUR LATEST FORM 990, EXEMPT ORGANIZATION RETURN.

Signature of Contact Person [Signature] Date 1/5/18

PO Box 7006

City of Industry, CA 91744

Telephone 626-961-6892 Fax 626-961-0691

www.gabrielfoundation.gives

BOARD OF DIRECTORS

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Members  
DEAN BOWEN

JAN BRUMLEY

JOHN E. BYERS

KEN CALVO  
El Encanto Healthcare & Rehabilitation

GARY DUDLEY

ANNA LEE FARBER  
Marketing & Communications

DEE GALBRAITH  
Southern California Edison, Retired

LEONA HARRIS

LARRY HARTMANN  
Larry Hartmann Seminars

DOUG KNUDSON

JOHN KRAMER  
Educator, Retired

ROBERT PACHECO  
Former Assemblyman/  
Attorney-at-Law

DAVID PEREZ

VINCE PEREZ

KENNETH J. RAMMELL  
CPA, Retired

PAUL SPITZNERI  
Homestead Museum

Honorary Members  
CARL BENNITT  
JAMES E. JOHNSON  
FAITH M. LUNDGREN

\*Deceased



## GRANT APPLICATION

**Legal Name of Organization:** Citrus Valley Health Foundation

**Address:** 1115 S. Sunset Avenue

**City:** West Covina **State:** CA **Zip:** 91790

**Authorized Contact Person:** Carol Stickley

**Title:** Grant Writer **Phone:** 626-813-4943

**Purpose of Organization:** To raise funds through philanthropy to support Queen of the Valley Hospital, Inter-Community Hospital, Foothill Presbyterian Hospital, and Citrus Valley Hospice and Home Health. Our charitable support also extends to the community.

**Year Founded:** 1968 **Total Current Operating Budget:** \$1,099,866.00

**Primary Source(s) of Funds:** Grants, gifts, and contributions

**Date Last Audited:** 12/30/2016 **Federal Tax ID:** 95-2534063

**Purpose of Gabriel Foundation Grant:** To fund the ECHO ("Every Child's Healthy Option") program which provides emergency health care for uninsured and under-insured school children in San Gabriel Valley.

**Amount Requested:** \$5,000 **Total Project Cost:** \$50,581

**Geographic Area Served:** San Gabriel Valley

**Project Time Period:** FY 2018

Your proposal of no more than 5 pages must be attached to this form and returned to the Gabriel Foundation.

The proposal should include: Needs statement, specific objectives, your organization's qualifications, if the project is new or ongoing, constituency served, community and volunteer involvement, evaluation and sources listed. Please include pertinent publications.

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Signature of Contact Person

Date 12/29/2017

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Legal Name of Organization Delhaven Community Center

Address 15135 E. FAIRGROVE AVE

City La Puente State Ca Zip 91747

Authorized Contact Person TIM SEAL

Title Executive Dir Phone (826) 9199789

Purpose of Organization: Provide structured supervised

educational, social, recreational programs,

to all (mentally challenged, abused, socio economic)

persons in our community

Year Founded 1972 Total Current Operating Budget \$1,300,000.00

Primary Source(s) of Funds Community Regional Center, Foundation

Date Last Audited Annually Federal Tax ID F95-2853049

Purpose of Gabriel Foundation Grant Campership programs for

summer and vacations and throughout year for

special needs children & adults and low income

persons

Amount Requested \$25000.00 Total Project Cost UNKNOWN

Geographic Area Served San Gabriel Valley

Project Time Period Year Round

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Signature of Contact Person Barbara Seal Date \_\_\_\_\_

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GRANT APPLICATION

Legal Name of Organization: New Horizons Caregivers Group

Address: (Mail) 3129 Hacienda Blvd, #809, Hacienda Heights, CA 91745

Authorized Contact Person: Donna Lemäster Title: Executive Director Phone(s): (office) (626) 961-4327  
(cell) (626) 941-8100 Fax: (626) 855-1698 Email Address: newhorizonsfiesta@yahoo.com

Purpose of Organization: The mission of New Horizons Caregivers Group (NHCG) is to "Eradicate Poverty Through Education". NHCG provides emergency groceries, school supplies, scholarship grants, holiday meals and gifts to help low-income families with at-risk children. NHCG helps low-income parents while educating them about the importance of education for their children as a way to end poverty. NHCG distributes food and school supplies at selected low-income area schools after parent educational classes. This has proven to engage the parents with the school and teachers.

Yr Founded: 2003

Total Current Operating Budget for 2018: \$182,072

Primary Source (s) of Funds: Community Development Commission LA County, Hilda Solis, District 1, Supervisor Hahn, LA County District 4, Kaiser Foundation, Richard Foundation, Grants, Private Donations,

Date Last Audited: Certified Financial Statement as of May 10, 2016 Fed Tax ID# 75-3132090

Purpose of Gabriel Foundation Grant: Matching Funds are needed to match LA Community Development Commission District 1, to provide emergency food bags and school supplies for two elementary schools with high enrollment of At-Risk and Title I Children. The Project is called FIESTA.

New Horizons Caregivers Group, (NHCG), Project FIESTA stands for "Family Incentives Equals Students Taking Action". This year NHCG with the support of the Gabriel Foundation would like to continue helping low-income families and the homeless families in the Hacienda La Puente School District. This equates to approximately 1260 family members, mostly children, benefiting from free grocery and school supplies every month.

Amount Requested: \$7,500.00 Total Project Cost: \$182,072

Geographic Area Served: La Puente, California

Project Time Period: This funding will cover a portion of the costs for monthly food/school supply distributions from April through Nov, 2018. Summer months are critical to continue providing assistance due to the fact that the children are not in school and do not have access to free breakfasts or lunches.

Your proposal of no more than 5 pages must be attached to this form and returned to the Gabriel Foundation.

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Signature of Contact Person: Donna Lemäster Date: 12-27-17



GRANT APPLICATION

Legal Name of Organization Educational Bridge Foundation

Address 341 South La Seda Road

City La Puente State CA Zip 91744

Authorized Contact Person Maura E. Murabito

Title LPVROP Superintendent and Member Phone (626) 810-3300, Ext. 242

Purpose of Organization: Bridge the gap between state funding and the unfunded needs of students served by the La Puente Valley Regional

Occupational Program. State funds are not available for student recognition.

Year Founded 1998 Total Current Operating Budget \$28,000

Primary Source(s) of Funds Contributions from individuals, businesses & corporations.

Date Last Audited November, 2007 Federal Tax ID 95-4749657

Purpose of Gabriel Foundation Grant To encourage disadvantaged students to realize their educational dreams of recognition of high school students.

Amount Requested \$10,000 Total Project Cost \$20,000

Geographic Area Served Bassett USD, Hacienda La Puente USD & Rowland USD.

Project Time Period January 2018 - June 2018

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Signature of Contact Person Maura E. Murabito Date 12/7/17

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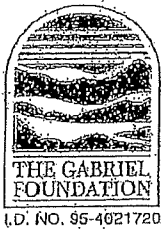
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Legal Name of Organization INDUSTRY SHERIFF'S YOUTH ACTIVITIES LEAGUE

Address 150 HUDSON AVE.

City INDUSTRY State CA Zip 91744

Authorized Contact Person JEFF DOMINGO

Title DEPUTY SHERIFF Phone (626) 934 3079

Purpose of Organization: PROVIDE POSITIVE INTERACTION BETWEEN POLICE AND THE COMMUNITY. PROVIDE YEAR ROUND AFTER SCHOOL AND SUMMER PROGRAMS TO KIDS AGE 7-17 YEARS OLD.

Year Founded 1991 Total Current Operating Budget \$ 187,400.00

Primary Source(s) of Funds GRANTS, DONATIONS & FUNDRAISERS.

Date Last Audited APRIL 2014 Federal Tax ID 95-43502187

Purpose of Gabriel Foundation Grant WILL BE USED TO PURCHASE FOOD, SUPPLIES, SHIRTS, HATS AND EQUIPMENT FOR OUR SUMMER CAMPS (CAMP COURAGE)

Amount Requested \$ 30,000.00 Total Project Cost \$ 32,000.00

Geographic Area Served LOW INCOME, AT-RISK YOUTH

Project Time Period MAY THROUGH AUGUST

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Signature of Contact Person [Signature] Date 12/11/2017

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I.D. NO. 95-4021720

GRANT APPLICATION

Legal Name of Organization Friends of the Heart

Address 1006 E. Cypress St.

City Covina State CA Zip 91724

Authorized Contact Person Sylvia Rocha

Title CEO/Founder Phone (626) 277-5026

Purpose of Organization: To help with need of children entering into the foster care system.

And provide support to families in need.

Year Founded 2001 Total Current Operating Budget 2500.00

Primary Source(s) of Funds Donations - Grants - Fundraisers

Date Last Audited NA Federal Tax ID 45-0465133

Purpose of Gabriel Foundation Grant To continue providing welcome bags to children. Purchase items needed for our current events.

Amount Requested \$5,000.00 Total Project Cost \$24,000

Geographic Area Served Los Angeles - Riverside County

Project Time Period One year

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Signature of Contact Person Sylvia Rocha Date 12/31/17

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**GRANT APPLICATION**

Legal Name of Organization Boys & Girls Club of West San Gabriel Valley

Address 323 S. Ramona Ave.

City Monterey Park State CA Zip 91754

Authorized Contact Person Charles Karsch

Title Assoc. Executive Director Phone ( 626 ) 573-2831

Purpose of Organization: Our mission is to enable all young people, especially those who need us the most, to reach their full potential as productive, caring, responsible citizens.

Year Founded 1972 Total Current Operating Budget \$3,817,000

Primary Source(s) of Funds grants and contributions

Date Last Audited 6/30/2017 Federal Tax ID 85-2782501

Purpose of Gabriel Foundation Grant To fund Project Learn at our Baldwin Park location. Project Learn is an educational enhancement program designed to engage young people in learning, support them academically, and help them become lifelong learners.

Amount Requested \$5,000 Total Project Cost \$30,000

Geographic Area Served Baldwin Park and East San Gabriel Valley

Project Time Period January 2018-December 2018

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**The Gabriel Foundation  
Treasurer's Report  
December 31, 2017**

**Table of Contents**

	<b><u>Page</u></b>
Balance Sheet - Prior Year Comparison	2
Schedule of Grants Paid Out	3
Profit and Loss as Adjusted - Prior Year Comparison	4 - 6
Rodeo Profit and Loss - Recap by Year	7 - 9
Sponsor Listing - Recap by Year and Type	10 - 14

**The Gabriel Foundation**  
**Balance Sheet - Prior Year Comparison**  
**December 31, 2017 and 2016**

	<u>Dec 31, 17</u>	<u>Dec 31, 16</u>	<u>\$ Change</u>
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
Petty cash	100	100	0
Checking - Bank of America	40,610	23,740	16,870
Savings - Bank of America	38,410	73,981	(35,571)
Total Checking/Savings	<u>79,120</u>	<u>97,821</u>	<u>(18,701)</u>
Total Current Assets	<u>79,120</u>	<u>97,821</u>	<u>(18,701)</u>
<b>TOTAL ASSETS</b>	<u><u>79,120</u></u>	<u><u>97,821</u></u>	<u><u>(18,701)</u></u>
<b>LIABILITIES &amp; EQUITY</b>			
Liabilities			
Current Liabilities			
Other Current Liabilities			
Backup withholding	3,212	2,405	807
Credit card - Bank of America	1,530	0	1,530
Payroll taxes payable	1,154	453	701
Total Other Current Liabilities	<u>5,896</u>	<u>2,858</u>	<u>3,038</u>
Total Current Liabilities	<u>5,896</u>	<u>2,858</u>	<u>3,038</u>
Total Liabilities	5,896	2,858	3,038
Equity			
Undesignated funds, beginning	94,963	38,654	56,309
Contributions and grants	(75,943)	(40,395)	(35,548)
Net Income	54,204	96,704	(42,500)
Total Equity	<u>73,224</u>	<u>94,963</u>	<u>(21,739)</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>79,120</u></u>	<u><u>97,821</u></u>	<u><u>(18,701)</u></u>

43,387

**The Gabriel Foundation  
Schedule of Grants Paid Out**

<u>ORGANIZATIONS</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Industry Sheriffs Youth Activities League	22,000	11,000	22,000	20,000	20,000	20,000
Delhaven Community Center	22,000	11,000	22,000	20,000	20,000	20,000
Y.M.C.A. - swim program	6,500	3,250	6,500	6,000	6,000	6,000
Educational Bridge Foundation	5,000	2,500	5,000	4,000	4,000	4,000
SGV Foundation for Dental Health	2,500	1,250	2,500	2,000	2,000	2,000
Citrus Valley Health Foundation	5,000	2,500	5,000	4,000	4,000	4,000
Friends of the Heart	2,500	1,250	2,500	2,000	2,000	2,000
New Horizons Caregivers Group	3,500	1,750	3,500	3,000	3,000	3,000
East Valley Boys and Girls Club	2,500	1,250	2,500	2,000	2,000	2,000
Delhaven Volunteers	3,943	4,145	4,725	3,440	3,440	2,892
Workman High School	500	500	500	500	500	1,000
	<u>75,943</u>	<u>40,395</u>	<u>76,725</u>	<u>66,940</u>	<u>66,940</u>	<u>66,892</u>

**The Gabriel Foundation**  
**Profit and Loss as Adjusted - Prior Year Comparison**  
**Years Ended December 31, 2017 and 2016**

	Actual 2017	Prepaid Exp from 2016	Unpaid 2017	Adjusted 2017	Adjusted 2016	Difference
<b>Income</b>						
Sponsors	211,325		6,250	217,575	241,350	(23,775)
Ticket sales	58,607			58,607	75,458	(16,851)
Auction (Live)	300			300		300
Auction (Silent)	5,908		14	5,922	7,714	(1,792)
Beer Garden	0			0	1,419	(1,419)
Contributions	60			60	1,100	(1,040)
Dance	1,410			1,410	1,539	(129)
Food concessions	7,375			7,375	7,150	225
Pony rides	892			892	1,134	(242)
Retail vendors	2,250			2,250	4,275	(2,025)
Souvenir income	7,040			7,040	4,865	2,175
Taste of the Town	2,075			2,075		2,075
Welcome Party Raffle	1,819			1,819	1,520	299
<b>Total Income</b>	<b>299,061</b>	<b>0</b>	<b>6,264</b>	<b>305,325</b>	<b>347,524</b>	<b>(42,199)</b>
<b>Expense</b>						
<b>Direct expenses</b>						
Prize money	60,000			60,000	60,000	0
Rodeo producer	54,900			54,900	49,250	(5,650)
Announcer and sound	5,000			5,000	5,750	750
County animal control license	275			275	275	0
Feed and hay	1,716			1,716	1,370	(346)
Grounds rental	500			500	500	0
PRCA/WPRA fees	3,355			3,355	3,290	(65)
Signs and banners	2,181			2,181	1,151	(1,030)
Specialty acts and grand entry	6,929		700	7,629	15,609	7,980
Stalls, shavings etc	1,418			1,418	1,512	94
Veterinarian	1,000			1,000	1,000	0
<b>Total Direct expenses</b>	<b>137,274</b>	<b>0</b>	<b>700</b>	<b>137,974</b>	<b>139,707</b>	<b>1,733</b>
<b>Indirect expenses</b>						
Committee shirts				0	312	312
Dance	725			725	800	75
First aid services			1,200	1,200	1,200	0
Golf carts	150			150	0	(150)
Goodie bags				0	144	144
Hospitality corral	754			754	1,008	254
Ice			800	800	808	8
Lodging	900	43,387		44,287	3,366	(40,921)
Petting zoo	1,625			1,625	1,625	0
Photographer/photos	93			93	104	11
Pony rides	1,500			1,500	1,300	(200)
Portable toilets	1,064			1,064	1,028	(36)
Printing	5,374			5,374	5,731	357
Radios	222			222	225	3
Silent auction		545		545	575	30

**The Gabriel Foundation**  
**Profit and Loss as Adjusted - Prior Year Comparison**  
**Years Ended December 31, 2017 and 2016**

	Actual 2017	Prepaid Exp from 2016	Unpaid 2017	Adjusted 2017	Adjusted 2016	Difference
Souvenir expense	3,477			3,477	1,224	(2,253)
Sponsor's meals	3,020			3,020	3,780	760
Supplies	1,778			1,778	551	(1,227)
Video	1,710			1,710	1,467	(243)
Volunteers expense	759			759	349	(410)
Welcome Party	7,629			7,629	7,106	(523)
Welcome Party Raffle		544		544	574	30
<b>Total Indirect expenses</b>	<b>30,780</b>	<b>44,476</b>	<b>2,000</b>	<b>77,256</b>	<b>33,277</b>	<b>(43,979)</b>
<b>Advertising and promotion</b>						
Advertising	27,000			27,000	34,996	7,996
Marketing	16,500			16,500	0	(16,500)
Program Book	12,175			12,175	13,609	1,434
Website	35			35	2,500	2,465
Other	375			375	0	(375)
<b>Total Advertising and promotion</b>	<b>56,085</b>	<b>0</b>	<b>0</b>	<b>56,085</b>	<b>51,105</b>	<b>(4,980)</b>
<b>Overhead</b>						
Office salary	15,400		1,400	16,800	16,800	0
Payroll tax expense	1,360		107	1,467	1,719	252
Mileage	3,670			3,670	3,725	55
Bank charges	121			121	208	87
Committee meetings	254			254	66	(188)
Fax	0			0	255	255
Insurance	2,928			2,928	2,928	0
Ipad rental	152			152	0	(152)
Merchant fees	664			664	1,067	403
Office equipment	54			54	374	320
Office expense	665			665	660	(5)
Postage	398			398	169	(229)
Telephone	2,785			2,785	2,998	213
Workers comp insurance	500			500	402	(98)
<b>Total Overhead</b>	<b>28,951</b>	<b>0</b>	<b>1,507</b>	<b>30,458</b>	<b>31,371</b>	<b>913</b>
<b>Total Expense</b>	<b>253,090</b>	<b>44,476</b>	<b>4,207</b>	<b>301,773</b>	<b>255,460</b>	<b>(46,313)</b>
<b>Net Rodeo Income</b>	<b>45,971</b>	<b>(44,476)</b>	<b>2,057</b>	<b>3,552</b>	<b>92,064</b>	<b>(88,512)</b>
<b>Other Income</b>						
<b>Foundation income (expense)</b>						
Income						
Grants and contributions	6,200		1,000	7,200	3,213	3,987
Dues	1,600		200	1,800	1,700	100
Interest income	17			17	5	12
<b>Total Income</b>	<b>7,817</b>	<b>0</b>	<b>1,200</b>	<b>9,017</b>	<b>4,918</b>	<b>4,099</b>

**The Gabriel Foundation**  
**Profit and Loss as Adjusted - Prior Year Comparison**  
**Years Ended December 31, 2017 and 2016**

	Actual 2017	Prepaid Exp from 2016	Unpaid 2017	Adjusted 2017	Adjusted 2016	Difference
<b>Expenses</b>						
Advertising and promotion	(120)			(120)	(150)	30
Insurance (D & O)	(1,150)			(1,150)	(1,150)	0
Board meeting expense				0		0
Paypal fees				0	(1)	1
Printing				0		0
Trademark expense				0		0
Taxes and fees	(50)			(50)	(55)	5
<b>Total Expenses</b>	<b>(1,320)</b>	<b>0</b>	<b>0</b>	<b>(1,320)</b>	<b>(1,356)</b>	<b>36</b>
<b>Net Foundation income</b>	<b>6,497</b>	<b>0</b>	<b>1,200</b>	<b>7,697</b>	<b>3,562</b>	<b>4,135</b>
<b>Net Rodeo and Foundation Income</b>	<b>52,468</b>	<b>(44,476)</b>	<b>3,257</b>	<b>11,249</b>	<b>95,626</b>	<b>(84,377)</b>
<b>Net Income</b>	<b>52,468</b>	<b>(44,476)</b>	<b>3,257</b>	<b>11,249</b>	<b>95,626</b>	<b>(84,377)</b>

**Net income recap**

	<u>Jan - Dec 17</u>	<u>Jan - Dec 16</u>
Total net income (as per balance sheet)	54,204	96,704
Less income (loss) for prior year Foundation	(100)	
Less income (loss) for prior year Rodeos	(2,243)	(3,519)
Add prepaid expenses for next year	607	1,089
Adjusted current year income	52,468	94,274
Subsequent Rodeo activity rec'd (paid)		2,243
Subsequent Found.. activity rec'd (paid)		100
Less prepaid expenses from earlier years		(991)
Revised net realized	52,468	95,626
Less prepaid expenses from prior year	(1,089)	
Additional Rodeo net income expected	2,057	
Additional Found. net income expected	1,200	
Revised final net rodeo income	54,636	95,626

**THE GABRIEL FOUNDATION  
RODEO PROFIT AND LOSS - RECAP BY YEAR**

	2017	2016	2015	2014	2013	2012
<b>INCOME</b>						
Sponsors	217,575	241,350	186,550	203,975	196,375	187,100
Tickets	58,607	75,458	45,664	59,772	56,799	58,904
Auction (Live)	300					
Auction (Silent)	5,922	7,714	7,987	7,567	7,029	8,303
Beer Garden		1,419				
Dance	1,410	1,539	830	772	1,210	1,117
Donations	60	1,100	2,389	2,054	7,445	471
Food concessions	7,375	7,150	5,625	6,225	6,000	5,600
Pony rides	892	1,134	948	957	852	964
Retail booths	2,250	4,275	2,200	3,000	3,600	3,200
Souvenir income.	7,040	4,865	6,027	5,451	4,580	3,645
Tasee of the Town	2,075					
Welcome Party Raffle	1,819	1,520	2,521	2,130	1,411	1,731
<b>TOTAL INCOME</b>	<b>305,325</b>	<b>347,524</b>	<b>260,741</b>	<b>291,903</b>	<b>285,301</b>	<b>271,035</b>
<b>EXPENSES</b>						
<b>DIRECT</b>						
Producer	54,900	49,250	49,250	49,250	44,950	44,850
Prize money & belt buckle	60,000	60,000	31,000	28,000	28,000	28,000
Announcer and sound	5,000	5,750	5,000	5,000	5,000	5,000
County nimal control license	275	275	275	275	300	300
Feed & hay	1,716	1,370	1,260	1,439	1,305	1,350
Grounds rental (after 2004)	500	500	500	500	500	500
PRCA / WPRA fees	3,355	3,290	2,580	2,500	2,500	2,500
Signs & banners	2,181	1,151	1,621	6,020	2,619	3,862
Specialty acts and grand entry	7,629	15,609	13,505	14,540	13,592	7,782
Stalls, shavings etc	1,418	1,512	2,670			
Veterinarian	1,000	1,000	1,000	0	1,500	1,500
<b>TOTAL DIRECT EXPENSES</b>	<b>137,974</b>	<b>139,707</b>	<b>152,048</b>	<b>107,524</b>	<b>143,287</b>	<b>95,644</b>
<b>INDIRECT</b>						
Committee shirts		312				27
Dance	725	800	800	650	650	650
First aid services	1,200	1,200	1,200	900	900	900
Golf carts	150					
Goodie bags		144	255		260	473
Hospitality corral	754	1,008	1,023	742	557	669
Ice	800	808	1,170	1,092	1,092	1,092
Lodging	900	3,366	1,927	235		
Petting zoo	1,625	1,625	1,625	1,625	1,625	1,625
Photographer/photos	93	104		519	308	31
Pony Rides	1,500	1,300	1,300	1,300	1,300	1,400
Portable toilets	1,064	1,028	1,014	1,160	1,045	1,160
Printing	5,374	5,731	29,399	29,021	28,713	25,682
Radios	222	225	225	225	260	260
Silent auction	545	575	496	645	149	1,579
Souvenirs expense	3,477	1,224	3,509	2,504	2,599	2,639
Sponsor's meals	3,020	3,780	3,559	4,663	4,128	4,541
Supplies	1,778	551	938	810	600	731
Video	1,710	1,467	2,371		1,350	1,400
Volunteers expenses	759	349	564	497	483	400
Welcome party	7,629	7,106	6,308	5,468	8,566	7,478
Welcome Party Raffle	544	574	495	645		451
Friends of the Rodeo/Animal rights			700	700	700	500
Refrigerated trailer			550			
<b>TOTAL INDIRECT EXPENSES</b>	<b>33,869</b>	<b>33,277</b>	<b>59,428</b>	<b>53,401</b>	<b>55,285</b>	<b>53,688</b>

**THE GABRIEL FOUNDATION  
RODEO PROFIT AND LOSS - RECAP BY YEAR**

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
<b>EXPENSES (CONT'D)</b>						
<b>ADVERTISING &amp; PROMOTION</b>						
Advertising	27,000	34,996	35,259	36,412	33,953	33,637
Marketing	16,500					
Program book	12,175	13,609				
Website	35	2,500				
Other	375					
<b>TOTAL ADVERTISING &amp; PROMOTION</b>	<u>56,085</u>	<u>51,105</u>	<u>35,259</u>	<u>36,412</u>	<u>33,953</u>	<u>33,637</u>
<b>OVERHEAD</b>						
Office salary	16,800	16,800	17,184	22,742	20,336	22,059
Payroll tax expense	1,467	1,719	1,835	2,586	2,159	1,627
Mileage	3,670	3,725	3,493	4,294	4,265	4,260
Bank Charges	121	208		12		
Committee meetings	254	66	49	212	243	337
Fax	0	255	746	716	670	607
Insurance	2,928	2,928	2,720	3,005	2,447	2,445
Ipad rental	152					
Merchant fees	664	1,067	1,183	824	1,047	1,338
Miscellaneous	0		12			
Office equipment	54	374			509	1,082
Office expense	665	660	121	1,265	2,399	1,260
Postage	398	169	464	727	852	1,119
Telephone	2,785	2,998	3,218	3,301	3,686	2,656
Worker' Comp Insurance	500	402	333	241	236	237
Flowers/Donations						100
Repairs and maintenance	0		30	198	15	
Website/Internet/DSL						450
<b>TOTAL OVERHEAD EXPENSES</b>	<u>30,458</u>	<u>31,371</u>	<u>31,388</u>	<u>40,123</u>	<u>38,864</u>	<u>39,577</u>
<b>TOTAL EXPENSES</b>	<u>258,386</u>	<u>255,460</u>	<u>278,123</u>	<u>237,460</u>	<u>271,389</u>	<u>222,546</u>
<b>NET RODEO</b>	<u>46,939</u>	<u>92,064</u>	<u>(17,382)</u>	<u>54,443</u>	<u>13,912</u>	<u>48,489</u>



**THE GABRIEL FOUNDATION  
RODEO PROFIT AND LOSS - RECAP BY YEAR**

	2017	2016	2015	2014	2013	2012
<b><u>Rodeo Income for current year</u></b>						
As per original year	45,971	90,812	24,727	56,025	51,267	31,586
Less prepaid expenses from prior year	(1,089)	(991)	(2,241)	(2,352)		
Subsequent Rodeo activity rec'd (paid)		2,243	3,519	1,068	5,666	17,052
Revised net realized	44,882	92,064	26,005	54,741	56,933	48,638
Additional Rodeo net income expected	2,057			(298)		(149)
Revised final net rodeo income	<u>46,939</u>	<u>92,064</u>	<u>26,005</u>	<u>54,443</u>	<u>56,933</u>	<u>48,489</u>
<b><u>Foundation Income for current year</u></b>						
As per original year	6,597	3,462	5,822	16,975	30,022	13,713
Subsequent Found.. activity rec'd (paid)	(100)	100				13,133
Less:						
Prior year Foundation money reported					(13,133)	(5,200)
Revised net realized	6,497	3,562	5,822	16,975	16,889	21,646
Additional Found. net income expected	1,200	200				
Revised final foundation income	<u>7,697</u>	<u>3,762</u>	<u>5,822</u>	<u>16,975</u>	<u>16,889</u>	<u>21,646</u>
<b><u>Total income with Foundation</u></b>						
As per original year	52,568	94,274	30,549	73,000	81,289	45,299
Less prepaid expenses from prior year	(1,089)	(991)	(2,241)	(2,352)		
Subsequent Rodeo activity rec'd (paid)	0	2,243	3,519	1,068	5,666	17,052
Subsequent Found.. activity rec'd (paid)	(100)	100	0	0	0	13,133
Less:						
Prior year Foundation money reported	0	0	0	0	(13,133)	(5,200)
Revised net realized	51,379	95,626	31,827	71,716	73,822	70,284
Additional Rodeo net income expected	2,057	0	0	(298)	0	(149)
Additional Found. net income expected	1,200			0	0	0
Revised final net rodeo income	<u>54,636</u>	<u>95,626</u>	<u>31,827</u>	<u>71,418</u>	<u>73,822</u>	<u>70,135</u>

## The Gabriel Foundation Sponsor Listing - Recap by Year and Type

Sponsor	2017	2016	2015	2014	2013	2012
<b>Major</b>						
City of Industry	105,000	50,000				
Industry Mfg. Council	City of Industry	55,000	55,000	55,000	55,000	55,000
<b>Total Major</b>	<b>105,000</b>	<b>105,000</b>	<b>55,000</b>	<b>55,000</b>	<b>55,000</b>	<b>55,000</b>
<b>Platinum/Patron</b>						
Majestic Realty Co.	15,000	15,000	15,000	15,000	15,000	15,000
Pacific Palms Resort (form.Sher)	10,000	10,000	10,000	10,000	10,000	10,000
San Gabriel Tribune	in kind	in kind	in kind	in kind	in kind	in kind
CNC Engineering	corporate	corporate	corporate	corporate	corporate	10,000
Donlon Builders		rodeo ptr	chute	rodeo ptr	rodeo ptr	arena
<b>Total Patron</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>35,000</b>
<b>Corporate</b>						
CNC Engineering	5,000	5,000	5,000	5,000	5,000	patron
Industry Security Systems	5,000	5,000	5,000			
Logistics Team (formerly UNIS)	5,000	5,000				
Majestic Realty Co.	platinum	platinum	platinum	platinum	platinum	platinum
Pacific Palms Resort (form.Sher)	patron	patron	patron	patron	patron	patron
Prolacta Bioscience		5,000	5,000	5,000		
Donlon Builders		rodeo ptr	chute	rodeo ptr	rodeo ptr	arena
Griffith Company		rodeo ptr		5,000	5,000	arena
Richards, Watson & Gershon			contribution	5,000	5,000	5,000
CGM Development (Foundation) Chang				rodeo ptr	rodeo ptr	grandstand
<b>Total Corporate</b>	<b>15,000</b>	<b>20,000</b>	<b>15,000</b>	<b>20,000</b>	<b>15,000</b>	<b>5,000</b>
<b>Event</b>						
Comerica Bank	3,500	3,500	3,000	3,000	3,000	3,000
Daum Commercial Real Estate	1,000	3,500	3,000			
Essendent	3,500	3,500	3,000	United	United	United
Grace In L.A.	3,725			grandstand		
Paramount Can Company	3,500	3,500	3,000	3,000	3,000	3,000
Valley Vista Disposal	3,500	3,500	3,000	3,000	3,000	3,000
Western Insurance & Marketing	3,500	3,500	3,000	2,500	3,000	3,000
United Stationers Charitable Trust	Essendent	Essendent	Essendent	3,000	3,000	3,000
Industry Security Service, Inc.	corporate	corporate	corporate	4,000	4,000	3,000
Haddick's Towing	arena	arena	3,000	3,000	3,000	3,000
NRG Energy Inc	arena	3,500	3,000	3,000		
A.M.P. Tree Services, Inc.		3,500	3,000	3,000	chute	arena
Anheiser Busch		3,000	3,000	3,000	3,000	
CT Realty		3,500	3,000	3,000	3,000	
Dedeaux properties		arena	3,000			
Leg Avenue, Inc.			arena	3,000	3,000	3,000
Puente Hills Auto (Hitchcock)				arena	rodeo ptr	arena
Buke, Williams & Sorensen, LLP				3,000	3,000	3,000
Service Bros Transport				3,000	rodeo ptr	
Walnut Creek Edison (Mission Energy)				3,000	3,000	3,000
State Farm Insurance					chute	3,000
U.S. Security Associates, Inc.					grandstand	
Superior Super Warehouse						grandstand
Robert & Sandra DIppe						
<b>Total Event</b>	<b>22,225</b>	<b>34,500</b>	<b>36,000</b>	<b>45,500</b>	<b>37,000</b>	<b>33,000</b>
<b>Scoreboard</b>						
Wal-Mart Foundation						Kid's Day
<b>Total Scoreboard</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Kid's Day</b>						
Fairplex	2,500	2,500				
Tropicana	arena	Donation	Donation	Donation	Donation	Donation
Wal-Mart Foundation						500
<b>Total Kid's Day</b>	<b>2,500</b>	<b>2,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>500</b>

## The Gabriel Foundation Sponsor Listing - Recap by Year and Type

Sponsor	2017	2016	2015	2014	2013	2012
<b>Chute, Exp Arena and Arena</b>						
<b>Chute</b>						
Bryan Press	1,000	1,500	2,000	2,000	2,000	2,000
Casso & Sparks	3,000	3,000				
Foothill Transit	3,000	3,000	2,000	2,000	2,000	exp arena
Leighton & Associates	3,000	3,000	2,000	2,000	2,000	2,000
Quemetco, Inc	3,000	3,000	2,000	2,000	2,000	2,000
Hill Brothers Chemical Company	3,000	arena	arena	arena	arena	arena
A.M.P. Tree Services, Inc.	event	event	event	event	2,000	arena
Paramount Can Company	event	event	event	event	event	event
United Stationers Charitable Trust	event	event	event	event	event	event
Donlon Builders	rodeo ptr	rodeo ptr	2,000	rodeo ptr	rodeo ptr	arena
Historical Resources (Homestead)	rodeo ptr	3,250	2,250	2,250	2,250	2,250
Kleinfelder	grandstand	grandstand	2,000	2,000	2,000	2,000
Citizens Business Bank	grandstand	grandstand	grandstand	grandstand	grandstand	grandstand
American Medical Response	in kind	in kind	in kind	in kind	in kind	in kind
Courtyard by Marriot (JMC)			1,000	1,000	1,000	1,000
Placeworks			2,000	2,000		
Van Wagner Communications				2,000	2,000	2,000
The Planning Center (Dwayne Mears)					2,000	2,000
State Farm Insurance					2,250	event
The Duncan Appraisal Corporation					rodeo ptr	rodeo ptr
Moore Stephens Wurth Frazer & Torbet, LLP						arena
<b>Total Chute</b>	<b>16,000</b>	<b>16,750</b>	<b>17,250</b>	<b>17,250</b>	<b>21,500</b>	<b>15,250</b>
<b>Expanded Arena</b>						
Rammell & Company	1,500	1,500	1,500	1,500	1,500	rodeo ptr
Foothill Transit	chute	chute	chute	chute	chute	500
Leo Hoffman Chevrolet/Puente Hills Chev			arena	arena	arena	
Chick Fil A	in kind	in kind	in kind	in kind	in kind	in kind
Chalmers Corporation (C.E.G.)		1,500	1,500	1,500	1,500	1,500
Waba Grill				1,500	1,500	1,500
<b>Total Expanded Arena</b>	<b>1,500</b>	<b>3,000</b>	<b>3,000</b>	<b>4,500</b>	<b>4,500</b>	<b>3,500</b>
<b>Arena</b>						
Industry Hills Expo Center	1,000	2,000				
Clear Channel Worldwide	1,000	1,000	1,000	1,000	rodeo ptr	rodeo ptr
Clearman's North Woods Inn	1,000	1,000	1,000	1,000	1,000	1,000
Frazer LLP	1,000	1,000	1,000	1,000	1,000	
Hitchcock Automotive	1,000	1,000	1,000	1,000	rodeo ptr	1,000
In-N-Out Burger	1,000	1,000	1,000	1,000	1,000	rodeo ptr
Ironworkers Local #433	1,000	1,000	1,000	1,000	1,000	1,000
Morehouse Foods, Inc.	1,000	1,000	1,000	1,000	1,000	1,000
O'Tasty Foods Inc.	1,000	1,000	1,000	1,000	1,000	1,000
Square Root Golf and Landscape	1,000	1,000	1,000	1,000	in kind	1,000
So Calif Gas Co	1,000		1,000	rodeo ptr	1,000	1,000
Haddick's Towing	1,000	1,000	arena	arena	arena	arena
VIP Wheatgrass	1,000	1,000				
NRG Energy Inc	1,000	event	event	event		
Tropicana	1,000	donation	donation	donation	donation	donation
Daum Commercial Real Estate	event	event	event			
Hill Brothers Chemical Company	chute	1,000	1,000	1,000	1,000	1,000
Upper SGV Municipal Water	rodeo ptr	rodeo ptr	rodeo ptr	rodeo ptr	rodeo ptr	rodeo ptr
Sam's Club	grant	1,000	1,000	1,000	1,500	1,000
Dedeaux properties		1,000	arena			
El Tepeyac Restaurant		1,000	1,000	1,000	1,000	rodeo ptr
A.M.P. Tree Services, Inc.		event	event	event	chute	1,000
Donlon Builders		rodeo ptr	chute	rodeo ptr	rodeo ptr	1,000
Griffith Company		rodeo ptr		corporate	corporate	1,000
Edison Internation (S.C.E.)			1,000	1,000	1,000	
Leg Avenue, Inc.			1,000	event	event	event
Leo Hoffman/Puente Hills Chevrolet			1,000	1,000	1,000	

## The Gabriel Foundation Sponsor Listing - Recap by Year and Type

Sponsor	2017	2016	2015	2014	2013	2012
Oltmans Construction			rodeo ptr		1,000	
Opti Color				1,000		
AllFast fastening Systems, Inc.				rodeo ptr	rodeo ptr	rodeo ptr
CGM Development (Foundation) Chang				rodeo ptr	rodeo ptr	grandstand
Fonda Don Chon Restuarat					1,000	
Termple CB LLC					1,000	
Puente Hills Hyundai					rodeo ptr	rodeo ptr
Frazer Frost, LLP						1,000
Rose Hills Memorial Park (Skyrose Chapel)						1,000
Robert & Sandra Dipre						
<b>Total Arena</b>	<b>15,000</b>	<b>17,000</b>	<b>16,000</b>	<b>15,000</b>	<b>15,500</b>	<b>14,000</b>
<b>Total Chute, Exp Arena and Arena</b>	<b>32,500</b>	<b>36,750</b>	<b>36,250</b>	<b>36,750</b>	<b>41,500</b>	<b>32,750</b>
<b>Rodeo Ptr/Exp Grandstand</b>						
All Green Insulation, Inc.	500	500	500	500	500	500
Ardent Environmental Group, Inc.	500	500	500	500	500	500
Capital Protection, Inc.	500	500	500	500	500	grandstand
Cardinal Industrial Finishes	500	500	500	500	500	
Harris, Curtis and Leona	500	500	500	500	grandstand	
General Sealants	500	500	500	500	500	500
Janus Pest Management, Inc.	500	500		grandstand	grandstand	grandstand
Mark Morely, DDS	500	500	500			
Minuteman Transport, Inc.	500	500	500	500	500	500
Pacheco & Pacheco/Western Hardware Cor	500	500	500	500	500	500
Puente Ready Mix	500	500	grandstand	grandstand	grandstand	grandstand
Sign Depot, Inc.	500	500	500	500	500	500
Superior Profiles, Inc.	500	500	500	500	500	500
Thrifty Horse	500	500	500	500	500	500
B & B Carpet Care	100	100	100	100	in kind	250
Maschio, Charles and Frances	500	grandstand	grandstand	grandstand	grandstand	grandstand
Fratto Chiropractic (Industry Chiro)	500	grandstand	grandstand	grandstand	grandstand	grandstand
Historical Resources (Homestead)	500	chute	chute	chute	chute	chute
Hartmann, Larry & Corinne	500					
One West Bank	1,000					
Upper San Gabriel Valley Water district	500	in kind	750	750	750	750
So Calif Gas Co	chute		arena	500	arena	arena
Chalmers Corporation	exp arena	exp arena	exp arena	exp arena	exp arena	exp arena
Rammell & Company	exp arena	exp arena	exp arena	exp arena	exp arena	500
Clear Channel Worldwide	arena	arena	arena	arena	500	500
El Tepeyac Cage Inc	arena	arena	arena	arena	arena	500
In-N-Out Burger	arena	arena	arena	arena	arena	500
Puente Hills Auto (Hitchcock)	arena	arena	arena	arena	500	arena
Barbara Seal	grandstand	500	500			
California Country Club	grandstand	grandstand	grandstand	grandstand	grandstand	grandstand
Western Milling (formerly O.H. Kruse)	in kind	in kind	in kind	in kind	in kind	in kind
AllFast fastening Systems, Inc.		500		500	500	500
CBRE (CB Richard Ellis)		500	500	500	500	500
Donlon Builders		500	chute	500	500	arena
Griffith Company		500		corporate	corporate	arena
La Puente Valley ROP		500	500	500	grandstand	grandstand
Marvin Schildkraut		500	500	500	500	500
S. Sanders Company		500	500	500	500	500
Weatherite Corp.		grandstand	500	500	500	500
Clarion Construction, Inc.			750	750	750	750
Oltmans Construction			500		arena	
Puente Hills Mall (Glincher)			500	500	500	500
Taipai Fubon Commercial Bank			500	500	500	500
CDC Small Business Finance (Dean G Aloe)				500	500	500
CGM Development (Foundation) Chang				500	500	grandstand
Charlie Aguirre				500	500	500
Mazda of Puente Hills				500		

## The Gabriel Foundation Sponsor Listing - Recap by Year and Type

Sponsor	2017	2016	2015	2014	2013	2012
Service Bros Transport				event	500	
CBS Outdoor					500	500
The Duncan Appraisal Corporation					500	500
Puente Hills Hyundai					500	500
D C Moss						500
Gayton Foods						500
G & L Food Wgikesaker						500
Great Commission Church						500
SBF (Sign & Banner Factory)						500
Superior Super Warehouse						grandstand
Vinh-Sanh Trading Corp.						grandstand
TRC International Corp						
Brea Canyon Insulation (Gary Dudley)						
<b>Total Rodeo Ptr/Exp Gdtsd</b>	<b>10,600</b>	<b>11,100</b>	<b>12,100</b>	<b>14,100</b>	<b>15,000</b>	<b>16,250</b>
<b>Grandstand</b>						
AEI-CASC Consulting	250	250	250	250	250	250
California Country Club	250	250	250	225	225	250
Citizens Business Bank	250	250	250	250	250	250
Coastal Comprehensive Ins Agency, Inc.	250	250	250	250	250	250
Deer Creek Hat Co	250	250	250	250		
El Pueblo Burger	250	250	250	250		250
Hacienda Village Meats	250	250	250	250	250	250
Huntington Marketing	250	250	250			
Industry Hills Rotary Club	250	250	500	250	250	250
Industry Lift, Inc.	250		250	250	250	250
Kleinfelder	250	250	chute	chute	chute	chute
Lock's Plus	250	250	250	250	250	250
Maintex, Inc.	250	250	250	250	250	250
Morgan Termite	250	250	250	250		
Patrick W. Medlock, CPA	250	250	250	250	250	250
Robert (RH) Peterson Co.	250	250	250	250	250	250
The Label Shoppe	250					
New American Funding	250					
Barbara Seal	250	rodeo ptr	rodeo ptr			
Grace in L.A.	event			250		
Capital Protection, Inc.	rodeo ptr	rodeo ptr	rodeo ptr	rodeo ptr	rodeo ptr	250
Curtins and Leona Harris	rodeo ptr	rodeo ptr	rodeo ptr	rodeo ptr	250	
Fratto Chiropractic (Industry Chiro)	rodeo ptr	250	250	250	250	250
General Sealants	rodeo ptr	rodeo ptr	rodeo ptr	rodeo ptr	rodeo ptr	rodeo ptr
Janus Pest Management, Inc.	rodeo ptr	rodeo ptr		250	250	250
La Puente Valley ROP	rodeo ptr	rodeo ptr	rodeo ptr	rodeo ptr	250	250
Maschio, Charles and Frances	rodeo ptr	250	250	250	250	250
Puente Ready Mix	rodeo ptr	rodeo ptr	250	250	250	250
Bennitt, Carl and Lora		250	250	250	250	250
Bowden Development, Inc.		250	250	200	200	200
HS Shirts		250				
Joe Gonsalves & Son		250	200	200	200	200
Malcom, Thomas and Marillyn		250	250	250	250	250
Old World Deli		250				
Sachs, Don and Nanci		250	250	250	250	250
Whittemore, Ron		250	250	250	250	250
Weatherite Corp.		250	rodeo ptr	rodeo ptr	rodeo ptr	rodeo ptr
Briglio & Cheung			250	250	250	250
Partree Insurance			250	250	250	250
Stedry, Richard & Rebecca			250	250	250	250
Teknor Apex Company/Maclin Co.			250	250	250	250
Taipai Fubon Commercial Bank			rodeo ptr	rodeo ptr	rodeo ptr	rodeo ptr
Home Town Buffet			in kind	in kind	in kind	in kind
Dee Galbraith (in memory of)				250	250	250
Paragon Partners Ltd.				250	250	250
CGM Development (Foundation) Chang				rodeo ptr	rodeo ptr	250
C.V. Ice Company, Inc.					250	250

**The Gabriel Foundation**  
**Sponsor Listing - Recap by Year and Type**

<b>Sponsor</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Mary Ann King					250	250
U.S. Security Associates, Inc.					250	
Coastline Equipment						250
Craig Chyrchel						200
Life Guard						250
Michael K. O'Shea DPM Inc.						250
Superior Super Warehouse						250
Vinh-Sanh Trading Corp.						250
D C Moss (Don Moss)						rodeo ptr
ATI Architects & Engineers						
Bolt Products Inc.						
JG Concrete Const., Inc.						
Loretta Lima Transportation						
<b>Total Grandstand</b>	<b>4,750</b>	<b>6,500</b>	<b>7,200</b>	<b>7,625</b>	<b>7,875</b>	<b>9,600</b>
<b>Sponsorship Summary</b>						
Major	105,000	105,000	55,000	55,000	55,000	55,000
Corporate	15,000	20,000	15,000	20,000	15,000	5,000
Patron	25,000	25,000	25,000	25,000	25,000	35,000
Event	22,225	34,500	36,000	45,500	37,000	33,000
Scoreboard	0	0	0	0	0	0
Kid's Day	2,500	2,500	0	0	0	500
Special	0	0	0	0	0	0
Chute/Arena	32,500	36,750	36,250	36,750	41,500	32,750
Rodeo Partner / Exp Grandstand	10,600	11,100	12,100	14,100	15,000	16,250
Grandstand	4,750	6,500	7,200	7,625	7,875	9,600
<b>Grand Total Sponsorships</b>	<b>217,575</b>	<b>241,350</b>	<b>186,550</b>	<b>203,975</b>	<b>196,375</b>	<b>187,100</b>
As per original year	211,325	237,600	183,050	202,225	191,125	170,325
Subsequent payments received		3,750	3,500	1,750	5,250	16,775
<b>Subtotal</b>	<b>211,325</b>	<b>241,350</b>	<b>186,550</b>	<b>203,975</b>	<b>196,375</b>	<b>187,100</b>
Additional payments expected	6,250					
<b>Expected sponsorship totals expected</b>	<b>217,575</b>	<b>241,350</b>	<b>186,550</b>	<b>203,975</b>	<b>196,375</b>	<b>187,100</b>
	0	0	0	0	0	0

*CITY COUNCIL*

ITEM NO. 8.3

Presentation will be provided by  
Director of Finance Susan Paragas

*CITY COUNCIL*

ITEM NO. 8.4





# CITY OF INDUSTRY

## MEMORANDUM

**TO:** Honorable Mayor and Council Members

**STAFF:** Susan Paragas, Director of Finance *SP*

**DATE:** April 12, 2018

**SUBJECT:** Receive and File the City of Industry's Financial Statements for Fiscal Year 2016-2017

---

### **BACKGROUND**

The Independent Auditors' Report and Basic Financial Statements ("FS") is an audited summary report of the financial transactions of the City. The FS provides information about the finances of the City as well as information about individual funds. The FS is presented to the City Council and designed to provide summary financial information for citizens, other government agencies, bondholders and other interested parties.

The goal of an independent audit is to provide reasonable assurance that the financial statements of the City are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting amounts and disclosures in the financial statements. The audit also assesses the accounting principles used and evaluates the overall financial statement presentation.

### **DISCUSSION**

The fiscal year 2016-2017 FS was audited by The Pun Group ("Auditors"), an independent third party audit firm. The Auditors' opinion is that the FS present fairly and is in accordance with accounting principles generally accepted in the United States of America.

The FY 2016-2017 FS is organized as summarized below:

#### **Financial Section**

- Independent Auditor's Report – The City's report card on the content of the FS.
- Management's Discussion and Analysis – Provides an analytical overview of the City's financial status and result for the year.

- Basic Financial Statements – Reports finances at a point in time (assets – liabilities) and throughout the year (revenues – expenditures), and cash flows.
  - City-Wide Statements – Financial information overview including all of the City’s operations by financial activity.
  - Fund Financial Statements – Detailed look at funds, reporting the Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balance.
  - Notes to the Financial Statements – Narrative explanation that accompanies the Basic Financial Statements.

#### Required Supplementary Information

- Budget to Actual Comparisons – For all governmental funds with a legally adopted budget.
- Pension Information – Schedule of changes in the pension liability and related ratios.
- OPEB Information – Schedule of Other Post-Employment Benefits Other Than Pensions.

#### Supplementary Information

- Capital Projects Fund – Statements for capital project and Civic-Recreational-Industrial Authority funds.
- Debt Service Funds – Statements for debt service funds.
- Nonmajor Governmental Funds – Statements for special revenue funds (restricted funds) such as Grants, Gas Tax, Proposition A and C, etc.
- Industry Public Utilities Commission – Statements for the Electric and Water Enterprise Funds
- Agency Fund – Statement for the assessment district.
- Schedule of Long-Term Debt – Schedule of bond obligations of the City.

### **Financial Highlights**

#### Government-Wide Financial Statements

- At the close of the fiscal year, the assets of the City exceeded liabilities by \$885.4 million (Total net position) compared to \$854.3 million in FY 2015-2016, which is an increase of \$31.1 million mainly caused by increases in capital assets, reductions in health insurance costs and lower interest expense.
- As of June 30, 2017, the City’s governmental activities reported a net position of \$847.3 million compared to \$815.9 million in FY 2015-2016, a \$31.4 increase.
- As of June 30, 2017, the City’s business-type activities reported a net position of \$38.1 million compared to \$38.4 million in FY 2015-2016, a \$0.3 million decrease.

General Fund Financial Statements

- At the close of the fiscal year, the City's General Fund reported an ending fund balance of \$750.4 million compared to \$788.6 million in FY 2015-2016 which is a reduction of \$38.2 million primarily due to increased capital projects expenditures.
- The fund balance consist of \$13.1 million in unspendable funds and \$737.3 million in unassigned funds.

The FY 2016-2017 FS provides reasonable assurance that the City is able to provide for its future operating costs and is financially strong.

**FISCAL IMPACT:**

There is no fiscal impact associated with this receive and file action.

**RECOMMENDED ACTION:**

Staff recommends that Council receive and file the City's Financial Statements report for FY 2016-2017.

**ATTACHMENT:**

Independent Auditors' Report and Basic Financial Statements-For Year Ended June 30, 2017

# **City of Industry**

City of Industry, California

## **Independent Auditors' Report and Basic Financial Statements**

*For the Year Ended June 30, 2017*



**City of Industry**  
**For the Year Ended June 30, 2017**

**Table of Contents**

---

	<u>Page</u>
<b>Independent Auditors' Report</b> .....	1
<b>Management's Discussion and Analysis (Required Supplementary Information) (Unaudited)</b> .....	5
<b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Position .....	20
Statement of Activities and Changes in Net Position .....	22
Fund Financial Statements:	
Governmental Fund Financial Statements:	
Balance Sheet - Governmental Funds .....	29
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position .....	30
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	31
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government Wide Statement of Activities .....	32
Proprietary Fund Financial Statements:	
Statement of Net Position .....	35
Statement of Revenues, Expenditures, and Changes in Net Position .....	37
Statement of Cash Flows .....	38
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Net Position .....	43
Statement of Changes in Net Position .....	44
Notes to the Basic Financial Statements .....	49
<b>Required Supplementary Information (Unaudited):</b>	
Budgetary Comparison Schedule – General Fund .....	107
Notes to the Required Supplementary Information .....	108
Schedule of City's Proportionate Share of Net Pension Liability and Related Ratios .....	109
Schedule of City's Contributions .....	110
Schedule of Funding Progress – OPEB Plan .....	111

**City of Industry**  
**For the Year Ended June 30, 2017**

**Table of Contents (Continued)**

---

	<u>Page</u>
<b>Supplementary Information:</b>	
Capital Projects Fund:	
Combining Balance Sheet – Capital Projects Funds .....	117
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Capital Projects Funds .....	118
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual Capital Projects Fund .....	119
Civic-Recreational-Industrial Authority Capital Projects Fund .....	120
Debt Service Funds:	
Combining Balance Sheet – Debt Service Funds .....	123
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Debt Service Funds .....	124
Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual Debt Service Fund .....	125
Tax Override Debt Service Fund .....	126
Industry Public Facilities Authority Debt Service Fund .....	127
Nonmajor Governmental Funds:	
Combining Balance Sheet – Non Major Governmental Funds .....	130
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non Major Governmental Funds .....	132
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual: State Gas Tax Special Revenue Fund .....	134
Measure R Local Return Special Revenue Fund .....	135
Proposition A Sales Tax Special Revenue Fund .....	136
Proposition C Special Revenue Fund .....	137
Grant Special Revenue Fund .....	138
AQMD Grant Special Revenue und .....	139
Industry Public Utilities Commission - Enterprise Funds:	
Combining Statement of Net Position – Industry Public Utilities Commission – Enterprise Funds .....	143
Combining Statement of Revenues, Expenses, and Changes in Net Position Industry Public Utilities Commission – Enterprise Funds .....	144
Combining Statement of Cash Flows Industry Public Utilities Commission – Enterprise Funds .....	145
Agency Fund:	
Statement of Changes in Fiduciary Assets and Liabilities .....	149
Schedule of Long-Term Debt – City of Industry only:	
\$37,860,000 General Obligation Refunding Bonds, Issue of 2009 .....	153
\$50,975,000 General Obligation Refunding Bonds, Series B, Issue of 2009 .....	154
\$43,340,000 General Obligation Refunding Bonds, Issue of 2010 .....	155
\$28,985,000 General Obligation Refunding Bonds Taxable, Issue of 2014 .....	156
\$336,570,000 Taxable Sales Tax Revenue Refunding Bonds, Series 2015A .....	157
\$51,460,000 Taxable Sales Tax Revenue Refunding Bonds, Series 2015B .....	159
\$34,340,000 Taxable Sales Tax Revenue Refunding Bonds, Issue of 2017 .....	161



## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council  
of the City of Industry  
City of Industry, California

### **Report on the Financial Statements**

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 City of Industry, California (the "City") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility 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; this includes 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 Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### *Opinions*

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, 2017, 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.

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

To the Honorable Mayor and Member of City Council  
of the City of Industry  
City of Industry, California  
Page 2

***Other Matters***

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A"), the Budgetary Comparison Schedule, the Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios, the Schedule of the City's Contributions and the Schedules of Funding Progress – Other postemployment Benefits Plan on pages 5 to 15 and 107 to 111 be presented to supplement the basic financial statements. Such 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. 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.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements, Schedule of Revenues, Expenses, and Change in Fund Balances – Budget and Actual, and Schedule of Long-Term Debt are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual fund financial statements, the Schedule of Revenues, Expenses, and Change in Fund Balances – Budget and Actual, and the Schedule of Long-Term Debt are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual fund financial statements, Schedule of Revenues, Expenses, and Change in Fund Balances – Budget and Actual, and Schedule of Long-Term Debt are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



To the Honorable Mayor and Member of City Council  
of the City of Industry  
City of Industry, California  
Page 3

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*The PwC Group, LLP*

Santa Ana, California  
March 30, 2018

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# City of Industry

## Management Discussion and Analysis

### For the Year Ended June 30, 2017

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As management of the City of Industry and its component units (“City”), we offer readers of the City’s financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the City’s financial statements.

#### **Financial Highlights**

- The assets and deferred outflows of the City’s governmental activities exceeded its liabilities and deferred inflows at June 30, 2017 by \$835.9 million (Net Position). Of this amount, \$258.4 million is invested in capital assets, \$199.0 million is restricted for capital projects activities and \$230.4 million in unrestricted net position. Net Position reflects an increase of \$20.0 million from prior period and is attributable to increases in capital assets, reductions in health insurance costs, and lower interest expense.
- The assets of the City’s business-type activities exceeded its liabilities at June 30, 2017 by \$38.1 million (Net Position). Of this amount, \$30.9 million is invested in capital assets, net of related debt, and \$7.2 million in unrestricted net position. Net position decreased by \$0.3 million due to a decrease in total current assets attributable to lower prepaid items.
- The City’s total debt and liabilities decreased by \$201.2 million of which is primarily attributable to reductions in bond payment deposits, interest payable and long-term liabilities due in more than one year.
- In the General Fund, the net change in fund balance was a decrease of \$38.2 million. The reduction was primarily due to an expenditure increase in capital projects of \$33.9 million. At June 30, 2017, the General Fund ending fund balance was \$750.5 million with an unassigned balance of \$737.3 million.

#### **General Overview of the Financial Statements**

This annual report consists of four parts – *management’s discussion and analysis*, the *basic financial statements*, *required supplementary information*, and other supplementary information section that presents *combining financial statements* and *debt amortization schedules*. The basic financial statements are comprised of 3 parts – (1) the government-wide financial statements, (2) the fund financial statements and (3) the notes to the financial statements. The government-wide financial statements, the Statement of Net Position and the Statement of Activities provide information about the activities of the City as a whole and present a long-term view of the City’s finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City’s operations in more detail than the government-wide statements by providing information about the City’s most significant funds.

#### **Government-Wide Statements**

##### **The Statement of Net Position and the Statement of Activities**

The Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities. These statements include all assets, deferred outflows of resources, liabilities, and deferred inflows of resources using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year’s revenues and expenses are taken into account regardless of when cash is received or paid.

**City of Industry**  
**Management Discussion and Analysis (Continued)**  
**For the Year Ended June 30, 2017**

---

These two statements report the City's Net Position and changes thereto. Net Position, the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources are one way to measure the City's financial health or financial position. Over time, increases or decreases in Net Position are an indicator of whether the financial health is improving or deteriorating.

However, it is important to consider other non-financial factors such as changes in the City's property tax base or condition of the City's roads to accurately assess the overall health of the City.

The Statement of Net Position and the Statement of Activities, present information about the following:

**Governmental Activities** - All of the City's basic services are considered to be governmental activities, including general government, community development, public safety, public works, and community services. Property taxes, transient occupancy taxes, sales taxes, and franchise fees finance most of these activities.

**Proprietary Activities/Business Type Activities** - The City charges a fee to customers to cover all or most of the cost of the services provided. The Industry Public Utilities Commission (the "IPUC"), the Industry Hills Expo Center, and the Industry Property and Housing Authority (the "Housing Authority") are reported in this category.

**Component Units** - The City's government-wide financial statements include the blending with the City of the following entities: The Civic-Recreational-Industrial Authority ("CRIA"), the Industry Public Utilities Commission, the City of Industry Public Facilities Authority (the "PFA") and the Industry Property and Housing Management Authority (the "Housing Authority"). Although legally separate, these "component units" are important because the City is financially accountable for them.

## **Reporting the City's Most Significant Funds**

### **Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds that aid in the administration of resources for particular purposes or meet legal responsibilities associated with the usage of certain taxes, grants, and other money. The City's three kinds of funds, governmental, proprietary and fiduciary, use different accounting approaches as explained below.

**Governmental Funds** - Most of the City's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out with balances remaining at year-end that are available for spending. These funds are reported using an accounting method called modified accrual, which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds through a reconciliation following the fund financial statements.

**Proprietary Funds** – The City maintains three enterprise funds. The enterprise funds are classified as proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for the IPUC, Industry Hills Expo Center, and Housing Authority. These funds use the full accrual method of accounting.

**City of Industry**  
**Management Discussion and Analysis (Continued)**  
**For the Year Ended June 30, 2017**

**Fiduciary Funds** – Agency Funds are used to account for assets held by the City as an agent for individuals, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations. The Private-Purpose Trust Fund is a fiduciary fund used by the City to report trust arrangements under which the principal and income benefits other governments. This fund reports the assets, liabilities and activities of the Successor Agency of the Industry Urban-Development Agency.

The City is the trustee, or fiduciary, for certain amounts held on behalf of developers, property owners, and others. These fiduciary activities are reported in Private-Purpose Trust Fund. The City is responsible for ensuring that the assets are used for their intended purposes. Therefore, fiduciary activities are excluded from the City’s other financial statements because the assets cannot be used to finance operations.

**The City as a Whole**

Our analysis focuses on the net position (Tables 1 and 3) and changes in net position (Tables 2 and 4) of the City’s governmental and business activities.

**Governmental Activities – Net Position**

Table 1  
Net Position

	Governmental Activities		
	2017	2016	Change
Current and other assets	\$ 1,650,445,972	\$ 1,872,534,528	\$ (222,088,556)
Capital assets, net	261,840,782	209,898,826	51,941,956
Total assets	<u>1,912,286,754</u>	<u>2,082,433,354</u>	<u>(170,146,600)</u>
Deferred outflows of resources			
Deferred charge on refunding	1,668,477	2,119,907	(451,430)
Deferred outflows of resources - pension	1,850,952	467,282	1,383,670
Total deferred outflows of resources	<u>3,519,429</u>	<u>2,587,189</u>	<u>932,240</u>
Long-term liabilities	1,028,275,683	1,109,300,873	(81,025,190)
Other liabilities	39,366,918	159,008,366	(119,641,448)
Total liabilities	<u>1,067,642,601</u>	<u>1,268,309,239</u>	<u>(200,666,638)</u>
Deferred inflows of resources			
Deferred inflows of resources - pension	<u>829,627</u>	<u>817,775</u>	<u>11,852</u>
Net position:			
Net investment in capital assets	258,386,502	205,662,259	52,724,243
Restricted for:			
Transportation and road	2,715,269	1,505,868	1,209,401
Capital projects	199,014,172	243,227,336	(44,213,164)
Debt service	145,335,927	298,183,888	(152,847,961)
Unrestricted	<u>241,882,085</u>	<u>67,314,178</u>	<u>174,567,907</u>
Total net position	<u>\$ 847,333,955</u>	<u>\$ 815,893,529</u>	<u>\$ 31,440,426</u>

**City of Industry**  
**Management Discussion and Analysis (Continued)**  
**For the Year Ended June 30, 2017**

As noted above, 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 approximately \$835.9 million at June 30, 2017.

The largest portion of the Net Position is restricted by external sources on how the funds may be used. Approximately \$258.4 million is the City's net investment in its capital assets. In addition, approximately \$145.3 million are restricted for the City's future debt service obligations. It should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The City's total Net Position under governmental activities increased over the prior year by \$31.4 million mainly due to increases in capital assets, reductions in health insurance costs, and lower interest expense.

Total liabilities and deferred inflows of resources decreased by approximately \$200.7 million primarily attributable to reductions in bond payment deposits, interest payable and long-term liabilities due in more than one year.

The increase in net investment in capital assets of \$52.7 million is a result of current year additions to capital assets and higher depreciation expense.

**Governmental Activities – Changes in Net Position**

Table 2  
Change in Net Position

	Governmental Activities		
	2017	2016	Change
<b>Revenues:</b>			
Taxes	\$ 136,810,762	\$ 96,221,789	\$ 40,588,973
Revenues from use of money and property	27,010,307	90,322,153	(63,311,846)
Other revenues	7,084,608	273,213	6,811,395
Community development	3,664,593	3,427,511	237,082
Total revenues	<u>174,570,270</u>	<u>190,244,666</u>	<u>(15,674,396)</u>
<b>Expenses:</b>			
General government	6,172,004	5,143,831	1,028,173
Support services	6,526,175	9,122,221	(2,596,046)
Community development	1,885,162	1,508,073	377,089
Community services	3,825,602	4,208,139	(382,537)
Public safety	12,667,221	14,703,686	(2,036,465)
Capital projects and public works	15,249,426	24,695,090	(9,445,664)
Interest expense	50,188,311	54,878,655	(4,690,344)
Total expenses	<u>96,513,901</u>	<u>114,259,695</u>	<u>(17,745,794)</u>
Increase in net assets before Other Items	78,056,369	75,984,971	2,071,398
Transfers, net	<u>(46,615,943)</u>	<u>(10,033,359)</u>	<u>(36,582,584)</u>
Increase (decrease) in net position	<u>31,440,426</u>	<u>65,951,612</u>	<u>(34,511,186)</u>
Net position, beginning of year	815,893,529	749,941,917	65,951,612
Net position, end of year	<u>\$ 847,333,955</u>	<u>\$ 815,893,529</u>	<u>\$ 31,440,426</u>

**City of Industry**  
**Management Discussion and Analysis (Continued)**  
**For the Year Ended June 30, 2017**

The total revenues, reported as governmental activities, decreased by approximately \$15.7 million. This was due to a decrease in revenue from use of money and property of \$63.3 million as a result of a reduction of a \$12.4 million adjustment in fair market values of current investments, \$4.7 million in lower interest income due to the payoff of debt service payments, including an early redemption. However, it was offset by a \$46.3 million collection of tax override revenues used for early redemption of IUUA bonds.

The City's total expenses before other items decreased by approximately \$17.7 million from the prior year. The reduction was attributable to lower costs in employee health premiums, lower capital project costs and interest expense.

**Business-Type Activities – Net Position**

Table 3  
Net Position

	Business-Type Activities		
	2017	2016	Change
Current and other assets	\$ 15,358,333	\$ 14,657,297	\$ 701,036
Capital assets, net	30,931,672	32,480,986	(1,549,314)
Total assets	<u>46,290,005</u>	<u>47,138,283</u>	<u>(848,278)</u>
Liabilities	8,174,115	8,722,059	(547,944)
Total liabilities	<u>8,174,115</u>	<u>8,722,059</u>	<u>(547,944)</u>
Net position:			
Net investment in capital assets	30,911,524	32,480,986	(1,569,462)
Unrestricted	7,204,366	5,935,238	1,269,128
Total net position	<u>\$ 38,115,890</u>	<u>\$ 38,416,224</u>	<u>\$ (300,334)</u>

Total net position for the City's business type activities decreased by approximately \$0.3 million as compared to the prior year. The decrease was primarily attributable to reductions in bond payment deposits, interest payable and long-term liabilities due in more than one year.

**City of Industry**  
**Management Discussion and Analysis (Continued)**  
**For the Year Ended June 30, 2017**

**Business-Type Activities – Change in Net Position**

The change in Net Position for business type activities is summarized as follows:

Table 4  
Change in Net Position

	Business-Type Activities		
	2017	2016	Change
<b>Revenues:</b>			
Charges for services	\$ 10,427,691	\$ 10,481,162	\$ (53,471)
Revenues from use of money and property	62,692	21,210	41,482
Total revenues	<u>10,490,383</u>	<u>10,502,372</u>	<u>(11,989)</u>
<b>Expenses:</b>			
Purchased electricity	4,973,802	3,665,748	1,308,054
Water transmission and distribution	3,316,481	2,661,023	655,458
Cost of expo operations	2,913,056	2,853,847	59,209
Cost of housing authority operations	531,725	858,284	(326,559)
Total expenses	<u>11,735,064</u>	<u>10,038,902</u>	<u>1,696,162</u>
Income (Loss) from operations before transfers	(1,244,681)	463,470	(1,708,151)
Transfers	944,347	570,038	374,309
Change in net position	<u>(300,334)</u>	<u>1,033,508</u>	<u>(1,333,842)</u>
Net position, beginning of year	38,416,224	37,382,716	1,033,508
Net position, end of year	<u>\$ 38,115,890</u>	<u>\$ 38,416,224</u>	<u>\$ (300,334)</u>

Revenues decreased by almost \$0.01 million year over year. This was a primarily due to a reduction of \$0.07 million in Electric sales as a result of a fluctuation in customer usage. However, expenses increased from prior year by almost \$1.7 million which was a result of higher costs of \$1.3 million in purchased electricity and \$0.66 million in water transmission and distribution. However, this was offset by lower costs of \$0.33 million in housing maintenance and repairs due to improved monitoring by staff.

Transfers-in from the general fund increased by \$0.37 million mostly as a result of the reclassification of capital project expenses to the Capital Projects fund. The project costs were eligible to be funded by the bond proceeds of 2015 Taxable Sales Tax Revenue Refunding Bonds, Series B.



**City of Industry**  
**Management Discussion and Analysis (Continued)**  
**For the Year Ended June 30, 2017**

**Financial Analysis of the City's Funds**

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. Below is a summary of the general fund revenues and expenditures compared to the prior year.

Table 5  
General Fund Comparison

	2017	2016	Change
<b>Revenues:</b>			
Taxes	\$ 36,749,539	\$ 37,339,981	\$ (590,442)
Intergovernmental	2,891,853	-	2,891,853
Charges for services	1,623,313	1,564,264	59,049
Licenses and permits	1,616,681	1,524,979	91,702
Fines, forfeitures and penalties	350,559	338,268	12,291
Revenues from use of money and property	5,592,034	12,606,738	(7,014,704)
Other revenue	642,699	-	642,699
<b>Total revenues</b>	<b>49,466,678</b>	<b>53,374,230</b>	<b>(3,907,552)</b>
<b>Expenditures:</b>			
Legislative	743,861	682,050	61,811
General administration	3,404,232	2,685,848	718,384
Community development	1,750,775	864,366	886,409
Community services	3,147,903	3,522,249	(374,346)
Public safety	10,907,556	8,610,354	2,297,202
Public works	11,142,022	13,176,829	(2,034,807)
Support services	5,856,392	8,429,092	(2,572,700)
Capital projects	42,813,923	8,927,978	33,885,945
<b>Total expenditures</b>	<b>79,766,664</b>	<b>46,898,766</b>	<b>32,867,898</b>
<b>Excess of Revenues over Expenditures</b>	<b>(30,299,986)</b>	<b>6,475,464</b>	<b>(36,775,450)</b>
<b>Other Financing Sources (Uses):</b>			
Pay-off loan from Successor Agency in refunding	-	(14,421,307)	14,421,307
Proceeds from sale of assets	1,166,665	-	1,166,665
Net Transfers	(9,099,528)	464,569,825	(473,669,353)
<b>Total other financing sources (uses)</b>	<b>(7,932,863)</b>	<b>450,148,518</b>	<b>(458,081,381)</b>
<b>Change in fund balances</b>	<b>\$ (38,232,849)</b>	<b>\$ 456,623,982</b>	<b>\$ (494,856,831)</b>

The General Fund is the main operating fund of the City. At the end of the current fiscal year, the General Fund reflects a fund balance of \$750.4 million, which is a decrease from prior year of \$38.2 million. The reduction was primarily due to a \$33.9 million increase in capital projects and a net revenue reduction of \$3.9 million mainly as a result of a reduction in market value adjustments of \$12.6 million (-1.9%) in investments totaling \$671.2 million. The reduction was offset with higher interest income (+\$4.4 million), rental income (+\$1.2 million) and an intergovernmental reimbursement mainly from the IUDA (+\$2.7 million).

**City of Industry**  
**Management Discussion and Analysis (Continued)**  
**For the Year Ended June 30, 2017**

Total expenditures of the General Fund increased by \$32.9 million over prior year. The majority of this increase was due to a \$33.9 million increase over prior year in real estate purchases.

Other Financing Sources decreased by \$458.1 million primarily due to the transfer in prior year of \$464.6 million from a bond redemption and a loan that was made to the Successor Agency.

**General Fund Budgetary Highlights**

The City adopts a budget every fiscal year. Differences between the budget and actual expenditures for the general fund are shown below:

Table 6  
General Fund Budget to Actual Comparison

	Original Budget	Revised Budget	Actual	Variance
Legislative	\$ 1,005,615	\$ 963,565	\$ 743,861	\$ 219,704
General administration	4,248,520	3,725,825	3,404,232	321,593
Community development	1,835,650	1,936,062	1,750,775	185,287
Community services	3,693,786	3,759,786	3,147,903	611,883
Public safety	9,997,195	9,974,815	10,907,556	(932,741)
Public works	14,039,800	16,485,303	11,142,022	5,343,281
Support services	5,528,185	5,941,475	5,856,392	85,083
Capital outlay	-	-	42,813,923	(42,813,923)
Total expenditures	<u>\$ 40,348,751</u>	<u>\$ 42,786,831</u>	<u>\$ 79,766,664</u>	<u>\$ (36,979,833)</u>

The budget overage in the Public Safety was mainly due to the City's General Fund exchanges with Proposition A funds from other cities. The \$5.3 million under budgeted in Public Works was a result of certain capital projects that are work in progress or were not begun. The budget overage in Capital Outlay was primarily due to real estate purchases that were not budgeted.

**City of Industry**  
**Management Discussion and Analysis (Continued)**  
**For the Year Ended June 30, 2017**

**Capital Asset and Debt Administration**

**Capital Assets**

Net capital assets for governmental activities as of June 30, 2017 and 2016 are summarized as follows:

Table 7  
Net Capital Assets at Year-End

	Governmental Activities		
	2017	2016	Change
Land	\$ 100,991,923	\$ 60,035,146	\$ 40,956,777
Construction in progress	23,014,165	7,028,403	15,985,762
Buildings and improvements	118,398,933	118,398,933	-
Equipment, furniture and fixtures	6,392,316	6,378,133	14,183
Infrastructure	143,030,585	141,395,929	1,634,656
Capital assets, gross	391,827,922	333,236,544	58,591,378
Less accumulated depreciation	(129,987,140)	(123,337,718)	(6,649,422)
Capital assets, net	<u>\$ 261,840,782</u>	<u>\$ 209,898,826</u>	<u>\$ 51,941,956</u>

As of June 30, 2017, the City's governmental activities had approximately \$261.8 million invested in capital assets including buildings, land, roads, and other general infrastructure net of accumulated depreciation. This amount represents a net increase of \$51.9 million from prior year which was due to land acquisitions and increased capital project activities. Accumulated depreciation increased by \$6.6 million.

Net capital assets for business activities as of June 30, 2017 and 2016 are summarized as follows:

Table 8  
Net Capital Assets at Year-End

	Business-Type Activities		
	2017	2016	Change
Land	\$ 6,764,880	\$ 6,764,880	\$ -
Water rights	441,200	441,200	-
Buildings and improvements	54,473,202	54,441,369	31,833
Source of supply	4,495,493	4,495,493	-
Equipment, furniture and fixtures	1,288,657	1,288,657	-
Infrastructure	294,622	294,622	-
Construction in progress	4,549	4,549	-
Capital assets, gross	67,762,603	67,730,770	31,833
Less accumulated depreciation	(36,830,931)	(35,249,784)	(1,581,147)
Capital assets, net	<u>\$ 30,931,672</u>	<u>\$ 32,480,986</u>	<u>\$ (1,549,314)</u>

Capital assets in the Business-Type Activities belong to IPUC and the Industry Hills Expo Center. The decrease in net capital assets of \$1.5 million was primarily a result of a net increase in accumulated depreciation of \$1.6 million while activities in buildings and improvements increased by \$0.03 million.

**City of Industry**  
**Management Discussion and Analysis (Continued)**  
**For the Year Ended June 30, 2017**

**Debt**

At June 30, 2017, the City had total long term debt and other non-current liabilities of approximately \$1.03 billion which is a decrease of \$81.0 million from prior year. The reduction is primarily due to retiring of \$82.5 million in the principal of bonded debt while the City's pension liability increased by \$1.5 million.

Below is a summary of the outstanding debt at June 30:

Table 9  
Outstanding Debt, at Year-End

	Governmental Activities		
	2017	2016	Change
General obligation bonds	\$ 94,075,000	\$ 104,940,000	\$ (10,865,000)
Revenue bonds	421,770,000	422,600,000	(830,000)
Refunding lease revenue bonds	3,450,000	4,230,000	(780,000)
Tax allocation bonds	505,645,000	574,905,000	(69,260,000)
Original issue premium	(4,633,554)	(3,821,723)	(811,831)
Compensated absences	104,573	111,140	(6,567)
Pension liability	7,864,664	6,336,456	1,528,208
Total outstanding debt	<u>\$ 1,028,275,683</u>	<u>\$ 1,109,300,873</u>	<u>\$ (81,025,190)</u>

On April 11, 2017, the City issued a total of \$34,340,000 Senior Sales Tax Revenue Refunding Bonds (taxable) to refund its 2010 Sales Tax Revenue Bonds. The refunding resulted in savings of debt service payments in the amount of \$7.4 million and an economic gain of \$1.8 million. Interest rates on the refunding bonds range from 1.500% to 3.500%.

**City of Industry**  
**Management Discussion and Analysis (Continued)**  
**For the Year Ended June 30, 2017**

**Economic Factors and Next Year's Budgets and Rates**

The City has experienced steady development within the City limits during the past year. Economic trends in the Los Angeles area are comparable with the indices. The assessed valuation of property located within the City boundaries including properties located in its redevelopment project areas amounted to approximately \$8.373 billion for the 2017-2018 fiscal year as compared to \$8.007 billion in the prior fiscal year which represents an increase of approximately 4.6% of assessed value.

The City's General Fund has adopted a balanced operating budget of \$56.0 million in revenues and \$44.1 million in expenses. Additionally, approximately \$45.6 million in capital project expenditures is budgeted for several funds in the 2017-2018 fiscal year. The following is a summary of the major capital improvement projects for citywide.

Table 10  
 Capital Projects For FY 2017-2018

Project Description	Budget 2017-18
1 Grade Separation Projects	\$ 6,050,000
2 Street Widening, Reconstruction, Resurfacing and Slurry Seal	17,894,724
3 Bridge Widening, Seismic Retrofit And Maintenance Improvements	1,519,000
4 Traffic Signal Improvements	3,570,000
5 Storm Drain Improvements	2,960,000
6 IPUC - Potable Water System	58,000
7 IPUC - Electric Utility	3,340,000
8 Expo Center at Industry Hills	6,592,500
9 Industry Housing And Property Management Projects	600,000
10 Tonner Canyon	1,025,000
11 Civic Center Facilities Improvements	2,012,500
Total	<u>\$ 45,621,724</u>

The Operating Budget for Fiscal Year 2017-18 is a well-balanced budget that reflects the City's commitment to the betterment of the community and stay within the City's financial constraint. Budget documents are available online at [www.cityofindustry.org](http://www.cityofindustry.org). Questions or requests for information regarding the City of Industry's budget should be sent to the Finance Department at the address below.

**Request for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any information provided in this report or request for additional financial information should be directed to the Finance Department at the City of Industry, 15625 East Stafford Street, City of Industry, California 91744.

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**BASIC FINANCIAL STATEMENTS**

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**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**City of Industry**  
**Statement of Net Position**  
**June 30, 2017**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash	\$ 7,441,956	\$ 2,174,382	\$ 9,616,338
Investments	254,933,351	10,797,548	265,730,899
Investment with fiscal agent - unrestricted	420,167,666	-	420,167,666
Accounts receivable, net	12,871,782	1,352,153	14,223,935
Interest receivables	12,456,311	-	12,456,311
Internal balances	(677,250)	677,250	-
Due from Fiduciary funds	5,851,264	-	5,851,264
Inventories	30,514	57,905	88,419
Prepaid items	15,191,773	296,095	15,487,868
Other assets	-	3,000	3,000
<b>Total current assets</b>	<b>728,267,367</b>	<b>15,358,333</b>	<b>743,625,700</b>
<b>Noncurrent assets:</b>			
Investments with fiscal agent - restricted	351,988,145	-	351,988,145
Investments in SA to IUDA and City's bonds	556,992,474	-	556,992,474
Loans receivables	12,427,042	-	12,427,042
Net OPEB asset	770,944	-	770,944
Capital assets:			
Not being depreciated	124,006,088	7,652,316	131,658,404
Being depreciated, net	137,834,694	23,279,356	161,114,050
Total capital assets, net of accumulated depreciation	261,840,782	30,931,672	292,772,454
<b>Total noncurrent assets</b>	<b>1,184,019,387</b>	<b>30,931,672</b>	<b>1,214,951,059</b>
<b>Total assets</b>	<b>1,912,286,754</b>	<b>46,290,005</b>	<b>1,958,576,759</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss on refunding, net	1,668,477	-	1,668,477
Pension related deferred outflows of resources	1,850,952	-	1,850,952
<b>Total deferred outflows of resources</b>	<b>3,519,429</b>	<b>-</b>	<b>3,519,429</b>

(Continued)

**City of Industry**  
**Statement of Net Position (Continued)**  
**June 30, 2017**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Accounts payable	\$ 15,369,515	\$ 1,127,889	\$ 16,497,404
Accrued liabilities	311,579	26,484	338,063
Rental deposits and advances	553,500	86,908	640,408
Interest payable	23,132,324	-	23,132,324
Unearned revenue	-	6,932,834	6,932,834
Long-term liabilities:			
Due within one year	78,437,678	-	78,437,678
Due in more than one year	941,973,341	-	941,973,341
Net pension Liabilities	7,864,664	-	7,864,664
<b>Total liabilities</b>	<u>1,067,642,601</u>	<u>8,174,115</u>	<u>1,075,816,716</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related deferred inflows of resources	829,627	-	829,627
<b>Total deferred inflows of resources</b>	<u>829,627</u>	<u>-</u>	<u>829,627</u>
<b>NET POSITION</b>			
Net investment in capital assets	258,386,502	30,911,524	289,298,026
Restricted for:			
Transportation and road	2,715,269	-	2,715,269
Capital projects	199,014,172	-	199,014,172
Debt services	145,335,927	-	145,335,927
Unrestricted	241,882,085	7,204,366	249,086,451
<b>Total net position</b>	<u>\$ 847,333,955</u>	<u>\$ 38,115,890</u>	<u>\$ 885,449,845</u>

(Concluded)

**City of Industry**  
**Statement of Activities**  
**For the Year Ended June 30, 2017**

	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<b>Governmental activities:</b>					
General government	\$ 6,172,004	\$ -	\$ -	\$ 1,095	\$ 1,095
Support services	6,526,175	-	-	-	-
Community development	1,885,162	3,326,085	-	-	3,326,085
Community services	3,825,602	-	-	-	-
Public safety	12,667,221	338,508	1,649,433	-	1,987,941
Public works	15,249,426	-	24,212	5,179,718	5,203,930
Interest expenses and fiscal charges	50,188,311	-	-	-	-
Total governmental activities	96,513,901	3,664,593	1,673,645	5,180,813	10,519,051
<b>Business-type activities:</b>					
Industry Public Utilities Commission:					
Water utility	3,316,481	3,296,525	-	-	3,296,525
Electric utility	4,973,802	5,379,049	-	-	5,379,049
Industry-Hill Expo Center	2,913,056	1,560,817	-	-	1,560,817
Property and Housing Management Authority	531,725	191,300	-	-	191,300
Total business-type activities	11,735,064	10,427,691	-	-	10,427,691
Total City	\$ 108,248,965	\$ 14,092,284	\$ 1,673,645	\$ 5,180,813	\$ 20,946,742

**City of Industry**  
**Statement of Activities (Continued)**  
**For the Year Ended June 30, 2017**

	Net (Expenses) Revenues and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
<b>Primary Government:</b>			
<b>Governmental activities:</b>			
General government	\$ (6,170,909)	\$ -	\$ (6,170,909)
Support services	(6,526,175)	-	(6,526,175)
Community development	1,440,923	-	1,440,923
Community services	(3,825,602)	-	(3,825,602)
Public safety	(10,679,280)	-	(10,679,280)
Public works	(10,045,496)	-	(10,045,496)
Interest expenses and fiscal charges	(50,188,311)	-	(50,188,311)
Total governmental activities	<u>(85,994,850)</u>	<u>-</u>	<u>(85,994,850)</u>
<b>Business-type activities:</b>			
Industry Public Utilities Commission:			
Water utility	-	(19,956)	(19,956)
Electric utility	-	405,247	405,247
Industry-Hill Expo Center	-	(1,352,239)	(1,352,239)
Property and Housing Management Authority	-	(340,425)	(340,425)
Total business-type activities	<u>-</u>	<u>(1,307,373)</u>	<u>(1,307,373)</u>
Total City	<u>(85,994,850)</u>	<u>(1,307,373)</u>	<u>(87,302,223)</u>
<b>General revenues and transfers:</b>			
General revenues:			
Taxes:			
Property taxes	101,331,410	-	101,331,410
Sales tax	32,124,812	-	32,124,812
Tax increment pass through payments	511,068	-	511,068
Franchise fees	1,510,735	-	1,510,735
Documentary transfer tax	296,077	-	296,077
Transient occupancy tax	1,036,660	-	1,036,660
Total taxes	<u>136,810,762</u>	<u>-</u>	<u>136,810,762</u>
Revenues from use of money and property	27,010,307	62,692	27,072,999
Other revenues	230,150	-	230,150
Transfers	(944,347)	944,347	-
Transfers out to Successor Agency	(45,671,596)	-	(45,671,596)
<b>Total general revenues and transfers</b>	<u>117,435,276</u>	<u>1,007,039</u>	<u>118,442,315</u>
<b>Changes in net position</b>	<u>31,440,426</u>	<u>(300,334)</u>	<u>31,140,092</u>
<b>Net position:</b>			
Beginning of year	815,893,529	38,416,224	854,309,753
End of year	<u>\$ 847,333,955</u>	<u>\$ 38,115,890</u>	<u>\$ 885,449,845</u>

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**FUND FINANCIAL STATEMENTS**

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**GOVERNMENTAL FUND FINANCIAL STATEMENTS**

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**City of Industry**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**

	General Fund	Capital Projects Funds	Debt Service Funds	Nonmajor Governmental Funds	Total
<b>ASSETS</b>					
Cash	\$ 4,574,749	\$ 63,229	\$ 100,899	\$ 2,703,079	\$ 7,441,956
Investments	251,067,128	981,684	2,884,539	-	254,933,351
Investments with fiscal agent - unrestricted	420,167,666	-	-	-	420,167,666
Accounts receivable, net	9,034,524	-	1,843,569	1,993,689	12,871,782
Accrued interest	828,950	183,238	11,444,123	-	12,456,311
Inventory	30,514	-	-	-	30,514
Prepaid items	690,525	-	14,501,248	-	15,191,773
Site lease prepayment	-	-	4,850,869	-	4,850,869
Due from other funds	6,697,374	-	-	11	6,697,385
Due from Successor Agency	5,890,751	-	-	-	5,890,751
Notes receivable	12,427,042	-	-	-	12,427,042
Investments with fiscal agent - restricted	-	206,793,383	145,194,762	-	351,988,145
Other investments	-	-	556,992,474	-	556,992,474
Advances to other funds	53,000,483	-	-	-	53,000,483
<b>Total assets</b>	<b>\$ 764,409,706</b>	<b>\$ 208,021,534</b>	<b>\$ 737,812,483</b>	<b>\$ 4,696,779</b>	<b>\$ 1,714,940,502</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 6,381,262	\$ 8,979,594	\$ 4,673	\$ 3,986	\$ 15,369,515
Accrued expenses	311,579	-	-	-	311,579
Deposits	553,500	-	-	-	553,500
Due to other funds	707,301	-	4,689,810	1,977,524	7,374,635
Due to Successor Agency	39,487	-	-	-	39,487
Site lease unearned revenues	4,850,869	-	-	-	4,850,869
Advance from other funds	-	-	53,000,483	-	53,000,483
<b>Total Liabilities</b>	<b>12,843,998</b>	<b>8,979,594</b>	<b>57,694,966</b>	<b>1,981,510</b>	<b>81,500,068</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenue	1,107,388	-	-	1,975,315	3,082,703
<b>Total deferred inflows of resources</b>	<b>1,107,388</b>	<b>-</b>	<b>-</b>	<b>1,975,315</b>	<b>3,082,703</b>
<b>Fund balances:</b>					
Nonspendable	13,148,081	-	14,501,248	-	27,649,329
Restricted	-	199,014,172	145,335,927	2,715,269	347,065,368
Committed	-	27,768	520,280,342	-	520,308,110
Unassigned	737,310,239	-	-	(1,975,315)	735,334,924
<b>Total fund balances</b>	<b>750,458,320</b>	<b>199,041,940</b>	<b>680,117,517</b>	<b>739,954</b>	<b>1,630,357,731</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 764,409,706</b>	<b>\$ 208,021,534</b>	<b>\$ 737,812,483</b>	<b>\$ 4,696,779</b>	<b>\$ 1,714,940,502</b>

See accompanying Notes to the Basic Financial Statements.

**City of Industry**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2017**

Total fund balance of governmental funds \$ 1,630,357,731

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. These assets consist of:

City infrastructure and capital assets	\$ 391,827,922	
Accumulated depreciation	(129,987,140)	261,840,782

Other assets, deferred outflows of resources, liabilities and deferred inflows of resources are not available for current period expenditures or to provide for current resources. These consist of:

Accrued interest payable on bonds payable	(23,132,324)	
Net OPEB assets	770,944	
Unavailable revenues	3,082,703	
Deferred loss on refunding, net	1,668,477	
Deferred outflows of resources related to pension	1,850,952	
Deferred inflows of resources related to pension	(829,627)	(16,588,875)

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Long-term debt included as net position below:

City of Industry:

Bonds payable - Current portion	(17,295,000)	
Bonds payable - Long term	(498,550,000)	
Issuance (premium) discount - Current portion	(187,122)	
Issuance (premium) discount - Long term	5,247,027	
Compensated absences	(104,573)	
Net pension liability	(7,864,664)	

Public Facilities Authority:

Bonds payable - Current portion	(60,805,000)	
Bonds payable - Long term	(448,290,000)	
Issuance (premium) discount - Current portion	(100,556)	
Issuance (premium) discount - Long term	(325,795)	(1,028,275,683)

**Net position of governmental activities**

**\$ 847,333,955**

**City of Industry**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2017**

	General Fund	Capital Projects Funds	Debt Service Funds	Nonmajor Governmental Funds	Total
<b>REVENUES:</b>					
Taxes	\$ 36,749,539	\$ -	\$ 98,961,805	\$ 1,511,759	\$ 137,223,103
Intergovernmental	2,891,853	-	-	549,073	3,440,926
Charges for services	1,623,313	-	-	-	1,623,313
Licenses and permits	1,616,681	-	-	-	1,616,681
Fines, forfeitures and penalties	350,559	-	-	-	350,559
Use of money and property	5,592,034	1,012,790	24,994,208	8,101	31,607,133
Other revenue	642,699	-	-	-	642,699
<b>Total revenues</b>	<b>49,466,678</b>	<b>1,012,790</b>	<b>123,956,013</b>	<b>2,068,933</b>	<b>176,504,414</b>
<b>EXPENDITURES:</b>					
Current:					
Legislative	743,861	-	-	-	743,861
General administration	3,404,232	118,701	1,228,215	-	4,751,148
Support services	5,856,392	-	-	-	5,856,392
Community development	1,750,775	-	-	-	1,750,775
Community services	3,147,903	-	-	-	3,147,903
Public safety	10,907,556	-	-	100,625	11,008,181
Public works	11,142,022	1,647,177	-	23,731	12,812,930
Debt service:					
Principal retirement	-	-	116,075,000	-	116,075,000
Interest and fiscal charges	-	-	66,610,765	-	66,610,765
Capital outlay	42,813,923	17,065,741	-	202,594	60,082,258
<b>Total expenditures</b>	<b>79,766,664</b>	<b>18,831,619</b>	<b>183,913,980</b>	<b>326,950</b>	<b>282,839,213</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(30,299,986)</b>	<b>(17,818,829)</b>	<b>(59,957,967)</b>	<b>1,741,983</b>	<b>(106,334,799)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	49,619,770	22,467,521	37,156,719	-	109,244,010
Transfers out	(58,719,298)	(48,961,162)	-	(2,507,897)	(110,188,357)
Transfers out to Successor Agency	-	-	(45,671,596)	-	(45,671,596)
Issuance of sales tax revenue bonds	-	-	34,340,000	-	34,340,000
Issuance discount	-	-	(152,619)	-	(152,619)
Bond issuance costs	-	-	(1,385,434)	-	(1,385,434)
Proceeds from sale of assets	1,166,665	-	-	-	1,166,665
<b>Total other financing sources (uses)</b>	<b>(7,932,863)</b>	<b>(26,493,641)</b>	<b>24,287,070</b>	<b>(2,507,897)</b>	<b>(12,647,331)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(38,232,849)</b>	<b>(44,312,470)</b>	<b>(35,670,897)</b>	<b>(765,914)</b>	<b>(118,982,130)</b>
<b>FUND BALANCES:</b>					
Beginning of year	788,691,169	243,354,410	715,788,414	1,505,868	1,749,339,861
End of year	<u>\$ 750,458,320</u>	<u>\$ 199,041,940</u>	<u>\$ 680,117,517</u>	<u>\$ 739,954</u>	<u>\$ 1,630,357,731</u>

See accompanying Notes to the Basic Financial Statements.

**City of Industry**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds to the Statement of Activities**  
**For the Year Ended June 30, 2017**

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Net change in fund balances of total governmental funds \$ (118,982,130)

Amounts reported for governmental activities in the statement of activities are difference because:

Capital outlays, project improvement costs, and purchases of real estate are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.

Capital outlays	60,082,258
Depreciation expense	(6,649,422)

In the statement of activities, only the gain/loss on the sale and disposal of assets is reported whereas in the governmental funds, the proceeds from the sale and disposal of assets increase financial resources. Thus, the change in net position differs from the change in fund balance by cost of assets sold or disposed of.

Disposal of land	(1,490,880)
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Revenue reported as unavailable revenue in the governmental funds and recognized in the Statement of Activities.	3,082,703
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These consist of the following:

Proceeds from City bonds issued	(34,340,000)
Issuance discount	152,619
Redemption of City bonds	32,355,000
Repayment of principal on long-term debt	83,720,000

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. These items consist of:

Change in accrued interest payable, including interest expense on redeemed debts	13,892,963
Amortization of bond premium/discount and deferred amounts on refunding	207,782
Change in compensated absences	6,567
Change in OPEB assets	(440,644)
Change in pension expense	(156,390)
Total changes in net position of governmental activities	\$ 31,440,426

**PROPRIETARY FUND FINANCIAL STATEMENTS**

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**City of Industry**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2017**

	Enterprise Funds			
	Industry Public Utilities Commission Funds	Civic- Recreational- Industrial Authority Industry Hills- Expo Center Fund	Property and Housing Management Authority Fund	Total
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash	\$ 1,990,167	\$ 124,690	\$ 59,525	\$ 2,174,382
Investments	10,679,274	-	118,274	10,797,548
Accounts receivable, net	1,149,319	201,810	1,024	1,352,153
Inventories	10,000	47,905	-	57,905
Prepaid items	248,655	47,440	-	296,095
Deposits	-	3,000	-	3,000
Due from other funds	707,290	-	-	707,290
<b>Total current assets</b>	<b>14,784,705</b>	<b>424,845</b>	<b>178,823</b>	<b>15,388,373</b>
<b>Noncurrent assets:</b>				
Capital assets:				
Capital assets, not being depreciated	922,936	-	6,729,380	7,652,316
Capital assets, being depreciated, net	12,352,630	7,270,516	3,656,210	23,279,356
Total capital assets, net	13,275,566	7,270,516	10,385,590	30,931,672
<b>Total noncurrent assets</b>	<b>13,275,566</b>	<b>7,270,516</b>	<b>10,385,590</b>	<b>30,931,672</b>
<b>Total assets</b>	<b>28,060,271</b>	<b>7,695,361</b>	<b>10,564,413</b>	<b>46,320,045</b>
<b>LIABILITIES</b>				
Accounts payable	971,028	95,280	61,581	1,127,889
Accrued liabilities	6,336	-	-	6,336
Retention payable	-	-	20,148	20,148
Deposits	32,836	50,072	4,000	86,908
Due to other funds	15,188	-	14,852	30,040
Unearned revenue	6,785,368	142,666	4,800	6,932,834
<b>Total liabilities</b>	<b>7,810,756</b>	<b>288,018</b>	<b>105,381</b>	<b>8,204,155</b>
<b>NET POSITION</b>				
Investment in capital assets	13,275,566	7,270,516	10,365,442	30,911,524
Unrestricted	6,973,949	136,827	93,590	7,204,366
<b>Total net position</b>	<b>\$ 20,249,515</b>	<b>\$ 7,407,343</b>	<b>\$ 10,459,032</b>	<b>\$ 38,115,890</b>

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**City of Industry**  
**Statement of Revenues, Expenses, and Changes in Fund Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2017**

	Enterprise Funds			Total
	Industry Public Utilities Commission Funds	Civic- Recreational- Industrial Authority Industry Hills- Expo Center Fund	Property and Housing Management Authority Fund	
<b>OPERATING REVENUES:</b>				
Water sales and service	\$ 3,236,624	\$ -	\$ -	\$ 3,236,624
Electric and solar energy sales	5,257,895	-	-	5,257,895
Event and rental revenues	-	1,552,885	191,300	1,744,185
<b>Total operating revenues</b>	<b>8,494,519</b>	<b>1,552,885</b>	<b>191,300</b>	<b>10,238,704</b>
<b>OPERATING EXPENSES:</b>				
Purchased water	515,619	-	-	515,619
Purchased electricity	2,533,273	-	-	2,533,273
Personnel service	703,175	-	23,245	726,420
General administration	3,817,260	1,037,654	-	4,854,914
Expo Center operations	-	1,127,486	-	1,127,486
Housing Authority operations	-	-	396,205	396,205
Depreciation	720,956	747,916	112,275	1,581,147
<b>Total operating expenses</b>	<b>8,290,283</b>	<b>2,913,056</b>	<b>531,725</b>	<b>11,735,064</b>
<b>OPERATING INCOME (LOSS)</b>	<b>204,236</b>	<b>(1,360,171)</b>	<b>(340,425)</b>	<b>(1,496,360)</b>
<b>NONOPERATING REVENUES:</b>				
Investment income	60,949	-	1,743	62,692
Other revenues	181,055	7,932	-	188,987
<b>Total nonoperating revenues</b>	<b>242,004</b>	<b>7,932</b>	<b>1,743</b>	<b>251,679</b>
<b>Changes in net position before transfers</b>	<b>446,240</b>	<b>(1,352,239)</b>	<b>(338,682)</b>	<b>(1,244,681)</b>
<b>TRANSFERS :</b>				
Transfers in	504,142	449,906	-	954,048
Transfers out	-	-	(9,701)	(9,701)
<b>Total transfers</b>	<b>504,142</b>	<b>449,906</b>	<b>(9,701)</b>	<b>944,347</b>
<b>CHANGES IN NET POSITION</b>	<b>950,382</b>	<b>(902,333)</b>	<b>(348,383)</b>	<b>(300,334)</b>
<b>NET POSITION:</b>				
Beginning of the year	19,299,133	8,309,676	10,807,415	38,416,224
End of the year	<b>\$ 20,249,515</b>	<b>\$ 7,407,343</b>	<b>\$ 10,459,032</b>	<b>\$ 38,115,890</b>

See accompanying Notes to the Basic Financial Statements.

**City of Industry**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For Year Ended June 30, 2017**

	Enterprise Funds			Total
	Industry Public Utilities Commission Funds	Civic- Recreational- Industrial Authority Industry Hills- Expo Center Fund	Property and Housing Management Authority Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 7,847,819	\$ 1,404,671	\$ 193,336	\$ 9,445,826
Receipts from other funds	3,304	-	-	3,304
Payments to vendors for supplies and services	(5,955,721)	(2,207,729)	(469,199)	(8,632,649)
Payments to employees	(703,175)	-	(23,245)	(726,420)
Payments to other funds for supplies and services	(1,080,110)	-	14,852	(1,065,258)
Other revenues	181,055	7,932	-	188,987
<b>Net cash provided by (used in) operating activities</b>	<u>293,172</u>	<u>(795,126)</u>	<u>(284,256)</u>	<u>(786,210)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Transfers in from other funds	504,142	449,906	-	954,048
Transfers out to other funds	-	-	(9,701)	(9,701)
<b>Net cash provided by (used in) noncapital financing activities</b>	<u>504,142</u>	<u>449,906</u>	<u>(9,701)</u>	<u>944,347</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of capital assets	-	-	(30,364)	(30,364)
<b>Net cash (used in) capital and related financing activities</b>	<u>-</u>	<u>-</u>	<u>(30,364)</u>	<u>(30,364)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of investments	(5,465,957)	-	-	(5,465,957)
Proceeds from sales of investments	3,741,893	-	354,614	4,096,507
Interest income received	27,219	-	-	27,219
<b>Net cash provided by (used in) investing activities</b>	<u>(1,696,845)</u>	<u>-</u>	<u>354,614</u>	<u>(1,342,231)</u>
<b>Net increase (decrease) in cash and cash Equivalent</b>	<u>(899,531)</u>	<u>(345,220)</u>	<u>30,293</u>	<u>(1,214,458)</u>
<b>CASH AND CASH EQUIVALENT:</b>				
Beginning of year	2,889,698	469,910	29,232	3,388,840
End of year	<u>\$ 1,990,167</u>	<u>\$ 124,690</u>	<u>\$ 59,525</u>	<u>\$ 2,174,382</u>

**City of Industry**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For Year Ended June 30, 2017**

	Enterprise Funds			
	Industry Public Utilities Commission Funds	Civic- Recreational- Industrial Authority Industry Hills- Expo Center Fund	Property and Housing Management Authority Fund	Total
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 204,236	\$ (1,360,171)	\$ (340,425)	\$ (1,496,360)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	720,956	747,916	112,275	1,581,147
Other revenues	181,055	7,932	-	188,987
(Increase) decrease in accounts receivables	(22,088)	(144,693)	436	(166,345)
(Increase) decrease in inventories	-	(4,202)	-	(4,202)
(Increase) decrease in prepaid items	757,108	(35,178)	-	721,930
(Increase) decrease in due from other funds	(591,994)	-	-	(591,994)
Increase (decrease) in accounts payable	146,987	(3,209)	(72,994)	70,784
Increase (decrease) in accrued liabilities	6,336	-	-	6,336
Increase (decrease) in customer deposits	(112,669)	1,502	(3,200)	(114,367)
Increase (decrease) in due to other funds	(484,812)	-	14,852	(469,960)
Increase (decrease) in unearned revenues	(511,943)	(5,023)	4,800	(512,166)
<b>Net cash provided by (used in) operating activities</b>	<u>\$ 293,172</u>	<u>\$ (795,126)</u>	<u>\$ (284,256)</u>	<u>\$ (786,210)</u>

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**FIDUCIARY FUND FINANCIAL STATEMENTS**

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**City of Industry**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2017**

	Private- Purpose Trust Fund	Agency Fund
<b>ASSETS</b>		
Cash	\$ 1,249,111	\$ 314,295
Investments	2,060,301	1,774,341
Other receivables	1,992,764	11,513
Prepaid items	1,350,000	-
Notes receivable	13,208,317	-
Property held for sale or disposition	407,718,074	-
Restricted assets:		
Cash	94,546	-
Investments	146,725,192	-
Investments with fiscal agent	55,733,835	519,099
<b>Total assets</b>	<b>630,132,140</b>	<b>\$ 2,619,248</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred loss on refunding, net	34,045,095	
<b>Total deferred outflows of resources</b>	<b>34,045,095</b>	
<b>LIABILITIES</b>		
<b>Current liabilities:</b>		
Accounts payable	4,574,086	\$ -
Interest payable	9,896,999	-
Due to bond holders	-	2,619,248
Due to City of Industry	5,851,264	-
Bonds payable, due within one year	60,106,571	-
<b>Total current liabilities</b>	<b>80,428,920</b>	<b>2,619,248</b>
<b>Noncurrent liabilities:</b>		
Bonds payable, due in more than one year	445,960,499	-
<b>Total noncurrent liabilities</b>	<b>445,960,499</b>	-
<b>Total liabilities</b>	<b>526,389,419</b>	<b>\$ 2,619,248</b>
<b>NET POSITION</b>		
Fiduciary net position held in trust for Successor Agency	<b>\$ 137,787,816</b>	

**City of Industry**  
**Statement of Changes in Net Position**  
**Fiduciary Funds**  
**For the Year Ended June 30, 2017**

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	Private- Purpose Trust Fund
<b>ADDITIONS:</b>	
Taxes, net	\$ 55,722,458
Revenues from use of money and property	
Interest income	798,472
Rental and other income	8,153,407
Transfers in from City of Industry	46,306,222
Intergovernment revenue	302,000
Gain on disposal of assets	46,331,294
Other revenue	465
<b>Total additions</b>	<b>157,614,318</b>
<b>DEDUCTIONS:</b>	
General administration	7,377,861
Bond interest expenses	29,631,482
Other expenses	9,000
<b>Total deductions</b>	<b>37,018,343</b>
<b>CHANGES IN NET POSITION</b>	<b>120,595,975</b>
<b>NET POSITION:</b>	
Beginning of the year	17,191,841
End of the year	<b>\$ 137,787,816</b>

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**City of Industry**  
**Index to the Notes to the Financial Statements**  
**For the Year Ended June 30, 2017**

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<b>Note 1 – Summary of Significant Accounting Policies .....</b>	<b>49</b>
A. Description of the Reporting Agency .....	49
B. Blended Component Units .....	49
C. Fiduciary Component Unit.....	49
D. Financial Statement Presentation, Basis of Accounting and Measurement Focus.....	50
E. Cash and Investments.....	53
F. Fair Value Measurement.....	54
G. Accounts Receivable.....	54
H. Inventories.....	54
I. Prepaid Items .....	54
J. Property Hel for Sale or Disposition.....	54
K. Capital Assets and Depreciation .....	55
L. Unearned Revenue and Unavailable Revenue .....	55
M. Property Taxes .....	55
N. Bond Issuance Costs and Premiums/Discounts .....	56
O. Defined Benefit Pension Plan .....	56
P. Compensated Absences.....	56
Q. Net Position.....	57
R. Fund Balance .....	57
S. Estimates .....	58
T. New Accounting Standard .....	58
<b>Note 2 – Cash and Investments .....</b>	<b>58</b>
A. Demand Deposits .....	59
B. Investments Authorized by the City’s Investment Policy and California Government Code.....	59
C. Investments Authorized by Debt Agreements .....	60
D. Fair Value Measurement.....	61
E. Risk Disclosures.....	61
F. State of California Local Agency Investment Fund.....	64
G. Investment in IUDA Bonds and City Bonds.....	64
<b>Note 3 – Accounts Receivable .....</b>	<b>64</b>
<b>Note 4 – Notes Receivable .....</b>	<b>65</b>
A. City of La Puente Loan .....	65
B. San Gabriel Valley Water and Power LLC.....	65
C. Developer Notes Receivable – Construction Loan .....	65
D. Developer Notes Receivable – Nissan Auto Mall.....	66
<b>Note 5 – Industry Convalescent Hospital .....</b>	<b>67</b>
<b>Note 6 – Prepaid Items .....</b>	<b>67</b>
<b>Note 7 – Interfund Transactions .....</b>	<b>68</b>
A. Due to/from Other Funds .....	68
B. Advances to/from Other Funds .....	68
C. Site Lease Prepayment.....	69
D. Transfers .....	70
E. Transfers to Successor Agency to Industry Urban Development Agency.....	70

**City of Industry**  
**Index to the Notes to the Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

---

<b>Note 8 – Capital Assets</b> .....	71
A. Governmental Activities .....	71
B. Business-Type Activities .....	72
C. Property Held for Sale or Disposition of the Private-Purpose Trust Fund.....	73
<b>Note 9 – Unearned Revenue from Reclaimed Water Sales</b> .....	73
<b>Note 10 – Long-Term Liabilities</b> .....	74
A. City of Industry General Obligation Bonds .....	74
B. City of Industry Sales Tax Revenue Bonds .....	77
C. Public Facilities Authority Tax Allocation Revenue Bonds .....	80
D. Public Facilities Authority Lease Revenue Refunding Bonds.....	83
E. Non-City Obligations.....	85
F. Compensated Absences.....	85
<b>Note 11 – Successor Agency Bonds Payable</b> .....	86
<b>Note 12 – Defined Benefit Pension Plan</b> .....	91
A. General Information about the Pension Plan .....	91
B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension.....	93
C. CalPERS Discount Rate.....	97
<b>Note 13 – Deferred Compensation Plan</b> .....	97
<b>Note 14 – Other Post Employment Benefits (“OPEB”)</b> .....	98
A. Funding Policy .....	98
B. Annual OPEB Cost and Net OPEB Obligation/(Assets) .....	98
C. Funded Status and Funding Progress .....	99
D. Actuarial Methods and Assumptions .....	99
<b>Note 15 – Self-Insurance Plan</b> .....	100
<b>Note 16 – Commitments and Contingencies</b> .....	100
<b>Note 17 – Transactions with Related Parties</b> .....	100
<b>Note 18 – Industry Hills Regional Public Park and Recreation Area</b> .....	101
<b>Note 19 – Rental Properties</b> .....	101
<b>Note 20 – Lease Commitments</b> .....	102
<b>Note 21 – Excess of Expenditures Over Appropriations</b> .....	103

**City of Industry**  
**Notes to the Basic Financial Statements**  
**For the Year Ended June 30, 2017**

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**Note 1 – Summary of Significant Accounting Policies**

**A. Description of the Reporting Agency**

The City of Industry (referred to as the “City”) is a municipal corporation governed by an elected five-member council of which the mayor is appointed by the members of the city council. The accompanying financial statements present the financial activities of the City, which is the primary government and the financial activities of its component units, which are entities for which the City is financially accountable. Although legally separate entities, blended component units are in substance, part of the City’s operations and are reported as an integral part of the City’s financial statements. Blended component units, which include the Civic-Recreational-Industrial Authority (referred to as “CRIA”), the Industry Public Utilities Commission (referred to as “IPUC”), and the Industry Public Facilities Authority (referred to as the "PFA") and the Industry Property and Housing Management Authority (referred to as the “Housing Authority”). The Successor Agency to the Industry Urban-Development Agency (referred to as the “SA to IUDA”) is a fiduciary component unit. They are reported as blended for the following reasons: (1) the governing board is substantively the same as the primary government, and there is a financial benefit or burden relationship between the primary government and the component unit; and (2) the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it.

**B. Blended Component Units**

CRIA was established to develop and finance projects within the City and is governed by a commission of five members. Four members are appointed by the City Council and one member by the Council of the City of La Puente. The City transfers funds to CRIA to fund operations and capital projects. CRIA is represented by Capital Projects and Proprietary funds.

IPUC was established to provide reliable utility service at reasonable rates to the residents and to assist in the promotion and stability for business owners in the City. IPUC manages the Industry Waterworks System and the Industry Electric System; a Board that consists of the council members of the City of Industry governs the IPUC. The IPUC is represented by Proprietary funds.

PFA was established for the purpose of establishing a vehicle to reduce local borrowing costs, accelerate construction, repair and maintenance of needed public capital improvements. The Board consists of all members of the City Council. PFA receives all of its funding from payments received on bonds issued by the City and SA to IUDA which PFA owns. PFA is represented by a Debt Service and Capital Projects fund.

The Housing Authority was established to manage the property and housing rental activity in the City. The Board consists of three members who are appointed by the City Council. The Housing Authority is represented by a Proprietary Fund.

**C. Fiduciary Component Unit**

The City has elected to become the Successor Agency to the Industry Urban-Development Agency (referred to as the “SA to IUDA”). The City and the Successor Agency have separate Board of Directors. However, individuals serving on the City’ Council also serve on the SA to IUDA Board. The SA to IUDA is a component unit of the City that is fiduciary in nature and is reported in the statements of fiduciary net position and changes in fiduciary net position within the City’s fiduciary funds.

Complete financial statements of certain individual blended component units may be obtained from the finance department which is located at 15625 East Stafford Street, City of Industry, California 91744.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***D. Financial Statement Presentation, Basis of Accounting and Measurement Focus***

The Financial statements presentation follows the recommendations promulgated by the Governmental Accounting Standards Board (“GASB”) commonly referred to as accounting principles generally accepted in the United States of America (“U.S. GAAP”). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting standards. Details of the City’s accounting policies are as follows:

Government-Wide Financial Statements

The City’s Government-wide Financial Statements include a Statement of Net Position and a Statement of Activities. These statements present the Governmental and Business-Type Activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements. These statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all economic resources including capital assets, infrastructure assets and long term liabilities, are included in the accompanying Statement of Net Position.

Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

Amounts reported as program revenues include (1) charges to customers for goods and services provided, (2) operating grants and contributions and (3) capital grants and contributions. All other revenues not reported as program revenues are presented as general revenues.

Certain indirect costs are included in program expenses.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements rather than as another financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability rather than as expenditure.

Certain eliminations have been made in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

Fund Financial Statements

The accounts of the City are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which are comprised of each fund’s assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.



**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

***D. Financial Statement Presentation, Basis of Accounting and Measurement Focus (Continued)***

Fund Financial Statements (Continued)

Fund financial statements for the primary government are governmental, proprietary, and fiduciary funds, which are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental and enterprise funds. Fiduciary statements include financial information for fiduciary funds and similar component units. Fiduciary funds of the City primarily represent assets held by the City in a custodial capacity for other individuals or organizations.

Governmental Funds

Governmental funds are presented using the modified-accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Revenues are considered measurable when the amounts can be estimated, or otherwise determined. Revenues are considered available if they are collected within 60 days after year-end. Expenditures are generally recognized when the related liability is incurred, except for (1) accumulated unpaid vacation and other employee amounts are not accrued and (2) principal and interest on long-term debt are recognized when due.

Property taxes and interest income are susceptible to accrual. Other receipts and taxes become measurable and available when cash is received by the City and are recognized at that time.

Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Governmental funds are presented using the “*current financial resources*” measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures. When both restricted and unrestricted resources are combined in a fund, expenditures are considered to be paid first from restricted resources, and then from unrestricted resources and committed, assigned, or unassigned amounts are considered to have been spent when expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The City reports the following major governmental funds:

General Fund – This is the City’s primary operating fund. It accounts for all activities of the general government, except those required to be accounted for in another fund.

Capital Projects Funds – The Capital Projects Funds are used to account for financial resources to be used for the acquisition and construction of major capital projects (other than those financed by Proprietary Funds).

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

***D. Financial Statement Presentation, Basis of Accounting and Measurement Focus (Continued)***

Governmental Funds (Continued)

Debt Service Funds – The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt, principal, interest, and related costs. On September 26, 2013 pursuant to resolution no. CC 2013-25, the City has established a segregated fund in the treasury designated the Agency Override Fund and shall deposit all Agency Override Portion received by the City into the Agency Override Fund. Upon notification by the SA to IUDA of the debt service shortfall, the City shall apply the necessary amount (but only to the extent available) from the Agency Override Fund to pay the bond trustee or, to the extent that there is no trustee for any bond issue, the bondholders directly, to cover the debt service shortfall. The City subsequently assigns, and covenants and agrees to transfer to the PFA and only to the PFA as and when received by the City, all such override revenues for deposit in the revenue fund, to the extent permitted by law, as consideration to PFA for refunding all SA to IUDA debts by the PFA.

Proprietary Funds

Proprietary funds are used to account for the City’s ongoing organizations and activities, which are similar to those often found in the private sector. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when incurred. Inventories are stated at lower of cost (first-in, first-out method) or market value. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus.

Accordingly, all assets and liabilities (whether current or non-current) associated with their activity are included on their statements of Net Position.

Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total Net Position. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The City reports the following major proprietary funds:

Industry Public Utilities Commission (“IPUC”) Enterprise Funds – These funds account for activities of providing water and limited electrical services to the public.

Civic-Recreational-Industrial Authority (“CRIA”) Industry Hills Expo Center Enterprise Fund – This fund accounts for space rentals for events and equestrian activities to the general public.

Industry Property and Housing Management Authority (“Housing Authority”) Enterprise Fund – This fund accounts for property and housing rental activity.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

***D. Financial Statement Presentation, Basis of Accounting and Measurement Focus (Continued)***

Fiduciary Fund Types

Fiduciary fund financial statements are presented using the full-accrual basis of accounting.

Private-Purpose Trust Fund – The Private-Purpose Trust Fund is a fiduciary fund type used by the City to report trust arrangements under which the principal and income benefits other governments. This fund reports the assets, liabilities and activities of the Successor Agency of the Industry Urban-Development Agency.

Agency Funds – Agency Funds are used to account for assets held by the City as an agent for individuals, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement or results of operations. The assets, liabilities, and activities of the Assessment District and Deferred Compensation Plan are reported in Agency Funds.

***E. Cash and Investments***

For purposes of the statement of cash flows, the City considers all highly liquid investments purchased with an initial maturity of three months or less to be cash equivalents.

Investments in inactive public deposits, securities and short-term obligations are stated at cost or amortized cost, which approximates fair value.

Cash deposits are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Investments that exceed more than one year in maturity and that are traded on a national exchange are valued at their quoted market price. Certain investments that exceed more than one year in maturity may be valued by pricing models that require inputs to the valuation methodology that include quoted prices of similar assets and certain observable inputs.

Certain disclosure requirements, if applicable, for Deposits and Investment Risks in the following areas are presented in the footnotes:

- Interest Rate Risk
- Credit Risk
  - Overall
  - Custodial Credit Risk
  - Concentration of Credit Risk
- Foreign Currency Risk

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

***F. Fair Value Measurement***

In accordance with GASB Statement No. 72, *Fair Value Measurement and Applications*, this statement defines fair value, establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the financial statements, are categorized based upon the level of judgment associated with the inputs used to measure their fair value.

The three levels of the fair value measurement hierarchy are described below:

- Level 1 – Inputs are unadjusted, quoted prices for identical assets or liabilities in active markets at the measurement date.
- Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the assets or liabilities through corroboration with market data at the measurement date.
- Level 3 – Unobservable inputs that reflect management’s best estimate.

***G. Accounts Receivable***

Accounts receivable are stated at the amount management expects to collect from outstanding balances. A receivable balance is charged off in the period in which the receivable is deemed uncollectible. Management evaluates uncollectible amounts based on its assessment of the current status of individual accounts.

***H. Inventories***

Inventories of the Industry Hills Expo Center, an enterprise fund, consist of food and beverages. Inventories of IPUC, an enterprise fund, consist of materials and supplies. The inventories are carried at the lower of cost or market on the first-in, first-out basis of accounting.

***I. Prepaid Items***

Prepaid items are payments made to vendors for services or insurance premiums that will benefit periods beyond the fiscal year ended.

***J. Property Held for Sale or Disposition***

Land held for sale or disposition is reported in the governmental fund financial statements at the lower of cost or net realizable value. In the governmental fund financial statements, nonspendable fund balances are reported in an amount equal to the carrying value of land held for sale because such assets are not available to finance the City’s current operations. In the fiduciary fund financial statements, property held for sale or disposition is reported at the lower of cost or net realizable value.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

***K. Capital Assets and Depreciation***

Capital assets, including infrastructure, are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Generally capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of three years or more. Capital assets include public domain (infrastructure) general fixed assets consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains.

If a cost does not extend an asset's useful life, increase its productivity or improve its operating efficiency the cost is regarded as repairs and maintenance and recognized as an expense as incurred; if it does, the cost is regarded as major renewals and betterments and capitalized.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government - wide financial statements and in the fund financial statements of the proprietary fund types. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective statement of net position. The range of lives used for depreciation purposes for each capital asset class is as follows:

Building and Improvement	45 years
Equipment	3 - 10 years
Infrastructure	20 - 50 years

***L. Unearned Revenue and Unavailable Revenue***

Unavailable revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues also arise when resources are received by the government before it has a legal claim to them. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to the resources, unearned revenue reported as liabilities and unavailable revenue reported as deferred inflows of resources are removed from the balance sheet and revenues are recognized.

***M. Property Taxes***

The valuation of property is determined as of March 1<sup>st</sup> each year and equal installments of taxes levied upon secured property become delinquent on the following 10<sup>th</sup> of December and April. Taxes on unsecured property are due when billed and become delinquent after August 31<sup>th</sup>. If taxes are not paid on or before the date and time they become delinquent, a penalty of 10 percent is added. Unsecured property accrues an additional penalty of 1% per month beginning the first day of the third month following the delinquency date.

An initiative Constitutional Amendment, commonly known as the "Jarvis-Gann Initiative", providing for, among other things, certain property tax limitations, was approved as Proposition 13 on the June 6, 1978 statewide election. The principal thrust of Proposition 13 is to limit the amount of ad valorem taxes on real property to one percent of "full cash value", to define "full cash value" as the 1975-76 full cash value, to limit annual increases to two percent and to provide for reassessment after sale, transfer or construction.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**N. Bond Issuance Costs and Premiums/Discounts**

Bond premiums and discounts in the government-wide and fiduciary funds financial statements are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as expense in the period incurred in the statement of changes in net position. In the governmental fund financial statements, governmental funds report bond premiums and discounts as other financial sources. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**O. Defined Benefit Pension Plan**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 10). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Measurement Period	July 1, 2015 to June 30, 2016

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pension and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

**P. Compensated Absences**

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave (compensated absences). All vacation pay and eligible sick leave pay is accrued when incurred in the government-wide financial statements. Compensated absences are reported in governmental funds only if they matured (i.e., unused reimbursable leave still outstanding following an employee's termination from employment). Typically, the General Fund has been used in prior years to liquidate the liability for compensated absences.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

---

**Note 1 – Summary of Significant Accounting Policies (Continued)**

***Q. Net Position***

Net position in the government-wide and proprietary fund financial statements is classified as following:

Net investment in capital assets – This component of net position consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition of these assets, net of unspent debt proceeds, related deferred outflows and inflows of resources, and retention payable.

Restricted – This component of net position consists of assets, net of any related liabilities, which have had restrictions imposed on them by external creditors, grantors, contributors, or laws or regulations of other governments or laws through constitutional provisions or enabling legislations.

Unrestricted – This component of net position consists of amounts that do not meet the definition of net investment in capital assets or restricted net position.

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

***R. Fund Balance***

In the governmental fund financial statements, fund balances are classified in the following categories:

Nonspendable – items that cannot be spent because they are not in spendable form or items that are legally or contractually required to be maintained intact.

Restricted – restricted fund balances are amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; (b) imposed by law by constitutional provisions or enabling legislation.

Committed – committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the City imposes upon itself at its highest level of decision making authority (the City Council) through resolutions and that remain binding unless removed in the same manner. The City has \$520,308,110 of committed fund balances at June 30, 2017.

Assigned – assigned fund balances are amounts that are constrained by the City’s intent to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose. The City Council is authorized for this purpose.

Unassigned – this category is for any spendable balances that have not been restricted, committed, or assigned to specific purposes.

When both restricted and unrestricted resources are available in a fund, expenditures are to be paid first from restricted resources, and then from unrestricted resources in the order of committed, assigned, then unassigned.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**S. Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

**T. New Accounting Standard**

GASB Statement No. 82, *Pension Issues*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This statement did not have a significant impact on the City’s financial statements for the year ended June 30, 2017.

**Note 2 – Cash and Investments**

At June 30, 2017, cash and cash investments are classified in the accompanying financial statements as follows:

	Government- Wide Statement of Net Position	Fiduciary Fund Statement of Net Position	Total
Unrestricted cash and investments:			
Cash	\$ 9,616,338	\$ 1,563,406	\$ 11,179,744
Investments	265,730,899	3,834,642	269,565,541
Investments with fiscal agent	420,167,666	-	420,167,666
Restricted cash and investments:			
Cash	-	94,546	94,546
Investment	-	146,725,192	146,725,192
Investments with fiscal agent	351,988,145	56,252,934	408,241,079
Investments in IUDA bonds	505,645,000	-	505,645,000
Investments in City bonds	51,347,474	-	51,347,474
<b>Total cash and investments</b>	<b>\$ 1,604,495,522</b>	<b>\$ 208,470,720</b>	<b>\$ 1,812,966,242</b>

At June 30, 2017, cash and investments consisted of the following:

Cash on hand	\$ 27,541
Deposits with financial institution	11,246,749
Investments	973,283,207
Investments with fiscal agent	828,408,745
<b>Total cash and investments</b>	<b>\$ 1,812,966,242</b>



**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 2 – Cash and Investments (Continued)**

**A. Demand Deposits**

The carrying amount of the City's cash deposits were \$11,246,749 at June 30, 2017. Bank balances before reconciling items were \$11,548,306 at that date, the total amount of which was insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). The City, however, has not waived the collateralization requirements.

At June 30, 2017, the City and SA to IUDA's deposits exceeded federally insured limits by \$9,277,663 and \$154,979, respectively; however, such amounts are secured by the financial institutions that hold such deposits for the City and SA to IUDA.

**B. Investments Authorized by the City's Investment Policy and California Government Code**

Under provision of the City's Investment Policy, and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments:

- Securities of the U.S. Government
- U.S. government sponsored enterprise securities
- Bankers Acceptance
- Commercial paper rated A-1 by Standard & Poor's Corporation or Moody's Investor Service
- California Local Agency Investment Fund ("LAIF")
- Repurchase agreements
- Inactive public deposits
- Los Angeles County Investment Pool
- Savings accounts

The City's Investment Policy does not contain any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration risk other than those specified in the California Government Code.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 2 – Cash and Investments (Continued)**

**C. Investments Authorized by Debt Agreements**

Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by a bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity (in months)	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. government sponsored enterprise securities	None	None	None
Money market funds	None	None	None
Certificates of deposit	None	None	None
Commercial paper	None	None	None
Banker's acceptances	18	None	None
U.S. corporate bonds/notes	None	None	None
Municipal bonds	None	None	None
Non-investment grade bonds	None	10%	None
Exchange traded funds	None	None	None
Mortgage-backed securities	None	None	None
Investment contracts	None	None	None
LAIF	None	None	None
Foreign government bonds	None	None	None
Foreign corporate bonds/notes	None	None	None

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 2 – Cash and Investments (Continued)**

**D. Fair Value Measurement**

At June 30, 2017, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2017:

Investment Type	Measurement Input			Total
	Observable Input (Level 1)	Significant Other Observable Input (Level 2)	Uncategorized	
Investments - unrestricted:				
Money market funds	\$ -	\$ -	\$ 805,373	\$ 805,373
U.S. government sponsored enterprise securities	-	75,448,391	-	75,448,391
Treasury notes	130,254,195	-	-	130,254,195
Commercial paper	-	18,453,751	-	18,453,751
LAIF	-	-	44,603,831	44,603,831
Investment - restricted:				
Money market funds	-	-	121,890,937	121,890,937
LAIF	-	-	21,190,012	21,190,012
Commercial paper	-	3,644,243	-	3,644,243
Investment held by fiscal agent:				
Money market funds	-	-	165,104,574	165,104,574
Treasury notes	215,176,495	-	-	215,176,495
U.S. government sponsored enterprise securities	-	448,127,676	-	448,127,676
Investment in SA to IUDA bonds	-	-	505,645,000	505,645,000
Investment in City bonds	-	51,347,474	-	51,347,474
<b>Total</b>	<b>\$ 345,430,690</b>	<b>\$ 597,021,535</b>	<b>\$ 859,239,727</b>	<b>\$ 1,801,691,952</b>

Investments in Treasury notes, U.S. government sponsored enterprise securities, and City of Industry bonds are valued based on institutional bond quotes while the investments in commercial papers are valued based on a variety of market makers using curve-based approach.

**E. Risk Disclosures**

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure by the counterparty, the City will not be able recover the value of its investments or collateral security that are in the possession of an outside party. Under section 53652 of the California Government Code, it is required that the depository secure active or inactive deposits with eligible securities having a fair market value of at least 10% in excess of the total amount of all deposits. As of June 30, 2017, the financial institutions that hold collateral for the City of Industry had satisfied this requirement.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 2 – Cash and Investments (Continued)**

**E. Risk Disclosures (Continued)**

Interest Rate Risk

Interest rate risk is the risk of changes in market interest rates that 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 the market interest rates. One of the ways that the City and its component units manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City and its component units and fiduciary funds monitor the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.

Investment Type	Amounts	Weighted Average Maturity (in month)
Investments - unrestricted:		
Money market funds	\$ 805,373	N/A
U.S. government sponsored enterprise securities	75,448,391	34.2
Treasury notes	130,254,195	17.4
Commercial paper	18,453,751	4.0
LAIF	44,603,831	N/A
Investment - restricted:		
Money market funds	121,890,937	N/A
LAIF	21,190,012	N/A
Commercial paper	3,644,243	4.6
Investment held by fiscal agent:		
Money market funds	165,104,574	N/A
Treasury notes	215,176,495	21.3
U.S. government sponsored enterprise securities	448,127,676	35.6
Investment in SA to IUDA bonds	505,645,000	46.5
Investment in City bonds	51,347,474	29.0
	<b>\$ 1,801,691,952</b>	

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 2 – Cash and Investments (Continued)**

**E. Risk Disclosures (Continued)**

Credit Risk

Credit risk is generally 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 organization. Presented below is the minimum rating required by Section 53601 and Section 53635 of the California Government Code, Section 33603 of the Health and Safety Code, the City and its component unit's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Total as of June 30, 2017	Minimum Legal Rating	Aaa/P-1	AA/Aa - A/A	A1	Not Rated
Investments - unrestricted:						
Money market funds	\$ 805,373	None	\$ 805,373	\$ -	\$ -	\$ -
U.S. government sponsored						
enterprise securities	75,448,391	None	-	75,448,391	-	-
Treasury notes	130,254,195	None	130,254,195	-	-	-
Commercial paper	18,453,751	A	18,453,751	-	-	-
LAIF	44,603,831	None	-	-	-	44,603,831
Investment - restricted:						
Money market funds	121,890,937	Aaa/P-1	121,890,937	-	-	-
LAIF	21,190,012	None	-	-	-	21,190,012
Commercial paper	3,644,243	None	3,644,243	-	-	-
Investment held by fiscal agent:						
Money market funds	165,104,574	None	165,104,574	-	-	-
Treasury notes	215,176,495	None	215,176,495	-	-	-
U.S. government sponsored						
enterprise securities	448,127,676	None	-	448,127,676	-	-
Investment in SA to IUDA bonds	505,645,000	None	-	-	-	505,645,000
Investment in City bonds	51,347,474	None	-	-	51,347,474	-
<b>Total</b>	<b>\$ 1,801,691,952</b>		<b>\$ 655,329,568</b>	<b>\$ 523,576,067</b>	<b>\$ 51,347,474</b>	<b>\$ 571,438,843</b>

Concentration of Credit Risk

The investment policy of the City and its component units contain no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The investments subjected to 5% concentration credit risk disclosure and represent 5% or more of the total investments of the City are IUDA bonds.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 2 – Cash and Investments (Continued)**

**F. State of California Local Agency Investment Fund**

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments in LAIF at June 30, 2017 included a portion of pool funds invested in Structure Notes and Asset-Backed Securities:

Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2017, the City had \$65,793,843 invested in LAIF, which had invested 2.81% of the pool investment funds in Structured Notes and Asset-Back Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The City valued its investments in LAIF by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value. The credit quality rating of LAIF is unrated as of June 30, 2017.

**G. Investment in IUDA Bonds**

As of June 30, 2017, the PFA has investments in IUDA bonds in the amounts totaled to \$574,905,000. The City intends to hold the investments until the maturity date. As a result, these investments are reported at amortized cost, instead of fair value.

**Note 3 – Accounts Receivable**

As of June 30, 2017, accounts receivable consisted of the following:

	General Fund	Debt Service Funds	Nonmajor Governmental Funds	Total
Sales tax receivable	\$ 6,047,388	\$ -	\$ -	\$ 6,047,388
Property tax receivable	118,083	1,843,569	-	1,961,652
Receivable from Successor Agency	1,085,593	-	-	1,085,593
Grants receivables	-	-	1,975,315	1,975,315
Refuse receivable	1,146,085	-	-	1,146,085
Other	637,375	-	18,374	655,749
	<u>\$ 9,034,524</u>	<u>\$ 1,843,569</u>	<u>\$ 1,993,689</u>	<u>\$ 12,871,782</u>

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 4 – Notes Receivable**

As of June 30, 2017, notes receivable consisted of the following:

	Governmental Activities	Fiduciary Fund
Notes receivable:		
City of La Puente	\$ 1,688,823	\$ -
San Gabriel Valley Water and Power LLC	10,738,219	-
Developer notes receivable - construction loans	-	9,082,629
Developer notes receivable - Nissan	-	4,125,688
	\$ 12,427,042	\$ 13,208,317

**A. City of La Puente Loan**

In October 2015, The City entered into an agreement with the City of La Puente to mitigate of noise, traffic and railroad impact and for other public purposes. As part of the agreement, the City of Industry agreed to lend The City of La Puente, and La Puente agreed to borrow and repay to Industry, the loan in the amount of \$5,952,908 for La Puente to use in constructing a sound wall along the north side of Valley Boulevard and the railroad tracks on the south side of Valley Boulevard along with other public improvements. The agreement was revised subsequently. Instead of lending the City of La Puente the entire \$5,952,908 in advance for the project, the City will pay for the project costs and be reimbursed by the City of La Puente. The loan bears an annual interest of 0.33%. At June 30, 2017, outstanding balance of the loan was in the amount of \$1,688,823.

**B. San Gabriel Valley Water and Power LLC**

The City entered into ground lease agreement with San Gabriel Valley Water and Power, LLC (the “Tenant”) and leased properties to the Tenant for a period of twenty-five years for the development of solar projects. As part of the agreement, as further amended, the City agreed to advance \$20,000,000 for funding of the project costs. At June 30, 2017, the outstanding balance of the advance was in the amount of \$10,738,219.

**C. Developer Notes Receivable – Grand Central Recycling & Transfer Station, Inc. Construction Loan**

In June 2000, IUDA entered into an agreement with a Developer to redevelop certain real property located within the City, Redevelopment Plan for Project Area No. 1. As part of the agreement, the Developer purchased the land from IUDA for \$12,900,000. In order to finance construction costs, IUDA has provided the Developer with construction loans totaling \$14,703,280. The promissory notes for the construction loans and land purchase is secured by a deed of trust and is payable in equal installments over 20 years including principal and interest at a rate of 4% per annum and consisted of the following:

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 4 – Notes Receivable (Continued)**

**C. Developer Notes Receivable - Construction Loan (Continued)**

	Outstanding Balance at June 30, 2017	Principal Amounts due within one year	Principal Amounts due in more than one year
Due June 2022, payable in monthly payments of \$78,171 including interest at 4.00% per annum beginning July 2002	\$ 4,244,638	\$ 782,515	\$ 3,462,123
Due June 2022, payable in monthly payments of \$68,658 including interest at 4.00% per annum beginning July 2002	3,619,458	667,261	2,952,197
Due June 2022, payable in monthly payments of \$22,441 including interest at 4.00% per annum beginning July 2002	1,218,533	224,641	993,892
Totals	\$ 9,082,629	\$ 1,674,417	\$ 7,408,212

Total interest received on these loans during the year ended June 30, 2017, amounted to \$392,196.

**D. Developer Notes Receivable – Nissan Auto Mall**

In May 2010, IUDA entered into an agreement with a Developer to redevelop certain real property located within the City of Industry, Redevelopment Plan for Project Area No. 1. In order to finance the property acquisition, IUDA provided the Developer with a loan of \$4,500,000, of which \$4,258,598 was outstanding as of June 30, 2017.

	Outstanding Balance at June 30, 2017	Principal Amounts due within one year	Principal Amounts due in more than one year
Due May 2022, payable in monthly payments of \$25,069 and a final balloon payment of \$3,427,959 including interest at 4.00% per annum beginning May 2012	\$ 4,125,688	\$ 138,321	\$ 3,987,367

Total interest received on this loan during the year ended June 30, 2017, amounted to \$132,906.



**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 5 – Industry Convalescent Hospital**

During 1992, the City Council passed a resolution stating that periodic advances made to Industry Convalescent Hospital dba El Encanto Healthcare and Habilitation Center in the past, as well as currently, will be treated as loans. The note is payable on demand with simple interest at 6% per annum on the unpaid balance. As of June 30, 2017 the unpaid note balance amounted to \$20,060,000 and accrued interest amounted to \$24,567,938. As the collectability of this note and accrued interest is uncertain, the loan amounts have been shown as General Fund expenditures in the financial statements; and the City will recognize the collections on the note receivable as revenue as the amounts are collected.

The Hospital leases property from SA to IUDA for \$1 a year, which is renewed annually, and at the time of renewal the lease may be terminated or the lease payment renegotiated by SA to IUDA. During the year ended June 30, 2017, the City incurred expenses on behalf of the Hospital totaling \$244,104 relating to contract labor, security and repairs and maintenance.

**Note 6 – Prepaid Items**

At June 30, 2017, Government-Wide Financial Statements report the following prepaid items:

	Governmental Activities	Business-type Activities	Total
Prepaid bond insurance	\$ 14,501,248	\$ -	\$ 14,501,248
Other prepaid items	690,525	296,095	986,620
	\$ 15,191,773	\$ 296,095	\$ 15,487,868

At June 30, 2017, Fund Financial Statements reported the following prepaid items:

	Governmental Fund			Enterprise Fund		
	General Fund	Debt Service Fund	Total	IPUC Fund	Industry Hills- Expo Center Fund	Total
Prepaid bond insurance	\$ -	\$ 14,501,248	\$ 14,501,248	\$ -	\$ -	\$ -
Other prepaid items	690,525	-	690,525	248,655	47,440	296,095
	\$ 690,525	\$ 14,501,248	\$ 15,191,773	\$ 248,655	\$ 47,440	\$ 296,095

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 7 – Interfund Transactions**

All interfund assets, liabilities, fund equity, revenues, expenditures and operating transfers have been eliminated in the Statement of Net Position and the Statement of Activities.

**A. Due to /from Other Funds**

Due to/from other funds consisted of the following at June 30, 2017:

Due to Other Funds	Due from Other Funds			Total
	Governmental Fund		Proprietary Fund	
	General Fund	Nonmajor Governmental Fund	IPUC Enterprise Fund	
<b>Governmental Funds:</b>				
General Fund	\$ -	\$ 11	\$ 707,290	\$ 707,301
Debt Service Funds	4,689,810	-	-	4,689,810
Nonmajor Governmental Funds	1,977,524	-	-	1,977,524
<b>Proprietary Funds:</b>				
IPUC Enterprise Fund	15,188	-	-	15,188
Housing Authority	14,852	-	-	14,852
<b>Totals</b>	<b>\$ 6,697,374</b>	<b>\$ 11</b>	<b>\$ 707,290</b>	<b>\$ 7,404,675</b>

The majority of the interfund balances were a result of routine interfund transactions due for reimbursement of expenditures. Debt Service Funds borrowed \$4,689,810 from General Fund to make debt payments due to timing difference in receiving sales tax revenue and deposit with trustee. The amount is expected to be repaid in the following fiscal year. Nonmajor Governmental Fund (Grant Special Revenue Fund) will repay \$1,975,315 to General Fund upon receiving reimbursement from Los Angeles County Metropolitan Transportation Authority for project costs incurred by General Fund.

**B. Advances to/from Other Funds**

Advances to/from other funds consisted of the following at June 30, 2017:

Advance from Other Funds	Advance to Other Funds
	Governmental Fund
	General Fund
<b>Governmental Fund:</b>	
Debt Service Fund	\$ 53,000,483
<b>Totals</b>	<b>\$ 53,000,483</b>

On December 1, 2015, the PFA entered into loan agreement with the City to borrow \$51,460,000 for the purchase of City of Industry Subordinate Sales Tax Revenue Bonds, Series 2015B (Taxable). The loan bears interest ranges from 2.75% to 7.75% annually, due February 1 and August 1 each year. The principal payments are due on February 1 each year and range from \$485,000 to \$3,905,000.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 7 – Interfund Transactions (Continued)**

**B. Advances to/from Other Funds (Continued)**

As of June 30, 2017, total outstanding balance was in the amount of \$51,460,000. Interest revenue for the City and interest expense for the PFA in the amount of \$2,166,660 is eliminated in the Statement of Activities.

The repayment schedule for the advances is as following:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 485,000	\$ 3,717,698	\$ 4,202,698
2019	505,000	3,704,360	4,209,360
2020	520,000	3,687,948	4,207,948
2021	540,000	3,668,448	4,208,448
2022	560,000	3,645,498	4,205,498
2023-2027	3,240,000	17,792,624	21,032,624
2028-2032	4,315,000	16,720,006	21,035,006
2033-2037	6,065,000	14,966,328	21,031,328
2038-2042	8,670,000	12,362,188	21,032,188
2043-2047	12,545,000	8,492,450	21,037,450
2048-2051	14,015,000	2,816,738	16,831,738
Total	<u>\$ 51,460,000</u>	<u>\$ 91,574,286</u>	<u>\$ 143,034,286</u>

**C. Site Lease Prepayment**

In March 2010, the PFA made the site lease prepayment to the City in the amount of \$7,462,875. The lease revenues for the City and lease expenditures for the PFA are to be recognized over the life of the lease. As of June 30, 2017, the remaining site lease prepayment to be amortized was in the amount of \$4,850,869. See Note 11D for more information.

Lease revenue/expenditures paid from PFA to City on site lease prepayment between PFA and City was in the amount of \$373,144 for the year ended June 30, 2017. Lease revenue/expenditures paid from City to PFA on lease-back between PFA and City was in the amount of \$936,560 for the year ended June 30, 2017.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 7 – Interfund Transaction (Continued)**

**D. Transfers**

Transfers in/out for the year ended June 30, 2017 is as following:

	Transfers In						Total
	Governmental Funds			Proprietary Fund			
	General Fund	Capital Projects Funds	Debt Service Funds	IPUC Enterprise Fund	Expo Center Enterprise Fund		
Transfers Out							
<b>Governmental Funds:</b>							
General Fund	\$ -	\$ 21,990,674	\$ 36,224,482	\$ 504,142	\$ -		\$ 58,719,298
Capital Projects Funds	47,579,019	-	932,237	-	449,906		48,961,162
Nonmajor Governmental Funds	2,040,751	467,146	-	-	-		2,507,897
<b>Proprietary Funds:</b>							
Housing Authority Enterprise Fund	-	9,701	-	-	-		9,701
Total transfers	<u>\$ 49,619,770</u>	<u>\$ 22,467,521</u>	<u>\$ 37,156,719</u>	<u>\$ 504,142</u>	<u>\$ 449,906</u>		<u>\$ 110,198,058</u>

General Fund made the following transfers:

- \$36,224,482 transferred to Debt Service Funds to fund sales tax revenue bond payments.
- \$546,799 to Capital Projects Funds to fund CRIA capital projects.
- \$21,443,875 to Capital Projects Funds to fund project expenditures.
- \$504,142 to IPUC Enterprise Fund for alternative energy payments.

Transfers from Capital Projects Fund to General Fund in the amount of \$47,579,019 was for property equitation, while the transfer to Debt Service Fund in the amount of \$932,237 was for interest income earned on bond proceeds. Capital Projects Funds also transferred \$449,906 to Expo Center Enterprise Fund to help the operation of the Expo Center.

Nonmajor Governmental Funds made the following transfers:

- \$2,040,751 from Grant Special Revenue Fund to General Fund to help pay for project cost.
- \$467,146 from Grant Special Revenue Fund to Capital Projects Fund to help pay for capital project costs.

**E. Transfers to Successor Agency to Industry Urban Development Agency**

The City Debt Service Fund (Tax Override Fund) transferred \$45,671,596 to the SA to IUDA during the year ended June 30, 2017, which relates to the debt service payment of the 2015 Tax Allocation Revenue Refunding Bonds Series 2015 A and B.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 8 – Capital Assets**

**A. Governmental Activities**

Summary of changes in capital asset activity for the year ended June 30, 2017 is as follows:

Capital Assets	Balance July 1, 2016	Additions	Deletions	Reclassification	Balance June 30, 2017
<b>Primary Government</b>					
<b>Governmental activities:</b>					
Capital assets, not being depreciated					
Land	\$ 60,035,146	\$ 42,447,657	\$ (1,490,880)	\$ -	\$ 100,991,923
Construction in progress	7,028,403	17,620,418		(1,634,656)	23,014,165
Total capital assets, not being depreciated	<u>67,063,549</u>	<u>60,068,075</u>	<u>(1,490,880)</u>	<u>(1,634,656)</u>	<u>124,006,088</u>
Capital assets, being depreciated					
Buildings and improvements	118,398,933	-	-	-	118,398,933
Machinery and equipment	1,916,190	10,556	-	-	1,926,746
Furniture and fixture	4,461,943	3,627	-	-	4,465,570
Infrastructure	141,395,929	-	-	1,634,656	143,030,585
Total capital assets, being depreciated	<u>266,172,995</u>	<u>14,183</u>	<u>-</u>	<u>1,634,656</u>	<u>267,821,834</u>
Less accumulated depreciation					
Buildings and improvements	(58,705,327)	(2,560,745)	-	-	(61,266,072)
Machinery and equipment	(1,637,576)	(111,495)	-	-	(1,749,071)
Furniture and fixture	(3,731,975)	(267,234)	-	-	(3,999,209)
Infrastructure	(59,262,840)	(3,709,948)	-	-	(62,972,788)
Total accumulated depreciation	<u>(123,337,718)</u>	<u>(6,649,422)</u>	<u>-</u>	<u>-</u>	<u>(129,987,140)</u>
Total capital assets, being depreciated, net	<u>142,835,277</u>	<u>(6,635,239)</u>	<u>-</u>	<u>1,634,656</u>	<u>137,834,694</u>
<b>Total Governmental activities</b>	<u>\$ 209,898,826</u>	<u>\$ 53,432,836</u>	<u>\$ (1,490,880)</u>	<u>\$ -</u>	<u>\$ 261,840,782</u>

Depreciation expense was charged to the primary government in the governmental activities in the amount of \$6,649,422 to the following function:

General government	\$ 560,053
Support services	1,594,533
Community development	110,768
Community services	677,699
Public safety	1,659,040
Public works	2,047,329
Total depreciation expense	<u>\$ 6,649,422</u>

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 8 – Capital Assets (Continued)**

**B. Business-Type Activities**

Summary of changes in capital asset activity for the year ended June 30, 2017 is as follows:

Capital Assets	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b>Business-type activities:</b>				
Capital assets not being depreciated				
Land	\$ 6,764,880	\$ -	\$ -	\$ 6,764,880
Water rights	441,200	-	-	441,200
Source of supply-Water	441,687	-	-	441,687
Construction in Progress	4,549	-	-	4,549
Total capital assets, not being depreciated	<u>7,652,316</u>	<u>-</u>	<u>-</u>	<u>7,652,316</u>
Capital assets being depreciated				
Buildings and improvements	54,441,369	31,833	-	54,473,202
Equipment, furniture and fixtures	1,288,657	-	-	1,288,657
Infrastructure	294,622	-	-	294,622
Source of supply-Electric	4,053,806	-	-	4,053,806
Total capital assets, being depreciated	<u>60,078,454</u>	<u>31,833</u>	<u>-</u>	<u>60,110,287</u>
Less: accumulated depreciation				
Buildings and improvements	(17,212,757)	(811,202)	-	(18,023,959)
Equipment, furniture and fixture	(16,851,517)	(677,192)	-	(17,528,709)
Source of supply-Electric	(1,185,510)	(92,753)	-	(1,278,263)
Total accumulated depreciation	<u>(35,249,784)</u>	<u>(1,581,147)</u>	<u>-</u>	<u>(36,830,931)</u>
Total capital assets being depreciated, net	<u>24,828,670</u>	<u>(1,549,314)</u>	<u>-</u>	<u>23,279,356</u>
<b>Total Business-type activities</b>	<u>\$ 32,480,986</u>	<u>\$ (1,549,314)</u>	<u>\$ -</u>	<u>\$ 30,931,672</u>

Depreciation expenses for business activities in the amount of \$1,581,147 were charged to the activities:

IPUC:	
Water	\$ 628,203
Electric	92,753
CRIA Expo Center	747,916
IPHMA	112,275
Total depreciation expense	<u>\$ 1,581,147</u>

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 8 – Capital Assets (Continued)**

**C. Property Held for Sale or Disposition of the Private-Purpose Trust Fund**

Property Held for Sale or Disposition	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets not being depreciated:				
Land	\$ 157,083,801	\$ -	\$ (70,183,929)	\$ 86,899,872
Construction in progress	127,641,748	18,062,795	-	145,704,543
Total capital assets not being depreciated	<u>284,725,549</u>	<u>18,062,795</u>	<u>(70,183,929)</u>	<u>232,604,415</u>
Capital assets being depreciated				
Infrastructure	187,616,550	-	-	187,616,550
Buildings and improvements	15,221,946	-	(3,108,059)	12,113,887
Furniture and fixtures	676,222	-	-	676,222
Vehicles	33,312	-	-	33,312
Total capital assets being depreciated	<u>203,548,030</u>	<u>-</u>	<u>(3,108,059)</u>	<u>200,439,971</u>
Less: accumulated depreciation	<u>(25,794,406)</u>	<u>-</u>	<u>468,094</u>	<u>(25,326,312)</u>
Total capital assets being depreciated, net	<u>177,753,624</u>	<u>-</u>	<u>(2,639,965)</u>	<u>175,113,659</u>
Capital assets, net	<u>\$ 462,479,173</u>	<u>\$ 18,062,795</u>	<u>\$ (72,823,894)</u>	<u>\$ 407,718,074</u>

The SA to IUDA no longer records depreciation expense on its capital assets as these assets are being held for sale or disposition. During the year ended June 30, 2017, the SA to IUDA sold properties for \$119,155,188 and recognized a gain of \$46,331,294.

**Note 9 – Unearned Revenue from Reclaimed Water Sales**

The City purchases 10,000 acre feet of reclaimed water from LA County Sanitation District annually. The City also entered into separate joint use and development agreements with the Rowland Water District (“RWD”) and the Upper San Gabriel Valley Water District (“SGVWD”). The purpose of the agreements is to sell 3,400 and 2,500 acre feet of reclaimed water to RWD and SGVWD, respectively. Under the agreements, RWD and SGVWD had the option to pay their allocated shares of cost in advance or over 20 years. On July 15, 2009, RWD paid its allocated share of cost in advance in the amount of \$5,958,516. Subsequently, SGVWD also paid its allocable share of cost in advance in the amount of \$4,280,345 on November 10, 2012. Both advances are to be amortized and recognized as revenue over 20 years. At June 30, 2017 total unearned revenue from the sale of reclaimed water to RWD and SGVWD was in the amount of \$6,785,368.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities**

Summary of Changes in the Governmental Activities long-term liabilities for the year ended June 30, 2017 is as following:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due within one year	Due in more than one year
<b>Governmental activities:</b>						
Bonds payable:						
City of Industry:						
General obligation bonds	\$ 104,940,000	\$ -	\$ (10,865,000)	\$ 94,075,000	\$ 11,345,000	\$ 82,730,000
Sales tax revenue bonds	422,600,000	34,340,000	(35,170,000)	421,770,000	5,950,000	415,820,000
Public Facilities Authority:						
Tax allocation bonds	574,905,000	-	(69,260,000)	505,645,000	59,995,000	445,650,000
Lease revenue bonds	4,230,000	-	(780,000)	3,450,000	810,000	2,640,000
Subtotal	<u>1,106,675,000</u>	<u>34,340,000</u>	<u>(116,075,000)</u>	<u>1,024,940,000</u>	<u>78,100,000</u>	<u>946,840,000</u>
Deferred amounts:						
Unamortized						
premium/discounts	(3,821,723)	(152,619)	(659,212)	(4,633,554)	287,678	(4,921,232)
Total bonds payable	1,102,853,277	34,187,381	(116,734,212)	1,020,306,446	78,387,678	941,918,768
Net Pension liability	6,336,456	2,620,832	(1,092,624)	7,864,664	-	7,864,664
Compensated absences	111,140	43,004	(49,571)	104,573	50,000	54,573
Total long-term liabilities	<u>\$ 1,109,300,873</u>	<u>\$ 36,851,217</u>	<u>\$ (117,876,407)</u>	<u>\$ 1,028,275,683</u>	<u>\$ 78,437,678</u>	<u>\$ 949,838,005</u>

**A. City of Industry General Obligation Bonds**

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
<b>General obligation bonds:</b>					
2009 GO Refunding Bonds, Series A	\$ 16,960,000	\$ -	\$ (3,955,000)	\$ 13,005,000	\$ 4,130,000
2009 GO Refunding Bonds, Series B	25,945,000	-	(4,755,000)	21,190,000	4,975,000
2010 GO Refunding Bonds	33,050,000	-	(2,155,000)	30,895,000	2,240,000
2014 GO Refunding Bonds	28,985,000	-	-	28,985,000	-
Total general obligation bonds	<u>\$ 104,940,000</u>	<u>\$ -</u>	<u>\$ (10,865,000)</u>	<u>\$ 94,075,000</u>	<u>\$ 11,345,000</u>

**2009 General Obligation Refunding Bonds, Series A**

In May 2009, the City issued \$37,860,000 of General Obligation Refunding Bonds (the “2009 GO Refunding Bonds, Series A”). Proceeds from the 2009 GO Refunding Bonds, Series A, along with other funds, were used to refund the \$61,935,000 City General Obligation Refunding Bonds, Issue of 2001. In addition to the funds received, the City used approximately \$4,000,000 from other funds to fund the redemption of the 2001 bonds. The 2001 General Obligation Bonds were fully redeemed on July 1, 2009



**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 10 – Long-Term Liabilities (Continued)**

**A. City of Industry General Obligation Bonds (Continued)**

2009 General Obligation Refunding Bonds, Series A (Continued)

Principal ranges from \$3,955,000 to \$4,545,000 maturing annually through July 1, 2019. The bonds bear interests at rates range from 2.930% to 3.800%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 4,130,000	\$ 544,031	\$ 4,674,031
2019	4,330,000	335,500	4,665,500
2020	4,545,000	113,625	4,658,625
	<u>\$ 13,005,000</u>	<u>\$ 993,156</u>	<u>\$ 13,998,156</u>

2009 General Obligation Refunding Bonds, Series B

On July 30, 2009, the City issued \$50,975,000 of General Obligation Refunding Bonds, Series B (the “2009 GO Refunding Bonds, Series B”). Proceeds from the 2009 GO Refunding Bonds, Series B were used to refund the \$72,490,000 of Public Works Capital Improvement General Obligation Refunding Bonds, Issue of 2003. The 2003 General Obligation Bonds were fully redeemed on August 18, 2009.

Principal ranges from \$4,755,000 to \$5,640,000 maturing annually through July 1, 2020. The bonds bear interests at rates range from 4.250% to 5.000%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 4,975,000	\$ 819,713	\$ 5,794,713
2019	5,180,000	610,400	5,790,400
2020	5,395,000	379,250	5,774,250
2021	5,640,000	127,800	5,767,800
	<u>\$ 21,190,000</u>	<u>\$ 1,937,163</u>	<u>\$ 23,127,163</u>

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**A. City of Industry General Obligation Bonds (Continued)**

2010 General Obligation Refunding Bonds

On August 31, 2010, the City issued \$43,340,000 of General Obligation Refunding Bonds (the "2010 GO Refunding Bonds"). Proceeds from the 2010 GO Refunding Bonds were used to refund the \$27,245,000 2004 GO Refunding Bonds, Series A, and the \$29,015,000 2004 GO Refunding Bonds, Series B. The bonds were fully redeemed on September 17, 2010.

Principal ranges from \$1,550,000 to \$3,240,000 maturing annually through July 1, 2029. The bonds bear interests at rates range from 4.000% to 5.000%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 2,240,000	\$ 1,374,250	\$ 3,614,250
2019	2,330,000	1,282,850	3,612,850
2020	2,430,000	1,175,500	3,605,500
2021	2,550,000	1,051,000	3,601,000
2022	2,675,000	924,825	3,599,825
2023-2027	13,625,000	2,527,938	16,152,938
2028-2030	5,045,000	322,190	5,367,190
	<u>\$ 30,895,000</u>	<u>\$ 8,658,553</u>	<u>\$ 39,553,553</u>

2014 General Obligation Refunding Bonds

In May 2014, the City issued \$28,985,000 of General Obligation Refunding Bonds, Series 2014 (Federally Taxable) (the "2014 GO Refunding Bonds"). Proceeds from the 2014 GO Refunding Bonds, along with other funds, were used to refund the \$35,000,000 Taxable General Obligation Bonds, Issue of 2002. In addition to the funds received, the City used approximately \$1,764,000 from other funds to fund the redemption of the 2002 bonds. The 2002 Taxable General Obligation Bonds were fully redeemed on May 28, 2014.

Principal ranges from \$4,470,000 to \$6,395,000 maturing annually through July 1, 2024. The bonds bear interests at rates range from 2.500% to 3.125%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ -	\$ 832,964	\$ 832,964
2019	-	832,964	832,964
2020	-	832,964	832,964
2021	4,470,000	777,089	5,247,089
2022	5,875,000	640,432	6,515,432
2023-2025	18,640,000	865,811	19,505,811
	<u>\$ 28,985,000</u>	<u>\$ 4,782,224</u>	<u>\$ 33,767,224</u>

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**A. City of Industry General Obligation Bonds (Continued)**

2014 General Obligation Refunding Bonds (Continued)

All the general obligation bonds are secured by property taxes received by the City. The general obligation bonds will be paid off through the fiscal year ending 2030. Principal and interest payments outstanding at June 30, 2017 on the bonds amounted to \$110,446,096. Annual principal and interest payments on the general obligation bonds are expected to require 24% of the property taxes. For the year ended June 30, 2017, total monies received to pay for these bonds amounted to \$52,807,059. Principal and interest paid on the bonds during the year ended June 30, 2017 amounted to \$14,924,902.

**B. City of Industry Sales Tax Revenue Bonds**

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
<b>Sales tax revenue bonds:</b>					
2010 Sales Tax Revenue Bonds	\$ 34,570,000	\$ -	\$ (34,570,000)	\$ -	\$ -
2015 Sales Tax Revenue Refunding Bonds, Series A	336,570,000	-	(600,000)	335,970,000	1,890,000
2015 Sales Tax Revenue Bonds, Series B	51,460,000	-	-	51,460,000	485,000
2017 Sales Tax Refunding Revenue Bonds	-	34,340,000	-	34,340,000	3,575,000
Total sales tax revenue bonds	<u>\$ 422,600,000</u>	<u>\$ 34,340,000</u>	<u>\$ (35,170,000)</u>	<u>\$ 421,770,000</u>	<u>\$ 5,950,000</u>

2010 Taxable Sales Tax Revenue Bonds

During April 2010, the City issued \$45,380,000 of Taxable Sales Tax Revenue Bonds. Proceeds of approximately \$39,725,000 were deposited into the Redevelopment Revolving Fund, which constitutes a loan to IUDA; IUDA or its successor is then obligated to repay these loans through available tax increment revenues. The remaining proceeds of approximately \$4,500,000 were deposited into a reserve account. Refer to IUDA's 2010 Subordinate Lien Tax Allocation Refunding Bonds (Taxable) for settlement of the loan.

During the year ended June 30, 2017, the City issued \$34,340,000 Senior Sales Tax Revenue Refunding Bonds Series 2017 (Taxable) to advance refund the 2010 Taxable Sales Tax Revenue Bonds. The defeased bonds had outstanding balance in the amount of \$32,355,000 at June 30, 2017.

2015 Taxable Sales Tax Revenue Refunding Bonds, Series A

On December 3, 2015, the City issued \$336,570,000 Senior Sales Tax Revenue Refunding Bonds, Series A (Taxable) to 1) refund its 2005 and 2008 Sales Tax Revenue Bonds, 2) to finance certain improvements and expenditures of the City, 3) purchase a surety for the reserve fund for the bonds, 4) purchase a municipal bond insurance policy for the bonds, and 5) pay certain costs of issuance of the bonds. The 2005 Taxable Sales Tax Revenue Bonds and 2008 Taxable Sales Tax Revenue Bonds were fully redeemed on December 13, 2015.

The refunding was structured to combine the refunding and new money component. As a result, there is no savings in aggregate debt service payments due to the final maturity was extended from 2027 to 2051. However, the refunding resulted in economic gain in the amount of \$3,884,174.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**B. City of Industry Sales Tax Revenue Bonds (Continued)**

2015 Taxable Sales Tax Revenue Refunding Bonds, Series A (Continued)

Principal ranges from \$600,000 to \$21,875,000 maturing annually through January 1, 2051. The bonds bear interests at rates range from 1.460% to 5.125%, due semiannually on January 1 and July 1.

Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 1,890,000	\$ 16,373,695	\$ 18,263,695
2019	1,920,000	16,338,162	18,258,162
2020	1,960,000	16,297,363	18,257,363
2021	2,010,000	16,248,362	18,258,362
2022	2,065,000	16,193,088	18,258,088
2023-2027	11,380,000	79,920,381	91,300,381
2028-2032	39,490,000	75,495,600	114,985,600
2033-2037	49,420,000	65,570,238	114,990,238
2038-2042	63,280,000	51,707,406	114,987,406
2043-2047	81,245,000	33,742,744	114,987,744
2048-2051	81,310,000	10,677,937	91,987,937
	<u>\$ 335,970,000</u>	<u>\$ 398,564,976</u>	<u>\$ 734,534,976</u>

2015 Taxable Sales Tax Revenue Refunding Bonds, Series B

On December 3, 2015, the City issued \$51,460,000 Subordinate Sales Tax Revenue Bonds, Series 2015B (Taxable) to finance working capital expenditures and/or project costs.

Principal ranges from \$485,000 to \$3,905,000 maturing annually through February 1, 2051. The bonds bear interests at rates range from 2.750% to 7.750%, due semiannually on January 1 and July 1.

Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 485,000	\$ 3,717,698	\$ 4,202,698
2019	505,000	3,704,360	4,209,360
2020	520,000	3,687,948	4,207,948
2021	540,000	3,668,448	4,208,448
2022	560,000	3,645,498	4,205,498
2023-2027	3,240,000	17,792,624	21,032,624
2028-2032	4,315,000	16,720,006	21,035,006
2033-2037	6,065,000	14,966,328	21,031,328
2038-2042	8,670,000	12,362,188	21,032,188
2043-2047	12,545,000	8,492,450	21,037,450
2048-2051	14,015,000	2,816,738	16,831,738
Total	<u>\$ 51,460,000</u>	<u>\$ 91,574,286</u>	<u>\$ 143,034,286</u>

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 10 – Long-Term Liabilities (Continued)**

**B. City of Industry Sales Tax Revenue Bonds (Continued)**

2017 Senior Taxable Sales Tax Revenue Refunding Bonds

On April 11, 2017, the City issued \$34,340,000 Senior Sales Tax Revenue Refunding Bonds (Taxable) to 1) refund its 2010 Sales Tax Revenue Bonds, 2) purchase a surety for the reserve fund for the bonds, 3) purchase a municipal bond insurance policy for the bonds, and 4) pay certain costs of issuance of the bonds.

The refunding resulted in savings in debt service payments in the amount of \$7,396,509. It also resulted in economic gain in the amount of \$1,784,623.

Principal ranges from \$3,085,000 to \$3,873,000 maturing annually through January 1, 2027. The bonds bear interests at rates range from 1.500% to 3.500%, due semiannually on January 1 and July 1.

Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 3,575,000	\$ 642,635	\$ 4,217,635
2019	3,085,000	890,656	3,975,656
2020	3,145,000	828,956	3,973,956
2021	3,215,000	758,194	3,973,194
2022	3,295,000	677,819	3,972,819
2023-2027	18,025,000	1,842,988	19,867,988
	<u>\$ 34,340,000</u>	<u>\$ 5,641,248</u>	<u>\$ 39,981,248</u>

The sales tax revenue bonds are secured by sales tax revenues received by the City until the bonds are paid off in fiscal year 2051. Principal and interest payments outstanding at June 30, 2017 on the bonds amounted to \$917,550,510. Annual principal and interest payments on the sales tax revenue bonds are expected to require 25% of the sales tax revenues. For the year ended June 30, 2017, total sales tax revenues received to pay for these bonds amounted to \$31,224,043. Principal and interest paid on the bonds during the year ended June 30, 2017 amounted to \$27,312,325.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**C. Public Facilities Authority Tax Allocation Revenue Bonds**

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
<b>Tax allocation revenue bonds:</b>					
2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 1)	\$ 239,525,000	\$ -	\$ (32,000,000)	\$ 207,525,000	\$ 36,180,000
2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 2)	7,140,000	-	(495,000)	6,645,000	700,000
2015 Tax Allocation Revenue Refunding Bonds, Series B (Project No. 2)	249,770,000	-	(10,245,000)	239,525,000	16,040,000
2015 Subordinate Tax Allocation Revenue Refunding Bonds, Series A (Project No. 2)	33,815,000	-	(23,420,000)	10,395,000	3,255,000
2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 3)	7,230,000	-	(505,000)	6,725,000	710,000
2015 Tax Allocation Revenue Refunding Bonds, Series B (Project No. 3)	37,425,000	-	(2,595,000)	34,830,000	3,110,000
Total tax allocation revenue bonds	<u>\$ 574,905,000</u>	<u>\$ -</u>	<u>\$ (69,260,000)</u>	<u>\$ 505,645,000</u>	<u>\$ 59,995,000</u>

2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 1)

On July 1, 2015, the PFA issued the \$239,525,000 Tax Allocation Revenue Refunding Bonds, Series 2015A (Civic-Recreational-Industrial Redevelopment Project No. 1) (Taxable) for the purpose of acquiring the SA to IUDA's Project No. 1 2015A Bonds, which was issued to defease all IUDA Project No. 1's 2002 Tax Allocation Refunding Bonds Series B, 2003 Tax Allocation Bonds, Series A, 2003 Tax Allocation Bonds, Series B, 2003 Subordinate Lien Tax Allocation Refunding Bonds, 2005 Subordinate Lien Tax Allocation Refunding Bonds, 2007 Subordinate Lien Tax Allocation Refunding Bonds, and 2008 Subordinate Lien Tax Allocation Refunding Bonds.

Principal ranges from \$6,835,000 to \$39,090,000 maturing annually through January 1, 2025. The bonds bear interests at rates range from 1.764% to 4.344%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 36,180,000	\$ 6,667,535	\$ 42,847,535
2019	36,945,000	5,870,490	42,815,490
2020	37,925,000	4,840,094	42,765,094
2021	39,090,000	3,649,628	42,739,628
2022	30,740,000	2,292,814	33,032,814
2023-2025	26,645,000	1,992,464	28,637,464
	<u>\$ 207,525,000</u>	<u>\$ 25,313,025</u>	<u>\$ 232,838,025</u>

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**C. Public Facilities Authority Tax Allocation Revenue Bonds (Continued)**

2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 2)

On July 1, 2015, the PFA issued the \$7,140,000 Tax Allocation Revenue Refunding Bonds, Series 2015A (Transportation-Distribution-Industrial Redevelopment Project No. 2) (Tax-Exempt) for the purpose of acquiring the SA to IUDA's Project No. 2 2015A Bonds, issued to defease all IUDA Project No. 2's outstanding 2002 Tax Allocation Refunding Bonds. The PFA also issued the \$249,770,000 Tax Allocation Revenue Refunding Bonds, Series 2015B (Transportation-Distribution-Industrial Redevelopment Project No. 2) (Taxable) for the purpose of acquiring the SA to IUDA's Project No. 2 2015B Bonds, issued to defease a portion of 2003 Subordinate Lien Tax Allocation Refunding Bonds (with outstanding accreted value of \$178,967,753) and all IUDA Project No. 2's outstanding 2003 Tax Allocation Bonds, 2005 Subordinate Lien Tax Allocation Refunding Bonds, 2008 Subordinate Lien Tax Allocation Refunding Bonds, 2010 Subordinate Tax Allocation Refunding Bonds.

For Series A, principal ranges from \$495,000 to \$975,000 maturing annually through January 1, 2025. The bonds bear interests at rate of 5.000%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 700,000	\$ 332,250	\$ 1,032,250
2019	735,000	297,250	1,032,250
2020	770,000	260,500	1,030,500
2021	805,000	222,000	1,027,000
2022	845,000	181,750	1,026,750
2022-2025	2,790,000	283,500	3,073,500
	<u>\$ 6,645,000</u>	<u>\$ 1,577,250</u>	<u>\$ 8,222,250</u>

For Series B, principal ranges from \$6,965,000 to \$48,825,000 maturing annually through January 1, 2027. The bonds bear interests at rates ranges from 1.914% to 5.044%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 16,040,000	\$ 10,336,064	\$ 26,376,064
2019	16,420,000	9,942,603	26,362,603
2020	16,905,000	9,443,599	26,348,599
2021	17,490,000	8,870,689	26,360,689
2022	22,550,000	8,149,926	30,699,926
2023-2027	150,120,000	16,239,817	166,359,817
	<u>\$ 239,525,000</u>	<u>\$ 62,982,698</u>	<u>\$ 302,507,698</u>

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**C. Public Facilities Authority Tax Allocation Revenue Bonds (Continued)**

2015 Subordinate Tax Allocation Revenue Refunding Bonds, Series A

On July 1, 2015, the PFA issued the \$33,815,000 Subordinate Tax Allocation Revenue Refunding Bonds, Series 2015A (Transportation-Distribution-Industrial-Redevelopment Project No. 2) (Taxable) for the purpose of acquiring the SA to IUDA's Project No. 2 2015A Subordinate Bonds, which was issued to defease remaining balance of the IUDA's Project No. 2's 2003 Subordinate Lien Tax Allocation Refunding Bonds with outstanding accreted value of \$178,967,753.

During the year ended June 30, 2016, the PFA early redeemed \$21,445,000 of the bonds. Remaining principal ranges from \$200,000 to \$3,590,000 maturing annually through January 1, 2021. The bonds bear interests at rate of 5.750%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 3,255,000	\$ 597,712	\$ 3,852,712
2019	3,350,000	410,550	3,760,550
2020	3,590,000	217,926	3,807,926
2021	200,000	11,500	211,500
	<u>\$ 10,395,000</u>	<u>\$ 1,237,688</u>	<u>\$ 11,632,688</u>

2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 3)

On July 1, 2015, the PFA issued the \$7,230,000 Tax Allocation Revenue Refunding Bonds, Series 2015A (Transportation-Distribution-Industrial Redevelopment Project No. 3) (Tax-Exempt) for the purpose of acquiring the SA to IUDA's Project No.3 2015A Bonds, which was issued to defease IUDA's Project No. 3 outstanding 2002 Tax Allocation Refunding Bonds. The PFA also issued the \$37,425,000 Tax Allocation Revenue Refunding Bonds, Series 2015B (Transportation-Distribution-Industrial Redevelopment Project No. 3) (Taxable) for the purpose of acquiring the SA to IUDA's Project No.3 2015B Bonds, which was issued to defease IUDA's Project No. 3 2003 Tax Allocation Bonds, 2003 Subordinate Lien Tax Allocation Refunding Bonds, and 2008 Subordinate Lien Tax Allocation Refunding Bonds.

For Series A, principal ranges from \$505,000 to \$985,000 maturing annually through January 1, 2025. The bonds bear interests at rate of 5.000%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 710,000	\$ 336,250	\$ 1,046,250
2019	740,000	300,750	1,040,750
2020	780,000	263,750	1,043,750
2021	815,000	224,750	1,039,750
2022	855,000	184,000	1,039,000
2023-2025	2,825,000	286,750	3,111,750
	<u>\$ 6,725,000</u>	<u>\$ 1,596,250</u>	<u>\$ 8,321,250</u>



**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 10 – Long-Term Liabilities (Continued)**

**C. Public Facilities Authority Tax Allocation Revenue Bonds (Continued)**

2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 3) (Continued)

For Series B, principal ranges from \$2,595,000 to \$3,990,000 maturing annually through January 1, 2027. The bonds bear interests at rates ranges from 1.914% to 5.044%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 3,110,000	\$ 1,524,187	\$ 4,634,187
2019	3,325,000	1,461,987	4,786,987
2020	3,425,000	1,362,237	4,787,237
2021	3,530,000	1,259,487	4,789,487
2022	3,435,000	1,081,434	4,516,434
202-2027	18,005,000	2,671,050	20,676,050
	<u>\$ 34,830,000</u>	<u>\$ 9,360,382</u>	<u>\$ 44,190,382</u>

Revenue pledged

All of the 2015 Tax Allocation Refunding Bonds described in Note 10C are secured and payable in the following order of priority: 1) pledged tax revenue through ownership to local obligation bonds, 2) investment income with respect to the funds and accounts established under the indenture, and 3) certain override revenues until the bonds are fully paid off which is scheduled to be during the year ending 2027. Principal and interest payments outstanding at June 30, 2017 amounted to \$607,712,293.

**D. Public Facilities Authority Lease Revenue Refunding Bonds**

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year
<b>Lease revenue refunding bonds</b>					
2010 Lease Revenue Refunding Bonds	\$ 4,230,000	\$ -	\$ (780,000)	\$ 3,450,000	\$ 810,000
Total general obligation bonds	<u>\$ 4,230,000</u>	<u>\$ -</u>	<u>\$ (780,000)</u>	<u>\$ 3,450,000</u>	<u>\$ 810,000</u>

2010 Lease Revenue Refunding Bonds and City Certificates of Participation

In order to assist the City in financing the construction of various projects, on August 1, 2000, IUDA and the City entered into a lease agreement for certain properties owned by the City for a one-time site lease payment in the amount of \$11,000,000. The IUDA agreed to lease back these properties to the City. In conjunction with the signing of these lease agreements on August 30, 2000, the City issued \$12,620,000 of Certificates of Participation Series 2000 bonds (“2000 Certificates”) to fund IUDA’s site lease payment. Under the lease agreement, the certificates represented direct, undivided fractional interests of the owners in lease payments to be made by the City to IUDA.

The term of both leases ceased on the date in which all the outstanding 2000 Certificates were paid in full as discussed below.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 10 – Long – Term Liabilities (Continued)**

**D. Public Facilities Authority Lease Revenue Refunding Bonds (Continued)**

2010 Lease Revenue Refunding Bonds and City Certificates of Participation (Continued)

In March 2010, the City terminated its lease agreement with IUDA and leased the properties to PFA under a Site Lease Agreement between the City and PFA. As consideration, PFA paid an upfront rental payment of approximately \$8,500,000 to the City for the lease of certain properties. The funds were then used by the City to prepay the 2000 Certificates. These funds were placed in an irrevocable trust to provide for all future debt service payments on the 2000 Certificates. Accordingly, the trust account and the defeased Certificates are not included in the City’s financial statements.

In order to prepay the Site Lease, PFA issued \$8,460,000 of 2010 Refunding Lease Revenue Bonds. Principal ranges from \$780,000 to \$915,000 maturing annually through August 1, 2020. The bonds bear interests at rates range from 4.000% to 4.250%, due semiannually on February 1 and August 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 810,000	\$ 125,188	\$ 935,188
2019	845,000	92,088	937,088
2020	880,000	57,038	937,038
2021	915,000	19,444	934,444
	\$ 3,450,000	\$ 293,758	\$ 3,743,758

In order to secure payments of the bond principal and interest, PFA then leased back the property to the City in which the City is then obligated to pay semi-annual lease payments as rental payments for the leased back properties. PFA has assigned its right to receive the lease payments to U.S. Bank Trust National Association as trustee for the holders of the Refunding Lease Revenue Bonds.

The term of both leases will cease on the date on which all the outstanding principal and interest payments of the 2010 Refunding Lease Revenue Bonds are paid in full or a provision has been made for such payment, but not later than August 1, 2030.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 10 – Long-Term Liabilities (Continued)**

***D. Public Facilities Authority Lease Revenue Refunding Bonds (Continued)***

2010 Lease Revenue Refunding Bonds and City Certificates of Participation (Continued)

PFA will amortize the site lease prepayment over the term of the lease as follows:

Year Ending June 30,	Lease Expense
2018	\$ 373,144
2019	373,144
2020	373,144
2021	373,144
2022	373,144
Thereafter	2,985,148

2010 Lease Revenue Refunding Bonds and City Certificates of Participation (Continued)

The following is a schedule of future minimum lease payments to be received by PFA and paid by the City:

Year Ending June 30,	Amount
2018	\$ 937,658
2019	937,658
2020	937,658
2021	937,658

***E. Non-City Obligation Bonds***

In December 1998, the City issued \$6,735,000 of 1998 Revenue Bonds, the purpose of providing funds to acquire the City of Industry Limited Obligation Refunding Improvement Bonds, Assessment District No. 91-1. These funds were used to advance refund and to defease the 1991 Assessment Bonds.

The 1998 Revenue Bonds are special obligations of the City, payable from revenues consisting primarily of debt service payments received from the Refunding Improvement Bonds which revenues are secured by liens of unpaid reassessments on the properties within the Assessment

Any surplus revenues, after paying administrative costs or paying of installments upon properties which are subject to the reassessment, will be paid over to the City to be used for any lawful purpose of the City. The 1998 Revenue Bonds and the City of Industry Limited Obligation Refunding Improvement Bonds, Assessment District No. 91-1 are not debt or liabilities of the City. However, the bonds are payable solely by the revenues and funds pledged in the indenture. Accordingly, these obligations have not been reflected as obligations on the financial statements of the City.

***F. Compensated Absences***

At June 30, 2017, compensated absences totaled to \$104,573, which will be liquidated by the General Fund.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 11 – Successor Agency Bonds Payable**

Summary of changes in the Successor Agency to IUDA’s bonds payables for the year ended June 30, 2017 is as following:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Due Within One Year	Due in more than one year
<b>Project Area 1:</b>						
2015 Tax Allocation Revenue Refunding Bonds, Series A	\$ 239,525,000	\$ -	\$ (32,000,000)	\$ 207,525,000	\$ 36,180,000	\$ 171,345,000
Total Project Area 1	<u>239,525,000</u>	<u>-</u>	<u>(32,000,000)</u>	<u>207,525,000</u>	<u>36,180,000</u>	<u>171,345,000</u>
<b>Project Area 2:</b>						
2015 Tax Allocation Revenue Refunding Bonds, Series A	7,140,000	-	(495,000)	6,645,000	700,000	5,945,000
2015 Tax Allocation Revenue Refunding Bonds, Series B	249,770,000	-	(10,245,000)	239,525,000	16,040,000	223,485,000
2015 Subordinate Tax Allocation Revenue Refunding Bonds, Series A	33,815,000	-	(23,420,000)	10,395,000	3,255,000	7,140,000
Total Project Area 2	<u>290,725,000</u>	<u>-</u>	<u>(34,160,000)</u>	<u>256,565,000</u>	<u>19,995,000</u>	<u>236,570,000</u>
<b>Project Area 3:</b>						
2015 Tax Allocation Revenue Refunding Bonds, Series A	7,230,000	-	(505,000)	6,725,000	710,000	6,015,000
2015 Tax Allocation Revenue Refunding Bonds, Series B	37,425,000	-	(2,595,000)	34,830,000	3,110,000	31,720,000
Total Project Area 3	<u>44,655,000</u>	<u>-</u>	<u>(3,100,000)</u>	<u>41,555,000</u>	<u>3,820,000</u>	<u>37,735,000</u>
Total tax allocation bonds	<u>574,905,000</u>	<u>-</u>	<u>(69,260,000)</u>	<u>505,645,000</u>	<u>59,995,000</u>	<u>445,650,000</u>
<b>Deferred amounts:</b>						
Unamortized premium/discounts	533,641	-	(111,571)	422,070	111,571	310,499
<b>Total bonds payable</b>	<u>\$ 575,438,641</u>	<u>\$ -</u>	<u>\$ (69,371,571)</u>	<u>\$ 506,067,070</u>	<u>\$ 60,106,571</u>	<u>\$ 445,960,499</u>

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 11 – Successor Agency Bonds Payable (Continued)**

2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 1)

On July 1, 2015, the SA to IUDA issued the \$239,525,000 Tax Allocation Revenue Refunding Bonds, Series 2015A (Civic-Recreational-Industrial Redevelopment Project No. 1) (Taxable) for the purpose to defease all IUDA Project No. 1 outstanding 2002 Tax Allocation Refunding Bonds Series B, 2003 Tax Allocation Bonds, Series A, 2003 Tax Allocation Bonds, Series B, 2003 Subordinate Lien Tax Allocation Refunding Bonds, 2005 Subordinate Lien Tax Allocation Refunding Bonds, 2007 Subordinate Lien Tax Allocation Refunding Bonds, and 2008 Subordinate Lien Tax Allocation Refunding Bonds.

Principal ranges from \$6,835,000 to \$39,090,000, maturing annually through January 1, 2025. The bonds bear interests at rates range from 1.764% to 4.344%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 36,180,000	\$ 6,667,535	\$ 42,847,535
2019	36,945,000	5,870,490	42,815,490
2020	37,925,000	4,840,094	42,765,094
2021	39,090,000	3,649,628	42,739,628
2022	30,740,000	2,292,814	33,032,814
2023-2025	26,645,000	1,992,464	28,637,464
	<u>\$ 207,525,000</u>	<u>\$ 25,313,025</u>	<u>\$ 232,838,025</u>

2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 2)

On July 1, 2015, the SA to IUDA issued the \$7,140,000 Tax Allocation Revenue Refunding Bonds, Series 2015A (Transportation-Distribution-Industrial Redevelopment Project No. 2) (Tax-Exempt) for the purpose to defease all IUDA Project No. 2 outstanding 2002 Tax Allocation Refunding Bonds. The SA to IUDA also issued the \$249,770,000 Tax Allocation Revenue Refunding Bonds, Series 2015B (Transportation-Distribution-Industrial Redevelopment Project No. 2) (Taxable) for the purpose to defease a portion of 2003 Subordinate Lien Tax Allocation Refunding Bonds (with outstanding accreted value of \$178,967,753) and all IUDA Project No. 2 outstanding 2003 Tax Allocation Bonds, 2005 Subordinate Lien Tax Allocation Refunding Bonds, 2008 Subordinate Lien Tax Allocation Refunding Bonds, 2010 Subordinate Tax Allocation Refunding Bonds.

For Series A, principal ranges from \$495,000 to \$975,000 maturing annually through January 1, 2025. The bonds bear interests at rate of 5.000%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 700,000	\$ 332,250	\$ 1,032,250
2019	735,000	297,250	1,032,250
2020	770,000	260,500	1,030,500
2021	805,000	222,000	1,027,000
2022	845,000	181,750	1,026,750
2022-2025	2,790,000	283,500	3,073,500
	<u>\$ 6,645,000</u>	<u>\$ 1,577,250</u>	<u>\$ 8,222,250</u>

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 11 – Successor Agency Bonds Payables (Continued)**

2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 2) (Continued)

For Series B, principal ranges from \$6,965,000 to \$48,825,000 maturing annually through January 1, 2027. The bonds bear interests at rates ranges from 1.914% to 5.044%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 16,040,000	\$ 10,336,064	\$ 26,376,064
2019	16,420,000	9,942,603	26,362,603
2020	16,905,000	9,443,599	26,348,599
2021	17,490,000	8,870,689	26,360,689
2022	22,550,000	8,149,926	30,699,926
2023-2027	150,120,000	16,239,817	166,359,817
	<u>\$ 239,525,000</u>	<u>\$ 62,982,698</u>	<u>\$ 302,507,698</u>

2015 Subordinate Tax Allocation Revenue Refunding Bonds, Series A

On July 1, 2015, the SA to IUDA issued the \$33,815,000 Subordinate Tax Allocation Revenue Refunding Bonds, Series 2015A (Transportation-Distribution-Industrial-Redevelopment Project No. 2) (Taxable) for the purpose to defease remaining balances of the IUDA's Project No. 2's 2003 Subordinate Lien Tax Allocation Refunding Bonds with outstanding accreted value of \$178,967,753.

During the year ended June 30, 2016, the SA to IUDA early redeemed \$21,445,000 of the bonds. Remaining principal ranges from \$200,000 to \$3,590,000 maturing annually through January 1, 2021. The bonds bear interests at rate of 5.750%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 3,255,000	\$ 597,712	\$ 3,852,712
2019	3,350,000	410,550	3,760,550
2020	3,590,000	217,926	3,807,926
2021	200,000	11,500	211,500
	<u>\$ 10,395,000</u>	<u>\$ 1,237,688</u>	<u>\$ 11,632,688</u>

2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 3)

On July 1, 2015, the SA to IUDA issued the \$7,230,000 Tax Allocation Revenue Refunding Bonds, Series 2015A (Transportation-Distribution-Industrial Redevelopment Project No. 3) (Tax-Exempt) for the purpose to defease IUDA's Project No. 3 outstanding 2002 Tax Allocation Refunding Bonds. The SA to IUDA also issued the \$37,425,000 Tax Allocation Revenue Refunding Bonds, Series 2015B (Transportation-Distribution-Industrial Redevelopment Project No. 3) (Taxable) for the purpose to defease all IUDA's Project No. 3 outstanding 2003 Tax Allocation Bonds, 2003 Subordinate Lien Tax Allocation Refunding Bonds, and 2008 Subordinate Lien Tax Allocation Refunding Bonds.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 11 – Successor Agency Bonds Payable (Continued)**

2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 3) (Continued)

For Series A, principal ranges from \$505,000 to \$985,000 maturing annually through January 1, 2025. The bonds bear interests at rate of 5.000%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 710,000	\$ 336,250	\$ 1,046,250
2019	740,000	300,750	1,040,750
2020	780,000	263,750	1,043,750
2021	815,000	224,750	1,039,750
2022	855,000	184,000	1,039,000
2023-2025	2,825,000	286,750	3,111,750
	<u>\$ 6,725,000</u>	<u>\$ 1,596,250</u>	<u>\$ 8,321,250</u>

For Series B, principal ranges from \$2,595,000 to \$3,990,000 maturing annually through January 1, 2027. The bonds bear interests at rates ranges from 1.914% to 5.044%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2018	\$ 3,110,000	\$ 1,524,187	\$ 4,634,187
2019	3,325,000	1,461,987	4,786,987
2020	3,425,000	1,362,237	4,787,237
2021	3,530,000	1,259,487	4,789,487
2022	3,435,000	1,081,434	4,516,434
202-2027	18,005,000	2,671,050	20,676,050
	<u>\$ 34,830,000</u>	<u>\$ 9,360,382</u>	<u>\$ 44,190,382</u>

The 2015 Tax Allocation Revenue Refunding Bonds collectively resulted in an economic gain in the amount of \$42,816,814 and total savings in debt service payments in the amount of \$149,432,987.

Revenue Pledged

All of the bonds described in this note are secured by a pledge of all future payments from the Redevelopment Property Tax Trust Fund (“RPTTF”) funds until the bonds are fully paid off which is scheduled to be during the year ending 2027. Principal and interest payments outstanding at June 30, 2017 amounted to \$611,411,555. Annual principal and interest payments on the bonds are expected to require 100% of the RPTTF funds. For the year ended June 30, 2017, total tax increment revenues calculated by the Los Angeles Auditor-Controller amounted to \$63,685,996, which the SA received \$55,722,458 after deductions.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 11 – Successor Agency Bonds Payable (Continued)**

Revenue Pledged (Continued)

Prior to the dissolution of the Industry Urban-Development Agency, the IUDA undertook a program to redevelop each Project Area pursuant to the Community Redevelopment Law. The IUDA issued bonds discussed in the note and secured the bonds by a pledge of tax increment revenues allocated and paid to the IUDA pursuant to HSC Section 33670(b). In 1978, the City’s voters authorized the City to levy an *ad valorem tax* (the “Property Tax Override”) and the City continues to levy the Property Tax Override on taxable properties in the City, including properties within three Project Areas.

Since the Property Tax Override was authorized in 1978, the tax increment revenues allocated and paid to the IUDA before its dissolution in 2012 included a portion of the Property Tax Override. Pursuant to the IUDA bond indentures, the tax increment revenues pledged to the IUDA bonds included the Property Tax Override. Pursuant to the mandate set forth in HSC Section 34175, the pledge of property tax revenues for the IUDA bonds must not be affected and pledged revenues must continue to include the Agency Override Portion. However the Los Angeles Auditor-Controller in administering the allocation of property taxes pursuant to AB XI 26, is disbursing the Agency Override Portion to the City of Industry, instead of depositing the Agency Override Portion into the Successor Agency’s RPTTF fund.

In recognition of the above the SA to IUDA has adopted resolution no. SA 2013-10 on September 25, 2013 authorizing the Executive Director to do as follows, if during each six month ROPS period the moneys received by the SA to IUDA from the Los Angeles Auditor-Controller’s RPTTF disbursement is insufficient to pay the principal and interest payments with respect to the IUDA bonds coming due during the ROPS period, the Executive Director shall notify the City of the shortfall.

On September 26, 2013, pursuant to resolution no. CC 2013-25, the City has established a segregated fund in the treasury designated the Agency Override Fund and shall deposit all Agency Override Portion received by the City into the Agency Override Fund. Upon notification by the SA to IUDA of the Debt Service Shortfall, the City shall apply the necessary amount (but only to the extent available) from the Agency Override Fund to pay the bond trustee or, to the extent that there is no trustee for any bond issue, the bondholders directly, to cover the Debt Service Shortfall. The City subsequently assigns, and covenants and agrees to transfer to the PFA and only to the PFA as and when received by the City, all such override revenues for deposit in the revenue fund, to the extent permitted by law, as consideration to PFA for refunding all SA to IUDA debts by the PFA.

The SA to IUDA received RPTTF Funds for the year ending June 30, as follows:

RPTTF Funds	\$	63,685,996
Less:		
Administrative expenses		(1,048,881)
Pass through payments		(6,914,657)
Net RPTTF Funds	\$	55,722,458

At June 30, 2017 the PFA owns 100 percent of the outstanding bonds of the SA to the IUDA.



**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 12 – Defined Benefit Pension Plan**

The following is the summary of net pension liabilities and related deferred outflows and inflows of resources as of June 30, 2017:

<b>Deferred outflows of resources:</b>	
Pension contribution after measurement date	\$ 567,355
Differences between expected and actual experience	14,735
Adjustment due to differences in proportions	327,601
Difference in projected and actual earnings on pension investments	941,261
<b>Total deferred outflows of resources</b>	<u><u>\$ 1,850,952</u></u>
<b>Net pension liabilities:</b>	
Net pension liabilities	<u>\$ 7,864,664</u>
<b>Total net pension liabilities</b>	<u><u>\$ 7,864,664</u></u>
<b>Deferred inflows of resources:</b>	
Changes of assumptions	\$ 180,850
Employer contributions under proportionate share of contributions	648,777
<b>Total deferred inflows of resources</b>	<u><u>\$ 829,627</u></u>

**A. General Information about the Pension Plan**

Plan Description

The City contributes to CalPERS, a cost-sharing multiple-employer defined pension plan, for its miscellaneous employees. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of CalPERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

Employees Covered by Benefit Terms

At June 30, 2015 (valuation date), the following employees were covered by the benefit terms:

	<b>Plans</b>		
	<u>Classic</u>	<u>Second Tier</u>	<u>PEPRA</u>
Active employees	14	1	6
Transferred and terminated employees	9	0	0
Retired employees and beneficiaries	28	0	0
Total	<u>51</u>	<u>1</u>	<u>6</u>

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 12 – Defined Benefit Pension Plan (Continued)**

**A. General Information about the Pension Plan (Continued)**

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A first tier classic CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least five years of credited service. A second tier classic CalPERS member becomes eligible for service retirement upon attainment of age 60 with at least five years of credited service. A PEPRAs miscellaneous member becomes eligible for service retirement upon attainment of age 62 with at least five years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 12 - 36 months of full-time equivalent monthly pay.

The following are the benefit provisions for each plan:

- Classic Tier 1: 2.7% (at age 55) of the highest average 12-months compensation.
- Classic Tier 2: 2.0% (at age 60) of the highest average 36-months compensation.
- PEPRAs: 2.0% (at age 62) of the average 36-months compensation.

Participants are eligible for non-industrial disability retirement if they become disabled and have at least five years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death. Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s) or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2.0 percent.

Contributions

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

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 12 – Defined Benefit Pension Plans (Continued)**

**A. General Information about the Pension Plan (Continued)**

Contributions (Continued)

For the measurement period ended June 30, 2016, the contribution rates were as follows:

Plans	Active Employee Contribution Rate	Employer Contribution Rate
Classic	8.000%	13.243%
Second Tier	7.000%	8.785%
PEPRA	7.000%	6.250%

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

Actuarial Methods and Assumption Used to Determine Total Pension Liability

For the measurement period ended June 30, 2015, the total pension liability was determined by rolling forward the June 30, 2014 total pension liability. The June 30, 2015 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Long-Term Investment Return	7.65% net of investment expenses, adjust for inflation.
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>1</sup>	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

<sup>1</sup>The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to 2014 experience study report.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Change of Assumption

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate was changed from 7.50 percent (net of administrative expense in 2014) to 7.65 percent as of the June 30, 2015 measurement date to correct the adjustment which previously reduced the discount rate for administrative expense.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 12 – Defined Benefit Pension Plans (Continued)**

***B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)***

*Discount Rate*

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (“PERF”). The cash flow used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

The long-term expected rate of return on pension 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 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 (PERF) cash flows. Taking into account historical returns of all the PERF’s asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C fund), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 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 fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2015.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 <sup>1</sup>	Real Return Years 11+ <sup>2</sup>
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	20.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	1.00%	-0.55%	-1.05%
	<u>100.00%</u>		

<sup>1</sup> An expected inflation of 2.5% used

<sup>2</sup> An expected inflation of 3.0% used

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 12 – Defined Benefit Pension Plans (Continued)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)**

Sensitivity of the City's 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 of the Plan as of the measurement date, calculated using the discount rate of 7.65%, 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 one percentage-point lower (6.65%) or one percentage-point higher (8.65%) than the current rate:

Plan's Net Pension Liability/(Asset)		
Discount Rate - 1% (6.65%)	Current Discount Rate (7.65%)	Discount Rate + 1% (8.65%)
\$ 12,252,940	\$ 7,864,664	\$ 4,237,972

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS' financial report and can be obtained from CalPERS' website under Forms and Publications.

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan's proportionate share of the risk pool collective net pension liability over the measurement period:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2015 (Valuation Date)	\$ 27,808,601	\$ 21,472,145	\$ 6,336,456
Balance at June 30, 2016 (Measurement Date)	26,799,090	18,934,426	7,864,664
Net changes from July 1, 2015 to June 30, 2016	\$ (1,009,511)	\$ (2,537,719)	\$ 1,528,208

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool:

- (1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2015). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2016). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2016 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2015-16).

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 12 – Defined Benefit Pension Plans (Continued)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)**

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.
- (5) The plan’s TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan’s NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense is allocate based on the City’s share of contribution.

The City’s proportionate share of the net pension liability was as follows:

June 30, 2015	0.09232%
June 30, 2016	<u>9.00888%</u>
Change - Increase (Decrease)	<u><u>8.91656%</u></u>

For the year ended June 30, 2017, the City recognized pension expense in the amount of \$650,779.

The Expected Average Remaining Service Lifetime (“EARSL”) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSL for risk pool for the June 30, 2016 measurement period is 3.7 years, which was obtained by dividing the total service years of 475,689 (the sum of remaining service lifetimes of the active employees) by 127,009 (the total number of participants: active, inactive, and retired).

At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Contribution made after the measurement date	\$ 567,355	\$ -
Difference between expected and actual experience	14,735	-
Adjustment due to differences in proportions	327,601	-
Changes of assumptions	-	(180,850)
Net difference between projected and actual earnings on pension plan investments	941,261	-
Employer contributions under proportionated contributions	-	<u>(648,777)</u>
Total	<u><u>\$ 1,850,952</u></u>	<u><u>\$ (829,627)</u></u>

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 12 – Defined Benefit Pension Plans (Continued)**

**B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension (Continued)**

*Proportionate Share of Net Pension Liability and Pension Expense (Continued)*

Deferred outflows of resources related to pensions resulting from the City’s contributions made subsequent to the measurement date in the amount of \$567,355 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2018	\$ (122,260)
2019	(52,270)
2020	384,702
2021	243,798
2022	-
Thereafter	-
	\$ 453,970

**C. CalPERS Discount Rate**

On December 16, 2016, the CalPERS Board of Administration (the “Board”) approved lowering the CalPERS discount rate assumption, the long-term rate of return, from 7.50 percent over the next three years. This will increase the City’s employer contribution costs beginning in fiscal year 2018-19. The phase in of the discount rate change approved by the Board for the next three fiscal years is as follow:

Valuation Date	Required Contribution Rate	Discount Rate
June 30, 2016	2018-19	7.375%
June 30, 2017	2019-20	7.250%
June 30, 2018	2020-21	7.000%

Lowering the discount rate means plans will see increases in both normal costs, the cost of pension benefits accruing in one year for active members and the accrued liabilities. These increase will result in higher required employer contribution

**Note 13 - Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights (until paid or made available to the employees or other beneficiary) are solely the property and rights of the City and subject only to the claims of the City’s general creditors. Participants’ rights under the plan are equal to those of a general creditor of the City in an amount equal to the fair market value of the deferred account for each participant.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 13 – Deferred Compensation Plan (Continued)**

Investments are managed by the plan’s trustee under one of several investment options, or a combination thereof. The choice of the investment option(s) is made by the participants. Plan assets are held in trust for the exclusive benefit of participant and their beneficiaries; and therefore, are not included in the accompanying financial statements. As of June 30, 2017, the plan had investments in the amount of \$1,403,797.

**Note 14 – Other Postemployment Benefits (OPEB)**

The City provides post-retirement health and dental care benefits for retirees and their spouses under a single-employer OPEB plan. The City is self-insured and pays 100% of all health and dental care benefits. Employees who were hired after April 26, 1990 are provided with a different level of coverage per resolution 1478, which provides 100% coverage after twenty-five years of service. Employees hired prior to April 26, 1990 receive 100% coverage after ten years of service. The Plan does not issue a separate stand alone financial report.

The City accounts for other post-employment benefits, primarily healthcare, on a pay-as-you-go basis. The effect is the recognition of an actuarially required contribution as an expense on the government-wide statement of activities when a future retiree earns their post-employment benefit rather than when they use their postemployment benefit.

Depending on the funding status of an entity on their actuarially required contribution, a post-employment benefit liability or asset is recognized on the government-wide statement of net assets over time.

**A. Funding Policy**

As of June 30, 2017, there were 34 individuals receiving post-retirement benefits from the City. The City prefunded all its OPEB contribution based on its actuarial accrued liability as of July 1, 2015 through the California Public Employees’ Retirement System California Employer’s Retiree Benefit Trust Fund (the CalPERS CERBT fund). For the year ended June 30, 2017, the City and its component units paid \$683,322 for the retirees on a pay-as-you-go basis and received reimbursement in the amount of \$653,626.

**B. Annual OPEB Cost and Net OPEB Obligation/(Asset)**

The City and component units’ annual OPEB expense is calculated based on the annual required contribution (“ARC”) of the employer, an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liability over a period of thirty years.

The annual required contribution is calculated as following:

Normal cost	\$	457,334
Increase in normal cost due to increase in payroll		16,035
Residual UAAL amortization		(235)
Total ARC	\$	473,134



**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 14 – Other Postemployment Benefits (OPEB) (Continued)**

**B. Annual OPEB Cost and Net OPEB Obligation/(Asset) (Continued)**

The City's OPEB cost and the related information for the year ended June 30, 2017 is as following:

ARC	\$	473,134
Interest on net position obligation		(87,234)
Amortization adjustment		84,440
Annual OPEB Cost		470,340
Contribution made		(683,322)
Contribution reimbursement		653,626
Changes in Net OPEB (Asset)		440,644
Net OPEB (Asset):		
Beginning of year		(1,211,588)
End of year		\$ (770,944)

The City's annual OPEB costs, the percentage of annual OPEB cost contributed, and the net OPEB obligation/(asset) for the three years ended June 30, 2017 are as following:

Year Ended	Annual OPEB Cost	Actual Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
June 30, 2015	\$ 1,189,017	\$ 11,039,940	928.49%	\$ 1,665,081
June 30, 2016	453,493	-	0.00%	(1,211,588)
June 30, 2017	470,340	29,696	6.31%	(770,944)

**C. Funded Status and Funding Progress**

As of July 1, 2015, the latest actuarial valuation date, the plan was 100% funded. The actuarial accrued liability for benefits was \$11,039,940 and the actuarial value of assets was \$11,039,940 resulting in no unfunded actuarial accrued liability. The covered payroll (annual payroll of active employees covered by the plan) was \$1,732,278 and the ratio of the surplus to the covered payroll was 0%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**D. Actuarial Methods and Assumptions**

The entry age normal actuarial cost method was used to estimate the actuarial accrued liability and normal cost. The level percentage of payroll method was used to allocate amortization cost by year over a 30-year amortization period. The actuarial assumptions included a 2.75% annual inflation rate, a 7.2% investment rate of return, projected salary increases of 2.75% and annual health care cost inflation of 4.0%.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 15 – Self-Insurance Plan**

The City established a Self-insurance Plan (the “Plan”) to pay for liability claims against the City and its component units. The Plan is administered by an insurance committee which is responsible for approving all claims of \$25,000 or less and for making provision to have sufficient funds available to pay approved claims and legal and investigative expenses. The insurance committee has vested this responsibility to the City Manager. Potential liability for claims in excess of \$250,000 up to \$10,000,000 is covered by excess liability insurance policies.

As of June 30, 2017, there are \$258,877 in pending liability claims and litigation outstanding against the City and its component units. Based on information presently available, the City believes that there are substantial defenses to such litigation and disputes and that, in any event, the ultimate liability, if any, resulting there from will not have a material effect on the financial position of the City and its component units.

**Note 16 – Commitments and Contingencies**

Los Angeles Regional Water Quality Control Board

On October 27, 2015, the Los Angeles Regional Water Quality Control Board (the “Regional Board”) issued Administrative Civil Liability Complaint R4-2015-0207 (“Complaint”) to the City proposing \$5,758,792 in administrative civil liabilities alleging that unpermitted grading activities resulted in unauthorized discharge of dredged and/or fill material in the Eastern Fork of the San Gabriel River in May 2012. The Regional Board and the City entered into settlement agreement in October 2016 to the imposition of administrative civil liability in the amount of \$5 million. Of that amount, the City agreed and paid \$2.5 million in December 2016. The remaining \$2.5 million is suspended pending completion of an Enhanced Compliance Action (“ECA”). The City will develop a stormwater quality improvement project as an ECA. The proposed timeline for the design and construction of the ECA is approximately three years from inception to completion by October 27, 2020. At June 30, 2017, the City is still in the process of developing the ECA.

**Note 17 – Transactions with Related Parties**

The related party transactions of the City are summarized as follows:

Service Provided by Vendor	Related Parties	Expenditures for the Year Ended June 30, 2017	Accounts Payable at June 30, 2017
Engineering services for the City and management services for the Expo Center	Member of City Council	\$ 11,019,586	\$ 583,361
Auto body and towing services	Former board member of CRIA and member of City Council	64,965	8,195
Management services for Homestead Museum	Former Mayor Pro Tem	837,606	67,043
Trash collection and recyclable collection services	Former member of Planning Commission	14,821,722	3,080
Landscaping services	Council member and former member of the Planning Commission	2,242,308	170,603
City attorney service	Member of the Oversight Board	1,426,773	529,309

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

**Note 17 – Transactions with Related Parties (Continued)**

Other Related Party Transactions	Related Parties	Amount for the Year Ended June 30, 2017
Tenant of the City's (Housing Authority) Properties	Current and former City Council members, current Commissioners, and current Boards members	\$ 87,400

**Note 18 – Industry Hills Regional Public Park and Recreation Area**

On September 30, 2000, a lease was entered into with a third party and the City for the operation and management of what was formerly known as the Industry Hills Sheraton Resort and Conference Center. The term of the lease is for 25 years with six five-year options to extend the lease. The initial annual rental payment was \$300,000 with nothing due for the first year. Rent will be increased \$20,000 per year from the initial period of the lease. This lease is accounted for in the General Fund of the City.

On June 1, 2002, CRIA assumed control over the operations of the Industry Hills Equestrian Center and Equestrian Center Trails. During 2004, the name was formally changed to The Industry Hills Expo Center. CRIA has employed a management company to manage the daily operations of the Expo Center. The activities of the Expo Center are accounted for in the enterprise fund in the accompanying proprietary funds financial statements under the heading "Industry Hills Expo Center," CRIA shall have available the use of all funds held or accruing in its Capital Improvement Fund for capital improvements. If any funds are expended for the maintenance and operation expenses, the City will reimburse CRIA from the General Fund.

**Note 19 – Rental Properties**

The City and its component units rent land, buildings and housing to others through non-cancelable rental agreements. Rental income for the year ended June 30, 2017 amounted to \$10,333,256. Rental income of \$1,988,549 is reported in the Governmental Fund financial statements, \$191,300 in the IPHMA Enterprise Fund financial statements, and \$8,153,407 in the Fiduciary Fund financial statements.

Future minimum rental income payments based on terms in effect at June 30, 2017 are as follows:

Year Ending June 30,	Amount
2017	\$ 7,853,227
2018	7,879,306
2019	7,876,975
2020	7,883,079
2021	11,086,367
2022-2026	38,142,578
2027-2031	38,257,046
2032-2036	38,373,819
Thereafter	207,545,000

The Successor Agency is in the process of winding down its activities in accordance with the dissolution of redevelopment agencies in the State of California. The above table does not take into account when or if the property will be sold in the future.

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 19 – Rental Properties (Continued)**

On April 28, 2005, IUDA entered into an agreement with a private company (the “Company”) to lease land owned by IUDA to the Company for the purpose of having the land developed and operated by the Company. SA to IUDA is required to perform substantial public improvements surrounding the project area. The term of the agreement continues for 65 years from the commencement date.

The agreement allows for SA to IUDA and the Company to split revenues generated by rents of the buildings after deductions for any loan payments or costs associated with the ownership, operation, financing, maintenance, and leasing of the various buildings.

In the event that rental income on the buildings is insufficient to repay any loans outstanding related to any financing of such building projects, and operation and maintenance of the various buildings, the SA to IUDA is required to contribute fifty percent for any shortfall as a capital contribution if the Company issues a demand for additional capital. Such payments if made by SA to IUDA on the projects would be subject to return by the Company with interest at the prime rate plus three percent provided that future rents generate revenue for SA to IUDA.

**Note 20 – Lease Commitments**

The City leases office space and other equipment and storage under operating lease agreements from third parties. Minimum lease commitments on all non-cancelable operating leases are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Leased from</u> <u>Third Parties</u>
2018	\$ 42,631
2019	20,468
2020	2,187

**City of Industry**  
**Notes to the Basic Financial Statements (Continued)**  
**For the Year Ended June 30, 2017**

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**Note 21 – Excess of Expenditures Over Appropriations**

During the year ended June 30, 2017, excess of expenditures over appropriations is as follows:

	<u>Appropriation</u>	<u>Expenditures</u>	<u>Variance</u>
General Fund:			
Public safety	\$ 9,974,815	\$ 10,907,556	\$ (932,741)
Capital outlay	-	42,813,923	(42,813,923)
Civic Recreational Industrial Authority			-
Capital Projects Fund:			
Capital outlay	-	78,593	(78,593)
Debt Service Fund:			
General administration	15,612	26,460	(10,848)
Principal retirement	13,680,000	46,035,000	(32,355,000)
Interest	28,557,227	29,681,529	(1,124,302)
Industry Public Facilities Authority			
Debt Service Fund:			
General administration	396,651	1,201,755	(805,104)
Principal retirement	48,595,000	70,040,000	(21,445,000)
Gas Tax Special Revenue Fund:			
Public works	10,000	11,695	(1,695)
Proposition C Sales Tax			
Special Revenue Fund:			
Public works	-	7,040	(7,040)

General Fund public safety expenditures exceed appropriation due to the exchange of Proposition A funds in the amount of \$1,065,600 not being appropriated. In addition, the purchase of land in the amount of \$42,447,657 reported in the General Fund's capital outlay was not being appropriated.

Debt Service Fund refunded the 2010 Sales Tax Revenue Bonds in the amount of \$32,355,000. There were no additional appropriations for the refunding.

Industry Public Facilities Authority Debt Service Fund partial redeemed the 2015 Subordinate Tax Allocation Revenue Refunding Bonds, Series A. There were no additional appropriations for the redemption.

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**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

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**City of Industry**  
**Required Supplementary Information (Unaudited)**  
**Budgetary Comparison Schedule - General Fund**  
**For the Year Ended June 30, 2017**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 37,005,235	\$ 36,920,235	\$ 36,749,539	\$ (170,696)
Intergovernmental	161,000	161,000	2,891,853	2,730,853
Charges for services	1,594,285	1,594,285	1,623,313	29,028
Licenses and permits	1,179,000	1,179,000	1,616,681	437,681
Fines, forfeitures and penalties	501,000	501,000	350,559	(150,441)
Use of money and property	10,063,395	12,574,395	5,592,034	(6,982,361)
Other revenue	495,000	495,000	642,699	147,699
<b>Total revenues</b>	<b>50,998,915</b>	<b>53,424,915</b>	<b>49,466,678</b>	<b>(3,958,237)</b>
<b>EXPENDITURES:</b>				
Current:				
Legislative	1,005,615	963,565	743,861	219,704
General administration	4,248,520	3,725,825	3,404,232	321,593
Support services	5,528,185	5,941,475	5,856,392	85,083
Community development	1,835,650	1,936,062	1,750,775	185,287
Community services	3,693,786	3,759,786	3,147,903	611,883
Public safety	9,997,195	9,974,815	10,907,556	(932,741)
Public works	14,039,800	16,485,303	11,142,022	5,343,281
Capital outlay	-	-	42,813,923	(42,813,923)
<b>Total expenditures</b>	<b>40,348,751</b>	<b>42,786,831</b>	<b>79,766,664</b>	<b>(36,979,833)</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>10,650,164</b>	<b>10,638,084</b>	<b>(30,299,986)</b>	<b>(40,938,070)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	43,743,000	49,619,770	5,876,770
Transfers out	(34,465,274)	(34,465,274)	(58,719,298)	(24,254,024)
Proceeds from sale of assets	-	-	1,166,665	1,166,665
<b>Total other financing sources (uses)</b>	<b>(34,465,274)</b>	<b>9,277,726</b>	<b>(7,932,863)</b>	<b>(17,210,589)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (23,815,110)</b>	<b>\$ 19,915,810</b>	<b>(38,232,849)</b>	<b>\$ (58,148,659)</b>
<b>FUND BALANCES:</b>				
Beginning of year			788,691,169	
End of year			<u>\$ 750,458,320</u>	

**City of Industry**  
**Required Supplementary Information (Unaudited)**  
**Notes to the Required Supplementary Information**  
**For the Year Ended June 30, 2017**

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**Budgetary information**

The City Council adopts an annual budget, submitted by the City Manager prior to June 30th. The appropriated budget is prepared by fund, function and department. All annual appropriations lapse at the end of the fiscal year. The City Council has the legal authority to amend the budget at any time during the fiscal year. The City Manager has the authority to make adjustments to the operating budget within a fund. Transfers of operating budgets between funds or from appropriated reserve accounts, use of unappropriated fund balances, cancellation of appropriation and all changes in capital improvement project budgets require the approval of the City Council.

The annual budget is prepared on a basis consistent with generally accepted accounting principles and is adopted for all governmental type funds.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) for the operating budget is at the fund level.

**City of Industry**  
**Required Supplementary Information (Unaudited)**  
**Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios**  
**For the Year Ended June 30, 2017**

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Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Classic Plan

Measurement Date	<u>June 30, 2016</u>	<u>June 30, 2015</u>	<u>June 30, 2014<sup>1</sup></u>
City's Proportion of the Net Pension Liability/(Asset)	0.09088%	0.09232%	0.07687%
City's Proportionate Share of the net Pension Liability/(Asset)	\$ 7,864,664	\$ 6,336,456	\$ 4,782,916
City's Covered-Employee Payroll	<u>\$ 1,936,492</u>	<u>\$ 1,988,262</u>	<u>\$ 1,779,595</u>
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of Its Covered-Employee Payroll	<u>406.13%</u>	<u>318.69%</u>	<u>268.76%</u>
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Total Pension Liability	<u>70.71%</u>	<u>77.21%</u>	<u>83.03%</u>

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years of information will be presented as become available.

**City of Industry**  
**Required Supplementary Information (Unaudited)**  
**Schedule of City's Contributions**  
**For the Year Ended June 30, 2017**

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Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

	2016-17	2015-16	2014-15	2013-14 <sup>1</sup>
Actuarially Determined Contribution	\$ 215,312	\$ 227,017	\$ 255,850	\$ 303,098
Contribution in Relation to the Actuarially Determined Contribution	(567,355)	(534,918)	(255,850)	(303,098)
Contribution Deficiency (Excess)	<u>\$ (352,043)</u>	<u>\$ (307,901)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll <sup>2</sup>	<u>\$ 1,994,587</u>	<u>\$ 1,936,492</u>	<u>\$ 1,988,262</u>	<u>\$ 1,779,595</u>
Contributions as a Percentage of Covered Payroll	<u>10.79%</u>	<u>11.72%</u>	<u>12.87%</u>	<u>17.21%</u>

<sup>1</sup> Historical information is presented only for measurement periods for which GASB 68 information is available. Additional years of information will be presented as becomes available.

<sup>2</sup> Payroll from prior year \$1,936,492 was assumed to increase by the 3.00% payroll growth assumption.

**Notes to Schedule:**

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent to correct for an adjustment to exclude administrative expense.

**City of Industry**  
**Required Supplementary Information (Unaudited)**  
**Schedule of Funding Progress**  
**For the Year Ended June 30, 2017**

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**Other Postemployment Benefit Plan**

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) (a)	Actuarial Value of Assets (b)	Unfunded Actuarial Accrued Liability (UAAL) (a-b)	Funded Ratio (b)/(a)	Annual Covered Payroll (c)	UAAL as a % of Payroll [(a)-(b)]/c
9/1/2011	\$ 14,417,646	\$ -	\$ 14,417,646	0.0%	\$ 1,670,642	863%
9/1/2014	14,741,274	-	14,741,274	0.0%	1,661,041	887%
7/1/2015	11,039,940	11,039,940	-	100.0%	1,732,278	0%

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**SUPPLEMENTARY INFORMATION**

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**CAPITAL PROJECTS FUNDS**

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**City of Industry**  
**Combining Balance Sheet**  
**Capital Projects Funds**  
**June 30, 2017**

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	Capital Projects Fund	Civic- Recreational- Industrial Authority Capital Projects Fund	Total
<b>ASSETS</b>			
Cash	\$ 5,843	\$ 57,386	\$ 63,229
Investments	834,522	147,162	981,684
Accrued interest	182,642	596	183,238
Investments with fiscal agent	206,793,383	-	206,793,383
<b>Total assets</b>	<b>\$ 207,816,390</b>	<b>\$ 205,144</b>	<b>\$ 208,021,534</b>
 <b>LIABILITIES AND FUND BALANCE</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 8,802,218	\$ 177,376	\$ 8,979,594
<b>Total Liabilities</b>	<b>8,802,218</b>	<b>177,376</b>	<b>8,979,594</b>
 <b>Fund Balances:</b>			
Restricted	199,014,172	-	199,014,172
Committed	-	27,768	27,768
<b>Total fund balances</b>	<b>199,014,172</b>	<b>27,768</b>	<b>199,041,940</b>
<b>Total liabilities and fund balances</b>	<b>\$ 207,816,390</b>	<b>\$ 205,144</b>	<b>\$ 208,021,534</b>

**City of Industry**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Capital Projects Funds**  
**For the Year Ended June 30, 2017**

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	Capital Projects Fund	Civic- Recreational- Industrial Authority Capital Projects Fund	Total
<b>REVENUES:</b>			
Use of money and property	\$ 1,011,695	\$ 1,095	\$ 1,012,790
<b>Total revenues</b>	1,011,695	1,095	1,012,790
<b>EXPENDITURES:</b>			
Current:			
General administration	-	118,701	118,701
Public works	1,647,177	-	1,647,177
Capital outlay	16,987,148	78,593	17,065,741
<b>Total expenditures</b>	18,634,325	197,294	18,831,619
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(17,622,630)	(196,199)	(17,818,829)
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	21,920,722	546,799	22,467,521
Transfers out	(48,511,256)	(449,906)	(48,961,162)
<b>Total other financing sources (uses)</b>	(26,590,534)	96,893	(26,493,641)
<b>NET CHANGE IN FUND BALANCES</b>	(44,213,164)	(99,306)	(44,312,470)
<b>FUND BALANCES:</b>			
Beginning of year	243,227,336	127,074	243,354,410
End of year	\$ 199,014,172	\$ 27,768	\$ 199,041,940

**City of Industry**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Capital Projects Fund**  
**For the Year Ended June 30, 2017**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 2,500	\$ 2,500	\$ 1,011,695	\$ 1,009,195
<b>Total revenues</b>	<u>2,500</u>	<u>2,500</u>	<u>1,011,695</u>	<u>1,009,195</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	14,762,173	15,406,373	1,647,177	13,759,196
Capital outlay	18,853,956	21,494,468	16,987,148	4,507,320
<b>Total expenditures</b>	<u>33,616,129</u>	<u>36,900,841</u>	<u>18,634,325</u>	<u>18,266,516</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(33,613,629)</u>	<u>(36,898,341)</u>	<u>(17,622,630)</u>	<u>19,275,711</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer in	33,387,229	33,387,229	21,920,722	(11,466,507)
Transfers out	-	(43,743,000)	(48,511,256)	(4,768,256)
<b>Total other financing sources (uses)</b>	<u>33,387,229</u>	<u>(10,355,771)</u>	<u>(26,590,534)</u>	<u>(16,234,763)</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>\$ (226,400)</u>	<u>\$ (47,254,112)</u>	<u>(44,213,164)</u>	<u>\$ 3,040,948</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>243,227,336</u>	
End of year			<u>\$ 199,014,172</u>	

**City of Industry**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)**  
**Civic-Recreational-Industrial Authority Capital Projects Fund**  
**For the Year Ended June 30, 2017**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ 510	\$ 510	\$ 1,095	\$ 585
<b>Total revenues</b>	<u>510</u>	<u>510</u>	<u>1,095</u>	<u>585</u>
<b>EXPENDITURES:</b>				
Current:				
General administration	572,385	342,585	118,701	223,884
Capital outlay	-	-	78,593	(78,593)
<b>Total expenditures</b>	<u>572,385</u>	<u>342,585</u>	<u>197,294</u>	<u>145,291</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(571,875)</u>	<u>(342,075)</u>	<u>(196,199)</u>	<u>145,876</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,078,045	1,078,045	546,799	(531,246)
Transfers out	(505,660)	(505,660)	(449,906)	55,754
<b>Total other financing sources (uses)</b>	<u>572,385</u>	<u>572,385</u>	<u>96,893</u>	<u>(475,492)</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>\$ 510</u>	<u>\$ 230,310</u>	<u>(99,306)</u>	<u>\$ (329,616)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>127,074</u>	
End of year			<u>\$ 27,768</u>	

**DEBT SERVICE FUNDS**

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**City of Industry**  
**Combining Balance Sheet**  
**Debt Service Funds**  
**June 30, 2017**

	Debt Service Fund	Tax Override Fund	Industry Public Facilities Authority Debt Service Fund	Total
<b>ASSETS</b>				
Cash	\$ 100,045	\$ 854	\$ -	\$ 100,899
Investments	2,883,321	1,218	-	2,884,539
Investments with fiscal agent - restricted	93,286,934	-	51,907,828	145,194,762
Investments in City and SA to IUDA bonds	-	-	556,992,474	556,992,474
Accrued interest	6,638	3	11,437,482	11,444,123
Other receivables	469,632	1,373,937	-	1,843,569
Prepaid items	7,983,117	-	6,518,131	14,501,248
Site lease prepayment	-	-	4,850,869	4,850,869
Total assets	\$ 104,729,687	\$ 1,376,012	\$ 631,706,784	\$ 737,812,483
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 4,673	\$ -	\$ -	\$ 4,673
Due to other funds	4,689,810	-	-	4,689,810
Advance from other funds	-	-	53,000,483	53,000,483
Total liabilities	4,694,483	-	53,000,483	57,694,966
<b>Fund Balances:</b>				
Nonspendable	7,983,117	-	6,518,131	14,501,248
Restricted	92,052,087	1,376,012	51,907,828	145,335,927
Committed	-	-	520,280,342	520,280,342
Total fund balances	100,035,204	1,376,012	578,706,301	680,117,517
Total liabilities and fund balances:	\$ 104,729,687	\$ 1,376,012	\$ 631,706,784	\$ 737,812,483

**City of Industry**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Debt Service Funds**  
**For the Year Ended June 30, 2017**

	Debt Service Fund	Tax Override Fund	Industry Public Facilities Authority Debt Service Fund	Total
<b>REVENUES:</b>				
Property taxes	\$ 50,437,454	\$ 48,524,351	\$ -	\$ 98,961,805
Use of money and property	84,882	9	24,909,317	24,994,208
<b>Total revenues</b>	<b>50,522,336</b>	<b>48,524,360</b>	<b>24,909,317</b>	<b>123,956,013</b>
<b>EXPENDITURES:</b>				
Current:				
General administration	26,460	-	1,201,755	1,228,215
Debt service:				
Principal retirement	46,035,000	-	70,040,000	116,075,000
Interest	29,681,529	-	36,929,236	66,610,765
<b>Total expenditures</b>	<b>75,742,989</b>	<b>-</b>	<b>108,170,991</b>	<b>183,913,980</b>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<b>(25,220,653)</b>	<b>48,524,360</b>	<b>(83,261,674)</b>	<b>(59,957,967)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	37,136,729	-	47,659,554	84,796,283
Transfers out	-	(47,639,564)	-	(47,639,564)
Transfers out to Successor Agency	-	(45,671,596)	-	(45,671,596)
Issuance of sales tax revenue bonds	34,340,000	-	-	34,340,000
Issuance discount	(152,619)	-	-	(152,619)
Bond issuance costs	(1,385,434)	-	-	(1,385,434)
Total other financing sources (uses)	69,938,676	(93,311,160)	47,659,554	24,287,070
<b>Change in fund balances</b>	<b>44,718,023</b>	<b>(44,786,800)</b>	<b>(35,602,120)</b>	<b>(35,670,897)</b>
<b>FUND BALANCES:</b>				
Beginning of year	55,317,181	46,162,812	614,308,421	715,788,414
End of year	<b>\$ 100,035,204</b>	<b>\$ 1,376,012</b>	<b>\$ 578,706,301</b>	<b>\$ 680,117,517</b>

**City of Industry**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Debt Service Fund**  
**For the Year Ended June 30, 2017**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 11,211,000	\$ 11,211,000	\$ 50,437,454	\$ 39,226,454
Use of money and property	103,099	103,099	84,882	(18,217)
<b>Total revenues</b>	<u>11,314,099</u>	<u>11,314,099</u>	<u>50,522,336</u>	<u>39,208,237</u>
<b>EXPENDITURES:</b>				
Current:				
General administration	15,612	15,612	26,460	(10,848)
Debt service:				
Principal retirement	13,680,000	13,680,000	46,035,000	(32,355,000)
Interest	28,557,227	28,557,227	29,681,529	(1,124,302)
<b>Total expenditures</b>	<u>42,252,839</u>	<u>42,252,839</u>	<u>75,742,989</u>	<u>(33,490,150)</u>
<b>REVENUES OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>(30,938,740)</u>	<u>(30,938,740)</u>	<u>(25,220,653)</u>	<u>5,718,087</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	37,136,729	37,136,729
Issuance of sales tax revenue bonds	-	-	34,340,000	34,340,000
Issuance discount	-	-	(152,619)	(152,619)
Bond issuance costs	-	-	(1,385,434)	(1,385,434)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>69,938,676</u>	<u>69,938,676</u>
<b>Changes in fund balance</b>	<u>\$ (30,938,740)</u>	<u>\$ (30,938,740)</u>	44,718,023	<u>\$ 75,656,763</u>
<b>FUND BALANCES:</b>				
Beginning of year			55,317,181	
End of year			<u>\$ 100,035,204</u>	

**City of Industry**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)**  
**Tax Override Debt Service Funds**  
**For the Year Ended June 30, 2017**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 45,880,052	\$ 45,880,052	\$ 48,524,351	\$ 2,644,299
Use of money and property	85,000	85,000	9	(84,991)
<b>Total revenues</b>	<u>45,965,052</u>	<u>45,965,052</u>	<u>48,524,360</u>	<u>2,559,308</u>
<b>REVENUES OVER EXPENDITURES</b>	<u>45,965,052</u>	<u>45,965,052</u>	<u>48,524,360</u>	<u>2,559,308</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(47,639,564)	(47,639,564)
Transfers out to Successor Agency	(45,880,052)	(45,880,052)	(45,671,596)	208,456
<b>Total other financing sources (uses)</b>	<u>(45,880,052)</u>	<u>(45,880,052)</u>	<u>(93,311,160)</u>	<u>(47,431,108)</u>
<b>Changes in fund balance</b>	<u>\$ 85,000</u>	<u>\$ 85,000</u>	<u>(44,786,800)</u>	<u>\$ (44,871,800)</u>
<b>FUND BALANCES:</b>				
Beginning of year			<u>46,162,812</u>	
End of year			<u>\$ 1,376,012</u>	

**City of Industry**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Industry Public Facilities Authority Debt Service Funds**  
**For the Year Ended June 30, 2017**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Use of money and property	61,697,179	61,697,179	24,909,317	(36,787,862)
<b>Total revenues</b>	<u>61,697,179</u>	<u>61,697,179</u>	<u>24,909,317</u>	<u>(36,787,862)</u>
<b>EXPENDITURES:</b>				
Current:				
General administration	396,651	396,651	1,201,755	(805,104)
Debt service:				
Principal retirement	48,595,000	48,595,000	70,040,000	(21,445,000)
Interest	37,426,228	37,426,228	36,929,236	496,992
<b>Total expenditures</b>	<u>86,417,879</u>	<u>86,417,879</u>	<u>108,170,991</u>	<u>(21,753,112)</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(24,720,700)</u>	<u>(24,720,700)</u>	<u>(83,261,674)</u>	<u>(58,540,974)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	47,659,554	47,659,554
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>47,659,554</u>	<u>47,659,554</u>
<b>Changes in fund balance</b>	<u>\$ (24,720,700)</u>	<u>\$ (24,720,700)</u>	<u>(35,602,120)</u>	<u>\$ (10,881,420)</u>
<b>FUND BALANCES:</b>				
Beginning of year			614,308,421	
End of year			<u>\$ 578,706,301</u>	

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**NONMAJOR GOVERNMENTAL FUNDS**

**City of Industry**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2017**

		Special Revenue Funds			
		State Gas Tax	Measure R Local Return	Proposition A - Sales Tax	Proposition C - Sales Tax
<b>ASSETS</b>					
Cash		\$ -	\$ -	\$ 2,691,961	\$ 11,118
Investments		-	-	-	-
Accounts receivable		17,903	-	-	-
Accrued interest		-	-	-	-
Due from other funds		-	-	11	-
<b>Total assets</b>		<u>\$ 17,903</u>	<u>\$ -</u>	<u>\$ 2,691,972</u>	<u>\$ 11,118</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable		\$ -	\$ -	\$ 3,986	\$ -
Due to other funds		-	-	-	2,209
<b>Total liabilities</b>		<u>-</u>	<u>-</u>	<u>3,986</u>	<u>2,209</u>
<b>Deferred inflows of resources:</b>					
Unavailable revenues		-	-	-	-
<b>Total deferred inflows of resources</b>		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances:</b>					
Restricted for public transportation and roads		17,903	-	2,687,986	8,909
Unassigned		-	-	-	-
<b>Total fund balances</b>		<u>17,903</u>	<u>-</u>	<u>2,687,986</u>	<u>8,909</u>
<b>Total liabilities and fund balances</b>		<u>\$ 17,903</u>	<u>\$ -</u>	<u>\$ 2,691,972</u>	<u>\$ 11,118</u>



**City of Industry**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2017**

		Special Revenue Funds		
		Grants	AQMD Grant	Total
	<b>ASSETS</b>			
Cash		\$ -	\$ -	\$ 2,703,079
Investments		-	-	-
Accounts receivable		1,975,315	471	1,993,689
Accrued interest		-	-	-
Due from other funds		-	-	11
<b>Total assets</b>		<b>\$ 1,975,315</b>	<b>\$ 471</b>	<b>\$ 4,696,779</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable		\$ -	\$ -	\$ 3,986
Due to other funds		1,975,315	-	1,977,524
<b>Total liabilities</b>		<b>1,975,315</b>	<b>-</b>	<b>1,981,510</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues		1,975,315	-	1,975,315
<b>Total deferred inflows of resources</b>		<b>1,975,315</b>	<b>-</b>	<b>1,975,315</b>
<b>Fund Balances:</b>				
Restricted for public transportation and roads		-	471	2,715,269
Unassigned		(1,975,315)	-	(1,975,315)
<b>Total fund balances</b>		<b>(1,975,315)</b>	<b>471</b>	<b>739,954</b>
<b>Total liabilities and fund balances</b>		<b>\$ 1,975,315</b>	<b>\$ 471</b>	<b>\$ 4,696,779</b>

**City of Industry**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2017**

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	Special Revenue Funds			
	State Gas Tax	Measure R Local Return	Proposition A - Sales Tax	Proposition C - Sales Tax
<b>REVENUES:</b>				
Taxes	\$ 11,695	\$ 4,996	\$ 1,488,029	\$ 7,039
Intergovernmental	-	-	16,020	-
Use of money and property	-	-	8,089	12
<b>Total revenues</b>	<u>11,695</u>	<u>4,996</u>	<u>1,512,138</u>	<u>7,051</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	-	-	100,625	-
Public works	11,695	4,996	-	7,040
Capital outlay	-	-	202,594	-
<b>Total expenditures</b>	<u>11,695</u>	<u>4,996</u>	<u>303,219</u>	<u>7,040</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	1,208,919	11
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Changes in fund balances</b>	-	-	1,208,919	11
<b>FUND BALANCES:</b>				
Beginning of year	17,903	-	1,479,067	8,898
End of year	<u>\$ 17,903</u>	<u>\$ -</u>	<u>\$ 2,687,986</u>	<u>\$ 8,909</u>

**City of Industry**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Year Ended June 30, 2017**

	Special Revenue Funds		
	Grants	AQMD Grant	Total
<b>REVENUES:</b>			
Taxes	\$ -	\$ -	\$ 1,511,759
Intergovernmental	532,582	471	549,073
Use of money and property	-	-	8,101
<b>Total revenues</b>	<u>532,582</u>	<u>471</u>	<u>2,068,933</u>
<b>EXPENDITURES:</b>			
Current:			
Public safety	-	-	100,625
Public works	-	-	23,731
Capital outlay	-	-	202,594
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>326,950</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	532,582	471	1,741,983
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers out	(2,507,897)	-	(2,507,897)
<b>Total other financing sources (uses)</b>	<u>(2,507,897)</u>	<u>-</u>	<u>(2,507,897)</u>
<b>Changes in fund balances</b>	(1,975,315)	471	(765,914)
<b>FUND BALANCES:</b>			
Beginning of year	-	-	1,505,868
End of year	<u>\$ (1,975,315)</u>	<u>\$ 471</u>	<u>\$ 739,954</u>

**City of Industry**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Gas Tax Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 14,750	\$ 14,750	\$ 11,695	\$ (3,055)
Use of money and property	100	100	-	(100)
<b>Total revenues</b>	<u>14,850</u>	<u>14,850</u>	<u>11,695</u>	<u>(3,155)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	10,000	10,000	11,695	(1,695)
<b>Total expenditures</b>	<u>10,000</u>	<u>10,000</u>	<u>11,695</u>	<u>(1,695)</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>\$ 4,850</u>	<u>\$ 4,850</u>	-	<u>\$ (4,850)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>17,903</u>	
End of year			<u>\$ 17,903</u>	

**City of Industry**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)**  
**Measure R Local Return Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 4,996	\$ 4,996
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>4,996</u>	<u>4,996</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	5,000	5,000	4,996	4
<b>Total expenditures</b>	<u>5,000</u>	<u>5,000</u>	<u>4,996</u>	<u>4</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>\$ (5,000)</u>	<u>\$ (5,000)</u>	-	<u>\$ 5,000</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

**City of Industry**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)**  
**Proposition A Sales Tax Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 8,000	\$ 8,000	\$ 1,488,029	\$ 1,480,029
Intergovernmental	-	-	16,020	16,020
Revenues from use of money and property	5,500	5,500	8,089	2,589
<b>Total revenues</b>	<u>13,500</u>	<u>13,500</u>	<u>1,512,138</u>	<u>1,498,638</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety	4,185,000	4,185,000	100,625	4,084,375
Capital outlay	450,000	450,000	202,594	247,406
<b>Total expenditures</b>	<u>4,635,000</u>	<u>4,635,000</u>	<u>303,219</u>	<u>4,331,781</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>\$ (4,621,500)</u>	<u>\$ (4,621,500)</u>	1,208,919	<u>\$ 5,830,419</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>1,479,067</u>	
End of year			<u>\$ 2,687,986</u>	

**City of Industry**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)**  
**Proposition C Sales Tax Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 7,000	\$ 7,000	\$ 7,039	\$ 39
Use of money and property	10	10	12	2
<b>Total revenues</b>	<u>7,010</u>	<u>7,010</u>	<u>7,051</u>	<u>41</u>
<b>EXPENDITURES:</b>				
Current:				
Public works	-	-	7,040	(7,040)
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>7,040</u>	<u>(7,040)</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>\$ 7,010</u>	<u>\$ 7,010</u>	11	<u>\$ (6,999)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>8,898</u>	
End of year			<u>\$ 8,909</u>	

**City of Industry**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)**  
**Grant Special Revenue Fund**  
**For the Year Ended June 30, 2017**

	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 532,582	\$ 532,582
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>532,582</u>	<u>532,582</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfer out	-	-	(2,507,897)	(2,507,897)
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(2,507,897)</u>	<u>(2,507,897)</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>(1,975,315)</u>	<u>\$ (1,975,315)</u>
<b>FUND BALANCE:</b>				
Beginning of year			<u>-</u>	
End of year			<u>\$ (1,975,315)</u>	



**City of Industry**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)**  
**AQMD Grant Special Revenue Fund**  
**For the Year Ended June 30, 2017**

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	Budget		Actual	Variance Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 471	\$ 471
Total revenues	-	-	471	471
<b>NET CHANGES IN FUND BALANCES</b>	<u>\$ -</u>	<u>\$ -</u>	471	<u>\$ 471</u>
<b>FUND BALANCE:</b>				
Beginning of year			-	
End of year			<u>\$ 471</u>	

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**INDUSTRY PUBLIC UTILITIES COMMISSION ENTERPRISE FUNDS**

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**City of Industry**  
**Combining Statement of Net Position**  
**Industry Public Utilities Commission Enterprise Funds**  
**June 30, 2017**

	Industry Public Utilities Commission		Total
	Water	Electric	
<b>ASSETS</b>			
Current assets:			
Cash	\$ 1,403,724	\$ 586,443	\$ 1,990,167
Investments	5,213,317	5,465,957	10,679,274
Accounts receivable, net	507,655	641,664	1,149,319
Inventory of materials and supplies	10,000	-	10,000
Prepaid items	248,655	-	248,655
Due from other funds	-	707,290	707,290
Total current assets	<u>7,383,351</u>	<u>7,401,354</u>	<u>14,784,705</u>
Noncurrent assets:			
Capital assets:			
Capital assets not being depreciated	922,936	-	922,936
Capital assets being depreciated, net	9,386,965	2,965,665	12,352,630
Capital assets, net	<u>10,309,901</u>	<u>2,965,665</u>	<u>13,275,566</u>
Total noncurrent assets	<u>10,309,901</u>	<u>2,965,665</u>	<u>13,275,566</u>
Total assets	<u>17,693,252</u>	<u>10,367,019</u>	<u>28,060,271</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	292,094	678,934	971,028
Accrued liabilities	-	6,336	6,336
Deposits	32,836	-	32,836
Due to other funds	3,304	11,884	15,188
Unearned revenue from reclaimed water sales	6,785,368	-	6,785,368
Total current liabilities	<u>7,113,602</u>	<u>697,154</u>	<u>7,810,756</u>
Total liabilities	<u>7,113,602</u>	<u>697,154</u>	<u>7,810,756</u>
<b>NET POSITION</b>			
Investment in capital assets	10,309,901	2,965,665	13,275,566
Unrestricted	269,749	6,704,200	6,973,949
Total net position	<u>\$ 10,579,650</u>	<u>\$ 9,669,865</u>	<u>\$ 20,249,515</u>

**City of Industry**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Position**  
**Industry Public Utilities Commission Enterprise Funds**  
**For the Year Ended June 30, 2017**

	Industry Public Utilities Commission		Total
	Water	Electric	
<b>OPERATING REVENUES:</b>			
Water sales and service	\$ 3,236,624	\$ -	\$ 3,236,624
Electric and solar energy sales	-	5,257,895	5,257,895
<b>Total operating revenues</b>	<u>3,236,624</u>	<u>5,257,895</u>	<u>8,494,519</u>
<b>OPERATING EXPENSES:</b>			
Purchased water	515,619	-	515,619
Purchased electricity	-	2,533,273	2,533,273
Personnel services	624,021	79,154	703,175
General administration	1,548,638	2,268,622	3,817,260
Depreciation	628,203	92,753	720,956
<b>Total operating expenses</b>	<u>3,316,481</u>	<u>4,973,802</u>	<u>8,290,283</u>
<b>OPERATING INCOME (LOSS)</b>	(79,857)	284,093	204,236
<b>NONOPERATING REVENUES:</b>			
Investment income	38,689	22,260	60,949
Other revenues	59,901	121,154	181,055
<b>Total nonoperating revenue</b>	<u>98,590</u>	<u>143,414</u>	<u>242,004</u>
<b>Changes in net position before transfers</b>	<u>18,733</u>	<u>427,507</u>	<u>446,240</u>
<b>TRANSFERS:</b>			
Transfers in	-	504,142	504,142
<b>Total transfers</b>	<u>-</u>	<u>504,142</u>	<u>504,142</u>
<b>Changes in net position</b>	18,733	931,649	950,382
<b>NET POSITION:</b>			
Beginning of year	10,560,917	8,738,216	19,299,133
End of year	<u>\$ 10,579,650</u>	<u>\$ 9,669,865</u>	<u>\$ 20,249,515</u>

**City of Industry**  
**Combining Statement of Cash Flows**  
**Industry Public Utilities Commission Enterprise Funds**  
**For the Year Ended June 30, 2017**

	Industry Public Utilities Commission		Total
	Water	Electric	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 2,559,463	\$ 5,288,356	\$ 7,847,819
Receipts from other funds	3,304	-	3,304
Payments to vendors for supplies and services	(1,763,041)	(4,192,680)	(5,955,721)
Payments to employees	(624,021)	(79,154)	(703,175)
Payments to other funds for supplies and services	-	(1,080,110)	(1,080,110)
Other revenues	59,901	121,154	181,055
<b>Net cash provided by (used in) operating activities</b>	<b>235,606</b>	<b>57,566</b>	<b>293,172</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers in	-	504,142	504,142
<b>Net cash provided by noncapital and related financing activities</b>	<b>-</b>	<b>504,142</b>	<b>504,142</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of investments	-	(5,465,957)	(5,465,957)
Proceeds from sale of investments	-	3,741,893	3,741,893
Interest received	4,959	22,260	27,219
<b>Net cash provided by (used in) investing activities</b>	<b>4,959</b>	<b>(1,701,804)</b>	<b>(1,696,845)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>240,565</b>	<b>(1,140,096)</b>	<b>(899,531)</b>
<b>CASH AND CASH EQUIVALENTS:</b>			
Beginning of year	1,163,159	1,726,539	2,889,698
End of year	\$ 1,403,724	\$ 586,443	\$ 1,990,167
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>			
Operating income	\$ (79,857)	\$ 284,093	\$ 204,236
<b>Adjustments to reconcile operating income to net cash provided by (used in) operating activities:</b>			
Depreciation	628,203	92,753	720,956
Other revenues	59,901	121,154	181,055
(Increase) decrease in accounts receivables	(52,549)	30,461	(22,088)
(Increase) decrease in prepaid items	257,108	500,000	757,108
(Increase) decrease in due from other funds	-	(591,994)	(591,994)
Increase (decrease) in accounts payable	44,108	102,879	146,987
Increase (decrease) in accrued expenses	-	6,336	6,336
Increase (decrease) in customer deposits	(112,669)	-	(112,669)
Increase (decrease) in due to other funds	3,304	(488,116)	(484,812)
Increase (decrease) in unearned revenues	(511,943)	-	(511,943)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ 235,606</b>	<b>\$ 57,566</b>	<b>\$ 293,172</b>

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**AGENCY FUND**

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**City of Industry**  
**Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Fund**  
**For the Year Ended June 30, 2017**

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b>Assessment Districts</b>				
<b>ASSETS</b>				
Cash	\$ 316,230	\$ 127,766	\$ (129,701)	\$ 314,295
Investments	1,634,140	140,201	-	1,774,341
Cash with fiscal agent	-	519,099	-	519,099
Other receivables	10,262	1,251	-	11,513
Total assets	<u>\$ 1,960,632</u>	<u>\$ 788,317</u>	<u>\$ (129,701)</u>	<u>\$ 2,619,248</u>
<b>LIABILITIES</b>				
Due to bond holders	\$ 2,479,353	\$ 648,116	\$ (508,221)	\$ 2,619,248
Total liabilities	<u>\$ 2,479,353</u>	<u>\$ 648,116</u>	<u>\$ (508,221)</u>	<u>\$ 2,619,248</u>

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**SCHEDULES OF LONG-TERM DEBT**

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**City of Industry**  
**Schedule of Long-Term Debt**  
**\$37,860,000 General Obligation Refunding Bonds, Issue of 2009 - Maturity Schedule**  
**For the Year Ended June 30, 2017**

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<u>Period Ending</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
7/1/2017	\$ 4,130,000	3.375%	\$ 322,156	\$ 4,452,156	
1/1/2018	-	3.600%	221,875	221,875	4,674,031
7/1/2018	4,330,000	3.600%	221,875	4,551,875	
1/1/2019	-	3.800%	113,625	113,625	4,665,500
7/1/2019	4,545,000	3.800%	113,625	4,658,625	4,658,625
	<u>\$ 13,005,000</u>		<u>\$ 993,156</u>	<u>\$ 13,998,156</u>	<u>\$ 13,998,156</u>

**City of Industry**  
**Schedule of Long-Term Debt (Continued)**  
**\$50,975,000 General Obligation Refunding Bonds, Series B, Issue of 2009 - Maturity Schedule**  
**For the Year Ended June 30, 2017**

<u>Period Ending</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
7/1/2017	\$ 4,975,000	4.250%	\$ 460,763	\$ 5,435,763	
1/1/2018	-	4.375%	358,950	358,950	5,794,713
7/1/2018	5,180,000	4.375%	358,950	5,538,950	
1/1/2019	-	4.500%	251,450	251,450	5,790,400
7/1/2019	5,395,000	4.500%	251,450	5,646,450	
1/1/2020	-	4.500%	127,800	127,800	5,774,250
7/1/2020	5,640,000	4.500%	127,800	5,767,800	5,767,800
	<u>\$ 21,190,000</u>		<u>\$ 1,937,163</u>	<u>\$ 23,127,163</u>	<u>\$ 23,127,163</u>



**City of Industry**  
**Schedule of Long-Term Debt (Continued)**  
**\$43,340,000 General Obligation Refunding Bonds, Issue of 2010 - Maturity Schedule**  
**For the Year Ended June 30, 2017**

<u>Period Ending</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
7/1/2017	\$ 2,240,000	4.000%	\$ 709,525	\$ 2,949,525	
1/1/2018	-	4.000%	664,725	664,725	3,614,250
7/1/2018	2,330,000	4.000%	664,725	2,994,725	
1/1/2019	-	4.000%	618,125	618,125	3,612,850
7/1/2019	2,430,000	5.000%	618,125	3,048,125	
1/1/2020	-	5.000%	557,375	557,375	3,605,500
7/1/2020	2,550,000	5.000%	557,375	3,107,375	
1/1/2021	-	5.000%	493,625	493,625	3,601,000
7/1/2021	2,675,000	4.500%	493,625	3,168,625	
1/1/2022	-	4.500%	431,200	431,200	3,599,825
7/1/2022	2,800,000	5.000%	431,200	3,231,200	
1/1/2023	-	5.000%	361,200	361,200	3,592,400
7/1/2023	2,940,000	5.000%	361,200	3,301,200	
1/1/2024	-	5.000%	287,700	287,700	3,588,900
7/1/2024	3,095,000	5.000%	287,700	3,382,700	
1/1/2025	-	5.000%	210,325	210,325	3,593,025
7/1/2025	3,240,000	4.500%	210,325	3,450,325	
1/1/2026	-	4.500%	137,075	137,075	3,587,400
7/1/2026	1,550,000	4.250%	137,075	1,687,075	
1/1/2027	-	4.250%	104,138	104,138	1,791,213
7/1/2027	1,615,000	4.000%	104,138	1,719,138	
1/1/2028	-	4.000%	71,838	71,838	1,790,976
7/1/2028	1,680,000	4.125%	71,838	1,751,838	
1/1/2029	-	4.125%	37,188	37,188	1,789,026
7/1/2029	1,750,000	4.250%	37,188	1,787,188	1,787,188
	<u>\$ 30,895,000</u>		<u>\$ 8,658,553</u>	<u>\$ 39,553,553</u>	<u>\$ 39,553,553</u>

**City of Industry**  
**Schedule of Long-Term Debt (Continued)**  
**\$28,985,000 General Obligation Refunding Bonds Taxable, Issue of 2014 - Maturity Schedule**  
**For the Year Ended June 30, 2017**

<u>Period Ending</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
7/1/2017	\$ -	2.500%	\$ 416,482	\$ 416,482	
1/1/2018	-	2.500%	416,482	416,482	832,964
7/1/2018	-	2.500%	416,482	416,482	
1/1/2019	-	2.500%	416,482	416,482	832,964
7/1/2019	-	2.500%	416,482	416,482	
1/1/2020	-	2.500%	416,482	416,482	832,964
7/1/2020	4,470,000	2.500%	416,482	4,886,482	
1/1/2021	-	2.750%	360,607	360,607	5,247,089
7/1/2021	5,875,000	2.750%	360,607	6,235,607	
1/1/2022	-	2.875%	279,825	279,825	6,515,432
7/1/2022	6,035,000	2.875%	279,825	6,314,825	
1/1/2023	-	3.000%	193,072	193,072	6,507,897
7/1/2023	6,210,000	3.000%	193,072	6,403,072	
1/1/2024	-	3.125%	99,921	99,921	6,502,993
7/1/2024	6,395,000	3.125%	99,921	6,494,921	6,494,921
	<u>\$ 28,985,000</u>		<u>\$ 4,782,224</u>	<u>\$ 33,767,224</u>	<u>\$ 33,767,224</u>

**City of Industry**  
**Schedule of Long-Term Debt (Continued)**  
**\$336,570,000 Taxable Sales Tax Revenue Refunding Bonds, Series 2015A - Maturity Schedule**  
**For the Year Ended June 30, 2017**

<u>Period Ending</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
7/1/2017	\$ -	1.880%	\$ 8,186,847	\$ 8,186,847	
1/1/2018	1,890,000	1.880%	8,186,847	10,076,847	18,263,695
7/1/2018	-	2.125%	8,169,081	8,169,081	
1/1/2019	1,920,000	2.125%	8,169,081	10,089,081	18,258,163
7/1/2019	-	2.500%	8,148,681	8,148,681	
1/1/2020	1,960,000	2.500%	8,148,681	10,108,681	18,257,363
7/1/2020	-	2.750%	8,124,181	8,124,181	
1/1/2021	2,010,000	2.750%	8,124,181	10,134,181	18,258,363
7/1/2021	-	3.000%	8,096,544	8,096,544	
1/1/2022	2,065,000	3.000%	8,096,544	10,161,544	18,258,088
7/1/2022	-	3.250%	8,065,569	8,065,569	
1/1/2023	2,130,000	3.250%	8,065,569	10,195,569	18,261,138
7/1/2023	-	3.250%	8,030,956	8,030,956	
1/1/2024	2,200,000	3.250%	8,030,956	10,230,956	18,261,913
7/1/2024	-	3.500%	7,995,206	7,995,206	
1/1/2025	2,270,000	3.500%	7,995,206	10,265,206	18,260,413
7/1/2025	-	3.625%	7,955,481	7,955,481	
1/1/2026	2,345,000	3.625%	7,955,481	10,300,481	18,255,963
7/1/2026	-	4.000%	7,912,978	7,912,978	
1/1/2027	2,435,000	4.000%	7,912,978	10,347,978	18,260,956
7/1/2027	-	4.000%	7,864,278	7,864,278	
1/1/2028	7,270,000	4.000%	7,864,278	15,134,278	22,998,556
7/1/2028	-	4.125%	7,718,878	7,718,878	
1/1/2029	7,560,000	4.125%	7,718,878	15,278,878	22,997,756
7/1/2029	-	4.250%	7,562,953	7,562,953	
1/1/2030	7,870,000	4.250%	7,562,953	15,432,953	22,995,906
7/1/2030	-	4.625%	7,395,716	7,395,716	
1/1/2031	8,205,000	4.625%	7,395,716	15,600,716	22,996,431
7/1/2031	-	4.625%	7,205,975	7,205,975	
1/1/2032	8,585,000	4.625%	7,205,975	15,790,975	22,996,950
7/1/2032	-	4.625%	7,007,447	7,007,447	
1/1/2033	8,985,000	4.625%	7,007,447	15,992,447	22,999,894
7/1/2033	-	4.625%	6,799,669	6,799,669	
1/1/2034	9,400,000	4.625%	6,799,669	16,199,669	22,999,338
7/1/2034	-	5.125%	6,582,294	6,582,294	
1/1/2035	9,835,000	5.125%	6,582,294	16,417,294	22,999,588
7/1/2035	-	5.125%	6,330,272	6,330,272	
1/1/2036	10,335,000	5.125%	6,330,272	16,665,272	22,995,544
7/1/2036	-	5.125%	6,065,438	6,065,438	
1/1/2037	10,865,000	5.125%	6,065,438	16,930,438	22,995,875
7/1/2037	-	5.125%	5,787,022	5,787,022	
1/1/2038	11,425,000	5.125%	5,787,022	17,212,022	22,999,044
7/1/2038	-	5.125%	5,494,256	5,494,256	
1/1/2039	12,010,000	5.125%	5,494,256	17,504,256	22,998,513
7/1/2039	-	5.125%	5,186,500	5,186,500	
1/1/2040	12,625,000	5.125%	5,186,500	17,811,500	22,998,000
7/1/2040	-	5.125%	4,862,984	4,862,984	
1/1/2041	13,270,000	5.125%	4,862,984	18,132,984	22,995,969
7/1/2041	-	5.125%	4,522,941	4,522,941	
1/1/2042	13,950,000	5.125%	4,522,941	18,472,941	22,995,881
7/1/2042	-	5.125%	4,165,472	4,165,472	
1/1/2043	14,665,000	5.125%	4,165,472	18,830,472	22,995,944
7/1/2043	-	5.125%	3,789,681	3,789,681	
1/1/2044	15,420,000	5.125%	3,789,681	19,209,681	22,999,363

**City of Industry**  
**Schedule of Long-Term Debt (Continued)**  
**\$336,570,000 Taxable Sales Tax Revenue Refunding Bonds, Series 2015A - Maturity Schedule**  
**For the Year Ended June 30, 2017**

<u>Period Ending</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
7/1/2044	-	5.125%	3,394,544	3,394,544	
1/1/2045	16,210,000	5.125%	3,394,544	19,604,544	22,999,088
7/1/2045	-	5.125%	2,979,163	2,979,163	
1/1/2046	17,040,000	5.125%	2,979,163	20,019,163	22,998,325
7/1/2046	-	5.125%	2,542,513	2,542,513	
1/1/2047	17,910,000	5.125%	2,542,513	20,452,513	22,995,025
7/1/2047	-	5.125%	2,083,569	2,083,569	
1/1/2048	18,830,000	5.125%	2,083,569	20,913,569	22,997,138
7/1/2048	-	5.125%	1,601,050	1,601,050	
1/1/2049	19,795,000	5.125%	1,601,050	21,396,050	22,997,100
7/1/2049	-	5.125%	1,093,803	1,093,803	
1/1/2050	20,810,000	5.125%	1,093,803	21,903,803	22,997,606
7/1/2050	-	5.125%	560,547	560,547	
1/1/2051	21,875,000	5.125%	560,547	22,435,547	22,996,094
	<u>\$ 335,970,000</u>		<u>\$ 398,564,976</u>	<u>\$ 734,534,976</u>	<u>\$ 734,534,976</u>

**City of Industry**  
**Schedule of Long-Term Debt (Continued)**  
**\$51,456,000 Taxable Sale Tax Revenue Refunding Bonds, Series 2015B - Maturity Schedule**  
**For the Year Ended June 30, 2017**

<u>Period Ending</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
8/1/2017	\$ -	2.750%	\$ 1,858,849	\$ 1,858,849	
2/1/2018	485,000	2.750%	1,858,849	2,343,849	4,202,698
8/1/2018	-	3.250%	1,852,180	1,852,180	
2/1/2019	505,000	3.250%	1,852,180	2,357,180	4,209,360
8/1/2019	-	3.750%	1,843,974	1,843,974	
2/1/2020	520,000	3.750%	1,843,974	2,363,974	4,207,948
8/1/2020	-	4.250%	1,834,224	1,834,224	
2/1/2021	540,000	4.250%	1,834,224	2,374,224	4,208,448
8/1/2021	-	4.500%	1,822,749	1,822,749	
2/1/2022	560,000	4.500%	1,822,749	2,382,749	4,205,498
8/1/2022	-	4.750%	1,810,149	1,810,149	
2/1/2023	585,000	4.750%	1,810,149	2,395,149	4,205,298
8/1/2023	-	5.000%	1,796,255	1,796,255	
2/1/2024	615,000	5.000%	1,796,255	2,411,255	4,207,510
8/1/2024	-	5.250%	1,780,880	1,780,880	
2/1/2025	645,000	5.250%	1,780,880	2,425,880	4,206,760
8/1/2025	-	5.550%	1,763,949	1,763,949	
2/1/2026	680,000	5.550%	1,763,949	2,443,949	4,207,898
8/1/2026	-	5.850%	1,745,079	1,745,079	
2/1/2027	715,000	5.850%	1,745,079	2,460,079	4,205,158
8/1/2027	-	6.150%	1,724,165	1,724,165	
2/1/2028	755,000	6.150%	1,724,165	2,479,165	4,203,330
8/1/2028	-	6.450%	1,700,949	1,700,949	
2/1/2029	805,000	6.450%	1,700,949	2,505,949	4,206,898
8/1/2029	-	6.750%	1,674,988	1,674,988	
2/1/2030	860,000	6.750%	1,674,988	2,534,988	4,209,976
8/1/2030	-	7.000%	1,645,963	1,645,963	
2/1/2031	915,000	7.000%	1,645,963	2,560,963	4,206,926
8/1/2031	-	7.250%	1,613,938	1,613,938	
2/1/2032	980,000	7.250%	1,613,938	2,593,938	4,207,876
8/1/2032	-	7.250%	1,578,413	1,578,413	
2/1/2033	1,050,000	7.250%	1,578,413	2,628,413	4,206,826
8/1/2033	-	7.250%	1,540,350	1,540,350	
2/1/2034	1,125,000	7.250%	1,540,350	2,665,350	4,205,700
8/1/2034	-	7.250%	1,499,569	1,499,569	
2/1/2035	1,205,000	7.250%	1,499,569	2,704,569	4,204,138
8/1/2035	-	7.250%	1,455,888	1,455,888	
2/1/2036	1,295,000	7.250%	1,455,888	2,750,888	4,206,776
8/1/2036	-	7.500%	1,408,944	1,408,944	
2/1/2037	1,390,000	7.500%	1,408,944	2,798,944	4,207,888
8/1/2037	-	7.500%	1,356,819	1,356,819	
2/1/2038	1,490,000	7.500%	1,356,819	2,846,819	4,203,638
8/1/2038	-	7.500%	1,300,944	1,300,944	
2/1/2039	1,605,000	7.500%	1,300,944	2,905,944	4,206,888
8/1/2039	-	7.500%	1,240,756	1,240,756	
2/1/2040	1,725,000	7.500%	1,240,756	2,965,756	4,206,512
8/1/2040	-	7.500%	1,176,069	1,176,069	
2/1/2041	1,855,000	7.500%	1,176,069	3,031,069	4,207,138
8/1/2041	-	7.750%	1,106,506	1,106,506	
2/1/2042	1,995,000	7.750%	1,106,506	3,101,506	4,208,012
8/1/2042	-	7.750%	1,029,200	1,029,200	
2/1/2043	2,150,000	7.750%	1,029,200	3,179,200	4,208,400
8/1/2043	-	7.750%	945,888	945,888	
2/1/2044	2,315,000	7.750%	945,888	3,260,888	4,206,776

**City of Industry**  
**Schedule of Long-Term Debt (Continued)**  
**\$51,456,000 Taxable Sale Tax Revenue Refunding Bonds, Series 2015B - Maturity Schedule**  
**For the Year Ended June 30, 2017**

<u>Period Ending</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
8/1/2044	-	7.750%	856,181	856,181	
2/1/2045	2,495,000	7.750%	856,181	3,351,181	4,207,362
8/1/2045	-	7.750%	759,500	759,500	
2/1/2046	2,685,000	7.750%	759,500	3,444,500	4,204,000
8/1/2046	-	7.750%	655,456	655,456	
2/1/2047	2,900,000	7.750%	655,456	3,555,456	4,210,912
8/1/2047	-	7.750%	543,081	543,081	
2/1/2048	3,120,000	7.750%	543,081	3,663,081	4,206,162
8/1/2048	-	7.750%	422,181	422,181	
2/1/2049	3,365,000	7.750%	422,181	3,787,181	4,209,362
8/1/2049	-	7.750%	291,788	291,788	
2/1/2050	3,625,000	7.750%	291,788	3,916,788	4,208,576
8/1/2050	-	7.750%	151,319	151,319	
2/1/2051	3,905,000	7.750%	151,319	4,056,319	4,207,638
	<u>\$ 51,460,000</u>		<u>\$ 91,574,286</u>	<u>\$ 143,034,286</u>	<u>\$ 143,034,286</u>

**City of Industry**  
**Schedule of Long-Term Debt (Continued)**  
**\$34,340,000 Taxable Sales Tax Revenue Refunding Bonds, Issue of 2017 - Maturity Schedule**  
**For the Year Ended June 30, 2017**

<u>Period Ending</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Interest</u>	<u>Debt Service</u>	<u>Annual Debt Service</u>
7/1/2017	\$ -	1.500%	\$ 170,495	\$ 170,495	
1/1/2018	3,575,000	1.500%	472,141	4,047,141	4,217,636
7/1/2018	-	2.000%	445,328	445,328	
1/1/2019	3,085,000	2.000%	445,328	3,530,328	3,975,656
7/1/2019	-	2.250%	414,478	414,478	
1/1/2020	3,145,000	2.250%	414,478	3,559,478	3,973,956
7/1/2020	-	2.500%	379,097	379,097	
1/1/2021	3,215,000	2.500%	379,097	3,594,097	3,973,194
7/1/2021	-	2.750%	338,909	338,909	
1/1/2022	3,295,000	2.750%	338,909	3,633,909	3,972,818
7/1/2022	-	3.000%	293,603	293,603	
1/1/2023	3,390,000	3.000%	293,603	3,683,603	3,977,206
7/1/2023	-	3.125%	242,753	242,753	
1/1/2024	3,490,000	3.125%	242,753	3,732,753	3,975,506
7/1/2024	-	3.250%	188,222	188,222	
1/1/2025	3,595,000	3.250%	188,222	3,783,222	3,971,444
7/1/2025	-	3.375%	129,803	129,803	
1/1/2026	3,715,000	3.375%	129,803	3,844,803	3,974,606
7/1/2026	-	3.500%	67,113	67,113	
1/1/2027	3,835,000	3.500%	67,113	3,902,113	3,969,226
	<u>\$ 34,340,000</u>		<u>\$ 5,641,248</u>	<u>\$ 39,981,248</u>	<u>\$ 39,981,248</u>

*CITY COUNCIL*

ITEM NO. 8.5





# CITY OF INDUSTRY

## MEMORANDUM

**To:** Honorable Mayor Radecki and Members of the City Council

**From:** Troy Helling, Acting Director of Development Services and Administration

**Staff:** Kristen Weger, Management Analyst III *KW*

**Date:** April 12, 2018

**SUBJECT:** Consideration of Planning and Engineering Staff Augmentation Services with Annealta Group, C & C Engineering, Inc., and Cordoba Corporation

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### Background

On September 8, 2016, the City released a Request for Qualifications ("RFQ") for Planning, and Engineering Services Benches. Based on the results of the interview process and rankings, City staff recommended that Annealta Group be awarded a Professional Services Agreement to perform planning staff augmentation services. Based on the results of the interview process and rankings, City staff recommended that Cordoba Corporation and JMDiaz, Inc., be awarded Professional Services Agreements to provide engineering staff augmentation services.

On November 17, 2016, the City Council approved Professional Services Agreements with Cordoba Corporation and JMDiaz, Inc., in an amount not exceed \$3,000,000.00 for each contractor. C & C Engineering, Inc., had an existing Professional Services Agreement with the City through September 22, 2017.

On December 8, 2016, the City Council approved a Professional Services Agreement with Annealta Group to provide planning staff augmentation services from December 8, 2016 through December 8, 2019 in the amount of \$834,600.00. Annealta Group was hired to provide the same level of service as the prior contractor which included in-house contracted staff augmentation planning services by providing one (1) full-time Assistant Planner approximately forty hours per week and one (1) part-time Senior Planner approximately fifteen hours per week.

### Discussion

In 2017, the City implemented a one-stop shop at City Hall which included a building, safety and development counter. This required additional staffing for planning and

building and safety including counter and engineering support, plan check, and inspection services for development projects. Currently, Annealta is providing in-house contracted staff augmentation to include an Assistant Planner I, Assistant Planner II, Development Plan Checker, Development Inspector and as-needed services.

Contracted staff members review and complete development applications, plan checks for grading, stormwater, industrial stormwater, parcel maps, Low Impact Development (LID), Stormwater Pollution Prevention Plan (SWPPP), planning and building and safety plan checks and safety permit applications, National Pollutant Discharge Elimination System (NPDES) and Enhanced Watershed Management Plan (EWMP) compliance, and special projects as assigned.

The one stop shop was implemented on November 13, 2017 in order to provide services to residents and businesses in one convenient location. The services provided include building and safety permits, business licenses, planning reviews, development plan checks and engineering services. The one stop shop has serviced approximately 1,246 visitors from November 2017 – March 2018.

Given the implementation of the one stop shop, which required additional staffing, the contracted amount with Annealta for staff augmentation services was insufficient, and no amendments were made to adjust the contractual amount. It is therefore necessary to amend the agreement with Annealta to provide additional funding for services being provided for the one stop shop.

Given the City’s robust Capital Improvement Program (“CIP”), Cordoba Corporation was assigned to perform engineering services on a wide range of projects as identified in the City’s adopted CIP budget. At the time of their resignation, Cordoba was performing project management services including developing plans and specifications for the following projects listed in Table 1.

Table 1 – Projects assigned to Cordoba Corporation for Engineering Services

1. Industry Hills Trail Grading Improvements Design
2. Resurfacing Design-Expo Center Parking Lot
3. Expo Center Gate Entrance Design
4. Sewer Design-Expo Center Sewer Main Replacement
5. El Encanto Design-Underground Electrical (Parking Lot Lighting)
6. Industry Trails Lighting Design
7. Hudson Building Design
8. Avalon Room Design
9. Patio Café Design
10. Electric Vehicle Charging Stations
11. Follows Camp Access and Remediation
12. Metrolink Camera Installation
13. Emergency Standby Power Generator
14. Arenth Avenue Reconstruction from Anaheim-Puente Road to Nogales

15. Chino Ranch Dam
16. Expo Barn Lighting
17. Fullerton Grade Separation (ACE) 5900
18. SCE Streetlight Purchase
19. Solar Installation-Expo
20. Solar Installation-City Hall
21. Valley Boulevard Improvements - La Puente
22. Grand Avenue Streetlight and Cabling (Successor Agency)
23. Industry Business Center East (Successor Agency)
24. Industry Business Center West (Successor Agency )
25. Pacific Palms Assessment
26. Public Sidewalk-Expo Center

Given the number of projects, and the deadline to expend bond funds for the CIP projects, the City increased the anticipated number of CIP projects to be engineered in the last calendar year, in order to put them out to bid. This resulted in additional work, which necessitated an increase for engineering staff augmentation services provided by Cordoba.

On March 14, 2018, Cordoba Corporation terminated its working relationship with the City. With Cordoba Corporation's resignation, it became necessary for the City Council to enter into a Professional Services Agreement with an engineering firm to serve as the City's engineer and to provide engineering staff augmentation services. C & C Engineering, Inc., previously served the City in various capacities over the years including assisting with various engineering projects for the City's agencies, commissions and boards. On March 22, 2018, the City Council approved a Professional Services Agreement with C & C Engineering, Inc., to serve as the Contract City Engineer and to provide engineering staffing augmentation services.

### **Fiscal Impact**

An appropriation of \$557,547.00 to the General Fund – Planning – Professional Services (Account No. 100-521-5120-01) is needed to amend the agreement with Annealta Group to cover five (5) months of planning service costs in the 2017-2018 fiscal year. The City will work to recover some of the costs of this contract through cost recovery agreements with developers.

### **Recommendation**

- 1.) Approve Amendment No. 1 to the Professional Services Agreement with Annealta Group to provide staff augmentation planning services and increasing the original compensation in the amount of \$557,547.00 through December 8, 2019;
- 2.) Approve Amendment No. 1 to the Professional Services Agreement with Cordoba Corporation to provide staff augmentation engineering services and increasing the original compensation in the amount of \$924,975.29 through March 24, 2018;
- 3.) Appropriate \$557,547.00 to the General Fund – Planning – Professional Services

(account no. 100-521-5120-01) to cover five (5) months of planning service costs for fiscal year 2017-2018; and

- 4.) Approve designating engineering funds approved in the fiscal year 2017-2018 budget in the amount of \$1,400,000.00 for C & C Engineering, Inc., (General Fund – Public Works – General Engineering (Account No. 100-622-5900) for engineering services.

#### Exhibits

- A. Amendment No. 1 to the Professional Services Agreement with Annealta Group in the amount of \$557,547.00 through December 8, 2019
  - B. Amendment No. 1 to the Professional Services Agreement with Cordoba Corporation in the amount of \$924,975.29 through March 24, 2018
  - C. Professional Services Agreement with Annealta Group in an amount not to exceed \$834,600.00 from December 8, 2016 to December 8, 2019
  - D. Professional Services Agreement with Cordoba Corporation in an amount not to exceed \$3,000,000.00 from November 17, 2016 to March 24, 2018
- 

TH:kw

**EXHIBIT A**

Amendment No. 1 to the Professional Services Agreement with Annealta Group in the amount of \$557,547.00 through December 8, 2019

[Attached]

**AMENDMENT NO. 1  
TO PROFESSIONAL SERVICES AGREEMENT FOR CONSULTING SERVICES  
WITH ANNEALTA GROUP**

This Amendment No. 1 to the Agreement for Consulting Services (“Agreement”), is made and entered into this 12<sup>th</sup> day of April, 2018, (“Effective Date”) by and between the City of Industry, a municipal corporation (“City”) and Annealta Group, (“Consultant”), a California corporation. The City and Consultant are hereinafter collectively referred to as the “Parties.”

**RECITALS**

**WHEREAS**, on or about December 8, 2016, the Agreement was entered into and executed between the City and Consultant to provide planning staff augmentation services; and

**WHEREAS**, the Parties to desire to amend the Agreement to increase compensation due to the increased staffing requirements needed to operate the one stop shop for planning and building and safety including counter and engineering support, plan check, and inspection services for development projects; and

**WHEREAS**, given the additional work, the Parties desire to amend the Agreement to increase the compensation of the Agreement by \$557,547.00; and

**WHEREAS**, for the reasons set forth herein, the City and Consultant desire to enter into this Amendment No. 1, as set forth below.

**AMENDMENT**

**NOW, THEREFORE**, in consideration of the mutual covenants, promises and agreements set forth herein, it is agreed the aforesaid Agreement, a copy of which is attached hereto as Exhibit A, and incorporated herein by reference, shall remain in full force and effect except as otherwise hereinafter provided:

**Section 4. Payment**

The second sentence of Section 5(a) is hereby amended to read in its entirety as follows:

- (a) This amount shall not exceed One Million Three Hundred Ninety-Two Thousand One Hundred Forty-Seven Dollars (\$1,392,147.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

**Exhibit A Scope of Services**

The Scope of Services shall be amended to include the information set forth in Attachment 1, attached hereto and incorporated herein by reference.

**Exhibit B Rate Schedule**

The Rate Schedule shall be replaced in its entirety with the information set forth in Attachment 2, attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1 to the Agreement as of the Effective Date.


**“CITY”**

City of Industry

By: \_\_\_\_\_  
Mark D. Radecki, Mayor

**“CONSULTANTS”**

Annealta Group

By:  \_\_\_\_\_  
Paul Timothy D'Zmura,  
President & CEO

**Attest:**

By: \_\_\_\_\_  
Diane M. Schlichting, City Clerk

**APPROVED AS TO FORM**

By: \_\_\_\_\_  
James M. Casso, City Attorney

## **Attachment 1**

Consultant shall provide planning and building & safety staff augmentation services to include, but not limited to:

- A. Processing administrative and discretionary land use entitlement applications;
- B. Supporting the Planning Commission;
- C. Overseeing the preparation of Planning Commission agendas;
- D. Preparing and presenting Planning Commission and City Council staff reports;
- E. Providing support for the City's various legislative bodies;
- F. Preparing public notices, as required;
- G. Providing assistance at the Planning Department's public counter, as needed;
- H. Directing and training administrative support staff in performing various municipal planning functions;
- I. Preparing California Environmental Quality Act ("CEQA") documentation for projects, as applicable;
- J. Coordinating any advance planning work being performed by other planning consultants;
- K. Representing the City at meetings of regional planning agencies, such as Southern California Association of Governments ("SCAG") and the San Gabriel Valley Council of Governments, as necessary;
- L. Preparing ordinances and otherwise maintaining and updating the Municipal Code, as necessary;
- M. Providing assistance at the Building Department's public counter, as needed;
- N. Providing building plan check intake;
- O. Providing building plan review services in accordance with City adopted codes and standards;
- P. Performing building inspections in accordance with City adopted codes and standards;
- Q. Providing miscellaneous engineering services as assigned by City staff and the City Engineer; and
- R. Performing other related duties, as assigned by City staff.



## Attachment 2

Classification	Rate
Project/Planning Manager .....	\$135
Senior Planner .....	125
Associate Planner II .....	110
Associate Planner I .....	100
Assistant Planner III .....	90
Assistant Planner II .....	85
Assistant Planner I .....	80
Planning Technician II .....	75
Planning Technician I .....	70
Principal .....	165
Senior Project Manager .....	140
Project Manager .....	130
Assistant Project Manager .....	120
Senior Construction Manager .....	130
Construction Manager .....	120
Assistant Construction Manager .....	110
Senior Construction Inspector .....	125
Construction Inspector III .....	115
Construction Inspector II .....	105
Construction Inspector I .....	95
Resident Engineer .....	130
Plan Check Engineer III .....	145
Plan Check Engineer II .....	140
Plan Check Engineer I .....	115
Senior Engineer .....	120
Associate Engineer .....	110
Assistant Engineer .....	95
Engineering Technician II .....	90
Engineering Technician I .....	80
Building Official .....	140
Deputy Building Official .....	125
Building Inspector III .....	110
Building Inspector II .....	100
Building Inspector I .....	90
Plan Checker III .....	115
Plan Checker II .....	105
Plan Checker I .....	95
Development Technician II .....	90
Development Technician I .....	80
Administrative Support III .....	60
Administrative Support II .....	50
Administrative Support I .....	40

**EXHIBIT B**

Amendment No. 1 to the Professional Services Agreement with Cordoba Corporation in  
the amount of \$924,975.29 through March 24, 2018

[Attached]

**AMENDMENT NO. 1  
TO PROFESSIONAL SERVICES AGREEMENT FOR CONSULTING SERVICES  
WITH CORDOBA CORPORATION**

This Amendment No. 1 to the Agreement for Consulting Services (“Agreement”), is made and entered into this 12<sup>th</sup> day of April, 2018, (“Effective Date”) by and between the City of Industry, a municipal corporation (“City”) and Cordoba Corporation (“Consultant”), a California corporation. The City and Consultant are hereinafter collectively referred to as the “Parties.”

**RECITALS**

**WHEREAS**, on or about November 17, 2016, the Agreement was entered into and executed between the City and Consultant to provide engineering staff augmentation and Capital Improvement Project (“CIP”) services; and

**WHEREAS**, the Parties desire to amend the Agreement to increase the compensation for additional work performed which was required to expedite the completion of CIP engineering designs and specifications for projects identified in the fiscal year 2018-2019 adopted CIP budget; and

**WHEREAS**, given the additional work, the Parties desire to amend the Agreement to increase the compensation of the Agreement by \$924,975.29; and

**WHEREAS**, on or about March 14, 2018, Consultant tendered its resignation to the City, however, given the additional work performed prior to Consultant’s resignation, it is necessary to amend the Agreement; and

**WHEREAS**, the Parties understand and agree that the Agreement terminated March 24, 2018, and the purpose of this Amendment No. 1 is for accounting purposes only, to compensate Consultant for work performed prior to termination. This Amendment No. 1, does not in any way revive the Agreement; and

**WHEREAS**, for the reasons set forth herein, the City and Consultant desire to enter into this Amendment No. 1, as set forth below.

**AMENDMENT**

**NOW, THEREFORE**, the facts set forth in the Recitals are true and correct, and are incorporated herein by reference. In consideration of the mutual covenants, promises and agreements set forth herein, it is agreed the aforesaid Agreement, a copy of which is attached hereto as Exhibit A, and incorporated herein by reference, was terminated effective March 24, 2018. Notwithstanding the foregoing, for accounting purposes only, the Agreement is hereby amended to provide additional compensation for work performed during the Term of the Agreement, as set forth herein:

**Section 1. Term**

Section 1 is hereby amended to read in its entirety as follows:

This Agreement commenced on November 17, 2016, and terminated March 24, 2018.

**Section 4. Payment**

The second sentence of Section 4(a) is hereby amended to read in its entirety as follows:

- (a) This amount shall not exceed Three Million Nine Hundred Twenty-Four Thousand Nine Hundred Seventy-Five Dollars and Twenty-Nine Cents (\$3,924,975.29) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1 to the Agreement as of the Effective Date.

**"CITY"**

City of Industry

By: \_\_\_\_\_  
Mark D. Radecki, Mayor

**"CONSULTANTS"**

Cordoba Corporation

By: \_\_\_\_\_  
Randall D. Martinez,  
Executive Vice President & COO

**Attest:**

By: \_\_\_\_\_  
Diane M. Schlichting, City Clerk

**APPROVED AS TO FORM**

By: \_\_\_\_\_  
James M. Casso, City Attorney

**EXHIBIT C**

Professional Services Agreement with Annealta Group in an amount not to exceed  
\$834,600.00 from December 8, 2016 to December 8, 2019

[Attached]

## CITY OF INDUSTRY

### PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT ("Agreement"), is made and effective as of December 8, 2016 ("Effective Date"), between the City of Industry, a municipal corporation ("City") and Annealta Group, a California corporation ("Consultant"). The City and Consultant are hereinafter collectively referred to as the "Parties".

#### RECITALS

**WHEREAS**, City desires to engage Consultant to perform the services described herein, and Consultant desires to perform such services in accordance with the terms and conditions set forth herein.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and conditions herein contained, City and Consultant agree as follows:

#### 1. TERM

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until tasks described herein are completed, but in no event later than December 8, 2019, unless sooner terminated pursuant to the provisions of this Agreement.

#### 2. SERVICES

(a) Consultant shall perform the tasks ("Services") described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. ("Scope of Services"). Tasks other than those specifically described in the Scope of Services shall not be performed without prior written approval of the City. The Services shall be performed by Consultant, unless prior written approval is first obtained from the City. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall prevail.

(b) City shall have the right to request, in writing, changes to the Services. Any such changes mutually agreed upon by the Parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

(c) Consultant shall perform all Services in a manner reasonably satisfactory to the City and in a first-class manner in conformance with the standards of quality normally observed by an entity providing planning services, serving a municipal agency.

(d) Consultant shall comply with all applicable federal, state, and local laws, regulations and ordinances in the performance of this Agreement, including but not limited to, the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*). During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom

Consultant was not working on the Effective Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute or law; and (ii) City has not consented in writing to Consultant's performance of such work. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.* Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Consultant was an employee, agent, appointee, or official of the City in the previous twelve (12) months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et. seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for Services performed pursuant to this Agreement, and Consultant will be required to reimburse the City for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

(e) Consultant represents that it has, or will secure at its own expense, all licensed personnel required to perform the Services. All Services shall be performed by Consultant or under its supervision, and all personnel engaged in the Services shall be qualified and licensed to perform such services.

### **3. MANAGEMENT**

City's City Manager shall represent the City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but shall have no authority to modify the Services or the compensation due to Consultant.

### **4. PAYMENT**

(a) The City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B ("Rate Schedule"), attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed Eight Hundred Thirty Four Thousand Six Hundred Dollars (\$834,600.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City and Consultant at the time City's written authorization is given to Consultant for the performance of said services.

(c) Consultant shall submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as

practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within 45 days of receipt of an invoice therefore.

## **5. SUSPENSION OR TERMINATION OF AGREEMENT**

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant shall submit an invoice to the City pursuant to Section 5 of this Agreement.

## **6. OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to review such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office, and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultant hereby grants to City all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models,



computer files, surveys, notes, and other documents prepared by Consultant in the course of providing the services under this Agreement. All reports, documents, or other written material developed by Consultant in the performance of the Services pursuant to this Agreement, shall be and remain the property of the City.

## **7. INDEMNIFICATION**

### **(a) Indemnity for professional liability**

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless the City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or Subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

### **(b) Indemnity for other than professional liability**

Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) DUTY TO DEFEND. In the event the City, its officers, employees, agents and/or volunteers are made a party to any action, claim, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this Agreement, and upon demand by City, Consultant shall have an immediate duty to defend the City at Consultant's cost or at City's option, to reimburse the City for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and City, as to whether liability arises from the sole negligence of the City or its officers, employees, or agents, Consultant will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely negligent. Consultant will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

**8. INSURANCE**

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached hereto and incorporated herein by reference.

**9. INDEPENDENT CONSULTANT**

(a) Consultant is and shall at all times remain as to the City a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultants exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against the City, or bind the City in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

**10. LEGAL RESPONSIBILITIES**

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

**11. UNDUE INFLUENCE**

Consultant declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

**12. NO BENEFIT TO ARISE TO LOCAL OFFICERS AND EMPLOYEES**

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during

his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

**13. RELEASE OF INFORMATION/CONFLICTS OF INTEREST**

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City, unless otherwise required by law or court order. (b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City, unless Consultant is prohibited by law from informing the City of such Discovery, court order or subpoena. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless City is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with the City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

**14. NOTICES**

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: City of Industry  
15625 E. Stafford, Suite 100  
City of Industry, CA 91744

Attention: City Manager

With a Copy To: James M. Casso, City Attorney  
Casso & Sparks, LLP  
13200 Crossroads Parkway North, Suite 345  
City of Industry, CA 91746

To Consultant:

Paul Timothy D'Zmura, President /CEO  
Annealta Group  
6471 Glenfox Drive  
Huntington Beach, CA 92647

**15. ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City.

Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide City with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant which shall include and indemnity provision similar to the one provided herein and identifying City as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from the City for such insurance.

Notwithstanding Consultant's use of any subconsultant, Consultant shall be responsible to the City for the performance of its subconsultant as it would be if Consultant had performed the Services itself. Nothing in this Agreement shall be deemed or construed to create a contractual relationship between the City and any subconsultant employed by Consultant. Consultant shall be solely responsible for payments to any subconsultants. Consultant shall indemnify, defend and hold harmless the Indemnified Parties for any claims arising from, or related to, the services performed by a subconsultant under this Agreement.

**16. GOVERNING LAW/ATTORNEYS' FEES**

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court in Los Angeles County, California. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of or relating to the Services provided by Consultant under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all related costs, including costs of expert witnesses and consultants, as well as costs on appeal, in addition to any other relief to which it may be entitled.

**17. ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining to the subject of this Agreement or with respect to the terms and conditions of this Agreement, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein

and upon each party's own independent investigation of any and all facts such party deems material.

**18. SEVERABILITY**

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

**19. COUNTERPARTS**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

**20. CAPTIONS**

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and shall have no significance in the interpretation of this Agreement.

**21. WAIVER**

The waiver by City or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing.

**22. REMEDIES**

Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies.

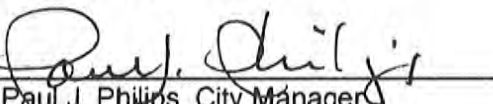
**23. AUTHORITY TO EXECUTE THIS AGREEMENT**

The person or persons executing this Agreement on behalf of Consultant represents and warrants that he/she has the authority to execute this Agreement on behalf of the


Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

**"CITY"**  
**City of Industry**

By:   
Paul J. Philips, City Manager

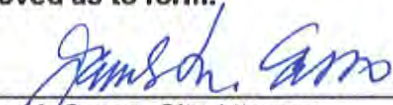
**"CONSULTANT"**  
**Annealta Group**

By:   
Paul Timothy D'Zmura, President/CEO

**Attest:**

By:   
Diane M. Schlichting, Chief Deputy City Clerk

**Approved as to form:**

By:   
James M. Casso, City Attorney

Attachments:      Exhibit A      Scope of Services  
                         Exhibit B      Rate Schedule  
                         Exhibit C      Insurance Requirements

EXHIBIT A

SCOPE OF SERVICES

Consultant shall provide planning staff augmentation services to include, but not limited to:

- A. Processing administrative and discretionary land use entitlement applications;
- B. Supporting the Planning Commission;
- C. Overseeing the preparation of Planning Commission agendas;
- D. Preparing and presenting Planning Commission and City Council staff reports;
- E. Providing support for the City's various legislative bodies;
- F. Preparing public notices, as required;
- G. Providing assistance at the Planning Department's public counter, as needed;
- H. Directing and training administrative support staff in performing various municipal planning functions;
- I. Preparing California Environmental Quality Act ("CEQA") documentation for projects, as applicable;
- J. Coordinating any advance planning work being performed by other planning consultants;
- K. Representing the City at meetings of regional planning agencies, such as Southern California Association of Governments ("SCAG") and the San Gabriel Valley Council of Governments, as necessary;
- L. Preparing ordinances and otherwise maintaining and updating the Municipal Code, as necessary; and
- M. Performing other related duties, as assigned by City staff.

EXHIBIT B

RATE SCHEDULE

<b>Classification</b>	<b>Hourly Rate</b>
Project/Planning Manager .....	\$140
Senior Planner.....	130
Associate Planner II .....	115
Associate Planner I.....	105
Assistant Planner III.....	95
Assistant Planner II.....	90
Assistant Planner I.....	85
Planning Technician II .....	80
Planning Technician I.....	75

City shall reimburse Consultant its actual costs for all photocopying and postage, upon submittal of evidence of said costs along with the monthly invoice, as set forth in the Agreement.



## EXHIBIT C

### INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of City, and prior to commencement of the Services, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to Agency.

**General liability insurance.** Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000.00 per occurrence, \$2,000,000.00 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

**Automobile liability insurance.** Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000.00 combined single limit for each accident.

**Professional liability (errors & omissions) insurance.** Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

**Workers' compensation insurance.** Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000.00).

Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of Agency, its officers, agents, employees and volunteers.

**Proof of insurance.** Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsement must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

**Duration of coverage.** Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may

arise from or in connection with the performance of the Services hereunder by Consultant, his agents, representatives, employees or subconsultants.

**Primary/noncontributing.** Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

**City's rights of enforcement.** In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant, or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

**Acceptable insurers.** All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

**Waiver of subrogation.** All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

**Enforcement of contract provisions (non estoppel).** Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the Agency nor does it waive any rights hereunder.

**Requirements not limiting.** Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

**Additional insured status.** General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

**Prohibition of undisclosed coverage limitations.** None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

**Separation of Insureds.** A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

**Pass Through Clause.** Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City for review.

**City's right to revise specifications.** The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City and Consultant may renegotiate Consultant's compensation.

**Self-insured retentions.** Any self-insured retentions must be declared to and approved by the City. The City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the City.

**Timely notice of claims.** Consultant shall give the City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

**Additional insurance.** Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

**EXHIBIT D**

Professional Services Agreement with Cordoba Corporation in an amount not to exceed  
\$3,000,000.00 from November 17, 2016 to March 24, 2018

[Attached]

## CITY OF INDUSTRY

### PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT ("Agreement"), is made and effective as of November 17, 2016 ("Effective Date"), between the City of Industry, a municipal corporation ("City") and Cordoba Corporation, a California corporation ("Consultant"). The City and Consultant are hereinafter collectively referred to as the "Parties".

#### RECITALS

**WHEREAS**, City desires to engage Consultant to perform the services described herein, and Consultant desires to perform such services in accordance with the terms and conditions set forth herein.

**NOW, THEREFORE**, for and in consideration of the mutual covenants and conditions herein contained, City and Consultant agree as follows:

#### 1. TERM

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until tasks described herein are completed, but in no event later than November 17, 2019, unless sooner terminated pursuant to the provisions of this Agreement.

#### 2. SERVICES

(a) Consultant shall perform the tasks ("Services") described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. ("Scope of Services"). Tasks other than those specifically described in the Scope of Services shall not be performed without prior written approval of the City. The Services shall be performed by Consultant, unless prior written approval is first obtained from the City. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall prevail.

(b) City shall have the right to request, in writing, changes to the Services. Any such changes mutually agreed upon by the Parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

(c) Consultant shall perform all Services in a manner reasonably satisfactory to the City and in a first-class manner in conformance with the standards of quality normally observed by an entity providing engineering staff augmentation services, serving a municipal agency.

(d) Consultant shall comply with all applicable federal, state, and local laws, regulations and ordinances in the performance of this Agreement, including but not limited to, the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*). During the term of this

Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working on the Effective Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute or law; and (ii) City has not consented in writing to Consultant's performance of such work. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.* Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Consultant was an employee, agent, appointee, or official of the City in the previous twelve (12) months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et. seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for Services performed pursuant to this Agreement, and Consultant will be required to reimburse the City for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

(e) Consultant represents that it has, or will secure at its own expense, all licensed personnel required to perform the Services. All Services shall be performed by Consultant or under its supervision, and all personnel engaged in the Services shall be qualified and licensed to perform such services.

### **3. MANAGEMENT**

City's City Manager shall represent the City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but shall have no authority to modify the Services or the compensation due to Consultant.

### **4. PAYMENT**

(a) The City agrees to pay Consultant in accordance with the payment rates and terms and the hourly schedule of payment as set forth in Exhibit B ("Rate Schedule"), attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed three million dollars (\$3,000,000.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City. Consultant shall be compensated for any additional services in the amounts and in the manner as agreed to by City and Consultant at the time City's written authorization is given to Consultant for the performance of said services.

(c) Consultant shall submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within 45 days of receipt of an invoice therefore.

## **5. LABOR CODE AND PREVAILING WAGES**

(a) Consultant represents and warrants that it is aware of the requirements of California Labor Code Section 1720, *et seq.*, and 1770, *et seq.*, as well as California Code of Regulations, Title 8, Section 16000, *et seq.*, ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "Public Works" and "Maintenance" projects. If the Services are being performed as part of an applicable "Public Works" or "Maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is \$15,000.00 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. City shall provide Consultant with a copy of the prevailing rates of per diem wages in effect at the commencement of this Agreement. Consultant shall make copies of the prevailing rates of per diem wages for each craft, classification or type of worker needed to execute the Services available to interested parties upon request, and shall post copies at the Consultant's principal place of business and any location where the Services are performed. Consultant shall indemnify, defend and hold harmless, the City, its elected officials, officers, employees and agents, from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, Consultant's or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant, failure or alleged failure to comply with Prevailing Wage Laws.

(b) In accordance with the requirements of Labor Code Section 1776, Consultant shall keep accurate payroll records which are either on forms provided by the Division of Labor Standards Enforcement or which contain the same information required by such forms. Consultant shall make all such records available for inspection at all reasonable hours.

(c) To the extent applicable, Consultant shall comply with the provisions of Section 1777.5 of the Labor Code with respect to the employment of properly registered apprentices upon public works.

(d) Consultant shall comply with the legal days work and overtime requirements of Sections 1813 and 1815 of the Labor Code.

(e) If the Services are being performed as part of an applicable Public works or Maintenance project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such Services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Agreement and require the same of any subconsultants, as applicable. This Services set forth in this Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements.

## **6. SUSPENSION OR TERMINATION OF AGREEMENT**

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant shall submit an invoice to the City pursuant to Section 5 of this Agreement.

## **7. OWNERSHIP OF DOCUMENTS**

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to review such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files, Consultant shall make available to the City, at the Consultant's office, and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying



and/or printing computer files. Consultant hereby grants to City all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by Consultant in the course of providing the services under this Agreement. All reports, documents, or other written material developed by Consultant in the performance of the Services pursuant to this Agreement, shall be and remain the property of the City.

## **8. INDEMNIFICATION**

### **(a) Indemnity for professional liability**

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless the City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or Subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

### **(b) Indemnity for other than professional liability**

Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

**(c) DUTY TO DEFEND.** In the event the City, its officers, employees, agents and/or volunteers are made a party to any action, claim, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this Agreement, and upon demand by City, Consultant shall have an immediate duty to defend the City at Consultant's cost or at City's option, to reimburse the City for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and City, as to whether liability arises from the sole negligence of the City or its officers, employees, or agents, Consultant will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely negligent. Consultant will not be entitled in the absence of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

**9. INSURANCE**

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached hereto and incorporated herein by reference.

**10. INDEPENDENT CONSULTANT**

(a) Consultant is and shall at all times remain as to the City a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultants exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against the City, or bind the City in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

**11. LEGAL RESPONSIBILITIES**

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

**12. UNDUE INFLUENCE**

Consultant declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

**13. NO BENEFIT TO ARISE TO LOCAL OFFICERS AND EMPLOYEES**

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

**14. RELEASE OF INFORMATION/CONFLICTS OF INTEREST**

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City, unless otherwise required by law or court order. (b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City, unless Consultant is prohibited by law from informing the City of such Discovery, court order or subpoena. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless City is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with the City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

**15. NOTICES**

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City: City of Industry  
15625 E. Stafford, Suite 100  
City of Industry, CA 91744

Attention: City Manager

With a Copy To: James M. Casso, City Attorney  
Casso & Sparks, LLP  
13200 Crossroads Parkway North, Suite 345

City of Industry, CA 91746

To Consultant:                      Randall D. Martinez,  
Executive Vice President & COO  
Cordoba Corporation  
1611 East 17<sup>th</sup> Street  
Santa Ana, CA 92705

**16. ASSIGNMENT**

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City.

Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide City with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant which shall include an indemnity provision similar to the one provided herein and identifying City as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from the City for such insurance.

Notwithstanding Consultant's use of any subconsultant, Consultant shall be responsible to the City for the performance of its subconsultant as it would be if Consultant had performed the Services itself. Nothing in this Agreement shall be deemed or construed to create a contractual relationship between the City and any subconsultant employed by Consultant. Consultant shall be solely responsible for payments to any subconsultants. Consultant shall indemnify, defend and hold harmless the Indemnified Parties for any claims arising from, or related to, the services performed by a subconsultant under this Agreement.

**17. GOVERNING LAW/ATTORNEYS' FEES**

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court in Los Angeles County, California. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of or relating to the Services provided by Consultant under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all related costs, including costs of expert witnesses and consultants, as well as costs on appeal, in addition to any other relief to which it may be entitled.

**18. ENTIRE AGREEMENT**

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining

to the subject of this Agreement or with respect to the terms and conditions of this Agreement, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

**19. SEVERABILITY**

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

**20. COUNTERPARTS**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

**21. CAPTIONS**

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and shall have no significance in the interpretation of this Agreement.

**22. WAIVER**

The waiver by City or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing.

**23. REMEDIES**

Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies.

**24. AUTHORITY TO EXECUTE THIS AGREEMENT**

The person or persons executing this Agreement on behalf of Consultant represents and warrants that he/she has the authority to execute this Agreement on behalf of the Consultant and has the authority to bind Consultant to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed as of the Effective Date.

**"CITY"**  
**City of Industry**

By: Paul J. Philips  
Paul J. Philips, City Manager

**"CONSULTANT"**  
Cordoba Corporation

By: Randall D. Martinez  
Randall D. Martinez,  
Executive Vice President & COO

**Attest:**

By: Diane M. Schlichting  
Diane M. Schlichting, Chief Deputy City Clerk

**Approved as to form:**

By: James M. Casso  
James M. Casso, City Attorney

Attachments:      Exhibit A      Scope of Services  
                         Exhibit B      Rate Schedule  
                         Exhibit C      Insurance Requirements

## EXHIBIT A

### SCOPE OF SERVICES

Consultant shall provide engineering staff augmentation services:

#### **1. General Engineering and Project Management**

- A. Provide all aspects of civil engineering, plan checking, capital project management, and assistance in obtaining federal, state and other funding for transportation and other infrastructure projects;
- B. Review all matters pertaining to engineering to ensure that initiatives proposed and implemented by the City and others are done in a manner that protects the City's interests, and are consistent with local, state and federal laws;
- C. Assist in planning, coordinating, supervising and evaluating infrastructure, programs, plans, and services;
- D. Evaluate the City's needs and formulate short- and long-term plans to meet needs in all areas of public works improvements, including streets, sewers, storm drains, water distribution system, street lights, traffic signals, bridges, median islands, municipal facilities and all other improvements within the public right-of-way;
- E. Provide engineering, design services, land surveying and manage construction of public works projects;
- F. Be available to public and private developers to handle matters dealing with the engineering functions of city government;
- G. Maintain, at City Hall, municipal engineering records and maps required to ensure accurate information is available to the public and City staff;
- H. Prepare reports, investigations, studies and evaluations as may be required by the Director of Development Services and Administration or his designee;
- I. Advise the City as to engineering and construction funding available from other government agencies, and when so directed, prepare and initiate applications for funding;
- J. Design of capital improvement projects, improvement plans, specifications, bid documents, and public improvement project management and inspection;
- K. Solicit proposals for capital improvement project design work, construction management, and inspection, as needed;
- L. Review and evaluate bid submittals;
- M. Coordinate activities with other departments and outside agencies to obtain various approvals and agreements such as environmental clearances, permits, land acquisition, and rights-of-way for engineering projects;
- N. Negotiate land acquisitions, dispositions, easements, agreements, leases, and other associated property rights as it relates to engineering projects;

- O. Assist with the development and implementation of a multi-year Capital Improvement Program for the City;
- P. Attend City Council, The Successor Agency to the Industry Urban-Development Agency, Oversight Board of the Successor Agency to the Industry-Urban Development Agency and other meetings as requested;
- Q. Provide such other related engineering services as requested by the City Manager or his designee;
- R. Provide peer review for City contractors and accept peer review from City Contractors, as directed;
- S. Shall provide peer review of C&C Engineering, Inc., designs and plans to ensure Quality Control and Quality Assurance ("QC/QA") as well as conformance to generally accepted accounting principles;
- T. Conform to systems of procurement, administrative and financial controls, as directed; and
- M. Provide utility coordination services as requested.

## **2. Federally Funded Projects**

- A. Secure all necessary permits, including CEQA and NEPA compliance, surveying, testing, preparation of plans and specifications, description of construction phasing plan, estimate of probable construction costs, preparation of bid documents, review of construction contract bids, recommendation for award, construction inspection, and construction administration;
- B. Provide all services in accordance with Caltrans standards, FHWA standards, and City standards;
- C. Comply with California Government Code Section 8355 in matters relating to the provision of a drug-free workplace;
- D. Comply with the Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31 et. Seq., that govern allowable elements of cost; E. Comply with the administrative requirements set forth in 49 CFR Part 18, Uniform Administrative Requirement for Grants and Cooperative Agreements to State and Local Governments; and
- F. Comply with CFR Title 49, Part 29, Debarment and Suspension of Certificate, refer to Exhibit 12-E "Debarment and Suspension Certificate" in Chapter 12 of the Caltrans Local Assistance Manual.

## **3. Schedule of Services**

- A. Place the highest emphasis on customer service;
- B. Be reachable and available to respond to emergencies within the City all times. Consultant must provide City with emergency contact numbers for key personnel to facilitate the immediate response by Consultant to emergencies and provide an updated contact list every six months;
- C. Communicate effectively with citizens before, during, and after construction projects;
- D. Consultant shall provide written comments for initial and subsequent review to the City no later than ten (10) calendar days from date of receipt of the plans. Consultant shall provide comments for expedited plan reviews within three (3) working days of receipt of the plans.



## EXHIBIT B

### RATE SCHEDULE

NAME	CLASSIFICATION/Job Function	HOURLY RATE
Roberto Ramirez PE	Account Manager/Sr. Project Manager & Sr. Design Engineer	\$240
Angel Alvarez PE	Construction Services Senior Advisor	\$240
Ara Movsessian	Project Controls 2/Contracts Administration	\$130
Arnold Luft, P.E., S.E.	Senior Design Engineer/Design QA and QC	\$175
Barry Thomas	Project Manager 2/ADA and CASp	\$160
Caren Whilhoit, CSST, CIP	Office Engineer 2/Permit Inspections, NPDES, CEQA, NEPA	\$135
Catherine Mireles	Design Engineer 1/Civil Infrastructure Water-Wastewater Design	\$140
Cathy Higley	Transportation Planning Senior Advisor	\$275
Cesar Manapsal	Senior Project Controls/Scheduling and Cost	\$175
Christine Mcleod	Senior Planner /Environmental and Regulatory Affairs	\$175
Claudia Tarpin	Construction Manager 1/Permits Coordination	\$140
Danielle Chupa	Senior Planner/Environmental & Regulatory Planning Project Mgmt	\$175
Evgeny Gavrilov PE	Design Engineer 2/Civil and Transportation Infrastructure	\$160
Gabriel Murillo	Project Manager 2/Civil Infrastructure and Utilities	\$160
Guadalupe (Pete) Gomez	CADD Technician 1	\$90
Henry Martinez	Water "Infrastructure" Senior Advisor	\$275
Jim Stahl	Strategic Advisor-Wastewater/Recycled Water (Policy, Storage, Water Rights)	\$335
Joe Villa	CADD Manager/ CADD Management and Design Standards	\$120
John Duong, AIA	Project Manager 2/ Facilities and ADA Compliance	\$160
Jose Garcia	Design Engineer 1/Civil Infrastructure and Storm Water Design	\$140
Karen Scarborough	Sr. Planner/Env. Mitigation Specialist, Regulatory & Env. Compliance	\$175
Lisa Linder	Project Controls 1/Project Accounting	\$110
Phil Valadez	Senior Construction Manager/Facilities	\$175
Robert Phillips	Field Engineer 1/Internet and Data Utility Design	\$110
Ronald Gastelum	Strategic Advisor-Potable Water/Recycled Water (Policy, Storage, Water Rights)	\$335
Sam Tenorio	Senior Project Manager/ Civil and Mechanical Infrastructure	\$175
Sharon Woods, GIT	Senior Field Engineer/Geotechnical and Permit Inspections	\$135
Sonia Babian	Project Manager 1/ADA and CASp	\$140
Valerie Mudegoren	Project Controls 2/Cost Analysis	\$130

CLASSIFICATION/Job Function	HOURLY RATE
Senior Energy Advisor	\$240
Senior Project/Construction Management Advisor	\$240
Sr. Project Manager	\$175
Project Manager 2	\$160
Project Manager 1	\$140
Senior Construction Manager	\$175
Construction Manager 2	\$160
Construction Manager 1	\$140
Senior Design Engineer	\$175
Design Engineer 2	\$160
Design Engineer 1	\$140
Senior Planner	\$175
Planner 2	\$140
Planner	\$130
Senior Field Engineer	\$135
Field Engineer 2	\$110
Field Engineer 1	\$ 85
Senior Office Engineer (includes Permit Coordination)	\$140
Office Engineer 2 (includes Permit Coordination)	\$135
Office Engineer 1 (includes Permit Coordination)	\$110
Senior Project Controls	\$175
Project Controls 2	\$140
Project Controls 1	\$110
CAD Design Management	\$120
CADD 2	\$100
CADD 1	\$ 90
Technical Editor	\$153
Executive Assistant	\$ 62

City shall reimburse Consultant its actual costs for all photocopying and postage, upon submittal of evidence of said costs along with the monthly invoice, as set forth in the agreement.

## EXHIBIT C

### INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of City, and prior to commencement of the Services, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to Agency.

**General liability insurance.** Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than \$1,000,000.00 per occurrence, \$2,000,000.00 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

**Automobile liability insurance.** Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than \$1,000,000.00 combined single limit for each accident.

**Professional liability (errors & omissions) insurance.** Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of \$1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

**Workers' compensation insurance.** Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least \$1,000,000.00).

Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of Agency, its officers, agents, employees and volunteers.

**Proof of insurance.** Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsement must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

**Duration of coverage.** Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may

arise from or in connection with the performance of the Services hereunder by Consultant, his agents, representatives, employees or subconsultants.

**Primary/noncontributing.** Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

**City's rights of enforcement.** In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant, or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

**Acceptable insurers.** All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

**Waiver of subrogation.** All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

**Enforcement of contract provisions (non estoppel).** Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the Agency nor does it waive any rights hereunder.

**Requirements not limiting.** Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

**Additional insured status.** General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

**Prohibition of undisclosed coverage limitations.** None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

**Separation of Insureds.** A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

**Pass Through Clause.** Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City for review.

**City's right to revise specifications.** The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City and Consultant may renegotiate Consultant's compensation.

**Self-insured retentions.** Any self-insured retentions must be declared to and approved by the City. The City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the City.

**Timely notice of claims.** Consultant shall give the City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

**Additional insurance.** Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

*CITY COUNCIL*

ITEM NO. 8.6



# CITY OF INDUSTRY

**TO:** Honorable Mayor Radecki and Members of the City Council

**STAFF:** Clement N. Calvillo, President, CNC Engineering *CNC*  
Joshua Nelson, Contract City Engineer, CNC Engineering  
Upendra Joshi, Project Manager, CNC Engineering *UJ. JN*

**DATE:** April 12, 2018

**SUBJECT:** Consideration of an Agreement for the Installation of a Ground Water Discharge Line between San Gabriel Valley Council of Governments, Rowland Water District, and City of Industry. (MP 99-60 #4)

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## **Background:**

The Alameda Corridor East Project, being constructed by San Gabriel Valley Council of Governments (SGVCOG, formerly known as the Alameda Corridor-East), included the elimination of the railroad grade crossing between the intersections of Nogales Street and Gale Avenue and Nogales Street and San Jose Avenue by creating a below-grade underpass for Nogales Street. This Nogales Street Grade Separation Project was completed and opened to public traffic on June 17, 2016.

As part of the grade separation project, SGVCOG constructed a ground water collection system for the benefit of the project. The City of Industry and the County requested that the Rowland Water District maintain the groundwater collection system and accept that groundwater into their recycled water system. A forthcoming agreement will implement that. Due to the Fullerton Grade Separation project, said ground water collection system cannot be fully operational until the Fullerton Grade Separation project is completed. An interim ground water discharge system that will connect to a public sewer is necessary to temporarily replace the current outlet mechanism that was constructed with the groundwater collection system by SGVCOG.

SGVCOG will prepare construction plans and details for the additional piping and air gap structure to intercept the ground water discharge and piping it into the existing LA County Sanitation District (LACSD) sewer system. SGVCOG will also coordinate with LACSD, apply and pay for a discharge permit that will allow the system to discharge the groundwater into the LACSD existing sewer system until the Fullerton Grade Separation is complete and the ground water collection system can resume discharging to the recycled water line in Nogales Street.

Rowland Water District will procure a Contractor to construct the Discharge System per the construction drawings and details provided by SGVCOG. Rowland Water District will manage, inspect and provide quality control of the entire construction process. SGVCOG will reimburse Rowland Water District for all costs and expenses incurred in the performance of the work.

The City will issue Rowland Water District a no fee permit for this work. The City will own, operate and maintain the interim discharge system once completed, and agrees that Rowland Water District has no ownership interest or responsibility to operate or maintain the Discharge System.

**Fiscal Impact:**

There is no fiscal impact to the construction of this pipeline. A separate agreement with Rowland Water District and Los Angeles County will address the ongoing maintenance work and establish the fiscal impact for the maintenance.

**Recommendation:**

Staff recommends that the City Council approve the Agreement for the Installation of a Ground Water Discharge Line.

**Exhibit:**

- A. Agreement for the Installation of a Ground Water Discharge Line between San Gabriel Valley Council of Governments, Rowland Water District, and City of Industry dated April 12, 2018.

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CC/JN/UJ:jv



**EXHIBIT A**

Agreement for the Installation of a Ground Water Discharge Line between San Gabriel Valley Council of Governments, Rowland Water District, and City of Industry dated April 12, 2018

[Attached]

**AGREEMENT FOR  
THE INSTALLATION OF A GROUND WATER DISCHARGE LINE**

**ALAMEDA CORRIDOR-EAST PROJECT  
NOGALES STREET GRADE SEPARATION PROJECT**

**THIS AGREEMENT** is entered into on April 12, 2018 by and between the **SAN GABRIEL VALLEY COUNCIL OF GOVERNMENTS**, a joint powers agency ("SGVCOG"), and **ROWLAND WATER DISTRICT**, a county water district ("ROWLAND"), and **CITY OF INDUSTRY**, a Municipal Corporation ("CITY"), hereafter each identified as "Party" or jointly as "Parties".

ROWLAND is a local government agency, providing potable and recycled water service to residential, commercial, industrial and institutional customers within its boundaries, which encompass portions of the Cities of Industry, West Covina as well as the Hacienda Heights and Rowland Heights area of unincorporated Los Angeles County. The Alameda Corridor East Project being constructed by SGVCOG includes the elimination of the railroad grade crossing between the intersections of Nogales Street and Gale Avenue and Nogales Street and San Jose Avenue by creating a below-grade underpass for Nogales Street (which underpass is referred to herein as the "Project").

As requested by the CITY and the Los Angeles County Department of Public Works, SGVCOG constructed a ground water collection system as part of the grade separation project for the benefit of the project and has requested that ROWLAND maintain that system. Due to the Fullerton Road grade separation project, said ground water collection system cannot be operational until the Fullerton Road grade separation project is completed. An interim ground water discharge system that will connect to a public sewer is necessary to replace the current outlet mechanism that was constructed with the ground water collection system by SGVCOG.

The Parties desire to enter into this Agreement to (1) construct an alternate ground water discharge system to maintain the ground water level below the subgrade of the newly constructed Nogales Street Roadway Underpass ("Discharge System"); (2) identify roles and responsibility to complete the Discharge System in place; (3) identify financial responsibility of all costs associated with this Agreement.

1. **The PARTIES AGREE AS FOLLOWS:** To design and construct an interim ground water discharge system to direct the discharge into the existing Los Angeles County Sanitation District sewer system located along the former Railroad Street in the City of Industry, California.

II. **SGVCOG will:**

- A. At no cost to ROWLAND, prepare construction plans and details for the additional piping and air gap structure to intercept the ground water discharge and piping it into the existing LA County Sanitation District (LACSD) sewer system via a manhole located in former Railroad Street (the "Plans").
- B. Submit the plans to LACSD, apply and pay for a discharge permit that allows the system to discharge the groundwater into the LACSD existing sewer system until the Fullerton Grade Separation is complete and the ground water collection system can resume discharging to the recycled water line in Nogales Street.

III. **ROWLAND will:**

- A. At the expense of SGVCOG, procure a Contractor of ROWLAND's choice, to construct the Discharge System per the construction drawings and details provided by SGVCOG's consultant, a copy of which is attached hereto as Exhibit "A" and incorporated herein. ROWLAND will manage, inspect and provide quality control of the entire construction process.
- B. At the expense of SGVCOG, modify the electrical control to allow the SCADA data to communicate with ROWLAND's Central Control Station.
- C. The work described in Sections III (A) and III (B) shall collectively be referred to as the "Work." All Work, shall be performed by qualified contractors under contract to ROWLAND. ROWLAND shall select the contractor for the construction of the work in accordance with ROWLAND'S procedures and policies. ROWLAND shall provide all necessary contract administration and supervision for the Work. ROWLAND shall require, as a term of its construction contract, that the insurance policies of its contractor identify SGVCOG and the CITY and their respective Boards, members, employees, consultants and contractors and all municipalities within which ROWLAND'S construction activities will be performed as named additional insured's. Further, Rowland shall require that SGVCOG be notified, in the event of any cancellation or modification of the insurance policies of ROWLAND'S contractor prior to the completion of and acceptance of ROWLAND'S construction activities as described in this Agreement.

IV. **CITY will:**

- A. Issue Rowland a no fee permit for this work.
- B. Will own, operate and maintain the Discharge system and agrees that ROWLAND has no ownership interest or responsibility to operate or maintain the Discharge System. Except as provided below in Section VI, City agrees to indemnify and hold ROWLAND harmless from and against any and all claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from, City's ownership, operation, or maintenance of the Discharge System.

- V. **BILATERAL INDEMNIFICATION:** Each Party shall indemnify and hold the other Party, its agents and employees, harmless from and against all claims, damages, losses and expenses, including but not limited to attorneys' fees, arising out of or resulting from all responsibilities and duties of the Party under this Agreement provided that any such claim, damage, loss or expense is attributable to acts of the indemnifying party, its agents, employees, and contractors, or anyone directly or indirectly employed by them and is not attributable to the sole negligence or willful misconduct of the Party seeking indemnification.

VI. **OBLIGATION FOR COSTS:**

- A. **Cost Obligations of SGVCOG:** SGVCOG shall reimburse ROWLAND for all costs and expenses incurred in the performance of the Work and furtherance of this Agreement. Reimbursable costs and expenses include, but are not limited to, all of ROWLAND's staff time and administrative costs, which the Parties agree shall be a set rate of fifteen percent (15%) of the total cost of the Work.
- B. **Reimbursement Procedure:** Reimbursement of costs from SGVCOG to ROWLAND shall follow those procedures described in the CALTRANS Local Assistance Procedures Manual ("LAPM"). SGVCOG and ROWLAND shall use their best efforts to expedite cost reimbursements and to comply with the terms of the LAPM.

- C. Timing of Payment of Rowland: ROWLAND shall invoice SGVCOG monthly for its reimbursable costs and expenses and SGVCOG shall pay such invoices within 30 days of receipt.
- VII. EASEMENT TERMS: No easements are required by Rowland at the time of executing this Agreement.
- VIII. EXCUSABLE DELAYS: Notwithstanding any other provision of this Agreement, neither Party shall be liable for damages of any type, including liquidated damages, if any, caused by a delay in the performance or a failure to timely perform any duty, responsibility or work activity due to causes beyond the control of said Party. Such causes could include, but are not limited to, acts of God, acts of the public enemy, acts of federal, state or local government, court orders, delays in securing easements despite best efforts, fires, floods, epidemics, strikes, embargoes, and unusually severe weather, materials shortages, unforeseen conditions affecting construction or other causes beyond the control of said Party. All scheduled dates under this Agreement shall be equitably adjusted for any delays due to such causes.
- IX. NOTICE: Any notice or notices to be given pursuant to this Agreement may be personally served on the other Party by the Party giving the notice or may be served by certified mail or express delivery service, return receipt requested, to the following addresses:

For SGVCOG: Mark Christoffels, Chief Engineer  
San Gabriel Valley Council of Governments  
Alameda Corridor-East Project  
4900 Rivergrade Road, Suite A120  
Irwindale, California 91706

Telephone: 626-962-9292

Copy to: Gregory M. Murphy, General Counsel for  
Alameda Corridor-East Project  
c/o Burke, Williams & Sorensen, LLP444  
South Flower Street, Suite 2400  
Los Angeles, CA 90071-2953

Telephone: (213) 236-2835

For ROWLAND: Tom Coleman, General Manager  
Rowland Water District  
3021 Fullerton Road  
Rowland Heights, CA 91748

Telephone: 562-697-1726  
Facsimile: 562-697-6149

Copy to: Joseph P. Byrne, General Counsel  
Best Best & Krieger  
300 South Grand Avenue, Suite 2500  
Los Angeles, CA 90071

Telephone: (213) 617-7496  
Facsimile: (213) 617-7480

For City of Industry: Development and Administrative Services Director  
City of Industry  
15625 East Stafford Street, Suite 100  
City of Industry, CA 91744

Telephone: 626-333-2211

Copy to: James M. Casso  
Casso & Sparks, LLP  
13200 Crossroads Parkway, North Suite 345  
City of Industry, CA 91746

Telephone: 626-269-2980

- X. **ENTIRE AGREEMENT:** This Agreement, including the attached exhibits hereto, constitutes the entire agreement of the Parties with respect to the subject matter hereof and supersedes all prior contemporaneous agreements, whether oral or written, with respect thereto.
- XI. **SEVERABILITY:** If any term, provision, condition, or covenant of this Agreement is declared or determined by any court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall not be affected thereby and the Agreement shall be read and construed without the invalid, void or unenforceable provision(s).
- XII. **NO THIRD PARTY BENEFICIARIES:** There are no third party beneficiaries to this Agreement. This Agreement does not confer any rights or remedies upon any person other than the Parties.
- XIII. **SUCCESSORS AND ASSIGNS:** This Agreement shall inure to the benefit of and be binding upon the successors, assigns and transferees of the three Parties.

XIV. **AUTHORIZATION:** The Parties hereto represent and acknowledge that this Agreement has been duly authorized by the governing body of each Party and that the execution hereof by the agent or officer signing on behalf of each Party will be binding upon that Party, and upon any agency which is a constituent, affiliated entity or controlling entity of that Party.

SAN GABRIEL VALLEY  
COUNCIL OF GOVERNMENTS

APPROVED AS TO FORM:

By: \_\_\_\_\_  
Gregory M. Murphy  
Legal Counsel

By: \_\_\_\_\_  
Mark Christoffels  
Chief Engineer

APPROVED AS TO FORM:

ROWLAND WATER DISTRICT

By: \_\_\_\_\_  
Joseph P. Byrne  
Legal Counsel

By: \_\_\_\_\_  
Tom Coleman  
General Manager

APPROVED AS TO FORM:

CITY OF INDUSTRY

By: \_\_\_\_\_  
James. M Casso  
City Legal Counsel

By: \_\_\_\_\_  
Mark D. Radecki  
Mayor

Attest:

By: \_\_\_\_\_  
Diane M. Schlichting,  
City Clerk

*CITY COUNCIL*

ITEM NO. 8.7





# CITY OF INDUSTRY

## MEMORANDUM

**TO:** Honorable Mayor Radecki and Members of the City Council

**FROM:** Troy Helling, Acting Director of Development Services and Administration *TH*

**STAFF:** Kristen Weger, Management Analyst III *kw*

**DATE:** April 12, 2018

**SUBJECT:** Consideration of a Bailment Agreement with the County of Los Angeles for the Use of a Vehicle by the Los Angeles County Sheriff's Department, Industry Station's Special Assignment Officers Team from April 12, 2018 to April 11, 2024

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### **Discussion:**

The City seeks to enter into a Bailment Agreement ("Agreement") with Los Angeles County ("County") for the use of one (1) vehicle by the Los Angeles County Sheriff's Department SAO ("Special Assignment Officers") Team. The Agreement provides for the use of a 2011 GMC Arcadia for a period of six (6) years.

It is in the best interest of the City to continue the bailment of vehicles with the Los Angeles County Sheriff's SAO Team, as these vehicles are used to support law enforcement activities. The County shall pay for all fuel, washing, parking, garage, highway/road service tolls, and fines incurred in connection with the use of the vehicle.

The vehicle will remain the property of the City of Industry, and the vehicles will return to the City at the conclusion of the Bailment Agreement. The City or County may terminate the Agreement at any time by giving five (5) calendar days advance written notice.

### **Fiscal Impact:**

No fiscal impact.

### **Recommendation:**

- 1) Staff recommends that the City Council approve the Bailment Agreement.

### **Exhibit:**

- A. Bailment Agreement by and between County of Los Angeles and City of Industry, dated April 12, 2018

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TH/KW:af

**EXHIBIT A**

Bailment Agreement by and between County of Los Angeles and City of Industry, dated  
April 12, 2018

[Attached]

**BAILMENT AGREEMENT  
BY AND BETWEEN  
COUNTY OF LOS ANGELES  
AND  
CITY OF INDUSTRY**

This Bailment Agreement ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2018 ("Effective Date") by and between the County of Los Angeles ("County") and the City of Industry.

1. **Bailment of Property:** The City of Industry hereby bails the following Vehicle to the County for the exclusive use of the Los Angeles County Sheriff's Department ("Department"), Industry Station:

2011 GMC Acadia SLT1, Vehicle Identification Number 1GKKRRED6BJ264260

2. **Term of Bailment:** The term of this Agreement shall be for six (6) years, commencing upon the Effective Date, unless sooner terminated or extended, in whole or in part, as set forth herein.

3. **Safekeeping and Maintenance:** County shall exercise due care for the safekeeping of the Vehicle. County has the right to inspect said Vehicle prior to acceptance. County shall assume responsibility for ensuring that the Vehicle has been inspected or otherwise tested in accordance with the laws of the State of California and the United States. County shall inspect the Vehicle upon delivery and by acceptance thereof finds the Vehicle is in good working order and condition. County shall maintain the Vehicle in good working order and condition, ensure proper servicing, and shall comply in every respect with any manufacturers/owner's manual that comes with the Vehicle. The County shall pay for normal maintenance, repair, and service required for the proper operation of the Vehicle. County shall pay for all fuel, washing, parking, garage, highway/road service tolls, and fines incurred in connection with the use of the Vehicle. County will provide, install, and maintain all required law enforcement equipment including voice radios, lights, sirens and graphics on the Vehicle. All required law enforcement equipment installed by County will be removed from the Vehicle prior to return of the Vehicle to the City of Industry.

4. **Indemnification:** County agrees to indemnify and defend the City of Industry from any and all liability, losses, or damages the City of Industry may suffer and from any claims, demands, costs, or judgments against the City of Industry arising out of County's use or operation of the City of Industry's Vehicle. This indemnification does not extend to any liability resulting from inherent defects or malfunctions in such Vehicle related to manufacturer's acts or omissions. The Vehicle will be covered under County liability policy.

5. **Title:** Legal title to the Vehicle is, and shall at all times, remain in the name of the City of Industry. County shall hold title as the registered owner only. The Vehicle shall

not be transferred or delivered by County to any persons other than the City of Industry without the City of Industry's prior written consent.

6. **Cost:** Except as otherwise set forth in this Agreement, County's use of the Vehicle shall be at no cost.

7. **Inspection by City of Industry:** County agrees to allow the City of Industry to inspect the Vehicle or otherwise observe it at such times and locations as mutually agreed upon. County shall provide the City of Industry with such mileage, safety, operating, and other information, or copies of any such records maintained by County with respect to the Vehicle as the City of Industry or any government agency may require from time to time.

8. **Use of Vehicle:** The Vehicle will be used solely for the City of Industry SAO Team except for declared emergencies. County shall not use or operate the Vehicle in violation of any federal, state, local or provincial law, rule, regulation, or ordinance including those pertaining to the age and licensing of drivers. Under no circumstances shall County disconnect the Vehicle's odometer or other mileage recording devices. Nor shall the Vehicle be used or operated as follows:

- a) In a manner subjecting it to depreciation above the normal depreciation associated with law enforcement use.
- b) For an illegal purpose or by a person under the influence of alcohol or narcotics.

9. **Risk of Loss:** County shall assume all risks of loss to the Vehicle:

- a) From the time the Vehicle is delivered by the City of Industry to County and upon inspection and acceptance by County.
- b) Until the Vehicle is returned to the City of Industry at its place of business.

Upon inspection/acceptance of the Vehicle, County shall be responsible for any and all damages to the Vehicle except those resulting from inherent defects or malfunctions in such Vehicle related to manufacturer's acts or omissions.

In the event of damages to the Vehicle, County shall notify the City of Industry to that effect and follow such instructions that the City of Industry may provide with respect to repair or disposal of the Vehicle. If the Vehicle is lost, stolen, destroyed, or declared to be a total constructive loss (subject to the City of Industry agreement as to such condition), County shall properly notify the City of Industry thereof and hold any wreckage for disposal by the City of Industry. With respect to any loss, theft, or destruction of the Vehicle, County and the City of Industry shall negotiate the value for a comparably equipped vehicle in a condition similar to the lost, stolen, or destroyed Vehicle

immediately prior to any such loss.

10. **Termination:** Either party may terminate this Agreement by giving five (5) calendar days advance written notice to the other party. Upon termination of this Agreement, County shall immediately return the Vehicle to the City of Industry.

11. **Amendments:** No variation, modification, change, or amendment to this Agreement shall be binding upon any party unless such variation, modification, change, or amendment is in writing and duly authorized and executed by all parties. This Agreement shall not be amended or modified by oral agreements or understandings among the parties or by any acts or conduct of the parties.

12. **Notices:** All notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified below. Addresses and persons to be notified may be changed by either party by giving ten (10) calendar days prior written notice thereof to the other party.

Los Angeles County Sheriff's Department  
Attn: Communications and Fleet Management Bureau  
1277 North Eastern Avenue  
Los Angeles, CA 90063

City of Industry  
Attn: City Manager  
15625 East Stafford Street #100  
City of Industry, CA 91744

13. **Independent Contractor:** This Agreement is by and between County and the City of Industry and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and the City of Industry. The employees and agents of one party shall not be construed to be employees and agents of the other party.

14. **Governing Law, Jurisdiction, and Venue:** This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. The City of Industry agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

15. **Validity and Waiver:** If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby. No waiver by County of any breach of any provision of this Agreement shall constitute a waiver of any other breach or of such provision. Failure of County to

enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

16. **Assignment:** A party shall not assign its rights or delegate its duties under this Agreement, in whole or in part, without the prior written consent of the other party, and any attempted assignment or delegation without such consent shall be null and void.

17. **Publicity:** Neither party shall identify the other party as a joint venture or partner or otherwise characterize the arrangement between them as anything other than a bailment.

18. **Authorization Warranty:** The City of Industry represents and warrants that the person executing this Agreement for the City of Industry is an authorized agent who has actual authority to bind the City of Industry to each and every term, condition, and obligation of this Agreement and that all requirements of the City of Industry have been fulfilled to provide such actual authority.

19. **Integrated Agreement:** This Agreement constitutes the entire understanding of the parties, and no representations or promises have been made that are not fully set forth herein. The parties understand and agree that no modifications of this Agreement will be binding unless such modification is in writing, duly accepted, and executed by both parties pursuant to Section 11 (Amendments) of this Agreement.

[Continued on following page for signatures]

**BAILMENT AGREEMENT  
BY AND BETWEEN  
COUNTY OF LOS ANGELES  
AND  
CITY OF INDUSTRY**

**IN WITNESS WHEREOF**, the County of Los Angeles, by order of its Board of Supervisors, has caused this Agreement to be executed on its behalf by the Chair of said Board and attested by the Acting Executive Officer-Clerk of the Board, and the City of Industry has executed this Agreement, or caused it to be executed on its behalf, by its duly authorized officer.

COUNTY OF LOS ANGELES

CITY OF INDUSTRY

By \_\_\_\_\_  
Sheila Kuehl, Chair  
Board of Supervisors

By \_\_\_\_\_  
Mark D. Radecki, Mayor

By \_\_\_\_\_  
Diane M. Schlichting, City Clerk

By \_\_\_\_\_  
James M. Casso, City Attorney

ATTEST:  
Celia Zavala, Acting Executive Officer-Clerk  
of the Board of Supervisors

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
Mary C. Wickham  
County Counsel

By \_\_\_\_\_  
Deputy

*CITY COUNCIL*

ITEM NO. 8.8





# CITY OF INDUSTRY

## MEMORANDUM

**TO:** Honorable Mayor Radecki and Members of the City Council

**FROM:** Troy Helling, Acting Director of Development Services and Administration *TH*

**STAFF:** Kristen Weger, Management Analyst III *KW*

**DATE:** April 12, 2018

**SUBJECT:** Consideration of a Bailment Agreement with the County of Los Angeles for the Use of Vehicles by the Los Angeles County Sheriff's Department, Industry Station's Youth Activities League from April 12, 2018 to April 11, 2024

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### **Discussion:**

The City seeks to enter into a Bailment Agreement ("Agreement") with Los Angeles County ("County") for the use of two (2) vehicles by the Los Angeles County Sheriff's Department. The Agreement provides for the use of two (2) 2018 Ford Transit 350 vehicles for a period of six (6) years.

It is in the best interest of the City to continue the bailment of vehicles with the Los Angeles County Sheriff's Department, as these vehicles are used to support program activities for at-risk youths in surrounding communities. The County shall pay for all fuel, washing, parking, garage, highway/road service tolls, and fines incurred in connection with the use of the vehicle.

The vehicle will remain the property of the City of Industry, and the vehicles will return to the City at the conclusion of the Bailment Agreement. The City or County may terminate the Agreement at any time by giving five (5) calendar days advance written notice.

### **Fiscal Impact:**

No fiscal impact.

### **Recommendation:**

- 1) Staff recommends that the City Council approve the Bailment Agreement.

### **Exhibit:**

- A. Bailment Agreement by and between County of Los Angeles and City of Industry, dated April 12, 2018

---

TH/KW:af

**EXHIBIT A**

Bailment Agreement by and between County of Los Angeles and City of Industry, dated  
April 12, 2018

[Attached]

**BAILMENT AGREEMENT  
BY AND BETWEEN  
COUNTY OF LOS ANGELES  
AND  
CITY OF INDUSTRY**

This Bailment Agreement ("Agreement") is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2018 ("Effective Date") by and between the County of Los Angeles ("County") and the City of Industry.

1. **Bailment of Property:** The City of Industry hereby bails the following Vehicles to the County for the exclusive use of the Los Angeles County Sheriff's Department ("Department"), Industry Station:

2018 Ford Transit 350, Vehicle Identification Number 1FBAX2CM6JKA32701

2018 Ford Transit 350, Vehicle Identification Number 1FBAX2CM8JKA32702

2. **Term of Bailment:** The term of this Agreement shall be for six (6) years, commencing upon the Effective Date, unless sooner terminated or extended, in whole or in part, as set forth herein.

3. **Safekeeping and Maintenance:** County shall exercise due care for the safekeeping of the Vehicles. County has the right to inspect said Vehicles prior to acceptance. County shall assume responsibility for ensuring that the Vehicles have been inspected or otherwise tested in accordance with the laws of the State of California and the United States. County shall inspect the Vehicles upon delivery and by acceptance thereof finds the Vehicles are in good working order and condition. County shall maintain the Vehicles in good working order and condition, ensure proper servicing, and shall comply in every respect with any manufacturers/owner's manual that comes with the Vehicles. The County shall pay for normal maintenance, repair, and service required for the proper operation of the Vehicles. County shall pay for all fuel, washing, parking, garage, highway/road service tolls, and fines incurred in connection with the use of the Vehicles. County will provide, install, and maintain all required law enforcement equipment including voice radios, lights, sirens and graphics on the Vehicles. All required law enforcement equipment installed by County will be removed from the Vehicles prior to return of the Vehicles to the City of Industry.

4. **Indemnification:** County agrees to indemnify and defend the City of Industry from any and all liability, losses, or damages the City of Industry may suffer and from any claims, demands, costs, or judgments against the City of Industry arising out of County's use or operation of the City of Industry's Vehicles. This indemnification does not extend to any liability resulting from inherent defects or malfunctions in such Vehicles related to manufacturer's acts or omissions. The Vehicles will be covered under County liability policy.

5. **Title:** Legal title to the Vehicles is, and shall at all times, remain in the name of the City of Industry. County shall hold title as the registered owner only. The Vehicles shall not be transferred or delivered by County to any persons other than the City of Industry without the City of Industry's prior written consent.

6. **Cost:** Except as otherwise set forth in this Agreement, County's use of the Vehicles shall be at no cost.

7. **Inspection by City of Industry:** County agrees to allow the City of Industry to inspect the Vehicles or otherwise observe it at such times and locations as mutually agreed upon. County shall provide the City of Industry with such mileage, safety, operating, and other information, or copies of any such records maintained by County with respect to the Vehicles as the City of Industry or any government agency may require from time to time.

8. **Use of Vehicle:** The Vehicles will be used solely for the Department Industry Station's Youth Athletic League except for declared emergencies. County shall not use or operate the Vehicles in violation of any federal, state, local or provincial law, rule, regulation, or ordinance including those pertaining to the age and licensing of drivers. Under no circumstances shall County disconnect the Vehicles' odometer or other mileage recording devices. Nor shall the Vehicles be used or operated as follows:

- a) In a manner subjecting it to depreciation above the normal depreciation associated with law enforcement use.
- b) For an illegal purpose or by a person under the influence of alcohol or narcotics.

9. **Risk of Loss:** County shall assume all risks of loss to the Vehicles:

- a) From the time a Vehicle is delivered by the City of Industry to County and upon inspection and acceptance by County.
- b) Until the Vehicle is returned to the City of Industry at its place of business.

Upon inspection/acceptance of a Vehicle, County shall be responsible for any and all damages to the Vehicle except those resulting from inherent defects or malfunctions in such Vehicle related to manufacturer's acts or omissions.

In the event of damages to a Vehicle, County shall notify the City of Industry to that effect and follow such instructions that the City of Industry may provide with respect to repair or disposal of the Vehicle. If a Vehicle is lost, stolen, destroyed, or declared to be a total constructive loss (subject to the City of Industry agreement as to such condition), County shall properly notify the City of Industry thereof and hold any wreckage for disposal by the City of Industry. With respect to any loss, theft, or destruction of a Vehicle, County and the City of industry shall negotiate the value for a comparably equipped vehicle in a

condition similar to the lost, stolen, or destroyed Vehicle immediately prior to any such loss.

10. **Termination**: Either party may terminate this Agreement by giving five (5) calendar days advance written notice to the other party. Upon termination of this Agreement, County shall immediately return the Vehicles to the City of Industry.

11. **Amendments**: No variation, modification, change, or amendment to this Agreement shall be binding upon any party unless such variation, modification, change, or amendment is in writing and duly authorized and executed by all parties. This Agreement shall not be amended or modified by oral agreements or understandings among the parties or by any acts or conduct of the parties.

12. **Notices**: All notices or demands required or permitted to be given or made under this Agreement shall be in writing and shall be hand delivered with signed receipt or mailed by first-class registered or certified mail, postage prepaid, addressed to the parties as identified below. Addresses and persons to be notified may be changed by either party by giving ten (10) calendar days prior written notice thereof to the other party.

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City of Industry  
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15625 East Stafford Street #100  
City of Industry, CA 91744

13. **Independent Contractor**: This Agreement is by and between County and the City of Industry and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association, as between County and the City of Industry. The employees and agents of one party shall not be construed to be employees and agents of the other party.

14. **Governing Law, Jurisdiction, and Venue**: This Agreement shall be governed by, and construed in accordance with, the laws of the State of California. The City of Industry agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement and further agrees and consents that venue of any action brought hereunder shall be exclusively in the County of Los Angeles.

15. **Validity and Waiver**: If any provision of this Agreement or the application thereof to any person or circumstance is held invalid, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby. No waiver by County of any breach of any provision of this Agreement

shall constitute a waiver of any other breach or of such provision. Failure of County to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in this section shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

16. **Assignment:** A party shall not assign its rights or delegate its duties under this Agreement, in whole or in part, without the prior written consent of the other party, and any attempted assignment or delegation without such consent shall be null and void.

17. **Publicity:** Neither party shall identify the other party as a joint venture or partner or otherwise characterize the arrangement between them as anything other than a bailment.

18. **Authorization Warranty:** The City of Industry represents and warrants that the person executing this Agreement for the City of Industry is an authorized agent who has actual authority to bind the City of Industry to each and every term, condition, and obligation of this Agreement and that all requirements of the City of Industry have been fulfilled to provide such actual authority.

19. **Integrated Agreement:** This Agreement constitutes the entire understanding of the parties, and no representations or promises have been made that are not fully set forth herein. The parties understand and agree that no modifications of this Agreement will be binding unless such modification is in writing, duly accepted, and executed by both parties pursuant to Section 11 (Amendments) of this Agreement.

[Continued on following page for signatures]

**BAILMENT AGREEMENT  
BY AND BETWEEN  
COUNTY OF LOS ANGELES  
AND  
CITY OF INDUSTRY**

**IN WITNESS WHEREOF**, the County of Los Angeles, by order of its Board of Supervisors, has caused this Agreement to be executed on its behalf by the Chair of said Board and attested by the Acting Executive Officer-Clerk of the Board, and the City of Industry has executed this Agreement, or caused it to be executed on its behalf, by its duly authorized officer.

COUNTY OF LOS ANGELES

CITY OF INDUSTRY

By \_\_\_\_\_  
Sheila Kuehl, Chair  
Board of Supervisors

By \_\_\_\_\_  
Mark D. Radecki, Mayor

By \_\_\_\_\_  
Diane M. Schlichting, City Clerk

By \_\_\_\_\_  
James M. Casso, City Attorney

ATTEST:  
Celia Zavala, Acting Executive Officer-Clerk  
of the Board of Supervisors

By \_\_\_\_\_  
Deputy

APPROVED AS TO FORM:  
Mary C. Wickham  
County Counsel

By \_\_\_\_\_  
Deputy