

Civic-Recreational-Industrial Authority

Special Meeting Agenda
June 14, 2017
9:00 a.m.

Chairman Howard Lim
Board Member David Carmany
Board Member Larry Hartmann
Board Member Catherine Marcucci
Board Member Danny Molina

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

Addressing the Authority:

- ▶ **Agenda Items:** *Members of the public may address the Authority on any matter listed on the Agenda. In order to conduct a timely meeting, there will be a three-minute time limit per person for any matter listed on the Agenda. Anyone wishing to speak to the Authority is asked to complete a Speaker's Card which can be found at the back of the room and at each 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 Authority.*

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

Americans with Disabilities Act:

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

Agendas and other writings:

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

2. Flag Salute

3. Roll Call

4. Public Comments

5. **EXPO CENTER MATTERS**

5.1 Presentation and update regarding the Expo Center.

RECOMMENDED ACTION: Receive and file.

5.2 Consideration of the Register of Demands submitted by the Industry Hills Expo Center for May 2017.

RECOMMENDED ACTION: Receive and file.

6. **BOARD MATTERS**

6.1 Consideration of the Register of Demands submitted by the Finance Department for June 7, 2017.

RECOMMENDED ACTION: Ratify the Register of Demands for June 7, 2017.

6.2 Consideration of a Professional Services Agreement with Rogers, Clem & Company to provide accounting and consulting services.

RECOMMENDED ACTION: Direct the Executive Director to enter into the Agreement, subject to approval as to form by the Authority's General Counsel.

6.3 Consideration of an Amendment to the Agreement for Expo Center Management between CRIA and CNC Equestrian Management Services, Inc., to increase the billing rates and the management fees.

RECOMMENDED ACTION: Direct the Executive Director to enter into the Amendment, subject to approval as to form by the Authority's General Counsel.

6.4 Presentation of the Civic-Recreational-Industrial Authority's FY 2017-18 Proposed Operating Budget.

Consideration of Resolution No. CRIA 2017-01 – A RESOLUTION OF THE CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY ("CRIA") OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING AND ADOPTING THE FISCAL YEAR 2017-18 PROPOSED CRIA BUDGET.

RECOMMENDED ACTION: Adopt Resolution No. CRIA 2017-01.

6.5 Presentation and discussion regarding the Civic-Recreational-Industrial Authority's Financial Report for April 30, 2017.

RECOMMENDED ACTION: Receive and file the report.

7. Adjournment. Next regular meeting: Wednesday, July 12, 2017 at 9:00 a.m.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

ITEM NO. 5.1

- **For the month of May**, the Expo Center held 11 banquet events – 5 Pavilion and 6 Avalon Room, plus Rotary lunch meetings every Tuesday in May.
- **For the Month of April**
- The Expo Center turned away 17 potential banquet clients due to unavailability. Of those 17 inquiries, 9 heard of the venue via our website, 4 had attended events at the Center, and 4 had been referred by previous clients.
- In the Grand Arena, Feria del Caballos Espanol held a 3-day horse show and dancing horse competition from May 5th to May 7th.
- A new group to the venue, Organizacion Santa Maria, held a 1-day cultural event that included music, dance groups, and regional food vendors.
- YIC Tae Kwon Do held their annual International TKD Tournament. This event has been held at the Center for over 10 years.
- The Expo Center hosted Workman High School's 2017 Graduation on May 23rd.
- Speedway Opening Night and 3rd Annual Connor Penhall Memorial Cup was held on May 31st.
- **For the month of June** the Expo Center currently has 15 banquet events scheduled.
- Current Social Media Numbers are as follows: Cell phone texting-3,929, Electronic E-mails 3,033, Twitter (Expo acct)-1,055, Twitter (Speedway acct) 1,599, FB (Expo acct) 1,574, FB (Speedway acct) 4,364, Instagram 2,512.

We are currently working to book Grand Arena weekend events during the month of October for the 2017 calendar.

Mailed Grand Arena rate increase notification to all current promoters. Increases will be implemented January 1, 2018. (Rate increases have already been implemented for any **new** Grand Arena bookings.)

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

ITEM NO. 5.2

Industry Hills Expo Center - Check Register

MAY

DATE	CHECK NUMBER	PAYEE	AMOUNT	DETAILS
05/01/17	11172	CNC EQUESTRIAN MANAGEMENT	\$9,599.10	P/R WEEK ENDING 04/30
05/01/17	11173	COASTAL CARBONIC	\$9.79	WEIGH TICKET FEE
05/01/17	11174	COCA-COLA ENTERPRISES	\$514.56	ALCOHOL INVENTORY
05/01/17	11175	FED EX	\$41.57	POSTAGE EXPENSE
05/01/17	11176	HARBOR DISTRIBUTING,LLC	\$4,944.00	ALCOHOL INVENTORY
05/01/17	11177	HOME DEPOT	\$584.07	OFFICE SUPPLIES EXPENSE
05/01/17	11178	OFFICE DEPOT	\$288.63	OFFICE SUPPLIES EXPENSE
05/01/17	11179	P & R PAPER SUPPLY COMPANY	\$398.98	PAPER AND BAR SUPPLIES EXPENSE
05/01/17	11180	RANCHO JANITORIAL SUPPLIES	\$377.38	CLEANING SUPPLIES EXPENSE
05/01/17	11181	SOUTHERN CALIFORNIA EDISON	\$19,156.62	MONTHLY UTILITY EXPENSE
05/01/17	11182	SPARKLETT'S	\$7.00	WATER COOLER RENTAL
05/01/17	11183	THE FLY GUY	\$206.63	FLY ABATEMENT
05/01/17	11184	XEROX FINANCIAL SERVICES	\$334.21	LEASE & PROPERTY TAX PYMT 0411-051017
05/01/17	11185	CNC EQUESTRIAN MANAGEMENT	\$24,637.14	MONTHLY SALARIES-MAY
05/01/17	11186	CNC EQUESTRIAN MANAGEMENT	\$5,000.00	MONTH MANAGEMENT FEE
05/01/17	11187	FERGUSON ENTERPRISES, INC.	\$208.86	PROPERTY MAINTENANCE
05/03/17	11189	PCR CASH	\$15,000.00	REPLENISH ATM TERMINAL-ARENA
05/05/17	11190	PCR CASH	\$5,000.00	SMALL CHANGE FOR ARENA EVENT MA-050517
05/08/17	11191	AR-042917R AMANDA CABRERA	\$300.00	SECURITY DEPOSIT REFUND
05/08/17	11192	PAV-042917 LILLIAN FERRER	\$600.00	SECURITY DEPOSIT REFUND
05/09/17	11193	7UP/RC BOTTLING OF S.CALIFORNIA	\$1,071.18	ALCOHOL INVENTORY
05/09/17	11194	ALARMCO	\$700.00	PROGRESSIVE PYMT-FIRE SYSTEM
05/09/17	11195	ANHEUSER BUSCH SALES OF AMERICA	\$350.00	ALCOHOL INVENTORY
05/09/17	11196	CINTAS	\$439.98	MATS, MOPS AND UNIFORMS
05/09/17	11197	CITY OF INDUSTRY	\$3,055.48	ROLLOFF AND DUMP FEES-APRIL
05/09/17	11198	COASTAL CARBONIC	\$116.41	CARBO CHARGER-PATIO CAFÉ
05/09/17	11199	COLD STAR ICE	\$1,226.00	ICE FOR EVENTS MA-050517 FERIA DEL CABALLOS
05/09/17	11200	CULLIGAN WATER CONDITIONING	\$76.95	MONTHLY WATER FILTER SERVICE
05/09/17	11201	dex MEDIA	\$339.00	FACILITY ADVERTISING
05/09/17	11202	FRONTIER COMMUNICATIONS	\$284.99	MONTHLY FIOS CHARGES
05/09/17	11203	HARBOR DISTRIBUTING,LLC	\$2,609.00	ALCOHOL INVENTORY
05/09/17	11204	KIKI'S INDUSTRIAL JANITORIAL SERVICE	\$2,220.00	MONTHLY FACILITY CLEAN/RR&TRASH 042917 LTAP
05/09/17	11205	MERRITT'S ACE HARDWARE	\$27.82	PROPERTY MAINTENANCE
05/09/17	11206	MX TROPHIES.COM	\$212.84	SPEEDWAY SUPPLIES EXPENSE
05/09/17	11207	OFFICE DEPOT	\$305.24	OFFICE SUPPLIES EXPENSE
05/09/17	11208	P & R PAPER SUPPLY COMPANY	\$334.62	PAPER AND BAR SUPPLIES EXPENSE
05/09/17	11209	ProcureIT	\$189.91	COMPUTER SUPPLIES EXP.
05/09/17	11210	ROGERS, CLEM & CO.	\$1,750.00	MONTHLY ACCTG. AND CONSULTING FEE-APRIL

05/09/17	11211	SAN GABRIEL VALLEY NEWSPAPER GROUP	\$1,812.00	FACILITY ADVERTISING
05/11/17	11212	BROWN & BROWN OF CALIFORNIA INC.	\$1,000.00	TULIP INSURANCE-BANQUETS
05/11/17	11213	CNCEQUESTRIAN MANAGEMENT	\$7,397.50	P/R WEEK ENDING 05/07
05/11/17	11214	FRANCISCOS EXOTIC DECO	\$1,513.42	SUPPLIES EXPENSE -SPEEDWAY
05/11/17	11215	KIKI'S INDUSTRIAL JANITORIAL SERVICE	\$2,800.00	RR & TRASH ATTENDANTS /ADD'L CLEAN-UP MA-050517
05/11/17	11216	SOUTHERN WINE & SPIRITS	\$441.00	ALCOHOL INVENTORY
05/11/17	11217	YOUNG'S MARKET CO.	\$4,038.98	ALCOHOL INVENTORY
05/15/17	11218	AMA	\$2,100.00	SPEEDWAY EVENT SANCTIONING FEE
05/15/17	11219	CAPITAL PROTECTION INC.	\$15,818.00	EVENT SECURITY SERVICES
05/15/17	11220	CNCEQUESTRIAN MANAGEMENT	\$9,599.45	P/R WEEK ENDING 05/14
05/15/17	11221	COASTAL CARBONIC	\$116.41	CARBO CHARGER-PATIO CAFÉ (SKIPPED INV. MARCH)
05/15/17	11222	JANUS PEST MANAGEMENT, INC.	\$850.00	PEST CONTROL
05/15/17	11223	JONES BIRDSONG LLP	\$6,077.00	INSURANCE PREMIUM-SPEEDWAY LIABILITY INS
05/15/17	11224	OFFICE DEPOT	\$413.52	OFFICE SUPPLIES EXPENSE
05/15/17	11225	SOUTHERN WINE & SPIRITS	\$6,119.04	ALCOHOL INVENTORY
05/15/17	11226	PAV-050617 MARLENE AGUILARA	\$600.00	SECURITY DEPOSIT REFUND
05/11/17	11227	SUPERIOR GOLF CARTS	\$900.00	VEHICLE MAINTENANCE-GC MAINTENANCE
05/17/17	11228	PCR CASH	\$10,000.00	REPLENISH ATM TERMINAL-ARENA MA-052017
05/19/17	11229	THE BIG NORWEGIAN	\$6,343.01	VEHICLE MAINTENANCE-WELDING WORK
05/19/17	11230	ANDREA F MALDONADO	\$1,225.00	DESIGN MAILERS, EMAIL, SOCIAL MEDIA & MKTG.
05/19/17	11231	CNCEQUESTRIAN MANAGEMENT	\$6,890.09	P/R WEEKENDING 05/21
05/19/17	11232	DAN EDWARDS/TODAY'S CYCLE COVERAGE	\$750.00	SPEEDWAY ADVERTISING
05/19/17	11233	FRONTIER COMMUNICATIONS	\$507.08	MONTHLY PHONE CHARGES-OFFICE
05/19/17	11234	GINA HORN DESIGNS	\$173.65	PRINT PARKING TICKETS
05/19/17	11235	HARBOR DISTRIBUTING,LLC	\$581.20	ALCOHOL INVENTORY
05/19/17	11236	KIKI'S INDUSTRIAL JANITORIAL SERVICE	\$650.00	RR & TRASH ATTENDANTS MA-051317
05/19/17	11237	OFFICE DEPOT	\$540.64	OFFICE SUPPLIES EXPENSE
05/19/17	11238	SOUTHERN WINE & SPIRITS	\$4,382.00	ALCOHOL INVENTORY
05/19/17	11239	USPS	\$1,320.08	POSTAGE FOR MAILERS-COI TASTE OF THE TOWN
05/22/17	11240	MA-041417 LYNDA TJARKS DACV	\$1,425.00	REFUND-OVERPMT ON ACCT
05/22/17	11241	MA-042817 LYNDA TJARKS SCLA/BTCSC	\$1,580.00	REFUND-OVERPMT ON ACCT
05/22/17	11242	VY-042917 GATEWAY CITIES	\$100.00	SECURITY DEPOSIT REFUND
05/22/17	11243	ROGERS,CLEM & CO.	\$1,750.00	MONTHLY ACCTG. AND CONSULTING FEE-MAY
05/22/17	11244	PAV-051317 TERESA MANZO	\$600.00	SECURITY DEPOSIT REFUND
05/22/17	11245	AR-051317 TINA RODRIGUEZ	\$300.00	SECURITY DEPOSIT REFUND
05/21/17	11246	PCR CASH	\$592.50	REPLENISH PETTY CASH- MAY RECEIPTS
05/22/17	11247	AR-052117 MIGUEL ANGEL DEL RIO	\$300.00	SECURITY DEPOSIT REFUND
05/22/17	11248	AR-052017 ELIZABETH BRIZO	\$300.00	SECURITY DEPOSIT REFUND
05/23/17	11249	PCR CASH	\$2,141.21	REPLENISH PETTY CASH- APRIL/MAY RECEIPTS
05/23/17	11250	DELHAVEN COMMUNITY CENTER	\$425.00	SHUTTLE SERVICE-PAVILION EVENTS
05/23/17	11251	AT&T	\$338.21	MONTHLY WIRELESS CHARGES

05/23/17	11252 CAPITAL PROTECTION INC.	\$7,936.50	EVENT SECURITY SERVICES
05/23/17	11253 CINTAS	\$453.16	MATS, MOPS AND UNIFORMS
05/24/17	11255 BOARD OF EQUALIZATION	\$4,830.00	PRE-PAY SALES TAX
05/30/17	11256 PCR CASH	\$10,000.00	REPLENISH ATM TERMINAL-SPEEDWAY EVENT
05/30/17	11257 CAMERA SECURITY SYSTEMS	\$19,095.53	BALANCE DUE FIBER INSTALL EXPO PROPERTY
05/30/17	11258 CNC EQUESTRIAN MANAGEMENT	\$9,379.04	P/R WEEK ENDING 05/28
05/30/17	11259 KIKI'S INDUSTRIAL JANITORIAL SERVICE	\$1,675.00	RR & TRASH ATTENDANTS MA-052017
05/30/17	11260 VOID CHECK	\$0.00	DATA ENTRY ERROR
05/30/17	11261 SOUTHERN WINE & SPIRITS	\$4,734.48	ALCOHOL INVENTORY

TOTAL

265,432.66

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

ITEM NO. 6.1

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY
AUTHORIZATION FOR PAYMENT OF BILLS
Board Meeting June 7, 2017

<u>FUND</u>	<u>DESCRIPTION</u>	DISBURSEMENTS
360	INDUSTRY HILLS EXPO OPERATING ACCOUNT	10,708.00

<u>BANK</u>	<u>DESCRIPTION</u>	DISBURSEMENTS
WFCK	WELLS FARGO CHECKING	10,708.00

APPROVED PER CITY MANAGER

**CIVIC RECREATIONAL INDUSTRIAL AUTHORITY
WELLS FARGO BANK**

June 7, 2017

Check	Date	Payee Name	Check Amount
CRIA.WF.CHK - CRIA Wells Fargo Checking			
10636	05/17/2017	SOCALGAS	\$61.38
	Invoice	Description	Amount
	2017-00001407	04/03-05/02/17 SVC - 16200 TEMPLE AVE APT 100-	\$16.17
	2017-00001408	04/03-05/02/17 SVC - 16200 TEMPLE AVE APT 202-	\$45.21
10637	06/07/2017	ALL AMERICAN ELECTRIC	\$1,873.18
	Invoice	Description	Amount
	5754	EMERGENCY ELECTRICAL SVC - EXPO CENTER-	\$1,873.18
10638	06/07/2017	ASTRA INDUSTRIAL SERVICES, INC	\$240.87
	Invoice	Description	Amount
	00155759	SUPPLIES - EXPO CENTER-BUNK HOUSE &	\$240.87
10639	06/07/2017	BRYAN PRESS	\$117.66
	Invoice	Description	Amount
	0077036-CRIA	REVERSE FLAP ENVELOPES - CRIA	\$117.66
10640	06/07/2017	CASSO & SPARKS, LLP	\$525.40
	Invoice	Description	Amount
	20215	JULY 2016 - APRIL 2017 LEGAL SVC	\$525.40
10641	06/07/2017	CITY OF INDUSTRY	\$494.41
	Invoice	Description	Amount
	2017-00000078	APRIL 2017 FUEL COSTS - EXPO CENTER	\$494.41
10642	06/07/2017	CITY OF INDUSTRY-REFUSE	\$300.00
	Invoice	Description	Amount
	2864665	DISPOSAL SVC - IH RODEO STORAGE BOXES	\$300.00
10643	06/07/2017	CRIA-PAYROLL ACCOUNT	\$3,000.00
	Invoice	Description	Amount

**CIVIC RECREATIONAL INDUSTRIAL AUTHORITY
WELLS FARGO BANK**

June 7, 2017

Check	Date	Payee Name	Check Amount
CRIA.WF.CHK - CRIA Wells Fargo Checking			
MAY-17	05/12/2017	REIMBURSE PAYROLL - MAY 2017	\$3,000.00
10644	06/07/2017	FRAZER, LLP	\$1,890.00
Invoice	Date	Description	Amount
149115	04/30/2017	PROFESSIONAL SVC - APRIL 2017	\$1,890.00
10645	06/07/2017	GREG'S REFRIGERATION	\$355.10
Invoice	Date	Description	Amount
19263	04/21/2017	REPAIR ICE MACHINE - EXPO CENTER-PAVILLION	\$355.10
10646	06/07/2017	KLINE'S PLUMBING, INC.	\$350.00
Invoice	Date	Description	Amount
10348-1	05/18/2017	EMERGENCY CAMERA INSPECTION-EXPO CENTER	\$350.00
10647	06/07/2017	THE PUN GROUP	\$1,500.00
Invoice	Date	Description	Amount
1700105	04/28/2017	AUDITING SVC - FY 2016-2017	\$1,500.00
Total			\$10,708.00

Checks	Status	Count	Transaction Amount
Total			\$10,708.00

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

ITEM NO. 6.2



CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

City of Industry

15625 EAST STAFFORD STREET
CITY OF INDUSTRY, CALIFORNIA 91744-3366
(626) 333-2211

MEMORANDUM

TO: Honorable Chair and Members of the Civic-Recreational- Industrial Authority (CRIA) Board of Directors

FROM: Paul J. Philips, Executive Director 

DATE: June 14, 2017

SUBJECT: Attached proposal from Rogers, Clem and Company, Mr. Dale Duncan, to continue to provide accounting and consulting services for the Industry Expo Center, for the year ending June 30, 2018.

IT IS RECOMMENDED: that the CRIA Board of Directors review and approve the above subject proposal.



Dale E. Duncan, CPA
George R. Applebaum, CPA
Scott M. Biehl, CPA
Andy R. Jones, CPA

1067 PARK VIEW DRIVE • COVINA, CA 91724-3748 • (626) 858-5100 • FAX (626) 332-7012

May 17, 2017

Howard Lim, Chairman
Civic Recreational Industrial Authority
15625 E. Stafford Street
City of Industry, CA 91744

Paul J. Phillips, Executive Director
Civic Recreational Industrial Authority
15625 E. Stafford Street
City of Industry, CA 91744

Dear Mr. Lim and Mr. Phillips:

On behalf of Rogers, Clem & Company, we want to express our sincere thanks for allowing us the opportunity to submit our firm's proposal for accounting and consulting services to be provided to Industry Hills Expo Center (IHEC), an enterprise fund of the Civic Recreational Industrial Authority, for the year ending June 30, 2018.

We have detailed at Exhibit A, the services we will provide to IHEC.

Our firm has been providing these services since October 2002 and we appreciate the opportunity to have assisted IHEC with their monthly accounting needs, training, budget preparations, and general consulting. We have not adjusted our fees since inception and now find it necessary to propose an increase. The proposed monthly fee will be based upon our standard hourly rates, plus out-of-pocket costs such as report production, typing, postage, etc. The maximum monthly amount for the monthly accounting services will be \$2,200, unless we run into unanticipated problems. If we encounter unanticipated problems, we will notify management and arrive at a mutually acceptable solution before proceeding with additional work. Our invoices will be rendered monthly and are payable upon presentation.

We understand that personnel of IHEC will provide us with the basic information required for our monthly services and that they are responsible for the accuracy and completeness of that information. We will advise management of the organization about appropriate accounting principles and their application, but the responsibility for the financial information and reports remains with them. We will not audit or verify the data that IHEC provides, although we may ask them to clarify it, or furnish us with additional data.

Any accounting or consulting services provided that are outside of the monthly accounting services outlined in Exhibit A will be billed at our standard hourly rates, plus out-of-pocket costs such as report production, typing, postage etc. Our invoices will be rendered semi-monthly and are payable upon presentation. Our standard hourly rates are as follows:

Partners	\$ 350
Managers	220
Seniors	160
Staff	90-125
Bookkeepers	70
Administrative	70 -80

Howard Lim, Chairman
May 17, 2017
Page 2 of 2

We appreciate the opportunity to be of service to IHEC and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,



ROGERS, CLEM & COMPANY

RESPONSE:

This letter correctly sets forth the understanding of Industry Hills Expo Center:

Signature: _____

Title: _____

Date: _____

cc: Mr. Clement N. Calvillo
Ms. Cory Moss
Mr. Jose Salazar

Exhibit A

Services to be provided:

Monthly

1. Review bank reconciliation performed by IHEC staff and insure it agrees with general ledger. Identify and assist in resolving old and/or unusual items.
2. Review accounts receivable aging schedule and insure it agrees with general ledger. Identify and assist in resolving aged items, and in determining amounts that should be reserved for possible write-off or referred to collections.
3. Review & adjust inventory accounts to actual based on month-end physical inventories performed by IHEC staff.
4. Review advance payments per schedule for old and/or unusual items, and agree to general ledger account. Provide adjusting entries if necessary.
5. Review security deposits per schedule for old and/or unusual items, and agree to general ledger account. Provide adjusting entries if necessary.
6. Review accounts payable per schedule for recurring vendor amounts and/or old or unusual items. Provide adjusting entries if necessary.
7. Review entries provided by the accounting department of the Civic Recreational Industrial Authority to ensure proper recording by IHEC staff.
8. Review the recording of leased employee payments to service providers.
9. Assist in the preparation of City's required Monthly Reimbursement Request Form.

Bi-Monthly

1. Count & verify petty cash fund, including ATM terminals.

As Required

1. Assist with the preparation of annual and/or mid-year budgets.
2. Consulting with Expo Center personnel as necessary related to the above services.

We will assist Cory Moss and Jose Salazar and the direct personnel of the C.R.I.A. Industry Hills Expo Center in obtaining from the City's Finance Department information to be included in the books of the C.R.I.A. Industry Hills Expo Center where applicable. Additionally, we will assist in the gathering and preparation of information to be provided to third party designees of C.R.I.A. Industry Hills Expo Center and of the Civic Recreational Industrial Authority monthly to assist them in the preparation of reports to be presented at the monthly meeting of the Civic Recreational Industrial Authority.

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

ITEM NO. 6.3



CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

City of Industry

15625 EAST STAFFORD STREET
CITY OF INDUSTRY, CALIFORNIA 91744-3366
(626) 333-2211

MEMORANDUM

TO: Honorable Chair and Members of the Civic-Recreational- Industrial Authority (CRIA) Board of Directors

FROM: Paul J. Philips, Executive Director 

DATE: June 14, 2017

SUBJECT: Attached CNC Equestrian Management Services, Inc. May 3, 2017 request for increase in billing rates.

Please find attached the above subject request.

IT IS RECOMMENDED: That the CRIA Board of Directors review and approve the above request to adjust the billing rates, as outlined.

CNC Equestrian Management Services, Inc.

May 3, 2017

Howard Lim, Chairman
Civic Recreational Industrial Authority
15625 E. Stafford Street
City of Industry, CA 91744

Paul J. Philips, Executor Director
Civic Recreational Industrial Authority
15625 E. Stafford Street
City of Industry, CA 91744

Dear Mr. Lim and Mr. Philips,

On behalf of CNC Equestrian Management Services, Inc., we want to express our sincere thanks for allowing us the opportunity to be of service to the Industry Hills Exposition Center, through Civic Recreational Industrial Authority and the City of Industry.

We respectfully increase of our billing rates and management fee. Billing rates and management fee have remained the same for the last six years (since July 2011). Our monthly fee will be based upon our new hourly rates, plus out of pocket costs such as report production, taxes, legal and professional fees, general liability insurance, workers compensation, etc. The monthly management fee amount will be \$10,000. Our invoices will be rendered monthly.

Our staff hourly billing rates are as follows:

Co-Managers: \$64.00/hr.
Staff: \$50.00/hr.
Bookkeepers: \$50.00/hr.
Administrative: \$50.00/hr

We are extremely appreciative of the opportunity to be of service to the Industry Hills Expo Center and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed agreement and return it to us. Please keep a copy for your records.

Sincerely,

Clement N. Calvillo
President
CNC Equestrian Management Services, Inc.

CNC Equestrian Management Services, Inc.

RESPONSE:

This letter correctly sets forth the understanding of Industry Hills Expo Center:

Signature: _____

Title: _____

Date: _____

Cc: Ms. Cory Moss
Jose Salazar

AGREEMENT
FOR
EXPO CENTER MANAGEMENT

THIS AGREEMENT FOR EXPO MANAGEMENT SERVICES (the "Agreement"), is made, entered into and effective on the July 13, 2011 by and between the Civil-Recreational-Industrial-Authority, a California joint powers authority ("CRIA") and CNC Equestrian Management Services, Inc., a California Corporation, ("EQ Consultant").

A. **Recitals.**

(i) CRIA has previously entered into an agreement, dated September 24, 1981, as amended, for the Expo Center portion of the Industry Hills Regional Public Park and Recreation Area (the "Expo Center") to set forth the terms of the operation, management, control and maintains of the facilities and services at the Expo Center (the "Expo Center Agreement"). A full, true and correct copy of the Expo Center Agreement, as amended, is on file with the City Clerk of the City of Industry, the terms of which are hereby incorporated herein by this reference; and,

(ii) CRIA and EQ Consultants have determined that it is in the best interest of the Parties to enter into the Agreement for operation and management of the Expo Center consistent with the terms of the Expo Center Agreement and this Agreement.

B. **Agreement.** In consideration of the mutual covenants and conditions set forth herein, CRIA and EQ Consultant agree as follows:

1. **TERM**

This Agreement shall commence on the above-referenced effective date and shall remain and continue until terminated, as provided in this Agreement.

2. **SERVICES**

EQ Consultant shall perform the tasks described and set forth in Schedule "A", attached hereto and incorporated herein as though set forth in full.

3. **PERFORMANCE**

EQ Consultant shall perform all tasks described herein. EQ Consultant shall employ, at a minimum, generally accepted standards and practices utilized by persons engaged in providing similar services as are required of EQ Consultant hereunder in meeting its obligations under this agreement.

4. CRIA MANAGEMENT

CRIA's Executive Director, or his designee, shall represent CRIA in all matters pertaining to the administration of this Agreement and the review and approval of all proposals submitted by EQ Consultant; provided, however, not including the authority to enlarge, except as provided herein, the scope of Services (Schedule "A") or the amount of compensation. Any material amendment to the terms of this Agreement will be required to be submitted to CRIA's Board of Directors for approval and/or modification of this Agreement.

5. PAYMENT

a) In consideration for the services and responsibilities of the EQ Consultant for the Expo Center, as specifically set forth in the provisions of Schedule "A" of the Agreement, CRIA agrees to compensate EQ Consultant in the amount of five thousand dollars (\$5,000.00) per month.

b) EQ Consultants 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 Executive Director or the CRIA Board of Directors. EQ Consultant shall be compensated for any additional services at the Hourly Rate amounts as set forth in Schedule "B" and/or in the manner as agreed by the Executive Director at the time Executive Director's written authorization is given to EQ Consultant for the performance of said services. The Executive Director may approve additional work not to exceed ten-thousand dollars (\$10,000.00) in any given month. Any additional work in excess of this amount shall be approved by the CRIA Board of Directors.

c) EQ Consultant will submit detailed billings and invoices monthly for actual services performed. EQ Consultant's invoices shall describe with particularity the tasks or services performed and shall detail any disbursements or reimbursements for expenses sought. 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. If the CRIA disputes any of EQ Consultant's fees it shall give written notice to EQ Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice.

6. SUSPENSION OR TERMINATION OF AGREEMENT WITHOUT CAUSE

a) CRIA or EQ Consultant may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the other Party at least thirty (30) days prior written notice. Should EQ Consultants services be suspended or terminated by CRIA, and upon receipt of said notice, the EQ Consultant shall immediately cease all work under this agreement, unless the notice provides otherwise.

b) If Executive Director or his/her designee determines that the EQ Consultant is in default in the performance of any of the terms or conditions of this Agreement, he/she shall cause to be served upon the EQ Consultant a written notice of the default. The EQ Consultant shall have ten (10) days after service upon it of said notice in which to cure the default by rendering a satisfactory performance. In the event that the EQ Consultant fails to cure its default within such period of time, CRIA shall have the right, notwithstanding any other provision of this Agreement, to terminate it may be entitled at law, in equity to under this agreement.

7. DEFAULT OF EQ CONSULTANT

a) The EQ Consultant's failure to comply with the provisions of this Agreement shall constitute default. In the event that EQ Consultant is in default for cause under the terms of this Agreement, CRIA shall have no obligation or duty to continue compensating the EQ Consultant for any work performed after the date of default and can terminate this Agreement immediately by written notice to the EQ Consultant. If such failure by the EQ Consultant to make progress in the performance of work hereunder arises out of causes beyond the EQ Consultant's control, and without fault or negligence of the EQ Consultant, it shall not be considered a default.

b) In the event this Agreement is terminated pursuant to this Section 6, CRIA shall pay to EQ Consultant the actual value of the work performed up to the time of termination, including such work as outlined in Section 6.(a). Upon termination of this Agreement and pursuant to this Section 6, the EQ Consultant will submit an invoice to CRIA pursuant to Section 5.

8. OWNERSHIP OF DOCUMENTS

a) EQ Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by CRIA that relate to the performance of services under this Agreement. EQ 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. EQ Consultant shall provide free access to the representatives of CRIA or its designees at reasonable times to such books and records; shall give CRIA the right to examine and audit said books and records; shall permit CRIA to make transcripts there from 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 each receipt of final payment.

b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, including electronic files, shall become sole

property of CRIA. The CRIA shall not reuse or make any modifications to documents prepared by EQ Consultant, without prior written authorization of EQ Consultant. With respect to computer files, EQ Consultant shall make available to the CRIA, at the EQ Consultant's office and upon reasonable written request by the CRIA, the necessary computer software and hardware for purposes of accessing, compiling, transferring, and printing computer files.

9. RETAIL SALES AT EXPO CENTER EVENTS

CRIA and EQ Consultant mutually agree that, although any and all retail sales licenses for the sale of alcoholic beverages, soft drinks and other taxable items in conjunction with Expo Center events must be in the name of EQ Consultant, all income derived from the sale of such alcoholic beverages and/or other retail items shall be the sole and exclusive property of CRIA and, for tax purposes, shall be reported as the income of CRIA. CRIA agrees to indemnify and hold harmless EQ Consultant from any and all costs and expenses which may be paid by, or attributed to, EQ Consultant for any tax consequences for the income or revenues of such alcohol sales and/or sales of other taxable items sold at the Expo Center.

10. INDEMNIFICATION

The EQ Consultant agrees to indemnify, and hold harmless the CRIA, its officers, officials, and employees, against any damages, losses, or liability which the CRIA, its officers, employees, and agents may sustain or incur or which may be imposed upon them for injury to or death of persons, or damage to property arising out of EQ Consultant's negligent, intentional or willful acts or omissions in performing or failing to perform under the terms of this Agreement, excepting only liability arising out of the negligence of the CRIA.

11. INSURANCE REQUIREMENTS

EQ Consultant shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder by the EQ Consultant, its agents, representatives, or employees. CRIA may expressly waive, in whole or in part scope of existing insurance maintained by CRIA for the actions and activities with respect to the Expo Center. For that insurance required herein, and not waived by CRIA, CRIA agrees to reimburse EQ Consultant for all costs incurred in obtaining such insurance upon receipt of proper invoices from the EQ Consultant showing such costs. These insurance requirements are to be as follows:

- a. Minimum Scope of Insurance. Coverage shall be at least as broad as:

1. Commercial General Liability/ Umbrella Insurance- ISO-CGL form No. 00 01 11 85 or 88 and shall include occurrence coverage for bodily injury, property damage and personal injury.
2. Business Auto Liability/Umbrella Insurance- ISO Business Auto Coverage from CA 00 01 06 92 including symbol 1 (Any Auto). Starting and ending dates shall be concurrent. If EQ Consultant owns no automobiles, a non-owned auto endorsement to the General Liability policy described above is acceptable.
3. Workers Compensation/Employer's Liability Insurance- Written on a policy from providing workers' compensation statutory benefits as required by the State of California. Employer's Liability limits shall be no less than one million dollars (\$1,000,000.00) per accident or disease. Employer's Liability coverage shall be scheduled under any umbrella policy described above. Unless otherwise agreed, this policy shall be endorsed to waive any right of subrogation as respects CRAI, its officers, officials, employees, or agents.

b. Minimum Limits of Insurance. EQ Consultant shall maintain limits no less than:

1. General Liability: \$1,000,000 per occurrence for bodily injury and property damage. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
2. Automobile Liability: \$1,000,000 per accident for bodily injury and property damage.

c. Other Insurance Provisions. The general liability, business auto liability, and any necessary umbrella liability policies are to contain, or be endorsed to contain, or be endorsed to contain the following provisions.

1. General liability and umbrella policies shall cover the CRAI, its officers, officials, employees, agents, and volunteers are to be covered as insureds or additional insureds as respects: liability arising out of activities performed by or on behalf of the EQ Consultant; products and completed operations of the EQ Consultant; premises owned, occupied or used by the EQ Consultant; or automobiles owned, leased, hired or borrowed by the EQ Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the CRAI, its officers, officials, employees, agents, or volunteers. Endorsements including the additional insured shall be identified on standard ISO endorsement number CG 20 10, attached to an ISOO-CGL policy with an edition date of 1991 or earlier, or other form as expressly approved by CRAI,

and which does not limit the scope of coverage for the additional insured to vicarious liability or to the additional insured's supervision of a given project.

2. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to CRIA, its officers, officials, employees, agents, or volunteers.

d. Acceptability of Insurers. Insurance is to be placed with insurers authorized and admitted to do business in California and with a current A.M. Best's rating of A or better and a financial size of VII or greater, unless otherwise acceptable to the CRIA.

e. Verification of Coverage and Notice of Cancellation.

1. EQ Consultant shall immediately furnish to CRIA certificates of insurance or endorsements, satisfactory to CRIA, evidencing the insurance coverage above required prior to the commencement of performance of services hereunder. These certificates or endorsements shall provide that such insurance is the minimum, is in no way limited by any provision herein, and allows for the application of all coverage require then (10 days written notice to additional insured's for cancellation due to non-payment and thirty (30) days written notice to additional insured CRIA prior to any other termination, suspension, cancellation, to non-renewal, to the reduction of available coverage, or any change in the terms of coverage. Certificates of insurance and/or endorsements may not contain any exculpatory wording that mitigates the responsibilities of EQ Consultant or the insurer.

2. EQ Consultant agrees that if EQ Consultant commences work under this Agreement without first providing CRIA copies of the required insurance certificates or endorsements, which EQ Consultant does so at its own and sole risk.

3. In the event of the premature termination of this Agreement for any reason, EQ Consultant agrees to maintain the required insurance coverage until CRIA provides written authorization to terminate the coverage following a review and determination that all liability posed under this Agreement as to the party providing the insurance has been eliminated.

f. Notice of Claim or Loss. EQ Consultant agrees to provide immediate notice to CRIA of any claim or loss likely to involve CRIA or its employees or agents which exceeds \$2,500 or is likely to exceed that amount.

g. Sub-Consultant Insurance Requirements. EQ Consultant agrees to require that all parties, including but not limited to sub-EQ Consultants and additional consultants for professional services with whom EQ Consultants enters into contracts or Agreement, provide the insurance coverage required here, at a minimum. EQ 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 the Section. EQ Consultant acknowledges and agrees that upon request, all agreements with sub-consultants and others engaged in the services contemplated by this Agreement will be submitted to CRIA for review. EQ Consultant agrees and acknowledges that such contracts may require modification as to the insurance requirements necessary to properly protect CRIA.

12. INDEPENDENT CONTRACTOR

- a. EQ Consultant is and shall at all times remain as to CRIA a wholly independent contractor. The personnel performing the services under this Agreement on behalf of the EQ Consultant shall at all times be under EQ Consultant's exclusive direction and control. Neither CRIA nor any of its officers, employees, or agents shall have control over the conduct of EQ Consultant or any of EQ Consultant's officers, employees, or agents, except as set forth in this Agreement. EQ 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 CRIA. EQ Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against CRIA, or bind CRIA in any manner.
- b. No employee benefits shall be available to EQ Consultant in connection with the performance of this Agreement. Except for the fees paid to the EQ Consultant as provided in the Agreement, CRIA shall not pay salaries, wages, or other compensation to EQ Consultant for performing services hereunder for CRIA. CRIA shall not be liable for compensation or indemnification to EQ Consultant for injury or sickness arising out of performing services hereunder.

13. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

- a. All information gained by EQ Consultant in performance of this Agreement shall be considered confidential and shall not be voluntarily released by EQ Consultant without CRIA's prior written authorization except to the extent necessary for EQ Consultant to perform any duties or obligations EQ Consultant may have to the City of Industry. Response to a subpoena or court order shall not be considered "voluntary" provided EQ Consultant gives CRIA notice of such court order or subpoena.
- b. EQ Consultant shall promptly notify CRIA should EQ Consultant, its officers, employees, agents be served with any summons, complaint, subpoena, notice of disposition, request for documents, interrogatories, request for admissions, or other discovery request, court order, or subpoena from any other person or party regarding this Agreement and the work performed there under or with respect to

The EQ Consultant shall not add the performance of this Agreement, not any thereof, nor any monies due hereunder, without prior written consent of the CRIA.

EQ Consultant may retain sub-consultants in connection with its services up to five thousand dollars (\$5,000.00) with the prior written consent of the Executive Director. Any request to retain sub-consultants beyond said amount shall require the prior approval of the CRIA Board of Directors.

16. GOVERNING LAW

The CRIA and EQ 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.

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, 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. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of EQ Consultant warrants and represents that he/she has the authority to execute this Agreement on behalf of the EQ Consultant and has the authority to bind EQ Consultant to the performance of its obligations hereunder.

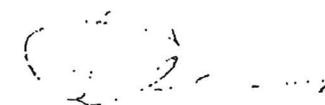
19. ATTORNEY'S FEES

In the event of litigation arising from or related to this Agreement or the services provided under this Agreement, the prevailing party shall be entitled to recover from the non-prevailing party all reasonable costs incurred, including staff time, court costs, attorney's fees and all other related expenses in such litigation.

In WITNESS WHEREOF, CRIA and EQ Consultant have caused this Agreement to be executed the day and year first above written.

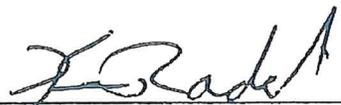
CRIA

CNC EQUESTRIAN
MANAGEMENT SERVICES
INC., a California Corporation

By: 
Howard Lim, President, CRIA

By: 
Clement N. Calvillo, President

ATTEST:

By: 
Kevin Radecki
Executive Director

SCHEDULE "A"

EQ CONSULTANT SERVICES

4. Scope of Work. EQ Consultant shall be responsible for the proper operation, maintenance and administration of the Expo Center. The Expo Center, for purposes of this Agreement, is defined as and shall consist of the entire Expo Center of CRIA, the scope of which and the facilities, operation, maintenance, duties and responsibilities are as set forth in the Expo Center Agreement. EQ Consultant shall, with the direction of CRIA, follow the basic operational and maintenance responsibilities as set forth in the Expo Center Agreement; provided, EQ Consultant shall not be entitled to any additional compensation as provided in the Expo Center Agreement and compensation shall be as provided in the Agreement, as amended by this Amendment. The specific duties of EQ Consultant shall include, but not be limited to, the following:

- A. Maintain and preserve the Expo Center in good repair and working order and in accordance with the Expo Center Agreement and/or as such additional directives prepared by CRIA and provided to EQ Consultant.
- B. Prepare proper and timely billings for all services provided to customers of the Expo Center and secure prompt collections of such billings.
- C. Maintain and manage an office to be used for the operation and management of the Expo Center.
- D. Receive and promptly respond in a satisfactory manner to all reasonable customer service request and complaints.
- E. Keep, maintain and preserve all records pertaining to the Expo Center. Such records shall be kept in an orderly, detailed and accurate manner. CRIA, including its authorized representative, shall have immediate and unrestricted access to the records of the Expo Center.
- F. Attend all meetings of CRIA except when excused by CRIA.
- G. Keep CRIA regularly informed as to the operation, maintenance and administration of the Expo Center and report to CRIA any existing or potential problems.
- H. Make recommendations to CRIA regarding the operation, maintenance and administration of the Expo Center, including the need for repairs or capital improvements.

- I. Review all plans and specifications prepared by or at the direction of CRIA for improvements to the Expo Center proposed to be constructed, including all related bid documents. CRIA shall prepare, or cause to be prepared, all the plans and specifications for all the capital improvements to the Expo Center.
 - J. Ensure that all the improvements to the Expo Center are properly constructed in accordance with all applicable laws and the plans and specifications approved by CRIA. Upon completion of such project, EQ Consultant shall make a written report to CRIA as to whether such project was completed in conformity with the approved plans and specifications, including any approved change orders.
 - K. Advise and assist the CRIA Executive Director in the preparation of an operating and capital improvements budget that shall be submitted to CRIA by June 30 of each fiscal year.
 - L. Follow all requests and directions make by CRIA and CRIA Executive Director.
 - M. Report any and all accidents involving or injuries to any employees or any other person(s) where such accidents or injuries occur in connection with the operation of the Expo Center or this Amendment, promptly upon discovery thereof or as soon as possible thereafter.
2. Personnel. EQ Consultant shall employ personnel with adequate experience to comply with the requirements of the Expo Center Agreement and this Agreement. EQ Consultant shall employ and/or train sufficient qualified personnel for the proper performance of EQ Consultant's obligations under this Agreement, including the obligation to manage and operate the Expo Center's office.
3. Emergency Telephone Number. EQ Consultant shall provide CRIA with an emergency telephone number, which CRIA can use to contract EQ Consultant whenever CRIA determines that emergency services are required after normal business hours.
4. Inventory. EQ Consultant shall maintain an inventory of supplies, materials and equipment for the Expo Center.
5. Purchase of Supplies, Equipment and Services. All supplies and equipment shall be purchases in accordance with the following principals:
- a) EQ Consultant may purchase any supplies and equipment of an estimated value of less than \$1,000.00 on the open market for the rental of small tools, supplies and small parts and equipment from local hardware companies, supply companies and rental companies;
 - b) Purchase of supplies or equipment having an estimated value of \$1,000.00 or more, but less than \$25,000.00 shall only be purchased under the express prior written consent of the Executive Director or CRIA;

- c) Purchase of supplies or equipment of an estimated value of \$25,000.00 or more shall be made only by the CRIA Board.
- d) Purchase of all services shall be made in the same manner prescribed in this Section for purchase of supplies and equipment;
- e) Purchases of all petroleum products and maintenance services on CRIA owned vehicles shall not be subject to the provisions of this Section.

6. Vehicles. All vehicles necessary for the proper performance, by EQ Consultant, of the obligations imposed by this Agreement shall be purchased and owned by CRIA (hereinafter "CRIA Vehicles") at the sole discretion of the CRIA Executive Director. CRIA shall be responsible for the maintenance of all CRIA Vehicles in accordance with the recommended maintenance procedures of the manufacturer thereof. CRIA shall be responsible for insuring all CRIA Vehicles.

"SCHEDULE B"

EXPO BILLING RATES

<u>Description</u>	<u>Hourly Bill Rate</u>
EXPO Fac/Banq Set-Up	\$26.78
EXPO Admin Asst	\$28.84
EXPO Center Manager	\$54.59
EXPO Banquet Coord	\$30.90
EXPO Show Grounds Dir	\$45.32
EXPO Bookkeeper	\$37.08

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

ITEM NO. 6.4



CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

City of Industry

15625 EAST STAFFORD STREET
CITY OF INDUSTRY, CALIFORNIA 91744-3366
(626) 333-2211

MEMORANDUM

TO: Honorable Chairman and Board Members

FROM: Paul J. Philips, Executive Director

STAFF: Susan Paragas, Director of Finance
Steven Avalos, Finance Manager

DATE: June 14, 2017

SUBJECT: Consideration of Resolution No. CRIA 2017-01 of the Civic Recreational-Industrial Authority ("CRIA") of the City of Industry, California Approving and Adopting the Fiscal Year 2017-18 Proposed CRIA Budget

BACKGROUND

On June 8, 2017, the City Council received a presentation and approved and adopted the FY 2017-18 ("FY 18") Operating Budget and FY 18 Capital Improvement Program ("CIP") Budget for the City of Industry and all its affiliated entities, such as the Industry Public Utilities Commission ("IPUC") and Successor Agency ("SA"). In FY 18, the Citywide Budget across all City funds totals \$193.3 million, and will be supported by \$204.5 million in revenues. The FY 18 CIP Budget will total \$45.6 million and be supported by bond proceeds, grant funds, and the General Fund.

Included in this budget, the City Council also ratified the FY 18 proposed budgets for the Civic Recreational-Industrial Authority ("CRIA") and Industry Property Housing Management Authority ("IPHMA"). In order for the budgets for CRIA and IPHMA to take effect, the FY 18 proposed budgets for CRIA and IPHMA must be formally approved and adopted by each respective board.

DISCUSSION

FY 18 Proposed CRIA Budget

The FY 18 Proposed CRIA Budget totals \$2.7 million, and will be supported by \$1.7 million in revenues generated by the Expo Center and by a \$1.0 million subsidy from the City's General Fund. An overview of the FY 18 Proposed CRIA Budget is listed below.

Table 1 FY 18 Proposed CRIA Budget				
	FY 14/15 Actuals	FY 15/16 Actuals	FY 16/17 Amended	FY 17/18 Proposed
Revenues				
CRIA Administration (Fund 360)	\$461	\$623	\$510	\$610
CRIA-Expo Center (Fund 361)	1,295,861	1,527,634	1,563,370	1,679,605
Transfer In – General Fund	<u>1,349,473</u>	<u>918,268</u>	<u>837,330</u>	<u>1,018,820</u>
CRIA Totals	\$2,645,795	\$2,446,525	\$2,401,210	\$2,699,035
Expenditures				
CRIA Administration (Fund 360)	\$469,004	\$277,951	\$331,670	\$330,675
CRIA-Expo Center (Fund 361)	<u>1,930,960</u>	<u>2,114,935</u>	<u>2,069,030</u>	<u>2,367,750</u>
CRIA Totals	\$2,399,964	\$2,392,886	\$2,400,700	\$2,698,425
Capital Projects				
Expo Center Capital Projects	<u>\$5,074</u>	\$ -	<u>\$505,000</u>	<u>\$6,592,500</u>
Expo Center CIP Program Totals	\$5,074	\$ -	\$505,000	\$6,592,500

CRIA Administration – The CRIA Administration Fund is the governing authority that approves and oversees the affairs and programming provided at the Expo Center. For FY 18, the CRIA Administration budget will total \$330,675 and largely covers CRIA Board Members stipends and general administrative costs. The CRIA Administration Fund is an internal service that generates minimal revenues and is 100% subsidized by the City.

CRIA-Expo Center – The CRIA-Expo Center (“Expo Center”) Fund is the fund that supports all the activities, events, and programming at the Industry Hills Expo Center. The Expo Center’s programming and operations are outsourced and operated by CNC Equestrian, who provide monthly reports to the CRIA Board, as well as present its monthly financial statements before the board.

For FY 18, the Expo Center’s Proposed Budget will consist of \$1.7 million in revenues and transfer in of \$0.7 million from the City, for a total revenue budget of \$2.4 million. The CRIA-Expo Center’s expenditure budget will total \$2.4 million. The Expo Center’s budget will increase by \$0.3 million (or 14.4%), which is largely due to an increase in events planned for FY 18, increase in all costs associated with event increase (such as security and contract labor costs), and anticipated consumer price index (“CPI”) increase. The General Fund will continue to support the projected shortfall of revenues for the Expo Center.

FY 18 Proposed CRIA Capital (CIP) Budget

In FY 18, the proposed capital improvements budget for CRIA-Expo Center will total \$6.6 million. This represents a significant increase from recent years; however, the City has been developing a master plan to address long-term deferred maintenance at all City-owned properties and facilities, which includes major capital improvements planned for the Expo Center in the next few years. For FY 18, major projects include the Sewer Main Replacements at all Expo facilities, parking lot improvements, and major improvements to the Expo Center facilities such as the Grand Arena and Avalon and Pavilion buildings. These major projects have been included in the City's Adopted CIP Budget for FY 18.

FISCAL IMPACT

The FY 18 Proposed CRIA Budget will total \$2,698,425 in revenues, which consists of \$1,680,215 in revenues and \$1,018,820 transfer in from the General Fund. The FY 18 CRIA Budget expenditures will total \$2,698,425.

The FY 2017-18 Proposed CIP Program Budget will total of \$6,592,500 and be supported by City funds, as identified in the FY 18 Adopted CIP Budget.

RECOMMENDATION

Staff recommends the CRIA Board to adopt Resolution No. CRIA 2017-01 approving the FY 18 Proposed CRIA Budget.

Attachments:

1. Resolution No. CRIA 2017-01 – Resolution Approving the FY 18 Proposed CRIA Budget
2. Exhibit A – FY 2017-18 Proposed CRIA Budget Section
3. Exhibit B – FY 2017-18 Proposed CIP Budget Project Summary

RESOLUTION NO. CRIA 2017-01

A RESOLUTION OF THE CIVIC RECREATIONAL-INDUSTRIAL AUTHORITY ("CRIA") OF THE CITY OF INDUSTRY, CALIFORNIA APPROVING AND ADOPTING THE FISCAL YEAR 2017-18 PROPOSED CRIA BUDGET

WHEREAS, on June 8, 2017, the City Council received a presentation and approved and adopted the FY 2017-18 ("FY 18") Operating Budget and FY 18 Capital Improvement Program ("CIP") Budget for the City of Industry and all its affiliated entities, such as the Industry Public Utilities Commission ("IPUC") and Successor Agency ("SA"); and

WHEREAS, on June 8, 2017, the City Council also approved and ratified the FY 18 proposed budgets for the Civic Recreational-Industrial Authority ("CRIA") and Industry Property Housing Management Authority ("IPHMA"), pending the approval by each respective board; and

WHEREAS, in order for the budgets for CRIA and IPHMA to take effect, the FY 18 proposed budgets for CRIA and IPHMA must be formally approved and adopted by each respective board; and

WHEREAS, the CRIA Board received a presentation on the City's FY 18 Proposed CRIA Budget and FY 18 Proposed CRIA Capital Budget on June 14, 2017.

NOW, THEREFORE, THE CIVIC RECREATIONAL-INDUSTRIAL AUTHORITY ("CRIA") OF THE CITY OF INDUSTRY, CALIFORNIA DOES HEREBY FIND, DETERMINE, AND RESOLVE AS FOLLOWS:

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

Section 2. By approving Resolution No. CRIA 2017-01, the Proposed CRIA Budget of \$2,698,425 in total revenues, which consists of \$1,680,215 in revenues and \$1,018,820 transfer in from the General Fund, and total expenditures of \$2,698,425 for Fiscal Year 2017-2018 is hereby approved and adopted, as reflected in Exhibit A hereto attached to this resolution.

Section 3. By approving Resolution No. CRIA 2017-01, the Proposed Expo Center Capital Budget of \$6,592,500, supported by City funds, as identified in the FY 18 Adopted CIP Budget for Fiscal Year 2017-2018 is hereby approved and adopted, as reflected in Exhibit B hereto attached to this resolution.

Section 4. The Secretary shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

PASSED, APPROVED AND ADOPTED by the Civic Recreational-Industrial Authority at a special meeting held on June 14, 2017, by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

Howard Lim, Chairman

ATTEST:

Diane M. Schlichting, Assistant Secretary



Civic Recreational Industrial Authority

City of Industry | FY 2017/18 Proposed Budget

Civic Recreational Industrial Authority

Overview of Department

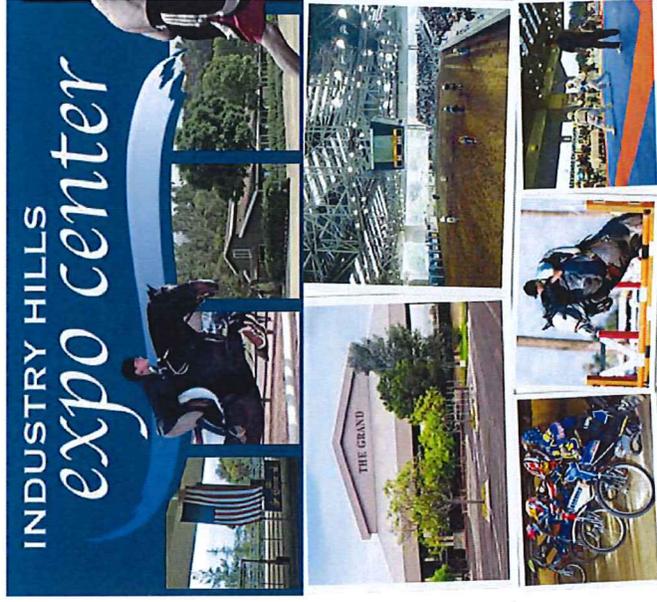
The Civic Recreational Industrial Authority, better known as CRIA, is the City's joint power authority that governs the City's Expo Center operations, manages its revenues, oversees recreational programming, and coordinates capital improvements to the Expo Center facility. The Expo Center is operated by CNC Equestrian and overseen by a 5-person governing board which contains representation from surrounding communities.

FY 2016-17 Accomplishments

1. Banquet facilities at Expo Center fully booked on all weekends during the year.
2. CRIA board approved pricing modifications on weekdays to increase facility use during the week.

Work Plan for FY 2017-18

1. Update website presence and marketing materials.
2. Complete capital master plan.
3. Continue addressing deferred maintenance.
4. Produce a profit in FY 17-18.



CRIA Department Personnel Summary

CRIA is managed by the CRIA Board and contracts out the Expo Center's operations and facilities management.

Position Title	FY 16/17 Adopted	FY 16/17 Amended	FY 17/18 Proposed
<u>CRIA Full-Time Equivalent Employees</u>			
CRIA Board Members	5.00	5.00	5.00
Total CRIA FTEs:	5.00	5.00	5.00
<u>City Contractor Full-Time Equivalent Employees</u>			
CNC Equestrian			

Administration-CRIA Board (Fund 360) - Summary of Expenditures & Account Detail

Object #	Account Description	2014 Actual Amount	2015 Actual Amount	2016 Actual Amount	2017 Amended Budget	2018 Proposed Budget
5011	Board Salaries	\$34,751	\$24,530	\$24,530	\$40,875	\$42,525
5026	EP/MC	-	-	-	-	-
5027	Medicare	-	-	-	3,820	625
5028	Life Insurance	-	-	-	-	-
5037	AD & D	-	-	-	-	-
5631	Workers Compensation	-	-	-	1,425	1,500
5029	Social Security	-	-	-	2,525	1,600
5030	State Unemployment	-	-	-	900	900
5038	Long Term Care	-	-	-	-	-
5032	State Employment & Training Tax	-	-	-	25	25
5017	Medical Premiums	-	-	-	-	-
5033	Dental Premiums	-	-	-	-	-
5034	Vision Premiums	-	-	-	-	-
5012	General Insurance and Bonding	40,441	44,473	44,473	45,600	45,000
5015	Payroll Taxes	2,659	1,877	1,877	-	-
5025	Miscellaneous	374	356	356	500	500
5120.01	Professional Services	10,631	5,662	5,662	10,000	88,000
5120.02	Legal Services	45,169	46,111	46,111	-	5,000
5120.03	Professional Services - Accounting	12,100	12,100	12,100	-	-
5120.04	Accounting Services	25,115	20,729	20,729	30,000	16,000
5130	Planning, Survey and Design	15,680	40,546	40,546	30,000	10,000
5570	Printing and Photographs	207	-	-	-	-
5620	Vehicle Expenses	-	-	-	6,000	6,000
5640	Advertising and Printing	-	3,776	3,776	10,000	2,000
5730.01	Utilities - Gas	-	-	-	-	1,000
5900	General Engineering	30,980	29,396	29,396	50,000	30,000
8510	Property Maintenance	55,510	115,900	115,900	100,000	80,000
TOTALS:		\$273,616	\$345,456	\$345,456	\$331,670	\$330,675

Expo Center (Fund 361)

Speedway Division (Division 812) - Summary of Expenditures & Account Detail

Object #	Account Description	2014 Actual Amount	2015 Actual Amount	2016 Actual Amount	2017 Amended Budget	2018 Proposed Budget
5560	Equipment Rental	\$4,250	\$ -	\$150	\$160	\$155
5630	Insurance & Bond	5,544	4,027	19,363	17,140	13,470
5750	Supplies	25,797	11,138	7,621	9,400	5,920
5753	Concession Supplies	27,840	13,665	9,801	25,060	21,450
5756	Audio/Video	49	-	478	500	490
5757	Promotional Expenses	69,199	18,663	73,691	51,860	71,915
5761	Cost of Alcohol	17,928	9,580	15,586	16,750	16,570
5781	Merchandise	21,749	1,355	13,367	14,040	13,815
5790	Miscellaneous	3,447	-	524	480	270
5800	Contract Labor - Concessions	6,388	-	-	-	-
6140	Special Security Exp	18,910	11,830	17,387	14,900	26,060
6145	Rider Prize Money Payout	86,324	24,455	51,366	58,180	54,595
6220	Contract Labor	75,837	17,825	63,748	54,120	77,440
6225	Outside Service	19,987	6,080	15,448	12,440	16,625
9010	Furniture, Equipment & Fixtures	1,926	1,074	4,866	6,430	7,100
TOTALS:		\$385,174	\$119,692	\$293,398	\$281,460	\$325,875

Expo Center (Fund 361)

Banquet Division (Division 814) - Summary of Expenditures & Account Detail

Object #	Account Description	2014 Actual Amount	2015 Actual Amount	2016 Actual Amount	2017 Amended Budget	2018 Proposed Budget
5560	Equipment Rental	\$24	\$ -	\$ -	\$ -	\$ -
5630	Insurance & Bond	-	11,800	11,500	-	10,600
5750	Supplies	12,640	10,747	10,046	8,850	15,050
5753	Concession Supplies	503	753	847	925	1,355
5754	Bar Supplies	2,000	2,665	4,452	6,580	1,670
5757	Promotional Expenses	8,630	9,973	19,059	19,420	23,680
5761	Cost of Alcohol	70,369	63,276	56,000	68,590	73,130
5790	Miscellaneous	9,256	1,875	600	880	2,470
6140	Special Security Exp	46,922	38,388	39,218	39,650	49,490
6220	Contract Labor	150,385	140,867	127,254	135,230	199,500
8510	Property Maintenance	9,364	9,110	6,387	8,050	4,775
9010	Furniture, Equipment & Fixtures	650	12,694	10,014	8,210	10,695
	TOTALS:	\$310,744	\$302,148	\$ 285,377	\$296,385	\$392,415

Expo Center (Fund 361)

Grand Arena (Division 815) - Summary of Expenditures & Account Detail

Object #	Account Description	2014 Actual Amount	2015 Actual Amount	2016 Actual Amount	2017 Amended Budget	2018 Proposed Budget
5560	Equipment Rental	\$819	\$772	\$ 952	\$900	\$ 1,235
5750	Supplies	16,363	12,040	12,881	10,940	18,715
5753	Concession Supplies	47,581	36,886	55,490	39,935	41,510
5754	Bar Supplies	763	2,230	6,620	6,370	4,185
5756	Audio/Video	15,990	13,471	26,257	30,070	27,070
5757	Promotional Expenses	10,254	11,060	20,509	20,710	24,365
5761	Cost of Alcohol	34,173	32,073	58,843	49,735	65,100
5762	Cost of Shavings	13,429	10,789	4,191	4,780	4,315
5763	Cost of Feed	586	209	985	340	690
5780	Bad Debt Expense	-	-	10,579	4,000	-
5790	Miscellaneous	12,949	13,660	2,427	1,650	2,500
5800	Contract Labor - Concessions	55,702	60,087	64,691	64,675	56,760
6140	Special Security Exp	30,092	27,659	49,274	43,200	53,900
6220	Contract Labor	165,227	136,965	140,001	140,670	167,550
6225	Outside Service	16,383	12,490	26,234	21,390	31,850
8510	Property Maintenance	67,098	2,613	3,105	2,595	18,415
9010	Furniture, Equipment & Fixtures	1,982	13,090	15,403	13,620	12,315
TOTALS:		\$489,390	\$386,095	\$ 498,442	\$455,580	\$ 530,475

Expo Center (Fund 361)

Administration (Division 816) - Summary of Expenditures & Account Detail

Object #	Account Description	2014 Actual Amount	2015 Actual Amount	2016 Actual Amount	2017 Amended Budget	2018 Proposed Budget
4441.01	Cash Short/Over	\$ -	\$ -	(\$597)	(\$250)	\$ -
5120	Outside Services	15,960	21,879	21,185	21,000	21,655
5530	Computer Software & Supplies	6,713	3,636	1,726	1,510	620
5550	Repair and Maintenance Equipment	3,543	17,569	38,349	27,620	40,020
5560	Equipment Rental	648	3,798	17,919	5,620	7,055
5610	Travel and Meetings	5,251	6,256	4,356	5,300	3,505
5640	Advertising and Printing	238	-	-	-	-
5680	Employee Training	-	-	-	-	1,960
5690	Dues, Subscriptions, Books, Etc	745	950	695	930	1,285
5720	Telephone	19,673	16,826	19,011	19,500	18,285
5731	Postage	6,873	6,878	6,436	7,490	9,005
5750	Supplies	33,299	24,146	30,053	28,600	35,635
5770	Bank Fees	13,647	8,320	12,434	12,700	16,345
5790	Miscellaneous	1,649	597	2,156	1,300	1,410
5791	Bad Debt Expense	-	7,858	-	8,095	-
5805	Legal & Accounting	12,785	145	-	150	-
6220	Contract Labor	324,986	314,296	313,278	312,030	281,320
9010	Furniture, Equipment & Fixtures	8,636	540	1,550	9,480	1,595
	TOTALS:	\$454,645	\$433,695	\$468,552	\$461,075	\$439,695

Expo Center (Fund 361)

General Account (Division 817) - Summary of Expenditures & Account Detail

Object #	Account Description	2014 Actual Amount	2015 Actual Amount	2016 Actual Amount	2017 Amended Budget	2018 Proposed Budget
5120	Outside Services	\$104,970	\$103,035	\$114,649	\$106,580	\$187,485
5550	Repair and Maintenance Equipment	2,411	705	-	390	1,075
5620	Vehicle Expenses	34,284	32,346	37,460	34,930	26,225
5630	Insurance & Bond	26,560	12,069	9,394	9,400	12,095
5720	Telephone	149	-	665	685	685
5750	Supplies	11,309	15,563	10,360	11,365	11,920
6220	Contract Labor	116,621	97,168	81,387	90,960	118,680
8040	Utilities	146,809	141,824	159,657	172,510	148,615
8510	Property Maintenance	321,860	285,731	149,918	145,980	168,395
9010	Furniture, Equipment & Fixtures	1,327	889	5,677	1,730	4,115
	TOTALS:	\$766,300	\$689,330	\$569,167	\$574,530	\$679,290

City of Industry
FY 18 Proposed CIP Budget - Project Detail
Exhibit B

#	Project Name	FY 17 Adopted Budget (incl. FY 16 Carry-Over)	FY 17 Amended Budget	FY 17 Proposed Carry-Over	FY 18 Proposed	FY 17-18 Proposed Total
Expo Center at Industry Hills						
A	Sewer Main Replacement, Realignment, Installation of PVC Lining Repairs and Adjustment of Manholes, at various locations throughout the complex	\$ 514,500	\$ 70,000	\$ -	\$ 440,000	\$ 440,000
B	Painting the Grand Arena	841,500	10,000	-	760,000	760,000
C	Parking Lot Improvements	965,800	225,000	-	1,520,000	1,520,000
D	Pavillion Building Upgrades	500,000	160,000	80,000	670,000	750,000
E	Avalon Room & Patio Café Improvements	495,000	40,000	-	610,000	610,000
F	Expo Center Gate Entrance Improvements	-	-	-	220,000	220,000
G	Grand Arena Building Improvements	100,000	-	-	600,000	600,000
H	Solar Panel Project	-	-	50,000	1,642,500	1,692,500
Grand Totals:		\$ 3,416,800	\$ 505,000	\$ 130,000	\$ 6,462,500	\$ 6,592,500

CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

ITEM NO. 6.5



CIVIC-RECREATIONAL-INDUSTRIAL AUTHORITY

City of Industry

CRIA BOARD OF DIRECTORS

HOWARD, LIM, CHAIRMAN
DAVID CARMANY
LARRY HARTMANN
CATHERINE MARCUCCI
DANNY MOLINA

15625 EAST STAFFORD STREET
CITY OF INDUSTRY, CALIFORNIA 91744-3366
(626) 333-2211

STAFF REPORT

Date: May 30, 2017

To: Chairman and Members of the Board of Directors
Civic-Recreational-Industrial Authority

Prepared by: Dean Yamagata – Frazer, LLP

Via: Susan Paragas, Director of Finance

Subject: Civic-Recreational-Industrial Authority April 30, 2017 Financial Statements

RECOMMENDATION

Receive and file.

EXECUTIVE SUMMARY

Expo Center:

For the month ended April 30, 2017, the Expo Center generated revenues of \$128,130 and incurred expenses of \$200,049. Transfers from the Capital Projects Fund amounted to \$55,520.

For the year ended April 30, 2017, the Expo Center generated revenues of \$1,207,873 and incurred expenses of \$1,763,692. Transfers from the Capital Projects Fund amounted to \$145,658. Year to date revenue and expenses are in line with the annual budgeted amounts.

Capital Projects Fund:

Total expenses budgeted for the year ending June 30, 2017 amount to \$572,385 which the Fund has incurred \$102,586 of actual expenses for the nine months ending April 30, 2017.

DESCRIPTION OF REPORTS

The monthly financial statement is a comprehensive document reflecting the financial position of the Authority at April 30, 2017.

Fiscal Impact

There is no fiscal impact as result of this action.

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY

FINANCIAL STATEMENTS

APRIL 30, 2017

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY

FINANCIAL STATEMENTS

APRIL 30, 2017

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Note: The presentation of these financial statements do not conform with Governmental Accounting Standards Board statement number 34 – Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments and do not include all the disclosures required by this pronouncement.

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY

EXECUTIVE SUMMARY
FINANCIAL STATEMENTS
APRIL 30, 2017

Expo Center Operations

During the month ended April 30, 2017, we held three events in the Pavilion and seven events in the Avalon Room with contracts totaling \$29,044.

In the Grand Arena we held six events with contracts totaling \$95,035. These events were Inpefess, Feria Del Caballos, Angeles Canyon Dog Club, Gateway Cities, and two LTAP events.

During the month ended April 30, 2017, we received pre-season revenue for the Speedway season totaling \$3,372.

At April 30, 2017, our financial statements reflect the following activity:

<u>Expo Center Operations</u>	Month Ended 4/30/2017	Year To Date 4/30/2017	Annual Budget 2016-2017	% of Annual Budget	Month Ended 04/30/2016	Year To Date 04/30/2016
Total revenues	\$ 128,130	\$ 1,207,873	\$ 1,561,570	77%	\$ 136,508	\$ 1,137,150
Expenses:						
Direct Expo Center expenses	96,623	914,592	1,029,425	89%	90,782	821,572
General and administrative expenses	103,426	849,100	1,027,760	83%	97,251	866,681
Total direct Expo Center expenses	200,049	1,763,692	2,057,185	86%	188,033	1,688,253
Net income (loss) from operations	(71,919)	(555,819)	(495,615)	112%	(51,525)	(551,103)
Net loss	\$ (71,919)	\$ (555,819)	\$ (495,615)	112%	\$ (51,525)	\$ (551,103)

The following is our summarized financial statements by department at April 30, 2017 and 2016:

<u>Expo Center Operations</u>	Month Ended 4/30/2017				
	Speedway	Facilities	Grand Arena	General and Admin.	Totals
Total revenues	\$ 3,372	\$ 29,044	\$ 95,035	\$ 679	\$ 128,130
Expenses:					
Direct Expo Center expenses	1,417	38,634	56,572	-	96,623
General and administrative expenses	-	-	-	103,426	103,426
Total direct Expo Center expenses	1,417	38,634	56,572	103,426	200,049
Net income (loss) from operations	1,955	(9,590)	38,463	(102,747)	(71,919)
Net income (loss) for the month ended	\$ 1,955	\$ (9,590)	\$ 38,463	\$ (102,747)	\$ (71,919)

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY

EXECUTIVE SUMMARY
FINANCIAL STATEMENTS
APRIL 30, 2017

<u>Expo Center Operations</u>	Month Ended 4/30/2016	Month Ended 4/30/2016	Month Ended 4/30/2016 Grand Arena	Month Ended 4/30/2016 General and Admin.	Month Ended 4/30/2016 Totals
	<u>Speedway</u>	<u>Facilities</u>			
Total revenues	\$ 7,674	\$ 59,768	\$ 68,621	\$ 445	\$ 136,508
Expenses:					
Direct Expo Center expenses	11,027	29,492	50,263		90,782
General and administrative expenses				97,251	97,251
Total direct Expo Center expenses	<u>11,027</u>	<u>29,492</u>	<u>50,263</u>	<u>97,251</u>	<u>188,033</u>
Net income (loss) from operations	<u>(3,353)</u>	<u>30,276</u>	<u>18,358</u>	<u>(96,806)</u>	<u>(51,525)</u>
Net income (loss) for the month ended	<u>\$ (3,353)</u>	<u>\$ 30,276</u>	<u>\$ 18,358</u>	<u>\$ (96,806)</u>	<u>\$ (51,525)</u>

<u>Expo Center Operations</u>	Year To Date 4/30/2017	Year To Date 4/30/2017	Year To Date 4/30/2017 Grand Arena	Year To Date 4/30/2017 General and Admin.	Year to Date 4/30/2017 Totals
	<u>Speedway</u>	<u>Facilities</u>			
Total revenues	\$ 191,552	\$ 508,551	\$ 500,180	\$ 7,590	\$ 1,207,873
Expenses:					
Direct Expo Center expenses	186,520	314,820	413,252		914,592
General and administrative expenses	-	-	-	849,100	849,100
Total direct Expo Center expenses	<u>186,520</u>	<u>314,820</u>	<u>413,252</u>	<u>849,100</u>	<u>1,763,692</u>
Net income (loss) from operations	<u>5,032</u>	<u>193,731</u>	<u>86,928</u>	<u>(841,510)</u>	<u>(555,819)</u>
Net income (loss) year to date	<u>\$ 5,032</u>	<u>\$ 193,731</u>	<u>\$ 86,928</u>	<u>\$ (841,510)</u>	<u>\$ (555,819)</u>

<u>Expo Center Operations</u>	Year To Date 4/30/2016	Year To Date 4/30/2016	Year To Date 4/30/2016 Grand Arena	Year To Date 4/30/2016 General and Admin.	Year to Date 4/30/2016 Totals
	<u>Speedway</u>	<u>Facilities</u>			
Total revenues	\$ 189,918	\$ 450,814	\$ 491,339	\$ 5,079	\$ 1,137,150
Expenses:					
Direct Expo Center expenses	200,356	236,204	385,012		821,572
General and administrative expenses				866,681	866,681
Total direct Expo Center expenses	<u>200,356</u>	<u>236,204</u>	<u>385,012</u>	<u>866,681</u>	<u>1,688,253</u>
Net income (loss) from operations	<u>(10,438)</u>	<u>214,610</u>	<u>106,327</u>	<u>(861,602)</u>	<u>(551,103)</u>
Net income (loss) year to date	<u>\$ (10,438)</u>	<u>\$ 214,610</u>	<u>\$ 106,327</u>	<u>\$ (861,602)</u>	<u>\$ (551,103)</u>

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY

EXECUTIVE SUMMARY
FINANCIAL STATEMENTS
APRIL 30, 2017

CRIA Capital Assets

In accordance with GASB 34, the Civic-Recreational-Industrial-Authority (referred to as "CRIA") is required to capitalize and depreciate their capital assets. The capital assets net of accumulated depreciation at April 30, 2017 amounted to \$8,769,709. This amount represents the cost of capital assets purchased or constructed over the years at the Industry Hills Expo Center and surrounding areas. No depreciation expense has been recorded in the statement of operations for the period ended April 30, 2017. It is the accounting policy of the CRIA to record annual depreciation expense subsequent to the completion of the June 30, 2017 annual audit.

Capital Projects Operations

The capital projects fund reflects expenditures for capital improvements and operational costs. Operational costs include Board and staff salaries, professional services and miscellaneous items.

At April 30, 2017, our financial statements reflect the following activity:

<u>Capital Projects Fund</u>	<u>Month Ended</u> <u>4/30/2017</u>	<u>Year To Date</u> <u>4/30/2017</u>	<u>Annual Budget</u> <u>2016-2017</u>	<u>% of Annual</u> <u>Budget</u>
Total revenues	\$ 282	\$ 954	\$ 510	187%
Expenditures				
General and administrative expenses	15,578	102,586	572,385	18%
Total expenses	15,578	102,586	572,385	18%
Net loss	\$ (15,296)	\$ (101,632)	\$ (571,875)	18%

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY

BALANCE SHEET
AS OF APRIL 30, 2017

		Capital Projects	Expo Center
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$	55,791	\$ 160,647
Investments		147,618	-
Accounts receivable, net		-	25,144
Prepaid insurance		-	6,077
Prepaid expenses		3,376	
Inventories		-	41,866
Deposits		-	3,000
Total current assets		206,785	236,734
CAPITAL ASSETS, net		72,075	8,769,709
Total assets	\$	278,860	\$ 9,006,443
LIABILITIES AND FUND EQUITY			
CURRENT LIABILITIES:			
Accounts payable	\$	-	\$ 93,117
Sales tax payable		-	4,830
Advance rental payments		-	164,789
Security deposits		-	51,435
Total current liabilities		-	314,171
FUND EQUITY:			
Fund balance		278,860	8,692,272
Total liabilities and fund equity	\$	278,860	\$ 9,006,443

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY

STATEMENT OF OPERATIONS
FOR THE MONTH AND YEAR TO DATE ENDED APRIL 30, 2017

	CAPITAL PROJECTS				EXPO CENTER			
	MONTH ENDED 4/30/2017	YEAR TO DATE 4/30/2017	2016-2017 ANNUAL BUDGET	% OF ANNUAL BUDGET	MONTH ENDED 4/30/2017	YEAR TO DATE 4/30/2017	2016-2017 ANNUAL BUDGET	% OF ANNUAL BUDGET
REVENUES:								
Expo center revenues	\$	\$			\$ 128,130	\$ 1,207,873	\$ 1,561,570	77%
Other revenues	282	954	510	187%				
Total revenues	282	954	510	187%	128,130	1,207,873	1,561,570	77%
EXPENDITURES:								
General and administrative expenses	15,578	102,586	572,385	18%	103,426	849,100	1,027,760	83%
Operating expenses					96,623	914,592	1,029,425	89%
Total expenses	15,578	102,586	572,385	18%	200,049	1,763,692	2,057,185	86%
EXCESS OF EXPENDITURES OVER REVENUES	(15,296)	(101,632)	(571,875)	18%	(71,919)	(555,819)	(495,615)	112%
OTHER FINANCING SOURCES	49,480	181,342	572,385	32%	24,000	187,138	505,660	37%
(EXCESS OF EXPENDITURES OVER REVENUES AND OTHER FINANCING SOURCES)/EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	34,184	79,710	510		(47,919)	(368,681)	10,045	
Fund balance, beginning	244,676	199,150			8,740,191	9,060,953		
Fund balance, ending	\$ 278,860	\$ 278,860			\$ 8,692,272	\$ 8,692,272		

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY

INDUSTRY HILLS EXPO CENTER
STATEMENT OF CASH FLOWS
FOR THE TEN MONTHS ENDED APRIL 30, 2017

		AMOUNT
CASH FLOWS FROM OPERATING ACTIVITIES		
	Net loss before transfers and other credits	\$ (555,819)
	Adjustments to reconcile net loss to net cash used in operating activities:	
	Change in operating assets and liabilities	
	Accounts receivable, net	31,973
	Prepaid insurance	6,185
	Prepaid expenses	-
	Inventories	1,837
	Accounts payable	(795)
	Sales tax payable	253
	Advance rental payments	17,100
	Security deposits	2,865
	Net cash used in operating activities	<u>(496,401)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
	Other financing sources	187,138
	NET CHANGE IN CASH	(309,263)
	Cash at July 1, 2016	469,910
	Cash at April 30, 2017	<u>\$ 160,647</u>

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INDUSTRY HILLS EXPO CENTER
SCHEDULE OF REVENUES AND EXPENSES
FOR THE MONTH AND YEAR TO DATE ENDED APRIL 30, 2017 AND 2016

	MONTH ENDED 4/30/2017	YEAR TO DATE 4/30/2017	ANNUAL BUDGET 2016-2017	% OF ANNUAL BUDGET	MONTH ENDED 04/30/2016	YEAR TO DATE 04/30/2016
Expo Center Operations						
Revenues						
Facilities rentals	\$ 13,839	\$ 228,905	\$ 280,100	82%	\$ 27,954	\$ 213,840
Facilities rentals - bar sales	9,298	213,760	255,460	84%	25,119	187,844
Facilities - security	2,630	44,698	44,340	101%	5,019	35,683
Facilities - food	2,479	7,374	1,680	439%	376	1,633
Facilities - insurance	700	11,600	20,400	57%	1,300	10,000
Facilities - other	98	2,214	1,710	129%	-	1,814
Grand Arena - special events rentals	16,600	79,000	91,300	87%	9,900	80,330
Grand Arena - outdoor arena rentals	800	2,400	4,620	52%	-	3,600
Grand Arena - show barn stall rentals	242	20,513	30,080	68%	-	15,946
Grand Arena - shaving sales	-	3,715	9,050	41%	-	8,036
Grand Arena - security	5,824	27,443	26,950	102%	2,277	19,192
Grand Arena - trailer parking	3,975	9,875	14,080	70%	2,450	12,190
Grand Arena - bar sales	29,261	192,613	216,320	89%	19,523	160,454
Grand Arena - food	14,024	75,680	103,350	73%	20,061	84,623
Grand Arena - feed sales	-	239	-	0%	-	-
Grand Arena - other	24,309	88,702	140,340	63%	14,410	106,968
Speedway - Merchandise	-	7,435	12,470	60%	50	7,133
Speedway - Bar	-	42,338	71,050	60%	-	42,369
Speedway - Prize Money	60	29,349	56,190	52%	180	31,302
Speedway - General Admission	812	41,528	74,180	56%	645	42,797
Speedway - Food	-	40,853	60,080	68%	-	39,489
Speedway - Parking	-	14,375	23,250	62%	-	13,935
Speedway - Other	2,500	15,674	17,540	89%	6,799	12,893
G&A- Other	679	7,590	7,030	108%	445	5,079
Total revenues	128,130	1,207,873	1,561,570	77%	136,508	1,137,150
Expo expenses						
Cost of sales	8,514	114,513	135,075	85%	9,515	96,273
Bar supplies	619.00	3,236	12,950	25%	392	8,553
Promotional banquet	4,395	20,920	19,420	108%	2,527	16,424
Feed	-	-	340	0%	30	345
Contract labor/wages	43,363	333,962	361,965	92%	43,895	300,202
Furniture/fixtures & equipment	729.00	12,112	28,260	43%	3,155	23,064
Facilities - insurance	7,700.00	12,001	-	0%	-	-
Miscellaneous	(6)	23,870	33,580	71%	350	29,320
Promotional	7,338	52,542	72,570	72%	9,347	64,552
Property maintenance	324	26,118	10,645	245%	582	8,306
Repairs and maintenance	-	285	-	0%	-	-
Sales tax	-	432	-	0%	-	-
Security - Grand Arena	9,878	40,886	43,200	95%	4,903	34,212
Security - Facilities	501	42,020	39,650	106%	4,673	32,159
Security - Speedway	-	20,358	14,900	137%	-	11,591
Shavings	-	4,359	4,780	91%	(6)	4,309
Supplies	5,278	36,961	30,115	123%	1,970	33,627
Equipment rental	154.00	1,053	1,060	99%	77	952
Special event concessions	5,860	42,375	39,935	106%	5,230	26,059
Bad debt	750	7,195	-	0%	1,292	5,174
Speedway- Concessions	-	718	25,060	0%	-	9,704
Speedway- Merchandise	-	5,245	14,040	37%	-	6,299
Speedway- Insurance	1,226	13,153	17,140	77%	221	25,211
Speedway - Prize money	-	36,155	58,180	62%	-	35,528
Speedway- Outside services	-	64,123	66,560	96%	2,629	49,708
Total Expo expenses	96,623	914,592	1,029,425	89%	90,782	821,572
Operating income before direct						
G & A and CRIA indirect expenses	31,507	293,281	532,145	55%	45,726	315,578

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INDUSTRY HILLS EXPO CENTER
SCHEDULE OF REVENUES AND EXPENSES
FOR THE MONTH AND YEAR TO DATE ENDED APRIL 30, 2017 AND 2016

	MONTH ENDED	YEAR TO DATE	ANNUAL	% OF	MONTH ENDED	YEAR TO DATE
Expo Center Operations	4/30/2017	4/30/2017	BUDGET	ANNUAL	04/30/2016	04/30/2016
			2016-2017	BUDGET		
Direct general and administrative expenses						
Office supplies	-	-	1,510	0%	599	1,725
Travel and meetings	66	2,397	5,300	45%	320	3,558
Dues, subscriptions, books, etc.	-	1,035	930	111%	-	420
Equipment rental/lease	344	3,653	5,620	65%	539	17,151
Employee training	40	1,941	-	0%	-	-
Furniture/fixtures & equipment	2,761	2,761	11,210	0%	2,340	4,020
Telephone	1,938	15,400	20,185	76%	1,475	17,003
Postage	42	7,771	7,490	104%	-	5,591
Miscellaneous	852	12,336	14,000	88%	1,055	12,012
Professional services	16,776	128,133	127,730	100%	10,696	110,399
Repairs and equipment	8,612	38,276	28,010	137%	9,233	35,524
Vehicle expenses	917	23,856	34,930	68%	1,791	32,922
Insurance and bonds	-	12,095	9,400	0%	-	9,394
Supplies	5,879	38,888	39,965	97%	4,564	33,615
Contract labor/administrative wages	39,011	313,139	402,990	78%	37,767	330,605
Property maintenance	15,531	127,261	145,980	87%	15,375	116,644
Utilities	10,657	120,158	172,510	70%	11,497	136,098
Total direct general and administrative expenses	103,426	849,100	1,027,760	83%	97,251	866,681
Expo Center operating income (loss)	\$ (71,919)	\$ (555,819)	\$ (495,615)	112%	\$ (51,525)	\$ (551,103)

CIVIC-RECREATIONAL-INDUSTRIAL-AUTHORITY
CITY OF INDUSTRY

Schedule 2

CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE MONTH AND YEAR TO DATE ENDED APRIL 30, 2017

	MONTH ENDED 4/30/2017	YEAR TO DATE 4/30/2017	ANNUAL BUDGET 2016-2017	% OF ANNUAL BUDGET
REVENUES				
Other revenues	\$ 282	\$ 954	\$ 510	187%
GENERAL AND ADMINISTRATIVE EXPENSES				
Salaries - board	2,726	25,212	40,875	62%
Payroll taxes	-	-	3,450	0%
Miscellaneous	25	297	500	59%
Travel and meeting	600	600	-	0%
Life insurance, state comp, and LTC	-	-	9,440	0%
Medicare/disability	209	1,929	3,820	50%
Group medical/dental			229,800	0%
Professional services		6,660	10,000	67%
Accounting	2,228	13,587	30,000	45%
Planning, Survey and Design	-	-	30,000	0%
Vehicle expenses	517	4,063	6,000	68%
Advertising and Printing	-	-	10,000	0%
General engineering	206	10,061	50,000	20%
Property maintenance	8,920	39,326	100,000	39%
Insurance and bonds	-	-	45,600	0%
Office expenses	-	135	-	0%
Utilities	147	688	-	0%
Other	-	28	2,900	1%
Total general and administrative expenses	15,578	102,586	572,385	18%
EXCESS OF EXPENDITURES OVER				
REVENUES	\$ (15,296)	\$ (101,632)	\$ (571,875)	18%