

# CITY OF INDUSTRY PUBLIC FACILITIES AUTHORITY



Chair Cory C. Moss  
Vice Chair Cathy Marcucci  
Board Member Michael Greubel  
Board Member Mark D. Radecki  
Board Member Newell Ruggles

## **SPECIAL MEETING AGENDA JUNE 23, 2022, AT 9:00 A.M.**

*Location: City Council Chamber, 15651 Mayor Dave Way, City of Industry, California 91744*

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### **Addressing the Authority:**

#### **NOTICE OF TELEPHONIC MEETING:**

- ***Pursuant to AB 361 (Government Code Section 54953(e)), this meeting will be held in person and telephonically. Members of the public can attend the hybrid meeting and offer public comments either in person or telephonically, by calling the following conference call number: 657-204-3264, then entering the following Conference ID: 717 023 540#. Pursuant to the Governor's Executive Order, and in compliance with the Americans with Disabilities Act, if you need special assistance to participate in the Industry Public Facilities Authority meeting (including assisted listening devices), please contact the City Clerk's Office at (626) 333-2211 by 5:00 p.m. on Tuesday, June 21, 2022, to ensure that reasonable arrangements can be made to provide accessibility to the meeting.***

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### **Addressing the Authority:**

**Public Comments (Agenda Items Only):** *During public comments, if you wish to address the Authority during this Special Meeting, under Government Code Section 54954.3(a), you may only address the Industry Public Facilities Authority concerning any item that has been described in the notice for the Special Meeting.*

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

*In compliance with Government Code Section 54957.5(b), staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 Mayor Dave Way, City of Industry, California, at the office of the City Clerk of the City Council during regular business hours, Monday through Thursday, 8:00 a.m. to 5:00 p.m., Fridays 8:00 a.m. to 4:00 pm. City Hall doors are closed between 12:00 p.m. to 1:00 p.m. each day. 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. Public Comment

5. **CONSENT CALENDAR**

- 5.1 Consideration of Resolution No. IPFA 2022-02 – A RESOLUTION OF THE CITY OF INDUSTRY PUBLIC FACILITIES AUTHORITY (“IPFA”) ADOPTING THE FY 2022-2023 IPFA BUDGET

*RECOMMENDED ACTION:*                      *Adopt Resolution No. IPFA 2022-02.*

- 5.2 Consideration of Resolution No. IPFA 2022-03 – A RESOLUTION OF THE CITY OF INDUSTRY PUBLIC FACILITIES AUTHORITY CONTINUING THE AUTHORIZATION OF REMOTE TELECONFERENCE MEETINGS PURSUANT TO AB 361

*RECOMMENDED ACTION:*                      *Adopt Resolution No. IPFA 2022-03.*

- 5.3 Consideration of the meeting minutes for the April 14, 2022, joint special meeting

*RECOMMENDED ACTION:*                      *Approve as submitted.*

- 5.4 Consideration of Amendment No. 3 to the Professional Services Agreement with CliftonLarsonAllen, LLP, for Auditing Services, extending the term through June 30, 2023, and increasing compensation by \$7,040.00

*RECOMMENDED ACTION:*                      *Approve the Amendment.*

- 5.5 Consideration of the Statement of Investment Policy

*RECOMMENDED ACTION:*                      *Approve as submitted.*

6. Adjournment

*PUBLIC FACILITIES AUTHORITY*

ITEM NO. 5.1



# INDUSTRY PUBLIC FACILITIES AUTHORITY

## MEMORANDUM

**TO:** Board of Directors

**FROM:** Joshua Nelson, Executive Director *JN*

**STAFF:** Yamini Pathak, Director of Finance *Y*  
Dean Yamagata, Frazer, LLP - Financial Consultant

**DATE:** June 23, 2022

**SUBJECT:** Consideration of Resolution No. IPFA 2022-02 - A Resolution of the City of Industry Public Facilities Authority ("IPFA") adopting the FY 2022 – 2023 IPFA Budget.

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### Budget Recap

Although the Debt Service fund is showing a deficit of \$767,000 for FY 2022-23, which is presented in accordance with the generally accepted accounting standards, based upon the actual cash receipts and cash expenditures table noted below there will be sufficient revenue received from the Successor Agency and City to fund the IPFA's annual debt service.

For FY 2022-2023, the IPFA has budgeted the following bond payments:

City Loan payment (2015B Subordinate Sales Tax)	\$4.2 million
2015 A&B Tax Allocation Revenue Bonds	\$23.0 million
<b>Total</b>	<b>\$27.2 million</b>

The budgeted bond payments are supported by the following:

City Tax Override Funds	\$20.7 million
City Sales Tax Bond Principal and Interest Payments	\$4.5 million
<b>Total</b>	<b>\$24.9 million</b>

## **FISCAL IMPACT**

The FY 2023 IPFA Budget totals **\$27,189,900** in expenditures and is supported by revenue of \$ 5,715,850, transfer in of \$20,707,000 and \$767,050 of existing funds.

## **RECOMMENDATION**

Staff recommends the Industry Public Facilities Authority adopt Resolution No. IPFA 2022-02, adopting the Budget for the City of Industry Public Facilities Authority for Fiscal Year 2022-2023.

### **Attachments:**

1. Resolution No. IPFA 2022-02 – A resolution of the City of Industry Public Facilities Authority (“IPFA”) adopting the FY 22-23 IPFA Budget
2. Exhibit A – FY 2022-2023 IPFA Budget

**RESOLUTION NO. IPFA 2022-02**

**A RESOLUTION OF THE CITY OF INDUSTRY PUBLIC FACILITIES  
AUTHORITY (“IPFA”), ADOPTING THE FY 2022-23 IPFA BUDGET**

**WHEREAS**, on June 23, 2022, the IPFA received a presentation on the FY 2022-23 (“FY 2023”) proposed budget for the IPFA; and

**WHEREAS**, the purpose of the budget workshop was to give the IPFA Board an opportunity to thoroughly review the proposed budget, ask questions, and provide comments and direction to Staff; and

**WHEREAS**, it is necessary for the IPFA Board to adopt the IPFA’s FY 2023 Budget; and

**WHEREAS**, the IPFA Board received a final presentation on the FY 2023 Budget on June 23, 2022.

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CITY OF INDUSTRY PUBLIC FACILITIES AUTHORITY DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:**

**Section 1.** The above recitals are true and correct and are incorporated herein by reference.

**Section 2.** The Board hereby adopts the FY 2023 Budget, attached hereto as Exhibit A, and incorporated herein by reference.

**Section 3.** 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 4.** The Secretary shall certify to the passage and adoption of this resolution and that the same shall be in full force and effect.

**PASSED, APPROVED AND ADOPTED** by the City of Industry Public Facilities Authority at a special meeting held on June 23, 2022, by the following vote:

AYES:	BOARD MEMBERS:
NOES:	BOARD MEMBERS:
ABSTAIN:	BOARD MEMBERS:
ABSENT:	BOARD MEMBERS:

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Cory C. Moss, Chair

**ATTEST:**

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Julie Gutierrez-Robles, Secretary





# Industry Public Facilities Authority (“IPFA”)

City of Industry | FY 2022/23 Proposed Budget



**INDUSTRY PUBLIC FACILITY AUTHORITY  
PROPOSED ANNUAL BUDGET**

<b>REVENUE SUMMARY BY FUND</b>	<b>ADOPTED BUDGET 2020-21</b>	<b>AMENDED BUDGET 2020-21</b>	<b>ACTUAL 2020-21</b>	<b>ADOPTED BUDGET 2021-2022</b>	<b>AMENDED BUDGET 2021-2022</b>	<b>ACTUAL 3/31/2022</b>	<b>PROPOSED BUDGET 2022-2023</b>
<b>IPFA</b>							
4300.03 US BANK INTEREST INCOME	\$ 2,500,000	\$ 2,500,000	\$ 518,204	\$ 3,134,900	\$ 3,134,900	\$ 1,824,663	\$ 1,216,450
4300.04 GAIN/LOSS	-	-	3,977,252	-	-	(421,027)	-
4300.05 INTEREST INCOME - CITY LOAN	3,688,000	3,688,000	3,668,448	3,645,500	3,645,500	-	3,620,000
4307 INTEREST INCOME SA IUDA BOND	8,706,123	8,706,123	6,521,218	4,358,800	4,358,800	4,358,766	879,400
4420 LEASE INCOME	930,000	930,000	933,465	-	-	-	-
<b>IPFA TOTAL</b>	<b>\$ 15,824,123</b>	<b>\$ 15,824,123</b>	<b>\$ 15,618,587</b>	<b>\$ 11,139,200</b>	<b>\$ 11,139,200</b>	<b>\$ 5,762,402</b>	<b>\$ 5,715,850</b>

INDUSTRY PUBLIC FACILITY AUTHORITY  
PROPOSED ANNUAL BUDGET

OBJECT #	ACCOUNT DESCRIPTION	ADOPTED BUDGET 2020-21	AMENDED BUDGET 2020-21	ACTUAL 2020-21	ADOPTED BUDGET 2021-2022	AMENDED BUDGET 2021-2022	ACTUAL 3/31/2022	PROPOSED BUDGET 2022-2023
<b>IPFA EXPENDITURES</b>								
5120.01	PROFESSIONAL SERVICES	\$ 7,000	\$ 7,000	\$ 4,830	\$ -	\$ -	\$ 5,974	\$ 7,000
5120.02	LEGAL SERVICES	-	-	687	-	-	-	-
5120.03	ACCOUNTING SERVICES	-	-	808,620	-	-	-	-
	5710 LEASE OBLIGATION- PFA	373,000	373,000	3,731,437	373,000	373,000	-	-
9450.18	PFA - 2010 REFUNDING LEASE REVENUE BOND (PRINCIPAL)	915,000	915,000	915,000	-	-	-	-
9450.24	2015B SUBORDINATE SALES TAX REVENUE BOND (PRINCIPAL)	540,000	540,000	-	560,000	560,000	-	585,000
9451.18	PFA - 2010 REFUNDING LEASE REVENUE BOND (INTEREST)	19,444	19,444	19,444	-	-	-	-
9451.24	2015B SUBORDINATE SALES TAX RERVENUE BOND (INTEREST)	3,668,448	3,668,448	3,657,212	3,645,500	3,645,500	1,822,749	3,620,300
9470.01	2015 A PROJ # 1 TAX ALLOC REV REFUNDING BOND TAXABLE-PRINCIPAL	39,090,000	39,090,000	39,090,000	35,120,000	35,120,000	36,240,000	21,145,000
9470.02	2015 A PROJ # 2 TAX ALLOC REV REFUNDING BOND TAX EXEMP-PRINCIPAL	805,000	805,000	805,000	3,635,000	3,635,000	3,635,000	-
9470.03	2015 B PROJ # 2 TAX ALLOC REV REFUNDING BOND TAXABLE -PRINCIPAL	64,490,000	64,490,000	64,620,000	15,015,000	15,015,000	15,015,000	-
9470.05	2015 A PROJ # 3 TAX ALLOC REV REFUNDING BOND TAX EXEMP-PRINCIPAL	815,000	815,000	815,000	3,680,000	3,680,000	3,680,000	-
9470.06	2015 B PROJ # 3 TAX ALLOC REV REFUNDING BOND TAXABLE -PRINCIPAL	3,530,000	3,530,000	3,530,000	21,440,000	21,440,000	21,440,000	-
9471.01	2015 A PROJ # 1 TAX ALLOC REV REFUNDING BOND TAXABLE-INTEREST	3,649,628	3,649,628	3,649,628	2,292,900	2,292,900	2,292,814	879,400
9471.02	2015 A PROJ # 2 TAX ALLOC REV REFUNDING BOND TAX EXEMP-INTEREST	222,000	222,000	222,000	181,800	181,800	181,750	-
9471.03	2015 B PROJ # 2 TAX ALLOC REV REFUNDING BOND TAXABLE -INTEREST	3,350,258	3,350,258	3,350,258	618,800	618,800	618,768	-
9471.05	2015 A PROJ # 3 TAX ALLOC REV REFUNDING BOND TAX EXEMP-INTEREST	224,750	224,750	224,750	184,000	184,000	184,000	-
9471.06	2015 B PROJ # 3 TAX ALLOC REV REFUNDING BOND TAXABLE -INTEREST	1,259,587	1,259,587	1,259,487	1,081,500	1,081,500	1,081,434	-
	9454 REDEMPTION PREMIUM	940,000	940,000	942,600	360,100	360,100	926,810	945,200
	9750 FISCAL AGENT FEES	8,000	8,000	6,000	8,000	8,000	6,000	8,000
	<b>TOTAL</b>	<b>\$ 123,907,115</b>	<b>\$ 123,907,115</b>	<b>\$ 127,651,952</b>	<b>\$ 88,195,600</b>	<b>\$ 88,195,600</b>	<b>\$ 87,130,298</b>	<b>\$ 27,189,900</b>

*PUBLIC FACILITIES AUTHORITY*

ITEM NO. 5.2

## RESOLUTION NO. IPFA 2022-03

### A RESOLUTION OF THE CITY OF INDUSTRY PUBLIC FACILITIES AUTHORITY CONTINUING THE AUTHORIZATION OF REMOTE TELECONFERENCE MEETINGS PURSUANT TO AB 361

#### RECITALS

**WHEREAS**, the City of Industry Public Facilities Authority (“IPFA”) is committed to preserving and encouraging public access and participation in its meetings; and

**WHEREAS**, all meetings of the IPFA are open and public, as required by the Ralph M. Brown Act (Gov. Code §§54950 – 54963) (“Brown Act”), so that any member of the public may attend, participate, and observe the legislative bodies conduct their business; and

**WHEREAS**, in March 2020 as a response to the ongoing COVID-19 pandemic, Governor Newsom issued Executive Orders N-25-20 and N-29-20. These orders suspended certain elements of the Brown Act and specifically allowed for legislative bodies as defined by the Brown Act to hold their meetings entirely electronically with no physical meeting place. On June 11, 2021, Governor Newsom issued Executive Order N-08-21, which provided that the provisions in Executive Order N-29-20 suspending certain elements of the Brown Act would continue to apply through September 30, 2021; and

**WHEREAS**, on September 16, 2021 Governor Newsom signed AB 361, which added subsection (e) to Government Code §54953 of the Brown Act, and makes provisions for remote teleconferencing participation in meetings by members of a legislative body, without compliance with the requirements of Government Code §54953(b)(3), subject to the existence of certain conditions; and

**WHEREAS**, one of the conditions required is that a state of emergency has been declared by the Governor pursuant to Government Code §8625, proclaiming the existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions as described in Government Code §8558; and

**WHEREAS**, it is further required that state or local officials have imposed or recommended measures to promote social distancing, or, the legislative body meeting in person would present imminent risks to the health and safety of attendees; and

**WHEREAS**, in March 2020, in response to the spread of COVID-19 in the State of California, the Governor proclaimed a State of Emergency pursuant to Government Code §8625, and issued a number of executive orders aimed at containing the COVID-19 virus, and the County of Los Angeles through various Orders of the Los Angeles County Health Officer, continues to impose or recommend measures to promote social distancing; and

**WHEREAS**, Los Angeles County officials have recommended measures to promote social distancing and strongly recommend masks for all regardless of vaccination status in an effort to slow the transmission of COVID-19 throughout the State and Los Angeles County; and

**WHEREAS**, the IPFA is concerned about the health and safety of all individuals of the public who attend public meetings; and

**WHEREAS**, as a consequence of the continued state of emergency, the IPFA adopted Resolution No. IPFA 2022-01 on April 14, 2022, finding and determining that the IPFA would conduct its meetings without compliance with Government Code §54953(b)(3), as authorized by Government Code §54953(e), and that the IPFA would comply with the requirements to provide the public with access to all public meetings as prescribed in §54953(e)(2); and

**WHEREAS**, pursuant to the provisions of AB 361, the IPFA hereby finds and determines that the findings set forth in Resolution No. IPFA 2022-01 remain, and that it is thereby necessary to continue to conduct its meetings without compliance with Government Code §54953(b)(3), as authorized by Government Code §54953(e).

**NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE CITY OF INDUSTRY PUBLIC FACILITIES AUTHORITY DOES HEREBY FIND, DETERMINE AND RESOLVE AS FOLLOWS:**

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

**SECTION 2:** The Board hereby considers the existing conditions of the state of emergency, local officials in Los Angeles County have recommended or imposed measures to promote social distancing in connection with COVID-19. Based on these facts, findings, and determinations, the Board authorizes staff to conduct remote teleconference meetings of the Board, under the provisions of Government Code §54953(e).

**SECTION 3:** The Executive Director is hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution and AB 361, including continuing to conduct open and public meetings in accordance with the Brown Act.

**SECTION 4:** This Resolution shall take effect June 23, 2022, and shall be effective until the earlier of July 23, 2022, or such time as the Board adopts a subsequent resolution in accordance with Government Code §54953(e)(3) to extend the time during which the Board may continue to meet by teleconference.

**PASSED, APPROVED AND ADOPTED** by the City of Industry Public Facilities Authority at a special meeting held on June 23, 2022, by the following vote:

AYES: BOARD MEMBERS:  
NOES: BOARD MEMBERS:  
ABSTAIN: BOARD MEMBERS:  
ABSENT: BOARD MEMBERS:

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Cory C. Moss, Chair

**ATTEST:**

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Julie Gutierrez-Robles, Secretary

*PUBLIC FACILITIES AUTHORITY*

ITEM NO. 5.3



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JOINT SPECIAL MEETING MINUTES OF THE  
PUBLIC FACILITIES AUTHORITY AND  
THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY

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## **CALL TO ORDER**

The Joint Special Meeting of the Public Facilities Authority and the Successor Agency to the Industry Urban-Development Agency of the City of Industry, California, was called to order by Chair Cory Moss at 8:30 a.m., telephonically using Conference Call Number 657-204-3264, Conference ID: 878 254 360#.

## **FLAG SALUTE**

The flag salute was led by Chair Moss.

## **ROLL CALL**

**PRESENT:** Cory Moss, Chair  
Michael Greubel, Board Member  
Mark Radecki, Board Member

**ABSENT:** Catherine Marcucci, Vice Chair  
Newell W. Ruggles, Board Member

**STAFF PRESENT:** Josh Nelson City Manager; Bing Hyun, Assistant City Manager; James M. Casso, General Counsel; and Julie Robles, Secretary.

## **PUBLIC COMMENTS**

Mike Greenspan and Armando Herman each spoke about their first amendment freedom of speech rights, to include the tolerance of all unpleasant forms of speech. They spoke about their opposition to government policies/leadership and provided documents for the record.

## **CONSENT CALENDAR**

### **5.1 CONSIDERATION OF THE PUBLIC FACILITIES AUTHORITY MINUTES OF THE JUNE 16, 2021, JOINT SPECIAL MEETING AND JULY 8, 2021, SPECIAL MEETING**

*RECOMMENDED ACTION:*

*Approve as submitted.*

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JOINT SPECIAL MEETING MINUTES OF THE  
PUBLIC FACILITIES AUTHORITY AND  
THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY

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**5.2 CONSIDERATION OF THE ANNUAL AUDITED BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDING JUNE 30, 2021, WITH INDEPENDENT AUDITORS' REPORT FOR THE PUBLIC FACILITIES AUTHORITY**

*RECOMMENDED ACTION:* *Approve the Annual Audited Financial Statements for FY 20-21.*

**5.3 CONSIDERATION OF INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS FOR THE YEAR ENDING JUNE 30, 2021, FOR THE PUBLIC FACILITIES AUTHORITY**

*RECOMMENDED ACTION:* *Approve the Independent Auditor's Report for FY 20-21.*

**5.4 CONSIDERATION OF AUDITOR'S COMMUNICATIONS WITH THE CHAIR AND BOARD MEMBERS FOR THE YEAR ENDING JUNE 30, 2021, FOR THE PUBLIC FACILITIES AUTHORITY**

*RECOMMENDED ACTION:* *Approve the Auditor's Communication Report for FY 20-21.*

**5.5 CONSIDERATION OF THE ANNUAL AUDITED BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDING JUNE 30, 2021, WITH INDEPENDENT AUDITORS' REPORT, FOR THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY**

*RECOMMENDED ACTION:* *Approve the Annual Audited Financial Statements for FY 20-21.*

**5.6 CONSIDERATION OF THE INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND COMPLIANCE AND ON COMPLIANCE AND OTHER MATTERS FOR THE YEAR ENDING JUNE 30, 2021, FOR THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY**

*RECOMMENDED ACTION:* *Approve the Independent Auditor's Report for FY 20-21.*

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JOINT SPECIAL MEETING MINUTES OF THE  
PUBLIC FACILITIES AUTHORITY AND  
THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY

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**5.7 CONSIDERATION OF THE AUDITOR'S COMMUNICATIONS WITH THE CHAIR AND BOARD MEMBERS FOR THE YEAR ENDING JUNE 30, 2021, FOR THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY**

*RECOMMENDED ACTION:* *Approve the Auditor's*  
*Communication Report for FY 20-21.*

**5.8 CONSIDERATION OF RESOLUTION NO. IPFA 2022-01 – A RESOLUTION OF THE CITY OF INDUSTRY PUBLIC FACILITIES AUTHORITY AUTHORIZING REMOTE TELECONFERENCE MEETINGS PURSUANT TO AB 361**

*RECOMMENDED ACTION:* *Adopt Resolution No. IPFA 2022-*  
*01.*

MOTION BY BOARD MEMBER GREUBEL, AND SECOND BY BOARD MEMBER RADECKI TO APPROVE THE CONSENT CALENDAR. MOTION CARRIED 3-0, BY THE FOLLOWING VOTE:

AYES:	BOARD MEMBERS:	GREUBEL, RADECKI, MOSS
NOES:	BOARD MEMBERS:	NONE
ABSENT	BOARD MEMBERS:	MARCUCCI, RUGGLES
ABSTAIN	BOARD MEMBERS:	NONE

**ADJOURNMENT**

There being no further business, the Joint Special Meeting adjourned at 8:45 a.m.

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CORY MOSS  
CHAIR

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JULIE ROBLES  
SECRETARY

*PUBLIC FACILITIES AUTHORITY*

ITEM NO. 5.4



# INDUSTRY PUBLIC FACILITIES AUTHORITY

## MEMORANDUM

**TO:** Honorable Chair and Members of the Board of Directors Industry Public Facilities Authority

**FROM:** Joshua Nelson, Executive Director *JN*

**STAFF:** Bing Hyun, Assistant Executive Director

**DATE:** June 23, 2022

**SUBJECT:** Consideration of Amendment No. 3 to the Professional Services Agreement with CliftonLarsonAllen, LLP, for Auditing Services extending the term through June 30, 2023, and increasing compensation by \$7,040.00

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### **Background:**

On April 23, 2020, the Industry Public Facilities Authority ("IPFA") approved a Professional Services Agreement ("Agreement") with White Nelson Diehl Evans, LLP ("WNDE") to provide auditing services in the amount of \$5,830.00 through June 30, 2021. On December 10, 2020, Amendment No. 1 was approved to transfer the Agreement to CliftonLarsonAllen, LLP ("CLA") and revise indemnity provisions to clarify the auditor's role and responsibilities as independent contractors.

On June 10, 2021, Amendment No. 2 was approved to extend the term through June 30, 2022, provide two (2) one-year extension options, and increase the compensation amount by \$6,120.00. Additionally, the amendment updated indemnity provisions related to the auditor's status as independent contractors to match IPFA's current standard language and updated the notices of the Agreement to reflect the current addresses for the General Counsel and CLA.

### **Discussion:**

CLA has two (2) one (1) year extensions on their Agreement, Amendment No. 2 will extend the term through June 30, 2023 and increase the compensation amount by \$7,040.00. Also update the notices of the Agreement to reflect the current address for the IPFA Board.

### **Fiscal Impact:**

No fiscal impact at this time. Costs for work to be performed through June 30, 2023 will be appropriated in Account Code No. 440-300-5120.01 as part of the FY 2022/23

adopted budget.

**Recommendation:**

- 1.) Staff recommends that the IPFA approve Amendment No. 3 to the Professional Services Agreement with CliftonLarsonAllen, LLP.

**Exhibit:**

- A. Amendment No. 3 to the Professional Services Agreement with CliftonLarsonAllen, LLP, dated June 23, 2022
- 

JN/BH:yp

**EXHIBIT A**

Amendment No. 3 to the Professional Services Agreement with CliftonLarsonAllen, LLP,  
dated June 23, 2022

[Attached]



**AMENDMENT NO. 3  
TO PROFESSIONAL SERVICES AGREEMENT WITH  
CLIFTONLARSONALLEN, LLP**

This Amendment No. 3 to the Professional Services Agreement (“Agreement”), is made and entered into this 23rd day of June, 2022 (“Effective Date”), by and between the Industry Public Facilities Authority, a California Joint Powers Authority (“IPFA”) and CliftonLarsonAllen, LLP, a California limited liability partnership (“Consultant”). The IPFA and Consultant are hereinafter collectively referred to as the “Parties”.

**RECITALS**

**WHEREAS**, on or about April 23, 2020, the Agreement was entered into and executed between the IPFA and White Nelson Diehl Evans, LLC (“WNDE”) to provide professional auditing services; and

**WHEREAS**, on or about December 10, 2020, Amendment No. 1 was approved to assign the Agreement to CliftonLarsonAllen, LLP (“CLA”) and revise indemnity provisions to clarify the auditor’s role and responsibilities as independent contractors; and

**WHEREAS**, on or about June 10, 2021, Amendment No. 2 was approved to amend the Agreement to extend the term to June 30, 2022, provide extension options, increase the compensation by \$6,120.00, update the rate schedule, amend the notices section to include the current addresses for General Counsel and Consultant, and update indemnity provisions; and

**WHEREAS**, the Parties desire to amend the Agreement to extend the term to June 30, 2023, increase the compensation by \$7,040.00, and update the rate schedule, and amend the notices section to include the current address for the Board, and

**WHEREAS**, for the reasons set forth herein, the IPFA and Consultant desire to enter into this Amendment No. 2, 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, and incorporated herein by reference, shall remain in full force and effect except as otherwise hereinafter provided:

**Section 1. TERM**

Section 1 is hereby amended to read in its entirety as follows:

This Agreement shall be effective as of November 1, 2020, and shall remain and continue in effect until tasks described herein are completed, but in no event later than June 30, 2023, unless sooner terminated pursuant to the provisions of this Agreement. Notwithstanding the foregoing, the IPFA may extend the Term of the Agreement for a one-year extension.

**Section 4. PAYMENT**

Section 4(a) is hereby amended to read in its entirety as follows:

(a) The IPFA 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 Eighteen Thousand Nine Hundred and Ninety Dollars and Zero Cents (\$18,990.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

**Section 11. NOTICES**

The address for CRIA Board is hereby revised to read in its entirety as follows:

With a Copy To: IPFA  
15625 Mayor Dave Way  
City of Industry, CA 91744  
Attention: Executive Director

**EXHIBIT B RATE SCHEDULE**

The Rate Schedule is hereby rescinded in its entirety and replaced with the information set forth in Attachment 3, attached hereto and incorporated herein by reference.

IN WITNESS WHEREOF, the Parties here executed this Amendment No. 3 to the Agreement as of the Effective Date.

**“IPFA”**  
**Industry Public Facilities Authority**

**“CONSULTANT”**  
**CliftonLarsonAllen, LLP**

By: \_\_\_\_\_  
Joshua Nelson, Executive Director

By: \_\_\_\_\_  
Daphnie Munoz, Principal

**Attest:**

By: \_\_\_\_\_  
Julie Gutierrez-Robles, Secretary

**APPROVED AS TO FORM:**

By: \_\_\_\_\_  
James M. Casso, General Counsel

Attachment 1

EXHIBIT B

RATE SCHEDULE

<b>Description of Services</b>	<b>Estimated Hours</b>	<b>Cost</b>
Audited Financial Statements of the Industry Public Facilities Authority, Report on Internal Controls Over Financial Reporting, and Auditors' Communication with the Board of Directors	48	\$7,040.00
<b>Total</b>	48	\$7,040.00

**AUDIT STAFF STANDARD HOURLY BILLING RATES**

	Hourly Rate
Partner	\$302.00
Manager	\$211.00
Supervisory Staff	\$145.00
Professional Staff	\$115.00
Clerical	\$85.00

*PUBLIC FACILITIES AUTHORITY*

ITEM NO. 5.5



# INDUSTRY PUBLIC FACILITIES AUTHORITY

## MEMORANDUM

To: Honorable Chair and Members of the Public Facilities Authority

From: Elise Calvo, Treasurer *EC*  
Joshua Nelson, Executive Director *JN*

Staff: Veronica Mejia, Accounting Technician II *VM*

Date: June 23, 2022

**Subject: Statement of Investment Policy**

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### OVERVIEW

Section 53646 (a)(2) of the California Government Code, states that the Treasurer or chief fiscal officer of any other local agency may annually render to his/her legislative body and any oversight committee an investment policy, that the legislative body shall consider at a public meeting.

This Agenda Item includes the Statement of Investment Policy for the City of Industry dated Fiscal Year 2022-2023, for all future investments, pursuant to Section 53601 and Section 53635 of the California Government Code.

This investment Policy serves as the foundation of the PFA's investment goals and priorities. This policy will be reviewed regularly or at least annually to assure that it continues to meet the PFA's portfolio goals/priorities, with the intent to protect the assets of the Public Facilities Authority. The existence of an approved investment policy demonstrates that the governing body is performing its fiduciary responsibilities, thereby, inspiring trust and confidence among the public that it serves.

### RECOMMENDATION

It is my recommendation that the Authority approve the Investment Policy.

Fiscal Year  
2022-2023

# City of Industry

STATEMENT OF INVESTMENT POLICY  
ELISE CALVO, CITY TREASURER



CITY OF INDUSTRY

STATEMENT OF INVESTMENT POLICY

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# CITY OF INDUSTRY

## STATEMENT OF INVESTMENT POLICY

Effective June 23, 2022

(Supersedes All Previous Investment Policies)

**1.0 Introduction.** The purpose of this document is to identify various policies and procedures that enhance opportunities for a prudent and systematic investment policy and to organize and formalize investment-related activities. Related activities which comprise good cash management include accurate cash projections, the expeditious collection of revenue, the control of disbursements, cost-effective banking relations, and arranging for a short-term borrowing program which coordinates working capital requirements and investment opportunities.

**2.0 Policy.** It is the policy of the City of Industry to invest public funds not required for immediate day-to-day operations in safe, liquid and medium term investments. These investments shall yield an acceptable return while conforming to all California statutes and the City's Investment Policy.

**3.0 Scope.** It is intended that this policy cover the investment activities of all contingency reserves and inactive cash under the direct authority of the City and its component units including but not limited to, the City of Industry, the Successor Agency to the Industry Urban-Development Agency, the Civic-Recreational-Industrial Authority, the Industry Public Utilities Commission, the Industry Public Facilities Authority and the Industry Property and Housing Management Authority.

**3.1 Pooled Investments.** Investments for the City and its component units will be made on a pooled basis including, but not limited to, the City of Industry, the Successor Agency to the Industry Urban-Development Agency, the Civic-Recreational-Industrial Authority, the Industry Public Utilities Commission, the Industry Public Facilities Authority and the Industry Property and Housing Management Authority. The City's identifies the fund types involved as follows:

- General Fund
- Special Revenue Funds
- Debt Service Funds
- Capital Project Funds
- Enterprise Funds
- Trust Funds
- Miscellaneous Special Funds
- Any new funds created by the applicable governing board, unless specifically exempted

## CITY OF INDUSTRY

### STATEMENT OF INVESTMENT POLICY

**3.2 Investments held separately.** Investment of bond proceeds will be held separately when required by the bond indentures. Bond proceeds will be invested in accordance with the requirements stated in the bond indentures. This policy does not apply to deferred compensation plans.

**4.0 Objectives.** Section 53600.5 of the California Government Code outlines the primary objectives of a trustee investing public money. The primary objectives, in order of priority, of the City's investment activities shall be:

**4.1. Safety.** Safety of principal is the foremost objective of the investment program. Investments of the City shall be undertaken in a manner that seeks to ensure preservation of capital in the overall portfolio.

**4.2 Liquidity.** The City's investment portfolio will remain sufficiently liquid to enable the City to meet all operating requirements which might be reasonably anticipated.

**4.3 Return on investment.** Investment return becomes a consideration only after the basic requirements of safety and liquidity have been met. The City Treasurer shall attempt to realize a yield on investments consistent with California statutes and the City's Investment Policy.

The City Treasurer should strive to maintain the level of investment of all contingency reserves and inactive funds as close to one hundred percent (100%) as possible. While the objectives of safety and liquidity must first be met, it is recognized that portfolio assets represent a potential source of significant revenues. It is to the benefit of the City that these assets be managed to realize a yield on investments consistent with California statutes and the City's Investment Policy.

A buy and hold strategy will generally be followed; that is, investments once made will usually be held until maturity. A buy and hold strategy will result in unrealized gains or losses as market interest rates fall or rise from the coupon rate of the investment. Unrealized gains or losses, however, will diminish as the maturity dates of the investments are approached or as market interest rates move closer to the coupon rate of the investment. A buy and hold strategy requires that the portfolio be kept sufficiently liquid to preclude the undesired sale of investments prior to maturity. Occasionally, the City Treasurer may find it advantageous to sell an investment prior to maturity, but this should only be on an exception basis and only when it is in the best interest of the City.

**CITY OF INDUSTRY**

**STATEMENT OF INVESTMENT POLICY**

**5.0 Authorized investments.** The City Treasurer may invest City funds in the following investments as specified in the California Government Code Section 53601, and certain investment types are further limited to only the following specified investments.

	Investment Type	Maximum Remaining Maturity	Maximum Specified % of Portfolio	Minimum Quality Requirements	California Government Code Sections
a.	Securities of the US Government, or its agencies Including GSE debt and US Treasury Obligations	5 years	None	None	53601(b)(f) and 53601.6
b.	Negotiable certificates of deposits	5 years	30%	None	53601(1)
c.	Non-negotiable certificates of deposits	5 years	None	None	53630 et seq.
d.	Bankers Acceptances	180 days	40% and no more than 30% of any one commercial bank	None	53601(g)
e.	Commercial Paper	270 days	25% and no more than 10% of a single issuer	A-1 or higher rating from an NRSRO	53601(h)(2)(C), 53635(a)(1)
f.	Local Agency Investment Fund (LAIF)	N/A	None	None	16429.1
g.	Collateralized Bank Deposits including passbook Savings account demand deposits	5 years	None	None	53630 et. Seq and 53601 (n)
h.	Repurchase agreements	1 year	None	None	53601(j)
i.	Los Angeles County Investment Pool (California Govt. Code Section 53684)	N/A	None	None	53684
j.	It is the City of Industry's policy no to utilize Reverse Repurchase Agreements or shares of beneficial interest issued by diversified management companies (mutual funds), unless that fund is composed entirely of securities of the U.S. Government, or its agencies, and the use of such funds shall be restricted to sweep accounts. (Reverse Repurchase Agreements shall be permitted if they are assets of the Local Agency Investment Fund).				
k.	Local Agency Bonds	5 years	None	None	53601(a)

**CITY OF INDUSTRY**

**STATEMENT OF INVESTMENT POLICY**

i.	Medium-term notes	5 years or less	30%	"A" rating category or its equivalent or better	53601(k)
m.	Registered treasury notes or bonds of any of the other 49 states in addition to California *	5 years	None	None	53601(d)
n.	Bonds, notes, warrants, or other evidences of indebtedness of a local agency within California*	5 years	None	None	53601(e)
o.	All securities authorized by the California Code, but which are not currently allowed by this investment policy, must first be approved by City Council at the time of purchase.				

\* Includes but not limited to municipal bonds or other indebtedness issued by the City of Industry and/or its related Agencies.

Section 53601 of the California Government Code provides that the maximum term of any investment authorized under this section, unless otherwise stated, is five years. However, the City Council may grant express authority to make investments either specifically or as a part of an investment program approved by the City Council that exceeds the five year remaining maturity limit. Such approval must be issued no less than three months prior to the purchase of any security exceeding the five-year maturity limit.

**5.1 Review of Investment Portfolio.** The City's investment portfolio must be in compliance with Section 5.0 of this Policy at the time an investment is purchased. However, due to various reasons the portfolio may not be in compliance. The reasons for noncompliance that may arise include, but are not limited to a downgrade in a security's rating, redemptions or maturities resulting in exceeding maximum percentages of a particular investment type, fluctuation in total portfolio size, a change in the California Government Code, or subsequent update to the Investment Policy that renders investments made under previous policies incompliant.

The Treasurer shall review the portfolios quarterly to identify any securities that are no longer in compliance. The Treasurer shall report any major and critical incidences of noncompliance to the City Manager and City Council and provide recommendations to address the noncompliant securities.

## CITY OF INDUSTRY

### STATEMENT OF INVESTMENT POLICY

**6.0 Reporting.** Sections 53607 and 53646 of the California Government Code allows the City Council, at its discretion, to require reports meeting the standards set forth in these sections, as well as any additional information desired. Therefore, it is the policy of the City that the City Treasurer or designee appointed by the City Treasurer file a report on the investments and transactions with the City Council as described in Sections 53607 and 53646 of the California Government Code.

**7.0 Selection of financial institutions and brokers/dealers.** Investments shall be purchased only through well established, financially sound institutions. The City Treasurer or City Manager or their designee may maintain a list of financial institutions and broker/dealers who are approved to provide the City with investment services. This list should be updated annually by the City Treasurer to ensure compliance with this investment policy. All financial institutions and broker/dealers who desire to become qualified bidders for investment transactions will be given a copy of the City's Investment Policy, and a return cover letter which they must sign indicating that the investment policy has been read, understood and that their investment offers will comply with this policy.

All financial institutions and broker/dealers will take direction from the City Treasurer or City Manager or their designee as it relates to the investment strategy and investment policy of the City. Any instructions will be in the form of written instructions via email or other electronic transmissions.

Qualified financial institutions and broker/dealers must supply the City Treasurer or City Manager or their designee with the following:

**7.1 Financial Institutions.**

- Current audited financial statements
- Depository contracts, as appropriate
- A copy of the latest FDIC call report or the latest FHLBB report, as appropriate
- Proof that commercial banks, savings banks, or savings and loan associations are state or federally chartered

**7.2 Broker/Dealers.**

- Current audited financial statements
- Proof that brokerage firms are members in good standing of a national securities exchange, or
- A designation as a primary government dealer by the Federal Reserve Bank.

Commercial banks, savings banks, and savings and loan associations must maintain a minimum net worth to asset ratio as provided by law (total regulatory net worth divided by total assets), and must have had positive net earnings for the last reporting period

The City is prohibited from selecting any broker/dealer that has made a campaign contribution within any consecutive 48-month period which exceeds the limitations

## CITY OF INDUSTRY

### STATEMENT OF INVESTMENT POLICY

contained Rule G-37 of the Municipal Securities Rulemaking Board.

**8.0 Ethics and conflicts of interest.** All participants in the City's investment process shall seek to act responsibly as custodians of the public trust. Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment recommendations and decisions. Investment officials and employees shall make all disclosures appropriate under the Fair Political Practices Act and may seek the advice of the City Attorney and the Fair Political Practices Commission whenever there is a question of personal financial or investment positions that could represent potential conflicts of interest.