

**JOINT SPECIAL MEETING AGENDA OF THE  
INDUSTRY PUBLIC UTILITIES COMMISSION AND INDUSTRY PUBLIC  
FACILITIES AUTHORITY**

**JUNE 28, 2018**

**8:30 A.M.**

*(Immediately following the conclusion of the Successor Agency to the Industry Urban-Development Agency Meeting)*

**INDUSTRY PUBLIC UTILITIES COMMISSION/INDUSTRY PUBLIC FACILITIES AUTHORITY:**



**60 YEARS**

*Jobs, Enterprise & Regional Infrastructure*

*Chairman/President Mark Radecki  
Board Member/Commissioner Cory Moss  
Board Member/Commissioner Abraham Cruz  
Board Member/Commissioner Catherine Marcucci  
Board Member/Commissioner Newell Ruggles*

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

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**Addressing the City Council/Agency/Commission/Authority:**

- ▶ **Agenda Items:** Members of the public may address the City Council/Agency/Commission/Authority on any matter listed on the Agenda. Anyone wishing to speak is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed form should be submitted to the City Clerk prior to the Agenda item being called and prior to the individual being heard.
- ▶ **Public Comments (Agenda Items Only):** During public comments, if you wish to address the City Council/Agency/Commission/Authority during this Special Meeting, under Government Code Section 54954.3(a), you may only address the City Council/Agency/Commission/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 8:00 a.m. to 5:00 p.m., with the exception of every other Friday closing at 4:00 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. **ACTION ITEMS**

5.1 Consideration of Resolution Nos. IPUC 2018-02 and PFA 2018-01 – A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE INDUSTRY PUBLIC FACILITIES AUTHORITY, AND INDUSTRY PUBLIC UTILITIES COMMISSION APPROVING AND ADOPTING THE CITY'S FISCAL YEAR 2018-19 PROPOSED OPERATING BUDGET AND FISCAL YEAR 2018-19 PROPOSED CAPITAL IMPROVEMENT PROGRAM BUDGET

*RECOMMENDED ACTION: Adopt Resolution Nos. IPUC 2018-02 and PFA 2018-01.*

6. Adjournment.

*INDUSTRY PUBLIC UTILITIES COMMISSION AND  
INDUSTRY PUBLIC FACILITIES AUTHORITY*

ITEM NO. 5.1



# INDUSTRY PUBLIC UTILITIES COMMISSION

## MEMORANDUM

TO: Honorable Mayor and Members of the City Council

FROM: Troy Helling, Acting City Manager *TH*

STAFF: Yamini Pathak, Acting Director of Finance *Y*  
Steven Avalos, Finance Manager *SA*

DATE: June 28, 2018

**SUBJECT: Consideration of Resolution No. IPUC 2018-02 – A Joint Resolution of the City Council of the City of Industry, California, the Successor Agency to the Industry Urban-Development Agency, the Industry Public Facilities Authority, and Industry Public Utilities Commission Approving and Adopting the City’s Fiscal Year 2018-19 Proposed Operating Budget and Fiscal Year 2018-19 Proposed Capital Improvement Program Budget**

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### **BACKGROUND**

The Budget Adoption Process is one of the most important processes the City will undertake each year, usually entailing a five (5) to six (6) month process beginning in January/February of each year and culminating with the budget adoption in June, before the start of the upcoming fiscal year. The City’s Operating Budget is an extremely important document, as it represents the City’s financial operating plan and transparency vehicle to summarize our key fiscal resources, top budget priorities for the fiscal year, and planned programming & service levels for our residents, business residents and surrounding communities.

The FY 2018-19 (“FY 19”) Proposed Operating Budget is a balanced budget and was developed under the context of a “Zero-Based Budget” policy approach, which aligns the budgets of the City’s operations and services planned for the fiscal year to projected “realistic” costs of providing these vital services to our community. The FY 19 Proposed Budget reflects the City Council’s vision, commitment, and business plan to: operating the City in line with standard city business practices, governmental & fiscal transparency, and planning for the “now” and “future” in leading the City of Industry to continue to grow its presence as the economic and employment standard bearer in our region.

The FY 19 Proposed Budget was once again a collaborative Citywide process, in which all departments contributed in developing and building their budgets. The FY 19 Budget Process formally began in February 2018, in which the Finance Department (“Finance”)

prepared the budget policy, budget calendar, and all budget forms for the new fiscal year. The Budget Instructions Memo and all budget forms were distributed to all departments the 1<sup>st</sup> week of March. Departments were then required to submit their budget requests by April 17, 2018, in which Finance performed a thorough review of all budget requests. In May 2018, Finance reviewed all department budget requests with the City Manager to finalize the preliminary budget to present a balanced budget for Council’s consideration to approve and adopt by June 2018.

For the FY 19 budget adoption, staff presented the FY 19 Proposed Operating Budget at a Special Budget Workshop Meeting on June 21, 2018. The purpose of the Budget Workshop was to give Council an opportunity to thoroughly review the proposed budget, ask questions, and provide comments and direction to staff. The City Council received the budget presentation and gave direction to staff, in which the FY 19 Proposed Operating Budget will be presented to Council at the June 28, 2018 Council meeting for formal budget adoption. As customary, the FY 19 Proposed Operating Budget Report and Presentation will primarily focus on the General Fund, as this is the City’s operating fund that supports traditional municipal services, and the Capital Improvement Program (“CIP”) Fund, which serves as the City’s primary fund that supports its capital assets and infrastructure improvement projects.

**DISCUSSION**

**FY 19 Proposed Citywide Budget – All Funds**

The FY 19 Proposed Citywide Budget across all City funds totals \$216.5 million, and is supported by \$211.6 million in revenues. The projected operating shortfall will be supported by available reserves and bond proceeds. An overview of the City’s major funds are listed below.

<b>Table 1 – All City Funds Budget</b> (Figures in Millions)				
	<b>FY 15/16 Actuals</b>	<b>FY 16/17 Actuals</b>	<b>FY 17/18 Amended</b>	<b>FY 18/19 Proposed</b>
General Fund	\$37.1	\$36.4	\$58.6	\$48.9
Industry Public Utilities Commission ("IPUC")	5.7	7.4	10.2	7.1
Debt Services Funds	37.0	185.3	148.9	149.8
Other Funds	8.4	3.7	5.6	10.7
<b>City Funds Totals</b>	<b>\$88.2</b>	<b>\$232.8</b>	<b>\$223.3</b>	<b>\$216.5</b>
CIP Program	\$11.8	\$18.6	\$20.0	\$59.9
<b>CIP Program Totals</b>	<b>\$11.8</b>	<b>\$18.6</b>	<b>\$20.0</b>	<b>\$59.9</b>
Successor Agency ("SA")	\$52.7	\$108.3	\$177.7	\$180.9
<b>Successor Agency Totals</b>	<b>\$52.7</b>	<b>\$108.3</b>	<b>\$177.7</b>	<b>\$180.9</b>

In FY 19, the Citywide Proposed Budget will decrease slightly by \$6.8 M and is largely the result of removing one-time expenses and reducing professional services in the General Fund. For FY 19, the Industry Public Utilities Commission (“IPUC”) Budget will total \$7.1 million and represents a \$3.1 M decrease from FY 18. This is largely due to a reduction of professional services for utility administration, as much of these services have been streamlined and consolidated with other service contracts and in-house staff.

The City’s Debt Services funds, which includes the Industry Public Facilities Authority Budget (“IPFA”), will remain largely flat from the prior year and total \$149.8 million. This supports all the City’s debt service obligations, in which much of the bond proceeds serve as a vital revenue source for the City’s capital program. The CIP Budget and Successor Agency (“SA”) Budget are treated as non-Citywide operations and will be discussed separately in this report.

## **General Fund**

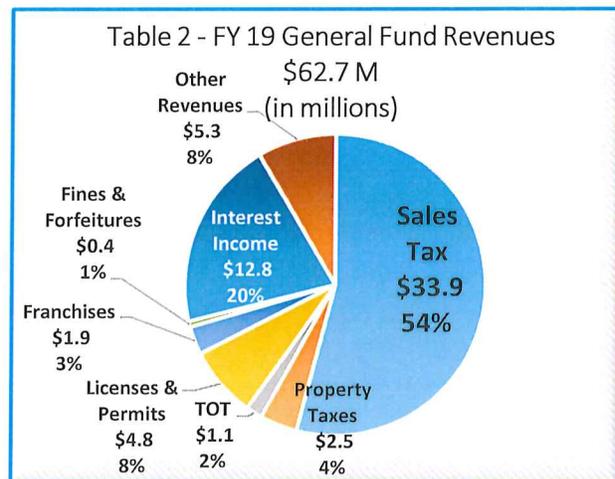
As prefaced earlier, the General Fund is the City’s primary operating fund that supports traditional municipal services, such as public safety, community support, landscape and street maintenance services, and planning and engineering services to name a few. When cities refer to its “Operating Budget”, they are referring to the General Fund, which serves as the primary budget for core operations and municipal services provided to our residents and business community.

The FY 19 Proposed Operating Budget for the General Fund reflects a balanced budget that totals \$48.9 million in expenditures and will be supported by \$62.7 million in revenues. Due to the City’s strong revenue base, the City is projected to have a \$13.8 million operating surplus in FY 19. However, the City will also utilize this operating surplus and its healthy fund balance reserves to support most of its non-operational costs, such as debt service obligations, subsidies to other funds, and non-recurring (or one-time) costs, such as the purchase of vehicles. For FY 19, the City’s debt services obligations and non-operating budget will impact the General Fund’s reserves by \$15.6 million.

Outlined below is an overview of the City’s revenue base, expenditures, and overview of its budget highlights for FY 19.

## Revenues

The City continues to have a solid and robust revenue base, which serves as the foundation for its economic viability and stable economy in the region over the last several years. Unlike other cities, the City greatly benefits from its strong economic industries, as revenues generated from sales taxes account for almost 55% of all General Fund revenues primarily from its auto, commercial, manufacturing, and consumer retail industries.



**Sales Tax** – In FY 19, Sales Tax revenues are anticipated to increase by \$1.0 M (or 3.1%) from \$32.9 million in FY 18 to \$33.9 million in FY 19. While this appears to be a modest increase, this 3.1% increase is great sign for the City. In FY 18, a major sales tax contributor and retailer closed in the City. However, this loss of sales tax revenues has not been fully realized (or affected) the City, as a new retail fulfillment center came to the City and has already made significant contributions to our sales tax base in FY 18. Despite losing one major commercial retailer, the City’s sales tax base remains strong and continues to increase in line with our regional economies and CPI trends.

**Property Taxes & Other Taxes** – The City’s other major revenues in its tax base are Property Tax and Transient Occupancy Taxes (“TOT”). Property Tax revenues move in line with assessed values of all City properties and are restricted to an annual maximum 2% increase in assessed value. The City’s TOT tax rate is 10% and reflects revenues generated from its lone hotel property, the Pacific Palms Resort at Industry Hills. Property Taxes and TOT revenues continue to be a consistent revenue source for the City and are projected to grow in line with Los Angeles County trends, as well as other cities in the region.

**Licenses, Permits & Fees** – Beginning in January 2018, the City began receiving all building permits, miscellaneous permits, and all other building and code fees directly. Prior, Los Angeles County Building would collect all fees and permits directly and record all revenues into the County’s financial system. In turn, LA County would deduct their services and operational costs and remit the net revenues monthly to the City. While this was not incorrect, it was not considered best practice. The City now receives and records all building-related permits and fees directly into our bank and financial system and revenues collected reflect total revenue amounts (not net amounts).

As a result, in FY 19, Licenses and Permits will see a higher budgeted revenue amount of \$4.8 M, in comparison to \$3.3 M in FY 18. While this shows a noticeable increase of \$1.5 M, this is largely due to the budgeting of net revenues for LA County building services

in prior years. Nonetheless, early revenue receipts indicate increased revenue intake over these past months, which is a positive sign shown thus far, and perhaps, an early indicator that the One-Stop Shop and new credit card payment machine are paying dividends for the City. This is also a great sign for the City that developers continue to do business with the City, and our economic base is on the rise and in good financial standing for many years to come.

Expenditures

In FY 19, General Fund expenditures will total \$48.9 million, which represents a \$9.7 million (or 13%) decrease from FY 18 amended budget levels. Outlined below is a full comparison for all departments from last fiscal year to the new fiscal year proposed budget.

<b>Table 3 – General Fund Expenditures</b>				
<i>(Figures in Millions)</i>				
	<b>FY 15/16</b>	<b>FY 16/17</b>	<b>FY 17/18</b>	<b>FY 18/19</b>
	<b>Actuals</b>	<b>Actuals</b>	<b>Amended</b>	<b>Proposed</b>
Administrative Services	\$11.7	\$7.1	\$15.0	\$7.5
Financial Services	1.7	2.9	3.7	4.0
Development Services	20.2	23.3	35.3	33.6
Community Support & Regional Improvements	3.5	3.1	4.6	3.8
<b>Grand Totals:</b>	<b>\$37.1</b>	<b>\$36.4</b>	<b>\$58.6</b>	<b>\$48.9</b>

The \$9.7 M decrease in the General Fund budget appears significant; however, this is largely due to the removal of a one-time, \$8.5 M payment to its retirement services provider, CalPERS, for the City’s projected unfunded pension liability for all its employees. When factoring out this one-time expense, the FY 19 Proposed Budget is primarily a flat budget, decreasing from \$50.1 million in FY 18 to \$48.9 million. This reflects the City’s commitment to operating in line with standard business practices, continuing to streamline and make operations more efficient, and removing some redundancies and professional services no longer needed.

As such, the FY 19 Proposed Budget also includes some services and organizational enhancements, budget savings, and continues to support the Council’s top priorities and programs. A summary of the major “FY 19 Budget Highlights” are listed below.

- **Significant Savings Due to the City’s Paydown of its Projected OPEB Liability** – In FY 18, the Council approved payment in the amount of \$8.5 million to its retirement services provider, CalPERS, for the City’s projected unfunded pension liability for all its employees. This one-time payment is removed from the FY 19 Proposed Budget and will save the City a projected \$10.2 million in interest over a 30-year amortization period, as well as over \$500K annually in foregoing its annual

contribution for its members.

- **Reduction of Professional Services** – Over the past few years, the City procured and contracted many specialized professional services to address various reforms to the 2016 State Controller’s Report. The City has brought in several new staff and has undertaken and completed many of its reforms. As such, many of these services are no longer needed as the City is continuing to streamline its operations and service. As a result, this will yield significant savings of \$1.3 M to the City.
- **Streamlining of Development Services & Public Works Operations** – In FY 19, the City will continue to streamline its Development Services and Public Works operations. In Development Services, the City will fully fund all its Stormwater Compliance and NPDES efforts. As the City now better knows all costs associated with the City’s One-Stop Shop (which became effective in November 2018), all contracted development services administrative support and Los Angeles County Building services support will be properly budgeted in FY 19.

In Public Works, the City will continue to assess and streamline our operations and a new Public Works/Engineering division will be consolidated in FY 19. Further, all specialized engineering services, such as environmental and surveying, as well as maintenance services are fully budgeted in FY 19.

- **Continued Commitment to Public Safety** – Public Safety continues to be the number one priority for the City. The FY 19 Budget reflects annual increases (\$260K) to the LA Sheriff’s contract. FY 19 also reflects the City’s commitment to mental health awareness in public safety and deputy training. In addition, additional hours for our part-time Code Enforcement staff has been included in the proposed budget. This will enhance and promote proper enforcement of the City’s municipal codes and regulations, as well as generate better revenue recovery opportunities.
- **Cost of Living Adjustment (“COLA”) Salary Increases** – One good indicator that the overall economy is trending upward is when there is a year-over-year increase in the region’s Consumer Price Index for all Urban Consumers (CPI-U). The CPI-U increase from April 17-April 18 in the Los Angeles-Long Beach-Anaheim region is 4.0%. This is largely the result of energy prices (due to gasoline prices) increasing by over 11.5% in that same span. As a result, a 4.0% CPI-based COLA is being recommended for all employees, boards and commissions and is included in the FY 19 Proposed Budget. For the City Council Members, an ordinance will need to be introduced and read twice for their COLA salary adjustment to be approved and take effect. The first reading will take place with the budget adoption at the June 28, 2018 meeting.
- **Personnel Changes** – In May 2018, there were new positions approved on the Salary Schedule, such as the Assistant City Manager and Deputy City Clerk positions, that were not previously budgeted and are now fully funded in FY 19. In

addition, there are several positions being recommended to be re-classified to more appropriately correspond to the skill level, responsibilities & work scope performed by the employees filling these positions and are also included in the proposed budget.

Two (2) new positions, Accounting Technician III and HR Analyst II, are also included as part of the proposed budget and will also need to be added to the City's Salary Schedule. These positions have resulted from proposed reclassifications due to additional duties, and higher responsibilities of work performed. In addition, one (1) new P/T Administrative Technician will be added to help support the day-to-day HR functions and duties. There is no net change in full-time equivalent ("FTE") position count in comparison to last year's amended budget.

- ***User Fees and Charges Study and Cost Allocation Plan Study*** – In FY 18, Finance initiated two (2) important financial studies, User Fees and Charges Study and Cost Allocation Plan Study, and are still on-going projects. The City is currently not recovering any user fees for the cost of services we deliver to our business community nor has a Citywide Fee Schedule. These are very important, as these documents justify the user fees we charge our customers and assist in revenue recovery for the cost of providing these important services. These studies are anticipated to be completed in FY 19 and is included in the proposed budget.
- ***Significant and Continuing Investment to Non-Profit Organizations & Surrounding Communities*** – The City continues to provide support and invest heavily to our local nonprofits and our surrounding communities in need through the funding of projects, programs, and direct donations to serve our at-risk and in-need populations, as well as benefit the general community at-large.

In FY 19, the City will continue to support and provide vital resources to community events, such as the City of La Puente's annual 4<sup>th</sup> of July Celebration event. The City will continue to be a major sponsor and contributor to the Gabriel Foundation and the annual Industry Hills Pro Rodeo event. The City is also extending its support to other important programs and issues, such as Veterans programs provided by the Roper Foundation, as well as funding to support public safety' awareness of mental health issues and Meals on Wheels.

In addition, the City continues to support the Industry Sheriff's Department Youth Activities League ("YAL") and is reflected in the FY 19 Proposed Budget. The YAL serves, on average, over 300 youth every single day from surrounding communities at nine different facilities in the City of Industry, La Puente, Bassett and Valinda areas. The volunteer-run programs of the Industry YAL provide outstanding programs and services to our underprivileged and disadvantaged youth in our underserved communities. Funding in FY 19 include use of Tonner Canyon for Camp Courage, use of City vehicles to help transport all kids, and funding for special programs such as development of a music program and community center.

These are some of the major highlights of the FY 19 Proposed Budget. As mentioned earlier, the FY 19 Budget will continue the initiatives and projects set forth in FY 18, as well as continue to implement best practices, streamline operations, and operate the City in line with standard business operations.

### **Capital Improvement Program (“CIP”) Proposed Budget**

The City continues to invest heavily into its assets, capital infrastructure, streets and roads, and large-scale regional improvements. The FY 19 Proposed CIP Budget will total \$59.9 million, and will support construction of major grade separation projects and freeway improvements, street improvements, and major improvements to the City's Expo Center and City facilities. A summary of the major capital projects planned for FY 19 are outlined below.

- **“57/60 Confluence Project”** – The 57/60 Fwy Confluence Project is a regionally critical interchange that has been a major undertaking for the City over these last several years. The City has worked closely with CalTrans on this important regional project utilizing Federal funding, redevelopment funds and local grant funding. In FY 18, construction accelerated and saw the completion of the westbound Grand Avenue Off-Ramp and the westbound loop On-Ramp. In FY 19, it is anticipated that the Grand Avenue Slip On-Ramp at Grand Avenue will be completed.

This is a major regional infrastructure project, as it will not only benefit the City, but will have huge impacts on neighboring communities in Diamond Bar, Chino Hills, and the City of Walnut, as well as the thousands of commuters and patrons that travel this area on a daily basis.

- **“Grade Separation Projects”** – Through its continued, long-standing and collaborative partnership with Alameda Corridor East Construction Authority (“ACE”), the City will invest close to \$6 million dollars to major grade separation projects in FY 19. The Fairway Drive and Fullerton Road grade separation projects will continue construction. Railroad overpasses for Union Pacific will be constructed on both these major thoroughfares to ease these critical, high-volume traffic areas and improve traffic safety. The Turnbull Canyon grade separation will also enter its design phase in FY 19.
- **“Expo Center Facility Improvements”** – The City is developing a master plan to address long-term deferred maintenance and capital improvements at the Expo Center, as well as all other City owned properties. As such, the Expo Center Improvements are a big part of the FY 19 CIP Budget, and the City is allocating \$9.6 million to major facility improvements at the Expo Center. In FY 19, major improvements to the Pavilion, Avalon Room and Patio Café facilities are planned, as well as replacement of the Expo Center Gate. The Grand Arena will also be repainted and is a major undertaking for this popular venue. Further, the City will invest critical resources to designing major improvements to the sewer system.

In FY 19, the City's Proposed CIP Program Budget will be primarily supported by \$200 million of available bond proceeds stemming from the \$250 million Sales Tax Revenue bond issuance in 2015. In years past, the CIP Program has been 100% subsidized by the General Fund. The City will also benefit and continue to utilize grants that have been awarded to the City, such as the Federal TIGER grant, Highway Bridge Program, and other local transportation grants, such as Measure M and METRO Call For Projects funding. Utilizing these vital revenue resources will provide major relief and savings of \$50.1 million to the General Fund in FY 19.

### **Successor Agency ("SA")**

The FY 19 Proposed SA Budget was developed in accordance with the State Department of Finance ("DOF") approved Recognized Obligation Payment Schedule ("ROPS") for FY 2018-19. The SA Budget is governed by the ROPS and cannot be changed or amended at any time during the year. In FY 19, the Proposed SA Budget will total \$180.9 million in expenditures, which consists of \$80.0 M of debt service obligations and \$100.9 M of project costs and enforceable obligations.

The SA Budget will primarily support all enforceable obligations as approved on the ROPS, debt service obligations of the former Industry Urban Development Authority ("IUDA"), and major infrastructure projects in the region. Some of the major projects supported by the SA include the Industry Business Center (East and West), 57/60 Confluence Project, Baker Slopes and Diamond Bar Creek habitat to name a few.

### **FISCAL IMPACT**

The City of Industry's FY 2018-19 Proposed Citywide Operating Budget will total \$216,492,940 in expenditures and be supported by \$211,626,480 in revenues and \$4,866,460 in available reserves. This Citywide total includes the budgets for the General Fund, IPFA, and IPUC and are outlined below:

- The General Fund budget will total \$48,877,700 in expenditures and \$29,404,655 in transfers out and supported by \$62,686,030 in revenues and \$15,596,325 in available reserves.
- The IPUC budget will total \$7,072,385 in expenditures and supported by \$8,899,150 in revenues.
- The IPFA budget will total \$108,477,365 in expenditures, which consists of \$79,783,105 in regular debt service and \$28,694,260 towards early redemption of existing bond obligations. This will be supported by \$59,449,865 in revenues and \$50,465,200 from transfers in from other funds.

The FY 2018-19 Proposed CIP Program Budget will total \$59,900,000 in total project costs. The Proposed CIP Budget will be supported by \$8,433,865 in revenues (SA supported projects), \$1,365,000 subsidy (Transfer In) from the General Fund, and

\$50,101,135 of available bond proceeds from the 2015 Sales Tax Revenue bond proceeds.

The FY 2018-19 Proposed SA Budget will total \$180,887,285 in expenditures and will be supported by revenues consisting of RPTTF tax increment revenues, tax override revenues, available bond proceeds, lease income from SA owned properties, and property sales.

The FY 2018-19 Proposed Operating Budget document will be available on the City website and in hard copy at the City Hall Front Desk or at City Clerk's Office at City Hall.

### **RECOMMENDATION**

Staff recommends the City Council approve and adopt Resolution No. IPUC 2018-02, adopting the Proposed Operating Budget and Proposed CIP Budget for the City of Industry for Fiscal Year 2018-2019. In addition, staff recommends the City Council approve and ratify all City-affiliated entities' budgets, as approved by each respective board and commission respectively.

#### Attachments:

1. Resolution No. IPUC 2018-02 – Resolution Approving the FY 19 Operating Budget and FY 19 CIP Budget
2. FY 2018-19 Budget Workshop Presentation
3. Exhibit A – FY 2018-19 Proposed Citywide Organizational Charts
4. Exhibit B – FY 2018-19 Projected Fund Balances
5. Exhibit C – FY 2018-19 Proposed Revenue Summaries
6. Exhibit D – FY 2018-19 Proposed Expenditure Summaries
7. Exhibit E – FY 2018-19 Proposed CIP Budget Project Summary

## RESOLUTION NO. IPUC 2018-02

### A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE INDUSTRY PUBLIC FACILITIES AUTHORITY, AND INDUSTRY PUBLIC UTILITIES COMMISSION APPROVING AND ADOPTING THE CITY'S FISCAL YEAR 2018-19 PROPOSED OPERATING BUDGET AND FISCAL YEAR 2018-19 PROPOSED CAPITAL IMPROVEMENT PROGRAM BUDGET

**WHEREAS**, the FY 2018-19 ("FY 19") Proposed Operating Budget for the City of Industry ("City") was developed under the context of a "Zero-Based Budget" policy approach, which aligns the budgets of the City's planned operations and services for the fiscal year to projected "realistic" costs of providing those services to the community; and

**WHEREAS**, the FY 19 Budget Process was a collaborative, Citywide process in which all departments and affiliated City entities were responsible for developing and submitting their budgets; and

**WHEREAS**, the FY 19 Budget Process began in February 2018, in which the Finance Department ("Finance") developed the budget policy, budget calendar, and prepared and distributed all budget instructions, budget forms, and capital project request forms to all departments; and

**WHEREAS**, Departments submitted their budget proposals and capital budget requests to Finance by April 2018, in which Finance reviewed all department budget requests, making recommendations as needed; and

**WHEREAS**, in May 2018, Finance and the City Manager reviewed each budget request with respect to the City's total budget and Citywide fiscal condition and finalized the FY 19 Proposed Operating Budget; and

**WHEREAS**, Finance, Engineering and the City Manager also reviewed all capital project budget requests and finalized the FY 19 Proposed Capital Improvement Program ("CIP") Budget; and

**WHEREAS**, The FY 19 Proposed Budget is a balanced budget and reflects the City Council's vision, commitment, and business plan to: operating the City in line with standard city business practices, governmental & fiscal transparency, and planning for the "now" and "future" in leading the City of Industry to continue to grow its presence as the economic and employment standard bearer in our region; and

**WHEREAS**, the City Council received a presentation on the City's FY 19 Proposed Operating Budget and FY 19 Proposed CIP Budget at the Special Budget Workshop

Meeting held on June 21, 2018; in which staff received feedback and direction from the City Council; and

**WHEREAS**, staff incorporated said changes and direction from the City Council into the FY 19 Proposed Operating Budget and FY 19 Proposed CIP Budget and are hereby presented for budget adoption at the June 28, 2018 City Council Meeting.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AUTHORITY, THE INDUSTRY PUBLIC FACILITIES AUTHORITY, AND INDUSTRY PUBLIC UTILITIES COMMISSION 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 IPUC 2018-02, the City of Industry's Proposed Operating Budget for all Citywide Funds totals **\$216,492,940** in expenditures that will be supported by **\$211,626,480** in revenues and **\$4,866,460** in available reserves is hereby approved and adopted for Fiscal Year 2018-2019, as reflected in Exhibit B - Exhibit D hereto attached to this resolution. By approving the Citywide Proposed Operating Budget, the following proposed budgets for the General Fund, IPFA, and IPUC are hereby approved and adopted as outlined below:

- A. The General Fund budget will total **\$48,877,700** in expenditures and **\$29,404,655** in transfers out and supported by **\$62,686,030** in revenues and **\$15,596,325** in available reserves.
- B. The IPUC budget will total **\$7,072,385** in expenditures and supported by **\$8,899,150** in revenues.
- C. The IPFA budget will total **\$108,477,365** in expenditures, which consists of **\$79,783,105** in regular debt service and **\$28,694,260** towards early redemption of existing bond obligations. This will be supported by **\$59,449,865** in revenues and **\$50,465,200** from transfers in from other funds.

**Section 3.** By approving IPUC 2018-02, the Proposed CIP Program Budget of **\$59,900,000** in total project costs that will be supported by **\$8,433,865** in revenues, **\$1,365,000** Transfers In from the General Fund, and **\$50,101,135** of available bond proceeds from the 2015 Sales Tax Revenue bond proceeds is hereby approved and adopted for Fiscal Year 2018-2019. A detailed project list is presented and hereto attached as Exhibit E to this resolution.

**Section 4.** By approving IPUC 2018-02, the Proposed Successor Agency Budget of **\$180,887,285** in expenditures and will be supported revenues consisting of RPTTF tax increment revenues, tax override revenues, available bond proceeds, lease income from SA owned properties, and property sales is hereby approved and adopted for Fiscal Year

2018-2019. Any expenditures above the revenues received will be supported by property sales.

**Section 5.** The City Council hereby approves and ratifies the following City-affiliated entities' budgets for Fiscal Year 2018-2019, as approved and adopted at their respective board meetings: Civic Recreational-Industrial Authority ("CRIA"), and Industry Property & Housing Management Authority ("IPHMA").

**Section 6.** The City Clerk 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 City Council of the City of Industry, the Successor Agency to the Industry Urban-Development Agency, the Industry Public Facilities Authority, and Industry Public Utilities Commission at a regular meeting held on June 28, 2018, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

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Mark D. Radecki, President

**ATTEST:**

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Diane Schlichting, Commission Secretary



**60 YEARS**

Jobs, Enterprise & Regional Infrastructure

# FY 2018-19 Proposed Operating Budget

City of Industry Budget Workshop | June 21, 2018

- 
- » **OVERVIEW OF OVERALL BUDGET DEVELOPMENT PROCESS**
  - » **CITYWIDE BUDGET**
  - » **GENERAL FUND BUDGET**
    - > Revenues
    - > FY 19 Budget Highlights
  - » **CIP BUDGET**
  - » **OTHER ENTITY BUDGETS (IPUC, IPHMA, CRIA, & IPFA)**

**FY 2018-19 (FY 19)  
PROPOSED  
BUDGET  
PRESENTATION  
OVERVIEW**

# OVERVIEW OF BUDGET PROCESS

## ❖ Definition of a Budget

- Represents the City's financial operating plan and transparency vehicle to summarize our key fiscal resources, top budget priorities for the fiscal year, and planned programming & service levels for our residents, business residents and surrounding communities.

## ❖ "Zero-Based Budget" Budget Policy

- Aligns the budgets of the City's operations and services planned for the fiscal year to projected "realistic" costs of providing these vital services to our community.

## ❖ Citywide Effort & Collaborative Process

## ❖ 5-6 Month Long Process

## ❖ The FY 19 Proposed Budget reflects the City Council's vision, commitment, and business plan to:

- Operating the City in line with standard city business practices & governmental & fiscal transparency;
- Planning for the "now" and "future" in leading the City of Industry to continue to grow its presence as the economic and employment standard bearer in our region.

## "BUDGET FLOW CHART"



# FY 2018-19 PROPOSED CITYWIDE BUDGET

## ❖ Citywide Proposed Revenues - \$211.6 million

- General Fund - \$62.7M
- Special Revenues (Prop A, Gas Tax, Grants, etc) - \$5.3M
- Enterprise Funds - \$11.1M
- Debt Services Funds - \$123.5M
- CIP Fund - \$8.4M
- Fiduciary Funds - \$0.6M

## ❖ Citywide Proposed Expenditures - \$216.5 million (excluding the CIP Budget and Successor Agency)

- General Fund - \$48.9 M
- IPUC (Water & Electric Utility) - \$7.1M
- Debt Services Fund City – \$41.3M
- Debt Services for IPFA – 108.5M (Includes \$30M Early Redemption)
- Other Funds (Prop A, Prop C, Grant Fund, etc) - \$10.7M

## Other Entities' Budgets

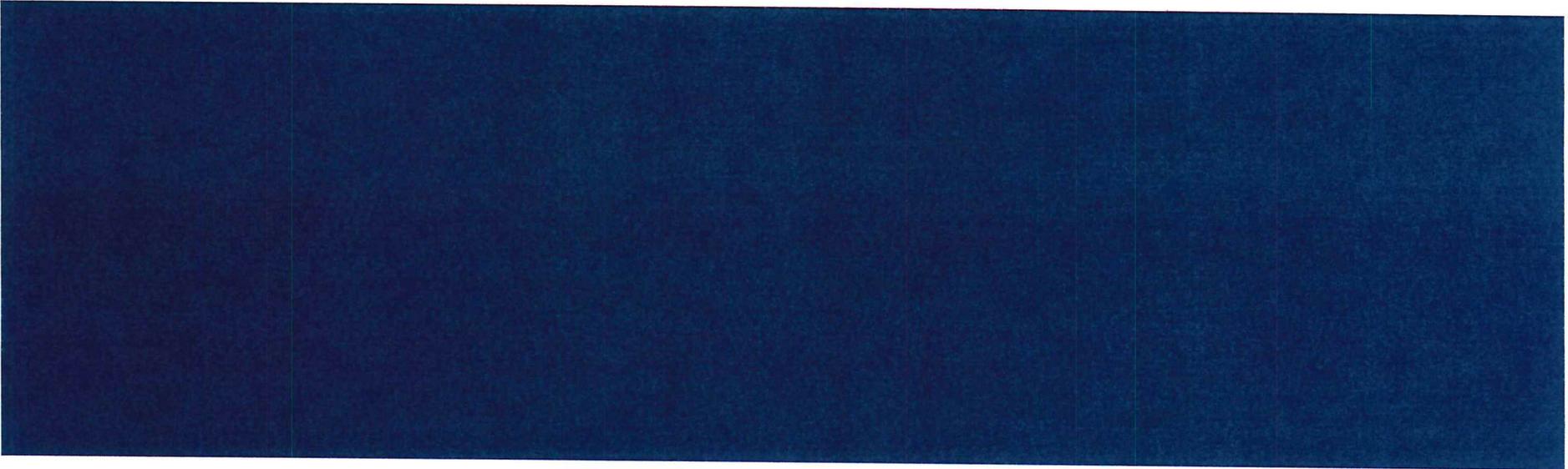
### ❖ CIP Program - \$59.9 M

### ❖ Other City Entities

- CRIA - \$3.05 M
- IPHMA (Housing) - \$0.7 M

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# GENERAL FUND BUDGET – FY 19 BUDGET HIGHLIGHTS



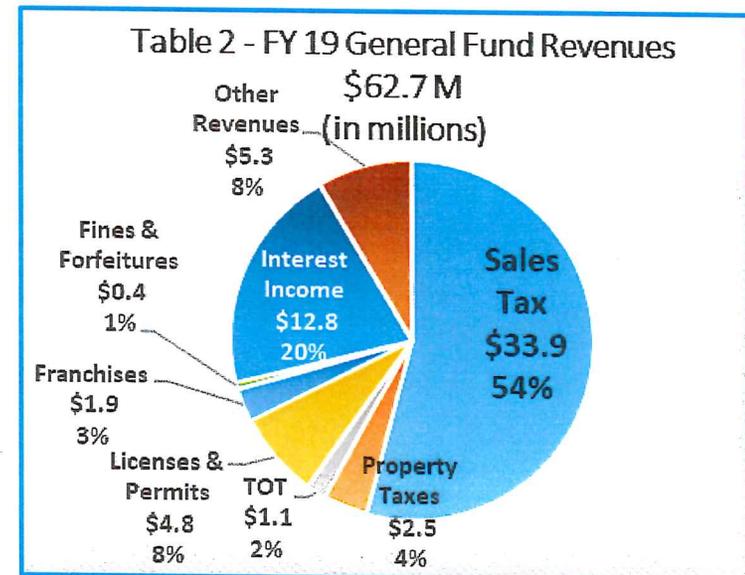
## FY 2018-19 PROPOSED GENERAL FUND BUDGET – OVERVIEW

- *Reflects the City's commitment to its #1 priority of Public Safety*
- *Significant and Continuing Investment to Non-Profit Organizations & Surrounding Communities for Charitable Causes*
  - ✓ *4<sup>th</sup> of July, Gabriel Foundation & Industry Pro Rodeo, YAL, Meals on Wheels, etc.*
- *Continuing to Operate the City in line with standard city business practices & governmental & fiscal transparency*
- *Continued Self-Assessment & Streamlining of the City's Organizational Structure and Operations to achieve greater efficiencies in our operations & service deliveries.*

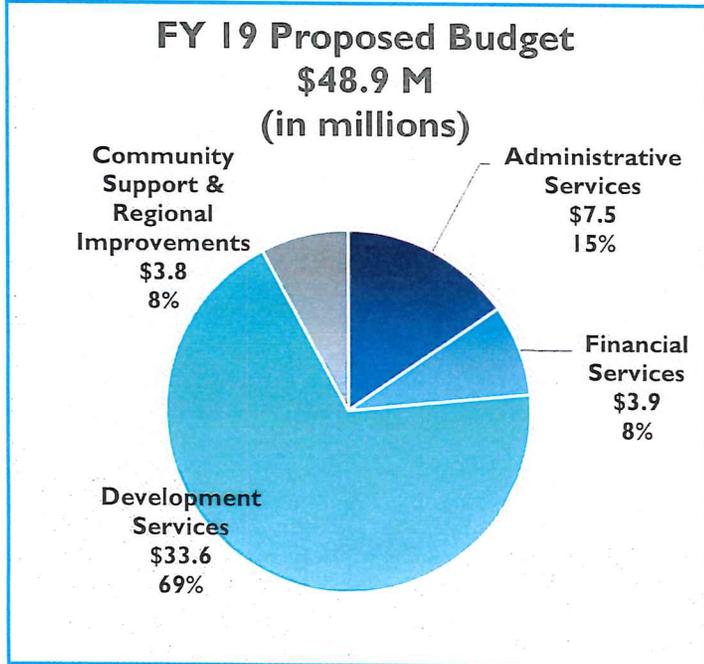
# FY 2018-19 PROPOSED GENERAL FUND BUDGET - REVENUES

## Total Revenues - \$62,686,030

- Sales Taxes - \$33.9 M
  - \$1.0M Increase (3.1%)
  - Continued sales tax growth
  - New Major Retailer (Fulfillment Center)
- Licenses & Permits - \$4.8 M
  - \$1.5M Increase (45%)
  - Largely due to City now recording all Permits in our Financial System
  - Development & construction continue in the City
- Increase also due to recording of all non-operational revenue (i.e. SA Admin Allowance, reimbursements) in General Fund
- All other Revenues are performing consistently and showing growth.



# FY 2018-19 PROPOSED GENERAL FUND BUDGET - EXPENDITURES



## Total Operating Expenditures - \$48,877,700

- Removes 1-Time \$8.5M OPEB Payout for all Employees' projected pension (savings of \$10.2M in interest over 30 years)
- Reduction of Professional Services - \$1.3M savings
- Continued Commitment to Public Safety
  - Annual Public Safety Contract Increase - \$260K
  - Continued support of the YAL Program
- Cost of Living Increase (COLA) of 4% for all Employees and Boards
  - Based on CPI-U from April '17 to April '18 (LA-Long Beach-Anaheim Areas)
- City Reorganization/Staffing
  - New positions added in FY 18 fully funded in FY 19 (i.e. Assistant City Manager & Deputy City Clerk)
  - Continued streamlining of the City's organizational structure and staffing levels to achieve greater efficiencies in operations

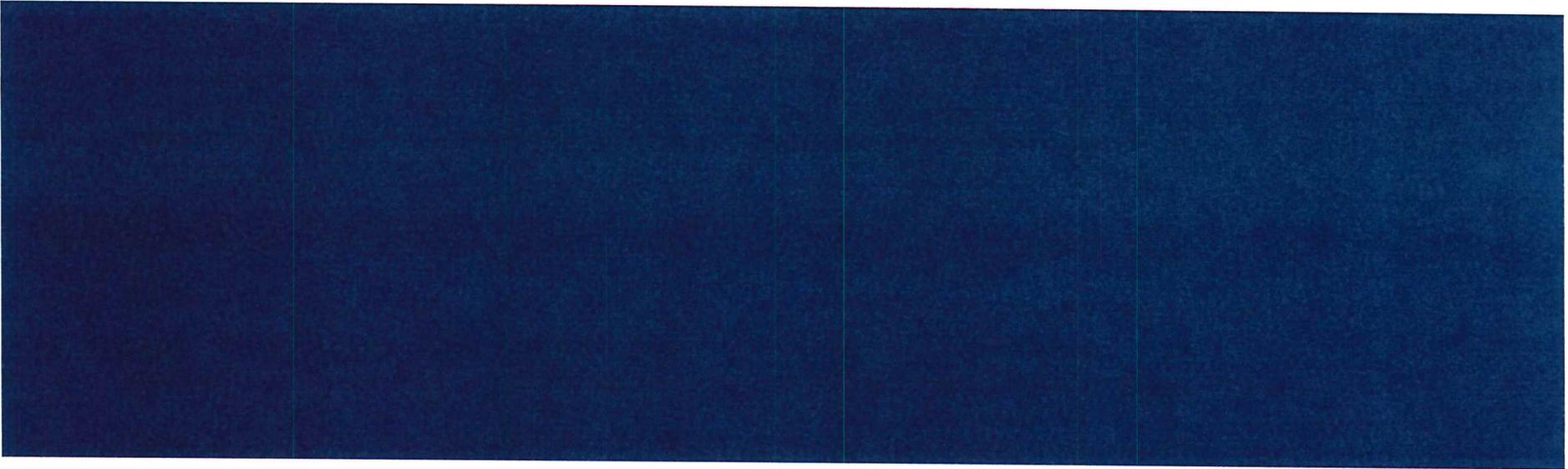
# FY 2018-19 PROPOSED GENERAL FUND BUDGET - EXPENDITURES

## **Other Changes**

- *Removes 1-Time expenses, such as the 60<sup>th</sup> Anniversary funding and vehicle purchases*
- *Includes two (2) new Code Enforcement vehicles*
- *Development Services*
  - *Full funding of the City's One-Stop Shop*
  - *Full funding for Stormwater/NPDES Compliance*
- *Financial Services*
  - *User Fee and Charges and Cost Allocation Plan Studies*
  - *Community Development & HR/Payroll implementation*
- *All major service contract providers include built-in CPI-based increases*
- *Continues to address and adequately fund Deferred Maintenance at all City Facilities*

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# CAPITAL IMPROVEMENT PROGRAM – FY 19 PROPOSED CIP BUDGET



# FY 2018-19 PROPOSED CIP BUDGET

## ❖ CIP Budget - \$59.9 million

- 2015 Sales Tax Bond Proceeds - \$50.1 M
- General Fund - \$1.3 M
- Successor Agency Funds - \$7.9 M

## ❖ Investment in Expo Center Infrastructure - \$9.9 M

- Pavilion & Avalon Room Improvements - \$4.2 M
- Grand Arena Re-Painting - \$1.2 M

## ❖ Major Regional Infrastructure Projects

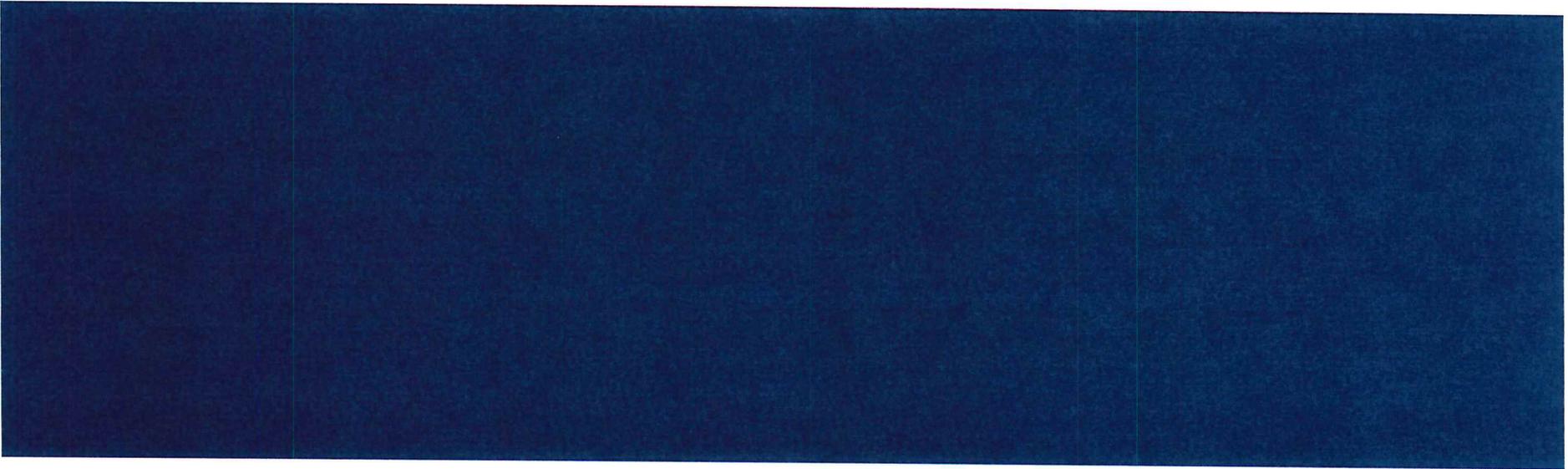
- 57/60 Confluence Project, Fairway & Fullerton Grade Separations, IBC Project.

## ❖ Citywide Signage & Painting

Project Description By Category	FY 2017/18 Adopted	FY 2017/18 Amended	FY 2018/19 Proposed Budget
1. Grade Separation Projects	\$6,050,000	\$6,050,000	\$5,540,000
2. Street Widening Reconstruction, Resurfacing, And Slurry Seal	17,894,724	18,808,965	19,339,000
3. Bridge Widening, Seismic Retrofit, And Maintenance Improvements	1,519,000	1,519,000	8,470,000
4. Traffic Signal Improvements	3,570,000	3,570,000	2,950,000
5. Storm Drain Improvements	2,960,000	4,540,445	4,030,000
6. IPUC - Potable Water System	58,000	58,000	1,801,000
7. IPUC – Electric Utility	3,340,000	3,340,000	4,098,000
8. Metrolink/Commuter Rail Station	-	-	-
9. Expo Center At Industry Hills	6,592,500	6,592,500	9,335,000
10. Industry Hills Golf And Convention Facilities	600,000	600,000	750,000
11. Open Space Properties	1,025,000	1,025,000	1,365,000
12. IPHMA Properties	-	-	-
13. Civic Center Facilities Improvements	2,012,500	2,141,350	865,000
14. Facilities Improvements	-	34,440	1,357,000
<b>GRAND TOTAL</b>	<b>\$45,621,724</b>	<b>\$48,279,700</b>	<b>\$59,900,000</b>

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# OTHER CITY ENTITIES – FY 19 PROPOSED BUDGETS

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## FY 2018-19 PROPOSED BUDGET – OTHER ENTITIES

### ❖ IPUC Proposed Budget - \$7,072,385

- Electric Utility - \$4.1M Expenditures, \$5.5M Revenues
- IPUC Water (Potable) - \$2.1M Expenditures, \$2.1M Revenues
- IPUC Water (Reclaimed) - \$0.9M Expenditures, \$1.4M Revenues

### ❖ IPFA Proposed Budget - \$108,477,365

- Regular Debt Service - \$79.8M, Early Bond Redemption - \$28.7M
- Revenues - \$59.5M; Transfers In - \$50.5M

### ❖ Successor Agency Proposed Budget - \$180,887,285

- Developed in line w/ DOF-approved 2018-19 ROPS
- Debt Services Obligations - \$80.0M
- Project Costs (57160 Confluence Project, IBC, Diamond Bar Creek) - \$100.9M
- Supported by RPTFF revenues, lease income, bond proceeds, & sale of properties.

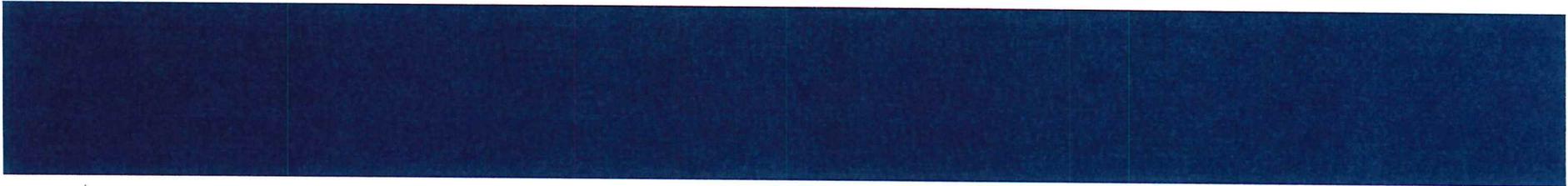
### Entities w/ Different Boards

- ❖ CRIA Admin. - \$661,145
- ❖ CRIA Expo Center - \$2,455,075
  - Revenues - \$2.0M; Subsidy from CRIA - \$0.5M
- ❖ IPHMA (Housing) - \$661,145
  - Revenues - \$0.2M; Subsidy from General Fund - \$0.5M

\*\*\*\* All Boards must adopt entity budgets to fully ratify and adopt these budgets. \*\*\*\*

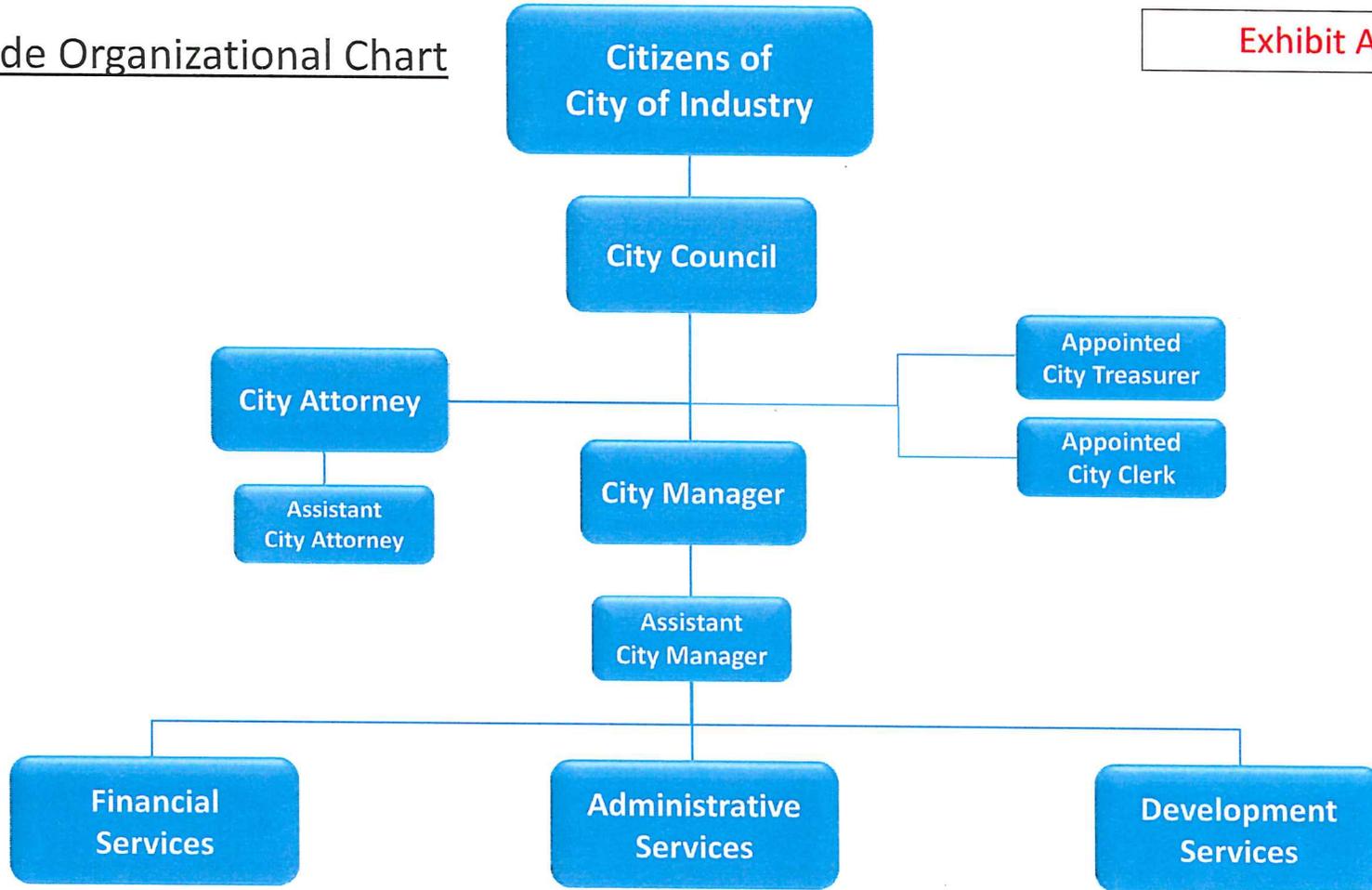


THE END.....ANY QUESTIONS??



Citywide Organizational Chart

Exhibit A



CITY OF INDUSTRY  
PROJECTED FUND BALANCES  
FY 2018-19 PROPOSED  
**EXHIBIT B**

FUND NAME	BEGINNING FUND BALANCE JULY 1, 2018	REVENUES FY 2018-2019	TRANSFERS IN	EXPENDITURES FY 2018-2019	TRANSFERS OUT	PROJECTED SURPLUS / (DEFICIT)	PROJECTED FUND BALANCE JUNE 30, 2019
<b>GENERAL FUND</b>							
100 OPERATIONS	\$ 718,368,033	\$ 62,686,030	\$ -	\$ (47,254,960)	\$ (2,881,475)	\$ 12,549,595	\$ 730,917,627
100 NON-OPERATING COSTS	-	-	-	(1,622,740)	(26,523,180)	(28,145,920)	(28,145,920)
<b>Total</b>	<b>\$ 718,368,033</b>	<b>\$ 62,686,030</b>	<b>\$ -</b>	<b>\$ (48,877,700)</b>	<b>\$ (29,404,655)</b>	<b>\$ (15,596,325)</b>	<b>\$ 702,771,707</b>
<b>SPECIAL REVENUE FUNDS</b>							
101 GAS TAX	\$ 26,643	\$ 18,130	\$ -	\$ (10,000)	\$ -	\$ 8,130	\$ 34,773
102 MEASURE R	-	5,000	-	(5,000)	-	-	-
103 PROP A	1,576,486	10,000	-	(1,112,600)	-	(1,102,600)	473,886
104 PROP C	8,919	7,010	-	(10,000)	-	(2,990)	5,929
105 AIR QUALITY	471	-	-	-	-	-	471
106 MEASURE M	5,000	5,000	-	(5,000)	-	-	5,000
110 GRANT FUND	-	5,261,490	-	(5,261,490)	-	-	-
<b>Total</b>	<b>\$ 1,617,519</b>	<b>\$ 5,306,630</b>	<b>\$ -</b>	<b>\$ (6,404,090)</b>	<b>\$ -</b>	<b>\$ (1,097,460)</b>	<b>\$ -</b>
<b>INTERNAL SERVICES FUNDS</b>							
320 FLEET MANAGEMENT FUND	\$ 50,000	\$ -	\$ 80,000	\$ (80,000)	\$ -	\$ -	\$ 50,000
<b>Total</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ 80,000</b>	<b>\$ (80,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>
<b>ENTERPRISE FUNDS</b>							
160 IPHMA	\$ 33,590	\$ 210,800	\$ 450,345	\$ (661,145)	\$ -	\$ -	\$ 33,590
161 CITY ELECTRIC	4,794,545	5,487,400	-	(4,089,845)	-	1,397,555	6,192,100
360 CRIA	28,378	1,210	1,066,130	(591,985)	(474,145)	1,210	29,588
361 EXPO CENTER	136,827	1,980,930	474,145	(2,455,075)	-	-	136,827
560 IPUC - RECLAIMED WATER	10,018,596	1,355,000	-	(871,505)	-	483,495	10,502,091
561 IPUC - POTABLE WATER	631,408	2,056,750	-	(2,111,035)	-	(54,285)	577,123
<b>Total</b>	<b>\$ 15,643,344</b>	<b>\$ 11,092,090</b>	<b>\$ 1,990,620</b>	<b>\$ (10,780,590)</b>	<b>\$ (474,145)</b>	<b>\$ 1,827,975</b>	<b>\$ 17,471,318</b>
<b>CAPITAL IMPROVEMENTS FUND</b>							
120 CAPITAL IMPROVEMENTS	\$ 187,571,757	\$ 8,433,865	\$ 1,365,000	\$ (59,900,000)	\$ -	\$ (50,101,135)	\$ 137,470,622
<b>Total</b>	<b>\$ 187,571,757</b>	<b>\$ 8,433,865</b>	<b>\$ 1,365,000</b>	<b>\$ (59,900,000)</b>	<b>\$ -</b>	<b>\$ (50,101,135)</b>	<b>\$ 137,470,622</b>

CITY OF INDUSTRY  
 PROJECTED FUND BALANCES  
 FY 2018-19 PROPOSED  
**EXHIBIT B**

FUND NAME	BEGINNING FUND BALANCE JULY 1, 2018	REVENUES FY 2018-2019	TRANSFERS IN	EXPENDITURES FY 2018-2019	TRANSFERS OUT	PROJECTED SURPLUS / (DEFICIT)	PROJECTED FUND BALANCE JUNE 30, 2019
<b>FIDUCIARY FUNDS</b>							
145 ASSESSMENT DISTRICT 91-1	\$ 2,771,838	\$ 653,800	\$ -	\$ (509,400)	\$ -	\$ 144,400	\$ 2,916,238
<b>Total</b>	<b>\$ 2,771,838</b>	<b>\$ 653,800</b>	<b>\$ -</b>	<b>\$ (509,400)</b>	<b>\$ -</b>	<b>\$ 144,400</b>	<b>\$ 2,916,238</b>
<b>DEBT SERVICE</b>							
135 TAX OVERRIDE	\$ 1,378,012	\$ 50,466,200	\$ -	\$ -	\$ (50,465,200)	\$ 1,000	\$ 1,379,012
140 CITY OF INDUSTRY	98,368,246	13,538,000	26,443,180	(41,363,795)	-	(1,382,615)	96,985,631
440 IPFA	575,514,251	59,449,865	50,465,200	(108,477,365)	-	1,437,700	576,951,951
<b>Total</b>	<b>\$ 675,260,509</b>	<b>\$ 123,454,065</b>	<b>\$ 76,908,380</b>	<b>\$ (149,841,160)</b>	<b>\$ (50,465,200)</b>	<b>\$ 56,085</b>	<b>\$ 675,316,594</b>
<b>City Fund Balances</b>	<b>\$ 1,601,282,999</b>	<b>\$ 211,626,480</b>	<b>\$ 80,344,000</b>	<b>\$ (276,392,941)</b>	<b>\$ (80,344,000)</b>	<b>\$ (64,766,461)</b>	<b>\$ 1,536,516,539</b>

**CITY OF INDUSTRY  
REVENUE SUMMARIES - SUMMARY  
FY 2018-19 PROPOSED  
EXHIBIT C**

Financial Resources (Revenues) By Fund	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Amended Budget	2019 Proposed Budget
<b>GENERAL FUND</b>					
LOCAL TAXES	\$ 39,470,471	\$ 37,339,982	\$ 36,878,863	\$ 38,405,380	\$ 39,622,350
LICENSES & PERMITS	2,652,867	3,089,244	3,314,708	3,258,360	4,756,830
FINES & FORFEITURES	544,624	338,268	350,559	412,500	377,500
INTEREST INCOME	7,787,841	9,203,737	13,618,794	11,015,000	12,819,360
OTHER REVENUES	1,343,983	1,365,591	6,629,394	2,927,150	5,109,990
<b>TOTAL GENERAL FUND</b>	<b>\$ 51,799,786</b>	<b>\$ 51,336,822</b>	<b>\$ 60,792,319</b>	<b>\$ 56,018,390</b>	<b>\$ 62,686,030</b>
<b>SPECIAL REVENUE FUNDS</b>					
GAS TAX FUND - 101	\$ 20,991	\$ 12,726	\$ 11,695	\$ 23,740	\$ 15,045
MEASURE R FUND - 102	4,809	4,921	4,996	5,000	5,000
PROP A FUND - 103	3,783,208	18,555	1,512,138	288,500	10,000
PROP C FUND - 104	6,776	6,942	7,050	7,010	7,010
AIR QUALITY FUND - 105	-	101,884	(471)	-	-
MEASURE M FUND - 106	-	-	-	5,000	5,000
GRANT FUND - 110	-	-	4,087,932	12,431,580	5,261,490
<b>TOTAL SPECIAL REVENUES</b>	<b>\$ 3,815,784</b>	<b>\$ 145,028</b>	<b>\$ 5,623,340</b>	<b>\$ 12,760,830</b>	<b>\$ 5,303,545</b>
<b>ENTERPRISE FUNDS</b>					
IPHMA - 160	\$ 224,955	\$ 174,384	\$ 193,043	\$ 216,800	\$ 210,800
IPUC - ELECTRICITY - 161	5,097,318	5,489,501	5,280,155	5,324,500	5,487,400
CRIA - 360	461	623	1,095	610	1,210
CRIA-EXPO CENTER - 361	1,295,861	1,527,634	1,576,126	1,679,605	1,980,929
IPUC - RECLAIMED WATER - 560	1,269,786	1,258,149	1,358,816	1,225,000	1,355,000
IPUC - POTABLE WATER - 561	1,926,389	1,842,108	1,976,398	1,986,600	2,056,750
<b>TOTAL ENTERPRISE FUNDS</b>	<b>\$ 9,814,769</b>	<b>\$ 10,292,398</b>	<b>\$ 10,385,632</b>	<b>\$ 10,433,115</b>	<b>\$ 11,092,089</b>
<b>CAPITAL IMPROVEMENTS FUND</b>					
CITY CAPITAL IMPROVEMENTS - 120	\$ 2,611	\$ 4,824	\$ 1,011,695	\$ 1,489,575	\$ 8,433,865
<b>TOTAL CAPITAL IMPROVEMENTS</b>	<b>\$ 2,611</b>	<b>\$ 4,824</b>	<b>\$ 1,011,695</b>	<b>\$ 1,489,575</b>	<b>\$ 8,433,865</b>
<b>FIDUCIARY FUNDS</b>					
91-1 TAX ASSESSMENT - 145	\$ 639,555	\$ 639,429	\$ 648,116	\$ 659,590	\$ 653,800
<b>TOTAL FIDUCIARY FUNDS</b>	<b>\$ 639,555</b>	<b>\$ 639,429</b>	<b>\$ 648,116</b>	<b>\$ 659,590</b>	<b>\$ 653,800</b>
<b>DEBT SERVICE FUNDS</b>					
DEBT SERVICE PROPERTY TAX OVERRIDE - 13	\$ 44,298,136	\$ 46,084,456	\$ 48,524,360	\$ 47,074,300	\$ 50,466,200
CITY DEBT SERVICE - 140	55,318,710	11,697,715	12,487,964	13,265,000	13,538,000
IPFA - 440	5,717,090	25,812,137	48,497,721	62,812,370	59,449,865
<b>TOTAL DEBT SERVICES FUNDS</b>	<b>\$ 105,333,936</b>	<b>\$ 83,594,309</b>	<b>\$ 109,510,045</b>	<b>\$ 123,151,670</b>	<b>\$ 123,454,065</b>
<b>Total City Financial Resources (Revenues)</b>	<b>\$ 171,406,442</b>	<b>\$ 146,012,808</b>	<b>\$ 187,971,147</b>	<b>\$ 204,513,170</b>	<b>\$ 211,623,394</b>

**CITY OF INDUSTRY  
EXPENDITURE SUMMARIES  
FY 2018-19 PROPOSED  
EXHIBIT D**

Expenditure Summaries By Fund / Division	FY 2015 Actual Amount	FY 2016 Actual Amount	FY 2017 Actual Amount	FY 2018 Amended Budget	FY 2019 Proposed Budget
<b>General Fund</b>					
<b>Administrative Services</b>					
501 City Council	\$ 153,967	\$ 144,974	\$ 370,782	\$ 373,820	\$ 381,940
502 City Clerk	277,843	120,515	308,432	330,095	404,105
503 City Manager	612,208	1,240,908	595,679	830,125	998,155
507 Central Services	2,973,574	2,952,378	2,325,984	1,956,400	1,720,900
508 Human Resources	220,078	116,323	1,395,331	9,299,930	673,655
515 Non-Departmental	13,048,967	3,799,317	(4,627)	-	-
556 SA Administrative Allowance	198,724	20,249	23,954	-	1,622,740
520 City Attorney	2,872,986	3,329,696	1,389,268	1,500,000	1,570,000
528 Legislative Services	-	-	664,018	680,000	145,000
<b>Total Administrative Services</b>	<b>\$ 20,358,346</b>	<b>\$ 11,724,360</b>	<b>\$ 7,068,821</b>	<b>\$ 14,970,370</b>	<b>\$ 7,516,495</b>
<b>Community Support &amp; Regional Improvements</b>					
621 Community Promotion	\$ 1,600,066	\$ 1,572,588	\$ 1,453,417	\$ 2,061,605	\$ 1,685,000
620 El Encanto	333,085	325,624	244,104	346,800	335,100
626 Homestead Museum	1,770,298	1,597,851	1,444,582	2,175,900	1,778,900
<b>Total Community Support &amp; Regional Improvements</b>	<b>\$ 3,703,448</b>	<b>\$ 3,496,064</b>	<b>\$ 3,142,103</b>	<b>\$ 4,584,305</b>	<b>\$ 3,799,000</b>
<b>Financial Services</b>					
505 City Treasurer	\$ 170,909	\$ 177,246	\$ 1,048,334	\$ 1,486,720	\$ 1,195,710
506 Finance	1,554,318	1,477,742	1,460,571	1,127,770	1,307,195
525 Information Technology	-	-	425,936	1,077,084	1,444,760
<b>Total Financial Services</b>	<b>\$ 1,725,226</b>	<b>\$ 1,654,988</b>	<b>\$ 2,934,841</b>	<b>\$ 3,691,574</b>	<b>\$ 3,947,665</b>
<b>Development Services</b>					
526 Development Services	\$ -	\$ -	\$ 384,267	\$ 1,897,495	\$ 2,425,415
527 Field Operations	-	-	231,296	1,014,005	809,660
504 Engineering	140,219	144,278	7,914	23,220	-
509 Public Works Administration	71,792	46,330	900	102,500	-
521 Planning	590,794	720,087	1,096,687	1,794,441	1,302,890
601 Public Safety	8,311,886	8,610,354	9,841,956	10,244,815	10,620,975
622 Public Works/Engineering	305,435	194,508	431,064	3,810,000	4,630,000
623 Streets And Roads	2,159,056	2,385,384	1,922,377	4,081,500	3,250,000
624 Contracted Services	1,697,991	897,795	794,751	4,864,375	4,960,000
625 Civic Financial Center	6,339,162	6,843,923	8,308,737	6,073,407	4,233,000
627 Industry Hills	308,141	352,569	252,430	412,533	372,000
628 Habitat & Open Space	21,811	26,185	5,800	992,515	1,010,600
<b>Total Development Services</b>	<b>\$ 19,946,288</b>	<b>\$ 20,221,413</b>	<b>\$ 23,278,178</b>	<b>\$ 35,310,806</b>	<b>\$ 33,614,540</b>
<b>Total General Fund Budget:</b>	<b>\$ 45,733,308</b>	<b>\$ 37,096,824</b>	<b>\$ 36,423,943</b>	<b>\$ 58,557,055</b>	<b>\$ 48,877,700</b>
<b>SPECIAL REVENUE FUNDS</b>					
101 Gas Tax Fund	\$ 24,254	\$ 14,537	\$ 11,695	\$ -	\$ 10,000
102 Measure R Taxes	4,809	4,921	4,996	5,000	5,000
103 Prop A Taxes	534,860	4,774,984	309,043	1,400,000	1,112,600
104 Prop C Taxes	23,601	6,934	7,039	-	10,000
105 Air Quality	232,290	105,097	5,797	-	-
106 Measure M	-	-	-	-	5,000
110 Grant Fund	-	-	-	-	5,261,490
<b>Total Special Revenues</b>	<b>\$ 819,814</b>	<b>\$ 4,906,473</b>	<b>\$ 338,569</b>	<b>\$ 1,405,000</b>	<b>\$ 6,404,090</b>

**CITY OF INDUSTRY  
EXPENDITURE SUMMARIES  
FY 2018-19 PROPOSED  
EXHIBIT D**

Expenditure Summaries By Fund / Division		FY 2015 Actual Amount	FY 2016 Actual Amount	FY 2017 Actual Amount	FY 2018 Amended Budget	FY 2019 Proposed Budget
<b>INTERNAL SERVICES FUND</b>						
320	Fleet Replacement Fund	\$ -	\$ -	\$ -	\$ 226,000	\$ 80,000
<b>Total Capital Improvements</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 226,000</b>	<b>\$ 80,000</b>
<b>ENTERPRISE FUNDS</b>						
160	IPHMA	\$ 291,867	\$ 759,130	\$ 419,450	\$ 749,975	\$ 661,145
161	IPUC - Electric Utility	4,400,704	3,400,238	4,850,137	6,981,920	4,089,845
360	CRIA	469,004	277,951	118,674	410,675	591,985
361	CRIA - Expo Center	1,930,960	2,114,935	2,180,449	2,367,750	2,455,075
560	IPUC - Reclaimed Water	756,507	719,030	706,127	1,139,296	871,505
561	IPUC - Potable Water	1,435,421	1,313,735	1,875,166	2,101,950	2,111,035
<b>Total Enterprise Funds</b>		<b>\$ 9,284,463</b>	<b>\$ 8,585,019</b>	<b>\$ 10,150,004</b>	<b>\$ 13,751,566</b>	<b>\$ 10,780,590</b>
<b>CAPITAL IMPROVEMENTS FUND</b>						
120	City Capital Improvements	\$ 6,769,749	\$ 11,768,011	\$ 18,633,565	\$ 20,000,000	\$ 59,900,000
<b>Total Capital Improvements</b>		<b>\$ 6,769,749</b>	<b>\$ 11,768,011</b>	<b>\$ 18,633,565</b>	<b>\$ 20,000,000</b>	<b>\$ 59,900,000</b>
<b>FIDUCIARY FUNDS</b>						
145	91-1 Tax Assessment	\$ 512,610	\$ 508,470	\$ 508,220	\$ 507,000	\$ 509,400
<b>Total 91-1 Tax Assessment</b>		<b>\$ 512,610</b>	<b>\$ 508,470</b>	<b>\$ 508,220</b>	<b>\$ 507,000</b>	<b>\$ 509,400</b>
<b>DEBT SERVICE FUNDS</b>						
135	Debt Service Property Tax Override	\$ 81,885,018	\$ -	\$ -	\$ -	\$ -
140	City Debt Service	34,736,301	25,973,926	77,243,670	41,615,990	41,363,795
440	IPFA	17,466,837	11,053,168	108,058,464	107,234,740	108,477,365
<b>Total Debt Service Fund</b>		<b>\$ 134,088,156</b>	<b>\$ 37,027,094</b>	<b>\$ 185,302,133</b>	<b>\$ 148,850,730</b>	<b>\$ 149,841,160</b>
<b>Total City Expenditures</b>		<b>\$ 197,208,099</b>	<b>\$ 99,891,892</b>	<b>\$ 251,356,434</b>	<b>\$ 243,297,350</b>	<b>\$ 276,392,940</b>

**City of Industry**  
**CIP Project Budget Worksheet**  
**FY 19 Proposed CIP Budget**  
**Exhibit E**

#	Project Name	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY 18-19 Proposed Budget
<b>1. Grade Separations</b>				
A	Nogales Street Grade Separation (near Gale Avenue/Walnut Drive North)	\$ 300,000	\$ 300,000	75,000
B	Fullerton Road Grade Separation (near Railroad Street and Gale Avenue)	1,900,000	1,900,000	1,760,000
C	Fairway Drive Grade Separation (near Walnut Drive North)	3,500,000	3,500,000	3,460,000
D	Puente Avenue Grade Separation at UPRR's Alhambra Subdivision tracks (near Valley Boulevard)	200,000	200,000	75,000
E	Fairway Drive Grade Separation at UPRR's Alhambra Subdivision tracks (near Valley Boulevard)	20,000	20,000	20,000
F	Turnbull Canyon Road Grade Separation at UPRR's L.A. Subdivision tracks (near Salt Lake Avenue)	130,000	130,000	150,000
<b>Subtotal:</b>		<b>\$ 6,050,000</b>	<b>\$ 6,050,000</b>	<b>\$ 5,540,000</b>
<b>2. Street Widening, Reconstruction, Resurfacing, and Slurry Seal</b>				
A	Workman Mill Road Resurfacing and Street Lighting - Oakman Drive to Valley Boulevard (co-op project with L.A. County)	\$ 690,000	\$ 690,000	\$ 694,000
B	Colima Road Widening and Intersection Modifications from Stoner Creek Road to Azusa Avenue (co-op project with L.A. County)	300,000	300,000	10,000
C	Walnut Drive South Street Widening and Storm Drain Improvements	1,500,000	1,500,000	1,980,000
D	Annual Slurry Seal Project FY 19	400,000	400,000	300,000
E	Valley Boulevard resurfacing, Azusa Way to 500' east of Hambleton Avenue	250,000	250,000	685,000
F	Crossroads Parkway South Reconstruction or Replacement with PCC Pavement (from the north side of the bridge over the Pomona Freeway to Crossroads Parkway North)	700,000	700,000	100,000
G	Bonelli Street reconstruction and resurfacing MP 13-03	540,000	540,000	530,000
H	Don Julian Road & Unruh Ave. Resurfacing, 6th Avenue to 7th Avenue & Don Julian/6th Avenue Traffic Signal	500,000	500,000	1,000,000
I	San Jose Avenue Reconstruction (500' west of Nogales Street to 400' west of Charlie Road)	1,600,000	1,600,000	1,750,000
J	Arenth Avenue Reconstruction from Fullerton Road to Nogales Street	7,000,000	7,000,000	3,990,000
K	Reconstruct Portions of Bixby Drive and Chestnut Street (near the peaker plant)	600,000	600,000	685,000
L	Coiner Court Reconstruction and Resurfacing	162,000	162,000	185,000

**City of Industry**  
**CIP Project Budget Worksheet**  
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#	Project Name	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY 18-19 Proposed Budget
M	6th Avenue Reconstruction from Lomitas Avenue to Valley Boulevard (co-op with L.A. County)	225,000	225,000	630,000
N	Pellissier Place Reconstruction and Resurfacing, Peck Road to Workman Mill Road	100,000	100,000	10,000
O	Louden Lane Resurfacing	133,000	133,000	135,000
P	Stafford Street Resurfacing from Unruh Avenue to Hudson Avenue	383,000	383,000	-
Q	Stoner Creek Road Reconstruction from Gale Avenue to Castleton Street, and Gale Avenue (east bound right turn lane including sidewalk, landscaping and embankment pavers at the bridge under the Pomona Freeway)	260,000	260,000	-
R	Rowland Avenue Reconstruction, Lawson Avenue to 800' west of Ajax Avenue	900,000	900,000	1,000,000
S	Lemon Avenue Improvements	951,724	951,724	1,000,000
T	Clark Avenue & 9th Avenue	100,000	100,000	105,000
U	Citywide Street Curb & Median Re-Painting	600,000	600,000	15,000
	Valley Boulevard PCC Pavement, Hacienda Boulevard to Turnbull Canyon Road	-	709,509	-
	Baldwin Park Blvd. & Amar Road Guardrail & Intersection Improvements	-	204,733	-
V	Valley Blvd - Old Valley to Azusa	-	-	200,000
W	Walnut Drive North Widening, Fairway to Nogales	-	-	600,000
X	East Gale Avenue (Auto Mall)	-	-	75,000
Y	Annual Bustop ADA Improvements	-	-	525,000
Z	Fullerton Road PCC, north of Rowland to Valley	-	-	400,000
AA	Business Parkway Reconstruction	-	-	200,000
AB	Annual Pavement Rehabilitation FY 19	-	-	1,300,000

City of Industry  
 CIP Project Budget Worksheet  
 FY 19 Proposed CIP Budget  
**Exhibit E**

#	Project Name	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY 18-19 Proposed Budget
AC	Citywide Sign Replacement	-	-	695,000
AD	Gale Avenue Realignment	-	-	300,000
AE	Fairway Grade Separation Streetlight project	-	-	160,000
AF	Auto Mall Car Dealership Alley Improvements	-	-	80,000
<b>Subtotal:</b>		<b>\$ 17,894,724</b>	<b>\$ 18,808,966</b>	<b>\$ 19,339,000</b>
<b>3. Bridge Widening, Seismic Retrofit, and Preventative Maintenance</b>				
A	Azusa Avenue Bridge Painting (bridge spans over Valley Boulevard, UPRR R/W, San Jose Creek and Chestnut Street)	\$ 600,000	\$ 600,000	\$ 7,360,000
B	Grand Avenue Bridge Widening at San Jose Creek	250,000	250,000	320,000
C	Seismic Retrofit Anaheim-Puente Over San Jose Creek	250,000	250,000	370,000
D	Nelson Avenue Over Puente Creek	419,000	419,000	420,000
<b>Subtotal:</b>		<b>\$ 1,519,000</b>	<b>\$ 1,519,000</b>	<b>\$ 8,470,000</b>
<b>4. Traffic Signal and Traffic Related Improvements</b>				
	Don Julian Road and 6th Avenue Traffic Signal and Intersection Modifications (new signal; includes R/W)	\$ 570,000	\$ 570,000	\$ -
A	Traffic Signal and Intersection Modifications at Nelson Avenue and Sunset Avenue (to add left turn pockets on Nelson Avenue; shared with La Puente)	1,000,000	1,000,000	1,000,000
B	Traffic Signal and Intersection Modifications at Nelson Avenue and Puente Avenue (to add left turn pockets on Nelson Avenue; shared with La Puente and L.A. County)	1,000,000	1,000,000	1,000,000
C	Azusa Avenue and Temple Avenue Intersection Modifications (for dual right turn lanes for eastbound Temple Avenue to southbound Azusa Avenue)	1,000,000	1,000,000	950,000
<b>Subtotal:</b>		<b>\$ 3,570,000</b>	<b>\$ 3,570,000</b>	<b>\$ 2,950,000</b>
<b>5. Storm Drain &amp; Stormwater Improvements</b>				
A	Ajax Avenue Storm Drain	\$ 560,000	\$ 560,000	\$ 325,000.0

City of Industry  
 CIP Project Budget Worksheet  
 FY 19 Proposed CIP Budget  
**Exhibit E**

#	Project Name	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY 18-19 Proposed Budget
	Grade Separation Pump House Upgrades	450,000	450,000	-
B	Regional Infiltration Basin - MS4 Requirement (San Angelo Park)	1,400,000	1,400,000	150,000
C	Catch Basin Retrofits Phase I - MS4 Requirement	550,000	550,000	200,000
D	Multi-Benefit Stormwater Capture Projects for USGR EWMP (30% design)	-	680,000	175,000
	City of Industry Stormwater Capture Project	-	650,000	-
E	Four Grade Separation Pump House Upgrades	-	250,444	1,730,000
F	Catch Basin Retrofits Phase II - MS4 Requirement	-	-	1,300,000
G	Kella Avenue Storm Drain	-	-	150,000
<b>Subtotal:</b>		<b>\$ 2,960,000</b>	<b>\$ 4,540,444</b>	<b>\$ 4,030,000</b>
<b>6. IPUC - Water Utility</b>				
A	Starhill Lane & 3rd Avenue Waterline Improvements	\$ 58,000	\$ 58,000	\$ 545,000
B	4th Avenue & Trailside Waterline Improvements	-	-	648,000
C	Don Julian & basetdale Waterline Improvements	-	-	270,000
D	Lomitas Generator	-	-	338,000
<b>Subtotal:</b>		<b>\$ 58,000</b>	<b>\$ 58,000</b>	<b>\$ 1,801,000</b>
<b>7. IPUC - Electric Utility</b>				
A	Electric Vehicle ("EV") Pay for Use Charging Stations at the Metrolink	\$ 310,000	\$ 310,000	\$ 385,000
B	Azusa-Chestnut Development (Distribution lines & service connections)	150,000	150,000	30,000
C	City Streelights Purchase & LED upgrade	2,880,000	2,880,000	3,230,000
D	IBC East Side Street Light, Cabling, & Fiber Optic Substructure Plan (PUI)	-	-	155,000
E	Grand Crossing Substation - Phase 1,2,3 Substructure & Cabling (PUI)	-	-	-
F	Metrolink Station Video Security System, Installation & Commission Services	-	-	98,000

City of Industry  
CIP Project Budget Worksheet  
FY 19 Proposed CIP Budget

**Exhibit E**

#	Project Name	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY 18-19 Proposed Budget
G	Expansion of Solar Energy System at Metrolink Station	-	-	200,000
<b>Subtotal:</b>		<b>\$ 3,340,000</b>	<b>\$ 3,340,000</b>	<b>\$ 4,098,000</b>
<b>8. Expo Center at Industry Hills</b>				
A	Sewer Design - Expo Center Sewer Main Replacement	\$ 440,000	\$ 440,000	\$ 640,000
B	Painting the Grand Arena	760,000	760,000	1,200,000
C	Parking Lot Improvements	1,520,000	1,520,000	1,580,000
D	Pavillion Building Upgrades	750,000	750,000	-
E	Avalon Room	610,000	610,000	1,600,000
F	Patio Café Improvements	-	-	2,625,000
G	Expo Center Gate Entrance Improvements	220,000	220,000	295,000
H	Grand Arena Building Improvements	600,000	600,000	-
	Design Build Services for Solar Carport Canopy Power Generation System at City Hall	1,692,500	1,692,500	-
I	Expo Barn Facilities Lighting Design & Specification Services	-	-	155,000
J	Industry Hills Trail Grading Improvements Design	-	-	440,000
K	Industry Hills Trail Lighting Design	-	-	800,000
<b>Subtotal:</b>		<b>\$ 6,592,500</b>	<b>\$ 6,592,500</b>	<b>\$ 9,335,000</b>
<b>9. Industry Hills Golf &amp; Convention Facilities</b>				
A	Repair settlement damage at the parking structure and adjacent employee parking area, including repairs of the perimeter parking lot lighting	\$ 300,000	\$ 300,000	\$ 375,000
B	Repair settlement damage at the laundry building	300,000	300,000	375,000
<b>Subtotal:</b>		<b>\$ 600,000</b>	<b>\$ 600,000</b>	<b>\$ 750,000</b>
<b>10. Open Spaces/Tonner Canyon/Tres Hermanos</b>				
A	Replacement of Steel Waterline Crossing over Brea Creek (\$175,000) and Upgrades of the Booster Pump Station at Brea Canyon Road (\$40,000) (Just East of the 57 Fwy)	\$ 325,000	\$ 325,000	\$ 325,000

City of Industry  
 CIP Project Budget Worksheet  
 FY 19 Proposed CIP Budget  
**Exhibit E**

#	Project Name	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY 18-19 Proposed Budget
B	Replacement of Water Lines and Valves	700,000	700,000	340,000
C	Follows Camp	-	-	350,000
D	Arnold Reservoir Rip Rap	-	-	350,000
<b>Subtotal:</b>		<b>\$ 1,025,000</b>	<b>\$ 1,025,000</b>	<b>\$ 1,365,000</b>
<b>11. Civic Center Facilities</b>				
A	City Hall Emergency Standby Power Generator	\$ 320,000	\$ 434,316	\$ 305,000
B	Design Build Services for Solar Carport Canopy Power Generation System at City Hall	1,692,500	1,692,500	430,000
C	LED Lighting Upgrade & Water Closet Replacement	-	14,535	-
D	City Hall Signage & Painting	-	-	130,000
<b>Subtotal:</b>		<b>\$ 2,012,500</b>	<b>\$ 2,141,351</b>	<b>\$ 865,000</b>
<b>12. Facilities Improvements</b>				
A	El Encanto Convalescent Hospital Roof Repair	\$ -	\$ 34,440	\$ 100,000
B	El Encanto Underground Electrical (Parking Lot Lighting)	-	-	82,000
C	Hudson Building Design, Phase 1	-	-	185,000
D	Hatcher Warehouse Upgrades	-	-	100,000
E	El Encanto - carpet, molding, wall covering & Hand Rails	-	-	465,000
F	El Encanto - Sub Acute Dialysis Center	-	-	280,000
G	Hudson Building, Phase 2	-	-	100,000
H	Hatcher Yard Facility Demolition	-	-	45,000
<b>Subtotal:</b>		<b>\$ -</b>	<b>\$ 34,440</b>	<b>\$ 1,357,000</b>
<b>GRAND TOTALS</b>		<b>\$ 45,621,724</b>	<b>\$ 48,279,701</b>	<b>\$ 59,900,000</b>



# INDUSTRY PUBLIC FACILITIES AUTHORITY

## MEMORANDUM

TO: Honorable Mayor and Members of the City Council

FROM: Troy Helling, Acting City Manager *TH*

STAFF: Yamini Pathak, Acting Director of Finance *YD*  
Steven Avalos, Finance Manager *SA*

DATE: June 28, 2018

**SUBJECT: Consideration of Resolution No. PFA 2018-01 – A Joint Resolution of the City Council of the City of Industry, California, the Successor Agency to the Industry Urban-Development Agency, the Industry Public Facilities Authority, and Industry Public Utilities Commission Approving and Adopting the City’s Fiscal Year 2018-19 Proposed Operating Budget and Fiscal Year 2018-19 Proposed Capital Improvement Program Budget**

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### **BACKGROUND**

The Budget Adoption Process is one of the most important processes the City will undertake each year, usually entailing a five (5) to six (6) month process beginning in January/February of each year and culminating with the budget adoption in June, before the start of the upcoming fiscal year. The City’s Operating Budget is an extremely important document, as it represents the City’s financial operating plan and transparency vehicle to summarize our key fiscal resources, top budget priorities for the fiscal year, and planned programming & service levels for our residents, business residents and surrounding communities.

The FY 2018-19 (“FY 19”) Proposed Operating Budget is a balanced budget and was developed under the context of a “Zero-Based Budget” policy approach, which aligns the budgets of the City’s operations and services planned for the fiscal year to projected “realistic” costs of providing these vital services to our community. The FY 19 Proposed Budget reflects the City Council’s vision, commitment, and business plan to: operating the City in line with standard city business practices, governmental & fiscal transparency, and planning for the “now” and “future” in leading the City of Industry to continue to grow its presence as the economic and employment standard bearer in our region.

The FY 19 Proposed Budget was once again a collaborative Citywide process, in which all departments contributed in developing and building their budgets. The FY 19 Budget Process formally began in February 2018, in which the Finance Department (“Finance”)

prepared the budget policy, budget calendar, and all budget forms for the new fiscal year. The Budget Instructions Memo and all budget forms were distributed to all departments the 1<sup>st</sup> week of March. Departments were then required to submit their budget requests by April 17, 2018, in which Finance performed a thorough review of all budget requests. In May 2018, Finance reviewed all department budget requests with the City Manager to finalize the preliminary budget to present a balanced budget for Council’s consideration to approve and adopt by June 2018.

For the FY 19 budget adoption, staff presented the FY 19 Proposed Operating Budget at a Special Budget Workshop Meeting on June 21, 2018. The purpose of the Budget Workshop was to give Council an opportunity to thoroughly review the proposed budget, ask questions, and provide comments and direction to staff. The City Council received the budget presentation and gave direction to staff, in which the FY 19 Proposed Operating Budget will be presented to Council at the June 28, 2018 Council meeting for formal budget adoption. As customary, the FY 19 Proposed Operating Budget Report and Presentation will primarily focus on the General Fund, as this is the City’s operating fund that supports traditional municipal services, and the Capital Improvement Program (“CIP”) Fund, which serves as the City’s primary fund that supports its capital assets and infrastructure improvement projects.

**DISCUSSION**

**FY 19 Proposed Citywide Budget – All Funds**

The FY 19 Proposed Citywide Budget across all City funds totals \$216.5 million, and is supported by \$211.6 million in revenues. The projected operating shortfall will be supported by available reserves and bond proceeds. An overview of the City’s major funds are listed below.

<b>Table 1 – All City Funds Budget</b> (Figures in Millions)				
	<b>FY 15/16 Actuals</b>	<b>FY 16/17 Actuals</b>	<b>FY 17/18 Amended</b>	<b>FY 18/19 Proposed</b>
General Fund	\$37.1	\$36.4	\$58.6	\$48.9
Industry Public Utilities Commission ("IPUC")	5.7	7.4	10.2	7.1
Debt Services Funds	37.0	185.3	148.9	149.8
Other Funds	8.4	3.7	5.6	10.7
<b>City Funds Totals</b>	<b>\$88.2</b>	<b>\$232.8</b>	<b>\$223.3</b>	<b>\$216.5</b>
CIP Program	\$11.8	\$18.6	\$20.0	\$59.9
<b>CIP Program Totals</b>	<b>\$11.8</b>	<b>\$18.6</b>	<b>\$20.0</b>	<b>\$59.9</b>
Successor Agency ("SA")	\$52.7	\$108.3	\$177.7	\$180.9
<b>Successor Agency Totals</b>	<b>\$52.7</b>	<b>\$108.3</b>	<b>\$177.7</b>	<b>\$180.9</b>

In FY 19, the Citywide Proposed Budget will decrease slightly by \$6.8 M and is largely the result of removing one-time expenses and reducing professional services in the General Fund. For FY 19, the Industry Public Utilities Commission (“IPUC”) Budget will total \$7.1 million and represents a \$3.1 M decrease from FY 18. This is largely due to a reduction of professional services for utility administration, as much of these services have been streamlined and consolidated with other service contracts and in-house staff.

The City’s Debt Services funds, which includes the Industry Public Facilities Authority Budget (“IPFA”), will remain largely flat from the prior year and total \$149.8 million. This supports all the City’s debt service obligations, in which much of the bond proceeds serve as a vital revenue source for the City’s capital program. The CIP Budget and Successor Agency (“SA”) Budget are treated as non-Citywide operations and will be discussed separately in this report.

## **General Fund**

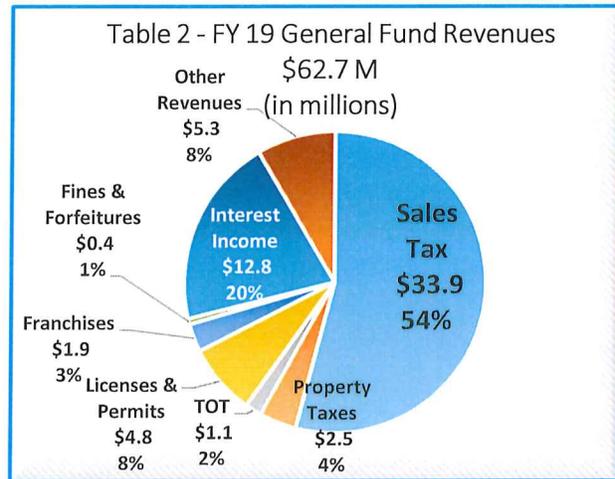
As prefaced earlier, the General Fund is the City’s primary operating fund that supports traditional municipal services, such as public safety, community support, landscape and street maintenance services, and planning and engineering services to name a few. When cities refer to its “Operating Budget”, they are referring to the General Fund, which serves as the primary budget for core operations and municipal services provided to our residents and business community.

The FY 19 Proposed Operating Budget for the General Fund reflects a balanced budget that totals \$48.9 million in expenditures and will be supported by \$62.7 million in revenues. Due to the City’s strong revenue base, the City is projected to have a \$13.8 million operating surplus in FY 19. However, the City will also utilize this operating surplus and its healthy fund balance reserves to support most of its non-operational costs, such as debt service obligations, subsidies to other funds, and non-recurring (or one-time) costs, such as the purchase of vehicles. For FY 19, the City’s debt services obligations and non-operating budget will impact the General Fund’s reserves by \$15.6 million.

Outlined below is an overview of the City’s revenue base, expenditures, and overview of its budget highlights for FY 19.

Revenues

The City continues to have a solid and robust revenue base, which serves as the foundation for its economic viability and stable economy in the region over the last several years. Unlike other cities, the City greatly benefits from its strong economic industries, as revenues generated from sales taxes account for almost 55% of all General Fund revenues primarily from its auto, commercial, manufacturing, and consumer retail industries.



**Sales Tax** – In FY 19, Sales Tax revenues are anticipated to increase by \$1.0 M (or 3.1%) from \$32.9 million in FY 18 to \$33.9 million in FY 19. While this appears to be a modest increase, this 3.1% increase is great sign for the City. In FY 18, a major sales tax contributor and retailer closed in the City. However, this loss of sales tax revenues has not been fully realized (or affected) the City, as a new retail fulfillment center came to the City and has already made significant contributions to our sales tax base in FY 18. Despite losing one major commercial retailer, the City’s sales tax base remains strong and continues to increase in line with our regional economies and CPI trends.

**Property Taxes & Other Taxes** – The City’s other major revenues in its tax base are Property Tax and Transient Occupancy Taxes (“TOT”). Property Tax revenues move in line with assessed values of all City properties and are restricted to an annual maximum 2% increase in assessed value. The City’s TOT tax rate is 10% and reflects revenues generated from its lone hotel property, the Pacific Palms Resort at Industry Hills. Property Taxes and TOT revenues continue to be a consistent revenue source for the City and are projected to grow in line with Los Angeles County trends, as well as other cities in the region.

**Licenses, Permits & Fees** – Beginning in January 2018, the City began receiving all building permits, miscellaneous permits, and all other building and code fees directly. Prior, Los Angeles County Building would collect all fees and permits directly and record all revenues into the County’s financial system. In turn, LA County would deduct their services and operational costs and remit the net revenues monthly to the City. While this was not incorrect, it was not considered best practice. The City now receives and records all building-related permits and fees directly into our bank and financial system and revenues collected reflect total revenue amounts (not net amounts).

As a result, in FY 19, Licenses and Permits will see a higher budgeted revenue amount of \$4.8 M, in comparison to \$3.3 M in FY 18. While this shows a noticeable increase of \$1.5 M, this is largely due to the budgeting of net revenues for LA County building services

in prior years. Nonetheless, early revenue receipts indicate increased revenue intake over these past months, which is a positive sign shown thus far, and perhaps, an early indicator that the One-Stop Shop and new credit card payment machine are paying dividends for the City. This is also a great sign for the City that developers continue to do business with the City, and our economic base is on the rise and in good financial standing for many years to come.

Expenditures

In FY 19, General Fund expenditures will total \$48.9 million, which represents a \$9.7 million (or 13%) decrease from FY 18 amended budget levels. Outlined below is a full comparison for all departments from last fiscal year to the new fiscal year proposed budget.

<b>Table 3 – General Fund Expenditures</b>				
<i>(Figures in Millions)</i>				
	<b>FY 15/16</b>	<b>FY 16/17</b>	<b>FY 17/18</b>	<b>FY 18/19</b>
	<b>Actuals</b>	<b>Actuals</b>	<b>Amended</b>	<b>Proposed</b>
Administrative Services	\$11.7	\$7.1	\$15.0	\$7.5
Financial Services	1.7	2.9	3.7	4.0
Development Services	20.2	23.3	35.3	33.6
Community Support & Regional Improvements	3.5	3.1	4.6	3.8
<b>Grand Totals:</b>	<b>\$37.1</b>	<b>\$36.4</b>	<b>\$58.6</b>	<b>\$48.9</b>

The \$9.7 M decrease in the General Fund budget appears significant; however, this is largely due to the removal of a one-time, \$8.5 M payment to its retirement services provider, CalPERS, for the City’s projected unfunded pension liability for all its employees. When factoring out this one-time expense, the FY 19 Proposed Budget is primarily a flat budget, decreasing from \$50.1 million in FY 18 to \$48.9 million. This reflects the City’s commitment to operating in line with standard business practices, continuing to streamline and make operations more efficient, and removing some redundancies and professional services no longer needed.

As such, the FY 19 Proposed Budget also includes some services and organizational enhancements, budget savings, and continues to support the Council’s top priorities and programs. A summary of the major “FY 19 Budget Highlights” are listed below.

- **Significant Savings Due to the City’s Paydown of its Projected OPEB Liability**  
 – In FY 18, the Council approved payment in the amount of \$8.5 million to its retirement services provider, CalPERS, for the City’s projected unfunded pension liability for all its employees. This one-time payment is removed from the FY 19 Proposed Budget and will save the City a projected \$10.2 million in interest over a 30-year amortization period, as well as over \$500K annually in foregoing its annual

contribution for its members.

- **Reduction of Professional Services** – Over the past few years, the City procured and contracted many specialized professional services to address various reforms to the 2016 State Controller’s Report. The City has brought in several new staff and has undertaken and completed many of its reforms. As such, many of these services are no longer needed as the City is continuing to streamline its operations and service. As a result, this will yield significant savings of \$1.3 M to the City.
- **Streamlining of Development Services & Public Works Operations** – In FY 19, the City will continue to streamline its Development Services and Public Works operations. In Development Services, the City will fully fund all its Stormwater Compliance and NPDES efforts. As the City now better knows all costs associated with the City’s One-Stop Shop (which became effective in November 2018), all contracted development services administrative support and Los Angeles County Building services support will be properly budgeted in FY 19.

In Public Works, the City will continue to assess and streamline our operations and a new Public Works/Engineering division will be consolidated in FY 19. Further, all specialized engineering services, such as environmental and surveying, as well as maintenance services are fully budgeted in FY 19.

- **Continued Commitment to Public Safety** – Public Safety continues to be the number one priority for the City. The FY 19 Budget reflects annual increases (\$260K) to the LA Sheriff’s contract. FY 19 also reflects the City’s commitment to mental health awareness in public safety and deputy training. In addition, additional hours for our part-time Code Enforcement staff has been included in the proposed budget. This will enhance and promote proper enforcement of the City’s municipal codes and regulations, as well as generate better revenue recovery opportunities.
- **Cost of Living Adjustment (“COLA”) Salary Increases** – One good indicator that the overall economy is trending upward is when there is a year-over-year increase in the region’s Consumer Price Index for all Urban Consumers (CPI-U). The CPI-U increase from April 17-April 18 in the Los Angeles-Long Beach-Anaheim region is 4.0%. This is largely the result of energy prices (due to gasoline prices) increasing by over 11.5% in that same span. As a result, a 4.0% CPI-based COLA is being recommended for all employees, boards and commissions and is included in the FY 19 Proposed Budget. For the City Council Members, an ordinance will need to be introduced and read twice for their COLA salary adjustment to be approved and take effect. The first reading will take place with the budget adoption at the June 28, 2018 meeting.
- **Personnel Changes** – In May 2018, there were new positions approved on the Salary Schedule, such as the Assistant City Manager and Deputy City Clerk positions, that were not previously budgeted and are now fully funded in FY 19. In

addition, there are several positions being recommended to be re-classified to more appropriately correspond to the skill level, responsibilities & work scope performed by the employees filling these positions and are also included in the proposed budget.

Two (2) new positions, Accounting Technician III and HR Analyst II, are also included as part of the proposed budget and will also need to be added to the City's Salary Schedule. These positions have resulted from proposed reclassifications due to additional duties, and higher responsibilities of work performed. In addition, one (1) new P/T Administrative Technician will be added to help support the day-to-day HR functions and duties. There is no net change in full-time equivalent ("FTE") position count in comparison to last year's amended budget.

- ***User Fees and Charges Study and Cost Allocation Plan Study*** – In FY 18, Finance initiated two (2) important financial studies, User Fees and Charges Study and Cost Allocation Plan Study, and are still on-going projects. The City is currently not recovering any user fees for the cost of services we deliver to our business community nor has a Citywide Fee Schedule. These are very important, as these documents justify the user fees we charge our customers and assist in revenue recovery for the cost of providing these important services. These studies are anticipated to be completed in FY 19 and is included in the proposed budget.
- ***Significant and Continuing Investment to Non-Profit Organizations & Surrounding Communities*** – The City continues to provide support and invest heavily to our local nonprofits and our surrounding communities in need through the funding of projects, programs, and direct donations to serve our at-risk and in-need populations, as well as benefit the general community at-large.

In FY 19, the City will continue to support and provide vital resources to community events, such as the City of La Puente's annual 4<sup>th</sup> of July Celebration event. The City will continue to be a major sponsor and contributor to the Gabriel Foundation and the annual Industry Hills Pro Rodeo event. The City is also extending its support to other important programs and issues, such as Veterans programs provided by the Roper Foundation, as well as funding to support public safety' awareness of mental health issues and Meals on Wheels.

In addition, the City continues to support the Industry Sheriff's Department Youth Activities League ("YAL") and is reflected in the FY 19 Proposed Budget. The YAL serves, on average, over 300 youth every single day from surrounding communities at nine different facilities in the City of Industry, La Puente, Bassett and Valinda areas. The volunteer-run programs of the Industry YAL provide outstanding programs and services to our underprivileged and disadvantaged youth in our underserved communities. Funding in FY 19 include use of Tonner Canyon for Camp Courage, use of City vehicles to help transport all kids, and funding for special programs such as development of a music program and community center.

These are some of the major highlights of the FY 19 Proposed Budget. As mentioned earlier, the FY 19 Budget will continue the initiatives and projects set forth in FY 18, as well as continue to implement best practices, streamline operations, and operate the City in line with standard business operations.

### **Capital Improvement Program (“CIP”) Proposed Budget**

The City continues to invest heavily into its assets, capital infrastructure, streets and roads, and large-scale regional improvements. The FY 19 Proposed CIP Budget will total \$59.9 million, and will support construction of major grade separation projects and freeway improvements, street improvements, and major improvements to the City’s Expo Center and City facilities. A summary of the major capital projects planned for FY 19 are outlined below.

- **“57/60 Confluence Project”** – The 57/60 Fwy Confluence Project is a regionally critical interchange that has been a major undertaking for the City over these last several years. The City has worked closely with CalTrans on this important regional project utilizing Federal funding, redevelopment funds and local grant funding. In FY 18, construction accelerated and saw the completion of the westbound Grand Avenue Off-Ramp and the westbound loop On-Ramp. In FY 19, it is anticipated that the Grand Avenue Slip On-Ramp at Grand Avenue will be completed.

This is a major regional infrastructure project, as it will not only benefit the City, but will have huge impacts on neighboring communities in Diamond Bar, Chino Hills, and the City of Walnut, as well as the thousands of commuters and patrons that travel this area on a daily basis.

- **“Grade Separation Projects”** – Through its continued, long-standing and collaborative partnership with Alameda Corridor East Construction Authority (“ACE”), the City will invest close to \$6 million dollars to major grade separation projects in FY 19. The Fairway Drive and Fullerton Road grade separation projects will continue construction. Railroad overpasses for Union Pacific will be constructed on both these major thoroughfares to ease these critical, high-volume traffic areas and improve traffic safety. The Turnbull Canyon grade separation will also enter its design phase in FY 19.
- **“Expo Center Facility Improvements”** – The City is developing a master plan to address long-term deferred maintenance and capital improvements at the Expo Center, as well as all other City owned properties. As such, the Expo Center Improvements are a big part of the FY 19 CIP Budget, and the City is allocating \$9.6 million to major facility improvements at the Expo Center. In FY 19, major improvements to the Pavilion, Avalon Room and Patio Café facilities are planned, as well as replacement of the Expo Center Gate. The Grand Arena will also be repainted and is a major undertaking for this popular venue. Further, the City will invest critical resources to designing major improvements to the sewer system.

In FY 19, the City's Proposed CIP Program Budget will be primarily supported by \$200 million of available bond proceeds stemming from the \$250 million Sales Tax Revenue bond issuance in 2015. In years past, the CIP Program has been 100% subsidized by the General Fund. The City will also benefit and continue to utilize grants that have been awarded to the City, such as the Federal TIGER grant, Highway Bridge Program, and other local transportation grants, such as Measure M and METRO Call For Projects funding. Utilizing these vital revenue resources will provide major relief and savings of \$50.1 million to the General Fund in FY 19.

### **Successor Agency ("SA")**

The FY 19 Proposed SA Budget was developed in accordance with the State Department of Finance ("DOF") approved Recognized Obligation Payment Schedule ("ROPS") for FY 2018-19. The SA Budget is governed by the ROPS and cannot be changed or amended at any time during the year. In FY 19, the Proposed SA Budget will total \$180.9 million in expenditures, which consists of \$80.0 M of debt service obligations and \$100.9 M of project costs and enforceable obligations.

The SA Budget will primarily support all enforceable obligations as approved on the ROPS, debt service obligations of the former Industry Urban Development Authority ("IUDA"), and major infrastructure projects in the region. Some of the major projects supported by the SA include the Industry Business Center (East and West), 57/60 Confluence Project, Baker Slopes and Diamond Bar Creek habitat to name a few.

### **FISCAL IMPACT**

The City of Industry's FY 2018-19 Proposed Citywide Operating Budget will total \$216,492,940 in expenditures and be supported by \$211,626,480 in revenues and \$4,866,460 in available reserves. This Citywide total includes the budgets for the General Fund, IPFA, and IPUC and are outlined below:

- The General Fund budget will total \$48,877,700 in expenditures and \$29,404,655 in transfers out and supported by \$62,686,030 in revenues and \$15,596,325 in available reserves.
- The IPUC budget will total \$7,072,385 in expenditures and supported by \$8,899,150 in revenues.
- The IPFA budget will total \$108,477,365 in expenditures, which consists of \$79,783,105 in regular debt service and \$28,694,260 towards early redemption of existing bond obligations. This will be supported by \$59,449,865 in revenues and \$50,465,200 from transfers in from other funds.

The FY 2018-19 Proposed CIP Program Budget will total \$59,900,000 in total project costs. The Proposed CIP Budget will be supported by \$8,433,865 in revenues (SA supported projects), \$1,365,000 subsidy (Transfer In) from the General Fund, and

\$50,101,135 of available bond proceeds from the 2015 Sales Tax Revenue bond proceeds.

The FY 2018-19 Proposed SA Budget will total \$180,887,285 in expenditures and will be supported by revenues consisting of RPTTF tax increment revenues, tax override revenues, available bond proceeds, lease income from SA owned properties, and property sales.

The FY 2018-19 Proposed Operating Budget document will be available on the City website and in hard copy at the City Hall Front Desk or at City Clerk's Office at City Hall.

### **RECOMMENDATION**

Staff recommends the City Council approve and adopt Resolution No. PFA 2018-01, adopting the Proposed Operating Budget and Proposed CIP Budget for the City of Industry for Fiscal Year 2018-2019. In addition, staff recommends the City Council approve and ratify all City-affiliated entities' budgets, as approved by each respective board and commission respectively.

#### Attachments:

1. Resolution No. PFA 2018-01 – Resolution Approving the FY 19 Operating Budget and FY 19 CIP Budget
2. FY 2018-19 Budget Workshop Presentation
3. Exhibit A – FY 2018-19 Proposed Citywide Organizational Charts
4. Exhibit B – FY 2018-19 Projected Fund Balances
5. Exhibit C – FY 2018-19 Proposed Revenue Summaries
6. Exhibit D – FY 2018-19 Proposed Expenditure Summaries
7. Exhibit E – FY 2018-19 Proposed CIP Budget Project Summary

## RESOLUTION NO. PFA 2018-01

### A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AGENCY, THE INDUSTRY PUBLIC FACILITIES AUTHORITY, AND INDUSTRY PUBLIC UTILITIES COMMISSION APPROVING AND ADOPTING THE CITY'S FISCAL YEAR 2018-19 PROPOSED OPERATING BUDGET AND FISCAL YEAR 2018-19 PROPOSED CAPITAL IMPROVEMENT PROGRAM BUDGET

**WHEREAS**, the FY 2018-19 ("FY 19") Proposed Operating Budget for the City of Industry ("City") was developed under the context of a "Zero-Based Budget" policy approach, which aligns the budgets of the City's planned operations and services for the fiscal year to projected "realistic" costs of providing those services to the community; and

**WHEREAS**, the FY 19 Budget Process was a collaborative, Citywide process in which all departments and affiliated City entities were responsible for developing and submitting their budgets; and

**WHEREAS**, the FY 19 Budget Process began in February 2018, in which the Finance Department ("Finance") developed the budget policy, budget calendar, and prepared and distributed all budget instructions, budget forms, and capital project request forms to all departments; and

**WHEREAS**, Departments submitted their budget proposals and capital budget requests to Finance by April 2018, in which Finance reviewed all department budget requests, making recommendations as needed; and

**WHEREAS**, in May 2018, Finance and the City Manager reviewed each budget request with respect to the City's total budget and Citywide fiscal condition and finalized the FY 19 Proposed Operating Budget; and

**WHEREAS**, Finance, Engineering and the City Manager also reviewed all capital project budget requests and finalized the FY 19 Proposed Capital Improvement Program ("CIP") Budget; and

**WHEREAS**, The FY 19 Proposed Budget is a balanced budget and reflects the City Council's vision, commitment, and business plan to: operating the City in line with standard city business practices, governmental & fiscal transparency, and planning for the "now" and "future" in leading the City of Industry to continue to grow its presence as the economic and employment standard bearer in our region; and

**WHEREAS**, the City Council received a presentation on the City's FY 19 Proposed Operating Budget and FY 19 Proposed CIP Budget at the Special Budget Workshop

Meeting held on June 21, 2018; in which staff received feedback and direction from the City Council; and

**WHEREAS**, staff incorporated said changes and direction from the City Council into the FY 19 Proposed Operating Budget and FY 19 Proposed CIP Budget and are hereby presented for budget adoption at the June 28, 2018 City Council Meeting.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, THE SUCCESSOR AGENCY TO THE INDUSTRY URBAN-DEVELOPMENT AUTHORITY, THE INDUSTRY PUBLIC FACILITIES AUTHORITY, AND INDUSTRY PUBLIC UTILITIES COMMISSION 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. PFA 2018-01, the City of Industry's Proposed Operating Budget for all Citywide Funds totals **\$216,492,940** in expenditures that will be supported by **\$211,626,480** in revenues and **\$4,866,460** in available reserves is hereby approved and adopted for Fiscal Year 2018-2019, as reflected in Exhibit B - Exhibit D hereto attached to this resolution. By approving the Citywide Proposed Operating Budget, the following proposed budgets for the General Fund, IPFA, and IPUC are hereby approved and adopted as outlined below:

- A. The General Fund budget will total **\$48,877,700** in expenditures and **\$29,404,655** in transfers out and supported by **\$62,686,030** in revenues and **\$15,596,325** in available reserves.
- B. The IPUC budget will total **\$7,072,385** in expenditures and supported by **\$8,899,150** in revenues.
- C. The IPFA budget will total **\$108,477,365** in expenditures, which consists of **\$79,783,105** in regular debt service and **\$28,694,260** towards early redemption of existing bond obligations. This will be supported by **\$59,449,865** in revenues and **\$50,465,200** from transfers in from other funds.

**Section 3.** By approving Resolution No. PFA 2018-01, the Proposed CIP Program Budget of **\$59,900,000** in total project costs that will be supported by **\$8,433,865** in revenues, **\$1,365,000** Transfers In from the General Fund, and **\$50,101,135** of available bond proceeds from the 2015 Sales Tax Revenue bond proceeds is hereby approved and adopted for Fiscal Year 2018-2019. A detailed project list is presented and hereto attached as Exhibit E to this resolution.

**Section 4.** By approving Resolution No. PFA 2018-01, the Proposed Successor Agency Budget of **\$180,887,285** in expenditures and will be supported revenues consisting of RPTTF tax increment revenues, tax override revenues, available bond proceeds, lease income from SA owned properties, and property sales is hereby

approved and adopted for Fiscal Year 2018-2019. Any expenditures above the revenues received will be supported by property sales.

**Section 5.** The City Council hereby approves and ratifies the following City-affiliated entities' budgets for Fiscal Year 2018-2019, as approved and adopted at their respective board meetings: Civic Recreational-Industrial Authority ("CRIA"), and Industry Property & Housing Management Authority ("IPHMA").

**Section 6.** The City Clerk 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 City Council of the City of Industry, the Successor Agency to the Industry Urban-Development Agency, the Industry Public Facilities Authority, and Industry Public Utilities Commission at a regular meeting held on June 28, 2018, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS

ABSTAIN: COUNCIL MEMBERS

ABSENT: COUNCIL MEMBERS

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Mark D. Radecki, Board Chair

**ATTEST:**

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Diane Schlichting, Authority Secretary



**60 YEARS**

Jobs, Enterprise & Regional Infrastructure

# FY 2018-19 Proposed Operating Budget

City of Industry Budget Workshop | June 21, 2018

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» **OVERVIEW OF OVERALL BUDGET DEVELOPMENT PROCESS**

» **CITYWIDE BUDGET**

» **GENERAL FUND BUDGET**

> Revenues

> FY 19 Budget Highlights

» **CIP BUDGET**

» **OTHER ENTITY BUDGETS (IPUC, IPHMA, CRIA, & IPFA)**

FY 2018-19 (FY 19)  
PROPOSED  
BUDGET  
PRESENTATION  
OVERVIEW

# OVERVIEW OF BUDGET PROCESS

## ❖ Definition of a Budget

- Represents the City's financial operating plan and transparency vehicle to summarize our key fiscal resources, top budget priorities for the fiscal year, and planned programming & service levels for our residents, business residents and surrounding communities.

## ❖ "Zero-Based Budget" Budget Policy

- Aligns the budgets of the City's operations and services planned for the fiscal year to projected "realistic" costs of providing these vital services to our community.

## ❖ Citywide Effort & Collaborative Process

## ❖ 5-6 Month Long Process

## ❖ The FY 19 Proposed Budget reflects the City Council's vision, commitment, and business plan to:

- Operating the City in line with standard city business practices & governmental & fiscal transparency;
- Planning for the "now" and "future" in leading the City of Industry to continue to grow its presence as the economic and employment standard bearer in our region.

## "BUDGET FLOW CHART"



# FY 2018-19 PROPOSED CITYWIDE BUDGET

## ❖ Citywide Proposed Revenues - \$211.6 million

- General Fund - \$62.7M
- Special Revenues (Prop A, Gas Tax, Grants, etc) - \$5.3M
- Enterprise Funds - \$11.1M
- Debt Services Funds - \$123.5M
- CIP Fund - \$8.4M
- Fiduciary Funds - \$0.6M

## ❖ Citywide Proposed Expenditures - \$216.5 million (excluding the CIP Budget and Successor Agency)

- General Fund - \$48.9 M
- IPUC (Water & Electric Utility) - \$7.1M
- Debt Services Fund City – \$41.3M
- Debt Services for IPFA – 108.5M (Includes \$30M Early Redemption)
- Other Funds (Prop A, Prop C, Grant Fund, etc) - \$10.7M

## Other Entities' Budgets

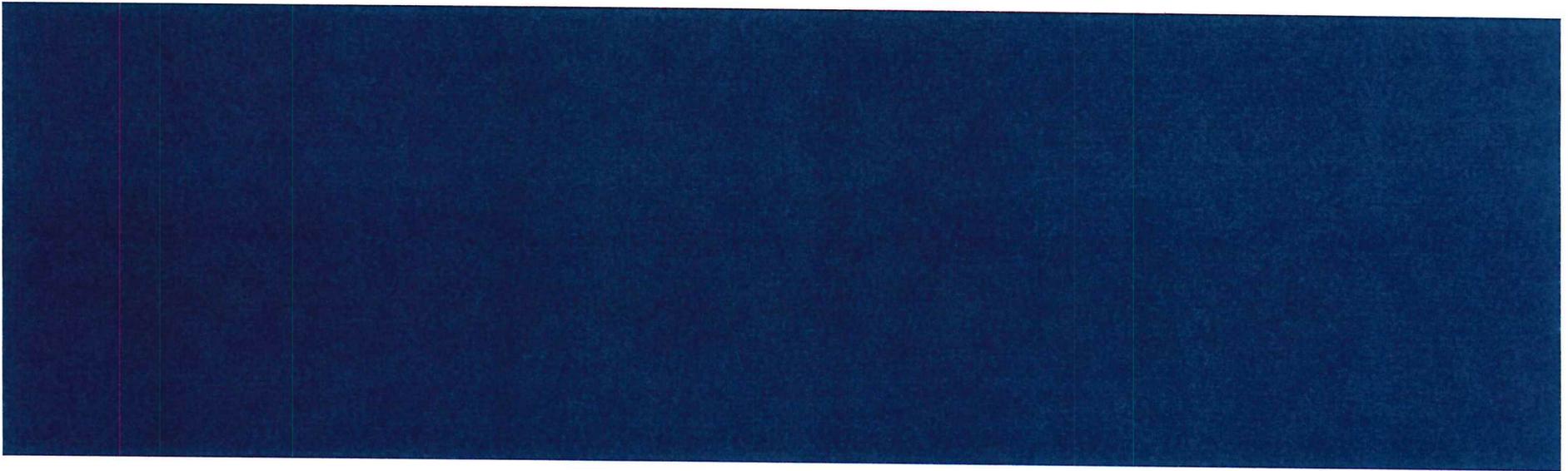
### ❖ CIP Program - \$59.9 M

### ❖ Other City Entities

- CRIA - \$3.05 M
- IPHMA (Housing) - \$0.7 M

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# GENERAL FUND BUDGET – FY 19 BUDGET HIGHLIGHTS



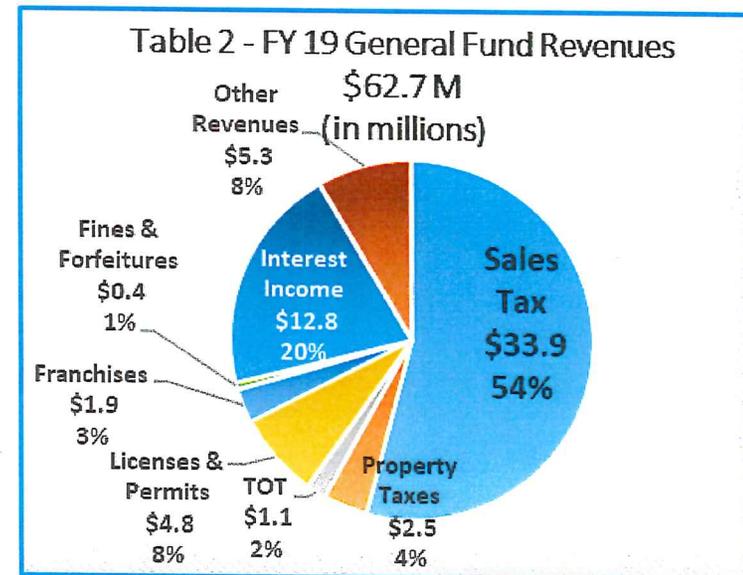
## FY 2018-19 PROPOSED GENERAL FUND BUDGET – OVERVIEW

- *Reflects the City's commitment to its #1 priority of Public Safety*
- *Significant and Continuing Investment to Non-Profit Organizations & Surrounding Communities for Charitable Causes*
  - ✓ *4<sup>th</sup> of July, Gabriel Foundation & Industry Pro Rodeo, YAL, Meals on Wheels, etc.*
- *Continuing to Operate the City in line with standard city business practices & governmental & fiscal transparency*
- *Continued Self-Assessment & Streamlining of the City's Organizational Structure and Operations to achieve greater efficiencies in our operations & service deliveries.*

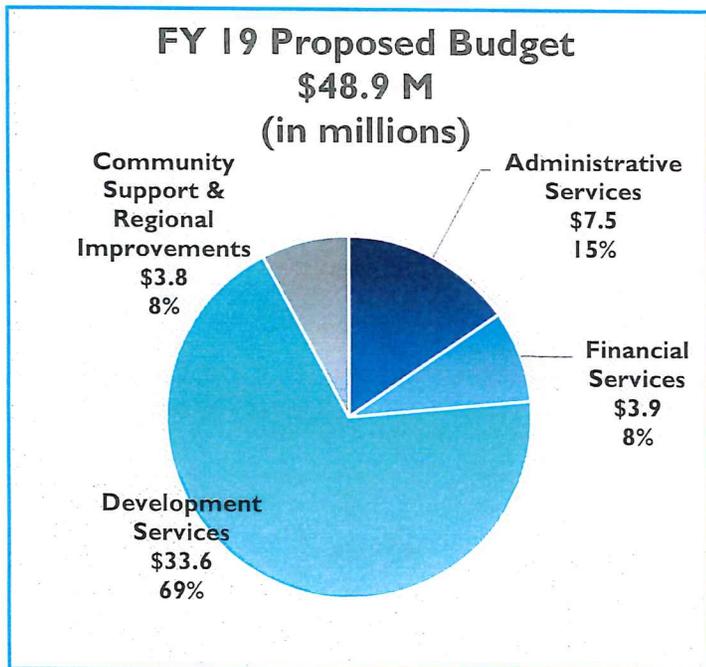
# FY 2018-19 PROPOSED GENERAL FUND BUDGET - REVENUES

## Total Revenues - \$62,686,030

- Sales Taxes - \$33.9 M
  - \$1.0M Increase (3.1%)
  - Continued sales tax growth
  - New Major Retailer (Fulfillment Center)
- Licenses & Permits - \$4.8 M
  - \$1.5M Increase (45%)
  - Largely due to City now recording all Permits in our Financial System
  - Development & construction continue in the City
- Increase also due to recording of all non-operational revenue (i.e. SA Admin Allowance, reimbursements) in General Fund
- All other Revenues are performing consistently and showing growth.



# FY 2018-19 PROPOSED GENERAL FUND BUDGET - EXPENDITURES



## Total Operating Expenditures - \$48,877,700

- Removes 1-Time \$8.5M OPEB Payout for all Employees' projected pension (savings of \$10.2M in interest over 30 years)
- Reduction of Professional Services - \$1.3M savings
- Continued Commitment to Public Safety
  - Annual Public Safety Contract Increase - \$260K
  - Continued support of the YAL Program
- Cost of Living Increase (COLA) of 4% for all Employees and Boards
  - Based on CPI-U from April '17 to April '18 (LA-Long Beach-Anaheim Areas)
- City Reorganization/Staffing
  - New positions added in FY 18 fully funded in FY 19 (i.e. Assistant City Manager & Deputy City Clerk)
  - Continued streamlining of the City's organizational structure and staffing levels to achieve greater efficiencies in operations

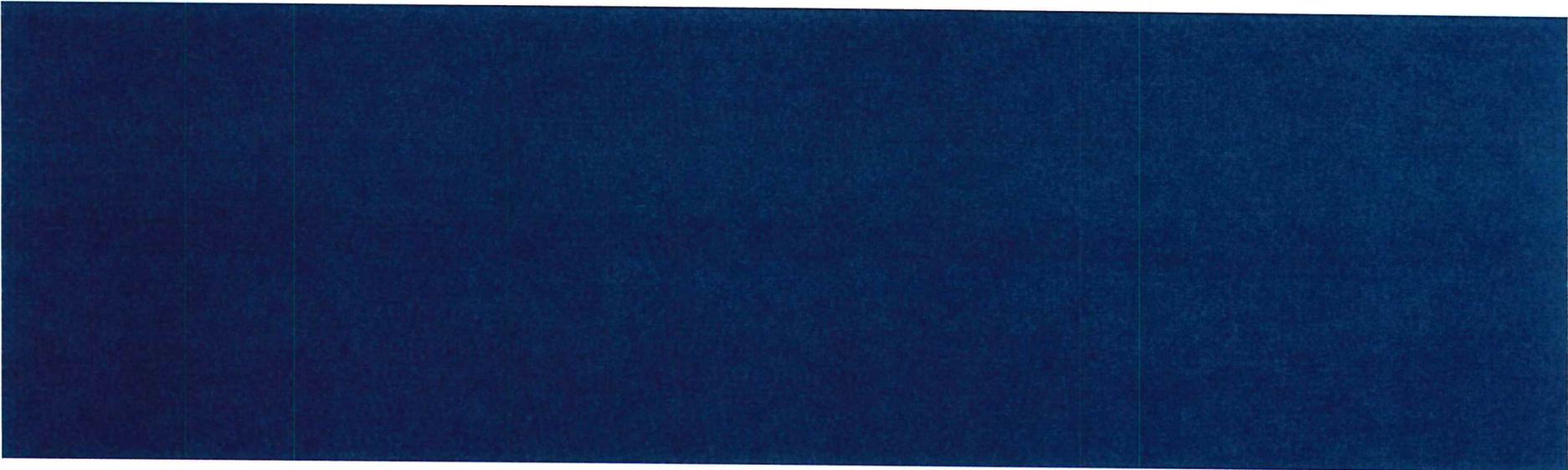
# FY 2018-19 PROPOSED GENERAL FUND BUDGET - EXPENDITURES

## **Other Changes**

- *Removes 1-Time expenses, such as the 60<sup>th</sup> Anniversary funding and vehicle purchases*
- *Includes two (2) new Code Enforcement vehicles*
- *Development Services*
  - *Full funding of the City's One-Stop Shop*
  - *Full funding for Stormwater/NPDES Compliance*
- *Financial Services*
  - *User Fee and Charges and Cost Allocation Plan Studies*
  - *Community Development & HR/Payroll implementation*
- *All major service contract providers include built-in CPI-based increases*
- *Continues to address and adequately fund Deferred Maintenance at all City Facilities*

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# CAPITAL IMPROVEMENT PROGRAM – FY 19 PROPOSED CIP BUDGET



# FY 2018-19 PROPOSED CIP BUDGET

## ❖ CIP Budget - \$59.9 million

- 2015 Sales Tax Bond Proceeds - \$50.1 M
- General Fund - \$1.3 M
- Successor Agency Funds - \$7.9 M

## ❖ Investment in Expo Center Infrastructure - \$9.9 M

- Pavilion & Avalon Room Improvements - \$4.2 M
- Grand Arena Re-Painting - \$1.2 M

## ❖ Major Regional Infrastructure Projects

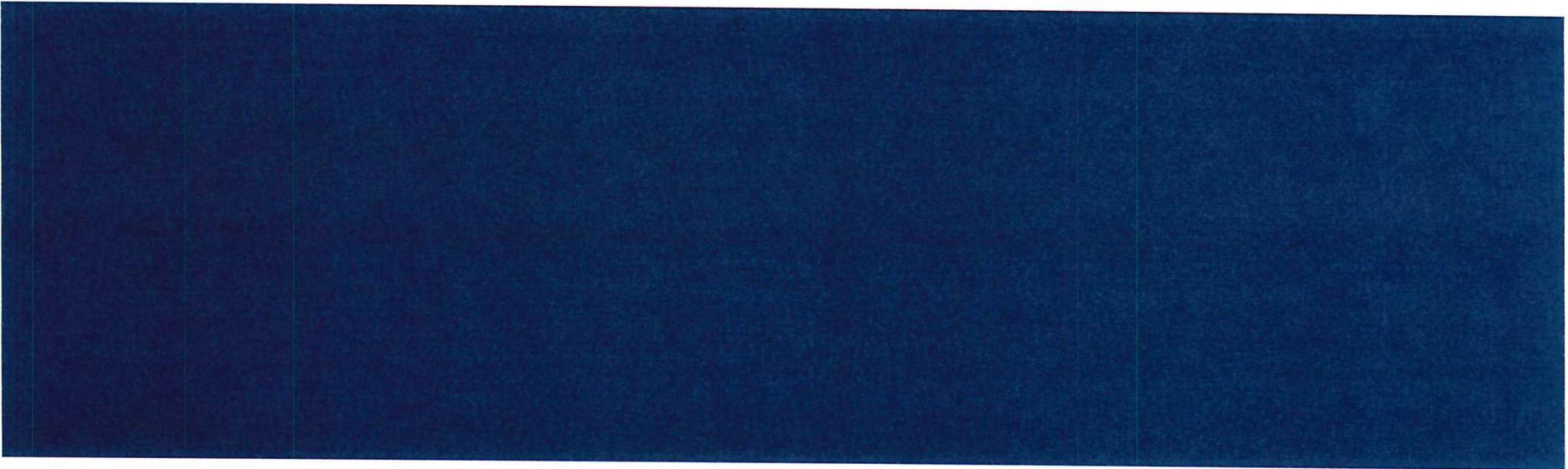
- 57/60 Confluence Project, Fairway & Fullerton Grade Separations, IBC Project.

## ❖ Citywide Signage & Painting

Project Description By Category	FY 2017/18 Adopted	FY 2017/18 Amended	FY 2018/19 Proposed Budget
1. Grade Separation Projects	\$6,050,000	\$6,050,000	\$5,540,000
2. Street Widening Reconstruction, Resurfacing, And Slurry Seal	17,894,724	18,808,965	19,339,000
3. Bridge Widening, Seismic Retrofit, And Maintenance Improvements	1,519,000	1,519,000	8,470,000
4. Traffic Signal Improvements	3,570,000	3,570,000	2,950,000
5. Storm Drain Improvements	2,960,000	4,540,445	4,030,000
6. IPUC - Potable Water System	58,000	58,000	1,801,000
7. IPUC – Electric Utility	3,340,000	3,340,000	4,098,000
8. Metrolink/Commuter Rail Station	-	-	-
9. Expo Center At Industry Hills	6,592,500	6,592,500	9,335,000
10. Industry Hills Golf And Convention Facilities	600,000	600,000	750,000
11. Open Space Properties	1,025,000	1,025,000	1,365,000
12. IPHMA Properties	-	-	-
13. Civic Center Facilities Improvements	2,012,500	2,141,350	865,000
14. Facilities Improvements	-	34,440	1,357,000
<b>GRAND TOTAL</b>	<b>\$45,621,724</b>	<b>\$48,279,700</b>	<b>\$59,900,000</b>

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# OTHER CITY ENTITIES – FY 19 PROPOSED BUDGETS



## FY 2018-19 PROPOSED BUDGET – OTHER ENTITIES

### ❖ IPUC Proposed Budget - \$7,072,385

- Electric Utility - \$4.1M Expenditures, \$5.5M Revenues
- IPUC Water (Potable) - \$2.1M Expenditures, \$2.1M Revenues
- IPUC Water (Reclaimed) - \$0.9M Expenditures, \$1.4M Revenues

### ❖ IPFA Proposed Budget - \$108,477,365

- Regular Debt Service - \$79.8M, Early Bond Redemption - \$28.7M
- Revenues - \$59.5M; Transfers In - \$50.5M

### ❖ Successor Agency Proposed Budget - \$180,887,285

- Developed in line w/ DOF-approved 2018-19 ROPS
- Debt Services Obligations - \$80.0M
- Project Costs (57160 Confluence Project, IBC, Diamond Bar Creek) - \$100.9M
- Supported by RPTFF revenues, lease income, bond proceeds, & sale of properties.

### Entities w/ Different Boards

- ❖ CRIA Admin. - \$661,145
- ❖ CRIA Expo Center - \$2,455,075
  - Revenues - \$2.0M; Subsidy from CRIA - \$0.5M
- ❖ IPHMA (Housing) - \$661,145
  - Revenues - \$0.2M; Subsidy from General Fund - \$0.5M

\*\*\*\* All Boards must adopt entity budgets to fully ratify and adopt these budgets. \*\*\*\*

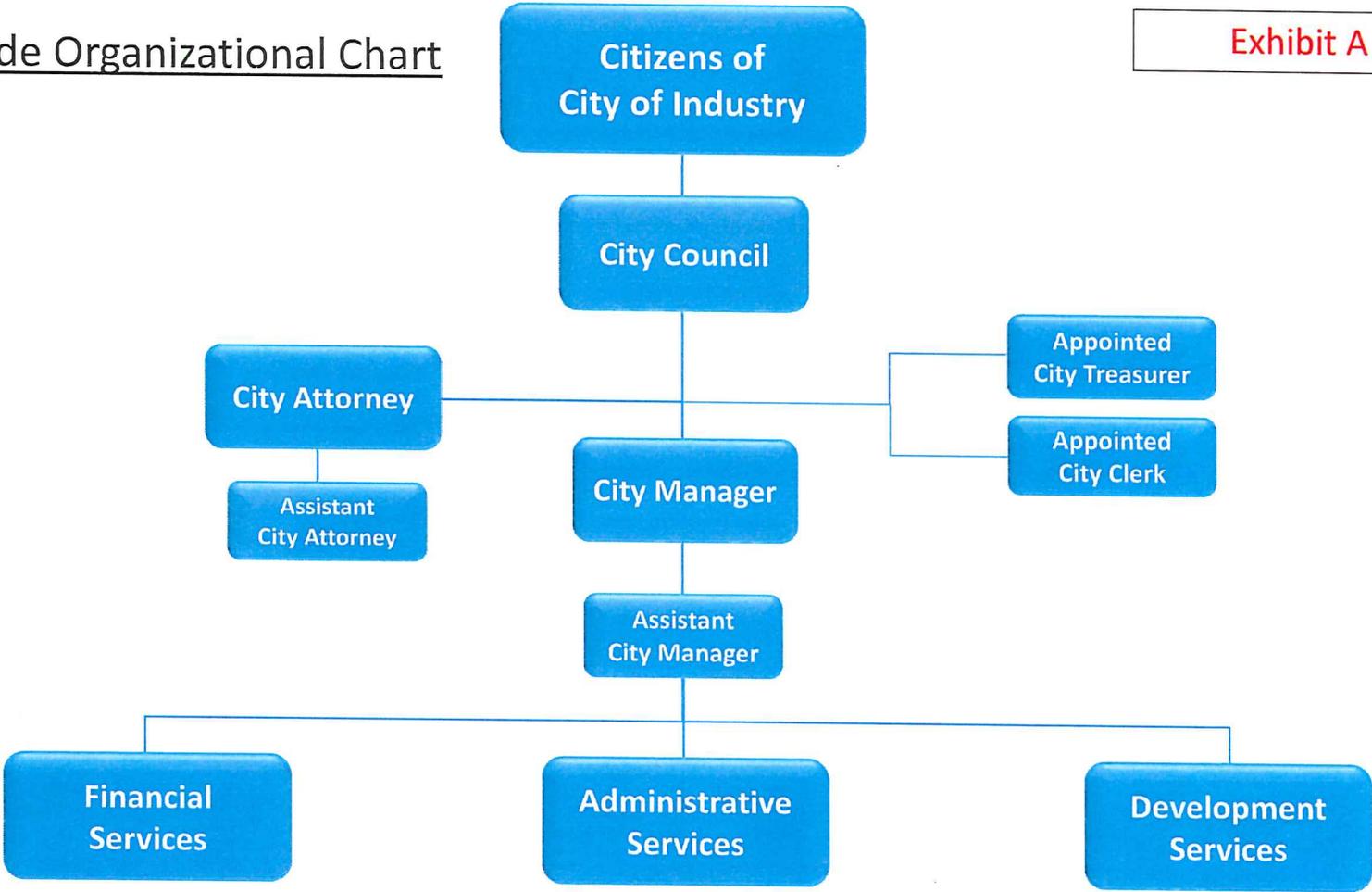


THE END.....ANY QUESTIONS??



Citywide Organizational Chart

Exhibit A



CITY OF INDUSTRY  
PROJECTED FUND BALANCES  
FY 2018-19 PROPOSED  
**EXHIBIT B**

FUND NAME	BEGINNING FUND BALANCE JULY 1, 2018	REVENUES FY 2018-2019	TRANSFERS IN	EXPENDITURES FY 2018-2019	TRANSFERS OUT	PROJECTED SURPLUS / (DEFICIT)	PROJECTED FUND BALANCE JUNE 30, 2019
<b>GENERAL FUND</b>							
100 OPERATIONS	\$ 718,368,033	\$ 62,686,030	\$ -	\$ (47,254,960)	\$ (2,881,475)	\$ 12,549,595	\$ 730,917,627
100 NON-OPERATING COSTS	-	-	-	(1,622,740)	(26,523,180)	(28,145,920)	(28,145,920)
<b>Total</b>	<b>\$ 718,368,033</b>	<b>\$ 62,686,030</b>	<b>\$ -</b>	<b>\$ (48,877,700)</b>	<b>\$ (29,404,655)</b>	<b>\$ (15,596,325)</b>	<b>\$ 702,771,707</b>
<b>SPECIAL REVENUE FUNDS</b>							
101 GAS TAX	\$ 26,643	\$ 18,130	\$ -	\$ (10,000)	\$ -	\$ 8,130	\$ 34,773
102 MEASURE R	-	5,000	-	(5,000)	-	-	-
103 PROP A	1,576,486	10,000	-	(1,112,600)	-	(1,102,600)	473,886
104 PROP C	8,919	7,010	-	(10,000)	-	(2,990)	5,929
105 AIR QUALITY	471	-	-	-	-	-	471
106 MEASURE M	5,000	5,000	-	(5,000)	-	-	5,000
110 GRANT FUND	-	5,261,490	-	(5,261,490)	-	-	-
<b>Total</b>	<b>\$ 1,617,519</b>	<b>\$ 5,306,630</b>	<b>\$ -</b>	<b>\$ (6,404,090)</b>	<b>\$ -</b>	<b>\$ (1,097,460)</b>	<b>\$ -</b>
<b>INTERNAL SERVICES FUNDS</b>							
320 FLEET MANAGEMENT FUND	\$ 50,000	\$ -	\$ 80,000	\$ (80,000)	\$ -	\$ -	\$ 50,000
<b>Total</b>	<b>\$ 50,000</b>	<b>\$ -</b>	<b>\$ 80,000</b>	<b>\$ (80,000)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,000</b>
<b>ENTERPRISE FUNDS</b>							
160 IPHMA	\$ 33,590	\$ 210,800	\$ 450,345	\$ (661,145)	\$ -	\$ -	\$ 33,590
161 CITY ELECTRIC	4,794,545	5,487,400	-	(4,089,845)	-	1,397,555	6,192,100
360 CRIA	28,378	1,210	1,066,130	(591,985)	(474,145)	1,210	29,588
361 EXPO CENTER	136,827	1,980,930	474,145	(2,455,075)	-	-	136,827
560 IPUC - RECLAIMED WATER	10,018,596	1,355,000	-	(871,505)	-	483,495	10,502,091
561 IPUC - POTABLE WATER	631,408	2,056,750	-	(2,111,035)	-	(54,285)	577,123
<b>Total</b>	<b>\$ 15,643,344</b>	<b>\$ 11,092,090</b>	<b>\$ 1,990,620</b>	<b>\$ (10,780,590)</b>	<b>\$ (474,145)</b>	<b>\$ 1,827,975</b>	<b>\$ 17,471,318</b>
<b>CAPITAL IMPROVEMENTS FUND</b>							
120 CAPITAL IMPROVEMENTS	\$ 187,571,757	\$ 8,433,865	\$ 1,365,000	\$ (59,900,000)	\$ -	\$ (50,101,135)	\$ 137,470,622
<b>Total</b>	<b>\$ 187,571,757</b>	<b>\$ 8,433,865</b>	<b>\$ 1,365,000</b>	<b>\$ (59,900,000)</b>	<b>\$ -</b>	<b>\$ (50,101,135)</b>	<b>\$ 137,470,622</b>

CITY OF INDUSTRY  
 PROJECTED FUND BALANCES  
 FY 2018-19 PROPOSED  
**EXHIBIT B**

FUND NAME	BEGINNING FUND BALANCE JULY 1, 2018	REVENUES FY 2018-2019	TRANSFERS IN	EXPENDITURES FY 2018-2019	TRANSFERS OUT	PROJECTED SURPLUS / (DEFICIT)	PROJECTED FUND BALANCE JUNE 30, 2019
<b>FIDUCIARY FUNDS</b>							
145 ASSESSMENT DISTRICT 91-1	\$ 2,771,838	\$ 653,800	\$ -	\$ (509,400)	\$ -	\$ 144,400	\$ 2,916,238
<b>Total</b>	<b>\$ 2,771,838</b>	<b>\$ 653,800</b>	<b>\$ -</b>	<b>\$ (509,400)</b>	<b>\$ -</b>	<b>\$ 144,400</b>	<b>\$ 2,916,238</b>
<b>DEBT SERVICE</b>							
135 TAX OVERRIDE	\$ 1,378,012	\$ 50,466,200	\$ -	\$ -	\$ (50,465,200)	\$ 1,000	\$ 1,379,012
140 CITY OF INDUSTRY	98,368,246	13,538,000	26,443,180	(41,363,795)	-	(1,382,615)	96,985,631
440 IPFA	575,514,251	59,449,865	50,465,200	(108,477,365)	-	1,437,700	576,951,951
<b>Total</b>	<b>\$ 675,260,509</b>	<b>\$ 123,454,065</b>	<b>\$ 76,908,380</b>	<b>\$ (149,841,160)</b>	<b>\$ (50,465,200)</b>	<b>\$ 56,085</b>	<b>\$ 675,316,594</b>
<b>City Fund Balances</b>	<b>\$ 1,601,282,999</b>	<b>\$ 211,626,480</b>	<b>\$ 80,344,000</b>	<b>\$ (276,392,941)</b>	<b>\$ (80,344,000)</b>	<b>\$ (64,766,461)</b>	<b>\$ 1,536,516,539</b>

**CITY OF INDUSTRY  
REVENUE SUMMARIES - SUMMARY  
FY 2018-19 PROPOSED  
EXHIBIT C**

Financial Resources (Revenues) By Fund	2015 Actual Amount	2016 Actual Amount	2017 Actual Amount	2018 Amended Budget	2019 Proposed Budget
<b>GENERAL FUND</b>					
LOCAL TAXES	\$ 39,470,471	\$ 37,339,982	\$ 36,878,863	\$ 38,405,380	\$ 39,622,350
LICENSES & PERMITS	2,652,867	3,089,244	3,314,708	3,258,360	4,756,830
FINES & FORFEITURES	544,624	338,268	350,559	412,500	377,500
INTEREST INCOME	7,787,841	9,203,737	13,618,794	11,015,000	12,819,360
OTHER REVENUES	1,343,983	1,365,591	6,629,394	2,927,150	5,109,990
<b>TOTAL GENERAL FUND</b>	<b>\$ 51,799,786</b>	<b>\$ 51,336,822</b>	<b>\$ 60,792,319</b>	<b>\$ 56,018,390</b>	<b>\$ 62,686,030</b>
<b>SPECIAL REVENUE FUNDS</b>					
GAS TAX FUND - 101	\$ 20,991	\$ 12,726	\$ 11,695	\$ 23,740	\$ 15,045
MEASURE R FUND - 102	4,809	4,921	4,996	5,000	5,000
PROP A FUND - 103	3,783,208	18,555	1,512,138	288,500	10,000
PROP C FUND - 104	6,776	6,942	7,050	7,010	7,010
AIR QUALITY FUND - 105	-	101,884	(471)	-	-
MEASURE M FUND - 106	-	-	-	5,000	5,000
GRANT FUND - 110	-	-	4,087,932	12,431,580	5,261,490
<b>TOTAL SPECIAL REVENUES</b>	<b>\$ 3,815,784</b>	<b>\$ 145,028</b>	<b>\$ 5,623,340</b>	<b>\$ 12,760,830</b>	<b>\$ 5,303,545</b>
<b>ENTERPRISE FUNDS</b>					
IPHMA - 160	\$ 224,955	\$ 174,384	\$ 193,043	\$ 216,800	\$ 210,800
IPUC - ELECTRICITY - 161	5,097,318	5,489,501	5,280,155	5,324,500	5,487,400
CRIA - 360	461	623	1,095	610	1,210
CRIA-EXPO CENTER - 361	1,295,861	1,527,634	1,576,126	1,679,605	1,980,929
IPUC - RECLAIMED WATER - 560	1,269,786	1,258,149	1,358,816	1,225,000	1,355,000
IPUC - POTABLE WATER - 561	1,926,389	1,842,108	1,976,398	1,986,600	2,056,750
<b>TOTAL ENTERPRISE FUNDS</b>	<b>\$ 9,814,769</b>	<b>\$ 10,292,398</b>	<b>\$ 10,385,632</b>	<b>\$ 10,433,115</b>	<b>\$ 11,092,089</b>
<b>CAPITAL IMPROVEMENTS FUND</b>					
CITY CAPITAL IMPROVEMENTS - 120	\$ 2,611	\$ 4,824	\$ 1,011,695	\$ 1,489,575	\$ 8,433,865
<b>TOTAL CAPITAL IMPROVEMENTS</b>	<b>\$ 2,611</b>	<b>\$ 4,824</b>	<b>\$ 1,011,695</b>	<b>\$ 1,489,575</b>	<b>\$ 8,433,865</b>
<b>FIDUCIARY FUNDS</b>					
91-1 TAX ASSESSMENT - 145	\$ 639,555	\$ 639,429	\$ 648,116	\$ 659,590	\$ 653,800
<b>TOTAL FIDUCIARY FUNDS</b>	<b>\$ 639,555</b>	<b>\$ 639,429</b>	<b>\$ 648,116</b>	<b>\$ 659,590</b>	<b>\$ 653,800</b>
<b>DEBT SERVICE FUNDS</b>					
DEBT SERVICE PROPERTY TAX OVERRIDE - 13	\$ 44,298,136	\$ 46,084,456	\$ 48,524,360	\$ 47,074,300	\$ 50,466,200
CITY DEBT SERVICE - 140	55,318,710	11,697,715	12,487,964	13,265,000	13,538,000
IPFA - 440	5,717,090	25,812,137	48,497,721	62,812,370	59,449,865
<b>TOTAL DEBT SERVICES FUNDS</b>	<b>\$ 105,333,936</b>	<b>\$ 83,594,309</b>	<b>\$ 109,510,045</b>	<b>\$ 123,151,670</b>	<b>\$ 123,454,065</b>
<b>Total City Financial Resources (Revenues)</b>	<b>\$ 171,406,442</b>	<b>\$ 146,012,808</b>	<b>\$ 187,971,147</b>	<b>\$ 204,513,170</b>	<b>\$ 211,623,394</b>

**CITY OF INDUSTRY  
EXPENDITURE SUMMARIES  
FY 2018-19 PROPOSED  
EXHIBIT D**

Expenditure Summaries By Fund / Division	FY 2015 Actual Amount	FY 2016 Actual Amount	FY 2017 Actual Amount	FY 2018 Amended Budget	FY 2019 Proposed Budget
<b>General Fund</b>					
<b>Administrative Services</b>					
501 City Council	\$ 153,967	\$ 144,974	\$ 370,782	\$ 373,820	\$ 381,940
502 City Clerk	277,843	120,515	308,432	330,095	404,105
503 City Manager	612,208	1,240,908	595,679	830,125	998,155
507 Central Services	2,973,574	2,952,378	2,325,984	1,956,400	1,720,900
508 Human Resources	220,078	116,323	1,395,331	9,299,930	673,655
515 Non-Departmental	13,048,967	3,799,317	(4,627)	-	-
556 SA Administrative Allowance	198,724	20,249	23,954	-	1,622,740
520 City Attorney	2,872,986	3,329,696	1,389,268	1,500,000	1,570,000
528 Legislative Services	-	-	664,018	680,000	145,000
<b>Total Administrative Services</b>	<b>\$ 20,358,346</b>	<b>\$ 11,724,360</b>	<b>\$ 7,068,821</b>	<b>\$ 14,970,370</b>	<b>\$ 7,516,495</b>
<b>Community Support &amp; Regional Improvements</b>					
621 Community Promotion	\$ 1,600,066	\$ 1,572,588	\$ 1,453,417	\$ 2,061,605	\$ 1,685,000
620 El Encanto	333,085	325,624	244,104	346,800	335,100
626 Homestead Museum	1,770,298	1,597,851	1,444,582	2,175,900	1,778,900
<b>Total Community Support &amp; Regional Improvements</b>	<b>\$ 3,703,448</b>	<b>\$ 3,496,064</b>	<b>\$ 3,142,103</b>	<b>\$ 4,584,305</b>	<b>\$ 3,799,000</b>
<b>Financial Services</b>					
505 City Treasurer	\$ 170,909	\$ 177,246	\$ 1,048,334	\$ 1,486,720	\$ 1,195,710
506 Finance	1,554,318	1,477,742	1,460,571	1,127,770	1,307,195
525 Information Technology	-	-	425,936	1,077,084	1,444,760
<b>Total Financial Services</b>	<b>\$ 1,725,226</b>	<b>\$ 1,654,988</b>	<b>\$ 2,934,841</b>	<b>\$ 3,691,574</b>	<b>\$ 3,947,665</b>
<b>Development Services</b>					
526 Development Services	\$ -	\$ -	\$ 384,267	\$ 1,897,495	\$ 2,425,415
527 Field Operations	-	-	231,296	1,014,005	809,660
504 Engineering	140,219	144,278	7,914	23,220	-
509 Public Works Administration	71,792	46,330	900	102,500	-
521 Planning	590,794	720,087	1,096,687	1,794,441	1,302,890
601 Public Safety	8,311,886	8,610,354	9,841,956	10,244,815	10,620,975
622 Public Works/Engineering	305,435	194,508	431,064	3,810,000	4,630,000
623 Streets And Roads	2,159,056	2,385,384	1,922,377	4,081,500	3,250,000
624 Contracted Services	1,697,991	897,795	794,751	4,864,375	4,960,000
625 Civic Financial Center	6,339,162	6,843,923	8,308,737	6,073,407	4,233,000
627 Industry Hills	308,141	352,569	252,430	412,533	372,000
628 Habitat & Open Space	21,811	26,185	5,800	992,515	1,010,600
<b>Total Development Services</b>	<b>\$ 19,946,288</b>	<b>\$ 20,221,413</b>	<b>\$ 23,278,178</b>	<b>\$ 35,310,806</b>	<b>\$ 33,614,540</b>
<b>Total General Fund Budget:</b>	<b>\$ 45,733,308</b>	<b>\$ 37,096,824</b>	<b>\$ 36,423,943</b>	<b>\$ 58,557,055</b>	<b>\$ 48,877,700</b>
<b>SPECIAL REVENUE FUNDS</b>					
101 Gas Tax Fund	\$ 24,254	\$ 14,537	\$ 11,695	\$ -	\$ 10,000
102 Measure R Taxes	4,809	4,921	4,996	5,000	5,000
103 Prop A Taxes	534,860	4,774,984	309,043	1,400,000	1,112,600
104 Prop C Taxes	23,601	6,934	7,039	-	10,000
105 Air Quality	232,290	105,097	5,797	-	-
106 Measure M	-	-	-	-	5,000
110 Grant Fund	-	-	-	-	5,261,490
<b>Total Special Revenues</b>	<b>\$ 819,814</b>	<b>\$ 4,906,473</b>	<b>\$ 338,569</b>	<b>\$ 1,405,000</b>	<b>\$ 6,404,090</b>

**CITY OF INDUSTRY  
EXPENDITURE SUMMARIES  
FY 2018-19 PROPOSED  
EXHIBIT D**

Expenditure Summaries By Fund / Division		FY 2015 Actual Amount	FY 2016 Actual Amount	FY 2017 Actual Amount	FY 2018 Amended Budget	FY 2019 Proposed Budget
<b>INTERNAL SERVICES FUND</b>						
320	Fleet Replacement Fund	\$ -	\$ -	\$ -	\$ 226,000	\$ 80,000
<b>Total Capital Improvements</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 226,000</b>	<b>\$ 80,000</b>
<b>ENTERPRISE FUNDS</b>						
160	IPHMA	\$ 291,867	\$ 759,130	\$ 419,450	\$ 749,975	\$ 661,145
161	IPUC - Electric Utility	4,400,704	3,400,238	4,850,137	6,981,920	4,089,845
360	CRIA	469,004	277,951	118,674	410,675	591,985
361	CRIA - Expo Center	1,930,960	2,114,935	2,180,449	2,367,750	2,455,075
560	IPUC - Reclaimed Water	756,507	719,030	706,127	1,139,296	871,505
561	IPUC - Potable Water	1,435,421	1,313,735	1,875,166	2,101,950	2,111,035
<b>Total Enterprise Funds</b>		<b>\$ 9,284,463</b>	<b>\$ 8,585,019</b>	<b>\$ 10,150,004</b>	<b>\$ 13,751,566</b>	<b>\$ 10,780,590</b>
<b>CAPITAL IMPROVEMENTS FUND</b>						
120	City Capital Improvements	\$ 6,769,749	\$ 11,768,011	\$ 18,633,565	\$ 20,000,000	\$ 59,900,000
<b>Total Capital Improvements</b>		<b>\$ 6,769,749</b>	<b>\$ 11,768,011</b>	<b>\$ 18,633,565</b>	<b>\$ 20,000,000</b>	<b>\$ 59,900,000</b>
<b>FIDUCIARY FUNDS</b>						
145	91-1 Tax Assessment	\$ 512,610	\$ 508,470	\$ 508,220	\$ 507,000	\$ 509,400
<b>Total 91-1 Tax Assessment</b>		<b>\$ 512,610</b>	<b>\$ 508,470</b>	<b>\$ 508,220</b>	<b>\$ 507,000</b>	<b>\$ 509,400</b>
<b>DEBT SERVICE FUNDS</b>						
135	Debt Service Property Tax Override	\$ 81,885,018	\$ -	\$ -	\$ -	\$ -
140	City Debt Service	34,736,301	25,973,926	77,243,670	41,615,990	41,363,795
440	IPFA	17,466,837	11,053,168	108,058,464	107,234,740	108,477,365
<b>Total Debt Service Fund</b>		<b>\$ 134,088,156</b>	<b>\$ 37,027,094</b>	<b>\$ 185,302,133</b>	<b>\$ 148,850,730</b>	<b>\$ 149,841,160</b>
<b>Total City Expenditures</b>		<b>\$ 197,208,099</b>	<b>\$ 99,891,892</b>	<b>\$ 251,356,434</b>	<b>\$ 243,297,350</b>	<b>\$ 276,392,940</b>

City of Industry  
CIP Project Budget Worksheet  
FY 19 Proposed CIP Budget

**Exhibit E**

#	Project Name	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY 18-19 Proposed Budget
<b>1. Grade Separations</b>				
A	Nogales Street Grade Separation (near Gale Avenue/Walnut Drive North)	\$ 300,000	\$ 300,000	75,000
B	Fullerton Road Grade Separation (near Railroad Street and Gale Avenue)	1,900,000	1,900,000	1,760,000
C	Fairway Drive Grade Separation (near Walnut Drive North)	3,500,000	3,500,000	3,460,000
D	Puente Avenue Grade Separation at UPRR's Alhambra Subdivision tracks (near Valley Boulevard)	200,000	200,000	75,000
E	Fairway Drive Grade Separation at UPRR's Alhambra Subdivision tracks (near Valley Boulevard)	20,000	20,000	20,000
F	Turnbull Canyon Road Grade Separation at UPRR's L.A. Subdivision tracks (near Salt Lake Avenue)	130,000	130,000	150,000
<b>Subtotal:</b>		<b>\$ 6,050,000</b>	<b>\$ 6,050,000</b>	<b>\$ 5,540,000</b>
<b>2. Street Widening, Reconstruction, Resurfacing, and Slurry Seal</b>				
A	Workman Mill Road Resurfacing and Street Lighting - Oakman Drive to Valley Boulevard (co-op project with L.A. County)	\$ 690,000	\$ 690,000	\$ 694,000
B	Colima Road Widening and Intersection Modifications from Stoner Creek Road to Azusa Avenue (co-op project with L.A. County)	300,000	300,000	10,000
C	Walnut Drive South Street Widening and Storm Drain Improvements	1,500,000	1,500,000	1,980,000
D	Annual Slurry Seal Project FY 19	400,000	400,000	300,000
E	Valley Boulevard resurfacing, Azusa Way to 500' east of Hambleton Avenue	250,000	250,000	685,000
F	Crossroads Parkway South Reconstruction or Replacement with PCC Pavement (from the north side of the bridge over the Pomona Freeway to Crossroads Parkway North)	700,000	700,000	100,000
G	Bonelli Street reconstruction and resurfacing MP 13-03	540,000	540,000	530,000
H	Don Julian Road & Unruh Ave. Resurfacing, 6th Avenue to 7th Avenue & Don Julian/6th Avenue Traffic Signal	500,000	500,000	1,000,000
I	San Jose Avenue Reconstruction (500' west of Nogales Street to 400' west of Charlie Road)	1,600,000	1,600,000	1,750,000
J	Arenth Avenue Reconstruction from Fullerton Road to Nogales Street	7,000,000	7,000,000	3,990,000
K	Reconstruct Portions of Bixby Drive and Chestnut Street (near the peaker plant)	600,000	600,000	685,000
L	Coiner Court Reconstruction and Resurfacing	162,000	162,000	185,000

City of Industry  
CIP Project Budget Worksheet  
FY 19 Proposed CIP Budget

**Exhibit E**

#	Project Name	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY 18-19 Proposed Budget
M	6th Avenue Reconstruction from Lomitas Avenue to Valley Boulevard (co-op with L.A. County)	225,000	225,000	630,000
N	Pellissier Place Reconstruction and Resurfacing, Peck Road to Workman Mill Road	100,000	100,000	10,000
O	Louden Lane Resurfacing	133,000	133,000	135,000
P	Stafford Street Resurfacing from Unruh Avenue to Hudson Avenue	383,000	383,000	-
Q	Stoner Creek Road Reconstruction from Gale Avenue to Castleton Street, and Gale Avenue (east bound right turn lane including sidewalk, landscaping and embankment pavers at the bridge under the Pomona Freeway)	260,000	260,000	-
R	Rowland Avenue Reconstruction, Lawson Avenue to 800' west of Ajax Avenue	900,000	900,000	1,000,000
S	Lemon Avenue Improvements	951,724	951,724	1,000,000
T	Clark Avenue & 9th Avenue	100,000	100,000	105,000
U	Citywide Street Curb & Median Re-Painting	600,000	600,000	15,000
	Valley Boulevard PCC Pavement, Hacienda Boulevard to Turnbull Canyon Road	-	709,509	-
	Baldwin Park Blvd. & Amar Road Guardrail & Intersection Improvements	-	204,733	-
V	Valley Blvd - Old Valley to Azusa	-	-	200,000
W	Walnut Drive North Widening, Fairway to Nogales	-	-	600,000
X	East Gale Avenue (Auto Mall)	-	-	75,000
Y	Annual Bustop ADA Improvements	-	-	525,000
Z	Fullerton Road PCC, north of Rowland to Valley	-	-	400,000
AA	Business Parkway Reconstruction	-	-	200,000
AB	Annual Pavement Rehabilitation FY 19	-	-	1,300,000

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**Exhibit E**

#	Project Name	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY 18-19 Proposed Budget
AC	Citywide Sign Replacement	-	-	695,000
AD	Gale Avenue Realignment	-	-	300,000
AE	Fairway Grade Separation Streetlight project	-	-	160,000
AF	Auto Mall Car Dealership Alley Improvements	-	-	80,000
<b>Subtotal:</b>		<b>\$ 17,894,724</b>	<b>\$ 18,808,966</b>	<b>\$ 19,339,000</b>
<b>3. Bridge Widening, Seismic Retrofit, and Preventative Maintenance</b>				
A	Azusa Avenue Bridge Painting (bridge spans over Valley Boulevard, UPRR R/W, San Jose Creek and Chestnut Street)	\$ 600,000	\$ 600,000	\$ 7,360,000
B	Grand Avenue Bridge Widening at San Jose Creek	250,000	250,000	320,000
C	Seismic Retrofit Anaheim-Puente Over San Jose Creek	250,000	250,000	370,000
D	Nelson Avenue Over Puente Creek	419,000	419,000	420,000
<b>Subtotal:</b>		<b>\$ 1,519,000</b>	<b>\$ 1,519,000</b>	<b>\$ 8,470,000</b>
<b>4. Traffic Signal and Traffic Related Improvements</b>				
	Don Julian Road and 6th Avenue Traffic Signal and Intersection Modifications (new signal; includes R/W)	\$ 570,000	\$ 570,000	\$ -
A	Traffic Signal and Intersection Modifications at Nelson Avenue and Sunset Avenue (to add left turn pockets on Nelson Avenue; shared with La Puente)	1,000,000	1,000,000	1,000,000
B	Traffic Signal and Intersection Modifications at Nelson Avenue and Puente Avenue (to add left turn pockets on Nelson Avenue; shared with La Puente and L.A. County)	1,000,000	1,000,000	1,000,000
C	Azusa Avenue and Temple Avenue Intersection Modifications (for dual right turn lanes for eastbound Temple Avenue to southbound Azusa Avenue)	1,000,000	1,000,000	950,000
<b>Subtotal:</b>		<b>\$ 3,570,000</b>	<b>\$ 3,570,000</b>	<b>\$ 2,950,000</b>
<b>5. Storm Drain &amp; Stormwater Improvements</b>				
A	Ajax Avenue Storm Drain	\$ 560,000	\$ 560,000	\$ 325,000.0

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**Exhibit E**

#	Project Name	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY 18-19 Proposed Budget
	Grade Separation Pump House Upgrades	450,000	450,000	-
B	Regional Infiltration Basin - MS4 Requirement (San Angelo Park)	1,400,000	1,400,000	150,000
C	Catch Basin Retrofits Phase I - MS4 Requirement	550,000	550,000	200,000
D	Multi-Benefit Stormwater Capture Projects for USGR EWMP (30% design)	-	680,000	175,000
	City of Industry Stormwater Capture Project	-	650,000	-
E	Four Grade Separation Pump House Upgrades	-	250,444	1,730,000
F	Catch Basin Retrofits Phase II - MS4 Requirement	-	-	1,300,000
G	Kella Avenue Storm Drain	-	-	150,000
<b>Subtotal:</b>		<b>\$ 2,960,000</b>	<b>\$ 4,540,444</b>	<b>\$ 4,030,000</b>
<b>6. IPUC - Water Utility</b>				
A	Starhill Lane & 3rd Avenue Waterline Improvements	\$ 58,000	\$ 58,000	\$ 545,000
B	4th Avenue & Trailside Waterline Improvements	-	-	648,000
C	Don Julian & basetdale Waterline Improvements	-	-	270,000
D	Lomitas Generator	-	-	338,000
<b>Subtotal:</b>		<b>\$ 58,000</b>	<b>\$ 58,000</b>	<b>\$ 1,801,000</b>
<b>7. IPUC - Electric Utility</b>				
A	Electric Vehicle ("EV") Pay for Use Charging Stations at the Metrolink	\$ 310,000	\$ 310,000	\$ 385,000
B	Azusa-Chestnut Development (Distribution lines & service connections)	150,000	150,000	30,000
C	City Streelights Purchase & LED upgrade	2,880,000	2,880,000	3,230,000
D	IBC East Side Street Light, Cabling, & Fiber Optic Substructure Plan (PUI)	-	-	155,000
E	Grand Crossing Substation - Phase 1,2,3 Substructure & Cabling (PUI)	-	-	-
F	Metrolink Station Video Security System, Installation & Commission Services	-	-	98,000

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**Exhibit E**

#	Project Name	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY 18-19 Proposed Budget
G	Expansion of Solar Energy System at Metrolink Station	-	-	200,000
<b>Subtotal:</b>		<b>\$ 3,340,000</b>	<b>\$ 3,340,000</b>	<b>\$ 4,098,000</b>
<b>8. Expo Center at Industry Hills</b>				
A	Sewer Design - Expo Center Sewer Main Replacement	\$ 440,000	\$ 440,000	\$ 640,000
B	Painting the Grand Arena	760,000	760,000	1,200,000
C	Parking Lot Improvements	1,520,000	1,520,000	1,580,000
D	Pavillion Building Upgrades	750,000	750,000	-
E	Avalon Room	610,000	610,000	1,600,000
F	Patio Café Improvements	-	-	2,625,000
G	Expo Center Gate Entrance Improvements	220,000	220,000	295,000
H	Grand Arena Building Improvements	600,000	600,000	-
	Design Build Services for Solar Carport Canopy Power Generation System at City Hall	1,692,500	1,692,500	-
I	Expo Barn Facilities Lighting Design & Specification Services	-	-	155,000
J	Industry Hills Trail Grading Improvements Design	-	-	440,000
K	Industry Hills Trail Lighting Design	-	-	800,000
<b>Subtotal:</b>		<b>\$ 6,592,500</b>	<b>\$ 6,592,500</b>	<b>\$ 9,335,000</b>
<b>9. Industry Hills Golf &amp; Convention Facilities</b>				
A	Repair settlement damage at the parking structure and adjacent employee parking area, including repairs of the perimeter parking lot lighting	\$ 300,000	\$ 300,000	\$ 375,000
B	Repair settlement damage at the laundry building	300,000	300,000	375,000
<b>Subtotal:</b>		<b>\$ 600,000</b>	<b>\$ 600,000</b>	<b>\$ 750,000</b>
<b>10. Open Spaces/Tonner Canyon/Tres Hermanos</b>				
A	Replacement of Steel Waterline Crossing over Brea Creek (\$175,000) and Upgrades of the Booster Pump Station at Brea Canyon Road (\$40,000) (Just East of the 57 Fwy)	\$ 325,000	\$ 325,000	\$ 325,000

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**Exhibit E**

#	Project Name	FY 17-18 Adopted Budget	FY 17-18 Amended Budget	FY 18-19 Proposed Budget
B	Replacement of Water Lines and Valves	700,000	700,000	340,000
C	Follows Camp	-	-	350,000
D	Arnold Reservoir Rip Rap	-	-	350,000
<b>Subtotal:</b>		<b>\$ 1,025,000</b>	<b>\$ 1,025,000</b>	<b>\$ 1,365,000</b>
<b>11. Civic Center Facilities</b>				
A	City Hall Emergency Standby Power Generator	\$ 320,000	\$ 434,316	\$ 305,000
B	Design Build Services for Solar Carport Canopy Power Generation System at City Hall	1,692,500	1,692,500	430,000
C	LED Lighting Upgrade & Water Closet Replacement	-	14,535	-
D	City Hall Signage & Painting	-	-	130,000
<b>Subtotal:</b>		<b>\$ 2,012,500</b>	<b>\$ 2,141,351</b>	<b>\$ 865,000</b>
<b>12. Facilities Improvements</b>				
A	EI Encanto Convalescent Hospital Roof Repair	\$ -	\$ 34,440	\$ 100,000
B	EI Encanto Underground Electrical (Parking Lot Lighting)	-	-	82,000
C	Hudson Building Design, Phase 1	-	-	185,000
D	Hatcher Warehouse Upgrades	-	-	100,000
E	EI Encanto - carpet, molding, wall covering & Hand Rails	-	-	465,000
F	EI Encanto - Sub Acute Dialysis Center	-	-	280,000
G	Hudson Building, Phase 2	-	-	100,000
H	Hatcher Yard Facility Demolition	-	-	45,000
<b>Subtotal:</b>		<b>\$ -</b>	<b>\$ 34,440</b>	<b>\$ 1,357,000</b>
<b>GRAND TOTALS</b>		<b>\$ 45,621,724</b>	<b>\$ 48,279,701</b>	<b>\$ 59,900,000</b>