

# CITY OF INDUSTRY

CITY COUNCIL  
REGULAR MEETING  
AGENDA

FEBRUARY 13, 2025  
9:00 AM



Mayor Cory C. Moss  
Mayor Pro Tem Michael Greubel  
Council Member Steve Marcucci  
Council Member Mark D. Radecki  
Council Member Newell Ruggles

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

## 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 one-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 one-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.

At the time of publication, no Councilmembers intend to take part in the meeting remotely under the provisions of AB 2449. Should that change between the time of publication and the start of the meeting, a live webcasting of the meeting will be accessible via the link, meeting ID, and meeting passcode listed below. Whenever possible, an announcement will be made at the start of the meeting via the live webcast to confirm whether or not a Councilmember will join remotely. If they will not be joining remotely, then the live webcast will terminate after the announcement.

[www.microsoft.com/microsoft-teams/join-a-meeting](http://www.microsoft.com/microsoft-teams/join-a-meeting)

Meeting ID: 288 477 757 952

Meeting Passcode: a4jY6Tt9

### Or call in (audio only)

[+1 657-204-3264](tel:+16572043264)

Phone Conference ID: 681 105 199#

## 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 Mayor Dave Way, City of Industry, California, at the office of the City Clerk during regular business hours, Monday through Thursday 8:00 a.m. to 5:00 p.m.,

1. Call to Order
2. Flag Salute
3. AB 2449 Vote on Emergency Circumstances (if necessary)
4. Roll Call
5. Presentations
6. **CONSENT CALENDAR**

6.1 Consideration of the Register of Demands for February 13, 2025

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

6.2 Consideration of Resolution No. CC 2025-07 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING DONATIONS IN THE AMOUNT OF FORTY-SIX THOUSAND SEVEN HUNDRED TWENTY-TWO DOLLARS AND TWENTY-EIGHT CENTS (\$46,722.28) TO WORKMAN HIGH SCHOOL, USA BMX, AND THE GABRIEL FOUNDATION FOR THE COST OF HOSTING EVENTS AT THE EXPO CENTER

*RECOMMENDED ACTION: Adopt Resolution No. CC 2025-07.*

6.3 Consideration of a Professional Services Agreement with Roadway Asset Services, LLC ("RAS"), to provide field data collection services for the City's Pavement Management Plan update, in an amount not-to-exceed \$60,843.00, through February 13, 2027 (MP 97-35 #1)

*RECOMMENDED ACTION: Approve the Professional Services Agreement with RAS.*

6.4 Consideration of Amendment No. 5 to the Professional Services Agreement with Granicus, LLC, for website maintenance and hosting, extending the term through August 15, 2025, increasing compensation by \$7,414.73, and updating the rate schedule

*RECOMMENDED ACTION: Approve Amendment No. 5.*

- 6.5 Presentation of the Annual Financial Reports for the City of Industry, Year Ending June 30, 2024

RECOMMENDED ACTION: Receive and File the Annual Financial Reports for FY 2023-24.

7. **ACTION ITEM**

- 7.1 Discussion and direction regarding Civic Center Master Plan for Land Use and Development

*RECOMMENDED ACTION: Discuss and provide direction to Staff.*

8. **PUBLIC HEARING**

- 8.1 Introduction and Consideration of Zoning Code Amendment No. 24-08, amending Section 17.04.010 (Zones-Classifications) of Chapter 17.04 (General Provisions) of Title 17 (Zoning); and amending Chapter 17.22 (Housing Overlay Zone) of Title 17 (Zoning); and adding Chapter 17.72 (Affordable Housing Density Bonus), to Title 17 (Zoning) of the City of Industry Municipal Code, to Implement the City's 2021-2029 Housing Element, and Adopt a Notice of Exemption Regarding Same, and Make Findings In Support Thereof

RECOMMENDED ACTION: 1) Waive the reading of Ordinance No. 834 and read by title only; and 2) Introduce Ordinance No. 834, an Ordinance of the City Council of the City of Industry, California, amending Section 17.04.010 (Zones-Classifications) of Chapter 17.04 (General Provisions) of Title 17 (Zoning); and amending Chapter 17.22 (Housing Overlay Zone) of Title 17 (Zoning); and adding Chapter 17.72 (Affordable Housing Density Bonus) to Title 17 (Zoning) of the City of Industry Municipal Code, to implement the City's 2021-2029 Housing Element, and adopt a Notice of Exemption regarding same, and making findings in support thereof

9. **CLOSED SESSION**

- 9.1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Significant exposure to litigation; Pursuant to Government Code Section 54956.9(d)(2) One potential case
- 9.2. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION  
Initiation of litigation, pursuant to Government Code Section 54956.9(d)(2): Four potential cases

10. **CITY MANAGER REPORTS**
11. **AB 1234 REPORTS**
12. **CITY COUNCIL COMMUNICATIONS**
13. **PUBLIC COMMENTS**
14. Adjournment. The next regular City Council Meeting is Thursday, February 27, 2025, at 9:00 a.m.

*CITY COUNCIL*

ITEM NO. 6.1

**CITY OF INDUSTRY  
AUTHORIZATION FOR PAYMENT OF BILLS  
CITY COUNCIL MEETING OF FEBRUARY 13, 2025**

**FUND RECAP:**

<u>FUND</u>	<u>DESCRIPTION</u>	<u>DISBURSEMENTS</u>
100	GENERAL FUND	4,802,362.99
103	PROP A FUND	39,680.59
107	MEASURE W FUND	50,008.23
120	CAPITAL IMPROVEMENTS	416,324.98
TOTAL ALL FUNDS		5,308,376.79

**BANK RECAP:**

<u>BANK</u>	<u>NAME</u>	<u>DISBURSEMENTS</u>
BOFA	BANK OF AMERICA - CKING ACCOUUNT	2,958,481.94
PROP/A	PROP A - CKING ACCOUNT	39,680.59
M/W	MEASURE W - CKING ACCOUNT	50,008.23
WFBK	WELLS FARGO - CKING ACCOUNT	2,260,206.03
TOTAL ALL BANKS		5,308,376.79

APPROVED PER CITY MANAGER

  
\_\_\_\_\_

DATE

02/06/25  
\_\_\_\_\_

**CITY OF INDUSTRY  
BANK OF AMERICA  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITYGEN.CHK - City General</b>				
WT1401	01/15/2025		MIDAMERICA ADMINISTRATIVE & RET	\$78,115.05
	Invoice	Date	Description	Amount
	FEB/MAR2025	01/15/2025	RETIREE HEALTH PREMIUM REIMBURSEMENTS	\$78,115.05
WT1402	01/17/2025		CAL-PERS	\$73,500.55
	Invoice	Date	Description	Amount
	FEB-25	01/17/2025	CALPERS MEDICAL PREMIUM FOR FEBRUARY 2025	\$73,500.55
WT1403	01/30/2025		JOHN HANCOCK USA	\$6,866.34
	Invoice	Date	Description	Amount
	1/4/25-1/17/25	01/30/2025	PARS CONTRIBUTIONS FOR 1/4/25-1/17/25	\$6,866.34
24600	01/23/2025		CITY OF INDUSTRY	\$2,800,000.00
	Invoice	Date	Description	Amount
	1/23/2025	01/23/2025	TRANSFER FUNDS-CITY REG 1/23/25	\$2,800,000.00

Checks	Status	Count	Transaction Amount
	Total	4	\$2,958,481.94

**CITY OF INDUSTRY  
PROP A  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>PROPA.CHK - Prop A Checking</b>				
90650	01/29/2025		WALNUT VALLEY WATER DISTRICT	\$286.50
	Invoice	Date	Description	Amount
	5210991	01/13/2025	12/1-12/31/24 SVC-PLATFORM METROLINK BREA CYN F	\$25.14
	5210034	01/13/2025	12/1-12/31/24 SVC-IRR METROLINK STN SAPNISH LN	\$261.36
90651	02/05/2025		SOUTHERN CALIFORNIA EDISON	\$305.65
	Invoice	Date	Description	Amount
	2025-00001291	01/21/2025	12/19-1/20/25 SVC-600 S BREA CYN RD B	\$305.65
90652	02/13/2025		CNC ENGINEERING	\$30,360.00
	Invoice	Date	Description	Amount
	511835	01/23/2025	ANNUAL BUS STOP ADA IMPROVEMENTS	\$5,317.50
	511836	01/23/2025	METROLINK STATION COMMUTER RAIL STATION	\$1,367.50
	511837	01/23/2025	FULLERTON RD GRADE SEPARATION	\$9,095.00
	511838	01/23/2025	FAIRWAY DR GRADE SEPARATION	\$115.00
	511839	01/23/2025	TURNBULL CYN RD GRADE SEPARATION	\$14,465.00
90653	02/13/2025		INDUSTRY SECURITY SERVICES	\$8,625.44
	Invoice	Date	Description	Amount
	SG-ML-2021	01/17/2025	SECURITY SVC-METROLINK	\$2,782.40
	SG-ML-2022	01/24/2025	SECURITY SVC-METROLINK	\$3,060.64
	SG-ML-2023	01/31/2025	SECURITY SVC-METROLINK	\$2,782.40
90654	02/13/2025		SO CAL INDUSTRIES	\$103.00
	Invoice	Date	Description	Amount
	728568	01/21/2025	RR RENTAL-METROLINK	\$103.00

CITY OF INDUSTRY  
PROP A  
February 13, 2025

Check	Date	Payee Name	Check Amount
PROPA.CHK - Prop A Checking			

Checks	Status	Count	Transaction Amount
	Total	5	\$39,680.59

**CITY OF INDUSTRY  
MEASURE W  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>MEASUREW.WF.CHK - Measure W Wells Fargo Checking</b>				
300136	02/13/2025		CASC ENGINEERING AND CONSULTIN	\$2,780.00
	Invoice	Date	Description	Amount
	52721	12/31/2024	NPDES CONSULTING SVC	\$2,780.00
300137	02/13/2025		CNC ENGINEERING	\$7,017.50
	Invoice	Date	Description	Amount
	511832	01/23/2025	NPDES STORM WATER	\$2,065.00
	511833	01/23/2025	FOUR GRADE SEPARATION PUMP STATIONS	\$4,140.00
	511834	01/23/2025	CATCH BASIN RETROFITS-PHASE 3	\$812.50
300138	02/13/2025		LOS ANGELES COUNTY PUBLIC WORI	\$40,210.73
	Invoice	Date	Description	Amount
	PW-25011303236	01/13/2025	PUMP HOUSE MAINT	\$4,502.81
	PW-25011303245	01/13/2025	PUMP HOUSE MAINT	\$35,707.92

Checks	Status	Count	Transaction Amount
	Total	3	\$50,008.23

**CITY OF INDUSTRY  
WELLS FARGO WIRE TRANSFERS  
February 13, 2025**

Check	Date	Payee Name		Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
WT10065	01/22/2025	CALIFORNIA DEPT OF TAX AND FEE A		\$822.00
	Invoice	Date	Description	Amount
	0-046-739-476	01/22/2025	IH FUEL STORAGE TANK TAXES-ACCT 044-042837, JAN	\$822.00
WT10066	01/29/2025	WELLS FARGO		\$11,344.97
	Invoice	Date	Description	Amount
	12/3/24-1/3/25-J	01/03/2025	CREDIT CARD EXPENSE P/E 1/3/25-JOSH	\$1,695.13
	12/3/24-1/3/25-S	01/03/2025	CREDIT CARD EXPENSE P/E 1/3/25-SAM	\$2,509.95
	12/3/24-1/3/25-V	01/03/2025	CREDIT CARD EXPENSE P/E 1/3/25-VERONICA	\$7,139.89

Checks	Status	Count	Transaction Amount
	Total	2	\$12,166.97

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
84507	01/22/2025		FRONTIER	\$1,484.88
	Invoice	Date	Description	Amount
	2025-00001160	01/02/2025	1/2-2/1/25 SVC-1015 NOGALES ST	\$78.15
	2025-00001161	01/02/2025	1/2-2/1/25 SVC-IH GOLF COURSE FUEL PUMP	\$148.48
	2025-00001162	01/01/2025	1/1-1/31/25 SVC-VARIOUS SITES	\$1,258.25
84508	01/22/2025		SOUTHERN CALIFORNIA EDISON	\$13,391.28
	Invoice	Date	Description	Amount
	2025-00001164	01/09/2025	12/1-12/31/24 SVC-600 S BREA CYN- METROLINK	\$129.80
	2025-00001165	01/09/2025	12/9-1/8/25 SVC-575 BALDWIN PARK BLVD U	\$111.95
	2025-00001166	01/10/2025	12/10-1/9/25 SVC-504 S 6TH AVE U TC1	\$97.45
	2025-00001167	01/10/2025	12/10-01/09/24 SVC-490 S 7TH AVE	\$114.83
	2025-00001168	01/03/2025	11/14-12/12/25 SVC-VARIOUS SITES	\$3,255.75
	2025-00001169	01/02/2025	12/1-12/31/25 SVC-VARIOUS SITES	\$9,576.99
	2025-00001170	01/10/2025	12/9-1/8/25 SVC-122 N PUENTE AVE U1	\$17.10
	2025-00001171	01/07/2025	10/30-11/13/24 SVC-18311 RAILROAD ST PMP	\$36.71
	2025-00001172	01/08/2025	11/14-12/12/24 SVC-18311 RAILROAD ST PMP	\$21.05
	2025-00001173	01/14/2025	12/13-1/13/25 SVC-18311 RAILROAD ST PMP	\$29.65
84509	01/22/2025		THREE VALLEYS MUNICIPAL WATER I	\$2,133.70
	Invoice	Date	Description	Amount
	06655	12/31/2024	12/1-12/31/24 SVC-TONNER CYN	\$2,133.70
84510	01/22/2025		VERIZON BUSINESS	\$192.83
	Invoice	Date	Description	Amount
	08276772	01/10/2025	12/1-12/31/25 SVC-VARIOUS SITES	\$47.20
	2025-00001163	01/10/2025	12/1-12/31/24 SVC-VARIOUS SITES	\$145.63
84511	01/22/2025		AIRESPRING INC	\$1,336.99

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	Invoice	Date	Description	Amount
	193008993	01/16/2025	INTERNET SVC-HOMESTEAD	\$1,336.99
84512	01/22/2025		BCN TELECOM, INC.	\$133.25
	Invoice	Date	Description	Amount
	23861417	01/15/2025	PHONE LINE FOR ELEVATOR-CITY HALL	\$133.25
84513	01/22/2025		CITY OF INDUSTRY - PETTY CASH	\$682.14
	Invoice	Date	Description	Amount
	1/21/2025	01/21/2025	REIMBURSE PETTY CASH FOR PERIOD 10/24/24-1/21/25	\$682.14
84514	01/22/2025		VERIZON WIRELESS - LA	\$1,310.16
	Invoice	Date	Description	Amount
	9979709554	11/26/2024	10/27-11/26/24 SVC-VARIOUS WIRELESS SVC	\$1,310.16
84515	01/23/2025		HACIENDA-LA PUENTE UNIFIED SCHO	\$350.00
	Invoice	Date	Description	Amount
	1/17/2025	01/17/2025	DONATION FOR STUDENT SCHOLARSHIPS	\$350.00
84516	01/29/2025		FRONTIER	\$373.86
	Invoice	Date	Description	Amount
	2025-00001203	01/10/2025	1/10-2/9/25 SVC-600 BREA CYN RD	\$373.86
84517	01/29/2025		INDUSTRY PUBLIC UTILITY COMMISSI	\$17,736.48
	Invoice	Date	Description	Amount
	2025-00001204	01/15/2025	12/1-1/1/25 SVC-600 S BREA CYN RD CHARGING STN	\$7,968.41
	2025-00001205	01/15/2025	12/1-1/1/25 SVC-600 BREA CYN METROLINK STN	\$9,768.07
84518	01/29/2025		SAN GABRIEL VALLEY WATER CO.	\$12,444.21

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	Invoice	Date	Description	Amount
	2025-00001208	12/31/2024	11/25-12/30/24 SVC-CROSSROADS PKWY S	\$892.94
	2025-00001209	12/31/2024	11/25-12/30/24 SVC-STA 103-80 CROSSROADS PKW S	\$334.48
	2025-00001210	12/31/2024	11/25-12/30/24 SVC-CROSSROADS PKWY S	\$3,481.63
	2025-00001211	12/31/2024	11/25-12/30/24 SVC-CROSSROADS PKWY N	\$1,680.56
	2025-00001212	12/31/2024	11/25-12/30/24 SVC-STA 129-00 CROSSROADS PKW N	\$2,074.96
	2025-00001213	12/31/2024	11/25-12/30/24 SVC-STA 111-50 CROSSROADS PKW N	\$720.03
	2025-00001214	12/31/2024	11/25-12/30/24 SVC-PELLISSIER	\$518.39
	2025-00001215	12/31/2024	11/25-12/30/24 SVC-PELLISSIER	\$373.03
	2025-00001216	12/31/2024	11/25-12/30/24 SVC-PECK/UNION PACIFIC B	\$265.03
	2025-00001217	12/31/2024	11/25-12/30/24 SVC-S/E COR OF PELLISSIER	\$1,818.26
	2025-00001218	12/31/2024	11/25-12/30/24 SVC-PELLISSIER	\$284.90
<b>84519</b>	<b>01/29/2025</b>		<b>SOCALGAS</b>	<b>\$33.28</b>
	Invoice	Date	Description	Amount
	2025-00001206	01/17/2025	12/14-1/15/25 SVC-610 S BREA CYN	\$15.78
	2025-00001207	01/17/2025	12/14-1/15/25 SVC-1004 U FAIRWAY DR FAIRWAY GRAC	\$17.50
<b>84520</b>	<b>01/29/2025</b>		<b>SOUTHERN CALIFORNIA EDISON</b>	<b>\$19,765.65</b>
	Invoice	Date	Description	Amount
	2025-00001180	01/14/2025	12/13-1/13/25 SVC-1023 U FAIRWAY DR	\$353.80
	2025-00001181	01/14/2025	12/13-1/13/25 SVC-VARIOUS SITES	\$7,689.75
	2025-00001182	01/14/2025	12/13-1/13/25 SVC-17635 GALE AVE	\$2,804.12
	2025-00001183	01/14/2025	12/13-1/13/25 SVC-VARIOUS SITES	\$111.28
	2025-00001184	01/14/2025	12/10-1/13/25 SVC-VARIOUS SITES	\$2,057.61
	2025-00001185	01/14/2025	12/13-1/13/25 SVC-PECK RD S/O PELLISSIER	\$28.89
	2025-00001186	01/14/2025	12/13-1/13/25 SVC-1341 FULLERTON RD	\$150.94
	2025-00001187	01/17/2025	12/6-1/8/25 SVC-VARIOUS SITES	\$169.92
	2025-00001188	01/15/2025	12/16-1/14/25 SVC-900 NOGALES U	\$1,209.19

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	2025-00001189	01/17/2025	12/18-1/16/25 SVC-VARIOUS SITES	\$121.03
	2025-00001190	01/17/2025	12/13-1/13/25 SVC-VARIOUS SITES	\$63.61
	2025-00001191	01/16/2025	12/13-1/13/25 SVC-VARIOUS SITES	\$5,005.51
<b>84521</b>	<b>01/29/2025</b>		<b>WALNUT VALLEY WATER DISTRICT</b>	<b>\$3,948.47</b>
	Invoice	Date	Description	Amount
	5210182	01/13/2025	12/1-12/31/24 SVC-BAKER PKWY METER #1	\$210.83
	5210183	01/13/2025	12/1-12/31/24 SVC-BAKER PKWY METER #2	\$185.83
	5210189	01/13/2025	12/1-12/31/24 SVC-GRAND AVE CROSSING	\$119.38
	5210190	01/13/2025	12/1-12/31/24 SVC-GRAND AVE CROSSING	\$119.38
	5210192	01/13/2025	12/1-12/31/24 SVC-22002 VALLEY BLVD	\$280.09
	5210250	01/13/2025	12/1-12/31/24 SVC-21627 GRAND CROSSING PKWY #3	\$187.26
	5210251	01/13/2025	12/1-12/31/24 SVC-21627 GRAND CROSSING PKWY #4	\$180.83
	5210972	01/13/2025	12/1-12/31/24 SVC-PUMP STN N/W CHERYL LN/MAYO	\$39.64
	5210992	01/13/2025	12/1-12/31/24 SVC-PUMP STN BREA CYN	\$29.48
	5211227	01/13/2025	12/1-12/31/24 SVC-NOGALES PUMP STN	\$75.90
	5210063	01/13/2025	12/1-12/31/24 SVC-IRR 820 FAIRWAY DR	\$75.90
	5210114	01/13/2025	12/1-12/31/24 SVC-LEMON AVE N OF CURRIER RD	\$67.12
	5210228	01/13/2025	12/1-12/31/24 SVC-60 FWY INTERCHANGE FAIRWAY DF	\$29.72
	5210148	01/13/2025	12/1-12/31/24 SVC-BREA CYN RD & OLD RANCH RD	\$62.54
	5210164	01/13/2025	12/1-12/31/24 SVC-FERRERO & GRAND EAST RAMP	\$655.27
	5210209	01/13/2025	12/1-12/31/24 SVC-21350 VALLEY/MEDIAN	\$71.70
	5210210	01/13/2025	12/1-12/31/24 SVC-GRAND CROSSING EAST	\$55.67
	5210211	01/13/2025	12/1-12/31/24 SVC-GRAND CROSSING WEST	\$57.96
	5210212	01/13/2025	12/1-12/31/24 SVC-BAKER PKWY & GRAND N/W CNR	\$1,014.80
	5210219	01/13/2025	12/1-12/31/24 SVC-E/S GRAND S/O BAKER PKWY	\$107.96
	5210225	01/13/2025	12/1-12/31/24 SVC-BREA CYN N OF RR TRKS	\$201.47
	5210226	01/13/2025	12/1-12/31/24 SVC-BREA CYN 60 N OF CURRIER	\$80.10
	5211241	01/13/2025	12/1-12/31/24 SVC-1004 U FAIRWAY DR GRADE SEP	\$39.64

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
84522	01/29/2025		HUMANA INSURANCE COMPANY	\$6,729.18
	Invoice	Date	Description	Amount
	389690472	01/13/2025	DENTAL PREMIUM FOR FEBRUARY 2025	\$6,729.18
84523	01/29/2025		KEENAN AND ASSOCIATES	\$280.00
	Invoice	Date	Description	Amount
	316572	01/27/2025	COI BOND COVERAGE FOR VERONICA MEJIA (2/1/25-2	\$70.00
	316571	01/27/2025	COI BOND COVERAGE FOR ELISE CALVO (2/1/25-2/1/25	\$70.00
	316569	01/27/2025	COI BOND COVERAGE FOR JOSH NELSON (2/1/25-2/1/25	\$70.00
	316570	01/27/2025	COI BOND COVERAGE FOR JULIE ROBLES (2/1/25-2/1/25	\$70.00
84524	01/29/2025		MUTUAL OF OMAHA - PAYMENT PROC	\$7,410.74
	Invoice	Date	Description	Amount
	1827413871	02/01/2025	LIFE INS PREMIUM FOR FEBRUARY 2025	\$7,410.74
84525	01/29/2025		UNUM LIFE INSURANCE COMPANY OF	\$8,735.20
	Invoice	Date	Description	Amount
	2/2-2/28/25	01/20/2025	LONG TERM CARE PREMIUM FOR FEBRUARY 2025	\$8,735.20
84526	02/05/2025		AT & T	\$406.17
	Invoice	Date	Description	Amount
	2025-00001238	01/17/2025	1/17-2/16/25 SVC-TONNER GUARD SHACK	\$406.17
84527	02/05/2025		AT & T	\$179.00
	Invoice	Date	Description	Amount
	5107997902	01/23/2025	12/19-1/18/25 SVC-600 S BREA CYN-METROLINK	\$179.00
84528	02/05/2025		FIDELITY SECURITY LIFE INSURANCE	\$1,193.30

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	Invoice	Date	Description	Amount
	166668530	02/01/2025	VISION PREMIUM FOR FEBRUARY 2025	\$1,193.30
84529	02/05/2025		FRONTIER	\$517.11
	Invoice	Date	Description	Amount
	2025-00001235	01/19/2025	1/19-2/18/25 SVC-FOLLOW'S CAMP	\$113.22
	2025-00001236	01/16/2025	1/16-2/15/25 SVC-BREA CYN PUMP STN	\$129.19
	2025-00001237	01/16/2025	1/16-2/15/25 SVC-PH AUTO PLAZA	\$274.70
84530	02/05/2025		INDUSTRY PUBLIC UTILITIES	\$655.34
	Invoice	Date	Description	Amount
	2025-00001274	02/01/2025	11/15-1/16/25 SVC-VALLEY & 7TH	\$655.34
84531	02/05/2025		ROWLAND WATER DISTRICT	\$1,449.36
	Invoice	Date	Description	Amount
	2025-00001275	01/29/2025	12/8-1/7/25 SVC-AZUSA AVE - RC	\$92.51
	2025-00001276	01/29/2025	12/8-1/7/25 SVC-755 NOGALES AT - RC	\$292.96
	2025-00001277	01/29/2025	12/28-1/7/25 SVC-909 U NOGALES ST - IRR	\$170.20
	2025-00001278	01/29/2025	12/8-1/7/25 SVC-1100 S AZUSA AVE	\$199.49
	2025-00001279	01/29/2025	12/8-1/7/25 SVC-1123 HATCHER ST STE D	\$100.84
	2025-00001280	01/29/2025	12/8-1/7/25 SVC-1135 HATCHER AVE	\$51.88
	2025-00001281	01/29/2025	12/8-1/7/25 SVC-1123 HATCHER ST STE C	\$64.12
	2025-00001282	01/29/2025	12/8-1/7/25 SVC-1015 NOGALES ST - PUMP HOUSE	\$347.96
	2025-00001283	01/29/2025	12/8-1/7/25 SVC-1023 NOGALES ST - IRR	\$129.40
84532	02/05/2025		SAN GABRIEL VALLEY WATER CO.	\$1,381.35
	Invoice	Date	Description	Amount
	2025-00001240	01/17/2025	12/12-1/16/25 SVC-123 WORKMAN MILL IRRIG	\$375.42
	2025-00001241	01/17/2025	12/12-1/16/25 SVC-132 IRRIG PUENTE	\$264.15

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	2025-00001242	01/17/2025	12/12-1/16/25 SVC-13756 VALLEY BLVD	\$234.27
	2025-00001243	01/21/2025	12/16-1/17/25 SVC-14329 VALLEY	\$463.23
	2025-00001244	01/22/2025	12/17-1/21/25 SVC-336 ELE ENCANTO	\$44.28
<b>84533</b>	<b>02/05/2025</b>		<b>SOCALGAS</b>	<b>\$202.21</b>
	Invoice	Date	Description	Amount
	2025-00001239	01/23/2025	12/19-1/21/25 SVC-13756 VALLEY BLVD	\$16.27
	2025-00001270	01/31/2025	12/31-1/29/25 SVC-710 NOGALES ST	\$14.30
	2025-00001271	01/31/2025	12/31-1/29/25 SVC-1015 NOGALES ST	\$14.94
	2025-00001272	01/24/2025	12/20-1/22/25 SVC-15415 DON JULIAN RD	\$156.70
<b>84534</b>	<b>02/05/2025</b>		<b>SOUTHERN CALIFORNIA EDISON</b>	<b>\$12,581.69</b>
	Invoice	Date	Description	Amount
	2025-00001225	01/21/2025	12/19-1/20/25 SVC-1004 U FAIRWAY DR.	\$617.00
	2025-00001226	01/21/2025	12/19-1/20/25 SVC-580 BREA CYN RD	\$1.11
	2025-00001227	01/21/2025	12/19-1/20/25 SVC-1007 LAWSON ST TC1	\$88.38
	2025-00001228	01/22/2025	12/18-1/16/25 SVC-1015 NOGALES ST	\$603.49
	2025-00001229	01/23/2025	12/23-1/22/25 SVC-VARIOUS SITES	\$874.20
	2025-00001230	01/27/2025	12/26-1/26/25 SVC-15660 STAFFORD ST	\$1,962.28
	2025-00001231	01/27/2025	12/26-1/26/25 SVC-205 N HUDSON AVE	\$375.81
	2025-00001232	01/23/2025	12/23-1/22/25 SVC-VARIOUS SITES	\$715.74
	2025-00001233	01/21/2025	12/23-1/20/25 SVC-VARIOUS SITES	\$1,015.79
	2025-00001273	01/31/2025	1/3-1/30/25 SVC-15625 MAYOR DAVE WAY	\$6,327.89
<b>84535</b>	<b>02/05/2025</b>		<b>SOUTHERN CALIFORNIA EDISON</b>	<b>\$1,128.64</b>
	Invoice	Date	Description	Amount
	2025-00001234	01/27/2025	12/26-1/26/25 SVC-15530 STAFFORD ST	\$1,128.64
<b>84536</b>	<b>02/05/2025</b>		<b>SUBURBAN WATER SYSTEMS</b>	<b>\$1,305.46</b>

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	Invoice	Date	Description	Amount
	180013515925	01/23/2025	12/21-1/23/25 SVC-AZUSA & GEMINI	\$1,200.14
	180062043849	01/22/2025	12/20-1/22/25 SVC-205 HUDSON	\$105.32
<b>84537</b>	<b>02/13/2025</b>		<b>ACORN TECHNOLOGY SERVICES</b>	<b>\$22,760.00</b>
	Invoice	Date	Description	Amount
	12088	02/01/2025	NETWORK MAINT	\$22,760.00
<b>84538</b>	<b>02/13/2025</b>		<b>ADVANTEC CONSULTING ENGINEERS</b>	<b>\$2,250.00</b>
	Invoice	Date	Description	Amount
	9803-0230-25	01/16/2025	INTELLIGENT TRANSPORTATION SYSTEM	\$2,250.00
<b>84539</b>	<b>02/13/2025</b>		<b>AMAZON WEB SERVICES, INC</b>	<b>\$4,015.66</b>
	Invoice	Date	Description	Amount
	2028188257	02/01/2025	AWS SVC-JAN 2025	\$4,015.66
<b>84540</b>	<b>02/13/2025</b>		<b>ARAMARK REFRESHMENT SERVICES</b>	<b>\$52.26</b>
	Invoice	Date	Description	Amount
	1048844557	01/21/2025	COFFEE SVC & SUPPLIES	\$52.26
<b>84541</b>	<b>02/13/2025</b>		<b>B2 PRINT, LLC</b>	<b>\$656.49</b>
	Invoice	Date	Description	Amount
	0013101	01/09/2025	RECEIPT BOOKS	\$292.51
	0013102	01/09/2025	NOTE PADS-YANET, MARTHA, & GENERAL	\$179.73
	0013114	01/09/2025	BUSINESS CARDS-M. HEAVYSIDE	\$108.55
	0013147	01/10/2025	BUSINESS CARDS-M. HUDSON	\$75.70
<b>84542</b>	<b>02/13/2025</b>		<b>BANK OF AMERICA - ACCOUNT ANAL</b>	<b>\$8,179.97</b>
	Invoice	Date	Description	Amount

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	0015264072	01/15/2025	ACCOUNT ANALYSIS	\$8,179.97
<b>84543</b>	<b>02/13/2025</b>		<b>BENE MADRE LLC</b>	<b>\$6,837.14</b>
	Invoice	Date	Description	Amount
	2/4/2025	02/04/2025	REIMBURSEMENT #13 FOR CLAIM #602727	\$6,837.14
<b>84544</b>	<b>02/13/2025</b>		<b>BLAKE AIR CONDITIONING COMPANY</b>	<b>\$2,969.90</b>
	Invoice	Date	Description	Amount
	67604	11/20/2024	REPLACE REGULATOR FOR BOILER-IBC	\$1,074.15
	67800	01/15/2025	REPLACE PARTS OF BOILER-CITY HALL	\$1,088.10
	67799	01/14/2025	HVAC REPAIR-YAL/POST OFFICE	\$601.55
	67883	01/24/2025	REPAIR BOILER-EL ENCANTO	\$206.10
<b>84545</b>	<b>02/13/2025</b>		<b>BOWSER GEOSPATIAL, LLC</b>	<b>\$800.00</b>
	Invoice	Date	Description	Amount
	1002	02/04/2025	MANAGE/MAINT OF CITY'S GIS DATABASE	\$800.00
<b>84546</b>	<b>02/13/2025</b>		<b>CALIFORNIA CONSULTING, INC.</b>	<b>\$4,750.00</b>
	Invoice	Date	Description	Amount
	7038	02/01/2025	GRANT WRITING AND MGMT SVC	\$4,750.00
<b>84547</b>	<b>02/13/2025</b>		<b>CELEBRATION HOLIDAY STUDIO</b>	<b>\$725.25</b>
	Invoice	Date	Description	Amount
	012825	01/28/2025	BANNER HARDWARE REPLACEMENT	\$725.25
<b>84548</b>	<b>02/13/2025</b>		<b>CINTAS CORPORATION LOC 693</b>	<b>\$1,029.35</b>
	Invoice	Date	Description	Amount
	4218362007	01/20/2025	DOOR MATS	\$100.60
	5250047602	01/21/2025	FIRST AID SUPPLIES	\$429.93

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	4219129558	01/27/2025	DOOR MATS	\$100.60
	9306866721	01/31/2025	LEASE FOR AED MACHINE-CITY HALL	\$118.26
	9306866739	01/31/2025	WATER COOLER-TREASURY	\$56.17
	9306929741	01/31/2025	LEASE FOR AED MACHINE-HOMESTEAD	\$123.19
	4219863129	02/03/2025	DOOR MATS	\$100.60
<b>84549</b>	<b>02/13/2025</b>		<b>CITY OF INDUSTRY-PAYROLL ACCT</b>	<b>\$400,000.00</b>
	Invoice	Date	Description	Amount
	PR P/E 1/17/25	01/30/2025	REPLENISH PAYROLL P/E 1/17/25	\$200,000.00
	PR P/E 1/31/25	02/04/2025	REPLENISH PAYROLL P/E 1/31/25	\$200,000.00
<b>84550</b>	<b>02/13/2025</b>		<b>CNC ENGINEERING</b>	<b>\$212,490.00</b>
	Invoice	Date	Description	Amount
	511750	01/23/2025	SOLAR INSTALLATION AT CITY HALL	\$2,850.00
	511751	01/23/2025	EL ENCANTO ROOF REFURB	\$1,342.50
	511752	01/23/2025	CITYWIDE ADA SELF-EVALUATION/TRANSITION PLAN	\$3,205.00
	511753	01/23/2025	KELLA AVE STORM DRAIN	\$3,987.50
	511754	01/23/2025	GALE AVE REALIGNMENT	\$4,280.00
	511755	01/23/2025	PRELIMINARY DESIGN OF EW BICYCLE PATH	\$377.50
	511756	01/23/2025	PRELIMINARY DESIGN OF EW BICYCLE PATH	\$9,661.25
	511758	01/23/2025	GENERAL ENG SVC-DEV PLANS AT IBC	\$1,532.50
	511759	01/23/2025	GENERAL ENG SVC-TRAFFIC	\$2,590.00
	511760	01/23/2025	GENERAL ENG SVC 1/6-1/19/25	\$5,880.00
	511761	01/23/2025	GENERAL ENG SVC-COUNTER SERVICE	\$3,107.50
	511762	01/23/2025	GENERAL ENG SVC-PERMITS	\$22,730.00
	511763	01/23/2025	GENERAL ENG SVC-PLAN APPROVAL	\$14,100.00
	511764	01/23/2025	GENERAL ENG SVC-STREET LIGHTS	\$2,095.00
	511765	01/23/2025	GENERAL ENG SVC 1/6-1/19/25	\$94,243.75
	511766	01/23/2025	GENERAL ENG SVC-STREET LIGHT IMPROVE AT PROJ	\$1,900.00

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
511767	01/23/2025		TONNER CYN PROPERTY	\$471.25
511768	01/23/2025		COLIMA RD WIDENING	\$1,862.50
511769	01/23/2025		CHINO RANCH #1 DAM RENOVATION	\$1,985.00
511770	01/23/2025		SALT LAKE AVE IMPROVEMENTS	\$1,610.00
511771	01/23/2025		NELSON AVE INTERSECTION	\$15,265.00
511772	01/23/2025		CIVIC CENTER PLANNING AND IMPROVEMENTS	\$2,157.50
511773	01/23/2025		CITY ADMINISTRATIVE OFFICES	\$1,086.25
511774	01/23/2025		INDUSTRY BUSINESS COUNCIL CHAMBERS	\$270.00
511775	01/23/2025		CITY COUNCIL CHAMBERS IMPROVEMENTS	\$427.50
511776	01/23/2025		HOMESTEAD MUSEUM UPGRADES	\$280.00
511777	01/23/2025		HOMESTEAD MUSEUM IRRIGATION RETROFIT TO REC	\$470.00
511778	01/23/2025		STIMSON AVE CROSSING	\$115.00
511779	01/23/2025		SIGNING & STRIPING IMPROVEMENTS	\$1,110.00
511780	01/23/2025		SHERIFF TRAILER SITE	\$700.00
511781	01/23/2025		METROLINK-MAINT OF PARKING LOT	\$1,370.00
511782	01/23/2025		FIRE DAMAGE REPAIR OF EV AND SOLAR ENERGY	\$6,232.50
511783	01/23/2025		EL ENCANTO IMPROVEMENTS AND MAINT	\$3,195.00
<b>84551</b>	<b>02/13/2025</b>		<b>CNC ENGINEERING</b>	<b>\$124,262.50</b>
Invoice	Date	Description	Amount	
511784	01/23/2025	SAN JOSE AVE RECONSTRUCTION	\$1,400.00	
511785	01/23/2025	INDUSTRY HILLS FUEL TANKS DISPENSING	\$440.00	
511786	01/23/2025	SIXTH AVENUE RECONSTRUCTION	\$605.00	
511787	01/23/2025	NELSON AVE OVER PUENTE CREEK	\$1,462.50	
511788	01/23/2025	HIGHWAY BRIDGE PROGRAM FUNDING	\$115.00	
511789	01/23/2025	205 HUDSON AVE	\$570.00	
511790	01/23/2025	FISCAL YEAR BUDGET	\$6,193.75	
511791	01/23/2025	BIXBY DR PCC PAVEMENT	\$11,030.00	
511792	01/23/2025	FOLLOW'S CAMP PROJECT	\$570.00	

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date	Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>			
511793	01/23/2025	CROSSROADS PKY NORTH & SOUTH IMPROVEMENTS	\$1,110.00
511794	01/23/2025	VARIOUS ASSIGNMENTS RELATED TO SA	\$662.50
511795	01/23/2025	NELSON AVE INTERSECTION	\$36,686.25
511796	01/23/2025	MAINT OF 1123 HATCHER AVE	\$1,412.50
511797	01/23/2025	15559-15650 RAUSCH RD (POST OFFICE)	\$387.50
511798	01/23/2025	CARTEGRAPH MGMT	\$11,840.00
511799	01/23/2025	GRAND AVE SLOPE RECONSTRUCTION-FERRERO TO	\$1,535.00
511800	01/23/2025	ADD SIDEWALK ON SOUTH SIDE OF TEMPLE AVE	\$2,670.00
511801	01/23/2025	ADA COMPLIANCE ON PUBLIC RIGHT OF WAY	\$2,530.00
511802	01/23/2025	TURNBULL CYN PROPERTIES	\$570.00
511803	01/23/2025	2022-2023 ANNUAL PAVEMENT REHABILITATION	\$1,580.00
511804	01/23/2025	2022-2023 ANNUAL SLURRY SEAL	\$1,150.00
511805	01/23/2025	DON JULIAN RD IMPROVEMENTS	\$5,275.00
511806	01/23/2025	RAILROAD STREET REHABILITATION	\$3,765.00
511807	01/23/2025	9TH AVE PAVEMENT REHABILITATION	\$2,707.50
511808	01/23/2025	CITYWIDE SIGNAGE UPDATE	\$142.50
511809	01/23/2025	2024-2025 STREETLIGHT BANNER INSTALLATION	\$2,902.50
511810	01/23/2025	2024-2025 ANNUAL PAVEMENT REHABILITATION	\$5,645.00
511811	01/23/2025	2024-2025 ANNUAL SLURRY SEAL	\$11,815.00
511812	01/23/2025	CALIFORNIA AVE WIDENING	\$2,440.00
511813	01/23/2025	PAVEMENT MANAGEMENT PLAN 2022	\$1,150.00
511814	01/23/2025	SR57/60 CONFLUENCE IMPROVEMENT	\$920.00
511815	01/23/2025	ALAMEDA CORRIDOR PROJECT-PUENTE AVE GRADE	\$2,980.00
84552	02/13/2025	COUNTY OF LA - DEPT OF AGRICULTU	\$18,073.04
Invoice	Date	Description	Amount
250709	12/31/2024	PEST CONTROL-TONNER CYN (FIRESTONE CAMP)	\$2,809.42
250708	12/31/2024	PEST CONTROL-TONNER CYN (FIRESTONE CAMP)	\$8,423.46
250579	12/09/2024	WEED ABATEMENT-TONNER CYN (FIRESTONE CAMP)	\$6,840.16

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
84553	02/13/2025		CRIA-EQUESTRIAN CENTER	\$56,372.28
	Invoice	Date	Description	Amount
	10/31/24A	10/31/2024	PRO RODEO EVENT RENTAL	\$15,048.00
	10/31/24B	10/31/2024	WORKMAN HIGH SCHOOL EVENT RENTAL	\$3,300.00
	10/30/24	10/30/2024	USA BMX EVENT RENTAL	\$28,374.28
	12/31/24	12/31/2024	VARIOUS EVENT RENTALS	\$9,650.00
84554	02/13/2025		DAPEER, ROSENBLIT, AND LITVAK, LL	\$826.50
	Invoice	Date	Description	Amount
	23962	12/31/2024	SPECIALIZED LEGAL SVC-DEC 2024	\$202.50
	23961	12/31/2024	GENERAL CODE ENFORCEMENT-DEC 2024	\$624.00
84555	02/13/2025		DEPT OF ANIMAL CARE & CONTROL	\$6,623.25
	Invoice	Date	Description	Amount
	1/25/2025	01/25/2025	SHELTER COST-DEC 2024	\$6,623.25
84556	02/13/2025		DM CONTRACTING INC	\$115,147.83
	Invoice	Date	Description	Amount
	#2CITY-1521	02/01/2025	9TH AVE PAVEMENT REHABILITATION (NORTH OF CL/	\$121,208.25
84557	02/13/2025		ENTERPRISE MAPS LLC	\$9,531.60
	Invoice	Date	Description	Amount
	251	01/13/2025	AMAZON WEB SERVICES	\$2,850.00
	253	01/19/2025	AMAZON WEB SERVICES	\$2,691.60
	260	02/01/2025	AMAZON WEB SERVICES	\$3,150.00
	258	01/26/2025	AMAZON WEB SERVICES	\$840.00
84558	02/13/2025		ENVIRONS, INC.	\$5,625.00

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	Invoice	Date	Description	Amount
	3808	01/28/2025	LANDSCAPE DESIGN SVC-HOMESTEAD	\$5,625.00
<b>84559</b>	02/13/2025		<b>ESPY'S ELECTRICAL SERVICES INC.</b>	<b>\$1,500.00</b>
	Invoice	Date	Description	Amount
	1557	01/09/2025	VARIOUS LIGHTING REPAIRS-EL ENCANTO	\$1,500.00
<b>84560</b>	02/13/2025		<b>FEDERAL EXPRESS CORP.</b>	<b>\$109.99</b>
	Invoice	Date	Description	Amount
	8-743-12753	01/17/2025	MESSSENGER SVC	\$66.77
	8-756-60074	01/31/2025	MESSSENGER SVC	\$43.22
<b>84561</b>	02/13/2025		<b>FIRST AMERICAN DATA TREE, LLC</b>	<b>\$200.00</b>
	Invoice	Date	Description	Amount
	20088320125	01/31/2025	PROPERTY DATA INFORMATION	\$200.00
<b>84562</b>	02/13/2025		<b>FOLEY &amp; LARDNER LLP</b>	<b>\$20,009.99</b>
	Invoice	Date	Description	Amount
	51001474	01/28/2025	LEGAL SVC-JAN 2025	\$20,009.99
<b>84563</b>	02/13/2025		<b>FUEL PROS, INC.</b>	<b>\$3,064.86</b>
	Invoice	Date	Description	Amount
	77108	01/13/2025	INDUSTRY HILLS FUEL STN MAINT	\$250.00
	77223	01/23/2025	INDUSTRY HILLS FUEL STN MAINT	\$2,814.86
<b>84564</b>	02/13/2025		<b>GCI CONSTRUCTION, INC.</b>	<b>\$36,863.15</b>
	Invoice	Date	Description	Amount
	#3CITY-1515	02/01/2025	CHINO RANCH DAM #1 RIPRAP PROJ AT ARNOLD RES	\$38,803.32

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
84565	02/13/2025		GRAND CENTRAL RECYCLING & TRAI	\$682.00
	Invoice	Date	Description	Amount
	1841756	12/03/2024	SOLID WASTE-CITY HALL	\$682.00
84566	02/13/2025		HDL COREN & CONE	\$3,025.46
	Invoice	Date	Description	Amount
	SIN046915	01/28/2025	CONTRACT SVC PROP TAX (JAN-MAR 2025)	\$3,025.46
84567	02/13/2025		INDUSTRY BUSINESS COUNCIL	\$124,034.50
	Invoice	Date	Description	Amount
	SEPTEMBER 2024	01/27/2025	EXPENSE REIMBURSEMENT-SEP 2024	\$124,034.50
84568	02/13/2025		INDUSTRY SECURITY SERVICES	\$103,802.75
	Invoice	Date	Description	Amount
	SG-COI#2-2021	01/17/2025	SECURITY SVC-VARIOUS CITY SITES	\$23,024.36
	SG-COI#1-2021	01/17/2025	SECURITY SVC 1/10-1/16/25	\$10,839.60
	SG-COI#1-2022	01/24/2025	SECURITY SVC 1/17-1/23/25	\$11,433.20
	SG-COI#2-2022	01/24/2025	SECURITY SVC-VARIOUS CITY SITES	\$24,624.24
	SG-COI#1-2023	01/31/2025	SECURITY SVC 1/24-1/30/25	\$10,839.60
	SG-COI#2-2023	01/31/2025	SECURITY SVC-VARIOUS CITY SITES	\$23,041.75
84569	02/13/2025		INTERIOR IMAGES, INC.	\$32,387.04
	Invoice	Date	Description	Amount
	1695-3	01/31/2025	FINAL PAYMENT-LOBBY FURNITURE-EL ENCANTO	\$14,863.64
	4003	12/19/2024	INTERIOR DESIGN-IBC	\$323.75
	3399	12/19/2024	INTERIOR DESIGN-EL ENCANTO FACILITY	\$7,521.55
	4001	12/19/2024	INTERIOR DESIGN-CITY HALL GYM RESTROOM	\$9,245.20
	4000	12/19/2024	INTERIOR DESIGN-IBC CHAMBERS	\$432.90

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
84570	02/13/2025		JANUS PEST MANAGEMENT	\$8,006.00
	Invoice	Date	Description	Amount
	279521	01/13/2025	RODENT SVC-HELIPAD	\$300.00
	279470	01/13/2025	PEST SVC-IBC	\$155.00
	279462	01/13/2025	PEST SVC-TONNER CYN	\$485.00
	279471	01/13/2025	PEST SVC-YAL/POST OFFICE	\$95.00
	279519	01/13/2025	RODENT SVC-HELIPAD PARKING LOT	\$486.00
	279704	01/13/2025	PEST SVC-205 N HUDSON	\$85.00
	279707	01/13/2025	MOSQUITO TRAPS & ABATEMENT-EL ENCANTO	\$5,215.00
	280004	01/13/2025	PEST SVC-HOMESTEAD	\$1,030.00
	279469	01/13/2025	PEST SVC-CITY HALL	\$155.00
84571	02/13/2025		JEFF PARRIOTT PHOTOGRAPHIC SER	\$2,763.75
	Invoice	Date	Description	Amount
	COI0125	01/31/2025	PROF SVC-HOMESTEAD	\$2,763.75
84572	02/13/2025		JOE A. GONSALVES & SON	\$11,000.00
	Invoice	Date	Description	Amount
	162219	01/23/2025	LEGISLATIVE SVC-JAN 2025	\$11,000.00
84573	02/13/2025		JONES MAYER	\$387.06
	Invoice	Date	Description	Amount
	127146	02/03/2025	LEGAL SVC-LA COUNTY ZERO BAIL PROGRAM	\$387.06
84574	02/13/2025		KATHY TAI	\$210.71
	Invoice	Date	Description	Amount
	1/23/2025	01/23/2025	REIMBURSEMENT FOR CLE CONFERENCE	\$210.71
84575	02/13/2025		KEENAN AND ASSOCIATES	\$7,544.00

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	Invoice	Date	Description	Amount
	316507	01/24/2025	P&L CLAIMS ADMIN FEE (OCT-DEC 2024)	\$7,544.00
84576	02/13/2025		KLEINFELDER, INC.	\$12,853.50
	Invoice	Date	Description	Amount
	001518334	01/29/2025	NELSON AVE INTERSECTION IMPROVEMENTS-PUENT	\$12,853.50
84577	02/13/2025		KLINE'S PLUMBING, INC.	\$2,240.00
	Invoice	Date	Description	Amount
	13952	01/21/2025	REPAIR WATER HEATER-HOMESTEAD	\$2,240.00
84578	02/13/2025		L A COUNTY DEPT OF PUBLIC WORKS	\$72,195.76
	Invoice	Date	Description	Amount
	IN250000470	01/27/2025	BLDG & SAFETY-ONE STOP SHOP FOR NOV 2024	\$72,195.76
84579	02/13/2025		LA PUENTE VALLEY COUNTY WATER	\$290.23
	Invoice	Date	Description	Amount
	BS;01/25	01/21/2025	WATER MONITORING-BOY SCOUTS RESERVE	\$290.23
84580	02/13/2025		LEIGHTON CONSULTING INC	\$5,681.25
	Invoice	Date	Description	Amount
	65696	01/26/2025	GEO SVC-9TH AVE PAVEMENT REHAB	\$5,681.25
84581	02/13/2025		LOCKS PLUS, INC.	\$1,808.20
	Invoice	Date	Description	Amount
	36096	01/10/2025	PADLOCK REPAIRS-HOMESTEAD	\$100.00
	36095	01/13/2025	24 PADLOCKS-VARIOUS CITY SITES	\$1,708.20
84582	02/13/2025		LOS ANGELES COUNTY PUBLIC WOR	\$114,864.14

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date	Payee Name	Check Amount	
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	Invoice	Date	Description	Amount
	PW-25011303612	01/13/2025	TRAFFIC SIGNAL MAINT	\$20,449.76
	PW-25011303611	01/13/2025	TRAFFIC SIGNAL MAINT	\$44,123.33
	PW-25011303613	01/13/2025	TRAFFIC SIGNAL MAINT	\$3,215.24
	PW-25011303337	01/13/2025	TRAFFIC SIGNAL INSPECT/TIMING SHEETS	\$392.61
	PW-25011303260	01/13/2025	EMERGENCY ROAD CLOSURE	\$2,155.26
	PW-25011303311	01/13/2025	INSTALL SIGNING & STRIPING @ BAKER PKWY	\$1,079.57
	PW-25011303256	01/13/2025	CONCRETE REPAIRS	\$648.59
	PW-25011303259	01/13/2025	STREET MAINT/INSPECTION	\$27,433.13
	PW-25011303210	01/13/2025	FLOOD CONTROL PLAN REVIEW-NELSON/SUNSET	\$2,124.08
	PW-25011303288	01/13/2025	WALL PACK LIGHTS REPAIR	\$7,754.83
	PW-25011303275	01/13/2025	KITS MONITORING OF TRAFFIC SIGNALS	\$592.80
	PW-25011303211	01/13/2025	REVIEW DESIGN PLANS-GRADE SEPARATION	\$4,466.54
	PW-25011303239	01/13/2025	TRAFFIC SIGNING REPAIRS	\$332.45
	PW-25011303215	01/13/2025	PLAN CHECK FEE-NELSON & PUENTE INTERSECTION	\$95.95
<b>84583</b>	02/13/2025	<b>LOS ANGELES LEATHERCRAFT</b>		<b>\$595.50</b>
	Invoice	Date	Description	Amount
	I-012425-H	02/04/2025	HOMESTEAD MUSEUM STORE MERCHANDISE	\$595.50
<b>84584</b>	02/13/2025	<b>MORTISE &amp; TENON BUILDING CORP</b>		<b>\$2,785.52</b>
	Invoice	Date	Description	Amount
	137.2	01/20/2025	BALANCE-MISC REPAIRS @ EL ENCANTO	\$2,785.52
<b>84585</b>	02/13/2025	<b>MR PLANT &amp; INTERIOR BOTANICAL DI</b>		<b>\$875.00</b>
	Invoice	Date	Description	Amount
	FEB 23153	02/01/2025	PLANT MAINT-FEB 2025	\$875.00
<b>84586</b>	02/13/2025	<b>MX GRAPHICS, INC.</b>		<b>\$2,119.99</b>

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	Invoice	Date	Description	Amount
	33192	01/17/2025	ADA BINDERS	\$1,087.34
	33008	12/16/2024	COLOR SCANS-JN 6201	\$1,032.65
<b>84587</b>	<b>02/13/2025</b>		<b>NEXTIVA, INC.</b>	<b>\$2,149.09</b>
	Invoice	Date	Description	Amount
	40004207588	01/24/2025	CITY HALL PHONE SVC	\$306.05
	40004217713	01/27/2025	PHONE SVC FOR YAL	\$1,843.04
<b>84588</b>	<b>02/13/2025</b>		<b>ODP BUSINESS SOLUTIONS, LLC</b>	<b>\$240.22</b>
	Invoice	Date	Description	Amount
	404685205001	01/10/2025	OFFICE SUPPLIES	\$131.50
	404687700001	01/10/2025	OFFICE SUPPLIES	\$98.54
	404687702001	01/13/2025	OFFICE SUPPLIES	\$10.18
<b>84589</b>	<b>02/13/2025</b>		<b>OLMOS PROFESSIONAL SERVICES</b>	<b>\$8,782.00</b>
	Invoice	Date	Description	Amount
	522	01/30/2025	JANITORIAL SVC-CITY HALL	\$5,500.00
	523	01/30/2025	JANITORIAL SVC-IBC	\$1,467.00
	524	01/30/2025	JANITORIAL SVC-YAL	\$1,815.00
<b>84590</b>	<b>02/13/2025</b>		<b>PLACEWORKS</b>	<b>\$15,116.30</b>
	Invoice	Date	Description	Amount
	IND-22.14-3	12/31/2024	PROPOSED BATTERY STORAGE FACILITY	\$15,116.30
<b>84591</b>	<b>02/13/2025</b>		<b>RICOH USA, INC.</b>	<b>\$4,192.24</b>
	Invoice	Date	Description	Amount
	589278198	01/29/2025	COPIER LEASE 2/15-3/14/25	\$3,872.29
	589340658	02/05/2025	COPIER LEASE-HOMESTEAD	\$319.95

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date	Payee Name		Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
84592	02/13/2025	RICOH USA, INC.		\$101.39
	Invoice	Date	Description	Amount
	5070836822	01/24/2025	METER READING 10/24/24-1/23/25-HOMESTEAD	\$101.39
84593	02/13/2025	ROWLAND WATER DISTRICT		\$37,519.43
	Invoice	Date	Description	Amount
	I-12312024-C	12/31/2024	NOGALES DEWATERING BOOSTER STN	\$37,519.43
84594	02/13/2025	SAGE ENVIRONMENTAL GROUP		\$19,500.00
	Invoice	Date	Description	Amount
	2425	01/15/2025	GRAZING SVC-TONNER CYN	\$19,500.00
84595	02/13/2025	SAN GABRIEL VALLEY EAC		\$95.00
	Invoice	Date	Description	Amount
	1/27/2025	01/27/2025	MEMBERSHIP FOR 2025-JULIE HARDT	\$95.00
84596	02/13/2025	SATSUMA LANDSCAPE & MAINT.		\$173,860.17
	Invoice	Date	Description	Amount
	0125XROADS	01/17/2025	LANDSCAPE SVC-CROSSROADS PKY NORTH & SOUTH	\$44,578.98
	0125EC	01/17/2025	LANDSCAPE SVC-EXPO CENTER	\$38,628.21
	0125CH	01/17/2025	LANDSCAPE SVC-CIVIC FINANCIAL CENTER	\$56,954.83
	0125TA	01/17/2025	LANDSCAPE SVC-TEMPLE & AZUSA	\$33,698.15
84597	02/13/2025	SCS FIELD SERVICES		\$20,121.80
	Invoice	Date	Description	Amount
	0525124	12/31/2024	INDUSTRY HILLS-LANDFILL GAS SYSTEM	\$20,121.80
84598	02/13/2025	SO CAL INDUSTRIES		\$286.23

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
	Invoice	Date	Description	Amount
	729757	01/29/2025	WC ACCESS RENTAL-TONNER CYN/57 FWY	\$195.89
	728147	01/17/2025	FENCE RENTAL-IND HILLS	\$90.34
<b>84599</b>	<b>02/13/2025</b>		<b>SOUTH COAST A.Q.M.D.</b>	<b>\$2,330.12</b>
	Invoice	Date	Description	Amount
	4473208	01/02/2025	FLAT FEE EMISSION FY 24/25-IND HILLS	\$165.96
	4470317	01/02/2025	ICE EM FLOOD CTL-INDUSTRY HILLS	\$2,164.16
<b>84600</b>	<b>02/13/2025</b>		<b>SOUTHERN TIRE MART LLC - DEPT 14</b>	<b>\$1,267.01</b>
	Invoice	Date	Description	Amount
	7070028844	01/27/2025	REPLACE TIRE TO 430E BACKHOE-TONNER CYN	\$1,267.01
<b>84601</b>	<b>02/13/2025</b>		<b>SPECIAL T WATER SYSTEMS, INC.</b>	<b>\$958.31</b>
	Invoice	Date	Description	Amount
	241683	01/13/2025	SALT DELIVERY-EL ENCANTO	\$958.31
<b>84602</b>	<b>02/13/2025</b>		<b>SQUARE ROOT GOLF &amp; LANDSCAPE, I</b>	<b>\$220,372.86</b>
	Invoice	Date	Description	Amount
	1779H-1	01/16/2025	GRAFFITI REMOVAL	\$2,934.40
	1779H-2	01/16/2025	SIGN REPAIR & INSTALLATION	\$2,635.98
	1779H	01/16/2025	LANDSCAPE SVC-VARIOUS CITY SITES	\$173,653.90
	1776ELHM	01/16/2025	LANDSCAPE SVC-VARIOUS CITY SITES	\$7,058.48
	1778ELHM	01/16/2025	LANDSCAPE SVC-HOMESTEAD	\$26,237.49
	1777ELHM	01/16/2025	LANDSCAPE SVC-EL ENCANTO	\$7,852.61
<b>84603</b>	<b>02/13/2025</b>		<b>STAPLES BUSINESS ADVANTAGE</b>	<b>\$949.17</b>
	Invoice	Date	Description	Amount
	7003666818	01/11/2025	OFFICE SUPPLIES	\$949.17

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date		Payee Name	Check Amount
<b>CITY.WF.CHK - City General Wells Fargo</b>				
84604	02/13/2025		STILLWATER SCIENCES	\$8,503.50
	Invoice	Date	Description	Amount
	9180031	01/20/2025	FOLLOW'S CAMP PROJECT	\$8,503.50
84605	02/13/2025		TBS CLEANING SERVICES	\$595.00
	Invoice	Date	Description	Amount
	15610	02/01/2025	JANITORIAL SVC-HOMESTEAD	\$595.00
84606	02/13/2025		TELECOM LAW FIRM, P.C.	\$3,674.22
	Invoice	Date	Description	Amount
	18961	01/31/2025	LEGAL SVC-WIRELESS COMMUNICATION	\$916.50
	18960	01/31/2025	LEGAL SVC-WIRELESS COMMUNICATION	\$913.92
	18962	01/31/2025	LEGAL SVC-WIRELESS COMMUNICATION	\$916.50
	18958	01/31/2025	LEGAL SVC-WIRELESS COMMUNICATION	\$927.30
84607	02/13/2025		THE PIN CENTER	\$215.50
	Invoice	Date	Description	Amount
	0125085	01/24/2025	YEARS OF SERVICE PINS FOR STAFF	\$215.50
84608	02/13/2025		THE TECHNOLOGY DEPOT	\$790.00
	Invoice	Date	Description	Amount
	27925	02/01/2025	CLOUD CONNECT UNAAS-MAR 2025	\$790.00
84609	02/13/2025		UNIFLI AEROSOLUTIONS LLC	\$1,800.00
	Invoice	Date	Description	Amount
	1.20.2025	01/20/2025	AERIAL DRONE MAPPING-GALE AVE	\$1,800.00
84610	02/13/2025		WEST COAST ARBORISTS, INC.	\$27,745.30

**CITY OF INDUSTRY  
WELLS FARGO BANK  
February 13, 2025**

Check	Date	Payee Name	Check Amount
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**CITY.WF.CHK - City General Wells Fargo**

Invoice	Date	Description	Amount
223855	12/31/2024	TREE MAINT FY 24/25	\$27,745.30
<hr/>			
<b>84611</b>	<b>02/13/2025</b>	<b>WILLDAN ENGINEERING</b>	<b>\$296.00</b>
Invoice	Date	Description	Amount
00629421	01/22/2025	ENG SVC-NELSON AVE/PUENTE AVE	\$296.00
<hr/>			
<b>84612</b>	<b>02/13/2025</b>	<b>WKE, INC</b>	<b>\$1,227.90</b>
Invoice	Date	Description	Amount
1200657864	10/03/2024	GRAND AVE NB WIDENING OVER SAN JOSE CREEK	\$1,227.90

Checks	Status	Count	Transaction Amount
			<hr/>
Total		106	\$2,248,039.06

*CITY COUNCIL*

ITEM NO. 6.2



# CITY OF INDUSTRY

## MEMORANDUM

**TO:** Honorable Mayor Moss and Members of the City Council

**FROM:** Joshua Nelson, City Manager

**STAFF:** Sam Pedroza, Assistant City Manager

**DATE:** February 13, 2025

**SUBJECT:** Consideration of Resolution No. CC 2025-07 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, RATIFYING DONATIONS TOTALING FORTY-SIX THOUSAND SEVEN HUNDRED TWENTY-TWO DOLLARS AND TWENTY-EIGHT CENTS (\$46,722.28) TO WORKMAN HIGH SCHOOL, USA BMX, AND THE GABRIEL FOUNDATION FOR THE COST OF HOSTING EVENTS AT THE EXPO CENTER

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### **Background:**

The Expo Center serves as a venue for numerous celebrations and fundraisers throughout the year, many of which are organized by non-profit or community focused organizations dedicated to serving the San Gabriel Valley region. Recognizing the importance of fostering strong community relationships, the City has supported organizations throughout the years by granting donation requests.

### **Discussion:**

In October 2024, three organizations hosted events at the Expo Center. Workman High School held its homecoming dance in the Pavilion banquet room at a cost of \$3,300.00 for the facility rental. The Gabriel Foundation, a non-profit organization, hosted its annual charity rodeo at the Grand Arena for \$15,048.00, for the arena and banquet hall rental and labor. Lastly, USA BMX held a community event at the Grand Arena, incurring a total cost of \$28,374.28 for arena rental, cleaning, lighting, and security.

The City wished to support these organizations and further solidify Expo Center as a community resource. Since the events have passed, Staff's recommendation today is for City Council to ratify the various donations totaling \$48,722.28 to the Expo Center in support of Workman High School, the Gabriel Foundation, and USA BMX to cover facility rental and event-related costs at the Expo Center. Future donations for Expo Center rental assistance will follow the existing donation process: organizations submit requests, and Staff presents the requests to Council for consideration.

**Fiscal Impact:**

In the Fiscal Year 2024/2025 budget, \$371,000.00 was approved for Donations. No appropriations are required at this time (Account No. 100-621-5602).

**Recommendation:**

Staff recommends that the City Council adopt Resolution No. CC 2025-07.

**Exhibit:**

A. Resolution No. CC 2025-07

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JN/SP:yp

**RESOLUTION NO. CC 2025-07**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, RATIFYING DONATIONS IN THE AMOUNT OF FORTY-SIX THOUSAND SEVEN HUNDRED TWENTY-TWO DOLLARS AND TWENTY-EIGHT CENTS (\$46,722.28) TO WORKMAN HIGH SCHOOL, USA BMX, AND THE GABRIEL FOUNDATION FOR THE COST OF HOSTING EVENTS AT THE EXPO CENTER**

**RECITALS**

**WHEREAS**, the Expo Center serves as a venue for numerous celebrations and fundraisers throughout the year, many of which are organized by non-profit or community focused organizations dedicated to serving the San Gabriel Valley region; and

**WHEREAS**, in October 2024, three organizations hosted events at the Expo Center. Workman High School held its homecoming dance in the Pavilion banquet room at a cost of \$3,300.00 for the facility rental. The Gabriel Foundation, a non-profit organization, hosted its annual charity rodeo at the Grand Arena for \$15,048.00, for the arena and banquet hall rental and labor. Lastly, USA BMX held a community event at the Grand Arena, incurring a total cost of \$28,374.28 for arena rental, cleaning, lighting, and security; and

**WHEREAS**, the City wished to support these organizations and further solidify Expo Center as a community resource; and

**WHEREAS**, the City's donation serves a public purpose in that these organizations are dedicated to serving the San Gabriel Valley region; 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 Workman High School, The Gabriel Foundation and USA BMX serve the community throughout the year. The City's donation allowed them to host events for the community they serve.

**SECTION 3:** The City Council approves the various donations totaling \$46,722.38 (\$46,722.28) for the cost of hosting events at the Expo Center.

**SECTION 4:** The City Manager 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.

**PASSED, APPROVED AND ADOPTED** by the City Council of the City of Industry at a regular meeting held on February 13, 2025, by the following vote:

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

\_\_\_\_\_  
Cory C. Moss, Mayor

**ATTEST:**

\_\_\_\_\_  
Julie Gutierrez-Robles, City Clerk

*CITY COUNCIL*

ITEM NO. 6.3



# CITY OF INDUSTRY

## MEMORANDUM

**TO:** Honorable Mayor Moss and Members of the City Council

**FROM:** Joshua Nelson, City Manager

**STAFF:** Mathew Hudson, Director of Public Works  
Arlene Lopez, Senior Project Manager, CNC Engineering  
Sierra Roberts, GIS Analyst, CNC Engineering

**DATE:** February 13, 2025

**SUBJECT:** Consideration of a Professional Services Agreement with Roadway Asset Services, LLC, to provide field data collection services for the City's Pavement Management Plan update, in an amount not-to-exceed \$60,843.00, through February 13, 2027 (MP 97-35 #1)

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### **Background:**

To comply with Los Angeles Metropolitan Transportation Authority's ("Metro") Proposition C funding certification, the City is required to update our Pavement Management Plan ("PMP") every three years. The PMP identifies and outlines preventative maintenance strategies for City streets. The previous street data that was collected was prior to 2022, and Staff solicited proposals from Roadway Asset Services, LLC ("RAS") and Cyvl, Inc. to provide field data collection and analysis services for the 2025 PMP. After Staff's review, RAS is preferred because they provide assistance with the set-up and overall functionality of the City's existing software program, Cartegraph Operations Management System (Cartegraph "OMS"), while Cyvl, Inc. does not provide this additional assistance.

RAS has significant experience in collecting pavement performance data using laser based automated technologies. RAS has completed similar work for local jurisdictions including Rancho Palos Verdes, Oceanside, Pasadena, and Long Beach. RAS has worked extensively using Cartegraph OMS which Staff uses to manage pavement data, to manage pavement distress data.

### **Discussion:**

RAS's scope of services includes conducting an objective pavement condition survey along approximately 127 centerline miles of all City streets. The assessment will be done according to ASTM (American Society for Testing and Materials) D6433 standards and Cartegraph OMS protocols to ensure that the data is compatible with previous pavement assessments. Staff recommends approving the Professional Services Agreement with

RAS for this work in an amount not to exceed \$60,843.00, through February 13, 2027, to complete this work.

**Fiscal Impact:**

The fiscal impact is \$60,843.00. In the adopted FY 2024-2025 Capital Improvement Project budget, \$150,000.00 is approved for this work (Account No. 120-702-5130) and no appropriation is required (MP 97-35 #1).

**Recommendation:**

Approve the Professional Services Agreement with RAS.

**Exhibit:**

A. Professional Services Agreement with Roadway Asset Services, LLC dated February 13, 2025

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JN/MH:jf

**EXHIBIT A**

Professional Services Agreement with Roadway Asset Services, LLC dated February  
13, 2025

[Attached]

## CITY OF INDUSTRY

### PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT (“Agreement”), is made and effective as of February 13, 2025 (“Effective Date”), between the City of Industry, a municipal corporation (“City”) and Roadway Asset Services, LLC, a Texas limited liability company (“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 February 13, 2027, 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 pavement management and inspection 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 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 Sixty Thousand Eight Hundred Forty Three Dollars (\$60,843.00) 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 other than for 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.

(c) 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 contributions to any retirement and/or pension plan, 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 subconsultants of Consultant, service as an independent contractor. The indemnity provisions set forth in this Section 9 (c) shall survive the termination of this Agreement, and are in addition to any other rights or remedies the City may have under the law.

## **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 Mayor Dave Way  
City of Industry, CA 91744  
Attention: City Manager

With a Copy To: Casso & Sparks, LLP  
13300 Crossroads Parkway North, Suite 410  
City of Industry, CA 91746  
Attention: James M. Casso, City Attorney

To Consultant: Roadway Asset Services, LLC  
6001 W. Parmer Lane #370-1102  
Austin, TX 78727  
Attention: Bart Williamson, CEO

**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 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.

**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

**“CONSULTANT”**  
Roadway Asset Services, LLC

By: \_\_\_\_\_  
Joshua Nelson, City Manager

By: \_\_\_\_\_  
Bart Williamson, CEO

**Attest:**

By: \_\_\_\_\_  
Julie Gutierrez-Robles, 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 the following pavement management and inspection services:

1. Objective Pavement Condition Surveys
  - a. 100 percent linear assessment of the City's 127 pavement miles with the Consultant's Roadway Asset Collection ("RAC") vehicles.
2. Data Processing and Pavement Condition Index ("PCI") Development
  - a. Upload data collected in field using Consultant's artificial intelligence ("AI") pavement rating tool Road Technical Rating Intelligence Program ("TRIP").
  - b. Generation of right-of-way, pavement image streams, calculation of profile, roughness, rutting, detection of cracks, lane-markings, man-made objects, and other distresses.
  - c. Overlay detected cracks on pavement images, define distress cracks by road zone, accumulate according to units defined by the City of Industry.
  - d. Identify severity levels based on the ASTM D6433 and verify resolution through visual quality control checks of image files.
  - e. Calculate density metrics using the length and the width of the pavement segment.
3. Data Quality Assurance ("QA") - Verification of Pilot Data
  - a. Consultant will review 10 miles of surface distress data, roughness data, and digital images with City Staff via a virtual meeting.
  - b. Consultant will use a PowerBI Portal that contains the segment PCI scores along with deduct points assigned to each distress to communicate the PCI impacts of present distresses.
  - c. Consultant will take corrective action on the initial field pilot data if issues are confirmed in the field and will review with the City prior to commencing the full network data processing activities.
  - d. Consultant will accommodate local roadway design, soil conditions, and modify the distress processing software as necessary before proceeding with the network-level data processing.
4. Cartegraph Operations Management System ("OMS") Configuration Workflow (all sub-sections).

- a. Consultant will review the City's existing GIS and Cartegraph OMS setup and recommend changes to the segmentation and budgetary model configuration.
- b. Consultant will discuss the City's current Maintenance and Rehabilitation setup within Cartegraph OMS and work with the City to review existing pavement rehabilitation model parameters within Cartegraph OMS "Scenario Builder," including: Min/Max OCI, Breakpoint OCI, decision trees for treatments, costs, and reset OCI values.
- c. Consultant will discuss other pavement treatments with the City, resulting in scenarios that include the investment benefit information indicating the cost per square foot of benefit for each maintenance strategy based on maintenance rehabilitation costs.
- d. Consultant will work with the City to review and revise existing pavement deterioration curves for each pavement material type and each roadway classification in Cartegraph OMS Asset Condition Manager to reflect realistic degradation rates in the City using historical and collected data. Consultant will lead the update with the team prior to the production data load into Cartegraph.
- e. Consultant will develop a Supersegment layer consisting of multiple pavement segments stitched together to form a logical project or management section to be used to create budgetary scenarios at the project level in Cartegraph.

## 5. Deliverables

- a. Consultant will deliver surface distress data, roughness data, and all digital imagery collected to the City in a format that includes unique identification numbers that connect data to pavement segments.
- b. Consultant will deliver pavement assessment data in comma separated file (CSV) format so that the City can load data into Cartegraph. The Consultant will deliver the following CSV files:
  - i. A CSV file of all samples collected, which includes the corresponding pavement segment Cartegraph identification, sample identification, and sample from and to amount.
  - ii. A CSV file of the collected Ride Indices, including the corresponding pavement segment Cartegraph identification.
  - iii. A CSV file of all the distresses collected per pavement segment sample, including the distress type, severity, and extent, along with its corresponding sample identification.
- c. Consultant will deliver the pilot surface distress, ride condition data, and digital images in Excel Spreadsheets, File Geodatabase, and Google Earth KMZ as a part of the Data QA and Verification of Pilot Data.

- d. Consultant will deliver a Microsoft Access database of the final configuration, setup, and model of the developed pavement Supersegments.

EXHIBIT B  
RATE SCHEDULE

Task	Description	Units	Unit Cost	Fee
	Required Services			
1	Project Initiation & Centerline Identification <sup>1</sup>	1	\$1,950	\$1,950
2	Field Set-Up, Mobilization, & GPS Network Creation	1	\$8,500	\$8,500
3	Collect Street Network (test miles) <sup>2</sup>	177	\$125	\$22,125
4	OCI Rating: ASTM D6433 Data Processing (test miles)	177	\$60	\$10,620
5	Pavement Width Measurements (lane miles) <sup>3</sup>	254	\$12	\$3,048
6	Scenario Builder Configuration & SuperSegment Development (lane miles)	254	\$40	\$10,160
7	Contingency: Consulting Hours	24	\$185	\$4,440
<b>Project Total:</b>				<b>\$60,843.00</b>

1 - Consultant will utilize the City's existing GIS data.

2 - Primary/minor roads are 2-pass collection and secondary/other roads are 1-pass collection. Based on 127 centerline miles.

3 - Consultant will review imagery to verify data on each side of the roadway centerline; resulting in 254 lane miles.

This project is funded in the approved FY 24-25 CIP budget under Account No. 120-120-5130. (MP 97-35 #1)

## 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 City.

**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 City, 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 City 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. 6.4



# CITY OF INDUSTRY

## MEMORANDUM

**TO:** Honorable Mayor Moss and Members of the City Council

**FROM:** Joshua Nelson, City Manager

**STAFF:** Sam Pedroza, Assistant City Manager

**DATE:** February 13, 2025

**SUBJECT:** Consideration of Amendment No. 5 to the Professional Services Agreement with Granicus, LLC, for website maintenance and hosting, extending the term through August 15, 2025, increasing compensation by \$7,414.73, and updating the rate schedule

---

### **Background:**

The City has utilized Granicus, LLC ("Granicus") for its website maintenance and hosting services since 2017. Granicus provides services for both the City and Industry Sheriff's Youth Activities League's ("YAL") websites. In its efforts to redesign and develop a new website, the City has contracted with CivicPlus. However, the project is underway and the City will need to continue its services with Granicus for an additional 6 months.

### **Discussion:**

Amendment No. 5 extends the term through August 15, 2025, and compensation for web hosting services will be increased by \$7,414.73. Staff recommends the Council approve Amendment No. 5 with Granicus.

### **Fiscal Impact:**

In the Fiscal Year 2024/2025 budget, \$425,000.00 was approved for General Fund – Administrative Services – Information Technology. No appropriations are required at this time (Account No. 100-525-5120-01).

### **Recommendation:**

Staff recommends that the City Council approve Amendment No. 5 to the Agreement.

**Exhibit:**

A. Amendment No. 5 to the Professional Services Agreement with Granicus, LLC, dated February 15, 2025

---

JN/SP:yp

**AMENDMENT NO. 5  
TO PROFESSIONAL SERVICES AGREEMENT WITH  
GRANICUS, LLC.**

This Amendment No. 5 to the Professional Services Agreement (“Agreement”), is made and entered into this 15th day of February 2025 (“Effective Date”), by and between the City of Industry, a California municipal corporation (“City”) and Granicus, LLC, a Minnesota limited liability company (“Consultant”). The City and Consultant are hereinafter collectively referred to as the “Parties”.

**RECITALS**

**WHEREAS**, on or about February 9, 2017, the Agreement was entered into and executed between the City and Vision Technology Solutions, LLC (“Vision”) to provide website development services for the City, Homestead Museum, and Expo Center; and

**WHEREAS**, on or about April 27, 2017, Amendment No. 1 was entered into for additional website development services to include the Industry Business Council and Industry Sheriff’s Youth Athletic League; and

**WHEREAS**, on or about February 9, 2018, Vision was purchased by Consultant. Given the dissolution of Vision, the Parties transferred all obligations previously held by Vision to Consultant; and

**WHEREAS**, on or about March 10, 2022, Amendment No. 2 was entered into, extending the Agreement to February 14, 2023, and increasing compensation by \$33,195.72; and

**WHEREAS**, on or about March 23, 2023, Amendment No. 3 was entered into, extending the Agreement to February 14, 2024, and increasing compensation by \$19,085.23; and

**WHEREAS**, on or about January 25, 2024, Amendment No. 4 was entered into, extending the Agreement to February 14, 2025, and increasing compensation by \$14,748.64 and

**WHEREAS**, the Parties desire to amend the Agreement to extend the term to August 15, 2025, increase compensation by \$7,414.73, and update the rate schedule; and

**WHEREAS**, for the reasons set forth herein, the City and Consultant desire to enter into this Amendment No.5, 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**

The first sentence of Section 1 is hereby amended to read in its entirety as follows:

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until August 15, 2025, unless sooner terminated pursuant to the provisions of this Agreement.

**Section 4. PAYMENT**

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

This amount shall not exceed Two Hundred Ninety-Five Thousand Three Hundred Seventy-Three Hundred and Thirty-Two Cents (\$295,373.32) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

**EXHIBIT B. RATE SCHEDULE**

Exhibit B is hereby rescinded in its entirety, and replaced with a revised Rate Schedule, attached hereto as Attachment 1, and incorporated herein by reference.

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 here executed this Amendment No. 5 to the Agreement as of the Effective Date.

**“CITY”  
CITY OF INDUSTRY**

**“CONSULTANT”  
GRANICUS, LLC.**

By: \_\_\_\_\_  
Joshua Nelson, City Manager

By: \_\_\_\_\_  
Bernadette Foley, Sr. Manager Renewals

**Attest:**

By: \_\_\_\_\_  
Julie Gutierrez-Robles, City Clerk

**APPROVED AS TO FORM**

By: \_\_\_\_\_  
James M. Casso, City Attorney

ATTACHMENT NO. 1

EXHIBIT B

RATE SCHEDULE

**Renewing Subscription Fees**

<b>Solution</b>	<b>Period of Performance</b>	<b>Billing Frequency</b>	<b>Quantity</b>	<b>Annual</b>	<b>Prorated Fee</b>
govAccess Plus Edition - City	2/15/2025 to 8/15/2025	Annual	1 Each	\$12,621.44	\$6,345.30
govAccess Specialty Subsite Maint & Hosting - YAL	2/15/2025 to 8/15/2025	Annual	1 Each	\$2,127.20	\$1,069.43
<b>SUBTOTAL:</b>				<b>\$14,748.64</b>	<b>\$7,414.73</b>

*CITY COUNCIL*

ITEM NO. 6.5



# CITY OF INDUSTRY

Incorporated June 18, 1957

## MEMORANDUM

**TO:** City Council

**FROM:** Joshua Nelson, City Manager

**STAFF:** Yamini Pathak, Director of Finance

**DATE:** February 13, 2025

**SUBJECT:** Annual Financial Reports for the City of Industry, Year Ending June 30, 2024

---

### RECOMMENDATION

Receive and file the City of Industry (the "City") annual financial reports for the year ending June 30, 2024, and instruct Staff to present a summary of the year ending June 30, 2024 Annual Financial Reports to the City Council.

### **City of Industry**

1. Annual Audited Basic Financial Statements for the Year Ending June 30, 2024 with Independent Auditors' Report
2. Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters for the Year Ending June 30, 2024
3. Auditors' Communications with the City Council for the Year Ending June 30, 2024
4. Independent Auditors' Report on Agreed-Upon Procedures Applied to the Appropriations Limit Worksheets for the Year Ending June 30, 2024

### EXECUTIVE SUMMARY

The City's independent auditors, Rogers, Anderson, Malody & Scott, LLP, have completed their annual audit of the City's financial statements which include the financial activities of its component units (Successor Agency to the Industry Urban-Development Agency, the Civic-Recreational-Industrial Authority, the Industry Public Facilities Authority, and the Industry Property and Housing Management Authority) for the year ending June 30, 2024. The financial statements received an unqualified (or clean) opinion. No material weakness

in internal control was noted by the Auditors.

## **DESCRIPTION OF REPORTS**

The financial reports and management compliance letter for the year ending June 30, 2024 are briefly described below:

### **Annual Financial Report**

The annual financial statement is a comprehensive document reflecting the financial position of the City and its component units. The Auditors issued an unqualified (or clean) opinion on these financial statements.

### **Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards**

No material weakness in internal control was noted by the Auditors.

### **The Auditors' Communications with the City's Audit Committee and City Council**

Statement of Auditing Standards (SAS) No. 114 requires more and documented communications between the auditors and the City's Audit Committee and City Council. This letter provides an opportunity for the auditors to report on any difficulties or major concerns discovered during the audit and to further define their role. They provide commentary on management's responsibilities for accounting policies and estimates that no significant difficulties were encountered in performing the audit, and no disagreements occurred with management. They point out that management has corrected all known material misstatements.

### **Independent Accountant's Report on Agreed-Upon Procedures Applied to Appropriation Limit Worksheets**

Section 1.5 of Article XIII-B of the California Constitution requires that the City follow the procedures agreed upon by the State of California and the League of California Cities (as presented in the League publication entitled Article XIII-B Appropriations Limitation Uniform Guidelines) to determine the annual appropriations limit. The auditors provide this report, which confirms the City's compliance.

### **Fiscal Impact**

There is no fiscal impact as result of this action.

# **City of Industry**

**Financial Statements and Supplementary Information**

**For the year ended June 30, 2024**

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# City of Industry

## Financial Statements For the Year Ended June 30, 2024

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### TABLE OF CONTENTS

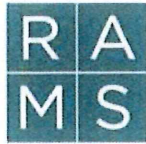
Independent Auditor's Report .....	1	
Management's Discussion and Analysis .....	5	
Financial Statements:		
Government-Wide Financial Statements:		
Statement of Net Position .....	18	
Statement of Activities .....	20	
Fund Financial Statements:		
Governmental Funds:		
Balance Sheet .....	22	
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position .....	24	
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	25	
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities .....	27	
Proprietary Funds:		
Statement of Net Position .....	28	
Statement of Revenues, Expenses, and Changes in Net Position .....	29	
Statement of Cash Flows .....	30	
Fiduciary Funds:		
Statement of Fiduciary Net Position .....	32	
Statement of Changes in Fiduciary Net Position .....	33	
Notes To Financial Statements .....	34	
Required Supplementary Information:		
Schedule of the City's Proportionate Share of the Plan's Net Pension Liability and Related Ratios (Unaudited) .....		81
Schedule of Contributions - Pension (Unaudited) .....		83
Schedule of Changes in Net Other Postemployment Benefits Liability (Asset) and Related Ratios (Unaudited) .....		85
Budgetary Comparison Schedule - General Fund (Unaudited) .....		86
Note To Required Supplementary Information .....		87
Supplementary Information:		
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual:		
City Capital Projects Fund .....	88	
City Debt Service Fund .....	89	
Industry Public Facilities Authority Debt Service Fund .....	90	

**TABLE OF CONTENTS (CONTINUED)**

Supplementary Information (Continued):

Nonmajor Governmental Funds:

Combining Balance Sheet .....	91
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	93
Schedule of Revenues, Expenditures, And Changes in Fund Balances – Budget And Actual:	
Gas Tax Special Revenue Fund .....	95
Measure R Local Return Special Revenue Fund .....	96
Proposition A Sales Tax Special Revenue Fund .....	97
Proposition C Sales Tax Special Revenue Fund .....	98
Measure M Special Revenue Fund .....	99
Measure W Special Revenue Fund .....	100
CARB Tax Special Revenue Fund .....	101
CRIA Capital Projects Fund .....	102
Schedule of Long-Term Debt - City of Industry Only:	
\$336,570,000 Taxable Sales Tax Refunding Bonds, Series 2015A .....	103
\$51,460,000 Taxable Sales Tax Refunding Bonds, Series 2015 B .....	104
\$34,340,000 Taxable Sales Tax Refunding Bonds, Series of 2017 .....	105



ROGERS, ANDERSON, MALODY & SCOTT, LLP  
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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### *Independent Auditor's Report*

#### **PARTNERS**

Scott W. Manno, CPA, CGMA  
Leena Shanbhag, CPA, MST, CGMA  
Bradford A. Welebir, CPA, MBA, CGMA  
Jenny W. Liu, CPA, MST  
Gardenya Duran, CPA, CGMA  
Brianna Schultz, CPA, CGMA  
Brenda L. Odle, CPA, HST (Partner Emeritus)  
Terry P. Shea, CPA (Partner Emeritus)

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

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

#### ***Basis for Opinions***

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

#### **MANAGERS / STAFF**

Seong-Hyea Lee, CPA, MBA  
Evelyn Morentin-Barcena, CPA  
Veronica Hernandez, CPA  
Laura Arvizu, CPA  
John Maldonado, CPA, MSA  
Julia Rodriguez Fuentes, CPA, MSA  
Demi Hite, CPA  
Jeffrey McKennan, CPA  
Monica Wysocki, CPA  
Jacob Weatherbie, CPA, MSA  
Bolim Han, CPA, MAcc  
Amy Gonzalez, CPA

#### **MEMBERS**

American Institute of  
Certified Public Accountants

*PCPS: The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

California Society of  
Certified Public Accountants



Proud Member of  
**AlliottGlobalAlliance™**

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Emphasis of Matter***

As discussed in Note 1 to the financial statements, in the year ended June 30, 2024, the City adopted new accounting guidance under Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*. Our opinions are not modified with respect to this matter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

#### Required Supplementary Information

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

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The budgetary comparison schedules and the combining nonmajor fund financial statements are the responsibility of management and were derived from and relates 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 information contain therein is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
January 30, 2025

# City of Industry

## Management's Discussion and Analysis For the Year Ended June 30, 2024

---

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, 2024. 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, 2024 by \$904.2 million (Net Position). Of this amount, \$412.5 million is invested in capital assets, and \$477.6 million in unrestricted net position. Net Position reflects a decrease of \$8.8 million from prior period and is mainly attributable to increase in general government expenses, offset mainly by an increase in revenues from use of money and property.
- The assets of the City's business-type activities exceeded its liabilities at June 30, 2024 by \$81.2 million (Net Position). Of this amount, \$66.9 million is invested in capital assets, net of related debt, and \$14.3 million in unrestricted net position. Net position remained comparable during the year ended June 30, 2024.
- The City's total net debt decreased by \$7.5 million, of which is primarily attributed to reductions in long-term liabilities due in more than one year as a result of scheduled principal payments on long-term debts.
- In the General Fund, the net change in fund balance was a decrease of \$12.4 million. The decrease in fund balance was attributed mostly to an increase in public works and capital projects of \$4.5 million and an increase net transfers by \$45.2 million, offset by an increase in use of money and property by \$11.7 million. At June 30, 2024, the General Fund's ending fund balance was \$686.6 million with an unassigned balance of \$615.9 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.

# *City of Industry*

## **Management's Discussion and Analysis For the Year Ended June 30, 2024**

---

### **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.

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 support services, 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 four 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.

**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.

# City of Industry

## Management's Discussion and Analysis For the Year Ended June 30, 2024

### 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.

Table 1  
Net Position

	Governmental Activities		
	2024	2023	Change
Current and other assets	\$ 847,738,605	\$ 850,807,890	\$ (3,069,285)
Capital assets, net	412,500,156	427,217,570	(14,717,414)
Total assets	<u>1,260,238,761</u>	<u>1,278,025,460</u>	<u>(17,786,699)</u>
Deferred outflows of resources:			
Deferred loss on refunding, net	435,949	520,210	(84,261)
Deferred outflows of resources - pension	3,855,124	5,098,065	(1,242,941)
Deferred outflow of resources - OPEB	1,995,254	2,049,672	(54,418)
Total deferred outflows of resources	<u>6,286,327</u>	<u>7,667,947</u>	<u>(1,381,620)</u>
Long-term liabilities	325,548,900	330,583,557	(5,034,657)
Other liabilities	29,054,461	31,515,745	(2,461,284)
Total liabilities	<u>354,603,361</u>	<u>362,099,302</u>	<u>(7,495,941)</u>
Deferred inflows of resources:			
Deferred inflow of resources - leases	5,915,523	8,036,236	(2,120,713)
Deferred inflows of resources - pension	1,474,003	1,656,000	(181,997)
Deferred inflows of resources - OPEB	322,862	860,973	(538,111)
Total deferred inflow of resources	<u>7,712,388</u>	<u>10,553,209</u>	<u>(2,840,821)</u>
Net position:			
Net investment in capital assets	412,500,156	427,217,570	(14,717,414)
Restricted for:			
Transportation and road	6,235,530	3,096,394	3,139,136
Section 115 Trust	5,636,568	-	5,636,568
Other postemployment benefits	2,191,411	2,762,662	(571,251)
Unrestricted	<u>477,645,674</u>	<u>479,964,270</u>	<u>(2,318,596)</u>
Total net position	<u>\$ 904,209,339</u>	<u>\$ 913,040,896</u>	<u>\$ (8,831,557)</u>

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 for governmental activities by approximately \$904.2 million at June 30, 2024.

## City of Industry

### Management's Discussion and Analysis For the Year Ended June 30, 2024

The largest portion of the Net Position amounted to approximately \$477.6 million is unrestricted by external sources on how the funds may be used. Approximately \$412.5 million is the City's net investment in its capital assets. In addition, \$6.2 million are restricted for transportation and road projects, \$5.6 are restricted for Section 115 Trust and \$2.1 million are restricted for other postemployment benefits.

The City's total Net Position under governmental activities decreased over the prior year by \$8.8 million mainly attributable to increase in general government expenses, offset mainly by an increase in revenues from use of money and property.

Total liabilities and deferred inflows of resources decreased by approximately \$10.3 million primarily attributable to reductions in long-term liabilities due in more than one year, as a result of regular scheduled principal payments on long-term debts.

The decrease in net investment in capital assets of \$14.7 million is a result of net additions and dispositions of capital assets, and depreciation expense for the current year.

#### Governmental Activities – Changes in Net Position

Table 2  
Change in Net Position  
For the Year Ended June 30,

	Governmental Activities		
	2024	2023	Change
General revenues:			
Taxes	\$ 51,346,341	\$ 58,208,523	\$ (6,862,182)
Revenues from use of money and property	47,390,977	33,235,070	14,155,907
Other revenues	1,243,436	1,480,907	(237,471)
Total general revenues	<u>99,980,754</u>	<u>92,924,500</u>	<u>7,056,254</u>
Expenses in excess of program revenues:			
General government	8,852,939	9,542,089	(689,150)
Support services	6,833,090	8,594,915	(1,761,825)
Community development	1,040,900	4,218,503	(3,177,603)
Community services	13,340,364	9,618,659	3,721,705
Public safety	14,634,712	14,536,698	98,014
Public works	38,122,757	(115,464,995)	153,587,752
Interest expense and fiscal charges	23,477,879	27,193,644	(3,715,765)
Total expenses in excess of program revenues	<u>106,302,641</u>	<u>(41,760,487)</u>	<u>148,063,128</u>
Change in net position before other items	(6,321,887)	134,684,987	(141,006,874)
Transfers, net	<u>(2,509,670)</u>	<u>(5,198,915)</u>	<u>2,689,245</u>
Change in net position	(8,831,557)	129,486,072	(138,317,629)
Net position, beginning of year	<u>913,040,896</u>	<u>783,554,824</u>	<u>129,486,072</u>
Net position, end of year	<u>\$ 904,209,339</u>	<u>\$ 913,040,896</u>	<u>\$ (8,831,557)</u>

# City of Industry

## Management's Discussion and Analysis For the Year Ended June 30, 2024

The total revenues, reported as governmental activities, increased by approximately \$7.1 million. This was due to an increase in revenue from use of money and property of \$14.2 million attributable to an increase in interest income and an increased gain in the fair market value of City's investment, offset by a decrease in taxes of \$6.9 million.

The decrease in net position before other items was due to the decrease of expenses outpaced by the decrease of revenues.

### Business-Type Activities – Net Position

Table 3  
Net Position

	Business-Type Activities		
	2024	2023	Change
Current and other assets	\$ 21,380,887	\$ 23,114,732	\$ (1,733,845)
Capital assets, net	66,902,691	62,591,257	4,311,434
Total assets	88,283,578	85,705,989	2,577,589
Liabilities	6,783,350	8,149,074	(1,365,724)
Total liabilities	6,783,350	8,149,074	(1,365,724)
Deferred inflows of resources - leases	265,669	333,500	(67,831)
Total deferred inflows of resources	265,669	333,500	(67,831)
Net position			
Net investment in capital assets	66,902,691	62,591,257	4,311,434
Unrestricted	14,331,868	14,632,158	(300,290)
Total net position	\$ 81,234,559	\$ 77,223,415	\$ 4,011,144

Total net position for the City's business type activities increased by approximately \$4 million as compared to the prior year. The increase was primarily attributable to an increase in net capital assets.

*City of Industry*

**Management's Discussion and Analysis  
For the Year Ended June 30, 2024**

**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  
For the Year Ended June 30,

	Business-Type Activities		
	2024	2023	Change
Revenues			
Charges for services	\$ 18,908,797	\$ 10,765,502	\$ 8,143,295
Capital grants and contributions	-	22,039,657	(22,039,657)
Other revenues	711,352	428,108	283,244
Total revenues	<u>19,620,149</u>	<u>33,233,267</u>	<u>(13,613,118)</u>
Expenses			
Water transmission and distributions	4,111,354	3,769,585	341,769
Purchased electricity	8,981,225	7,095,044	1,886,181
Cost of expo operations	3,867,057	4,988,850	(1,121,793)
Cost of housing authority operations	1,159,039	1,444,338	(285,299)
Total expenses	<u>18,118,675</u>	<u>17,297,817</u>	<u>820,858</u>
Income (loss) from operations before transfers	1,501,474	15,935,450	(14,433,976)
Transfers and contributions	<u>2,509,670</u>	<u>5,198,915</u>	<u>(2,689,245)</u>
Change in net position	4,011,144	21,134,365	(17,123,221)
Net position, beginning of year	<u>77,223,415</u>	<u>56,089,050</u>	<u>21,134,365</u>
Net position, end of year	<u>\$ 81,234,559</u>	<u>\$ 77,223,415</u>	<u>\$ 4,011,144</u>

Revenues decreased by \$13.6 million over the prior year, primarily due to the absence of transfer of capital asset, offset by increase in charges for services.

# City of Industry

## Management's Discussion and Analysis For the Year Ended June 30, 2024

### 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  
For the Year Ended June 30,

	Governmental Activities		
	2024	2023	Change
Revenues			
Taxes	\$ 51,356,984	\$ 51,369,319	\$ (12,335)
Intergovernmental	293,998	289,861	4,137
Charges for services	242,096	290,511	(48,415)
Licenses and permits	1,910,505	2,189,604	(279,099)
Fines, forfeitures and penalties	331,964	300,996	30,968
Use of money and property	35,921,710	24,190,693	11,731,017
Other revenue	3,440,869	2,396,367	1,044,502
Total revenues	<u>93,498,126</u>	<u>81,027,351</u>	<u>12,470,775</u>
Expenditures			
Current:			
Legislative	930,356	870,077	60,279
General administration	6,797,286	5,831,027	966,259
Support services	4,344,699	5,631,104	(1,286,405)
Community development	2,889,926	6,327,188	(3,437,262)
Community services	12,058,063	8,875,345	3,182,718
Public safety	14,548,154	13,153,974	1,394,180
Public works	16,803,011	14,187,850	2,615,161
Capital outlay	1,866,666	-	1,866,666
Total expenditures	<u>60,238,161</u>	<u>54,876,565</u>	<u>5,361,596</u>
Excess of revenues over expenditures	<u>33,259,965</u>	<u>26,150,786</u>	<u>7,109,179</u>
Other financing sources (uses):			
Net transfers	(45,612,994)	(434,309)	(45,178,685)
Proceeds from sale of assets	-	26,800	(26,800)
Total other financing sources (uses)	<u>(45,612,994)</u>	<u>(407,509)</u>	<u>(45,205,485)</u>
Change in fund balance	<u>\$ (12,353,029)</u>	<u>\$ 25,743,277</u>	<u>\$ (38,096,306)</u>

## City of Industry

### Management's Discussion and Analysis For the Year Ended June 30, 2024

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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 \$686.6 million, which is a decrease from prior year of \$12.4 million. The decrease was attributed mostly to an increase in public works and capital projects of \$4.5 million and an increase net transfers by \$45.2 million, offset by an increase in use of money and property by \$11.7 million.

#### General Fund Budgetary Highlights

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

Table 6  
General Fund Budget to Actual Comparison  
For the Year Ended June 30,

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	Original Budget	Revised Budget	Actual	Variance
Legislative	\$ 977,000	\$ 977,000	\$ 930,356	\$ 46,644
General administration	8,663,000	8,229,000	6,797,286	1,431,714
Support services	5,124,000	5,338,000	4,344,699	993,301
Community development	2,380,000	2,401,000	2,889,926	(488,926)
Community services	9,631,000	11,741,000	12,058,063	(317,063)
Public safety	14,219,000	14,653,000	14,548,154	104,846
Public works	14,198,000	14,194,000	16,803,011	(2,609,011)
Total expenditures	<u>\$ 55,192,000</u>	<u>\$ 57,533,000</u>	<u>\$ 58,371,495</u>	<u>\$ (838,495)</u>

Overall, total actual expenditures for the City were on budget.

# City of Industry

## Management's Discussion and Analysis For the Year Ended June 30, 2024

### Capital Asset and Debt Administration

#### Capital Assets

Net capital assets for governmental activities as of June 30, 2024 and 2023 are summarized as follows:

Table 7  
Net Capital Assets at Year-End

	Governmental Activities		
	2024	2023	Change
Capital assets not being depreciated:			
Land	\$ 110,604,835	\$ 110,604,835	\$ -
Construction in progress	32,671,161	43,586,811	(10,915,650)
Total capital assets, not being depreciated	<u>143,275,996</u>	<u>154,191,646</u>	<u>(10,915,650)</u>
Capital assets being depreciated:			
Buildings and improvements	120,670,145	120,670,145	-
Equipment, furniture and fixtures	6,508,578	6,508,578	-
Infrastructure	<u>343,029,178</u>	<u>332,113,528</u>	<u>10,915,650</u>
Total capital assets, being depreciated	470,207,901	459,292,251	10,915,650
Less accumulated depreciation	<u>(200,983,741)</u>	<u>(186,266,327)</u>	<u>(14,717,414)</u>
Total capital assets being depreciated, net	<u>269,224,160</u>	<u>273,025,924</u>	<u>(3,801,764)</u>
Total governmental activities	<u>\$ 412,500,156</u>	<u>\$ 427,217,570</u>	<u>\$ (14,717,414)</u>

As of June 30 2024, the City's governmental activities had approximately \$412.5 million invested in capital assets including buildings, land, roads, and other general infrastructure, net of accumulated depreciation. This amount represents a net decrease of \$14.7 million from prior year and it was due to additional capital improvement projects, as well as the City placing in service completed construction in progress projects for infrastructure, buildings and improvements. Accumulated depreciation increased by \$14.7 million.

# City of Industry

## Management's Discussion and Analysis For the Year Ended June 30, 2024

Net capital assets for business-type activities as of June 30, 2024 and 2023 are summarized as follows:

Table 8  
Net Capital Assets at Year-End

	Business-Type Activities		
	2024	2023	Change
Capital assets not being depreciated:			
Land	\$ 6,764,880	\$ 6,764,880	\$ -
Water rights	441,200	441,200	-
Construction in progress	14,552,172	9,681,877	4,870,295
Total capital assets, not being depreciated	<u>21,758,252</u>	<u>16,887,957</u>	<u>4,870,295</u>
Capital assets being depreciated:			
Buildings and improvements	55,193,845	55,193,845	-
Equipment, furniture and fixtures	1,322,648	1,322,648	-
Infrastructure	33,782,414	31,824,258	1,958,156
Source of supply - electric	4,495,494	4,495,494	-
Total capital assets, being depreciated	<u>94,794,401</u>	<u>92,836,245</u>	<u>1,958,156</u>
Less accumulated depreciation	<u>(49,649,962)</u>	<u>(47,132,945)</u>	<u>(2,517,017)</u>
Total capital assets being depreciated, net	<u>45,144,439</u>	<u>45,703,300</u>	<u>(558,861)</u>
Total business-type activities	<u>\$ 66,902,691</u>	<u>\$ 62,591,257</u>	<u>\$ 4,311,434</u>

Capital assets in the Business-Type Activities belong to IPUC and the Industry Hills Expo Center. The increase in net capital assets of \$4.3 million was primarily due to contributions of capital assets from the City.

### Long-term Liabilities

As of June 30, 2024, the City had total long term debt and other non-current liabilities of approximately \$328.3 million which is a decrease of \$5.7 million from prior year. The reduction is primarily due to principal payments of outstanding debt.

Below is a summary of the outstanding long-term liabilities at June 30, 2024:

Table 9  
Outstanding Debt, at Year-End

	Governmental Activities		
	2024	2023	Change
Revenue bonds	\$ 332,940,000	\$ 338,630,000	\$ (5,690,000)
Original issue premium	(4,826,355)	(4,771,245)	(55,110)
Compensated absences	235,566	209,281	26,285
Total outstanding debt	<u>\$ 328,349,211</u>	<u>\$ 334,068,036</u>	<u>\$ (5,718,825)</u>

# City of Industry

## Management's Discussion and Analysis For the Year Ended June 30, 2024

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

The City continuously strives and plans infrastructure investments to maximize development opportunities, streamline goods movement and link the workforce to their workplaces. In the meantime, the City expands its efforts to provide services and programs that promote the wellbeing of the San Gabriel Valley.

The City's General Fund has adopted an operating budget of \$81.5 million in revenues and \$60.4 million in expenditures. Additionally, approximately \$59.1 million in capital project expenditures is budgeted for several funds in the 2024-2025 fiscal year. The following is a summary of the major capital improvement projects for citywide.

Table 10  
Capital Projects for FY 2024-2025

Project Description		Budget 2024-2025
1	GRADE SEPARATION PROJECTS	\$ 305,000
2	STREET WIDENING, RECONSTRUCTION, RESURFACING AND SLURRY SEAL	27,525,000
3	STORM DRAIN IMPROVEMENTS	190,000
3W	STORM DRAIN IMPROVEMENTS (MEASURE W)	1,450,000
4	TRAFFIC SIGNAL IMPROVEMENTS	7,955,000
5	BRIDGE WIDENING, SEISMIC RETROFIT AND MAINTENANCE IMPROVEMENTS	325,000
6	HOMESTEAD MUSEUM	180,000
7	INDUSTRY HILLS GOLF & CONVENTION FACILITIES	175,000
8	EL ENCANTO C.I.P.	635,000
9	EXPO CENTER AT INDUSTRY HILLS	4,750,000
10	OPEN SPACES/ TONNER CANYON/TRES HERMANOS	1,250,000
11	TRES HERMANOS RANCH PROPERTY	1,100,000
12	PROPERTY REDEVELOPMENT & DEMO	25,000
13	IPUC - WATER UTILITY (IPU)	3,325,000
14	IPUC - ELECTRIC UTILITY (IPU)	2,050,000
15	MISCELLANEOUS	715,000
16	CMIC CENTER FACILITIES	3,740,000
17	FACILITIES IMPROVEMENTS	2,675,000
18	IPHMA CAPITAL IMPROVEMENTS	700,000
Total		<u>\$ 59,070,000</u>

# *City of Industry*

## **Management's Discussion and Analysis For the Year Ended June 30, 2024**

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The Operating Budget for Fiscal Year 2024-25 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 Mayor Dave Way, City of Industry, California 91744.

# City of Industry

## Statement of Net Position June 30, 2024

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash	\$ 4,601,038	\$ 2,942,301	\$ 7,543,339
Investments	370,448,724	15,439,344	385,888,068
Investment in Section 115 Trust	5,636,568	-	5,636,568
Investments with fiscal agent - unrestricted	277,845,674	-	277,845,674
Accounts receivable, net	8,008,666	2,071,875	10,080,541
Accrued interest	5,795,991	182,895	5,978,886
Lease receivable, current portion	2,130,691	235,921	2,366,612
Internal balances	(89,397)	89,397	-
Inventory of materials and supplies	70,555	62,397	132,952
Prepaid items	3,365,596	353,757	3,719,353
Deposits	-	3,000	3,000
Total Current Assets	<u>677,814,106</u>	<u>21,380,887</u>	<u>699,194,993</u>
Noncurrent assets:			
Investments with fiscal agent - restricted	142,506,003	-	142,506,003
Lease receivable	4,048,707	-	4,048,707
Notes receivable	21,178,378	-	21,178,378
Net OPEB asset	2,191,411	-	2,191,411
Capital assets:			
Not being depreciated	143,275,996	21,758,252	165,034,248
Being depreciated (net of accumulated depreciation)	<u>269,224,160</u>	<u>45,144,439</u>	<u>314,368,599</u>
Total Noncurrent Assets	<u>582,424,655</u>	<u>66,902,691</u>	<u>649,327,346</u>
Total Assets	<u>1,260,238,761</u>	<u>88,283,578</u>	<u>1,348,522,339</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Loss on refunding	435,949	-	435,949
Deferred amounts from pension plans	3,855,124	-	3,855,124
Deferred amounts from OPEB	<u>1,995,254</u>	<u>-</u>	<u>1,995,254</u>
Total Deferred Outflows of Resources	<u>6,286,327</u>	<u>-</u>	<u>6,286,327</u>

*(continued)*

*The accompanying notes are an integral part of these financial statements.*

# City of Industry

## Statement of Net Position June 30, 2024

	Governmental Activities	Business-Type Activities	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 12,112,187	\$ 2,337,381	\$ 14,449,568
Accrued liabilities	1,360,283	-	1,360,283
Deposits	9,258	1,113,555	1,122,813
Interest payable	9,660,971	-	9,660,971
Unearned revenue	17,848	3,332,414	3,350,262
Long-term liabilities, current portion	5,893,914	-	5,893,914
Total Current Liabilities	<u>29,054,461</u>	<u>6,783,350</u>	<u>35,837,811</u>
Noncurrent liabilities:			
Net pension liability	3,093,603	-	3,093,603
Long-term liabilities, net of current portion	322,455,297	-	322,455,297
Total Noncurrent Liabilities	<u>325,548,900</u>	<u>-</u>	<u>325,548,900</u>
Total Liabilities	<u>354,603,361</u>	<u>6,783,350</u>	<u>361,386,711</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred amounts from leases	5,915,523	265,669	6,181,192
Deferred amounts from pension plans	1,474,003	-	1,474,003
Deferred amounts from OPEB	322,862	-	322,862
Total Deferred Inflows of Resources	<u>7,712,388</u>	<u>265,669</u>	<u>7,978,057</u>
<b>NET POSITION</b>			
Net investment in capital assets	412,500,156	66,902,691	479,402,847
Restricted for:			
Transportation and road	6,235,530	-	6,235,530
Section 115 Trust	5,636,568	-	5,636,568
Other postemployment benefits	2,191,411	-	2,191,411
Unrestricted	477,645,674	14,331,868	491,977,542
Total Net Position	<u>\$ 904,209,339</u>	<u>\$ 81,234,559</u>	<u>\$ 985,443,898</u> <i>(concluded)</i>

The accompanying notes are an integral part of these financial statements.

# City of Industry

## Statement of Activities For the Year Ended June 30, 2024

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 9,786,794	\$ 933,855	\$ -	\$ -
Support services	6,833,090	-	-	-
Community development	3,166,060	2,125,160	-	-
Community services	13,340,364	-	-	-
Public safety	17,562,419	326,541	2,601,166	-
Public works	44,336,384	-	5,730,553	483,074
Interest expense and fiscal charges	23,477,879	-	-	-
Total Governmental Activities	<u>118,502,990</u>	<u>3,385,556</u>	<u>8,331,719</u>	<u>483,074</u>
<b>Business-type activities:</b>				
Industry Public Utilities Commission:				
Water utility	4,111,354	4,189,625	-	-
Electric utility	8,981,225	11,688,185	-	-
Industry-Hill Expo Center	3,867,057	2,703,098	-	-
Property and Housing Management Authority	1,159,039	327,889	-	-
Total Business-Type Activities	<u>18,118,675</u>	<u>18,908,797</u>	<u>-</u>	<u>-</u>
Total Functions/Programs	<u>\$ 136,621,665</u>	<u>\$ 22,294,353</u>	<u>\$ 8,331,719</u>	<u>\$ 483,074</u>

(continued)

The accompanying notes are an integral part of these financial statements.

# City of Industry

## Statement of Activities For the Year Ended June 30, 2024

	Net Revenue (Expense) and Change in Net Position		
	Governmental Activities	Business-Type Activities	Total
<b>FUNCTIONS/PROGRAMS</b>			
Governmental activities:			
General government	\$ (8,852,939)	\$ -	\$ (8,852,939)
Support services	(6,833,090)	-	(6,833,090)
Community development	(1,040,900)	-	(1,040,900)
Community services	(13,340,364)	-	(13,340,364)
Public safety	(14,634,712)	-	(14,634,712)
Public works	(38,122,757)	-	(38,122,757)
Interest expense and fiscal charges	(23,477,879)	-	(23,477,879)
Total Governmental Activities	<u>(106,302,641)</u>	<u>-</u>	<u>(106,302,641)</u>
Business-type activities:			
Industry Public Utilities Commission:			
Water utility	-	78,271	78,271
Electric utility	-	2,706,960	2,706,960
Industry-Hill Expo Center	-	(1,163,959)	(1,163,959)
Property and Housing Management Authority	-	(831,150)	(831,150)
Total Business-Type Activities	<u>-</u>	<u>790,122</u>	<u>790,122</u>
Total Functions/Programs	<u>(106,302,641)</u>	<u>790,122</u>	<u>(105,512,519)</u>
<b>GENERAL REVENUES AND TRANSFERS</b>			
Taxes:			
Property tax	10,328,943	-	10,328,943
Sales tax	36,043,516	-	36,043,516
Franchise tax	3,871,059	-	3,871,059
Documentary transfer tax	317,116	-	317,116
Transient occupancy tax	785,707	-	785,707
Total Taxes	<u>51,346,341</u>	<u>-</u>	<u>51,346,341</u>
Investment income	47,390,977	700,575	48,091,552
Other	1,243,436	10,777	1,254,213
Transfers	(2,509,670)	2,509,670	-
Total General Revenues and Transfers	<u>97,471,084</u>	<u>3,221,022</u>	<u>100,692,106</u>
Change in Net Position	(8,831,557)	4,011,144	(4,820,413)
Net position, beginning of year	<u>913,040,896</u>	<u>77,223,415</u>	<u>990,264,311</u>
Net Position, end of year	<u>\$ 904,209,339</u>	<u>\$ 81,234,559</u>	<u>\$ 985,443,898</u> <i>(concluded)</i>

The accompanying notes are an integral part of these financial statements.

# City of Industry

## Balance Sheet June 30, 2024

	General Fund	Capital Projects Funds	Debt Service Funds City Debt Service Fund
<b>ASSETS</b>			
Cash	\$ 3,004,873	\$ 47,059	\$ 1,251
Investments	330,302,458	35,561,141	-
Investment in Section 115 Trust	5,636,568	-	-
Investments with fiscal agent - unrestricted	277,845,674	-	-
Accounts receivable, net	8,000,965	-	-
Accrued interest	3,884,330	400,539	-
Lease receivable	6,179,398	-	-
Inventory	70,555	-	-
Prepays and deposits	297,436	-	3,068,160
Due from other funds	253,835	1,754,611	-
Notes receivable	21,178,378	-	-
Investments with fiscal agent - restricted	-	80,003,858	62,502,145
Investments in City bonds	-	-	-
Advances to other funds	49,127,543	-	-
<b>Total Assets</b>	<b>\$ 705,782,013</b>	<b>\$ 117,767,208</b>	<b>\$ 65,571,556</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 9,112,976	\$ 2,365,610	\$ -
Accrued liabilities	1,360,283	-	-
Deposits	9,258	-	-
Unearned revenue	17,848	-	-
Due to other funds	2,792,715	-	-
Advance from other funds	-	-	-
<b>Total Liabilities</b>	<b>13,293,080</b>	<b>2,365,610</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows in leases	5,915,523	-	-
<b>Total Deferred Inflows of Resources</b>	<b>5,915,523</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICIT)</b>			
Nonspendable:			
Prepays and deposits	297,436	-	-
Inventory	70,555	-	-
Notes receivable	21,178,378	-	-
Advances to other funds	49,127,543	-	-
Restricted:			
Capital projects	-	115,401,598	-
Debt service	-	-	65,571,556
Transportation and roads	-	-	-
Unassigned	615,899,498	-	-
<b>Total Fund Balances</b>	<b>686,573,410</b>	<b>115,401,598</b>	<b>65,571,556</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 705,782,013</b>	<b>\$ 117,767,208</b>	<b>\$ 65,571,556</b>

(continued)

The accompanying notes are an integral part of these financial statements.

# City of Industry

## Balance Sheet June 30, 2024

	Debt Service		Total
	Fund	Nonmajor	
	Industry Public	Governmental	
	Facilities Authority	Funds	
<b>ASSETS</b>			
Cash	\$ -	\$ 1,547,855	\$ 4,601,038
Investments	-	4,585,125	370,448,724
Investment in Section 115 Trust	-	-	5,636,568
Investments with fiscal agent - unrestricted	-	-	277,845,674
Accounts receivable, net	-	7,701	8,008,666
Accrued interest	1,477,544	33,578	5,795,991
Lease receivable	-	-	6,179,398
Inventory	-	-	70,555
Prepays and deposits	-	-	3,365,596
Due from other funds	-	1,375,988	3,384,434
Notes receivable	-	-	21,178,378
Investments with fiscal agent - restricted	-	-	142,506,003
Investments in City bonds	40,833,312	-	40,833,312
Advances to other funds	-	-	49,127,543
	<u>-</u>	<u>-</u>	<u>49,127,543</u>
Total Assets	<u>\$ 42,310,856</u>	<u>\$ 7,550,247</u>	<u>\$ 938,981,880</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ -	\$ 633,601	\$ 12,112,187
Accrued liabilities	-	-	1,360,283
Deposits	-	-	9,258
Unearned revenue	-	-	17,848
Due to other funds	-	681,116	3,473,831
Advance from other funds	49,127,543	-	49,127,543
	<u>49,127,543</u>	<u>-</u>	<u>49,127,543</u>
Total Liabilities	<u>49,127,543</u>	<u>1,314,717</u>	<u>66,100,950</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows in leases	-	-	5,915,523
	<u>-</u>	<u>-</u>	<u>5,915,523</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>5,915,523</u>
<b>FUND BALANCES (DEFICIT)</b>			
Nonspendable:			
Prepays and deposits	-	-	297,436
Inventory	-	-	70,555
Notes receivable	-	-	21,178,378
Advances to other funds	-	-	49,127,543
Restricted:			
Capital projects	-	-	115,401,598
Debt service	-	-	65,571,556
Transportation and roads	-	6,433,734	6,433,734
Unassigned	(6,816,687)	(198,204)	608,884,607
	<u>(6,816,687)</u>	<u>(198,204)</u>	<u>608,884,607</u>
Total Fund Balances	<u>(6,816,687)</u>	<u>6,235,530</u>	<u>866,965,407</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 42,310,856</u>	<u>\$ 7,550,247</u>	<u>\$ 938,981,880</u>

(concluded)

The accompanying notes are an integral part of these financial statements.

# City of Industry

## Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position June 30, 2024

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Fund balances of governmental funds		\$ 866,965,407
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, are not included in the funds. These assets consist of:		
Capital assets	\$ 613,483,897	
Accumulated depreciation	<u>(200,983,741)</u>	
Total		412,500,156
Long-term liabilities applicable to governmental activities are not due and payable in the period and, accordingly, are not reported as fund liabilities. Long-term liabilities are included in the statement of net position as follows:		
City of Industry:		
Bonds payable	(380,590,000)	
(Premium) discount, net	4,826,355	
Compensated absences	(235,566)	
Deferred loss on refunding, net	<u>435,949</u>	
Total		(375,563,262)
Accrued interest payable for the current portion of interest due on bonds are not reported in the governmental funds.		(9,660,971)
Internal activities are eliminated in the governmental activities:		
Investment in City bonds	(40,833,312)	
Bonds payable	<u>47,650,000</u>	
Total		6,816,688
Pension related liabilities applicable to the City's governmental activities are not due and in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the statement of net position as the changes in these amounts affect only the government-wide statements for governmental activities:		
Deferred outflows of resources	3,855,124	
Deferred inflows of resources	(1,474,003)	
Net pension liability	<u>(3,093,603)</u>	
Total		(712,482)
OPEB related liabilities applicable to the City's governmental activities are not due and the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to OPEB are only reported in the statement of net position as the changes in these amounts affect only the government-wide statements for governmental activities:		
Deferred outflows of resources	1,995,254	
Deferred inflows of resources	(322,862)	
OPEB asset	<u>2,191,411</u>	
Total		3,863,803
Net Position of Governmental Activities		<u>\$ 904,209,339</u>

The accompanying notes are an integral part of these financial statements.

# City of Industry

## Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds For the Year Ended June 30, 2024

	General Fund	City Capital Projects Funds	Debt Service Funds	
			City Debt Service Fund	Tax Override Fund
<b>REVENUES</b>				
Taxes	\$ 51,356,984	\$ -	\$ 5	
Intergovernmental	293,998	1,117,132	-	
Charges for services	242,096	-	-	
Licenses and permits	1,910,505	-	-	
Fines, forfeitures and penalties	331,964	-	-	
Use of money and property	35,921,710	5,570,033	2,314,212	
Other revenue	3,440,869	1,480,766	-	
Total revenues	93,498,126	8,167,931	2,314,217	
<b>EXPENDITURES</b>				
Current:				
Legislative	930,356	-	-	
General administration	6,797,286	-	15,200	
Support services	4,344,699	-	-	
Community development	2,889,926	-	-	
Community services	12,058,063	-	-	
Public safety	14,548,154	-	-	
Public works	16,803,011	-	-	
Capital outlay	1,866,666	14,669,146	-	
Debt service:				
Principal retirement	-	-	6,305,000	
Interest and fiscal charges	-	-	20,268,777	
Total expenditures	60,238,161	14,669,146	26,588,977	
Excess (deficiency) of revenues over (under) expenditures	33,259,965	(6,501,215)	(24,274,760)	
<b>OTHER FINANCE SOURCES (USES)</b>				
Transfers in	19,636,273	25,128,660	39,655,077	
Transfers out	(65,249,267)	(23,529,824)	-	
Total other financing sources (uses)	(45,612,994)	1,598,836	39,655,077	
Net change in fund balances	(12,353,029)	(4,902,379)	15,380,317	
<b>FUND BALANCES (DEFICIT)</b>				
Beginning of year, previously reported	698,926,439	120,303,977	50,191,239	\$ 2,161
Adjustment - major to nonmajor	-	-	-	(2,161)
Beginning of year, as restated	698,926,439	120,303,977	50,191,239	-
End of year	\$ 686,573,410	\$ 115,401,598	\$ 65,571,556	\$ -

(continued)

The accompanying notes are an integral part of these financial statements.

*City of Industry*

**Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2024**

	Debt Service Fund Industry Public Facilities Authority	Nonmajor Governmental Funds	Total
<b>REVENUES</b>			
Taxes	\$ -	\$ 7,223	\$ 51,364,212
Intergovernmental	-	4,437,308	5,848,438
Charges for services	-	-	242,096
Licenses and permits	-	-	1,910,505
Fines, forfeitures and penalties	-	-	331,964
Use of money and property	3,657,212	157,999	47,621,166
Other revenue	-	16,855	4,938,490
	<u>3,657,212</u>	<u>4,619,385</u>	<u>112,256,871</u>
Total revenues			
<b>EXPENDITURES</b>			
Current:			
Legislative	-	-	930,356
General administration	-	-	6,812,486
Support services	-	-	4,344,699
Community development	-	-	2,889,926
Community services	-	-	12,058,063
Public safety	-	-	14,548,154
Public works	-	3,322,321	20,125,332
Capital outlay	-	-	16,535,812
Debt service:			
Principal retirement	-	-	6,305,000
Interest and fiscal charges	3,588,944	-	23,857,721
	<u>3,588,944</u>	<u>3,322,321</u>	<u>108,407,549</u>
Total expenditures			
Excess (deficiency) of revenues over (under) expenditures	<u>68,268</u>	<u>1,297,064</u>	<u>3,849,322</u>
<b>OTHER FINANCE SOURCES (USES)</b>			
Transfers in	9,500	4,028,267	88,457,777
Transfers out	-	(2,188,356)	(90,967,447)
	<u>9,500</u>	<u>1,839,911</u>	<u>(2,509,670)</u>
Total other financing sources (uses)			
Net change in fund balances	<u>77,768</u>	<u>3,136,975</u>	<u>1,339,652</u>
<b>FUND BALANCES (DEFICIT)</b>			
Beginning of year, previously reported	(6,894,455)	3,096,394	865,625,755
Adjustment - major to nonmajor	-	2,161	-
Beginning of year, as restated	<u>(6,894,455)</u>	<u>3,098,555</u>	<u>865,625,755</u>
End of year	<u>\$ (6,816,687)</u>	<u>\$ 6,235,530</u>	<u>\$ 866,965,407</u>

(concluded)

*The accompanying notes are an integral part of these financial statements.*

# City of Industry

## Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-wide Statements of Activities For the Year Ended June 30, 2024

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Net change in fund balances of governmental funds		\$	1,339,652
Amount reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation and disposals in the current period.			
Depreciation expense			(14,717,414)
The issuance of long term debt provides current financial resources to governmental while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance cost, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. These amounts are the net effect of these differences in the treatments of long-term debt and related items.			
Principal repayments	\$	6,305,000	
Bond premium and discount amortization		55,110	
Deferred loss on refunding amortization		(84,261)	
Total			6,275,849
Accrued interest for long-term liabilities. This is the net change in accrued interest in the current period.			408,993
Net effect of internal activities are eliminated in the statement of activities.			(75,768)
Compensated absences expenses reported in the statement of activities do not require use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.			(26,285)
Pension expenditures reported in the governmental funds includes the annual required contributions. In the statement of activities, pension expense includes the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources.			(1,949,026)
OPEB expenditures reported in the governmental funds includes the actual premium payments. In the statement of activities, OPEB expense includes the change in the net OPEB liability and related change in OPEB amounts for deferred outflows deferred inflows of resources.			(87,558)
Change in Net Position of Governmental Activities		\$	<u>(8,831,557)</u>

*The accompanying notes are an integral part of these financial statements.*

# City of Industry

## Statement of Net Position Proprietary Funds June 30, 2024

	Industry Public		Civic	Non-major	Total
	Utilities Commission		Recreational	Property	
	Water	Electric	Industrial	and Housing	
	Fund	Fund	Hills Expo	Management	
			Center Fund	Authority Fund	
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 1,836,966	\$ 914,946	\$ 148,653	\$ 41,736	\$ 2,942,301
Investments	6,856,883	8,579,011	-	3,450	15,439,344
Accounts receivable, net	632,605	1,275,302	99,490	64,478	2,071,875
Accrued interest	77,376	105,480	-	39	182,895
Lease receivable	-	-	-	235,921	235,921
Inventory of materials and supplies	10,000	-	52,397	-	62,397
Prepaid items	333,699	11,064	8,994	-	353,757
Due from other funds	-	89,397	-	-	89,397
Deposits	-	-	3,000	-	3,000
Total Current Assets	<u>9,747,529</u>	<u>10,975,200</u>	<u>312,534</u>	<u>345,624</u>	<u>21,380,887</u>
Noncurrent assets:					
Capital assets:					
Capital assets not being depreciated	821,127	11,920,896	2,173,675	6,842,554	21,758,252
Capital assets being depreciated, net	<u>13,588,696</u>	<u>14,557,100</u>	<u>13,836,890</u>	<u>3,161,753</u>	<u>45,144,439</u>
Total Noncurrent Assets	<u>14,409,823</u>	<u>26,477,996</u>	<u>16,010,565</u>	<u>10,004,307</u>	<u>66,902,691</u>
Total Assets	<u>24,157,352</u>	<u>37,453,196</u>	<u>16,323,099</u>	<u>10,349,931</u>	<u>88,283,578</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	646,964	1,267,479	192,160	230,778	2,337,381
Deposits	20,773	1,050,282	41,200	1,300	1,113,555
Unearned revenue	<u>3,201,767</u>	<u>-</u>	<u>130,540</u>	<u>107</u>	<u>3,332,414</u>
Total Current Liabilities	<u>3,869,504</u>	<u>2,317,761</u>	<u>363,900</u>	<u>232,185</u>	<u>6,783,350</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred amounts from leases	-	-	-	265,669	265,669
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>265,669</u>	<u>265,669</u>
<b>NET POSITION (DEFICIT)</b>					
Net investment in capital assets	14,409,823	26,477,996	16,010,565	10,004,307	66,902,691
Unrestricted	<u>5,878,025</u>	<u>8,657,439</u>	<u>(51,366)</u>	<u>(152,230)</u>	<u>14,331,868</u>
Total Net Position	<u>\$ 20,287,848</u>	<u>\$ 35,135,435</u>	<u>\$ 15,959,199</u>	<u>\$ 9,852,077</u>	<u>\$ 81,234,559</u>

The accompanying notes are an integral part of these financial statements.

# City of Industry

## Statement of Revenues, Expenses, and Changes in Net Position Proprietary Funds For the Year Ended June 30, 2024

	Industry Public Utilities Commission		Civic Recreational Industrial Authority Industry Hills Expo Center Fund	Property and Housing Management Authority Fund	Total
	Water Fund	Electric Fund			
<b>OPERATING REVENUES</b>					
Water sales and service	\$ 3,917,675	\$ -	\$ -	\$ -	\$ 3,917,675
Electric and solar energy sales	-	5,234,224	-	-	5,234,224
Event and rental revenues	-	-	2,702,392	327,166	3,029,558
Other revenue	271,950	6,453,961	706	723	6,727,340
Total Operating Revenues	4,189,625	11,688,185	2,703,098	327,889	18,908,797
<b>OPERATING EXPENSES</b>					
Purchased water	338,550	-	-	-	338,550
Purchased electricity	-	3,169,476	-	-	3,169,476
General administration	2,991,571	4,721,420	1,340,525	44,931	9,098,447
Expo Center operations	-	-	2,029,511	-	2,029,511
Housing Authority operations	-	-	-	965,674	965,674
Depreciation	781,233	1,090,329	497,021	148,434	2,517,017
Total Operating Expenses	4,111,354	8,981,225	3,867,057	1,159,039	18,118,675
Operating Income (Loss)	78,271	2,706,960	(1,163,959)	(831,150)	790,122
<b>NONOPERATING REVENUES</b>					
Investment income	280,220	420,215	-	140	700,575
Lease income - interest	-	-	-	10,777	10,777
Total Nonoperating Revenues	280,220	420,215	-	10,917	711,352
Income (Loss) Before Transfers and Contributions	358,491	3,127,175	(1,163,959)	(820,233)	1,501,474
<b>TRANSFERS AND CAPITAL CONTRIBUTIONS</b>					
Transfers in	819,149	210,994	1,598,356	681,171	3,309,670
Transfers out	(800,000)	-	-	-	(800,000)
Total Transfers and capital contributions	19,149	210,994	1,598,356	681,171	2,509,670
Changes in Net Position	377,640	3,338,169	434,397	(139,062)	4,011,144
<b>NET POSITION</b>					
Beginning of year	19,910,208	31,797,266	15,524,802	9,991,139	77,223,415
End of year	\$ 20,287,848	\$ 35,135,435	\$ 15,959,199	\$ 9,852,077	\$ 81,234,559

The accompanying notes are an integral part of these financial statements.

# City of Industry

## Statement of Cash Flows Proprietary Funds For the Year Ended June 30, 2024

	Industry Public Utilities Commission		Civic Recreational Industrial Authority Industry Hills Expo Center Fund	Property and Housing Management Authority Fund	Total
	Water Fund	Electric Fund			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Cash received from customers and users	\$ 3,557,377	\$ 11,115,421	\$ 2,653,137	\$ 197,355	\$ 17,523,290
Cash payments for water purchases	(459,913)	-	-	-	(459,913)
Cash payments for electric purchases	-	(3,948,252)	-	-	(3,948,252)
Cash payments for services and supplies	(2,991,571)	(4,721,420)	(3,371,912)	(915,468)	(12,000,371)
Net Cash Provided by (Used for) Operating Activities	105,893	2,445,749	(718,775)	(718,113)	1,114,754
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Cash received from other funds	819,149	210,994	1,598,356	681,171	3,309,670
Cash paid to other funds	(800,000)	-	-	-	(800,000)
Cash received/(repayments) to due to/from other funds	-	59,688	-	10,730	70,418
Net Cash Provided by Noncapital and Financing Activities	19,149	270,682	1,598,356	691,901	2,580,088
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(179,521)	(5,616,044)	(976,295)	(113,174)	(6,885,034)
Lease receipts	-	-	-	66,485	66,485
Net Cash Provided by (used for) Capital and Related Financing Activities	(179,521)	(5,616,044)	(976,295)	(46,689)	(6,818,549)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest received	250,435	406,251	-	127	656,813
Net Cash Provided by Investing Activities	250,435	406,251	-	127	656,813
Net Change in Cash and Cash Equivalents	195,956	(2,493,362)	(96,714)	(72,774)	(2,466,894)
Cash and cash equivalents, beginning of year	8,497,893	11,987,319	245,367	117,960	20,848,539
<b>Cash and cash equivalents, end of year</b>	<b>\$ 8,693,849</b>	<b>\$ 9,493,957</b>	<b>\$ 148,653</b>	<b>\$ 45,186</b>	<b>\$ 18,381,645</b>
<b>CASH AND CASH EQUIVALENTS</b>					
Cash	\$ 1,836,966	\$ 914,946	\$ 148,653	\$ 41,736	\$ 2,942,301
Investments	6,856,883	8,579,011	-	3,450	15,439,344
Total Cash and Cash Equivalents	\$ 8,693,849	\$ 9,493,957	\$ 148,653	\$ 45,186	\$ 18,381,645

(continued)

The accompanying notes are an integral part of these financial statements.

*City of Industry*

**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2024**

	Industry Public Utilities Commission		Civic Recreational Industrial Authority	Property and Housing Management Authority Fund	Total
	Water Fund	Electric Fund	Industry Hills Expo Center Fund		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 78,271	\$ 2,706,960	\$ (1,163,959)	\$ (831,150)	\$ 790,122
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	781,233	1,090,329	497,021	148,434	2,517,017
Abandoned construction in progress	-	-	56,583	-	56,583
Leases	-	-	-	(67,831)	(67,831)
Changes in operating assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(120,305)	(572,764)	(63,733)	(62,810)	(819,612)
Prepaid items	-	-	(17,273)	-	(17,273)
Inventory of material & supplies	20,812	-	-	-	20,812
Increase (decrease) in:					
Deposits	(138,998)	477,274	(36,136)	95,137	397,277
Customer deposits	(3,177)	(1,256,050)	(5,050)	-	(1,264,277)
Unearned revenue	(511,943)	-	13,772	107	(498,064)
Total Adjustments	27,622	(261,211)	445,184	113,037	324,632
Net Cash Provided by (Used for) Operating Activities	\$ 105,893	\$ 2,445,749	\$ (718,775)	\$ (718,113)	\$ 1,114,754
<b>SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Contributed capital	\$ -	\$ -	\$ -	\$ -	\$ - <i>(concluded)</i>

*The accompanying notes are an integral part of these financial statements.*

*City of Industry*

**Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2024**

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	<u>Private-Purpose Trust Fund</u>
<b>ASSETS</b>	
Cash	\$ 4,472,181
Investments	120,404,251
Accounts, net	5,752,145
Accrued interest	751,535
Property held for sale or disposition	50,064,421
Restricted assets:	
Investments	41,622,972
Capital assets, net of depreciation	197,463,768
Total Assets	<u>420,531,273</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	<u>17,791,485</u>
Total Current Liabilities	<u>17,791,485</u>
<b>NET POSITION</b>	
Restricted for Successor Agency	<u>402,739,788</u>
Total Net Position	<u>\$ 402,739,788</u>

*The accompanying notes are an integral part of these financial statements.*

*City of Industry*

**Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2024**

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	<u>Private-Purpose Trust Fund</u>
<b>ADDITIONS</b>	
Interest income	\$ 6,169,882
Rental and other income	37,647,500
Other revenues	24,718
Total Additions	<u>43,842,100</u>
<b>DEDUCTIONS</b>	
General administration	159,582
Project expenses	12,081,032
Total Deductions	<u>12,240,614</u>
Change in Net Position	31,601,486
<b>NET POSITION</b>	
Beginning of year	<u>371,138,302</u>
End of year	<u>\$ 402,739,788</u>

*The accompanying notes are an integral part of these financial statements.*

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# *City of Industry*

## **Notes to Financial Statements June 30, 2024**

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### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Industry (the City), California, have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

#### A) Description of the Reporting Agency

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, include the Civic-Recreational-Industrial Authority (CRIA), the Industry Public Utilities Commission (IPUC), the Industry Public Facilities Authority (IPFA), and the Industry Property and Housing Management Authority (the Housing Authority). 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.

#### *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. The board that governs the IPUC consists of the council members of the City. The IPUC is reported as a proprietary fund.

IPFA 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. IPFA receives all of its funding from payments received on bonds issued by the City and Successor Agency (SA) to the Industry Urban-Development Agency (IUDA) which IPFA owns as investments. IPFA is reported as part of the debt service fund.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A) Description of the Reporting Agency (Continued)

The Housing Authority was established to manage the property and housing rental activity in the City. The Board consists of five members who are appointed by the City Council. The Housing Authority is reported as proprietary funds.

*Fiduciary Component Unit*

The City has elected to become the Successor Agency to the Industry Urban- Development Agency (SA to IUDA). The City and the SA to IUDA have separate Boards of Directors. However, individuals serving on the City's Council also serve on the SA to IUDA Board. The SA to IUDA is reported as private-purpose trust fund 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 CRIA, SA to IUDA and IPFA may be obtained from the finance department, which is located at 15625 Mayor Dave Way, City of Industry, California 91744. Separate financial statements are not prepared for IPUC and Housing Authority.

B) Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. 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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The types of transactions reported as program revenues for the City are reported in three categories:

1. Charges for services,
2. Operating grants and contributions, and
3. Capital grants and contributions.

Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C) 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, deferred outflows of resources, liabilities, deferred inflows of resources, 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.

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

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.

*City 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 Debt Service Fund* - 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.

*Industry Public Facilities Authority Debt Service Fund* - The Industry Public Facilities Authority Debt Service Fund is used to account for the accumulation of resources for, and the payment of the Authority 's long-term debt, principal, interest, and related costs.

# City of Industry

## Notes to Financial Statements June 30, 2024

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### 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### C) Fund Financial Statements (Continued)

The City reports the following major proprietary funds:

*Water Enterprise Fund* - This fund accounts for activities of providing water services to the public.

*Electric Enterprise Fund* - This fund accounts for activities of providing limited electrical services to the public.

*Civic-Recreational-Industrial Authority 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 Enterprise Fund* - This fund accounts for property and housing rental activity.

Additionally, the City reports the following fund types:

#### *Governmental Fund Types*

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects), that are restricted to expenditures for special purposes.

#### *Fiduciary Fund Types*

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.

The Custodial Fund is used to account for assets held by the City as an agent for individuals, other governments and/or other funds. The assets, liabilities, and activities of the Assessment District are reported in the Custodial Fund.

#### D) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary and fiduciary funds.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Under the *economic resources measurement focus*, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statements of net position.

Operating statements present increases (revenues) and decreases (expenses) in total net position. Under the *accrual basis of accounting*, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange include property taxes, grants, entitlements, and donations. On an accrual basis, property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Proprietary funds distinguish operating revenues and expenses from nonoperating 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. The principal operating revenues of the proprietary funds are utility charges for service and event revenues. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Under the *current financial resources measurement focus*, only current assets, current liabilities, and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources."

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period. Noncurrent portions of long-term receivables are reported on the funds' balance sheets in spite of their spending measurement focus.

Under the *modified accrual basis of accounting* revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on general long-term liabilities, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Property taxes, franchise fees, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

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.

Short-term investments are reported at amortized 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.

F) 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.

G) Interfund Transactions

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as due to/from other funds (i.e., current portion of interfund loans) and advances from/to other funds (i.e., noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H) Inventories

Inventories of the Industry Hills Expo Center Enterprise Fund consist of food and beverages. Inventories of IPUC Enterprise Fund consist of materials and supplies. Inventories of operating supplies, including fuel are maintained and accounted for in the General Fund. The inventories are carried at the lower of cost or net realizable value 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

Property held for sale or disposition is reported in the fiduciary fund financial statements at the lower of cost or net realizable value.

K) Restricted Assets

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets in the financial statements because their use is limited by applicable bond covenants.

L) Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has the following items that qualify for reporting in this category:

- Unamortized loss on bond defeasance reported in the government-wide statement of net position and the fiduciary funds financial statements. An unamortized loss on bond defeasance results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding debt.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

L) Deferred Outflows and Inflows of Resources (Continued)

- Deferred outflow related to pensions equal to employer contributions made after the measurement date of the net pension liability. These amounts will be recognized in the next fiscal year.
- Deferred outflow related to OPEB for change in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the plan.
- Deferred outflow related to OPEB for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the plan.
- Deferred outflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. These amounts are amortized over five years.
- Deferred outflows related to pensions for the changes in employer 's proportion and differences between the employer 's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

In addition to liabilities, the statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflow related to OPEB resulting from the difference in projected and actual earnings on investments of the OPEB plan fiduciary net position. These amounts are amortized over five years.
- Deferred inflow related to pension and OPEB for differences between actual and expected experiences. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension and OPEB through the plans.
- Deferred inflows related to pensions for the changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plans.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M) 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. Donated capital assets are reported at acquisition value on the date of donation. 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 capital 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 SA to IUDA has capital assets that are not depreciated as they will be transferred to another entity that will be responsible for the maintenance of the capital assets at which time depreciation will commence.

The range of lives used for depreciation purposes for each capital asset class is as follows:

Buildings and improvements	45 years
Equipment	3 to 10 years
Infrastructure	20 to 50 years

N) Unearned Revenue and Unavailable Revenue

Unavailable revenues arise when revenue susceptible to accrual 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.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

O) Property Taxes

The valuation of property is determined as of March 1 each year and equal installments of taxes levied upon secured property become delinquent on the following 10th of December and April. Taxes on unsecured property are due when billed and become delinquent after August 31. If taxes are not paid on or before the date and time they become delinquent, a penalty of 10% 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 1% 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.

P) 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 effective interest 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.

Q) 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. 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.

R) Other Postemployment Benefits (OPEB) Plan

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB 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. 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.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

S) 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.

T) 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.

U) 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.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

U) Fund Balance (Continued)

*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.

*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* - includes the residual balance for the government's general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

V) Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

U) Implementation of New GASB Pronouncement

The City adopted GASB Statement No. 100, *Accounting Changes and Error Corrections*. This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. See Note 20 for details.

# City of Industry

## Notes to Financial Statements June 30, 2024

### 2) CASH AND INVESTMENTS

As of June 30, 2024, 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
Cash and investments:			
Unrestricted cash and investments:			
Cash	\$ 7,543,339	\$ 4,472,181	\$ 12,015,520
Investments	385,888,068	120,404,251	506,292,319
Investments with fiscal agent	277,845,674	-	277,845,674
Restricted cash and investments:			
Investment	-	41,622,972	41,622,972
Investment in Section 115 Trust	5,636,568	-	5,636,568
Investment with fiscal agent	142,506,003	-	142,506,003
Total Cash and Investments	<u>\$ 819,419,652</u>	<u>\$ 166,499,404</u>	<u>\$ 985,919,056</u>

As of June 30, 2024, cash and investments consisted of the following:

Cash and investments:	
Cash on hand	\$ 18,800
Deposits with financial institutions	11,996,720
Investments	547,915,291
Investment in Section 115 Trust	5,636,568
Investments with fiscal agent	420,351,677
Total Cash and Investments	<u>\$ 985,919,056</u>

#### A) Demand Deposits

The carrying amount of the City's cash deposits was \$11,996,720 as of June 30, 2024. Bank balances are 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. As of June 30, 2024 City's deposits are federally insured or collateralized.

*City of Industry*

**Notes to Financial Statements  
June 30, 2024**

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2) CASH AND INVESTMENTS (Continued)

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:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Government Sponsored Enterprise Securities	5 years	None	None
Money Market Funds (Composed Entirely of Security of U.S. Government and Agencies)	N/A	20%	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	None	None
Non-Negotiable Certificates of Deposit	5 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Repurchase Agreements	1 year	None	None
Los Angeles County Investment Pool	N/A	None	None
Local Agency Bonds	5 years	None	None
U.S. Corporate Bonds/Notes	5 years	30%	None

# City of Industry

## Notes to Financial Statements June 30, 2024

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### 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.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	None	None
U.S. Government Sponsored Enterprise Securities	None	None	None
Money Market Funds			
Certificates of Deposit	None	None	None
Commercial Paper	None	None	None
Banker's Acceptances	18 Months	None	None
U.S. Corporate Bonds/Notes	None	None	None
Municipal Bonds	None	None	None
Noninvestment 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

#### D) Risk Disclosures

##### ***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.

# City of Industry

## Notes to Financial Statements June 30, 2024

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### 2) CASH AND INVESTMENTS (Continued)

#### D) Risk Disclosures (Continued)

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.

<u>Investment Type</u>	<u>Amounts</u>	<u>Weighted Average Maturity</u>
Investments - unrestricted:		
Money market funds	\$ 128,072,145	N/A
U.S. Treasury obligation	45,893,403	N/A
Commercial paper	170,235,188	N/A
LAIF	160,290,209	N/A
Investments - restricted:		
Money market funds	41,622,974	N/A
Section 115 Trust	5,636,568	N/A
Investment held by fiscal agent:		
Money market funds	173,245,569	0.29
Disaggregated pooled asset backed	14,940,150	60.47
U.S. Treasury obligation	233,967,332	1.62
Total	<u>\$ 973,903,538</u>	

*City of Industry*

**Notes to Financial Statements  
June 30, 2024**

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2) CASH AND INVESTMENTS (Continued)

D) 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	Minimum Legal Rating	Aaa/P-1	Exempt from Rating	Not Rated	Total as of June 30, 2024
Investments - unrestricted:					
Money market funds	Aaa/P-1	\$ -	\$ -	\$ 128,072,145	\$ 128,072,145
U.S. Treasury obligation	N/A	-	-	45,893,403	45,893,403
Commercial paper	A-1/AA	170,235,188	-	-	170,235,188
LAIF	N/A	-	160,290,209	-	160,290,209
Investments - restricted:					
Money market funds	Aaa/P-1	-	-	41,622,974	41,622,974
Section 115 Trust	N/A	-	-	5,636,568	5,636,568
Investment held by fiscal agent:					
Money market funds	N/A	-	-	173,245,569	173,245,569
Disaggregated pooled asset backed	N/A	-	-	14,940,150	14,940,150
U.S. Treasury obligation	A-1	-	-	233,967,332	233,967,332
Total		<u>\$ 170,235,188</u>	<u>\$ 160,290,209</u>	<u>\$ 643,378,141</u>	<u>\$ 973,903,538</u>

2) CASH AND INVESTMENTS (Continued)

E) State of California Local Agency Investment Fund

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF. Currently, LAIF does not have an investment rating.

LAIF has a minimum \$5,000 transaction amount in increments of \$1,000 with a maximum of 15 transactions (combination of deposits and withdrawals) per month. LAIF requires a one-day prior notice for deposits and withdrawals of \$10 million or more.

F) Investment in City Bonds

As of June 30, 2024, the IPFA has investments in City bonds in the amounts totaling \$40,833,312. These investments are reported in the Industry Public Facilities Authority Debt Service Fund. These assets arise from interfund activity and have been eliminated from the government-wide financial statements.

G) Fair Value Measurement

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are valued using a matrix pricing technique in where investments are valued based on the investments' relationship to benchmark quoted prices, and Level 3 inputs are significant unobservable inputs.

# City of Industry

## Notes to Financial Statements June 30, 2024

### 2) CASH AND INVESTMENTS (Continued)

#### G) Fair Value Measurement (Continued)

The City has the following recurring fair value measurements as of June 30, 2024:

Investment Type	Measurement Input				Total
	Level 1	Level 2	Level 3	Uncategorized	
Investments - unrestricted:					
Money market funds	\$ -	\$ -	\$ -	\$ 128,072,145	\$ 128,072,145
U.S. Treasury obligation	-	45,893,403	-	-	45,893,403
Commercial paper	-	170,235,188	-	-	170,235,188
LAF	-	-	-	160,290,209	160,290,209
Investments - restricted:					
Money market funds	-	-	-	41,622,974	41,622,974
Section 115 Trust	-	-	-	5,636,568	5,636,568
Investment held by fiscal agent:					
Money market funds	-	-	-	173,245,569	173,245,569
Disaggregated pooled asset backed	-	14,940,150	-	-	14,940,150
U.S. Treasury obligation	-	233,967,332	-	-	233,967,332
Total	\$ -	\$ 465,036,073	\$ -	\$ 508,867,465	\$ 973,903,538

### 3) ACCOUNTS RECEIVABLE

As of June 30, 2024, accounts receivable for governmental funds consisted of the following:

	General	Nonmajor	Total
	Fund	Governmental Funds	
Sales tax receivable	\$ 6,076,524	\$ -	\$ 6,076,524
Property tax receivable	1,514,026	-	1,514,026
Other	410,415	7,230	417,645
Total	\$ 8,000,965	\$ 7,230	\$ 8,008,195

### 4) NOTES RECEIVABLE

As of June 30, 2024, notes receivable consisted of the following:

	Governmental Activities
Notes receivable:	
City of La Puente	\$ 1,178,378
San Gabriel Valley Water and Power LLC	20,000,000
Total Notes Receivable	\$ 21,178,378

# *City of Industry*

## **Notes to Financial Statements June 30, 2024**

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### 4) NOTES RECEIVABLE (Continued)

#### A) City of La Puente Loan

In October 2015, The City entered into an agreement with the City of La Puente to mitigate noise, traffic and railroad impact and for other public purposes. As part of the agreement, the City of Industry agreed to lend to the City of La Puente, and the City of La Puente agreed to borrow and repay to the City, 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 City of La Puente has borrowed a total of \$1,801,762 of the original amount of the loan. The project has been completed and the City of La Puente does not plan on borrowing any additional funds. In October 2019, the loan agreement has been modified to pay off the remaining \$1,422,945 over 28 years. Beginning November 1, 2019, the annual payment will be \$53,287 including interest at 0.33%.

#### B) San Gabriel Valley Water and Power, LLC

The City entered into master lease agreement (the Lease) with San Gabriel Valley Water and Power, LLC (SGVWP) and leased properties to SGVWP for a period of twenty-five years for the development of solar projects. As part of the Lease, as further amended, the City agreed to advance \$20,000,000 for funding of the project development costs. As of June 30, 2024, the outstanding balance of the advance was in the amount of \$20,000,000. Also refer to Note 17 for more contingency disclosures.

# City of Industry

## Notes to Financial Statements June 30, 2024

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### 5) LEASE RECEIVABLE

The City, acting as lessor, leases land and buildings under long-term, noncancelable lease agreements. The leases expire at various dates through 2026 and provide various renewal options ranging from three months to six years. During the year ended June 30, 2024, the City recognized \$2,200,084 and \$270,265 in lease revenue and interest revenue, respectively, pursuant to these contracts.

Certain leases provide for increases in future minimum annual rental payments based on defined increases in the Consumer Price Index, subject to certain minimum increases.

Total future minimum lease payments to be received under lease agreements are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 2,366,612	\$ 196,870	\$ 2,563,482
2026	1,602,207	120,573	1,722,780
2027	1,169,522	72,738	1,242,260
2028	785,188	29,572	814,760
2029	134,256	15,504	149,760
2030 - 3032	357,534	16,866	374,400
Total	<u>\$ 6,415,319</u>	<u>\$ 452,123</u>	<u>\$ 6,867,442</u>

### 6) 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, are treated as loans. The note is payable on demand with simple interest at 6% per annum on the unpaid balance. As of June 30, 2024, the unpaid note balance amounted to \$32,414,364 and accrued interest amounted to \$34,459,169. As the collectability of this note and accrued interest is uncertain, the loan amounts are offset with allowance for doubtful account in the financial statements; and the City will recognize the collections on the note receivable as revenue as the amounts are collected.

The Hospital leased property from the Successor Agency (SA) to IUDA for \$1 a year, which was renewed annually, and at the time of renewal the lease may be terminated or the lease payment renegotiated by SA to IUDA. In November 2018, the SA to IUDA sold the property to the City. The City is currently working with the Hospital on the new lease agreement. During the June 30, 2024, the City incurred expenses on behalf of the Hospital totaling \$1,135,039 relating to contract labor, security, and repairs and maintenance.

# City of Industry

## Notes to Financial Statements June 30, 2024

### 7) PREPAID ITEMS

As of June 30, 2024, government-wide financial statements report the following prepaid items:

	Governmental Activities	Business-Type Activities	Total
Prepaid bond insurance	\$ 3,068,160	\$ -	\$ 3,068,160
Other prepaid items	297,436	353,757	651,193
Total	<u>\$ 3,365,596</u>	<u>\$ 353,757</u>	<u>\$ 3,719,353</u>

As of June 30, 2024, fund financial statements reported the following prepaid items:

	Governmental Funds			Enterprise Funds			Total
	General Fund	City Debt Service Fund	Total	IPUC Water Fund	IPUC Electric Fund	Industry Hills - Expo Center Fund	
Prepaid bond insurance	\$ -	\$ 3,068,160	\$ 3,068,160	\$ -	\$ -	\$ -	\$ -
Other prepaid items	297,436	-	297,436	333,699	11,064	8,994	353,757
Total	<u>\$ 297,436</u>	<u>\$ 3,068,160</u>	<u>\$ 3,365,596</u>	<u>\$ 333,699</u>	<u>\$ 11,064</u>	<u>\$ 8,994</u>	<u>\$ 353,757</u>

### 8) 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 as of June 30, 2024:

Due to Other Fund	Due from Other Funds				Total
	Governmental Funds			Enterprise Funds	
	General Fund	City Capital Projects Fund	Nonmajor Funds	IPUC Electric Fund	
Governmental funds:					
General Fund	\$ -	\$ 1,754,611	\$ 1,038,104	\$ -	\$ 2,792,715
City Capital Projects Fund	-	-	-	-	-
Nonmajor Funds	253,835	-	337,884	89,397	681,116
Total	<u>\$ 253,835</u>	<u>\$ 1,754,611</u>	<u>\$ 1,375,988</u>	<u>\$ 89,397</u>	<u>\$ 3,473,831</u>

The majority of the interfund balances were a result of routine short-term borrowing or reimbursement of expenditures.

*City of Industry*

**Notes to Financial Statements  
June 30, 2024**

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8) INTERFUND TRANSACTIONS (Continued)

B) Advances to/from Other Fund

Advances to/from other funds consisted of the following as of June 30, 2024:

<u>Advance from Other Funds</u>	<u>Advance to Other Funds Governmental Fund General Fund</u>
Governmental fund:	
Industry Public Facilities Authority	
Debt Service Fund	\$ 49,127,543
Total	<u>\$ 49,127,543</u>

On December 1, 2015, the IPFA 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 ranging 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 \$520,000 to \$3,905,000.

As of June 30, 2024, the total outstanding balance amounted to \$49,127,543 (principal of \$47,650,000 and accrued interest of \$1,477,543). Interest revenue for the City and interest expense for the IPFA in the amount of \$3,592,510 is eliminated in the statement of activities.

The repayment schedule for the advances is as following:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 645,000	\$ 3,561,760	\$ 4,206,760
2026	680,000	3,527,898	4,207,898
2027	715,000	3,490,158	4,205,158
2028	755,000	3,448,330	4,203,330
2029	805,000	3,401,898	4,206,898
2030 - 2034	4,930,000	16,107,304	21,037,304
2035 - 2039	6,985,000	14,044,328	21,029,328
2040 - 2044	10,040,000	10,996,838	21,036,838
2045 - 2049	14,565,000	6,472,798	21,037,798
2050 - 2051	7,530,000	886,214	8,416,214
Total	<u>\$ 47,650,000</u>	<u>\$ 65,937,526</u>	<u>\$ 113,587,526</u>

*City of Industry*

**Notes to Financial Statements  
June 30, 2024**

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8) INTERFUND TRANSACTIONS (Continued)

C) Transfers

Transfers in and transfers out for the year ended June 30, 2024, consisted of the following:

Transfers In	Transfers Out		
	Governmental Funds		
	General Fund	City Capital Projects Funds	Nonmajor Governmental Funds
Governmental funds:			
General Fund	\$ -	\$ 18,246,273	\$ 590,000
Capital Projects Funds	25,128,660	-	-
City Debt Service Fund	35,512,324	4,142,753	-
IPFA Debt Service Fund	9,500	-	-
Nonmajor Governmental Funds	3,034,205	994,062	-
Proprietary funds:			
IPUC Water Fund	800,000	19,149	-
IPUC Electric Fund	198,578	12,416	-
Expo Center Fund	-	-	1,598,356
IPHMA Fund	566,000	115,171	-
Total	<u>\$ 65,249,267</u>	<u>\$ 23,529,824</u>	<u>\$ 2,188,356</u>

Transfers In	Transfers Out	
	Proprietary Funds	
	IPUC Water Fund	Total
Governmental funds:		
General Fund	\$ 800,000	\$ 19,636,273
Capital Projects Funds	-	25,128,660
City Debt Service Fund	-	39,655,077
IPFA Debt Service Fund	-	9,500
Nonmajor Governmental Funds	-	4,028,267
Proprietary funds:		
IPUC Water Fund	-	819,149
IPUC Electric Fund	-	210,994
Expo Center Fund	-	1,598,356
IPHMA Fund	-	681,171
Total	<u>\$ 800,000</u>	<u>\$ 91,767,447</u>

The following transfers were made:

- \$25,128,660 Transfer to CIP fund project expenditures.
- \$35,512,324 Transfer to debt service funds to for debt service.
- \$4,142,753 Interest income earned on bond proceeds for projects funds transferred to Debt Service.
- \$681,171 Transfer to IPHMA Fund to cover housing project costs.
- \$1,598,356 Transfer to CRIA Fund to cover project costs.
- \$18,246,273 Capital projects funds to reimburse General Fund for project costs.

# City of Industry

## Notes to Financial Statements June 30, 2024

### 9) CAPITAL ASSETS

#### A) Governmental Activities

A summary of changes in capital asset activity for the year ended June 30, 2024, is as follows:

Capital Assets	Balance at July 1, 2023	Additions	Deletions	Transfer and Reclassification	Balance at June 30, 2024
Primary government:					
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 110,604,835	\$ -	\$ -	\$ -	\$ 110,604,835
Construction in progress	43,586,811	-	-	(10,915,650)	32,671,161
Total capital assets, not being depreciated	154,191,646	-	-	(10,915,650)	143,275,996
Capital assets, being depreciated:					
Buildings and improvements	120,670,145	-	-	-	120,670,145
Machinery and equipment	1,926,746	-	-	-	1,926,746
Furniture and fixtures	4,581,832	-	-	-	4,581,832
Infrastructure	332,113,528	-	-	10,915,650	343,029,178
Total capital assets, being depreciated	459,292,251	-	-	10,915,650	470,207,901
Less accumulated depreciation:					
Buildings and improvements	(77,068,078)	(2,681,104)	-	-	(79,749,182)
Machinery and equipment	(1,946,198)	(1,138)	-	-	(1,947,336)
Furniture and fixtures	(4,546,569)	-	-	-	(4,546,569)
Infrastructure	(102,705,482)	(12,035,172)	-	-	(114,740,654)
Total accumulated depreciation	(186,266,327)	(14,717,414)	-	-	(200,983,741)
Total capital assets, being depreciated, net	273,025,924	(14,717,414)	-	10,915,650	269,224,160
Total Governmental Activities	\$ 427,217,570	\$ (14,717,414)	\$ -	\$ -	\$ 412,500,156

Depreciation expense was charged to the primary government in the governmental activities in the amount of \$14,717,414 to the following functions:

General government	\$ 619,486
Support services	2,009,802
Community development	134,617
Community services	1,282,301
Public safety	2,995,968
Public works	7,675,240
Total depreciation expense	<u>\$ 14,717,414</u>

# City of Industry

## Notes to Financial Statements June 30, 2024

### 9) CAPITAL ASSETS (Continued)

#### B) Business-Type Activities

A summary of changes in capital asset activity for the year ended June 30, 2024, is as follows:

Capital Assets	Balance at July 1, 2023	Additions	Deletions	Transfer and Reclassification	Balance at June 30, 2024
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 6,764,880	\$ -	\$ -	\$ -	\$ 6,764,880
Water rights	441,200	-	-	-	441,200
Construction in progress	9,681,877	6,885,035	(56,584)	(1,958,156)	14,552,172
Total capital assets, not being depreciated	16,887,957	6,885,035	(56,584)	(1,958,156)	21,758,252
Capital assets, being depreciated:					
Buildings and improvements	55,193,845	-	-	-	55,193,845
Equipment, furniture and fixtures	1,322,648	-	-	-	1,322,648
Infrastructure	31,824,258	-	-	1,958,156	33,782,414
Source of supply - electric	4,495,494	-	-	-	4,495,494
Total capital assets, being depreciated	92,836,245	-	-	1,958,156	94,794,401
Less accumulated depreciation:					
Buildings and improvements	(41,073,032)	(371,220)	-	-	(41,444,252)
Equipment, furniture and fixtures	(1,312,936)	(4,856)	-	-	(1,317,792)
Infrastructure	(2,596,929)	(2,060,313)	-	-	(4,657,242)
Source of supply - electric	(2,150,048)	(80,628)	-	-	(2,230,676)
Total accumulated depreciation	(47,132,945)	(2,517,017)	-	-	(49,649,962)
Total capital assets, being depreciated, net	45,703,300	(2,517,017)	-	1,958,156	45,144,439
Total Business-type Activities	\$ 62,591,257	\$ 4,368,018	\$ (56,584)	\$ -	\$ 66,902,691

Depreciation expense for business activities in the amount of \$2,517,016 were charged to the following activities:

Water	\$ 781,233
Electric	1,090,329
CRIA Expo Center	497,021
IPHMA	148,434
Total Depreciation Expense	<u>\$ 2,517,017</u>

#### C) Private-Purpose Trust Fund

The SA to IUDA has the following assets held for sale or disposition.

Property held for sale or disposition:	Balance at July 1, 2023	Transfer	Additions	Deletions	Balance at June 30, 2024
Land	\$50,064,421	\$ -	\$ -	\$ -	\$ 50,064,421

# City of Industry

## Notes to Financial Statements June 30, 2024

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### 9) CAPITAL ASSETS (Continued)

#### C) Private-Purpose Trust Fund (Continued)

In addition, the SA to IUDA has the following capital assets as of June 30, 2024:

	Balance at July 1, 2023	Transfer	Additions	Deletions	Balance at June 30, 2024
Capital assets, being depreciated:					
Construction in progress	\$ 190,441,571	\$ -	\$ 6,860,684	\$ -	\$ 197,302,255
Infrastructure	166,310	-	-	-	166,310
Less accumulated depreciation:	(4,797)	-	-	-	(4,797)
Capital Assets, Net	<u>\$ 190,603,084</u>	<u>\$ -</u>	<u>\$ 6,860,684</u>	<u>\$ -</u>	<u>\$ 197,463,768</u>

### 10) UNEARNED REVENUE

#### **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. As of June 30, 2024, total unearned revenue from the sale of reclaimed water to RWD and SGVWD was in the amount of \$3,201,767.

#### **Civic-Recreational-Industrial Authority**

Unearned revenue for CRIA are for event rental fees collected prior to the event. As of June 30, 2024, unearned revenue for CRIA was in the amount of \$130,540.

# City of Industry

## Notes to Financial Statements June 30, 2024

### 11) LONG-TERM LIABILITIES

A summary of changes in the governmental activities long-term liabilities for the year ended June 30, 2024, is as follows:

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024	Amount Due in One Year	Amount Due in More Than One Year
Governmental activities:						
Bonds payable:						
City of Industry:						
Sales tax revenue bonds	\$ 338,630,000	\$ -	\$ (5,690,000)	\$ 332,940,000	\$ 5,865,000	\$ 327,075,000
Deferred amounts:						
Unamortized premium/discounts	(4,771,245)	-	(55,110)	(4,826,355)	-	(4,826,355)
Total bonds payable	333,858,755	-	(5,745,110)	328,113,645	5,865,000	322,248,645
Compensated absences	209,281	26,285	-	235,566	28,914	206,652
Total long-term liabilities	\$ 334,068,036	\$ 26,285	\$ (5,745,110)	\$ 328,349,211	\$ 5,893,914	\$ 322,455,297

#### A) City of Industry Sales Tax Revenue Bonds

	Balance at July 1, 2023	Additions	Deletions	Balance at June 30, 2024	Amount Due in One Year
Sales tax revenue bonds:					
2015 Sales tax revenue refunding bonds, Series A	\$ 323,995,000	\$ -	\$ (2,200,000)	\$ 321,795,000	\$ 2,270,000
2015 Sales tax revenue refunding bonds, Series B	48,265,000	-	(615,000)	47,650,000	645,000
2017 Sales tax refunding revenue bonds	14,635,000	-	(3,490,000)	11,145,000	3,595,000
Elimination of City bonds issued to PFA	(48,265,000)	-	615,000	(47,650,000)	(645,000)
Total sales tax revenue bonds	\$ 338,630,000	\$ -	\$ (5,690,000)	\$ 332,940,000	\$ 5,865,000

#### **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.

Principal ranges from \$2,200,000 to \$21,875,000 maturing annually through January 1, 2051. The bonds bear interest at rates ranging from 3.250% to 5.125%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

*City of Industry*

**Notes to Financial Statements  
June 30, 2024**

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11) LONG-TERM LIABILITIES (Continued)

A) City of Industry Sales Tax Revenue Bonds (Continued)

Year Ending June 30,	Principal	Interest	Total
2025	\$ 2,270,000	\$ 15,990,412	\$ 18,260,412
2026	2,345,000	15,910,963	18,255,963
2027	2,435,000	15,825,956	18,260,956
2028	7,270,000	15,728,556	22,998,556
2029	7,560,000	15,437,756	22,997,756
2030 to 2034	43,045,000	71,943,519	114,988,519
2035 to 2039	54,470,000	60,518,563	114,988,563
2040 to 2044	69,930,000	45,055,158	114,985,158
2045 to 2049	89,785,000	25,201,675	114,986,675
2050 to 2051	42,685,000	3,308,700	45,993,700
Total	<u>\$ 321,795,000</u>	<u>\$ 284,921,258</u>	<u>\$ 606,716,258</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 \$615,000 to \$3,905,000 maturing annually through February 1, 2051. The bonds bear interest at rates ranging from 5.000% 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
2025	\$ 645,000	\$ 3,561,760	\$ 4,206,760
2026	680,000	3,527,898	4,207,898
2027	715,000	3,490,158	4,205,158
2028	755,000	3,448,330	4,203,330
2029	805,000	3,401,898	4,206,898
2030 to 2034	4,930,000	16,107,304	21,037,304
2035 to 2039	6,985,000	14,044,328	21,029,328
2040 to 2044	10,040,000	10,996,838	21,036,838
2045 to 2049	14,565,000	6,472,798	21,037,798
2050 to 2051	7,530,000	886,215	8,416,215
Total	<u>\$ 47,650,000</u>	<u>\$ 65,937,527</u>	<u>\$ 113,587,527</u>

# City of Industry

## Notes to Financial Statements June 30, 2024

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### 11) LONG-TERM LIABILITIES (Continued)

#### A) 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) defease 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.

Principal ranges from \$3,390,000 to \$3,835,000 maturing annually through January 1, 2027. The bonds bear interest at rates ranging from 2.750% 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
2025	\$ 3,595,000	\$ 376,444	\$ 3,971,444
2026	3,715,000	259,606	3,974,606
2027	3,835,000	134,226	3,969,226
Total	<u>\$ 11,145,000</u>	<u>\$ 770,276</u>	<u>\$ 11,915,276</u>

##### **Revenue Pledged**

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 as of June 30, 2024, on the bonds amounted to \$732,219,061. Annual principal and interest payments on the sales tax revenue bonds are expected to require 68% of the sales tax revenues. For the year ended June 30, 2024, total sales tax revenues received to pay for these bonds amounted to \$39,094,364. Principal and interest paid on the bonds during the year ended June 30, 2024, amounted to \$26,444,929.

#### B) Compensated Absences

As of June 30, 2024, compensated absences totaled to \$235,566, which will be liquidated by the General Fund.

12) DEFINED BENEFIT PENSION PLAN

A) General Information About the Pension Plan

***Plan Description***

The City contributes to CalPERS, a cost-sharing multiple-employer defined benefit 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's annual financial report may be obtained from its executive office at 400 P Street, Sacramento, California 95814.

***Benefits Provided***

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect as of June 30, 2024, are summarized as follows:

	Classic Tier 1	Classic Tier 2	PEPRA
Benefit formula	2% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50 to 63	50 to 63	52 to 67
Monthly benefits, as a percentage of eligible compensation	1.426% to 2.418%	1.426% to 2.418%	1.000 to 2.500%
Required employee contribution rates	8.00%	7.00%	8.25%
Required employer contribution rates:			
Normal cost rate	17.55%	11.88%	8.48%

12) DEFINED BENEFIT PENSION PLAN (Continued)

A) General Information About the Pension Plan (Continued)

***Contributions***

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS's 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 City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2024 were \$355,699. The actual employer payments of \$388,075 made to CalPERS by the City during the measurement period ended June 30, 2023 differed from the District's proportionate share of the employer's contributions of \$1,316,588 by \$928,513, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

B) Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

12) DEFINED BENEFIT PENSION PLAN (Continued)

B) Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

The collective total pension liability for the June 30, 2023 measurement period was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The collective total pension liability was based on the following assumptions:

	<u>Miscellaneous</u>
Valuation date	June 30, 2022
Measurement date	June 30, 2023
Actuarial cost method	Entry-age actuarial cost method
Asset valuation method	Fair value of assets
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Mortality rate table	Derived using CalPERS' membership data for all funds
Post retirement benefit increase	The lessor of contract COLA or 2.30% until purchasing power protection allowance floor of purchasing power applies, 2.30% there after

**Long-Term Expected Rate of Return**

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

12) DEFINED BENEFIT PENSION PLAN (Continued)

B) Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return <sup>1,2</sup>
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

<sup>1</sup> An expected inflation of 2.30% used for this period

<sup>2</sup> Figures are based on the 2021 Asset Liability Management study

***Change of Assumptions***

There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

12) DEFINED BENEFIT PENSION PLAN (Continued)

B) Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

**Discount Rate**

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

**Subsequent Events**

There were no subsequent events that would materially affect the results presented in this disclosure.

**Pension Plan Fiduciary Net Position**

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

C) Proportionate Share of Net Pension Liability

The following table shows the City's proportionate share of the Plan's net pension liability over the measurement period.

	Proportionate share of Miscellaneous Plan		
	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at: 6/30/2022	\$ 32,612,426	\$ 30,406,905	\$ 2,205,521
Balance at: 6/30/2023	34,763,885	31,670,282	3,093,603
Net change	\$ 2,151,459	\$ 1,263,377	\$ 888,082

*City of Industry*

**Notes to Financial Statements  
June 30, 2024**

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12) DEFINED BENEFIT PENSION PLAN (Continued)

C) Proportionate Share of Net Pension Liability (Continued)

The City's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The City's proportionate share of the net pension liability for the miscellaneous Plan as of the June 30, 2022 and 2023 measurement dates was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2022	0.04713%
Proportion - June 30, 2023	<u>0.06187%</u>
Change - increase	<u>0.01474%</u>

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

The following presents the City's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.9 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.9 percent) or 1 percentage-point higher (7.9 percent) than the current rate:

	Discount Rate	Current Discount Rate	Discount Rate
	<u>-1% (5.90%)</u>	<u>(6.90%)</u>	<u>+1% (7.90%)</u>
Net pension liability/(asset)	<u>\$ 7,795,270</u>	<u>\$ 3,093,603</u>	<u>\$ (776,273)</u>

***Amortization of Deferred Outflows and Deferred Inflows of Resources***

Under GASB 68, 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 pensions and are to be recognized in future pension expense.

12) DEFINED BENEFIT PENSION PLAN (Continued)

C) Proportionate Share of Net Pension Liability (Continued)

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

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 Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2023 is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,073 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

D) Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2022), the City's net pension liability was \$2,205,521. For the measurement period ending June 30, 2023 (the measurement date), the City incurred a pension expense of \$2,304,725.

*City of Industry*

**Notes to Financial Statements  
June 30, 2024**

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12) DEFINED BENEFIT PENSION PLAN (Continued)

D) Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Continued)

As of June 30, 2024, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in assumptions	\$ 186,775	\$ -
Differences between actual and expected experience	133,522	-
Net differences between projected and actual earnings on Plan investments	500,882	-
Change in proportionate share of contributions		1,474,003
Change in employers proportion	2,678,246	
Pension contributions subsequent to measurement date	355,699	-
Total	<u>\$ 3,855,124</u>	<u>\$ 1,474,003</u>

The amounts above are net of outflows and inflows recognized in the 2022-23 measurement period expense. Contributions subsequent to the measurement date of \$355,699 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2025	\$ 1,065,806
2026	671,447
2027	273,797
2028	14,372
2029	-
Thereafter	-
Total	<u>\$ 2,025,422</u>

E) Payable to the Pension Plan

As of June 30, 2024, the City had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2024.

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 participant and are not subject to the claims of the City's general creditors.

Investments are managed by the plan's trustee under one of several investment options, or a combination thereof. The choice of the investment options 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, 2024, the plan had investments in the amount of \$2,868,427.

14) OTHER POSTEMPLOYMENT BENEFITS

A) General Information about the OPEB Plan

***Plan Description***

The City provides other postemployment benefits (OPEB) through the California Employer's Retiree Benefit Trust Fund (CERBT), an agent multiple-employer defined benefit plan to provide postemployment medical benefits. Specifically, the City offers postretirement medical, dental and vision benefits to all employees who retire from the City. The plan does not provide a publicly available financial report.

Benefits provided by the plan are as follows:

	<u>General Employees</u>	<u>Management</u>
Benefit types provided	Medical, dental and vision	Medical, dental and vision
Duration of benefits	Lifetime	Lifetime
Required services	15 years**	15 years*
Minimum age	50	50
Dependent coverage	Yes	Yes
City contribution percentage	100.00%	100.00%
City cap	None	None

\* Elected and appointed officials qualify for City-paid coverage after eight or more years.

\*\* 25 years for those hired April 26, 1990 to June 30, 2012; 10 years for those hired prior to April 26, 1990.

# City of Industry

## Notes to Financial Statements June 30, 2024

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### 14) OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### A) General Information about the OPEB Plan (Continued)

##### **Employees Covered by Benefit Term**

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

Active employees	30
Inactive employees receiving benefits	<u>31</u>
Total	<u><u>61</u></u>

##### **Contribution**

The obligation of the City to contribute to the plan is established and may be amended by the City Council. Employees are not required to contribute to the plan.

#### B) Net OPEB Liability (Asset)

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

14) OTHER POSTEMPLOYMENT BENEFITS (Continued)

B) Net OPEB Liability (Asset) (Continued)

***Actuarial Assumptions***

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

Actuarial cost method	Entry age actuarial cost method
Actuarial assumptions:	
Inflation	2.50%
Discount rate	6.75%
Healthcare cost trend	4.00%
Payroll increase	2.75%
Mortality rate table	2021 CalPERS mortality for miscellaneous and school employees
Retirement rate:	
Hired before January 1, 2013	2021 CalPERS 2.7% @ 55 rates for miscellaneous employees
Hired before December 31, 2012	2021 CalPERS 2.0% @ 62 rates for miscellaneous employees
Service requirement:	
General employees:	
Hired before April 26, 1990	100% at 10 years of service
Hired April 26, 1990 to June 30, 2012	100% at 25 years of service
Hired July 1, 2012 or Later	100% at 15 years of service
Elected and appointed officials	100% at 8 years of service
Management	100% at 15 years of service
Participation rate:	
< 65 non-Medicare participation	% at 100%
> 65 Medicare participation	% at 100%
Turnover	2021 CalPERS turnover for miscellaneous employees

# City of Industry

## Notes to Financial Statements June 30, 2024

### 14) OTHER POSTEMPLOYMENT BENEFITS (Continued)

#### B) Net OPEB Liability (Asset) (Continued)

##### **Discount Rate**

The discount rate of 6.75% was used in the valuation. It was assumed that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. The City used historic 27-year real rates of return for each asset class along with the assumed long-term inflation assumption to set the discount rate. The City offset the expected investment return by investment expenses of 25 basis points. The following is the assumed asset allocation and assumed rate of return:

Asset Class	Percentage of Portfolio	Assumed Gross Return
All equities	59.00%	7.55%
All fixed income	25.00%	4.25%
Real estate investment trusts	8.00%	7.25%
All commodities	3.00%	7.55%
Treasury Inflation Protection Securities (TIPS)	5.00%	3.00%
	100.00%	

The City looked at rolling periods of time for all asset classes in combination to appropriately reflect correlation between asset classes. That means that the average returns for any asset class don't necessarily reflect the averages over time individually, but reflect the return for the asset class for the portfolio average. The City used geometric means.

#### C) Change in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at June 30, 2022 (measurement date)	\$ 8,601,739	\$ 11,364,401	\$ (2,762,662)
Changes recognized for the measurement period:			
Service cost	300,540	-	300,540
Interest on total OPEB liability	572,363	764,125	(191,762)
Change in assumptions	490,295	-	490,295
Difference between expected and actual experience	53,713	-	53,713
Contributions-employer	-	84,863	(84,863)
Administrative expenses	-	(3,328)	3,328
Benefit payments	(714,841)	(714,841)	-
Net change during measurement period 2022 to 2023	702,070	130,819	571,251
Balance at June 30, 2023 (measurement date)	\$ 9,303,809	\$ 11,495,220	\$ (2,191,411)

*City of Industry*

**Notes to Financial Statements  
June 30, 2024**

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14) OTHER POSTEMPLOYMENT BENEFITS (Continued)

C) Change in the Net OPEB Liability (Asset) (Continued)

***Sensitivity of the Net OPEB Asset to Changes in the Discount Rate***

The following presents the net OPEB asset of the City, as well as what the City's net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current discount rate:

	Discount Rate -1% (5.75%)	Current Discount Rate (6.75%)	Discount Rate +1% (7.75%)
Net OPEB (asset)	<u>\$ (1,140,044)</u>	<u>\$ (2,191,411)</u>	<u>\$ (3,071,151)</u>

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

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

	Healthcare Cost Trend Rate 1% lower	Current Healthcare Trend Rate	Healthcare Cost Trend Rate 1% higher
Net OPEB asset	<u>\$ (3,174,758)</u>	<u>\$ (2,191,411)</u>	<u>\$ (999,096)</u>

D) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the City recognized OPEB expense in the amount of \$172,421. As of June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ 547,256	\$ 322,862
Change in assumptions	679,978	-
Net differences between projected and actual earnings on Plan investments	768,020	-
Total	<u>\$ 1,995,254</u>	<u>\$ 322,862</u>

*City of Industry*

**Notes to Financial Statements  
June 30, 2024**

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14) OTHER POSTEMPLOYMENT BENEFITS (Continued)

D) OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in the future OPEB expense as follows:

Year Ending June 30,	Deferred Outflows/(Inflows) of Resources
2025	\$ 240,007
2026	480,454
2027	795,985
2028	97,663
2029	58,283
Thereafter	-
Total	<u>\$ 1,672,392</u>

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, 2024, there are approximately \$1,350,627 in pending liability claims and litigation outstanding against the City and its component units. This balance is included in the accrued liabilities of the general fund in the governmental balance sheet. 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.

Changes in the liability since June 30, 2022, resulted from the following:

	<u>Liability</u>
Liability at June 30, 2022	\$ 764,922
Estimates during the year	1,141,474
Claim payments during the year	-
Liability at June 30, 2023	<u>1,906,396</u>
Estimates during the year	(555,769)
Claim payments during the year	-
Liability at June 30, 2024	<u>\$ 1,350,627</u>

16) COMMITMENTS AND CONTINGENCIES

***San Gabriel Valley Water and Power, LLC***

On or about May 17, 2016, the City entered into the Lease with SGVWP. The Lease was ratified by the City Council on or about October 12, 2017. Among the Lease's various provisions, the City provided SGVWP with a \$20 million loan (Note 4) for SGVWP to analyze the feasibility of constructing a "solar farm" and other necessary public infrastructure improvements. The Lease potentially included two separate and adjacent properties. Under Section 25.3 of the Lease, repayment on the loan would be triggered "upon commencement of construction of the first project pursuant to the Lease." In January 2018, SGVWP failed to comply with certain material provisions of the Lease. The City gave SGVWP written notice of its obligations under the Lease and requested immediate compliance. On or about May 23, 2018, under Section 17.2.1 of the Lease, because SGVWP had failed to cure its default, the City informed SGVWP that the lease was null and void and of no further force or effect. During the year ended June 30, 2020, the City filed the lawsuit against SGVWP. At this time, given the termination of the Lease and the litigation, it is unknown whether SGVWP will repay the loan.

17) JOINT GOVERNED ORGANIZATION - TRES HERMANOS CONSERVATION AUTHORITY

The Tres Hermanos Ranch (the Ranch) consists of approximately 2,445 acres of largely undeveloped property. Approximately 1,750 acres are within the City of Chino Hills (Chino Hills) and 695 acres are within the City of Diamond Bar (Diamond Bar). The Ranch was acquired by the IUDA in 1978 and owned by SA to IUDA due to the dissolution of the IUDA. On January 19, 1999, Chino Hills and Diamond Bar entered into a certain Joint Exercise of Powers (1999 Agreement) for the purpose to coordinate the overall development and conservation of the Ranch. The City was made an ex-officio nonvoting member in 1999. As previously discussed in Note 4B, the City entered into a master lease agreement with SGVWP for the development of the solar project located at the Ranch with the plan to purchase the Ranch from SA to IUDA. Litigation was brought against the development of the solar project by Chino Hills and Diamond Bar. The three cities later entered into a settlement agreement dated February 4, 2019, where: (1) Chino Hills and Diamond Bar collectively contribute 10% of the City's \$41,650,000 purchase price for the Ranch from SA to IUDA, (2) preserve the Ranch as environmental, scientific, educational, and recreational resources, and (3) transfer the ownership of the Ranch to a re-constituted Tres Hermanos Conservation Authority (the Authority).

On February 6, 2019, the three cities entered into Amended and Restated Tres Hermanos Conservation Authority Joint Powers Agreement (the Agreement) which superseded the 1999 Agreement in its entirety. The general purpose of the Authority is to coordinate the overall conservation, use and potential improvement of the Ranch through collaboration by its members. The board consist of seven voting directors where three appointed by the City and two each appointed by Chino Hills and Diamond Bar. Each member city pays an equal one-third share of the cost for the reasonable annual and recurring maintenance of the Ranch. Any costs over the annual maintenance cost will be allocated and invoiced separately to the member cities based on the benefits provided.

*City of Industry*

**Notes to Financial Statements  
June 30, 2024**

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17) JOINT GOVERNED ORGANIZATION - TRES HERMANOS CONSERVATION AUTHORITY  
(Continued)

In addition, the City is responsible for a onetime remediation work for the Arnold Reservoir dam. After the completion of the one-time remediation work, the City will not be responsible for any future repair, maintenance or other work to the Arnold Reservoir dam.

In February 2019, Chino Hills and Diamond Bar collectively contributed \$4,165,000, and the City contributed the remaining \$37,485,000 toward the purchase of the Ranch for the Authority. The financial statement of the Authority can be obtained at 14000 City Center Drive, Chino Hills, California.

18) TRANSACTIONS WITH RELATED PARTIES

The related party transactions of the City are summarized as follows:

<u>Service Provided by Vendor</u>	<u>Related Parties</u>	Expenditures for the Year Ended June 30, 2024
Landscaping services	Former Mayor and City Council Member	\$ 2,660,144
<u>Other Related Party Transactions</u>	<u>Related Parties</u>	Amount for the Year Ended June 30, 2024
Tenant of the City's (Housing Authority) properties	City Council Members, Commissioners, and Board Members	\$ 70,140

*City of Industry*

**Notes to Financial Statements  
June 30, 2024**

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19) EXCESS OF EXPENDITURES OVER APPROPRIATIONS

During the year ended June 30, 2024, expenditures in excess of appropriations are as follows:

	<u>Appropriation</u>	<u>Expenditures</u>	<u>Variance</u>
General Fund:			
Community development	\$ 2,401,000	\$ 2,889,926	\$ (488,926)
Community services	11,741,000	12,058,063	(317,063)
Public works	14,194,000	16,803,011	(2,609,011)
Debt Service Fund:			
General administration	8,200	15,200	(7,000)
Interest and fiscal charges	20,140,200	20,268,777	(128,577)
Proposition A Sales Tax			
Special Revenue Fund:			
Public works	248,000	331,777	(83,777)
CARB			
Special Revenue Fund:			
Public works	103,000	429,180	(326,180)
CRIA			
Capital Project Fund:			
Public works	2,189,000	2,266,789	(77,789)

20) PRIOR PERIOD RESTATEMENT

As a result of the implementation of GASB 100, as described in Note 1, the City is required to restate its June 30, 2023, governmental funds' fund balance. The Tax Override was previously reported as a major fund and qualified as nonmajor for the year ending June 30, 2024. This qualifies as a change to or within the financial reporting entity under the guidance of GASB 100. The reclassification of these funds did not result in any changes to the government-wide financial statements' net position. Changes in fund balance as of June 30, 2023, were as follows:

	<u>Governmental Funds</u>	<u>Nonmajor Governmental Funds</u>
	<u>Tax Override Fund</u>	<u>Tax Override Fund</u>
Fund balance, beginning of year, as previously reported	\$ 2,161	\$ -
Changes from major to nonmajor fund	<u>(2,161)</u>	<u>2,161</u>
Fund balance, beginning of year, as restated	<u>\$ -</u>	<u>\$ 2,161</u>

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## City of Industry

### Required Supplementary Information Schedule of the City's Proportional Share of the Plan's Net Pension Liability and Related Ratios (Unaudited) Last Ten Years

Measurement period	California Public Employees' Retirement System (CalPERS) Miscellaneous Classic Plan				
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Reporting period	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Plan's proportion of the net pension liability (asset)	0.061870%	0.047134%	-0.189058%	0.006036%	0.000381%
Plan's proportionate share of the collective net pension liability (asset) <sup>1</sup>	\$ 3,093,603	\$ 2,205,521	\$ (3,589,831)	\$ 656,759	\$ 39,088
Plan's covered payroll	\$ 3,071,627	\$ 2,840,527	\$ 2,615,700	\$ 2,376,701	\$ 1,730,895
Plan's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	100.72%	-108.91%	-137.24%	27.63%	2.26%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	93.24%	93.24%	111.34%	97.84%	99.87%

<sup>1</sup> Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

*City of Industry*

**Required Supplementary Information  
 Schedule of the City's Proportional Share of the Plan's Net Pension Liability and  
 Related Ratios (Unaudited) (Continued)  
 Last Ten Years**

Measurement period	California Public Employees' Retirement System (CalPERS) Miscellaneous Classic Plan				
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Reporting period	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Plan's proportion of the net pension liability (asset)	-0.001493%	0.090690%	0.090886%	0.092292%	0.076870%
Plan's proportionate share of the collective net pension liability (asset) <sup>1</sup>	\$ (143,883)	\$ 8,994,206	\$ 7,864,480	\$ 6,331,815	\$ 4,782,916
Plan's covered payroll	\$ 1,680,481	\$ 2,072,156	\$ 1,936,492	\$ 1,988,262	\$ 1,779,595
Plan's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-8.56%	434.05%	406.12%	318.46%	268.76%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	100.49%	69.70%	70.65%	77.21%	83.03%

# City of Industry

## Required Supplementary Information Schedule of Contributions – Pension (Unaudited) Last Ten Years

Fiscal Year Ended	California Public Employees' Retirement System (CalPERS) Miscellaneous Classic Plan				
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Actuarially determined contribution	\$ 355,699	\$ 388,075	\$ 308,625	\$ 291,851	\$ 245,590
Contributions in relation to the actuarially determined contributions	<u>(355,699)</u>	<u>(388,075)</u>	<u>(308,625)</u>	<u>(291,851)</u>	<u>(245,590)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,405,056	\$ 3,071,627	\$ 2,840,527	\$ 2,615,700	\$ 2,376,701
Contributions as a percentage of covered payroll	10.45%	12.63%	10.87%	11.16%	10.33%

### Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65% to 7.15%. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.50% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.50% discount rate.

*City of Industry*

**Required Supplementary Information  
Schedule of Contributions – Pension (Unaudited) (Continued)  
Last Ten Years**

Fiscal Year Ended	California Public Employees' Retirement System (CalPERS) Miscellaneous Classic Plan				
	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially determined contribution	\$ 195,741	\$ 640,586	\$ 567,355	\$ 534,918	\$ 255,850
Contributions in relation to the actuarially determined contributions	<u>(195,741)</u>	<u>(9,206,926)</u>	<u>(567,355)</u>	<u>(534,918)</u>	<u>(255,850)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ (8,566,340)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 1,730,895	\$ 1,680,481	\$ 2,072,156	\$ 1,936,492	\$ 1,988,262
Contributions as a percentage of covered payroll	11.31%	38.12%	27.38%	27.62%	12.87%

# City of Industry

## Required Supplementary Information Schedule of Changes Net Other Postemployment Benefits Liability (Asset) and Related Ratios (Unaudited) Last Ten Years\*

Reporting period	Measurement Period Ended					
	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
<b>Total OPEB liability:</b>						
Service cost	\$ 300,540	\$ 292,496	\$ 228,121	\$ 222,016	\$ 268,372	\$ 261,189
Interest on total OPEB liability	572,363	552,005	453,854	438,946	638,477	619,722
Changes in assumptions	490,295	-	609,924	-	-	-
Differences between expected and actual experience	53,713	46,166	975,729	105,870	(3,185,366)	95,803
Changes in benefits	-	-	-	-	-	-
Benefit payments	(714,841)	(594,910)	(560,106)	(550,184)	(825,116)	(579,992)
Actual minus expected benefit payments	-	-	-	-	171,949	(95,803)
Net change in Total Pension Liability	702,070	295,757	1,707,522	216,648	(2,931,684)	300,919
Total pension liability, beginning of year	8,601,739	8,305,982	6,598,460	6,381,812	9,313,496	9,012,577
Total OPEB liability, end of year	9,303,809	8,601,739	8,305,982	6,598,460	6,381,812	9,313,496
<b>OPEB fiduciary net position:</b>						
Investment income	764,125	(1,838,972)	3,120,564	401,157	715,105	904,934
Contributions - employers	84,863	13,631	31,285	-	-	-
Benefit payments	(714,841)	(594,910)	(560,106)	(550,184)	(825,116)	(579,992)
Administrative expenses	(3,328)	(3,509)	(4,270)	(5,586)	(2,471)	(20,767)
Other	-	-	-	-	-	2,091
Net change in OPEB fiduciary net position	130,819	(2,423,760)	2,587,473	(154,613)	(112,482)	306,266
Total fiduciary net position, beginning of year	11,364,401	13,788,161	11,200,688	11,355,301	11,467,783	11,161,517
Total fiduciary net position, end of year (a)	11,495,220	11,364,401	13,788,161	11,200,688	11,355,301	11,467,783
Net OPEB asset	\$ (2,191,411)	\$ (2,762,662)	\$ (5,482,179)	\$ (4,602,228)	\$ (4,973,489)	\$ (2,154,287)
Plan's fiduciary net position as a percentage of the total OPEB asset	123.55%	132.12%	166.00%	169.75%	177.93%	123.13%
Covered-employee payroll	\$ 3,071,627	\$ 2,840,527	\$ 2,615,700	\$ 2,376,701	\$ 1,730,895	\$ 1,680,481
Net OPEB asset as a percentage of covered-employee payroll	71.34%	97.26%	209.59%	193.64%	287.34%	128.19%

Notes to schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30 2023 to June 30 2024:

There were no changes in assumptions.

\*Historical information is presented only for measurement periods for which GASB 75 is applicable. Additional years of information will be presented as they become available.

*City of Industry*

**Required Supplementary Information  
Budgetary Comparison Schedule – General Fund (Unaudited)  
For the Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 51,403,000	\$ 51,253,000	\$ 51,356,984	\$ 103,984
Intergovernmental	303,000	303,000	293,998	(9,002)
Charges for services	350,000	350,000	242,096	(107,904)
License and permits	2,308,000	2,318,000	1,910,505	(407,495)
Fines, forfeitures, and penalties	291,000	296,000	331,964	35,964
Use of money and property	16,463,000	24,554,000	35,921,710	11,367,710
Other revenue	3,711,000	2,111,000	3,440,869	1,329,869
<b>Total Revenues</b>	<b>74,829,000</b>	<b>81,185,000</b>	<b>93,498,126</b>	<b>12,313,126</b>
<b>EXPENDITURES</b>				
Current:				
Legislative	977,000	977,000	930,356	46,644
General administration	8,663,000	8,229,000	6,797,286	1,431,714
Support services	5,124,000	5,338,000	4,344,699	993,301
Community development	2,380,000	2,401,000	2,889,926	(488,926)
Community services	9,631,000	11,741,000	12,058,063	(317,063)
Public safety	14,219,000	14,653,000	14,548,154	104,846
Public works	14,198,000	14,194,000	16,803,011	(2,609,011)
Capital outlay	-	1,866,700	1,866,666	34
<b>Total Expenditures</b>	<b>55,192,000</b>	<b>59,399,700</b>	<b>60,238,161</b>	<b>(838,461)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	19,637,000	21,785,300	33,259,965	11,474,665
<b>OTHER FINANCING USES</b>				
Transfers in	13,046,600	13,046,600	19,636,273	6,589,673
Transfers out	(43,677,200)	(43,677,200)	(65,249,267)	(21,572,067)
<b>Total Other Financing Uses</b>	<b>(30,630,600)</b>	<b>(30,630,600)</b>	<b>(45,612,994)</b>	<b>(14,982,394)</b>
<b>Net Change in Fund Balance</b>	<b>(10,993,600)</b>	<b>(8,845,300)</b>	<b>(12,353,029)</b>	<b>(3,507,729)</b>
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	698,926,439	698,926,439	698,926,439	-
End of year	\$ 687,932,839	\$ 690,081,139	\$ 686,573,410	\$ (3,507,729)

# City of Industry

## Note to Required Supplementary Information For the Year Ended June 30, 2024

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The City Council adopts an annual budget, submitted by the City Manager prior to June 30. 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. There were no amendments to the budget during the 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 other than Measure W Special Revenue Fund, the Tax Override Debt Service Fund, and the Proposition C-AQMD Grant Special Revenue Fund.

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.

### ***Excess Expenditures over Appropriations***

	<u>Appropriation</u>	<u>Expenditures</u>	<u>Variance</u>
General Fund:			
Community development	\$ 2,401,000	\$ 2,889,926	\$ (488,926)
Community services	11,741,000	12,058,063	(317,063)
Public works	14,194,000	16,803,011	(2,609,011)

*City of Industry*

**Supplementary Information  
 Schedule of Revenues, Expenditures and Changes in Fund Balances –  
 Budget and Actual  
 City Capital Projects Fund – Major Fund  
 For the Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 2,487,000	\$ 2,487,000	\$ 1,117,132	\$ (1,369,868)
Use of money and property	2,444,000	5,544,000	5,570,033	26,033
Other revenue	3,730,000	3,730,000	1,480,766	(2,249,234)
Total Revenues	8,661,000	11,761,000	8,167,931	(3,593,069)
<b>EXPENDITURES</b>				
Current:				
Community Services	50,000	50,000	-	50,000
Capital outlay	57,605,000	55,820,000	14,669,146	41,150,854
Total Expenditures	57,655,000	55,870,000	14,669,146	41,200,854
Excess (Deficiency) of Revenues Over (Under) Expenditures	(48,994,000)	(44,109,000)	(6,501,215)	37,607,785
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	25,128,660	25,128,660
Transfers out	-	-	(23,529,824)	(23,529,824)
Total Other Financing Sources (Uses)	-	-	1,598,836	1,598,836
Net Change in Fund Balance	(48,994,000)	(44,109,000)	(4,902,379)	39,206,621
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	120,303,977	120,303,977	120,303,977	-
End of year	\$ 71,309,977	\$ 76,194,977	\$ 115,401,598	\$ 39,206,621

*City of Industry*

**Supplementary Information  
 Schedule of Revenues, Expenditures and Changes in Fund Balances –  
 Budget and Actual  
 City Debt Service Fund – Major Fund  
 For the Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ 5	\$ 5
Use of money and property	-	2,000,000	2,314,212	314,212
Total Revenues	-	2,000,000	2,314,217	314,217
<b>EXPENDITURES</b>				
Current:				
General administration	8,200	8,200	15,200	(7,000)
Debt service:				
Principal	6,305,000	6,305,000	6,305,000	-
Interest and fiscal charges	20,140,200	20,140,200	20,268,777	(128,577)
Total Expenditures	26,453,400	26,453,400	26,588,977	(135,577)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(26,453,400)	(24,453,400)	(24,274,760)	178,640
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	39,087,000	39,087,000	39,655,077	568,077
Transfers out	(13,046,600)	(13,046,600)	-	13,046,600
Total Other Financing Sources (Uses)	26,040,400	26,040,400	39,655,077	13,614,677
Net Change in Fund Balance	(413,000)	1,587,000	15,380,317	13,793,317
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	50,191,239	50,191,239	50,191,239	-
End of year	\$ 49,778,239	\$ 51,778,239	\$ 65,571,556	\$ 13,793,317

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*City of Industry*

**Supplementary Information  
 Schedule of Revenues, Expenditures and Changes in Fund Balances –  
 Budget and Actual  
 Industry Public Facilities Authority Debt Service Fund – Major Fund  
 For the Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of money and property	\$ 4,093,000	\$ 4,093,000	\$ 3,657,212	\$ (435,788)
Total Revenues	4,093,000	4,093,000	3,657,212	(435,788)
<b>EXPENDITURES</b>				
Debt service:				
Principal	615,000	615,000	-	615,000
Interest and fiscal charges	3,601,800	3,601,800	3,588,944	12,856
Total Expenditures	4,216,800	4,216,800	3,588,944	627,856
Deficiency of Revenues Under Expenditures	(123,800)	(123,800)	68,268	192,068
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	9,500	9,500
Total Other Financing Sources (Uses)	-	-	9,500	9,500
Net Change in Fund Balance	(123,800)	(123,800)	77,768	201,568
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	(6,894,455)	(6,894,455)	(6,894,455)	-
End of year	\$ (7,018,255)	\$ (7,018,255)	\$ (6,816,687)	\$ 201,568

*City of Industry*

**Supplementary Information  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2024**

	Special Revenue Funds				
	State Gas Tax	Measure R Local Return	Proposition A - Sales Tax	Proposition C - Sales Tax	Proposition C - AQMD Grants
<b>ASSETS</b>					
Cash	\$ -	\$ -	\$ 24,834	\$ 11,177	\$ -
Investments	-	-	2,036,757	-	-
Accounts receivable, net	7,230	-	-	-	471
Accrued interest	-	-	22,938	-	-
Due from funds	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 7,230</b>	<b>\$ -</b>	<b>\$ 2,084,529</b>	<b>\$ 11,177</b>	<b>\$ 471</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 25,121	\$ -	\$ -
Due to other funds	-	-	-	2,268	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>25,121</b>	<b>2,268</b>	<b>-</b>
<b>FUND BALANCES (DEFICIT)</b>					
Restricted for transportation and roads	7,230	-	2,059,408	8,909	471
Unassigned	-	-	-	-	-
<b>Total Fund Balances</b>	<b>7,230</b>	<b>-</b>	<b>2,059,408</b>	<b>8,909</b>	<b>471</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,230</b>	<b>\$ -</b>	<b>\$ 2,084,529</b>	<b>\$ 11,177</b>	<b>\$ 471</b>

*(continued)*

City of Industry

Supplementary Information  
 Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2024

	Special Revenue Funds			Capital Projects Fund	Debt Service Fund	Total
	Measure M	Measure W	CARB Grant	Authority Capital Projects Fund	Tax Override Fund (previously major)	
<b>ASSETS</b>						
Cash	\$ -	\$ 1,042,976	\$ 254,008	\$ 212,699	\$ 2,161	\$ 1,547,855
Investments	-	1,605,472	854,361	88,535	-	4,585,125
Accounts receivable, net	-	-	-	-	-	7,701
Accrued interest	-	-	9,641	999	-	33,578
Due from funds	-	1,375,988	-	-	-	1,375,988
Total Assets	\$ -	\$ 4,024,436	\$ 1,118,010	\$ 302,233	\$ 2,161	\$ 7,550,247
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 105,882	\$ -	\$ 502,598	\$ -	\$ 633,601
Due to other funds	-	589,451	89,397	-	-	681,116
Total Liabilities	-	695,333	89,397	502,598	-	1,314,717
<b>FUND BALANCES (DEFICIT)</b>						
Restricted for transportation and roads	-	3,329,103	1,028,613	-	-	6,433,734
Unassigned	-	-	-	(200,365)	2,161	(198,204)
Total Fund Balances	-	3,329,103	1,028,613	(200,365)	2,161	6,235,530
Total Liabilities and Fund Balances	\$ -	\$ 4,024,436	\$ 1,118,010	\$ 302,233	\$ 2,161	\$ 7,550,247

(concluded)

*City of Industry*

**Supplementary Information  
Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2024**

	Special Revenue Funds				
	State Gas Tax	Measure R Local Return	Proposition A - Sales Tax	Proposition C - Sales Tax	Proposition C - AQMD Grants
<b>REVENUES</b>					
Taxes	\$ -	\$ 7,223	\$ -	\$ -	\$ -
Intergovernmental	25,609	-	2,344,947	9,634	-
Use of money and property	-	-	59,411	-	-
Other	-	-	-	-	-
<b>Total Revenues</b>	<u>25,609</u>	<u>7,223</u>	<u>2,404,358</u>	<u>9,634</u>	<u>-</u>
<b>EXPENDITURES</b>					
Current:					
Public works	25,609	7,223	331,777	9,634	-
<b>Total Expenditures</b>	<u>25,609</u>	<u>7,223</u>	<u>331,777</u>	<u>9,634</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	-	2,072,581	-	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>-</u>	<u>-</u>	<u>2,072,581</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>					
Beginning of year, previously reported	7,230	-	(13,173)	8,909	471
Adjustment - major to nonmajor	-	-	-	-	-
Beginning of year, as restated	<u>7,230</u>	<u>-</u>	<u>(13,173)</u>	<u>8,909</u>	<u>471</u>
<b>End of year</b>	<u>\$ 7,230</u>	<u>\$ -</u>	<u>\$ 2,059,408</u>	<u>\$ 8,909</u>	<u>\$ 471</u>

(continued)

# City of Industry

## Supplementary Information Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2024

	Special Revenue Funds			Capital Projects Fund	Debt Service Fund	Total
	Measure M	Measure W	CARB Grant	Authority Capital Projects Fund	Tax Override Fund (previously major)	
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,223
Intergovernmental	8,156	1,609,299	439,663	-	-	4,437,308
Use of money and property	-	51,596	43,411	3,581	-	157,999
Other	-	-	-	16,855	-	16,855
<b>Total Revenues</b>	<b>8,156</b>	<b>1,660,895</b>	<b>483,074</b>	<b>20,436</b>	<b>-</b>	<b>4,619,385</b>
<b>EXPENDITURES</b>						
Current:						
Public works	8,156	243,748	429,180	2,266,789	205	3,322,321
<b>Total Expenditures</b>	<b>8,156</b>	<b>243,748</b>	<b>429,180</b>	<b>2,266,789</b>	<b>205</b>	<b>3,322,321</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	1,417,147	53,894	(2,246,353)	(205)	1,297,064
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	590,000	-	3,438,062	205	4,028,267
Transfers out	-	(590,000)	-	(1,598,356)	-	(2,188,356)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,839,706</b>	<b>205</b>	<b>1,839,911</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>1,417,147</b>	<b>53,894</b>	<b>(406,647)</b>	<b>-</b>	<b>3,136,975</b>
<b>FUND BALANCES (DEFICIT)</b>						
Beginning of year, previously reported	-	1,911,956	974,719	206,282	-	3,096,394
Adjustment - major to nonmajor	-	-	-	-	2,161	2,161
Beginning of year, as restated	-	1,911,956	974,719	206,282	2,161	3,098,555
<b>End of year</b>	<b>\$ -</b>	<b>\$ 3,329,103</b>	<b>\$ 1,028,613</b>	<b>\$ (200,365)</b>	<b>\$ 2,161</b>	<b>\$ 6,235,530</b>

(concluded)

*City of Industry*

**Supplementary Information  
 Schedule of Revenues, Expenditures and Changes in Fund Balances –  
 Budget and Actual  
 Gas Tax Special Revenue Fund  
 For the Year Ended June 30, 2024**

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	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 26,000	\$ 26,000	\$ 25,609	\$ (391)
Total Revenues	<u>26,000</u>	<u>26,000</u>	<u>25,609</u>	<u>(391)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	<u>17,000</u>	<u>26,000</u>	<u>25,609</u>	<u>391</u>
Total Expenditures	<u>17,000</u>	<u>26,000</u>	<u>25,609</u>	<u>391</u>
Excess of Revenues Over Expenditures	9,000	-	-	-
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>7,230</u>	<u>7,230</u>	<u>7,230</u>	<u>-</u>
End of year	<u><u>\$ 7,230</u></u>	<u><u>\$ 7,230</u></u>	<u><u>\$ 7,230</u></u>	<u><u>\$ -</u></u>

*City of Industry*

**Supplementary Information  
 Schedule of Revenues, Expenditures and Changes in Fund Balances –  
 Budget and Actual  
 Measure R Local Return Special Revenue Fund  
 For the Year Ended June 30, 2024**

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	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Taxes	\$ 8,000	\$ 8,000	\$ 7,223	\$ (777)
Total Revenues	<u>8,000</u>	<u>8,000</u>	<u>7,223</u>	<u>(777)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	<u>8,000</u>	<u>8,000</u>	<u>7,223</u>	<u>777</u>
Total Expenditures	<u>8,000</u>	<u>8,000</u>	<u>7,223</u>	<u>777</u>
Excess of Revenues Over Expenditures	-	-	-	-
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

*City of Industry*

**Supplementary Information  
 Schedule of Revenues, Expenditures and Changes in Fund Balances –  
 Budget and Actual  
 Proposition A Sales Tax Special Revenue Fund  
 For the Year Ended June 30, 2024**

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	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 13,000	\$ 2,346,300	\$ 2,344,947	\$ (1,353)
Use of money and property	2,000	2,000	59,411	57,411
 Total Revenues	 15,000	 2,348,300	 2,404,358	 56,058
<b>EXPENDITURES</b>				
Current:				
Public works	248,000	248,000	331,777	(83,777)
 Total Expenditures	 248,000	 248,000	 331,777	 (83,777)
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (233,000)	 2,100,300	 2,072,581	 (27,719)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	233,000	233,000	-	(233,000)
 Total Other Financing Sources (Uses)	 233,000	 233,000	 -	 (233,000)
 Net Change in Fund Balances	 -	 2,333,300	 2,072,581	 (260,719)
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	(13,173)	(13,173)	(13,173)	-
 End of year	 \$ (13,173)	 \$ 2,320,127	 \$ 2,059,408	 \$ (260,719)

*City of Industry*

**Supplementary Information  
 Schedule of Revenues, Expenditures and Changes in Fund Balances –  
 Budget and Actual  
 Proposition C Sales Tax Special Revenue Fund  
 For the Year Ended June 30, 2024**

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	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 11,000	\$ 11,000	\$ 9,634	\$ (1,366)
Total Revenues	<u>11,000</u>	<u>11,000</u>	<u>9,634</u>	<u>(1,366)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	<u>11,000</u>	<u>11,000</u>	<u>9,634</u>	<u>1,366</u>
Total Expenditures	<u>11,000</u>	<u>11,000</u>	<u>9,634</u>	<u>1,366</u>
Net Change in Fund Balances	-	-	-	-
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>8,909</u>	<u>8,909</u>	<u>8,909</u>	-
End of year	<u>\$ 8,909</u>	<u>\$ 8,909</u>	<u>\$ 8,909</u>	<u>\$ -</u>

*City of Industry*

**Supplementary Information  
 Schedule of Revenues, Expenditures and Changes in Fund Balances –  
 Budget and Actual  
 Measure M Special Revenue Fund  
 For the Year Ended June 30, 2024**

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	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 9,000	\$ 9,000	\$ 8,156	\$ (844)
Total Revenues	9,000	9,000	8,156	(844)
<b>EXPENDITURES</b>				
Current:				
Public works	9,000	9,000	8,156	844
Total Expenditures	9,000	9,000	8,156	844
Excess of Revenues Over Expenditures	-	-	-	-
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

*City of Industry*

**Supplementary Information  
 Schedule of Revenues, Expenditures and Changes in Fund Balances –  
 Budget and Actual  
 Measure W Special Revenue Fund  
 For the Year Ended June 30, 2024**

---

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 1,600,000	\$ 1,600,000	\$ 1,609,299	\$ 9,299
Use of money and property	22,000	22,000	51,596	29,596
Total Revenues	<u>1,622,000</u>	<u>1,622,000</u>	<u>1,660,895</u>	<u>38,895</u>
<b>EXPENDITURES</b>				
Current:				
Public works	<u>1,074,000</u>	<u>1,074,000</u>	<u>243,748</u>	<u>830,252</u>
Total Expenditures	<u>1,074,000</u>	<u>1,074,000</u>	<u>243,748</u>	<u>830,252</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	548,000	548,000	1,417,147	869,147
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>1,911,956</u>	<u>1,911,956</u>	<u>1,911,956</u>	<u>-</u>
End of year	<u>\$ 2,459,956</u>	<u>\$ 2,459,956</u>	<u>\$ 3,329,103</u>	<u>\$ 869,147</u>

*City of Industry*

**Supplementary Information  
 Schedule of Revenues, Expenditures and Changes in Fund Balances –  
 Budget and Actual  
 CARB Tax Special Revenue Fund  
 For the Year Ended June 30, 2024**

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	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Intergovernmental	\$ 250,000	\$ 440,000	\$ 439,663	\$ (337)
Use of money and property	6,000	35,000	43,411	8,411
	<u>256,000</u>	<u>475,000</u>	<u>483,074</u>	<u>8,074</u>
<b>EXPENDITURES</b>				
Current:				
Public works	-	103,000	429,180	(326,180)
	<u>-</u>	<u>103,000</u>	<u>429,180</u>	<u>(326,180)</u>
Net Change in Fund Balance	256,000	372,000	53,894	(318,106)
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	974,719	974,719	974,719	-
End of year	<u>\$ 1,230,719</u>	<u>\$ 1,346,719</u>	<u>\$ 1,028,613</u>	<u>\$ (318,106)</u>

*City of Industry*

**Supplementary Information  
 Schedule of Revenues, Expenditures and Changes in Fund Balances –  
 Budget and Actual  
 CRIA Capital Projects Fund  
 For the Year Ended June 30, 2024**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Use of money and property	\$ 2,000	\$ 2,000	\$ 3,581	\$ 1,581
Other revenue	1,000	1,000	16,855	15,855
Total Revenues	<u>3,000</u>	<u>3,000</u>	<u>20,436</u>	<u>17,436</u>
<b>EXPENDITURES</b>				
Current:				
Public works	2,189,000	2,189,000	2,266,789	(77,789)
Total Expenditures	<u>2,189,000</u>	<u>2,189,000</u>	<u>2,266,789</u>	<u>(77,789)</u>
Deficiency of Revenues Under Expenditures	<u>(2,186,000)</u>	<u>(2,186,000)</u>	<u>(2,246,353)</u>	<u>(60,353)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	3,576,200	3,576,200	3,438,062	(138,138)
Transfers out	(640,200)	(640,200)	(1,598,356)	(958,156)
Total Other Financing Sources (Uses)	<u>2,936,000</u>	<u>2,936,000</u>	<u>1,839,706</u>	<u>(1,096,294)</u>
Net Change in Fund Balance	750,000	750,000	(406,647)	(1,156,647)
<b>FUND BALANCE (DEFICIT)</b>				
Beginning of year	<u>206,282</u>	<u>206,282</u>	<u>206,282</u>	<u>-</u>
End of year	<u>\$ 956,282</u>	<u>\$ 956,282</u>	<u>\$ (200,365)</u>	<u>\$ (1,156,647)</u>

# City of Industry

## Supplementary Information Schedule of Long-Term Debt – City of Industry Only \$336,570,000 Taxable Sales Tax Refunding Bonds, Series 2015A For the Year Ended June 30, 2024

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
July 1, 2024	\$ -	3.250%	\$ 7,995,206	\$ 7,995,206	\$ -
January 1, 2025	2,270,000	3.500%	7,995,206	10,265,206	18,260,412
July 1, 2025	-	3.500%	7,955,481	7,955,481	-
January 1, 2026	2,345,000	3.625%	7,955,481	10,300,481	18,255,962
July 1, 2026	-	3.625%	7,912,978	7,912,978	-
January 1, 2027	2,435,000	4.000%	7,912,978	10,347,978	18,260,956
July 1, 2027	-	4.000%	7,864,278	7,864,278	-
January 1, 2028	7,270,000	4.000%	7,864,278	15,134,278	22,998,556
July 1, 2028	-	4.000%	7,718,878	7,718,878	-
January 1, 2029	7,560,000	4.125%	7,718,878	15,278,878	22,997,756
July 1, 2029	-	4.125%	7,562,953	7,562,953	-
January 1, 2030	7,870,000	4.250%	7,562,953	15,432,953	22,995,906
July 1, 2030	-	4.250%	7,395,716	7,395,716	-
January 1, 2031	8,205,000	4.625%	7,395,716	15,600,716	22,996,432
January 1, 2021	-	4.625%	7,205,975	7,205,975	-
January 1, 2032	8,585,000	4.625%	7,205,975	15,790,975	22,996,950
July 1, 2032	-	4.625%	7,007,447	7,007,447	-
January 1, 2033	8,985,000	4.625%	7,007,447	15,992,447	22,999,894
July 1, 2033	-	4.625%	6,799,669	6,799,669	-
January 1, 2034	9,400,000	4.625%	6,799,669	16,199,669	22,999,338
July 1, 2034	-	4.625%	6,582,294	6,582,294	-
January 1, 2035	9,835,000	5.125%	6,582,294	16,417,294	22,999,588
July 1, 2035	-	5.125%	6,330,272	6,330,272	-
January 1, 2036	10,335,000	5.125%	6,330,272	16,665,272	22,995,544
July 1, 2036	-	5.125%	6,065,438	6,065,438	-
January 1, 2037	10,865,000	5.125%	6,065,438	16,930,438	22,995,876
July 1, 2037	-	5.125%	5,787,022	5,787,022	-
January 1, 2038	11,425,000	5.125%	5,787,022	17,212,022	22,999,044
July 1, 2038	-	5.125%	5,494,256	5,494,256	-
January 1, 2039	12,010,000	5.125%	5,494,256	17,504,256	22,998,512
July 1, 2039	-	5.125%	5,186,500	5,186,500	-
January 1, 2040	12,625,000	5.125%	5,186,500	17,811,500	22,998,000
July 1, 2040	-	5.125%	4,862,984	4,862,984	-
January 1, 2041	13,270,000	5.125%	4,862,984	18,132,984	22,995,968
July 1, 2041	-	5.125%	4,522,941	4,522,941	-
January 1, 2042	13,950,000	5.125%	4,522,941	18,472,941	22,995,882
July 1, 2042	-	5.125%	4,165,472	4,165,472	-
January 1, 2043	14,665,000	5.125%	4,165,472	18,830,472	22,995,944
July 1, 2043	-	5.125%	3,789,681	3,789,681	-
January 1, 2044	15,420,000	5.125%	3,789,681	19,209,681	22,999,362
July 1, 2044	-	5.125%	3,394,544	3,394,544	-
January 1, 2045	16,210,000	5.125%	3,394,544	19,604,544	22,999,088
July 1, 2045	-	5.125%	2,979,163	2,979,163	-
January 1, 2046	17,040,000	5.125%	2,979,163	20,019,163	22,998,326
July 1, 2046	-	5.125%	2,542,513	2,542,513	-
January 1, 2047	17,910,000	5.125%	2,542,513	20,452,513	22,995,026
July 1, 2047	-	5.125%	2,083,568	2,083,569	-
January 1, 2048	18,830,000	5.125%	2,083,568	20,913,569	22,997,138
July 1, 2048	-	5.125%	1,601,050	1,601,050	-
January 1, 2049	19,795,000	5.125%	1,601,050	21,396,050	22,997,100
July 1, 2049	-	5.125%	1,093,803	1,093,803	-
January 1, 2050	20,810,000	5.125%	1,093,803	21,903,803	22,997,606
July 1, 2050	-	5.125%	560,547	560,547	-
January 1, 2051	21,875,000	5.125%	560,547	22,435,547	22,996,094
	<u>\$ 321,795,000</u>		<u>\$ 284,921,258</u>	<u>\$ 606,716,260</u>	<u>\$ 606,716,260</u>

# City of Industry

## Supplementary Information Schedule of Long-Term Debt – City of Industry Only \$51,460,000 Taxable Sales Tax Refunding Bonds, Series 2015 B For the Year Ended June 30, 2024

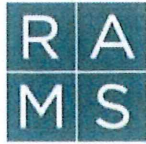
Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
August 1, 2024	\$ -	5.250%	\$ 1,780,880	\$ 1,780,880	\$ -
February 1, 2025	645,000	5.250%	1,780,880	2,425,880	4,206,760
August 1, 2025	-	5.550%	1,763,948	1,763,948	-
February 1, 2026	680,000	5.550%	1,763,948	2,443,948	4,207,896
August 1, 2026	-	5.850%	1,745,078	1,745,078	-
February 1, 2027	715,000	5.850%	1,745,078	2,460,078	4,205,156
August 1, 2027	-	6.150%	1,724,165	1,724,165	-
February 1, 2028	755,000	6.150%	1,724,165	2,479,165	4,203,330
August 1, 2028	-	6.450%	1,700,949	1,700,949	-
February 1, 2029	805,000	6.450%	1,700,949	2,505,949	4,206,898
August 1, 2029	-	6.750%	1,674,988	1,674,988	-
February 1, 2030	860,000	6.750%	1,674,988	2,534,988	4,209,976
August 1, 2030	-	7.000%	1,645,962	1,645,962	-
February 1, 2031	915,000	7.000%	1,645,962	2,560,962	4,206,924
February 1, 2021	-	7.250%	1,613,937	1,613,937	-
February 1, 2032	980,000	7.250%	1,613,938	2,593,938	4,207,875
August 1, 2032	-	7.250%	1,578,412	1,578,412	-
February 1, 2033	1,050,000	7.250%	1,578,412	2,628,412	4,206,824
August 1, 2033	-	7.250%	1,540,350	1,540,350	-
February 1, 2034	1,125,000	7.250%	1,540,350	2,665,350	4,205,700
August 1, 2034	-	7.250%	1,499,569	1,499,569	-
February 1, 2035	1,205,000	7.250%	1,499,569	2,704,569	4,204,138
August 1, 2035	-	7.250%	1,455,887	1,455,887	-
February 1, 2036	1,295,000	7.250%	1,455,887	2,750,887	4,206,774
August 1, 2036	-	7.500%	1,408,943	1,408,943	-
February 1, 2037	1,390,000	7.500%	1,408,943	2,798,943	4,207,886
August 1, 2037	-	7.500%	1,356,819	1,356,819	-
February 1, 2038	1,490,000	7.500%	1,356,819	2,846,819	4,203,638
August 1, 2038	-	7.500%	1,300,945	1,300,945	-
February 1, 2039	1,605,000	7.500%	1,300,945	2,905,945	4,206,890
August 1, 2039	-	7.500%	1,240,756	1,240,756	-
February 1, 2040	1,725,000	7.500%	1,240,756	2,965,756	4,206,512
August 1, 2040	-	7.500%	1,176,068	1,176,068	-
February 1, 2041	1,855,000	7.500%	1,176,068	3,031,068	4,207,136
August 1, 2041	-	7.750%	1,106,506	1,106,506	-
February 1, 2042	1,995,000	7.750%	1,106,506	3,101,506	4,208,012
August 1, 2042	-	7.750%	1,029,200	1,029,200	-
February 1, 2043	2,150,000	7.750%	1,029,200	3,179,200	4,208,400
August 1, 2043	-	7.750%	945,888	945,888	-
February 1, 2044	2,315,000	7.750%	945,888	3,260,888	4,206,776
August 1, 2044	-	7.750%	856,181	856,181	-
February 1, 2045	2,495,000	7.750%	856,181	3,351,181	4,207,362
August 1, 2045	-	7.750%	759,500	759,500	-
February 1, 2046	2,685,000	7.750%	759,500	3,444,500	4,204,000
August 1, 2046	-	7.750%	655,457	655,457	-
February 1, 2047	2,900,000	7.750%	655,457	3,555,457	4,210,914
August 1, 2047	-	7.750%	543,082	543,082	-
February 1, 2048	3,120,000	7.750%	543,082	3,663,082	4,206,164
August 1, 2048	-	7.750%	422,183	422,183	-
February 1, 2049	3,365,000	7.750%	422,183	3,787,183	4,209,366
August 1, 2049	-	7.750%	291,789	291,789	-
February 1, 2050	3,625,000	7.750%	291,789	3,916,789	4,208,578
August 1, 2050	-	7.750%	151,321	151,321	-
February 1, 2051	3,905,000	7.750%	151,321	4,056,321	4,207,642
	<u>\$ 47,650,000</u>		<u>\$ 65,937,527</u>	<u>\$ 113,587,527</u>	<u>\$ 113,587,527</u>

*City of Industry*

**Supplementary Information  
 Schedule of Long-Term Debt – City of Industry Only  
 \$34,340,000 Taxable Sales Tax Refunding Bonds, Series 2017  
 For the Year Ended June 30, 2024**

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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>
July 1, 2024	\$ -	3.125%	\$ 188,222	\$ 188,222	\$ -
January 1, 2025	3,595,000	3.250%	188,222	3,783,222	3,971,444
July 1, 2025	-	3.250%	129,803	129,803	-
January 1, 2026	3,715,000	3.375%	129,803	3,844,803	3,974,606
July 1, 2026	-	3.375%	67,113	67,113	-
January 1, 2027	3,835,000	3.500%	67,113	3,902,113	3,969,226
	<u>\$ 11,145,000</u>		<u>\$ 770,276</u>	<u>\$ 11,915,276</u>	<u>\$ 11,915,276</u>



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**PARTNERS**

Scott W. Manno, CPA, CGMA  
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Jenny W. Liu, CPA, MST  
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Brenda L. Odle, CPA, MST (Partner Emeritus)  
Terry P. Shea, CPA (Partner Emeritus)

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American Institute of  
Certified Public Accountants

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for CPA Firms*

*Governmental Audit  
Quality Center*

California Society of  
Certified Public Accountants

*Independent Auditor's Report*

To the Honorable City Council  
City of Industry, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Industry (the entity) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the entity's basic financial statements, and have issued our report thereon dated January 30, 2025.

***Report on Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the entity's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we do not express an opinion on the effectiveness of the entity's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.



Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the entity's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

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

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
January 30, 2025



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Terry P. Shea, CPA (Partner Emeritus)

January 30, 2025

To the Honorable City Council  
City of Industry, California

We have audited the financial statements of the City of Industry (the entity) as of and for the year ended June 30, 2024, and have issued our report thereon dated January 30, 2025. Professional standards require that we advise you of the following matters relating to our audit.

#### MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA  
Evelyn Moretin-Barcena, CPA  
Veronica Hernandez, CPA  
Laura Arvizu, CPA  
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Julia Rodriguez Fuentes, CPA, MSA  
Demi Hite, CPA  
Jeffrey McKenna, CPA  
Monica Wysocki, CPA  
Jacob Weatherbie, CPA, MSA  
Bolin Han, CPA, MAcc  
Amy Gonzalez, CPA

#### **Our Responsibility in Relation to the Financial Statement Audit**

As communicated in our engagement letter dated May 7, 2024, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the entity solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

#### MEMBERS

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*Governmental Audit  
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California Society of  
Certified Public Accountants



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## **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

We have evaluated whether certain nonattest services performed by our firm during the audit have created a significant threat to our independence in relation to the entity. We have identified a threat to our independence (preparation of the entity's financial statements, creating a self-review threat) that if not reduced to an acceptable level, would impair our independence. In order to reduce the threat to an acceptable level, we have applied the following safeguard:

Prior to the issuance of the entity's financial statements, another partner or manager, independent of the engagement, will review the financial statements.

## **Significant Risks Identified**

We have identified the possibility of the following significant risks:

*Management's override of internal controls over financial reporting* – Management override of internal controls is the intervention by management in handling financial information and making decisions contrary to internal control policy.

*Revenue recognition* – Revenue recognition is a generally accepted accounting principle that refers to the conditions under which an entity can recognize a transaction as revenue. Auditing standards indicate that recognizing revenue is a presumed fraud risk and usually classified as a significant risk in most audits.

These significant risks are presumptive in most audits and merit attention by the auditors due to the direct impact over financial reporting and internal control processes. Although identified as significant risks, we noted no matters of management override of controls or deviations from generally accepted accounting principles which caused us to modify our audit procedures or any related matters which are required to be communicated to those charged with governance due to these identified risks.

## **Qualitative Aspects of the Entity's Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the entity is included in Note 1 to the financial statements. The entity adopted GASB Statement No. 100, *Accounting Changes and Error Corrections* during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates and Related Disclosures*

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the entity's financial statements are:

Management's estimate of the net pension liability and related deferred inflows and outflows of resources are based on actuarial reports by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the liability for other post-employment benefits (OPEB) and related deferred inflows and outflows of resources are based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

The most sensitive disclosures affecting the entity's financial statements relate to:

The disclosure of net pension liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.

The disclosures of the other post-employment benefits (OPEB) liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.

### **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion unit.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the entity's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Representations Requested from Management**

We have requested certain written representations from management, which are included in the attached letter dated January 30, 2025.

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the entity, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the entity's auditors.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the City Council and management of the entity and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

*Rogers, Anderson, Malody & Scott, LLP.*



# CITY OF INDUSTRY

January 30, 2025

Rogers, Anderson, Malody & Scott, LLP

This representation letter is provided in connection with your audit of the basic financial statements of the City of Industry (the entity) as of June 30, 2024 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of the entity in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of January 30, 2025:

## Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated May 7, 2024, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, if any, are included and other joint ventures and related organizations are properly disclosed.

- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus as amended*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- We have evaluated all of our lease and subscription agreements and have given you our assessment as to whether each agreement is subject to GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription Based Information Technology Arrangements*.
  - With regard to investments and other instruments reported at fair value:
    - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
    - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
    - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
    - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to preparation of the financial statements, we have performed the following:
  - Made all management decisions and performed all management functions;
  - Assigned a competent individual to oversee the services;
  - Evaluated the adequacy of the services performed;
  - Evaluated and accepted responsibility for the result of the service performed; and
  - Established and maintained internal controls, a process to monitor the system of internal controls.
- There have been no changes or updates to legal information disclosed to you by our attorney(s) since the date of such legal response and now.

### Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
    - A written acknowledgement of all the documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report;
    - A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- All information provided in electronic form are true representations of the original documents.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the entity is contingently liable.

- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

#### **Use of a Specialist**

- We agree with the findings of specialists in evaluating the entity's net pension and net other post-employment benefit liabilities and related deferred amounts and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances

#### **Cybersecurity**

- There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.

### **Supplementary Information in Relation to the Financial Statements as a Whole**

With respect to supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.
- We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.


### **Required Supplementary Information**

With respect to the required supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

**Accounting Estimates and Related Disclosures**

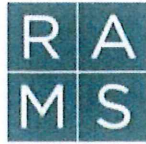
- The significant judgments made in making the accounting estimates have taken into account all relevant information of which we are aware.
- We have consistently and appropriately selected and applied methods, assumptions, and data when making accounting estimates.
- The assumptions we used in making and disclosing accounting estimates appropriately reflect our intent and ability to carry out specific courses of action on behalf of the entity, when relevant to the accounting estimates and disclosures.
- The disclosures related to accounting estimates, including those disclosures describing estimation uncertainty, are complete and are reasonable in the context of the applicable financial reporting framework.
- We have obtained and applied appropriate specialized skills and expertise in making accounting estimates.
- We are not aware of any events subsequent to the date of the financial statements that require adjustment to our accounting estimates and related disclosures included in the financial statements.

Signature: 

Signature: 

Title: City Manager

Title: Finance Director



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San Bernardino, CA 92408  
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*Independent Accountant's Report*

To the Honorable City Council  
City of Industry  
Industry, California

**PARTNERS**

Scott W. Manno, CPA, CGMA  
Leena Shanbhag, CPA, MST, CGMA  
Bradford A. Welebir, CPA, MBA, CGMA  
Jenny W. Liu, CPA, MST  
Gardenya Duran, CPA, CGMA  
Brianna Schultz, CPA, CGMA  
Brenda L. Ödle, CPA, MST (Partner Emeritus)  
Terry P. Shea, CPA (Partner Emeritus)

We have performed the procedures enumerated below to the accompanying Appropriations Limit Worksheet of the City of Industry, California (the City) for the year ended June 30, 2024. The management of the City is responsible for the accompanying Appropriations Limit Worksheet.

**MANAGERS / STAFF**

Seong-Hyea Lee, CPA, MBA  
Evelyn Florentin-Barcelona, CPA  
Veronica Hernandez, CPA  
Laura Arvizu, CPA  
John Maldonado, CPA, MSA  
Julia Rodriguez Fuentes, CPA, MSA  
Demi Hire, CPA  
Jeffrey McKennan, CPA  
Monica Wysocki, CPA  
Jacob Weatherbie, CPA, MSA  
Bohm Han, CPA, MAcc  
Amy Gonzalez, CPA

The City has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of meeting the requirements of Section 1.5 of Article XIII-B of the California Constitution. These procedures, which were suggested by the League of California Cities and presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution*, were performed solely to assist you in meeting the requirements. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and the associated findings are as follows:

**MEMBERS**

American Institute of  
Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

California Society of  
Certified Public Accountants

1. We obtained the completed worksheets and compared the limit and annual adjustment factors included in those worksheets to the limit and annual adjustment factors that were adopted by resolution of the City Council. We also compared the population and inflation options included in the aforementioned documents to those that were selected by a recorded vote of the City Council.

Finding: No exceptions were noted as a result of our procedures.

2. For the accompanying Appropriations Limit Worksheet, we added last year's limit to total adjustments and agreed the resulting amount to this year's limit.

Finding: No exceptions were noted as a result of our procedures.



3. We agreed the current year information presented in the accompanying Appropriations Limit Worksheet to the other documents referenced in number one above.

Finding: No exceptions were noted as a result of our procedures.

4. We agreed the prior year appropriations limit presented in the accompanying Appropriations Limit Worksheet to the prior year appropriations limit adopted by the City Council during the prior year.

Finding: No exceptions were noted as a result of our procedures.

We were engaged by the City to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on accompanying Appropriations Limit Worksheet for the year ended June 30, 2024. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the City Council and management of the City of Industry, California, and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
January 30, 2025

**CITY OF INDUSTRY  
 APPROPRIATIONS LIMIT WORKSHEET  
 2023-2024**

Change in growth in California per capita personal income		4.44%
Change in city population		-0.23%
Change in growth in the California per capita personal income converted to a ratio		1.0444
Change in city population converted to a ratio		0.9977
Calculation of factor for ratio of change (1.0444 x 0.9977)		1.04200
2022-2023 limit	\$ 1,042,982,039	
Adjustment for inflation and population	<u>43,803,034</u>	
2023-2024 limit	<u><u>\$ 1,086,785,073</u></u>	

*CITY COUNCIL*

ITEM NO. 7.1  
VERBAL PRESENTATION

*CITY COUNCIL*

ITEM NO. 8.1



# CITY OF INDUSTRY

## MEMORANDUM

**TO:** Honorable Mayor and Members of the City Council

**FROM:** Joshua Nelson, City Manager

**STAFF:** Bing Hyun, Asst. City Manager  
Kathy Tai, Dev. Services Manager  
Troy Helling, Special Projects Manager

**DATE:** February 13, 2025

**SUBJECT:** Introduction and Consideration of Zoning Code Amendment No. 24-08, amending Section 17.04.010 (Zones-Classifications) of Chapter 17.04 (General Provisions) of Title 17 (Zoning); and amending Chapter 17.22 (Housing Overlay Zone) of Title 17 (Zoning); and adding Chapter 17.72 (Affordable Housing Density Bonus), to Title 17 (Zoning) of the City of Industry Municipal Code, to Implement the City's 2021-2029 Housing Element, and Adopt a Notice of Exemption Regarding Same, and Make Findings In Support Thereof

---

### **Background:**

The City's Housing Element identified 15 housing programs with multiple objectives to be completed during the 2021-2029 cycle. The City will accomplish the objectives of Program 5 by adopting development and design standards, density bonus provisions in accordance with California Government Code Sections 65915-65918 ("State Density Bonus Law"), and a minor exception process.

The City wishes to continue complying with State regulations and maintain its Housing Element certification by amending the City's Code.

### **Discussion:**

The proposed ordinance amends Section 17.04.010 (Zones-Classification) to add the Housing Overlay Zone ("HOZ") to eliminate inconsistencies, amends Chapter 17.22 (Housing Overlay Zone) to add development and design standards, and adds Chapter 17.72 (Affordable Housing Density Bonus) to comply with State Density Bonus Law, of Title 17 (Zoning). A red-line version of the ordinance is included (Exhibit 3) for reference.

### **Staff Analysis:**

Staff recommends that the City Council adopt Ordinance No. 834, amending Title 17 (Zoning) of

the City's Code, amending Section 17.04.010 (Zones—Classification) amending Chapter 17.22 (Housing Overlay Zone), and adding Chapter 17.72 (Affordable Housing Density Bonus), to implement the City's 2021-2029 Housing Element, and notice of exemption regarding same.

Adoption of the proposed ordinance facilitates the City's compliance with State laws, and is consistent with the City's General Plan based on the findings below.

a. The proposed ordinance is in conformity with the goals and policies of the City's General Plan because Program 5 of the 2021-2029 Housing Element provides that the City will prepare residential development standards for new housing, including setbacks, yard standards, building height/story limits, architecture, parking requirements, and design features. Design standards will be needed to ensure new housing is consistent with land uses in the neighborhood and contributes to the aesthetic quality of that area. Development and design standards must be objective for multiple-family projects as consistent with state law. In addition, the City will need to prepare a density bonus ordinance for residential projects. The City will also expand its minor exception to allow minor variations from development standards, allowing the City to be flexible and obtain the housing product most suited to the site without a variance in the City's Code, thereby implementing specific objectives of the City's General Plan.

b. The adoption of the ordinance is consistent with the City's Zoning Code because the purpose of adopting the ordinance is to comply with State laws. Additionally, pursuant to Section 17.22.010 of the City's Code, "the intent and purpose of the Housing Overlay Zone (hereinafter "HOZ") [is] to facilitate housing development consistent with the City's adopted housing element and ensure that housing will be compatible with surrounding land uses", the proposed regulations will implement Program 5 of the adopted housing element. The proposed ordinance creates residential development standards for new housing, and adds a density bonus in accordance with State law and, therefore, "will carry out the purposes of the planning law of the state".

c. The proposed Zoning Code amendment is not detrimental to the public health, safety or general welfare, as it is a simple text amendment, and does not propose any specific development project.

### **Environmental Analysis:**

In accordance with the provisions of the California Environmental Quality Act ("CEQA"), (Cal. Pub. Resources Code §§21000 et seq.), a review was performed. The proposed zoning code amendment is exempt from CEQA pursuant to the general rule in Section 15061(b)(3) of the CEQA Guidelines (Chapter 3, of Title 14, of the California Code of Regulations) that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The proposed ordinance does not contemplate any specific project requiring discretionary review. Any future project that requires discretionary review will be analyzed at the appropriate time in accordance with any applicable CEQA requirements. This amendment enacts a procedure as required by state law. The proposed ordinance is not for any specific project and therefore will not impact any environmental resource or hazardous or critical concern, will not create cumulative impacts, or impacts to scenic highways, hazardous waste sites, or historical resources.

**Public Hearing:**

The required Public Hearing Notice was published in the San Gabriel Valley Tribune on January 24, 2025, and was posted at City Hall, Fire Station 118, City Hall, Council Chambers, and the City's webpage on January 24, 2025.

**Fiscal Impact:**

There is no fiscal impact associated with this agenda report.

**Planning Commission's Determination:**

On January 21, 2025, the Planning Commission conducted a duly noticed public hearing to consider all testimony written and oral, and adopted Resolution No. PC 2024-23, recommending that the City Council adopt Zoning Code Amendment No. 24-08, amending Section 17.04.010 (Zones-Classifications) of Chapter 17.04 (General Provisions) of Title 17 (Zoning); and amending Chapter 17.22 (Housing Overlay Zone) of Title 17 (Zoning); and adding Chapter 17.72 (Affordable Housing Density Bonus), to Title 17 (Zoning) of the City of Industry Municipal Code, to implement the City's 2021-2029 Housing Element, and adopt a Notice of Exemption regarding same, and make findings in support thereof.

**Recommendation:**

Staff recommends that the City Council 1) waive reading of Ordinance No. 834 and read by title only; and 2) introduce Ordinance No. 834, an Ordinance of the City Council of the City of Industry, amending Title 17 (Zoning) of the City of Industry Municipal Code, amending Section 17.04.010 (Zones-Classifications), amending Chapter 17.22 (Housing Overlay Zone), and adding Chapter 17.72 (Affordable Housing Density Bonus), to implement the City's 2021-2029 Housing Element, and adopt a Notice of Exemption regarding same, and making findings in support thereof.

**Exhibits:**

1. Ordinance No. 834
2. Notice of Public Hearing
3. Proposed Tracked Changes

**ORDINANCE NO. 834**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, AMENDING SECTION 17.04.010 (ZONES-CLASSIFICATIONS) OF CHAPTER 17.04 (GENERAL PROVISIONS) OF TITLE 17 (ZONING); AND AMENDING CHAPTER 17.22 (HOUSING OVERLAY ZONE) OF TITLE 17 (ZONING); AND ADDING CHAPTER 17.72 (AFFORDABLE HOUSING DENSITY BONUS) TO TITLE 17 (ZONING) OF THE CITY OF INDUSTRY MUNICIPAL CODE, TO IMPLEMENT THE CITY'S 2021-2029 HOUSING ELEMENT, AND ADOPT A NOTICE OF EXEMPTION REGARDING SAME, AND MAKING FINDINGS IN SUPPORT THEREOF**

**RECITALS**

**WHEREAS**, the California Department of Housing and Community Development ("HCD") directs cities to amend their municipal codes with respect to zoning regulations in light of aforementioned laws and a city's affirmative duty to comply with various state laws; and

**WHEREAS**, Program 5 of the City's 2021-2029 Housing Element commits the City to prepare residential development standards for new housing, including setbacks, yard standards, building height/story limits, architecture, parking requirements, and design features. Design standards are necessary to ensure new housing is consistent with land uses in the neighborhood and contributes to the aesthetic quality of that area. Development and design standards must be objective for multiple-family projects as consistent with state law. In addition, the City is required to prepare a density bonus ordinance for residential projects. The City will also expand its minor exception regulations to allow minor variations from development standards, allowing the City to be flexible and obtain the housing product most suited to the site without a variance; and

**WHEREAS**, the proposed ordinance is consistent with the goals and objectives of the City's General Plan because Program 5 (Development Regulations and Process) of the 2021-2029 Housing Element commits the City to prepare residential development standards, density bonus and Minor Exception process for new housing; and

**WHEREAS**, based on Staff's review and assessment, the proposed Ordinance is exempt from the California Environmental Quality Act ("CEQA", Public Resources Code § 21000 et seq.) pursuant to the general rule in Section 15061(b)(3) of the CEQA Guidelines (Chapter 3, of Title 14, of the California Code of Regulations) that CEQA applies only to projects which have the potential for causing a significant effect on the environment. The proposed amendment does not contemplate any specific project requiring discretionary review. Any future project that requires discretionary review will be analyzed at the appropriate time in accordance with any applicable CEQA requirements; and

**WHEREAS**, on January 10, 2025, notice of the Planning Commission's January 21, 2025 public hearing on the amendment was published in the San Gabriel Valley Tribune, in compliance with the City's Municipal Code and Government Code Section 65090, and was posted at City Hall, the City's Council Chambers, Fire Station 118, and on the City's website; and

**WHEREAS**, on January 21, 2025, the Planning Commission of the City of Industry conducted a duly noticed public hearing on the proposed Zoning Code Amendment and considered all testimony written and oral, and adopted Resolution No. PC 2024-23, recommending the City Council adopt the Ordinance; and

**WHEREAS**, on January 24, 2025, notice of the City Council's February 13, 2025, public hearing on Ordinance No. 834 was published in the San Gabriel Valley Tribune, in compliance with the City's Municipal Code and Government Code Section 65090; and

**WHEREAS**, on January 24, 2025, notice of the City Council's February 13, 2025, public hearing on Ordinance No. 834 was posted at the City Hall, the City's Council Chambers, Fire Station 118, and on the City's website; and

**WHEREAS**, on February 13, 2025, the City Council of the City of Industry conducted a duly noticed public hearing on Ordinance No. 834, and considered all testimony written and oral; and

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

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, DOES HEREBY ORDAIN AS FOLLOWS:**

**SECTION 1. Findings.**

The City Council finds that based upon substantial evidence presented to the City Council during the February 13, 2025 public hearing, including public testimony and oral staff reports, that all of the facts set forth in the Recitals are true and correct, and are incorporated herein by reference.

**SECTION 2. CEQA Findings.**

Based upon substantial evidence presented to the City Council during the February 13, 2025 public hearing, including public testimony and written and oral staff reports, and which includes without limitation, CEQA, the CEQA Guidelines, and any documents provided by the public to the City Council at the February 13, 2025 public hearing, the City Council finds as follows:

The proposed Municipal Code amendment has been reviewed with respect to the applicability of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) ("CEQA"). The City Council has determined that the text amendment does not have the potential for creating a significant effect on the environment and is therefore exempt from further review under CEQA pursuant to State CEQA Guidelines Section 15061(b)(3), because it can be seen with certainty that adoption of the ordinance has no

possibility of having a significant effect on the environment. The proposed amendment does not contemplate any specific project requiring discretionary review. Any future project that requires discretionary review will be analyzed at the appropriate time in accordance with any applicable CEQA requirements. This amendment enacts a procedure as required by state law. Based on the foregoing, the City Council approves and adopts the Notice of Exemption for this project, and directs Staff to file same as required by law.

**SECTION 3. Zoning Code Text Amendment Findings.**

Based upon substantial evidence presented to the City Council during the February 13, 2025 public hearing, including public testimony and written and oral staff reports, and which includes without limitation, CEQA, the CEQA Guidelines, and the City's Code, and any documents provided by the public to the City Council at the February 13, 2025 public hearing, the City Council finds as follows:

- a. The proposed ordinance is in conformity with the goals and policies of the City's General Plan because Program 5 of the 2021-2029 Housing Element provides that the City will prepare residential development standards for new housing, including setbacks, yard standards, building height/story limits, architecture, parking requirements, and design features. Design standards are necessary to ensure new housing is consistent with land uses in the neighborhood and contributes to the aesthetic quality of that area. Development and design standards must be objective for multiple-family projects as consistent with state law. In addition, the City is required to prepare a density bonus ordinance for residential projects. The City will also expand its minor exception to allow minor variations from the development standards, allowing the City to be flexible and obtain the housing product most suited to the site without a variance in the City's Code, thereby implementing specific objectives of the City's General Plan.
- b. The adoption of the ordinance is consistent with the City's Zoning Code because the purpose of adopting the ordinance is to comply with State laws. Additionally, pursuant to Section 17.22.010 of the City's Code, "the intent and purpose of the Housing Overlay Zone (hereinafter "HOZ") [is] to facilitate housing development consistent with the City's adopted housing element and ensure that housing will be compatible with surrounding land uses", the proposed regulations will implement Program 5 of the adopted Housing Element. The proposed ordinance creates residential development standards for new housing, density bonuses in accordance with State law and, therefore, "will carry out the purposes of the planning law of the state".
- c. The proposed Zoning Code amendment is not detrimental to the public health, safety or general welfare, as it is a simple text amendment, and does not propose any specific development project.

**SECTION 4. Municipal Code Amendment.**

Section 17.04.010 (Zones—Classifications) of Chapter 17.04 (General Provisions) of Title 17 (Zoning) of the City of Industry Municipal Code, is hereby amended to include the following:

- I. HOZ Overlay – Housing Overlay Zone.

**SECTION 5. Municipal Code Amendment.**

Chapter 17.22 (Housing Overlay Zone) of Title 17 (Zoning) of the City of Industry Municipal Code, is hereby amended to read in its entirety as follows:

**Chapter 17.22 (HOUSING OVERLAY ZONE)**

**17.22.010 Intent and purpose.**

**17.22.020 Changes of zone**

**17.22.020 Permitted uses.**

**17.22.040 Application.**

**17.22.050 Development standards.**

**17.22.060 Conditions of Approval.**

**17.22.070 Density Bonus.**

**17.22.080 Minor Exceptions.**

**17.22.010 Intent and purpose.**

It is the intent and purpose of the housing overlay zone (hereinafter "HOZ") to facilitate housing development consistent with the city's adopted housing element and ensure that housing will be compatible with surrounding land uses.

**17.22.020 Changes of zone.**

Any change of zone to include an HOZ shall be made with an existing or proposed underlying base zone and comply with the provisions of Chapter 17.28.

**17.22.030 Permitted uses.**

A. All uses permitted in the underlying zone are permitted, notwithstanding the application of an HOZ overlay zone on the same property.

B. The following uses are permitted by right:

- 1. Accessory dwelling units and junior accessory dwelling units;
- 2. Employee housing;
- 3. Licensed residential care facilities serving seven or more clients;

4. Low-barrier navigation centers that meets the requirements of Government Code Section 65660 et seq.
5. Supportive housing that meets the requirements of Government Code Section 65650 et seq.;
6. Manufactured housing that is certified under the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Section 5401 et seq.) and is on a foundation system, pursuant to Health and Safety Code Section 18551;
7. Mobile homes;
8. Multifamily dwellings;
9. Single-family dwellings;
10. Single-room occupancy housing that includes multiple single-room dwelling units, where each unit is for occupancy by one individual and contains food preparation or sanitary facilities, or both;
11. Transitional housing.

**17.22.040. Application.**

- A. Procedure. A proposed development or improvement for occupancy by any of the uses listed in Section 17.22.030(B) shall be subject to an administrative design review process unless otherwise exempt. A proposed development or improvement that complies with the requirements of this chapter is permitted by right and shall be approved by the planning director, or their authorized designee.
- B. Form of Application. An application for a proposed development or improvement shall be completed on a form provided by the planning department.
- C. Review Procedures. Additional application review procedure requirements for specified development types are as follows:
  1. Accessory dwelling units and junior accessory dwelling units shall be reviewed consistent with the provisions in Section 17.80.020.
  2. Low-barrier navigation centers shall be reviewed consistent with Government Code Section 65664.
  3. Supportive housing shall be reviewed consistent with Government Code Section 65653(b).

**17.22.050. Development standards.**

Design Review. Approval of a development plan is required for new or expanded structures on properties in the HOZ pursuant to Chapter 17.36. Development is subject to the following standards:

- A. Lot area:
  - 1. Single Family: Every lot used for single family shall have at least 5,000 square feet.
  - 2. Multi-family: Every project site used for multi-family shall have at least 35,000 square feet.
  
- B. Setbacks:
  - 1. Front setback shall not be less than 20 feet from property line.
  - 2. Side setback shall not be less than five feet from property line, plus one foot for each story over two stories.
  - 3. Rear setback shall not be less than 20 feet from property line.
  
- C. Lot coverage: Maximum of 30 percent of lot area may be covered by buildings or structures.
  
- D. Density: A minimum of 16 units per site and maximum of 20 units per acre are permitted.
  
- E. Height: No building or structure shall exceed three stories or 35 feet in height.
  
- F. Parking requirements:
  - 1. Minimum of one two-car garage, with interior dimensions of not less than 20 feet in width and 20 feet in depth, shall be provided for each dwelling unit.
  - 2. Minimum of 0.5 additional spaces, not less than 9 feet in width and 19 feet in depth, shall be provided for each bedroom over two.
  - 3. Minimum of one guest parking space, not less than 9 feet in width and 19 feet in depth, shall be provided at the ratio of one parking space for each four dwelling units, or portion thereof.
  - 4. For purposes of subsection F, all calculations resulting in fractional units shall be rounded up to the next whole number.
  
- G. Landscaping: All front setback areas shall be landscaped, except for driveways and walkways.
  
- H. Design and architectural features: Any new structures or alterations to an existing structure shall maintain design and architectural features consistent with improvements both on the subject property and surrounding neighborhood, subject to all requirements of Chapter 17.36.

**17.22.060 Conditions of Approval.**

The project shall include standard conditions of approval per Section 17.36.080.A.

**17.22.070 Density Bonus.**

Density. For residential development, a minimum of sixteen units per site and twenty dwelling units per acre are permitted. A density bonus may be granted per Chapter 17.72, and in accordance with Government Code Sections 65915 et seq.

**17.22.080 Minor Exceptions.**

A minor exception may be granted per Section 17.40.040.

**SECTION 6. Municipal Code Amendment.**

Chapter 17.72 (Affordable Housing Density Bonus), is hereby added to Title 17 (Zoning) of the City of Industry Municipal Code, to read in its entirety as follows:

**Chapter 17.72 AFFORDABLE HOUSING DENSITY BONUS**

- 17.72.010 Intent and purpose.**
- 17.72.020 Definitions.**
- 17.72.030 Application requirements.**
- 17.72.040 Review process.**
- 17.72.050 Density bonus agreement.**
- 17.72.060 Density bonus housing calculations.**
- 17.72.070 Development standards.**
- 17.72.080 Density bonus for commercial development.**

**17.72.010. Intent and purpose.**

In accordance with California Government Code Section 65915 et seq. (State Density Bonus Law), this Chapter specifies how compliance with State Density Bonus Law will be implemented. Specifically, the purpose of this Chapter is to provide density bonuses, incentives, concessions, and waivers of development standards for the production of housing for very low-, low-, and moderate-income households, senior households, provision of daycare facilities, student housing, and donations of land, and for other housing types as provided by state law. In enacting this Chapter, it is also the intent of the City of Industry to implement the goals, objectives, and policies of the city's Housing Element of the General Plan.

**17.72.020. Definitions.**

The definitions found in State Density Bonus Law or elsewhere in Title 17 of the Code shall apply to the terms contained in this chapter. "Incentives" include "concessions" as defined in State Density Bonus Law. If the definition of a term found in Title 17 conflicts with the definition of the same term found in State Density Bonus Law, then the definition in State Density Bonus Law shall prevail.

### 17.72.030. Application requirements.

- A. An applicant for a "housing development" as defined in State Density Bonus Law shall be eligible for a density bonus and other regulatory benefits that are provided by State Density Bonus Law when the applicant seeks and agrees to provide housing as specified in Government Code Section 65915(b), (c), (f), (g), (h) and (v), or in Government Code Section 65195.5, or successor provisions. The density bonus calculations shall be made in accordance with State Density Bonus Law.
- B. The granting of a density bonus, incentive, or concession, pursuant to this Chapter, shall not be interpreted, in and of itself, to require a general plan amendment, zoning code amendment, zone change, or other discretionary approval.
- C. All requests for density bonuses, incentives, parking reductions, and waivers for a housing development shall be filed with and on a form provided by the planning director, or designee, concurrently with the filing of the planning application for the first discretionary or ministerial permit required for the housing development, whichever permit is earliest. The applicant shall be informed whether the application is complete consistent with Government Code Section 65943.
- D. The application shall include the required fee and the following minimum information:
  - 1. **Requested density bonus:**
    - a. Summary table showing the maximum number of dwelling units permitted by the zoning and general plan excluding any density bonus units, proposed affordable units by income level, proposed bonus percentage, number of density bonus units proposed, total number of dwelling units proposed on the site, and resulting density in units per acre.
    - b. Provision of State Density Bonus Law under which the housing development qualifies for a density bonus and reasonable documentation demonstrating that the housing development is eligible for a bonus under that provision.
    - c. A tentative map or preliminary site plan, drawn to scale, showing the number and location of all proposed units, designating the location of proposed affordable units and density bonus units.
    - d. The zoning and general plan designations and assessor's parcel number(s) of the housing development site.
    - e. A description of all dwelling units existing on the site in the five-year period preceding the date of submittal of the application and identification of any units rented in the five-year period; subject to any form of rent control through a public entity's valid exercise of its police power; or subject to a recorded covenant ordinance, or law restricting rents to levels affordable to households of lower or very low income.
    - f. If dwelling units on the site are currently rented, income and household size of all residents of currently occupied units, if known. If any dwelling units on the site were rented in the five-year period but are not currently rented, the

income and household size of residents occupying the dwelling units when the site contained the maximum number of dwelling units, if known.

- g. The phasing of the construction of the affordable housing units in relation to the nonrestricted units in the housing development.
  - h. A density bonus housing plan describing how the development proponent intends to market the affordable units in the housing development project and the proposed mechanism by which the development proponent will fund ongoing monitoring and compliance with the affordability requirements for the affordable units in the housing development project throughout the term of affordability. Notwithstanding the foregoing, a 100-percent affordable housing development project that meets the criteria outlined in Government Code 65915.3(b) need not comply with (ii).
2. **Requested incentives.** Incentives are those defined by State Density Bonus Law. The number of incentives that may be requested shall be based upon the number the applicant is entitled to pursuant to State Density Bonus Law. The application shall include the following minimum information for each incentive requested, shown on a site plan (if appropriate):
- a. Provision of Density Bonus Law that entitles the applicant to the requested number of incentives.
  - b. The city's usual regulation and the requested regulatory incentive or concession.
  - c. Except where mixed-use zoning is proposed as a concession or incentive, reasonable documentation to show that any requested incentive will result in identifiable and actual cost reductions to provide for affordable housing costs or rents.
  - d. If approval of mixed-use zoning is proposed, reasonable documentation that nonresidential land uses will reduce the costs of the housing development, that the nonresidential land uses are compatible with the housing development and the existing or planned development in the area where the proposed housing development will be located, and that mixed-use zoning will provide for affordable housing costs and rents.
3. **Requested waivers.** For each waiver requested, the applicant shall include, shown on a site plan and in a table, and shown for each existing or proposed parcel (if applicable), the city's required development standard and the requested development standard.
4. **Parking reductions.** If a housing development is eligible for a density bonus pursuant to State Density Bonus Law, the applicant may request an on-site vehicular parking ratio specified in Government Code Section 65915(p). An applicant may request this parking reduction in addition to the incentives and waivers permitted by paragraphs (2) and (3) of this subsection. The application shall include a table showing parking required by the zoning regulations, parking proposed under State Density Bonus Law, paragraph under Government Code Section 65915(p) or other statute under which the project

qualifies for the parking reduction, and reasonable documentation that the project is eligible for the requested parking reduction.

5. **Density bonus or incentive for a child care facility in a housing development.** The application shall include reasonable documentation that all of the requirements included in Government Code Section 65915(h) can be met.
6. **Density bonus or incentive for a condominium conversion.** The application shall include reasonable documentation that all of the requirements included in Government Code Section 65915.5 can be met.

#### **17.72.040. Review process.**

- A. All requests under State Density Bonus Law shall be part of the planning application and shall be applied for, reviewed, and acted upon concurrently with the planning application by the approval body with authority to approve the development, within the timelines prescribed by Government Code Section 65950 et seq. or other statute. Appeals of the planning application in accordance with the requirements of Section 17.44.040 or Section 17.48.070, as applicable, shall include all requests under State Density Bonus Law if appeals are authorized for the discretionary or ministerial permit applied for.
- B. The decision-making body shall grant an incentive requested by the applicant unless it makes a written finding, based upon substantial evidence, of any of the following:
  1. The proposed incentive does not result in identifiable and actual cost reductions to provide for affordable housing costs, as defined in Health and Safety Code Section 50052.5; or for affordable rents, as defined in Health and Safety Code Section 50053; or
  2. The proposed incentive would be contrary to state or federal law; or
  3. The proposed incentive would have a specific, adverse impact upon the public health or safety or on any real property that is listed in the California Register of Historic Resources, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the housing development unaffordable to low- and moderate-income households. For the purpose of this subsection, "specific, adverse impact" means a significant, quantifiable, direct and unavoidable impact, based on objective, identified, written public health or safety standards, policies, or conditions as they existed on the date that the application for the housing development was deemed complete as defined in Government Code Section 65589.5.
- C. The decision-making body shall grant the waiver of development standards requested by the applicant unless it makes a written finding, based upon substantial evidence, of any of the following:
  1. The proposed waiver would be contrary to state or federal law; or

2. The proposed waiver would have an adverse impact on any real property listed in the California Register of Historic Resources; or
  3. The proposed waiver would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the housing development unaffordable to low- and moderate-income households. For the purpose of this subsection, "specific, adverse impact" means a significant, quantifiable, direct and unavoidable impact, based on objective, identified, written public health or safety standards, policies, or conditions as they existed on the date that the application for the housing development was deemed complete as defined in Government Code Section 65589.5.
- D. If a child care center complies with the requirements of Government Code Section 65915(h), the decision-making body may deny a density bonus or incentive that is based on the provision of child care facilities only if it makes a written finding, based on substantial evidence, that the city already has adequate child care facilities.
- E. A request for minor modification of an approved density bonus housing plan may be granted by the city manager, or their designee, if the modification substantially complies with the original density bonus housing plan and conditions of approval. Other modifications to the density bonus housing plan shall be processed in the same manner as the original plan.

**17.72.050. Density bonus housing agreement.**

- A. If a density bonus, incentive, parking reduction, or waiver is approved pursuant to this Chapter, the applicant shall enter into a binding affordable housing agreement or restrictive covenant, as described below, with the city, which sets forth the conditions and guidelines to be met in the implementation of State Density Bonus Law and that ensures compliance with all of the provisions of this Chapter. The agreement will also establish specific compliance standards and remedies available to the city upon failure by the applicant to comply with State Density Bonus Law, this chapter, or the affordable housing agreement.
- B. For rental projects, the applicant shall enter into an affordable housing agreement with the city, running with the land, in a form approved by the city attorney, to be executed by the city manager, or their designee. The agreement shall require the continued affordability of all rental units that qualified the applicant for the receipt of the density bonus, incentive, waiver, or parking reduction for a minimum of fifty-five (55) years or a longer period of time if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program; shall identify the type, size and location of each affordable unit; shall specify the eligible occupants; shall specify phasing of the affordable units in relation to the market-rate units; and shall contain other relevant provisions approved by the city attorney. Rents for the lower income density bonus units shall be set at an affordable rent as defined in State Density Bonus Law.

- C. For for-sale projects, the applicant shall enter into an affordable housing agreement with the city, running with the land, in a form approved by the city attorney, to be executed by the city manager, or their designee. The affordable housing agreement shall require that the initial purchasers of those for-sale units that qualified the applicant for the receipt of the density bonus, incentive, waiver, or parking reduction are persons and families of lower or moderate income, as applicable, or if any for-sale unit is not purchased by an income-qualified household within one-hundred eighty (180) days after the issuance of the certificate of occupancy, then the unit(s) must be sold pursuant to a contract that satisfies the requirements of Revenue and Taxation Code Section 402.1(a)(10) to a qualified non-profit housing corporation as defined in State Density Bonus Law and that the units are offered at an affordable housing cost, as that cost is defined in Health and Safety Code Section 50052.5; and shall contain other relevant provisions approved by the city attorney. The affordable housing agreement shall require the continued affordability of the for-sale units for 45 years and for rent units for 55 years.
- D. Where a density bonus, waiver or parking reduction is provided for a market-rate senior housing development, the applicant shall enter into a restrictive covenant with the city, running with the land, in a form approved by the city attorney, to be executed by the city manager, or their designee, to require the housing development to be operated as "housing for older persons" consistent with state and federal fair housing laws.
- E. The executed affordable housing agreement shall be recorded against the housing development prior to final or parcel map approval, or, where a map is not being processed, prior to issuance of building permits for the housing development, whichever is earliest. The affordable housing agreement shall be binding on all future owners and successors in interest.

**17.72.060. Density bonus calculations.**

- A. In determining the total number of units to be granted, each component of any density calculation, including base density and bonus density, resulting in fractional units shall be separately rounded up to the next whole number.
- B. When calculating the number of affordable units needed to qualify for a given density bonus, any fractions of affordable dwelling units shall be rounded up to the next whole number.
- C. Except where a housing development is eligible for an additional bonus pursuant to Government Code Section 65915(v) or other provision of Density Bonus Law, each housing development is entitled to only one density bonus. If a housing development qualifies for a density bonus under more than one category, the applicant shall identify the category under which the density bonus is requested to be granted.

- D. In determining the number of affordable units required to qualify a housing development for a density bonus pursuant to State Density Bonus Law, units added by a density bonus are not included in the calculations.
- E. The applicant may elect to accept a lesser percentage of density bonus than the housing development is entitled to, or no density bonus, but no reduction will be permitted in the percentages of affordable units required by State Density Bonus law. Regardless of the number of affordable units, no housing development shall be entitled to a density bonus greater than that authorized under State Density Bonus Law.
- F. Nothing in this Chapter requires the provision of direct financial incentives from the city for the housing development, including, but not limited to, the provision of financial subsidies, publicly owned land, fee waivers, or waiver of dedication requirements. The city, at its sole discretion, may choose to provide such direct financial incentives.

**17.72.070. Development standards.**

- A. Building permits and final inspections or certificates of occupancy shall be issued concurrently for the market rate units and for any affordable units that qualified the project for a density bonus, incentive, waiver, or parking reduction, so that the affordable units comprise the required percentage of total units.
- B. Affordable units shall be comparable in exterior appearance and overall quality of construction to market rate units in the same housing development. Interior finishes and amenities may differ from those provided in the market rate units, but neither the workmanship nor the products may be of substandard or inferior quality as determined by the city.
- C. To comply with fair housing laws, the affordable units shall contain the same proportional mix of bedroom sizes as the market-rate units. In mixed-income buildings, the occupants of the affordable units shall have the same access to the common entrances and to the common areas, parking, and amenities of the project as the occupants of the market-rate housing units, and the affordable units shall be located throughout the building and not isolated on one floor or to an area on a specific floor.

**17.72.080. Density bonus for commercial development.**

A commercial development may request and receive a development bonus pursuant to the provisions of Government Code Section 65915.7.

**SECTION 7. Clerical Errors.**

The City Council directs the City Clerk to correct any clerical errors found in this Chapter, including, but not limited to, typographical errors, irregular numbering, and incorrect section references.

**SECTION 8. Severability.**

Should any section, subsection, clause, or provisions of this Ordinance for any reason be held to be invalid or unconstitutional, such invalidity of unconstitutionality shall not affect the validity or constitutionality of the remaining portions of this Ordinance; it being hereby expressly declared that this Ordinance, and each section, subsection, sentence, clause, and phrase hereof would have been prepared, proposed, approved, and ratified irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases be declared invalid, unenforceable, or unconstitutional.

**SECTION 9. Effective Date.**

In accordance with California Government Code § 36937, this Ordinance shall take effect and be in force thirty (30) days from passage and adoption.

**SECTION 10. Publication.**

The City Clerk shall certify to the passage and adoption of this Ordinance and shall cause this ordinance to be published and posted as required by law.

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

**AYES: COUNCILMEMBER:**

**NOES: COUNCILMEMBER:**

**ABSTAIN: COUNCILMEMBER:**

**ABSENT: COUNCILMEMBER:**

\_\_\_\_\_  
Cory C. Moss, Mayor

**ATTEST:**

\_\_\_\_\_  
Julie Gutierrez-Robles, City Clerk



# CITY OF INDUSTRY

## NOTICE OF PUBLIC HEARING ZONING ORDINANCE AMENDMENT NO. 24-08 (HOUSING OVERLAY ZONE)

**NOTICE IS HEREBY GIVEN** that the City Council of the City of Industry will hold a public hearing on February 13, 2025, at 9:00 a.m., or as soon thereafter as the matter may be heard, in the Council Chambers, located at 15651 Mayor Dave Way, City of Industry, California, to consider the following matter:

**Project Description:** Consideration of:

Zoning Code Amendment No. 24-08, amending Section 17.04.010 (Zones-Classifications) of Chapter 17.04 (General Provisions) of Title 17 (Zoning); and amending Chapter 17.22 (Housing Overlay Zone) of Title 17 (Zoning); and adding Chapter 17.72 (Affordable Housing Density Bonus), to Title 17 (Zoning) of the City of Industry Municipal Code, to Implement the City's 2021-2029 Housing Element, and Adopt a Notice of Exemption Regarding Same, and Make Findings In Support Thereof

**Planning Commission Determination:** On January 21, 2025, the Planning Commission conducted a duly noticed public hearing to consider all testimony written and oral, and adopted Resolution No. PC 2024-23, recommending that the City Council adopt Zoning Code Amendment No. 24-08, amending Section 17.04.010 (Zones-Classifications) of Chapter 17.04 (General Provisions) of Title 17 (Zoning); and amending Chapter 17.22 (Housing Overlay Zone) of Title 17 (Zoning); and adding Chapter 17.72 (Affordable Housing Density Bonus), to Title 17 (Zoning) of the City of Industry Municipal Code, to implement the City's 2021-2029 Housing Element, and Adopt a Notice of Exemption Regarding Same, and Make Findings In Support Thereof

**Project Location:** Citywide

A copy of all relevant material, including the Housing Element, Zoning Ordinance, and Notice of Exemption are on file in the City's Administrative Offices, 15625 Mayor Dave Way, Suite 100, City of Industry, California 91744 or via the City of Industry's website at [www.cityofindustry.org](http://www.cityofindustry.org). Please contact Troy Helling, Special Projects Manager, at the City of Industry at 626-613-3970, or by email at [thelling@cityofindustry.org](mailto:thelling@cityofindustry.org) if you have questions.

The time, date and place of such hearing shall be as follows:

Time: 9:00 a.m  
Date: February 13, 2025  
Place: City Council Chamber  
15651 Mayor Dave Way  
City of Industry, CA 91744

Any person wishing to be heard regarding this matter may appear at the above time, date and place. Written comments may be sent via U.S. Mail or by hand delivery to the City of Industry, at 15625 Mayor Dave Way, Suite 100, City of Industry, CA 91744 or via email to the email address listed above. All comments must be received at, or prior to, the date and time of the hearing listed above.

If you challenge the proposed ordinance in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the Planning Commission of the City of Industry at, or prior to, the public hearing.

Julie Gutierrez-Robles, City Clerk

## Title 17 Zoning

**17.04.010. Zones—Classifications.**

In order to classify land uses and to restrict the location of trades, industries and buildings designed for various uses, and the use of area and premises within the city, the area within the city may be divided into zones as follows:

- A. C—Commercial;
- B. M—Manufacturing;
- C. M-A—Manufacturing-Agricultural;
- D. Inst—Institutional;
- E. ROS—Recreation and Open Space;
- F. M-C Overlay—Manufacturing-Commercial Overlay;
- G. P-D Overlay—Planned-Development Overlay;
- H. A-B Overlay—Adult Business Overlay;
- I. HOZ Overlay—Housing Overlay Zone.

## Chapter 17.22

## Housing Overlay Zone

**17.22.010 Intent and purpose.**

**17.22.020 Changes of zone.**

**17.22.030 Permitted uses.**

**17.22.040 Application.**

**17.22.050 Development standards.**

**17.22.060 Conditions of Approval.**

**17.22.070 Density Bonus.**

**17.22.080 Minor Exceptions.**

**17.22.010 Intent and purpose.**

It is the intent and purpose of the housing overlay zone (hereinafter "HOZ") to facilitate housing development consistent with the city's adopted housing element and ensure that housing will be compatible with surrounding land uses.

**17.22.020 Changes of zone.**

Any change of zone to include an HOZ shall be made with an existing or proposed underlying base zone and comply with the provisions of Chapter 17.28.

**17.22.030 Permitted uses.**

A. All uses permitted in the underlying zone are permitted ~~pursuant to Chapter 17.16~~, notwithstanding the application of an HOZ overlay zone on the same property.

B. The following uses are permitted by right:

1. Accessory dwelling units and junior accessory dwelling units;
2. Employee housing;
3. Licensed residential care facilities serving seven or more clients;
4. Low-barrier navigation centers that meets the requirements of Government Code Section 65660 et seq.
5. Supportive housing that meets the requirements of Government Code Section 65650 et seq.;
6. Manufactured housing that is certified under the National Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. Section 5401 et seq.) and is on a foundation system, pursuant to Health and Safety Code Section 18551;
7. Mobile homes;
8. Multifamily dwellings;
9. Single-family dwellings;
10. Single-room occupancy housing that includes multiple single-room dwelling units, where each unit is for occupancy by one individual and contains food preparation or sanitary facilities, or both;
11. Transitional housing.

**17.22.040 Application.**

A. Procedure. A proposed development or improvement for occupancy by any of the uses listed in Section 17.22.030(B) shall be subject to an administrative design review process unless otherwise exempt. A proposed development or improvement that complies with the requirements of this chapter is permitted by right and shall be approved by the planning director, or their authorized designee.

B. Form of Application. An application for a proposed development or improvement shall be completed on a form provided by the planning department.

C. Review Procedures. Additional application review procedure requirements for specified development types are as follows:

1. Accessory dwelling units and junior accessory dwelling units shall be reviewed consistent with the provisions in Section 17.80.020.
2. Low-barrier navigation centers shall be reviewed consistent with Government Code Section 65664.
3. Supportive housing shall be reviewed consistent with Government Code Section 65653(b).

#### **17.22.050 Development standards.**

~~A. Density. For residential development, a minimum of sixteen units per site and twenty dwelling units per acre are permitted.~~

~~B. Design Review. Development shall follow the underlying zoning district development standards until replaced with specific standards for the HOZ overlay zone, subject to all requirements of Chapter 17.36.~~

Design Review. Approval of a development plan is required for new or expanded structures on properties in the HOZ pursuant to Chapter 17.36. Development is subject to the following standards:

A. Lot area:

1. Single Family: Every lot used for single family shall have at least 5,000 square feet.
2. Multi-family: Every project site used for multi-family shall have at least 35,000 square feet.

B. Setbacks:

1. Front setback shall not be less than 20 feet from property line.
2. Side setback shall not be less than five feet from property line, plus one foot for each story over two stories.
3. Rear setback shall not be less than 20 feet from property line or buildable pad.

- C. Lot coverage: Maximum of 30 percent of lot area may be covered by buildings or structures.
- D. Density: A minimum of 16 units per site and maximum of 20 units per acre are permitted.
- E. Height: No building or structure shall exceed three stories or 35 feet in height.
- F. Parking requirements:
  - 1. Minimum of one two-car garage, with interior dimensions of not less than 20 feet in width and 20 feet in depth, shall be provided for each dwelling unit.
  - 2. Minimum of 0.5 additional spaces, not less than 9 feet in width and 19 feet in depth, shall be provided for each bedroom over two.
  - 3. Minimum of one guest parking space, not less than 9 feet in width and 19 feet in depth, shall be provided at the ratio of one parking space for each four dwelling units, or portion thereof.
  - 4. For purposes of subsection G, all calculations resulting in fractional units shall be rounded up to the next whole number.
- G. Landscaping: All front setback areas shall be landscaped, except for driveways and walkways.
- H. Design and architectural features: Any new structures or alterations to an existing structure shall maintain design and architectural features consistent with improvements both on the subject property and surrounding neighborhood, subject to all requirements of Chapter 17.36.

#### **17.22.060 Conditions of Approval**

The project shall include standard conditions of approval per Section 17.36.080.A.

#### **17.22.070 Density Bonus**

Density. For residential development, a minimum of sixteen units per site and twenty dwelling units per acre are permitted. A density bonus may be granted per Chapter 17.72, and in accordance with California Government Code Sections 65915 et seq.

#### **17.22.080 Minor Exceptions**

A minor exception may be granted per Section 17.40.040.

### **Chapter 17.72 AFFORDABLE HOUSING DENSITY BONUS**

#### **17.72.010 Intent and purpose.**

#### **17.72.020 Definitions.**

**17.72.030 Application requirements.**

**17.72.040 Review process.**

**17.72.050 Density bonus agreement.**

**17.72.060 Density bonus housing calculations.**

**17.72.070 Development standards.**

**17.72.080 Density bonus for commercial development.**

**17.72.010. Intent and purpose.**

In accordance with California Government Code Section 65915 et seq. (State Density Bonus Law), this Chapter specifies how compliance with State Density Bonus Law will be implemented. Specifically, the purpose of this Chapter is to provide density bonuses, incentives, concessions, and waivers of development standards for the production of housing for very low-, low-, and moderate-income households, senior households, provision of daycare facilities, student housing, and donations of land, and for other housing types as provided by state law. In enacting this Chapter, it is also the intent of the City of Industry to implement the goals, objectives, and policies of the city's Housing Element of the General Plan.

**17.72.020. Definitions.**

The definitions found in State Density Bonus Law or elsewhere in Title 17 of the Code shall apply to the terms contained in this chapter. "Incentives" include "concessions" as defined in State Density Bonus Law. If the definition of a term found in Title 17 conflicts with the definition of the same term found in State Density Bonus Law, then the definition in State Density Bonus Law shall prevail.

**17.72.030. Application requirements.**

- A. An applicant for a "housing development" as defined in State Density Bonus Law shall be eligible for a density bonus and other regulatory benefits that are provided by State Density Bonus Law when the applicant seeks and agrees to provide housing as specified in Government Code Section 65915(b), (c), (f), (g), (h) and (v), or in Government Code Section 65195.5, or successor provisions. The density bonus calculations shall be made in accordance with State Density Bonus Law.

- B. The granting of a density bonus, incentive, or concession, pursuant to this Chapter, shall not be interpreted, in and of itself, to require a general plan amendment, zoning code amendment, zone change, other discretionary approval.
- C. All requests for density bonuses, incentives, parking reductions, and waivers for a housing development shall be filed with and on a form provided by the planning director, or designee, concurrently with the filing of the planning application for the first discretionary or ministerial permit required for the housing development, whichever permit is earliest. The applicant shall be informed whether the application is complete consistent with Government Code Section 65943.
- D. The application shall include the required fee and the following minimum information:
1. For a requested density bonus:
    - a. Summary table showing the maximum number of dwelling units permitted by the zoning and general plan excluding any density bonus units, proposed affordable units by income level, proposed bonus percentage, number of density bonus units proposed, total number of dwelling units proposed on the site, and resulting density in units per acre.
    - b. Provision of State Density Bonus Law under which the housing development qualifies for a density bonus and reasonable documentation demonstrating that the housing development is eligible for a bonus under that provision.
    - c. A tentative map or preliminary site plan, drawn to scale, showing the number and location of all proposed units, designating the location of proposed affordable units and density bonus units.
    - d. The zoning and general plan designations and assessor's parcel number(s) of the housing development site.
    - e. A description of all dwelling units existing on the site in the five-year period preceding the date of submittal of the application and identification of any units rented in the five-year period; subject to any form of rent control through a public entity's valid exercise of its police power; or subject to a recorded covenant ordinance, or law restricting rents to levels affordable to households of lower or very low income.
    - f. If dwelling units on the site are currently rented, income and household size of all residents of currently occupied units, if known. If any dwelling units on the site were rented in the five-year period but are not currently rented, the income and household size of residents occupying the dwelling units when the site contained the maximum number of dwelling units, if known.
    - g. The phasing of the construction of the affordable housing units in relation to the nonrestricted units in the housing development.
    - h. A density bonus housing plan describing how the development proponent intends to market the affordable units in the housing

development project and the proposed mechanism by which the development proponent will fund ongoing monitoring and compliance with the affordability requirements for the affordable units in the housing development project throughout the term of affordability. Notwithstanding the foregoing, a 100-percent affordable housing development project that meets the criteria outlined in Government Code 65915.3(b) need not comply with (ii).

**2. Requested incentives.** Incentives are those defined by State Density Bonus Law. The number of incentives that may be requested shall be based upon the number the applicant is entitled to pursuant to State Density Bonus Law. The application shall include the following minimum information for each incentive requested, shown on a site plan (if appropriate):

- a. Provision of Density Bonus Law that entitles the applicant to the requested number of incentives.
- b. The city's usual regulation and the requested regulatory incentive or concession.
- c. Except where mixed-use zoning is proposed as a concession or incentive, reasonable documentation to show that any requested incentive will result in identifiable and actual cost reductions to provide for affordable housing costs or rents.
- d. If approval of mixed-use zoning is proposed, reasonable documentation that nonresidential land uses will reduce the costs of the housing development, that the nonresidential land uses are compatible with the housing development and the existing or planned development in the area where the proposed housing development will be located, and that mixed-use zoning will provide for affordable housing costs and rents.

**3. Requested waivers.** For each waiver requested, the applicant shall include, shown on a site plan and in a table, and shown for each existing or proposed parcel (if applicable), the city's required development standard and the requested development standard.

**4. Parking reductions.** If a housing development is eligible for a density bonus pursuant to State Density Bonus Law, the applicant may request an on-site vehicular parking ratio specified in Government Code Section 65915(p). An applicant may request this parking reduction in addition to the incentives and waivers permitted by paragraphs (2) and (3) of this subsection. The application shall include a table showing parking required by the zoning regulations, parking proposed under State Density Bonus Law, paragraph under Government Code Section 65915(p) or other statute under which the project qualifies for the parking reduction, and reasonable documentation that the project is eligible for the requested parking reduction.

5. **Density bonus or incentive for a child care facility in a housing development.** The application shall include reasonable documentation that all of the requirements included in Government Code Section 65915(h) can be met.

6. **Density bonus or incentive for a condominium conversion.** The application shall include reasonable documentation that all of the requirements included in Government Code Section 65915.5 can be met.

**17.72.040. Review process.**

A. All requests under State Density Bonus Law shall be part of the planning application and shall be applied for, reviewed, and acted upon concurrently with the planning application by the approval body with authority to approve the development, within the timelines prescribed by California Government Code Section 65950 et seq. or other statute. Appeals of the planning application in accordance with the requirements of Section 17.44.040 or Section 17.48.070, as applicable, shall include all requests under State Density Bonus Law if appeals are authorized for the discretionary or ministerial permit applied for.

B. The decision-making body shall grant an incentive requested by the applicant unless it makes a written finding, based upon substantial evidence, of any of the following:

1. The proposed incentive does not result in identifiable and actual cost reductions to provide for affordable housing costs, as defined in Health and Safety Code Section 50052.5; or for affordable rents, as defined in Health and Safety Code Section 50053; or

2. The proposed incentive would be contrary to state or federal law; or

3. The proposed incentive would have a specific, adverse impact upon the public health or safety or on any real property that is listed in the California Register of Historic Resources, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the housing development unaffordable to low- and moderate-income households. For the purpose of this subsection, "specific, adverse impact" means a significant, quantifiable, direct and unavoidable impact, based on objective, identified, written public health or safety standards, policies, or conditions as they existed on the date that the application for the housing development was deemed complete as defined in Government Code Section 65589.5.

C. The decision-making body shall grant the waiver of development standards requested by the applicant unless it makes a written finding, based upon substantial evidence, of any of the following:

1. The proposed waiver would be contrary to state or federal law; or

2. The proposed waiver would have an adverse impact on any real property listed in the California Register of Historic Resources; or

3. The proposed waiver would have a specific, adverse impact upon the public health or safety, and there is no feasible method to satisfactorily mitigate or avoid the specific adverse impact without rendering the housing development unaffordable to low- and moderate-income households. For the purpose of this

subsection, "specific, adverse impact" means a significant, quantifiable, direct and unavoidable impact, based on objective, identified, written public health or safety standards, policies, or conditions as they existed on the date that the application for the housing development was deemed complete as defined in Government Code Section 65589.5.

- D. If a child care center complies with the requirements of Government Code Section 65915(h), the decision-making body may deny a density bonus or incentive that is based on the provision of child care facilities only if it makes a written finding, based on substantial evidence, that the city already has adequate child care facilities.
- E. A request for minor modification of an approved density bonus housing plan may be granted by the city manager, or their designee, if the modification substantially complies with the original density bonus housing plan and conditions of approval. Other modifications to the density bonus housing plan shall be processed in the same manner as the original plan.

**17.72.050. Density bonus housing agreement.**

- A. If a density bonus, incentive, parking reduction, or waiver is approved pursuant to this Chapter, the applicant shall enter into a binding affordable housing agreement or restrictive covenant, as described below, with the city, which sets forth the conditions and guidelines to be met in the implementation of State Density Bonus Law and that ensures compliance with all of the provisions of this Chapter. The agreement will also establish specific compliance standards and remedies available to the city upon failure by the applicant to comply with State Density Bonus Law, this chapter, or the affordable housing agreement.
- B. For rental projects, the applicant shall enter into an affordable housing agreement with the city, running with the land, in a form approved by the city attorney, to be executed by the city manager, or their designee. The agreement shall require the continued affordability of all rental units that qualified the applicant for the receipt of the density bonus, incentive, waiver, or parking reduction for a minimum of fifty-five (55) years or a longer period of time if required by the construction or mortgage financing assistance program, mortgage insurance program, or rental subsidy program; shall identify the type, size and location of each affordable unit; shall specify the eligible occupants; shall specify phasing of the affordable units in relation to the market-rate units; and shall contain other relevant provisions approved by the city attorney. Rents for the lower income density bonus units shall be set at an affordable rent as defined in State Density Bonus Law.
- C. For for-sale projects, the applicant shall enter into an affordable housing agreement with the city, running with the land, in a form approved by the city attorney, to be executed by the city manager, or their designee. The affordable housing agreement shall require that the initial purchasers of those for-sale units that qualified the applicant for the receipt of the density bonus, incentive, waiver, or parking reduction are persons and families of lower or moderate income, as applicable, or if any for-sale unit is not purchased by an income-qualified household within one-hundred eighty (180) days after the issuance of the certificate of occupancy, then the unit(s) must be sold pursuant to a contract that satisfies the requirements of Revenue and Taxation Code Section 402.1(a)(10) to

a qualified non-profit housing corporation as defined in State Density Bonus Law and that the units are offered at an affordable housing cost, as that cost is defined in Health and Safety Code Section 50052.5; and shall contain other relevant provisions approved by the city attorney. *The affordable housing agreement shall require the continued affordability of the for-sale units for 45 years and for rent units for 55 years.*

- D. Where a density bonus, waiver or parking reduction is provided for a market-rate senior housing development, the applicant shall enter into a restrictive covenant with the city, running with the land, in a form approved by the city attorney, to be executed by the city manager, or their designee, to require the housing development to be operated as "housing for older persons" consistent with state and federal fair housing laws.
- E. The executed affordable housing agreement shall be recorded against the housing development prior to final or parcel map approval, or, where a map is not being processed, prior to issuance of building permits for the housing development, whichever is earliest. The affordable housing agreement shall be binding on all future owners and successors in interest.

#### **17.72.060. Density bonus calculations.**

- A. In determining the total number of units to be granted, each component of any density calculation, including base density and bonus density, resulting in fractional units shall be separately rounded up to the next whole number.
- B. When calculating the number of affordable units needed to qualify for a given density bonus, any fractions of affordable dwelling units shall be rounded up to the next whole number.
- C. Except where a housing development is eligible for an additional bonus pursuant to Government Code Section 65915(v) or other provision of Density Bonus Law, each housing development is entitled to only one density bonus. If a housing development qualifies for a density bonus under more than one category, the applicant shall identify the category under which the density bonus is requested to be granted.
- D. In determining the number of affordable units required to qualify a housing development for a density bonus pursuant to State Density Bonus Law, units added by a density bonus are not included in the calculations.
- E. The applicant may elect to accept a lesser percentage of density bonus than the housing development is entitled to, or no density bonus, but no reduction will be permitted in the percentages of affordable units required by State Density Bonus law. Regardless of the number of affordable units, no housing development shall be entitled to a density bonus greater than that authorized under State Density Bonus Law.
- F. Nothing in this Chapter requires the provision of direct financial incentives from the city for the housing development, including, but not limited to, the provision of financial subsidies, publicly owned land, fee waivers, or waiver of dedication requirements. The city, at its sole discretion, may choose to provide such direct financial incentives.

**17.72.070. Development standards.**

- A. Building permits and final inspections or certificates of occupancy shall be issued concurrently for the market rate units and for any affordable units that qualified the project for a density bonus, incentive, waiver, or parking reduction, so that the affordable units comprise the required percentage of total units.
- B. Affordable units shall be comparable in exterior appearance and overall quality of construction to market rate units in the same housing development. Interior finishes and amenities may differ from those provided in the market rate units, but neither the workmanship nor the products may be of substandard or inferior quality as determined by the city.
- C. To comply with fair housing laws, the affordable units shall contain the same proportional mix of bedroom sizes as the market-rate units. In mixed-income buildings, the occupants of the affordable units shall have the same access to the common entrances and to the common areas, parking, and amenities of the project as the occupants of the market-rate housing units, and the affordable units shall be located throughout the building and not isolated on one floor or to an area on a specific floor.

**17.72.080. Density bonus for commercial development.**

A commercial development may request and receive a development bonus pursuant to the provisions of Government Code Section 65915.7.