CITY OF INDUSTRY

CITY COUNCIL
REGULAR MEETING
AGENDA

January 23, 2020
9:00 AM

Mayor Cory C. Moss
Mayor Pro Tem Cathy Marcucci
Council Member Abraham Cruz
Council Member Mark D. Radecki
Council Member Newell Ruggles

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

Addressing the City Council:

- ***Agenda Items:*** *Members of the public may address the City Council on any matter listed on the Agenda. In order to conduct a timely meeting, there will be a three-minute time limit per person for any matter listed on the Agenda. Anyone wishing to speak to the City Council is asked to complete a Speaker's Card which can be found at the back of the room and at the podium. The completed card should be submitted to the City Clerk prior to the Agenda item being called and prior to the individual being heard by the City Council.*

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

Americans with Disabilities Act:

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

Agendas and other writings:

- *In compliance with SB 343, staff reports and other public records permissible for disclosure related to open session agenda items are available at City Hall, 15625 East Stafford Street, Suite 100, City of Industry, California, at the office of the City Clerk during regular business hours, Monday through Thursday 8:00 a.m. to 5:00 p.m., Fridays 8:00 a.m. to 4:00 p.m. Any person with a question concerning any agenda item may call the City Clerk's Office at (626) 333-2211.*

1. Call to Order

2. Flag Salute

3. Roll Call

4. Public Comments

5. CONSENT CALENDAR

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

5.1 Consideration of the Register of Demands for January 23, 2020

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

5.2 Consideration of Amendment No. 4 to the License Agreement with Downtown Apex Motors, LLC, for Access to Assessor's Parcel No. 8264-012-925 located at the southeast corner of South Hatcher Avenue and Gale Avenue, as a Temporary Overflow Parking Area for Vehicle Inventory

RECOMMENDED ACTION: Approve the Amendment.

5.3 Consideration of Annual Audited Financial Statements for the Fiscal Year Ended June 30, 2019

RECOMMENDED ACTION: Approve Annual Audited Financial Statements for FY 18-19

5.4 Consideration of Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and other Matters for the Fiscal Year Ended June 30, 2019

RECOMMENDED ACTION: Approve Independent Auditor's Report for FY 18-19.

5.5 Consideration of Auditor's Communications with the City Council for the Fiscal Year Ended June 30, 2019

RECOMMENDED ACTION: Approve Auditor's Communication Report for FY 18-19.

5.6 Consideration of Independent Auditor's Report on Agreed-Upon Procedures Applied to the Appropriations Limit Worksheets for the Fiscal Year Ending June 30, 2020

RECOMMENDED ACTION: Approve the Appropriations Limit Worksheet for FY 19-20

6. ACTION ITEMS

6.1 Consideration of Resolution No. CC 2020-01 approving a donation to the Veterans Benefit Team Roping Foundation in the amount of $25,000

RECOMMENDED ACTION: Adopt Resolution No. CC 2020-01.

6.2 Discussion and consideration of one appointment to serve on the City of Industry Planning Commission

RECOMMENDED ACTION: Discuss and make the appointment to the Planning Commission and/or provide additional direction to staff.

6.3 Consideration of a License Agreement with La Puente Valley County Water District, for Access to Assessor's Parcel No. 8208-027-918 located at the northeast corner of Parriott Place and Don Julian Road for temporary staging of construction materials and equipment

RECOMMENDED ACTION: Approve the Agreement.

6.4 Consideration of an Amended and Restated Professional Services Agreement with Industry Security Services, Inc., for Security Services at various locations throughout the City, in the amount of $3,505,890.81 million dollars for the period of January 23, 2020 through December 31, 2022

RECOMMENDED ACTION: Approve the Agreement.

6.5 Consideration of Amendment No. 1 to the Professional Services Agreement with ORSA Consulting Engineers, Inc. for Phase 2 of the engineering design of new streetlights along Arenth Avenue, in an amount not to exceed $95,000.00 (MP 14-12 #3)

RECOMMENDED ACTION: Approve the Amendment.

6.6 Consideration of Amendment No. 2 to the Funding Agreement with LACMTA for the SR 57/60 Confluence, Grand Avenue at Golden Springs Drive

RECOMMENDED ACTION: Approve the Amendment.

6.7 Consideration of Award of El Encanto Healthcare Facility Interior Improvements to BLD Builders, Inc. for an amount not to exceed $1,130,232.00, and adoption of a Notice of Exemption regarding same (Project No. CIP-FAC-19-064-B)

RECOMMENDED ACTION: Award the contract to BLD Builders, Inc. in the amount of $1,130,232.00, and adopt a Notice of Exemption for the project.

7. **CLOSED SESSION**

7.1 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2): One potential case

7.2 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION
Initiation of litigation pursuant to Government Code Section 54956.98(d)(4); One Case

8. **CITY MANAGER REPORTS**

9. **AB 1234 REPORTS**

10. **CITY COUNCIL COMMUNICATIONS**

11. Adjournment. The next regular City Council Meeting will be Thursday, February 13, 2020 at 9:00 a.m.

CITY COUNCIL

ITEM NO. 5.1

CITY OF INDUSTRY
AUTHORIZATION FOR PAYMENT OF BILLS
CITY COUNCIL MEETING OF JANUARY 23, 2020

FUND RECAP:

FUND	DESCRIPTION	DISBURSEMENTS
100	GENERAL FUND	2,679,809.14
103	PROP A FUND	4,962.27
120	CAPITAL IMPROVEMENT FUND	167,142.78
140	CITY DEBT SERVICE	5,000.00
TOTAL ALL FUNDS		2,856,914.19

BANK RECAP:

BANK	NAME	DISBURSEMENTS
BOFA	BANK OF AMERICA - CKING ACCOUNT	471,655.98
PROP/A	PROP A - CKING ACCOUNT	4,962.27
REF	REFUSE - CKING ACCOUNT	1,552,450.94
WFBK	WELLS FARGO - CKING ACCOUNT	827,845.00
TOTAL ALL BANKS		2,856,914.19

APPROVED PER CITY MANAGER

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CITY OF INDUSTRY

BANK OF AMERICA

January 23, 2020

Check	Date			Payee Name	Check Amount
CITYGEN.CHK - City General					
1138	12/13/2019			**JOHN HANCOCK USA**	$8,154.03
	Invoice	Date	Description	Amount	
	10/19-11/29/19	12/11/2019	PARS CONTRIBUTION FOR OCT/NOV 2019	$8,154.03	
1139	12/18/2019			**CAL-PERS**	$57,956.15
	Invoice	Date	Description	Amount	
	JANUARY 2020	12/16/2019	CALPERS MEDICAL PREMIUM FOR JANUARY 2020	$57,956.15	
1140	12/19/2019			**MIDAMERICA ADMINISTRATIVE &**	$46,545.80
	Invoice	Date	Description	Amount	
	JAN-FEB 2020	12/17/2019	MEDICAL PREMIUM REIMBURSEMENTS	$46,545.80	
1141	01/01/2020			**MIDAMERICA ADMINISTRATIVE &**	$224,000.00
	Invoice	Date	Description	Amount	
	JAN-DEC2020	01/01/2020	ANNUAL INSTALLMENT FOR HRA ACCOUNT	$224,000.00	
24446	01/06/2020			**CIVIC RECREATIONAL INDUSTRIAL**	$110,000.00
	Invoice	Date	Description	Amount	
	1/6/2020	01/06/2020	TRANSFER FUNDS-CRIA A/P FOR REG 1/8/20	$110,000.00	
24447	01/08/2020			**INDUSTRY PROPERTY & HOUSING**	$25,000.00
	Invoice	Date	Description	Amount	
	1/8/2020	01/08/2020	TRANSFER FUNDS-IPHMA A/P FOR REG 1/8/20	$25,000.00	

Checks	Status	Count	Transaction Amount
	Total	**6**	**$471,655.98**

CITY OF INDUSTRY

PROP A

January 23, 2020

Check	Date			Payee Name	Check Amount
PROPA.CHK - Prop A Checking					
90142	01/08/2020			**SO CALIFORNIA EDISON COMPANY**	$144.12
	Invoice	Date	Description	Amount	
	2020-00000957	12/23/2019	11/21/-12/21/19 SVC-600S BREA CYN B	$144.12	
90143	01/23/2020			**CITY OF INDUSTRY-REFUSE**	$78.80
	Invoice	Date	Description	Amount	
	3886613	01/01/2020	DISP SVC-METROLINK	$78.80	
90144	01/23/2020			**CNC ENGINEERING**	$2,925.00
	Invoice	Date	Description	Amount	
	500053	01/09/2020	FULLERTON RD GRADE SEPARATION	$780.00	
	500054	01/09/2020	FAIRWAY DR GRADE SEPARATION	$2,145.00	
90145	01/23/2020			**INDUSTRY SECURITY SERVICES**	$1,713.95
	Invoice	Date	Description	Amount	
	14-24394	01/10/2020	SECURITY SVC-METROLINK	$1,713.95	
90146	01/23/2020			**SO CAL INDUSTRIES**	$100.40
	Invoice	Date	Description	Amount	
	417897	12/31/2019	RR RENTAL-METROLINK	$100.40	

Checks	Status	Count	Transaction Amount
	Total	5	$4,962.27

CITY OF INDUSTRY
WELLS FARGO REFUSE
January 23, 2020

Check	Date			Payee Name	Check Amount
REFUSE - Refuse Account					
WT269	01/09/2020			**CITY OF INDUSTRY DISPOSAL CO.**	$1,537,096.96
	Invoice	Date	Description	Amount	
	3888358	01/09/2020	REFUSE SVC 12/1-12/31/19	$1,537,096.96	
80142	01/23/2020			**KINGWAY, INC.**	$211.36
	Invoice	Date	Description	Amount	
	1/7/2020	01/07/2020	REFUND DUE TO OVERPAYMENT-CID ACCOUNT	$211.36	
80143	01/23/2020			**SHIMMICK CONSTRUCTION**	$15,142.62
	Invoice	Date	Description	Amount	
	1/7/2020	01/07/2020	REFUND DUE TO OVERPAYMENT-CID ACCOUNT	$15,142.62	

Checks	Status	Count	Transaction Amount
	Total	3	**$1,552,450.94**

CITY OF INDUSTRY

WELLS FARGO VOIDED CHECK

January 23, 2020

Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
71748	08/08/2019		01/15/2020	**THE BIG NORWEGIAN**	($663.24)
	Invoice	Date	Description		Amount
	55662	03/29/2019	REPAIR 2011 CAT 430E-TONNER CYN		($663.24)

Check	Status	Count	Transaction Amount
	Total	**1**	**($663.24)**

CITY OF INDUSTRY
WELLS FARGO BANK
January 23, 2020

Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
72809	01/09/2020			AT & T	$506.44
	Invoice	Date	Description	Amount	
	2020-00000939	12/17/2019	12/17-01/16/20 SVC - TONNER CYN-RADIO	$255.87	
	2020-00000940	12/17/2019	12/17-01/16/20 SVC - TONNER CYN-GUARD SHACK	$250.57	
72810	01/09/2020			FRONTIER	$334.31
	Invoice	Date	Description	Amount	
	2020-00000941	12/16/2019	12/16-01/15/20 SVC - PH AUTO PLAZA	$182.92	
	2020-00000942	12/16/2019	12/16-01/15/20 SVC - BREA CYN PUMP STN	$77.94	
	2020-00000943	12/19/2019	12/19-01/18/20 SVC - FOLLOW'S CAMP GUARD	$73.45	
72811	01/09/2020			LA PUENTE VALLEY COUNTY	$1,970.66
	Invoice	Date	Description	Amount	
	2020-00000944	12/18/2019	10/18-12/18/19 SVC - 15414 DON JULIAN RD	$455.70	
	2020-00000945	12/18/2019	10/18-12/18/19 SVC - 15414 DON JULIAN RD (IRRI)	$883.74	
	2020-00000946	12/18/2019	10/18-12/18/19 SVC - 15660 STAFFORD ST	$222.00	
	2020-00000947	12/18/2019	10/18-12/18/19 SVC - 15625 STAFFORD ST	$79.73	
	2020-00000948	12/18/2019	10/18-12/18/19 SVC - 15625 STAFFORD ST	$329.49	
72812	01/09/2020			ROWLAND WATER DISTRICT	$287.51
	Invoice	Date	Description	Amount	
	2020-00000949	12/26/2019	11/13-12/12/19 SVC - 755 NOGALES AT - RC	$235.98	
	2020-00000950	12/26/2019	11/13-12/12/19 SVC - AZUSA AVE - RC	$51.53	
72813	01/09/2020			SAN GABRIEL VALLEY WATER CO.	$571.22
	Invoice	Date	Description	Amount	

CITY OF INDUSTRY
WELLS FARGO BANK
January 23, 2020

Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
	2020-00000951	12/16/2019	11/14-12/13/19 SVC - 14329 VALLEY	$334.01	
	2020-00000952	12/17/2019	11/15-12/16/19 SVC - 336 EL ENCANTO	$42.25	
	2020-00000953	12/30/2019	11/26-12/27/19 SVC - IRRIG SALT LAKE/SEVENTH	$194.96	
72814	01/09/2020			**SO CALIFORNIA EDISON COMPANY**	$43,555.09
	Invoice	Date	Description	Amount	
	2020-00000921	12/12/2019	11/08-12/11/19 SVC - 575 BALDWIN PARK BLVD U	$71.24	
	2020-00000922	12/13/2019	11/12-12/12/19 SVC - 490 7TH U	$59.25	
	2020-00000923	12/18/2019	11/15-12/17/19 SVC - PECK RD S/O PELLISSIER	$27.26	
	2020-00000925	12/18/2019	11/15-12/17/19 SVC - 1341 FULLERTON RD	$90.25	
	2020-00000926	12/18/2019	11/15-12/17/19 SVC - 17635 GALE	$1,329.86	
	2020-00000927	12/19/2019	11/01/16-12/01/19 SVC - VARIOUS SITES	$37,128.07	
	2020-00000928	12/21/2019	11/20-12/20/19 SVC - 14661 & 14911 CLARK AVE U	$122.56	
	2020-00000929	12/23/2019	11/21-12/21/19 SVC - 1007 LAWSON ST TC1	$42.37	
	2020-00000930	12/23/2019	11/21-12/21/19 SVC - 580 BREA CYN RD	$10.27	
	2020-00000931	12/23/2019	11/21-12/21/19 SVC - 575 BREA CYN RD	$10.37	
	2020-00000932	12/23/2019	11/21-12/21/19 SVC - 21380 VALLEY PED	$9.63	
	2020-00000933	12/26/2019	11/23-12/24/19 SVC - VARIOUS SITES	$672.34	
	2020-00000934	12/27/2019	11/20-12/20/19 SVC - 1015 NOGALES ST	$676.89	
	2020-00000935	12/27/2019	11/23-12/24/19 SVC - BREA CYN RD-VARIOUS SITES	$948.19	
	2020-00000936	12/28/2019	11/26-12/27/19 SVC - 137 N HUDSON AVE	$538.71	
	2020-00000937	12/28/2019	11/26-12/27/19 SVC - 205 N HUDSON AVE	$226.29	
	2020-00000938	12/28/2019	11/26-12/27/19 SVC - 15660 STAFFORD ST	$1,591.54	
72815	01/09/2020			**SO CALIFORNIA EDISON COMPANY**	$195.93
	Invoice	Date	Description	Amount	

CITY OF INDUSTRY
WELLS FARGO BANK
January 23, 2020

Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
	2020-00000924	12/18/2019	11/15-12/17/19 SVC - 19001 TONNER CYN RD	$195.93	
72816	01/09/2020			**SO CALIFORNIA EDISON COMPANY**	$9,399.77
	Invoice	Date	Description	Amount	
	2020-00000913	12/19/2019	04/16-12/17/19 SVC - VARIOUS SITES	$2,057.17	
	2020-00000914	12/19/2019	05/16-12/17/19 SVC - VARIOUS SITES	$218.06	
	2020-00000915	12/19/2019	11/18-12/18/19 SVC - 900 NOGALES U	$32.72	
	2020-00000916	12/19/2019	11/15-12/17/19 SVC - VARIOUS SITES	$5,394.40	
	2020-00000917	12/19/2019	11/12-12/17/19 SVC - VARIOUS SITES	$1,697.42	
72817	01/09/2020			**SO CALIFORNIA EDISON COMPANY**	$10,767.04
	Invoice	Date	Description	Amount	
	2020-00000918	12/19/2019	11/01-12/01/19 SVC - VARIOUS SITES	$4,584.30	
	2020-00000919	12/12/2019	06/17-11/15/19 SVC - VARIOUS SITES	$3,143.83	
	2020-00000920	12/19/2019	08/15-12/17/19 SVC - VARIOUS SITES	$3,038.91	
72818	01/09/2020			**SOCALGAS**	$244.29
	Invoice	Date	Description	Amount	
	2020-00000954	12/17/2019	11/13-12/13/19 SVC - 610 S BREA CYN RD	$15.86	
	2020-00000955	12/23/2019	11/19-12/19/19 SVC - 13756 VALLEY BLVD	$15.88	
	2020-00000956	12/23/2019	11/20-12/20/19 SVC - 15415 DON JULIAN RD	$212.55	
72819	01/09/2020			**SOUTHERN CALIFORNIA PUBLIC**	$4,700.00
	Invoice	Date	Description	Amount	
	10167-00011-0000	09/29/2019	KPCC CORPORATE SPONSORSHIP-HOMESTEAD	$4,700.00	

CITY OF INDUSTRY
WELLS FARGO BANK
January 23, 2020

Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
72820	01/09/2020			**SUBURBAN WATER SYSTEMS**	$145.80
	Invoice	Date	Description	Amount	
	180080805816	12/23/2019	11/23-12/20/19 SVC - 205 HUDSON AVE	$37.65	
	1800410407514	12/26/2019	11/24-12/23/19 SVC - AZUSA & GEMINI	$108.15	
72821	01/09/2020			**VERIZON WIRELESS - LA**	$2,990.46
	Invoice	Date	Description	Amount	
	9845087759	12/26/2019	11/27-12/26/19 SVC - VARIOUS WIRELESS SVC	$2,990.46	
72822	01/09/2020			**WALNUT VALLEY WATER DISTRICT**	$6,775.58
	Invoice	Date	Description	Amount	
	3520904	12/10/2019	11/01-11/30/19 SVC - BAKER PKWY METER #1	$250.60	
	3520905	12/10/2019	11/01-11/30/19 SVC - BAKER PKWY METER #2	$253.46	
	3520911	12/10/2019	11/01-11/30/19 SVC - GRAND AVE CROSSING	$290.61	
	3520912	12/10/2019	11/01-11/30/19 SVC - GRAND AVE CROSSING	$79.84	
	3520914	12/10/2019	11/01-11/30/19 SVC - 22002 VALLEY BLVD	$106.72	
	3520932	12/10/2019	11/01-11/30/19 SVC - GRAND CROSSING EAST	$39.04	
	3520933	12/10/2019	11/01-11/30/19 SVC - GRAND CROSSING WEST	$102.96	
	3520934	12/10/2019	11/01-11/30/19 SVC - BAKER PKWY & GRAND N/W CNR	$1,053.78	
	3520941	12/10/2019	11/01-11/30/19 SVC - E/S GRAND S/O BAKER PKWY	$110.02	
	3520968	12/10/2019	11/01-11/30/19 SVC - END OF BAKER PKWY-TEMP	$3,670.61	
	3520974	12/10/2019	11/01-11/30/19 SVC - 21627 GRAND CROSSING PKWY	$164.86	
	3520975	12/10/2019	11/01-11/30/19 SVC - 21627 GRAND CROSSING PKWY	$163.43	
	3520982	12/10/2019	11/01-11/30/19 SVC - GRAND CROSSING PKWY W/O	$489.65	
72823	01/09/2020			**WALNUT VALLEY WATER DISTRICT**	$910.48
	Invoice	Date	Description	Amount	
	3493421	11/04/2019	10/01-10/31/19 SVC - BAKER PKWY @ B STREET TEMP	$910.48	

CITY OF INDUSTRY
WELLS FARGO BANK
January 23, 2020

Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
72824	01/09/2020			WALNUT VALLEY WATER DISTRICT	$720.74
	Invoice	Date	Description	Amount	
	3520967	12/10/2019	11/01-11/30/19 SVC - BAKER PKWY @ B STREET TEMP	$720.74	
72825	01/14/2020			SCHYLLING INC.	$515.38
	Invoice	Date	Description	Amount	
	SI9910396	10/17/2020	STORE MERCHANDISE-HOMESTEAD	$515.38	
72826	01/15/2020			FRONTIER	$200.98
	Invoice	Date	Description	Amount	
	2020-00001071	01/02/2020	01/02-02/01/20 SVC - 1015 NOGALES ST	$55.99	
	2020-00001072	01/02/2020	01/02-02/01/20 SVC - IH GOLF COURSE FUEL PUMP	$144.99	
72827	01/15/2020			LA PUENTE VALLEY COUNTY	$17,958.78
	Invoice	Date	Description	Amount	
	2020-00001046	12/18/2019	10/18-12/18/19 SVC - 211 HACIENDA BLVD IRR	$177.51	
	2020-00001047	12/18/2019	10/18-12/18/19 SVC - HUDSON AVE IRRI	$559.02	
	2020-00001048	12/18/2019	10/18-12/18/19 SVC - STAFFORD ST IRRI	$586.08	
	2020-00001049	12/18/2019	10/18-12/18/19 SVC - 220 HACIENDA BLVD IRRI	$379.44	
	2020-00001050	12/18/2019	10/18-12/18/19 SVC - NELSON AVE IRRI	$1,466.76	
	2020-00001051	12/18/2019	10/18-12/18/19 SVC - SOTRO ST IRRI	$851.76	
	2020-00001052	12/18/2019	10/18-12/18/19 SVC - 15651 STAFFORD ST	$1,545.48	
	2020-00001053	12/18/2019	10/18-12/18/19 SVC - DON JULIAN RD	$1,159.94	
	2020-00001054	12/18/2019	10/18-12/18/19 SVC - PARRIOTT & DON JULIAN RD	$167.88	
	2020-00001055	12/18/2019	10/18-12/18/19 SVC - PROCTOR & EL ENCANTO	$416.34	
	2020-00001056	12/18/2019	10/18-12/18/19 SVC - HACIENDA BLVD IRRI	$128.31	

CITY OF INDUSTRY
WELLS FARGO BANK
January 23, 2020

Check	Date		Payee Name		Check Amount
CITY.WF.CHK - City General Wells Fargo					
	2020-00001057	12/18/2019	10/18-12/18/19 SVC - 15415 DON JULIAN RD IRRI	$3,329.40	
	2020-00001058	12/18/2019	10/18-12/18/19 SVC - 15414 DON JULIAN RD IRRI	$672.18	
	2020-00001059	12/18/2019	10/18-12/18/19 SVC - 15414 DON JULIAN RD	$183.49	
	2020-00001060	12/18/2019	10/18-12/18/19 SVC - 201 STAFFORD ST IRRI	$2,260.47	
	2020-00001061	12/18/2019	10/18-12/18/19 SVC - VALLEY BLVD IRRI	$88.95	
	2020-00001062	12/18/2019	10/18-12/18/19 SVC - 15415 DON JULIAN RD IRRI	$994.86	
	2020-00001063	12/18/2019	10/18-12/18/19 SVC - RAUSCH RD IRRI	$288.21	
	2020-00001064	12/18/2019	10/18-12/18/19 SVC - RAUSCH RD IRRI	$312.81	
	2020-00001065	12/18/2019	10/18-12/18/19 SVC - STAFFORD & OLD VALLEY	$763.20	
	2020-00001066	12/18/2019	10/18-12/18/19 SVC - ALONG RAILROAD TRACK	$514.74	
	2020-00001067	12/18/2019	10/18-12/18/19 SVC - 1 AZUSA WAY IRRI	$547.02	
	2020-00001068	12/18/2019	10/18-12/18/19 SVC - 285 HACIENDA BLVD IRRI	$84.03	
	2020-00001069	12/18/2019	10/18-12/18/19 SVC - HACIENDA & STAFFORD ST	$313.02	
	2020-00001070	12/18/2019	10/18-12/18/19 SVC - HACIENDA & STAFFORD IRR	$167.88	
72828	01/15/2020		**ROWLAND WATER DISTRICT**		$2,581.81
	Invoice	Date	Description	Amount	
	2020-00001073	12/26/2019	11/14-12/13/19 SVC - AZUSA AVE	$53.98	
	2020-00001074	12/26/2019	11/14-12/13/19 SVC - AZUSA AVE - CENTER	$56.30	
	2020-00001075	12/26/2019	11/14-12/13/19 SVC - 909 U NOGALES ST - IRR	$361.85	
	2020-00001076	12/26/2019	11/13-12/12/19 SVC - HURLEY ST & VALLEY BLVD	$451.43	
	2020-00001077	12/26/2019	11/13-12/12/19 SVC - 930 S AZUSA AVE	$410.48	
	2020-00001078	12/26/2019	11/13-12/12/19 SVC - 1135 HATCHER AVE	$40.55	
	2020-00001079	12/26/2019	11/13-12/12/19 SVC - 1123 HATCHER ST STE D	$62.60	
	2020-00001080	12/26/2019	11/13-12/12/19 SVC - 1123 HATCHER ST STE C	$43.70	
	2020-00001081	12/26/2019	11/14-12/13/19 SVC - 1100 S AZUSA AVE	$165.87	

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Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
	2020-00001082	12/26/2019	11/13-12/12/19 SVC - 17401 E VALLEY BLVD	$513.60	
	2020-00001083	12/26/2019	11/13-12/12/19 SVC - 18044 ROWLAND ST	$75.20	
	2020-00001084	12/26/2019	11/14-12/13/19 SVC - 1023 NOGALES ST - IRR	$40.55	
	2020-00001085	12/26/2019	11/14-12/13/19 SVC - 1015 NOGALES ST - PUMP	$305.70	
72829	01/15/2020			SO CALIFORNIA EDISON COMPANY	$479.09
	Invoice	Date	Description	Amount	
	2020-00001086	01/02/2020	12/01-01/01/20 SVC - 1 VALLEY/AZUSA	$17.01	
	2020-00001087	01/03/2020	12/01-01/01/20 SVC - NOGALES ST/SAN JOSE AVE	$462.08	
72830	01/15/2020			SOCALGAS	$50.19
	Invoice	Date	Description	Amount	
	2020-00001088	01/03/2020	11/27-12/30/19 SVC - 1015 NOGALES ST STE 101	$17.00	
	2020-00001089	01/03/2020	11/27-12/30/19 SVC - 710 NOGALES ST	$16.27	
	2020-00001090	01/06/2020	12/02-01/03/20 SVC - 1 INDUSTRY HILLS PKWY	$16.92	
72831	01/15/2020			WALNUT VALLEY WATER DISTRICT	$654.12
	Invoice	Date	Description	Amount	
	3520984	12/10/2019	10/16-11/30/19 SVC - SE GRAND XING PKWY MTR #6	$79.84	
	3520983	12/10/2019	10/16-11/30/19 SVC - SE GRAND XING PKWY MTR #7	$574.28	
72832	01/23/2020			AVANT-GARDE, INC	$6,450.00
	Invoice	Date	Description	Amount	
	5826	12/02/2019	PROJECT MGMT-CITYWIDE BRIDGES	$5,465.00	
	5871	01/02/2020	PRIJECT MGMT-CITYWIDE BRIDGES	$985.00	
72833	01/23/2020			BCM CUSTOMER SERVICE, INC.	$6,146.28

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Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
	Invoice	Date	Description	Amount	
	294777	01/01/2020	A/C MAINT FOR JAN 2020-EL ENCANTO	$1,973.83	
	297621	11/14/2019	REPAIR A/C-EL ENCANTO	$4,172.45	
72834	01/23/2020			**BIGGS CARDOSA ASSOCIATES, INC.**	$9,238.93
	Invoice	Date	Description	Amount	
	77733	12/05/2019	AZUSA AVE BRIDGE REPAINTING	$9,238.93	
72835	01/23/2020			**BLAKE AIR CONDITIONING COMPANY**	$1,419.00
	Invoice	Date	Description	Amount	
	M47990	12/23/2019	QTRLY MAINT-CITY HALL	$1,419.00	
72836	01/23/2020			**CHRISTINA AGUIRRE**	$2,607.00
	Invoice	Date	Description	Amount	
	FALL 2019	01/06/2020	REIMBURSE FOR TUITION/BOOKS	$2,607.00	
72837	01/23/2020			**CINTAS CORPORATION LOC 693**	$166.80
	Invoice	Date	Description	Amount	
	4038110558	12/23/2019	DOOR MATS	$55.60	
	4038651296	12/30/2019	DOOR MATS	$55.60	
	4039231754	01/06/2020	DOOR MATS	$55.60	
72838	01/23/2020			**CITY OF INDUSTRY DISPOSAL CO.**	$2,239.52
	Invoice	Date	Description	Amount	
	3868915	12/31/2019	DISP SVC-3226 GILMAN RD	$84.51	
	3868916	12/31/2019	DISP SVC-16000 TEMPLE AVE	$140.85	

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Check	Date	Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo			
3868917	12/31/2019	DISP SVC-14362 PROCTOR AVE	$84.51
3868918	12/31/2019	DISP SVC-15710 NELSON AVE	$28.17
3868919	12/31/2019	DISP SVC-15702 NELSON AVE	$28.17
3868920	12/31/2019	DISP SVC-507 TURNBULL CYN RD	$56.34
3868921	12/31/2019	DISP SVC-15730 NELSON AVE	$28.17
3868922	12/31/2019	DISP SVC-15644 NELSON AVE	$28.17
3868923	12/31/2019	DISP SVC-15626 NELSON AVE	$28.17
3868924	12/31/2019	DISP SVC-629 GIANO AVE	$56.34
3868925	12/31/2019	DISP SVC-754 S 5TH AVE	$56.34
3868926	12/31/2019	DISP SVC-210 S 9TH AVE	$56.34
3868927	12/31/2019	DISP SVC-16020 HILL ST	$28.17
3868928	12/31/2019	DISP SVC-15736 NELSON AVE	$28.17
3868929	12/31/2019	DISP SVC-15634 NELSON AVE	$28.17
3868930	12/31/2019	DISP SVC-257 TURNBULL CYN RD	$42.26
3868931	12/31/2019	DISP SVC-643 GIANO AVE	$56.34
3868932	12/31/2019	DISP SVC-15151 PROCTOR AVE	$84.51
3868933	12/31/2019	DISP SVC-15157 WALBROOK DR	$28.17
3868934	12/31/2019	DISP SVC-16000 HILL ST	$28.17
3868935	12/31/2019	DISP SVC-16010 HILL ST	$56.34
3868936	12/31/2019	DISP SVC-16014 HILL ST	$28.17
3868937	12/31/2019	DISP SVC-16229 HANDORF RD	$28.17
3868938	12/31/2019	DISP SVC-16242 HANDORF RD	$56.34
3868939	12/31/2019	DISP SVC-16220 HANDORF RD	$84.51
3868940	12/31/2019	DISP SVC-16218 HANDORF RD	$28.17
3868941	12/31/2019	DISP SVC-16217 HANDORF RD	$56.34
3868942	12/31/2019	DISP SVC-16227 HANDORF RD	$28.17

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Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
	3868943	12/31/2019	DISP SVC-16238 HANDORF RD	$28.17	
	3868944	12/31/2019	DISP SVC-16224 HANDORF RD	$28.17	
	3868945	12/31/2019	DISP SVC-15714 NELSON AVE	$28.17	
	3868946	12/31/2019	DISP SVC-15652 NELSON AVE	$28.17	
	3868947	12/31/2019	DISP SVC-134 TURNBULL CYN RD	$28.17	
	3868948	12/31/2019	DISP SVC-14063 PROCTOR AVE	$84.51	
	3868949	12/31/2019	DISP SVC-20137 WALNUT DR S	$28.17	
	3868950	12/31/2019	DISP SVC-15722 NELSON AVE	$28.17	
	3868951	12/31/2019	DISP SVC-17229 CHESTNUT ST	$84.51	
	3898952	12/31/2019	DISP SVC-130 TURNBULL CYN RD	$28.17	
	3898953	12/31/2019	DISP SVC-132 TURNBULL CYN RD	$28.17	
	3868954	12/31/2019	DISP SVC-138 TURNBULL CYN RD	$28.17	
	3868955	12/31/2019	DISP SVC-15236 VALLEY BLVD	$169.02	
	3868956	12/31/2019	DISP SVC-16200 TEMPLE AVE	$84.51	
	3868957	12/31/2019	DISP SVC-14310 PROCTOR AVE	$84.51	
	3868958	12/31/2019	DISP SVC-16212 TEMPLE AVE	$84.51	
72839	01/23/2020			**CITY OF INDUSTRY-PAYROLL ACCT**	$125,000.00
	Invoice	Date	Description	Amount	
	P/R PE 12/27/19	01/08/2020	REPLENISH PAYROLL FOR PE 12/27/19	$125,000.00	
72840	01/23/2020			**CITY OF INDUSTRY-REFUSE**	$11,216.37
	Invoice	Date	Description	Amount	
	3888009	12/31/2019	DISP SVC-1123 HATCHER	$5,673.92	
	3887024	01/01/2020	DISP SVC-CITY BUS STOPS	$4,796.49	
	3888056	12/31/2019	HADDICK'S IMPOUND YARD	$745.96	

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72841	01/23/2020		CNC ENGINEERING	$75,053.99
	Invoice	Date	Description	Amount
	500012	01/09/2020	RESURFACING DESIGN-EXPO PARKING LOT	$14,588.70
	500013	01/09/2020	AVALON ROOM DESIGN	$390.00
	500014	01/09/2020	METROLINK STATION SECURITY SYSTEM	$195.00
	500015	01/09/2020	SITE PLAN FOR SHERIFF TRAILER	$160.00
	500017	01/09/2020	FOUR GRADE SEPARATION PUMP STATION	$975.00
	500018	01/09/2020	CATCH BASIN RETROFITS PHASE 2	$1,297.50
	500019	01/09/2020	SEWER DESIGN-EXPO CENTER	$5,122.50
	500020	01/09/2020	ANNUAL SLURRY SEAL FY 2019	$195.00
	500021	01/09/2020	RESURFACING OF DON JULIAN RD	$2,520.00
	500022	01/09/2020	WALNUT DR NORTH WIDENING	$245.00
	500023	01/09/2020	PRELIMINARY DESIGN OF BICYCLE PATH	$2,070.00
	500024	01/09/2020	STARHILL LN/3RD AVE WATERLINE	$1,177.50
	500025	01/09/2020	DON JULIAN/BASETDALE WATERLINE	$3,072.50
	500026	01/09/2020	GENERAL ENG-PLAN APPROVAL	$2,217.50
	500027	01/09/2020	GENERAL ENG-COUNTER SVC	$1,020.00
	500028	01/09/2020	GENERAL ENG-PERMITS	$8,497.50
	500029	01/09/2020	WALNUT DR SOUTH WIDENING	$390.00
	500030	01/09/2020	ARENTH AVE RECONSTRUCTION	$615.00
	500031	01/09/2020	GENERAL ENG 12/30/19-1/5/20	$23,575.29
	500032	01/09/2020	TONNER CYN PROPERTY	$600.00
	500033	01/09/2020	EXPO CENTER STANDARDS OF FACILITY MAINT	$2,097.50
	500041	01/09/2020	INDUSTRY HILLS FUEL TANK DISPENSING	$292.50
	500040	01/09/2020	PAINT EVALUATION OF WROUGHT IRON-IND HILLS	$3,740.00

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CITY.WF.CHK - City General Wells Fargo

72842	01/23/2020	CNC ENGINEERING	$40,265.00

Invoice	Date	Description	Amount
022020	01/09/2020	MEALS/WHEELS RENT-FEB 2020	$5,000.00
500016	01/09/2020	EL ENCANTO IMPROVEMENTS	$1,360.00
500034	01/09/2020	CHINO RANCH DAM RENOVATION-TRES HERMANOS	$255.00
500035	01/09/2020	VARIOUS CITY PAID EXPENSES FOR TRES HEMANOS	$947.50
500036	01/09/2020	CITY HALL MAINT	$1,837.50
500037	01/09/2020	HOMESTEAD MUSEUM MAINT	$11,705.00
500038	01/09/2020	SALETY UPGRADES AT VARIOUS RR CROSSINGS	$780.00
500039	01/09/2020	TRAFFIC SIGNAL AT NELSON/SUNSET	$170.00
500042	01/09/2020	AZUSA AVE BRIDGE REPAINTING	$2,145.00
500043	01/09/2020	FISCAL YEAR BUDGET	$2,465.00
500044	01/09/2020	ROWLAND ST RECONSTRUCTION	$150.00
500045	01/09/2020	AZUSA AVE/TEMPLE AVE INTERSECTION	$3,310.00
500046	01/09/2020	FOLLOW'S CAMP PROPERTY	$510.00
500047	01/09/2020	RESURFACING VALLEY BLVD	$2,040.00
500048	01/09/2020	VARIOUS ASSIGNMENTS RELATED TO SA	$150.00
500049	01/09/2020	ARENTH AVE STREET LIGHT PROJECT	$820.00
500050	01/09/2020	CARTEGRAPH MGMT	$2,720.00
500051	01/09/2020	HOMESTEAD MUSEUM UPGRADES	$3,315.00
500052	01/09/2020	TURNBULL CYN RD GRADE SEPARATION	$585.00

72843	01/23/2020	CONCENTRA MEDICAL CENTERS	$143.00

Invoice	Date	Description	Amount
66614504	12/30/2019	MEDICAL REPORTS	$143.00

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Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
72844	01/23/2020			**CORELOGIC INFORMATION**	$192.50
	Invoice	Date	Description	Amount	
	81998998	12/31/2019	GEOGRAPHIC PKG-DEC 2019	$192.50	
72845	01/23/2020			**COUNTY OF LA DEPT OF PUBLIC**	$46,903.70
	Invoice	Date	Description	Amount	
	PW-19120902643	12/09/2019	STORM DAMAGE RESPONSE	$1,809.04	
	PW-19120902712	12/09/2019	PAVEMENT CRACK SEALING	$5,131.25	
	PW-19120902644	12/09/2019	STORM DRAIN MAINT	$18,025.72	
	PW-19120902890	12/09/2019	TRAFFIC SIGNAL MAINT	$346.25	
	PW-19120902889	12/09/2019	TRAFFIC SIGNAL MAINT	$5,327.78	
	PW-19120902888	12/09/2019	TRAFFIC SIGNAL MAINT	$16,263.66	
72846	01/23/2020			**DEPT OF ANIMAL CARE & CONTROL**	$2,076.44
	Invoice	Date	Description	Amount	
	12/25/19	12/25/2019	SHELTER COST-NOV 2019	$2,076.44	
72847	01/23/2020			**DIAMOND BAR ELECTRIC, INC.**	$2,135.00
	Invoice	Date	Description	Amount	
	15665	12/31/2019	REPAIR CIRCUIT BREAKER-EL ENCANTO	$2,135.00	
72848	01/23/2020			**EGOSCUE LAW GROUP, INC.**	$275.00
	Invoice	Date	Description	Amount	
	12597	01/03/2020	LEGAL SVC-FOLLOW'S CAMP	$275.00	

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Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
72849	01/23/2020			ELECTRA-MEDIA, INC	$1,763.00
	Invoice	Date	Description	Amount	
	10191	12/15/2019	PUENTE HILLS AUTO DISPLAY-JAN 2020	$1,763.00	
72850	01/23/2020			ELEVATE PUBLIC AFFAIRS, LLC	$15,000.00
	Invoice	Date	Description	Amount	
	1797	01/08/2020	MEDIA CONSULTING-DEC 2019	$15,000.00	
72851	01/23/2020			FIRST AMERICAN DATA TREE, LLC	$200.00
	Invoice	Date	Description	Amount	
	20088321219	12/31/2019	PROPERTY DATA	$200.00	
72852	01/23/2020			FRAZER, LLP	$17,100.00
	Invoice	Date	Description	Amount	
	164381	12/31/2019	SA-PROF SVC FOR DEC 2019	$17,100.00	
72853	01/23/2020			FUEL PROS, INC.	$807.93
	Invoice	Date	Description	Amount	
	47135	12/31/2019	INDUSTRY HILLS FUEL STATION MAINT	$150.00	
	46858	12/23/2019	INDUSTRY HILLS FUEL STATION MAINT	$657.93	
72854	01/23/2020			HADDICK'S AUTO BODY	$550.00
	Invoice	Date	Description	Amount	
	H-85344	11/30/2019	TOWING SVC-LIC 1347776	$45.00	
	H-86815	11/30/2019	TOWING SVC-LIC 1347776	$45.00	
	H-87140	12/30/2019	TOWING SVC-LIC 1347776	$40.00	

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Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
	H-86898	12/29/2019	TOWING SVC-LIC 1279616	$140.00	
	H-87326	12/23/2019	TOWING SVC-LIC 1279616	$80.00	
	H-88038	09/12/2019	TOWING SVC-LIC 1279616	$200.00	
72855	01/23/2020			**HELLING, TROY**	$367.17
	Invoice	Date	Description	Amount	
	1/6/2020	12/18/2019	REIMBURSEMENT FOR LUNCH MEETINGS	$367.17	
72856	01/23/2020			**HOWARD ROOFING COMPANY**	$850.00
	Invoice	Date	Description	Amount	
	22842	12/20/2019	ROOF LEAK REPAIR-CITY HALL	$425.00	
	22791	12/16/2019	ROOF LEAK REPAIR-205 HUDSON AVE	$425.00	
72857	01/23/2020			**INDUSTRY BUSINESS COUNCIL**	$64,562.89
	Invoice	Date	Description	Amount	
	NOVEMBER 2019	12/20/2019	EXPENSE REIMBURSEMENT-NOV 2019	$64,562.89	
72858	01/23/2020			**INDUSTRY SECURITY SERVICES**	$8,327.88
	Invoice	Date	Description	Amount	
	14-24388	01/10/2020	SECURITY SVC-VARIOUS CITY SITES	$8,327.88	
72859	01/23/2020			**INDUSTRY SECURITY SERVICES**	$11,731.84
	Invoice	Date	Description	Amount	
	14-24383	01/10/2020	SECURITY SVC 1/3-1/9/20	$11,731.84	
72860	01/23/2020			**JANUS PEST MANAGEMENT**	$410.00

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Invoice	Date	Description	Amount
217883	11/15/2019	PEST SVC-CITY HALL	$345.00
213315	07/19/2019	PEST SVC-TONNER CYN	$65.00

72861 01/23/2020 — **KLEINFELDER, INC.** — $54,775.16

Invoice	Date	Description	Amount
001260545	11/01/2019	EXPO CENTER-PARKING LOT "F"	$3,505.30
001266692	12/23/2019	PAVING EVALUATION- ARENTH AVE "K"	$17,865.96
001267382	01/03/2020	PAVING EVALUATION- ARENTH AVE "K"	$4,837.50
001266593	12/23/2019	EXPO CENTER PARKING LOT RECONSTRUCTION	$15,516.70
001267380	01/03/2020	EXPO CENTER PARKING LOT RECONSTRUCTION	$13,049.70

72862 01/23/2020 — **L A COUNTY DEPT OF PUBLIC** — $40,136.11

Invoice	Date	Description	Amount
IN200000513	12/19/2019	BLDG & SAFETY ONE-STOP SHOP-CT 2019	$40,136.11

72863 01/23/2020 — **L A COUNTY SHERIFF'S** — $39,388.51

Invoice	Date	Description	Amount
202011AL	01/03/2020	SPECIAL EVENT-DIRECTED PATROL	$39,388.51

72864 01/23/2020 — **LA PUENTE CAR WASH & QUICK** — $620.00

Invoice	Date	Description	Amount
1009-A	01/05/2020	CAR WASH/SERVICE-VARIOUS VEHICLES	$620.00

72865 01/23/2020 — **LAND OF THE FREE FOUNDATION** — $25,000.00

Invoice	Date	Description	Amount

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CITY.WF.CHK - City General Wells Fargo					
	1/9/2020	01/09/2020	SPONSORSHIP	$25,000.00	
72866	01/23/2020			**LUBE PIT STOP**	$85.21
	Invoice	Date	Description	Amount	
	243174	01/08/2020	AUTO MAINT-LIC 1370863	$43.60	
	242843	01/03/2020	AUTO MAINT-LIC 1094930	$41.61	
72867	01/23/2020			**MEGAN'S WINGS**	$1,000.00
	Invoice	Date	Description	Amount	
	1/9/2020	01/09/2020	SUPPORT OF THE FIREFIGHTER FUNDRAISER EVENT	$1,000.00	
72868	01/23/2020			**MX GRAPHICS, INC.**	$1,732.76
	Invoice	Date	Description	Amount	
	20005	01/07/2020	MICROFICHE SCAN	$213.53	
	19939	12/20/2019	MICROFICHE SCAN	$257.33	
	20008	01/07/2020	BLUEPRINT SVC-MP 14 12	$996.36	
	19930	12/19/2019	BLUEPRINT SVC-CIP SD 18 040 B	$265.54	
72869	01/23/2020			**NEARMAP US INC.**	$6,000.00
	Invoice	Date	Description	Amount	
	INV00149478	12/23/2019	ANNUAL RENEWAL-CITY AERIAL IMAGES	$6,000.00	
72870	01/23/2020			**NINYO & MOORE GEOTECHNICAL**	$7,756.00
	Invoice	Date	Description	Amount	
	231406	09/26/2019	ASBESTOS REPORT-EL ENCANTO	$3,995.00	
	231405	09/26/2019	LEAD SURVEY/REPORT-1123 HATCHER AVE	$2,995.00	

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CITY.WF.CHK - City General Wells Fargo					
	234506	01/02/2020	ENVIRONMENTAL CONSULTING-205 N. HUDSON AVE	$766.00	
72871	01/23/2020			**ORSA CONSULTING ENGINEERS,**	$37,500.00
	Invoice	Date	Description	Amount	
	1433-1	01/06/2020	ENGINEERING DESIGN-STREET LIGHTS ON ARENTH	$37,500.00	
72872	01/23/2020			**PEDROZA JR, SAMUEL**	$900.75
	Invoice	Date	Description	Amount	
	1/5-1/8/20	01/09/2020	REIMBURSE FOR TRAVEL EXPENSE-SACRAMENTO	$900.75	
72873	01/23/2020			**PLACEWORKS**	$5,245.35
	Invoice	Date	Description	Amount	
	70907	12/31/2019	PENSKE DEALERSHIP	$5,245.35	
72874	01/23/2020			**PRINCE GLOBAL SOLUTIONS, LLC**	$5,000.00
	Invoice	Date	Description	Amount	
	010	01/07/2020	FEDERAL ADVOCACY-DEC 2019	$5,000.00	
72875	01/23/2020			**RICOH USA, INC.**	$586.54
	Invoice	Date	Description	Amount	
	5058436579	01/01/2020	METER READING-VARIOUS COPIERS	$548.87	
	5058409682	12/24/2019	METER READING-ENGINEERING COPIER	$37.67	
72876	01/23/2020			**SAN GABRIEL VALLEY ECONOMIC**	$500.00
	Invoice	Date	Description	Amount	
	7125	01/13/2020	SPONSORSHIP	$500.00	

CITY OF INDUSTRY
WELLS FARGO BANK
January 23, 2020

Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
72877	01/23/2020			SAN GABRIEL VALLEY NEWSPAPER	$440.00
	Invoice	Date	Description	Amount	
	0011348378	12/30/2019	NOTICE OF PUBLIC HEARING	$440.00	
72878	01/23/2020			SO CAL INDUSTRIES	$282.00
	Invoice	Date	Description	Amount	
	415002	12/11/2019	RR RENTAL-TONNER CYN/57FWY	$91.26	
	417293	12/27/2019	FENCE RENTAL-INDUSTRY HILLS	$90.34	
	418306	01/03/2020	RR RENTAL-TONNER CYN/GRAND AVE	$100.40	
72879	01/23/2020			SPARKLETTS	$62.49
	Invoice	Date	Description	Amount	
	17165913 122019	12/20/2019	WATER DELIVERY	$62.49	
72880	01/23/2020			STAPLES BUSINESS ADVANTAGE	$1,259.99
	Invoice	Date	Description	Amount	
	8056882995	12/21/2019	OFFICE SUPPLIES	$47.45	
	8056804384	12/14/2019	OFFICE SUPPLIES	$1,212.54	
72881	01/23/2020			STATE COMPENSATION INS. FUND	$2,987.17
	Invoice	Date	Description	Amount	
	JANUARY 2020	01/02/2020	WORKMANS COMP PREMIUM FOR JAN 2020	$2,987.17	
72882	01/23/2020			SUPERIOR COURT OF CALIFORNIA,	$9,112.50
	Invoice	Date	Description	Amount	
	DECEMBER 2019	01/08/2020	PARKING CITATIONS REPORT-DEC 2019	$9,112.50	

CITY OF INDUSTRY
WELLS FARGO BANK
January 23, 2020

Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
72883	01/23/2020			SURETECK, INC.	$6,978.22
	Invoice	Date	Description	Amount	
	12-2019-395	01/02/2020	ON-CALL MAINT FOR VARIOUS CITY SITES	$6,978.22	
72884	01/23/2020			THE BIG NORWEGIAN	$663.24
	Invoice	Date	Description	Amount	
	55662	03/29/2019	REPAIR 2011 CAT 430E-TONNER CYN	$663.24	
72885	01/23/2020			THE TECHNOLOGY DEPOT	$4,797.50
	Invoice	Date	Description	Amount	
	12480	01/02/2020	NETWORK MAINT-TICKET #15967	$745.00	
	12486	01/03/2020	NETWORK MAINT-TICKET #15842	$165.00	
	12479	01/02/2020	NETWORK MAINT-TICKET #11132	$453.75	
	12541	01/10/2020	NETWORK MAINT-TICKET #16088	$82.50	
	12540	01/10/2020	NETWORK MAINT-TICKET #16083	$827.50	
	12530	01/08/2020	NETWORK MAINT-TICKET #16073	$41.25	
	12531	01/08/2020	NETWORK MAINT-TICKET #15922	$123.75	
	12529	01/08/2020	NETWORK MAINT-TICKET #16067	$786.25	
	12528	01/08/2020	NETWORK MAINT-TICKET #16050	$745.00	
	12527	01/08/2020	NETWORK MAINT-TICKET #16023	$745.00	
	12526	01/08/2020	NETWORK MAINT-TICKET #16006	$82.50	
72886	01/23/2020			TPX COMMUNICATIONS	$3,560.28
	Invoice	Date	Description	Amount	
	124926040-0	12/31/2019	INTERNET SVC-CITY HALL	$3,560.28	

CITY OF INDUSTRY
WELLS FARGO BANK
January 23, 2020

Check	Date			Payee Name	Check Amount
CITY.WF.CHK - City General Wells Fargo					
72887	01/23/2020			TURBO DATA SYSTEMS, INC	$632.13
	Invoice	Date	Description	Amount	
	31710	12/31/2019	CITATION PROCESSING-NOV/DEC 2019	$632.13	
72888	01/23/2020			U.S. BANK	$5,000.00
	Invoice	Date	Description	Amount	
	5595582	12/24/2019	COI-ADMIN FEES FOR TAX REV REF BOND 2015B	$3,000.00	
	5595581	12/24/2019	COI-ADMIN FEES FOR TAX REV REF BOND 2015A	$2,000.00	
72889	01/23/2020			UNION PACIFIC RAILROAD COMPANY	$194.34
	Invoice	Date	Description	Amount	
	90092580	12/12/2019	PLAN REVIEW-WIDENING OF SAN JOSE AVE	$194.34	
72890	01/23/2020			WEATHERITE SERVICE	$643.00
	Invoice	Date	Description	Amount	
	L185165	12/11/2019	A/C MAINT-HOMESTEAD	$643.00	
72891	01/23/2020			WELLS FARGO	$5,829.08
	Invoice	Date	Description	Amount	
	12/2/19-1/3/20	01/03/2020	CREDIT CARD EXPENSE P/E 1/3/20	$5,829.08	
72892	01/23/2020			WILLDAN ENGINEERING	$125.00
	Invoice	Date	Description	Amount	
	00618461	12/20/2019	ENGINEERING SVC-NELSON/PUENTE	$125.00	

CITY OF INDUSTRY
WELLS FARGO BANK
January 23, 2020

Check	Date	Payee Name	Check Amount

CITY.WF.CHK - City General Wells Fargo

Checks	Status	Count	Transaction Amount
	Total	84	$828,508.24

CITY COUNCIL

ITEM NO. 5.2

CITY OF INDUSTRY

MEMORANDUM

To: Honorable Mayor Moss and Members of the City Council

From: Troy Helling, City Manager TH

Staff: Bing Hyun, Assistant City Manager

Date: January 23, 2020

SUBJECT: Consideration of Amendment No. 4 to the License Agreement with Downtown Apex Motors, LLC, for Access to Assessor's Parcel No. 8264-012-925 located at the southeast corner of South Hatcher Avenue and Gale Avenue, as a Temporary Overflow Parking Area for Vehicle Inventory

---

Background:

On June 23, 2016, the City Council approved a license agreement with Downtown Apex Motors, LLC for the temporary use of the property located at the southeast corner of South Hatcher Avenue and Gale Avenue as an overflow parking area for vehicle inventory. Downtown Apex Motors owns the Puente Hills Maserati dealership. At that time, the license agreement was for a term of one year, terminating on June 23, 2017 with a license rate of $100 per month payable to the City of Industry.

On June 22, 2017, the City Council approved Amendment No. 1 to the license agreement extending the term for one additional year and increasing the license rate to $538.00 per month due to the size of the lot. Amendment No. 2 to the license agreement was approved extending the term for six (6) months, on July 26, 2018. Amendment No. 3 was approved on March 14, 2019, extending the term and setting a termination date of January 26, 2020.

Discussion:

Downtown Apex Motors, LLC requested extending the term of the Agreement so that it can continue using the lot for overflow parking of its vehicle inventory. Staff recommends extending the license agreement for three years. If Amendment No. 4 is approved, the new termination date is January 26, 2023.

Fiscal Impact:

Downtown Apex Motors, LLC is leasing 0.538 of one (1) acre at a lease rate of $1,000

per acre per month. Payment of $538.00 per month is payable to the City in advance on the first day of each month during the term of the Agreement.

Recommendation:

1.) City staff recommends that the City Council approve Amendment No. 4 to the License Agreement with Downtown Apex Motors, LLC dated January 23, 2020.

Exhibit:

A. Amendment No. 4 to the License Agreement with Downtown Apex Motors, LLC, dated January 23, 2020

TH/BH:yp

EXHIBIT A

Amendment No. 4 to the License Agreement with Downtown Apex Motors, LLC, dated January 23, 2020

[Attached]

AMENDMENT NO. 4
TO THE LICENSE AGREEMENT

This Amendment No. 4 to the License Agreement ("Agreement"), is made and entered into this 23rd day of January, 2020, by and between the City of Industry, a California municipal corporation ("Licensor/City"), and Downtown Apex Motors, LLC, a California Limited Liability Company ("Licensee"). Licensor and Licensee are hereinafter collectively referred to as the "Parties".

RECITALS

WHEREAS, on or about June 23, 2016, the Agreement was entered into and executed between the Licensor and Licensee to allow Licensee to use a portion of City owned property located at 17300 East Gale Avenue, City of Industry, CA 91744 ("Premises"); and

WHEREAS, on or about June 22, 2017, the City Council approved Amendment No. 1 to the Agreement extending the term for one year, and increasing the license fee to $538.00 per month; and

WHEREAS, on or about July 26, 2018, the City Council approved Amendment No. 2 to the Agreement extending the term for six months; and

WHEREAS, on or about March 14, 2019, the City Council approved Amendment No. 3 to the License Agreement extending the term to January 26, 2020; and

WHEREAS, pursuant to the terms of the Agreement, the License will terminate on January 26, 2020, however the Licensee desires to continue utilizing the Property, and requested an extension; and

WHEREAS, staff recommends that the term of the Agreement be extended to January 26, 2023; and

WHEREAS, it is also necessary to amend the Agreement to reflect the current address for the City Attorney's office; and

WHEREAS, for the reasons set forth herein, the City and Licensee desire to enter into this Amendment No. 4, as set forth below.

AMENDMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements set forth herein, it is agreed the aforesaid Agreement shall remain in full force and effect except as otherwise hereinafter provided:

Section 10. Term, Termination and Remedies.
The first sentence of Section 10 is hereby amended to read in its entirety as follows:

The License shall commence as of January 26, 2019 and shall automatically terminate on January 26, 2023.

Section 14. Notices.
The address for James M. Casso is hereby revised to read in its entirety as follows:

James M. Casso, City Attorney
Casso & Sparks, LLP
13300 Crossroads Parkway North, Suite 410
City of Industry, CA 91746
Tel (626) 512-5470
jcasso@cassosparks.com

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 4 to the Agreement as of the Effective Date.

"CITY"
City of Industry

By: _____
Troy Helling, City Manager

"LICENSEE"
Downtown Apex Motors, LLC

By: _____
Dennis Lin, Manager

Attest:

By: _____
Julie Gutierrez-Robles, City Clerk

APPROVED AS TO FORM

By: _____
James M. Casso, City Attorney

CITY COUNCIL

ITEM NO. 5.3

City of Industry

City of Industry, California

Independent Auditors' Report and Basic Financial Statements

For the Year Ended June 30, 2019

THE PUN GROUP
ACCOUNTANTS & ADVISORS

City of Industry
For the Year Ended June 30, 2019

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City of Industry
For the Year Ended June 30, 2019

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THE PUN GROUP
ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Industry, California (the "City") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

200 E. Sandpointe Avenue, Suite 600, Santa Ana, California 92707
Tel: 949-777-8800 • Fax: 949-777-8850 • www.pungroup.com

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis ("MD&A"), the Budgetary Comparison Schedule, the Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios, the Schedule of Contributions – Pensions, the Schedule of the Net Other Postemployment Benefits Liability and Related Ratios, the Schedule of Contributions – Other Postemployment Benefits on pages 3 to 13 and 103 to 109 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 13, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

The Pun Group, LLP

Santa Ana, California
December 13, 2019

City of Industry
Management Discussion and Analysis (Unaudited)
For the Year Ended June 30, 2019

As management of the City of Industry and its component units ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with the City's financial statements.

Financial Highlights

- The assets and deferred outflows of the City's governmental activities exceeded its liabilities and deferred inflows at June 30, 2019 by $725.5 million (Net Position). Of this amount, $254.2 million is invested in capital assets, $180.3 million is restricted for capital projects activities and $222.2 million in unrestricted net position. Net Position reflects a decrease of $17.0 million from prior period and is attributable to increases in community development, and offset by a reduction in capital projects and public works, and a decrease in support services.

- The assets of the City's business-type activities exceeded its liabilities at June 30, 2019 by $39.5 million (Net Position). Of this amount, $29.2 million is invested in capital assets, net of related debt, and $10.4 million in unrestricted net position. Net position increased by $1.8 million due to an increase in charges for services and net transfers in during the year ended June 30, 2019.

- The City's total debt and liabilities decreased by $105.8 million of which is primarily attributable to reductions in long-term liabilities due in more than one year, as a result of regular scheduled principal payments on long term debt.

- In the General Fund, the net change in fund balance was a decrease of $10.0 million. The decrease was attributed to an increase in community development due a $37.5 million contributions to Tres Hermanos Conservation Authority, offset against an increase in revenues from use of money and property and an increase in proceeds from sale of assets. At June 30, 2019, the General Fund ending fund balance was $697.6 million with an unassigned balance of $622.3 million.

General Overview of the Financial Statements

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

Government-Wide Statements

The Statement of Net Position and the Statement of Activities

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

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

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

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

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

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

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

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

The City as a Whole

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

Governmental Activities – Net Position

Table 1
Net Position

	Governmental Activities		
	2019	2018	Change
Current and other assets	$ 1,364,148,126	$ 1,484,564,081	$ (120,415,955)
Capital assets, net	255,443,070	253,501,071	1,941,999
Total assets	1,619,591,196	1,738,065,152	(118,473,956)
Deferred outflows of resources			
Deferred loss on refunding, net	1,042,480	1,308,307	(265,827)
Deferred outflows of resources - pension	7,579,558	10,360,519	(2,780,961)
Deferred outflow of resources - OPEB	77,726	-	77,726
Total deferred outflows of resources	8,699,764	11,668,826	(2,969,062)
Long-term liabilities	814,663,403	928,069,353	(113,405,950)
Other liabilities	87,236,275	78,514,811	8,721,464
Total liabilities	901,899,678	1,006,584,164	(104,684,486)
Deferred inflows of resources			
Deferred inflows of resources - pension	761,973	613,951	148,022
Deferred inflows of resources - OPEB	115,723	-	115,723
Total deferred inflow of resources	877,696	613,951	263,745
Net position:			
Net investment in capital assets	254,158,326	250,858,615	3,299,711
Restricted for:			
Transportation and road	3,014,672	2,665,390	349,282
Capital projects	180,268,764	194,986,947	(14,718,183)
Debt service	65,921,412	67,646,242	(1,724,830)
Unrestricted	222,150,412	226,378,669	(4,228,257)
Total net position	$ 725,513,586	$ 742,535,863	$ (17,022,277)

As noted above, Net Position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities (combined governmental and business activities) by approximately $765.0 million at June 30, 2019.

The largest portion of the Net Position is restricted by external sources on how the funds may be used. Approximately $254.2 million is the City's net investment in its capital assets. In addition, approximately $65.9 million are restricted for the City's future debt service obligations. It should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

The City's total Net Position under governmental activities decreased over the prior year by $17.0 million mainly attributable to increases in community development, offset by a reduction in capital projects and public works.

Total liabilities and deferred inflows/outflows of resources decreased by approximately $107.4 million primarily attributable to reductions in long-term liabilities due in more than one year, as a result of regular scheduled principal payments on long term debt.

The increase in net investment in capital assets of $3.3 million is a result of net additions and dispositions of capital assets, and depreciation expense for the current year.

Governmental Activities – Changes in Net Position

Table 2
Change in Net Position

	Governmental Activities		
	2019	2018	Change
General revenues:			
Taxes	$ 113,274,628	$ 105,774,605	$ 7,500,023
Revenues from use of money and property	43,347,578	26,450,366	16,897,212
Other revenues	398,126	653,652	(255,526)
Total general revenues	157,020,332	132,878,623	24,141,709
Expenses in excess of program revenues:			
General government	7,064,304	7,397,144	(332,840)
Support services	4,973,722	6,565,366	(1,591,644)
Community development	82,419,377	48,917,886	33,501,491
Community services	6,195,780	5,174,630	1,021,150
Public safety	11,331,984	10,590,785	741,199
Capital projects and public works	17,226,090	31,699,045	(14,472,955)
Interest expense	43,092,547	42,671,150	421,397
Total expenses in excess of program revenues	172,303,804	153,016,006	19,287,798
Decrease in net assets before Other Items	(15,283,472)	(20,137,383)	4,853,911
Transfers, net	(1,738,805)	(94,311)	(1,644,494)
Decrease in net position	(17,022,277)	(20,231,694)	3,209,417
Net position, beginning of year	742,535,863	762,767,557	(20,231,694)
Net position, end of year	$ 725,513,586	$ 742,535,863	$ (17,022,277)

The total revenues, reported as governmental activities, increased by approximately $24.1 million. This was due to an increase in revenue from use of money and property of $16.9 million attributable to an increase in interest income and gain in the fair market value of City's investment in the 2015 Post Refunding Depository and 2004 General Fund Revenue Bonds as compared to a loss in the prior year.

The City's net expenses before other items increased by approximately $19.3 million from the prior year. The increase was attributable to expenditures for community development, offset by a decrease in capital projects and public works.

Business-Type Activities – Net Position

Table 3
Net Position

	Business-Type Activities		
	2019	2018	Change
Current and other assets	$ 24,933,123	$ 23,293,333	$ 1,639,790
Capital assets, net	29,163,988	30,136,340	(972,352)
Total assets	54,097,111	53,429,673	667,438
Liabilities	14,568,246	15,705,244	(1,136,998)
Total liabilities	14,568,246	15,705,244	(1,136,998)
Net position:			
Net investment in capital assets	29,163,988	30,136,340	(972,352)
Unrestricted	10,364,877	7,588,089	2,776,788
Total net position	$ 39,528,865	$ 37,724,429	$ 1,804,436

Total net position for the City's business type activities increased by approximately $1.8 million as compared to the prior year. The increase was primarily attributable to an increase in cash held in the City's Electric Fund, and a decrease of $0.7 million in the City's Electric Fund for a deposit from SA to IUDA for IBC Projects.

Business-Type Activities – Change in Net Position

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

Table 4
Change in Net Position

	Business-Type Activities		
	2019	2018	Change
Revenues:			
Charges for services	$ 11,612,320	$ 10,806,484	$ 805,836
Revenues from use of money and property	452,734	188,032	264,702
Total revenues	12,065,054	10,994,516	1,070,538
Expenses:			
Purchased electricity	4,386,619	4,880,044	(493,425)
Water transmission and distribution	2,940,656	2,718,046	222,610
Cost of expo operations	3,475,315	3,362,998	112,317
Cost of housing authority operations	1,196,833	519,200	677,633
Total expenses	11,999,423	11,480,288	519,135
Income (Loss) from operations before transfers	65,631	(485,772)	551,403
Transfers and contributions	1,738,805	94,311	1,644,494
Change in net position	1,804,436	(391,461)	2,195,897
Net position, beginning of year	37,724,429	38,115,890	(391,461)
Net position, end of year	$ 39,528,865	$ 37,724,429	$ 1,804,436

Revenues increased by almost $1.0 million over the prior year. This is primarily due to an increase in Expo Center operations primarily related to the Grand Arena which increased $0.2 million, and an increase in miscellaneous income for the City's Electric Fund by $0.8 million for reimbursement from Successor Agency for capital improvements.

Transfers-in from the general fund increased by $1.6 million mostly as a result of an increase in the transfers in to the City's Electric Fund and Industry Hills Expo Center as a results of an increase in operations in comparison to the prior year, as well as a capital contribution of $0.5 million.

Financial Analysis of the City's Funds

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

Table 5
General Fund Comparison

	2019	2018	Change
Revenues:			
Taxes	$ 41,219,283	$ 42,231,312	$ (1,012,029)
Intergovernmental	854,905	961,673	(106,768)
Charges for services	2,398,422	1,000,581	1,397,841
Licenses and permits	1,577,203	2,440,729	(863,526)
Fines, forfeitures and penalties	466,248	442,947	23,301
Revenues from use of money and property	28,109,248	7,293,171	20,816,077
Other revenue	2,031,474	3,281,409	(1,249,935)
Total revenues	76,656,783	57,651,822	19,004,961
Expenditures:			
Legislative	660,501	659,613	888
General administration	5,289,352	12,320,754	(7,031,402)
Community development	41,072,341	4,019,364	37,052,977
Community services	5,507,993	4,501,325	1,006,668
Public safety	10,664,726	10,147,605	517,121
Public works	12,117,212	15,799,544	(3,682,332)
Support services	4,230,815	6,072,461	(1,841,646)
Capital projects	1,121,801	1,546,604	(424,803)
Total expenditures	80,664,741	55,067,270	25,597,471
Excess of Revenues over Expenditures	(4,007,958)	2,584,552	(6,592,510)
Other Financing Sources (Uses):			
Proceeds from sale of assets	15,969,242	772,278	15,196,964
Net Transfers	(21,986,943)	(46,150,787)	24,163,844
Total other financing sources (uses)	(6,017,701)	(45,378,509)	39,360,808
Change in fund balances	$ (10,025,659)	$ (42,793,957)	$ 32,768,298

The General Fund is the main operating fund of the City. At the end of the current fiscal year, the General Fund reflects a fund balance of $697.6 million, which is a decrease from prior year of $10.0 million. The reduction was primarily due to an increase in expenditures for community development as a result of the contribution of property to Tres Hermanos Conservation Authority in the net amount of $37.5 million, offset by a decrease in expenditures for general administration and public works, and an increase in interest income and fair market value of investments by $20.8 million. The General Fund also had property sales of $16.0 million. The general fund experienced a decrease general administration expenses by $7.0 million which was a result of $8.8 million in Cal-PERS contributions to fund the unfunded liability portion of retirement in the prior year, and a decrease in public works expenses by $3.7 million which was mainly attributable to a $2 million decrease in general engineering.

Other Financing uses decreased by $39.4 million over the prior year as there were more transfers in from the Capital Projects Funds in 2019 to reimburse the General Fund for expenditures and debt repayments.

General Fund Budgetary Highlights

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

Table 6
General Fund Budget to Actual Comparison

	Original Budget	Revised Budget	Actual	Variance
Legislative	$ 786,045	$ 768,555	$ 660,501	$ 108,054
General administration	4,864,550	4,962,680	5,289,352	(326,672)
Community development	4,537,965	45,380,245	41,072,341	4,307,904
Community services	4,809,600	5,805,600	5,507,993	297,607
Public safety	10,614,975	10,590,775	10,664,726	(73,951)
Public works	17,445,000	13,500,000	12,117,212	1,382,788
Support services	5,813,565	5,054,745	4,230,815	823,930
Capital outlay	6,000	6,000	1,121,801	(1,115,801)
Total expenditures	$ 48,877,700	$ 86,068,600	$ 80,664,741	$ 5,403,859

The City was under budget for Public Works of $1.4 million, which was attributable to less expenditures incurred related to general engineering by $1.0 million for streets and financial center and landscape and property maintenance by $0.5 million for the financial center, and under budget for Support Services, which was primarily attributable to excess budget amounts of $0.3 million for Information Technology and $0.3 million for Central Services. Furthermore, the City was under budget for Community Development by $4.3 million, as a result of contributions of the Tres Hermanos property to Tres Hermanos Conservation Authority being lower than the budgeted expenditure as a result of the contributions from the City of Diamond Bar and City of Chino Hills towards the purchase price of the property. The City, however, had a budget overage for Capital Outlay, as a result of $0.9 million in real estate purchases.

Capital Asset and Debt Administration

Capital Assets

Net capital assets for governmental activities as of June 30, 2019 and 2018 are summarized as follows:

Table 7
Net Capital Assets at Year-End

	Governmental Activities		
	2019	2018	Change
Land	$ 102,993,546	$ 100,991,923	$ 2,001,623
Construction in progress	16,352,475	12,273,179	4,079,296
Buildings and improvements	119,152,156	119,662,696	(510,540)
Equipment, furniture and fixtures	6,550,499	6,550,499	-
Infrastructure	153,736,252	150,616,227	3,120,025
Capital assets, gross	398,784,928	390,094,524	8,690,404
Less accumulated depreciation	(143,341,858)	(136,593,453)	(6,748,405)
Capital assets, net	$ 255,443,070	$ 253,501,071	$ 1,941,999

As of June 30, 2019, the City's governmental activities had approximately $255.4 million invested in capital assets including buildings, land, roads, and other general infrastructure net of accumulated depreciation. This amount represents a net increase of $1.9 million from prior year which was due to the City purchasing new land, placing in service completed construction in progress projects, and additional capital improvement projects. Accumulated depreciation increased by $6.7 million.

Net capital assets for business-type activities as of June 30, 2019 and 2018 are summarized as follows:

Table 8
Net Capital Assets at Year-End

	Business-Type Activities		
	2019	2018	Change
Land	$ 6,764,880	$ 6,764,880	$ -
Water rights	441,200	441,200	-
Buildings and improvements	54,998,629	54,473,201	525,428
Source of supply	4,495,494	4,495,494	-
Equipment, furniture and fixtures	1,322,648	1,337,536	(14,888)
Infrastructure	1,042,498	991,255	51,243
Construction in progress	6,515	-	6,515
Capital assets, gross	69,071,864	68,503,566	568,298
Less accumulated depreciation	(39,907,876)	(38,367,226)	(1,540,650)
Capital assets, net	$ 29,163,988	$ 30,136,340	$ (972,352)

Capital assets in the Business-Type Activities belong to IPUC and the Industry Hills Expo Center. The decrease in net capital assets of $1.0 million was primarily a result of a net increase in accumulated depreciation of $1.5 million while activities in buildings and improvements increased by $0.5 million.

Debt

At June 30, 2019, the City had total long term debt and other non-current liabilities of approximately $814.7 million which is a decrease of $113.4 million from prior year. The reduction is primarily due to principal payments on outstanding debt.

Below is a summary of the outstanding debt at June 30, 2019 and 2018:

Table 9
Outstanding Debt, at Year-End

	Governmental Activities		
	2019	2018	Change
General obligation bonds	70,890,000	$ 82,730,000	$ (11,840,000)
Revenue bonds	410,310,000	415,820,000	(5,510,000)
Refunding lease revenue bonds	1,795,000	2,640,000	(845,000)
Tax allocation bonds	327,435,000	422,510,000	(95,075,000)
Original issue premium	(4,899,518)	(4,688,520)	(210,998)
Compensated absences	110,668	63,667	47,001
Net pension liability	9,022,253	8,994,206	28,047
Total outstanding debt	$ 814,663,403	$ 928,069,353	$ (113,405,950)

Economic Factors and Next Year's Budgets and Rates

The City has experienced steady development within the City limits during the past year. Economic trends in the Los Angeles area are comparable with the indices. The assessed valuation of property located within the City boundaries including properties located in its redevelopment project areas amounted to approximately $9.659 billion for the 2019-2020 fiscal year as compared to $9.293 billion in the prior fiscal year which represents an increase of approximately 3.94% of assessed value.

The City's General Fund has adopted an operating budget of $72.9 million in revenues and $82.0 million in expenses. Additionally, approximately $70.5 million in capital project expenditures is budgeted for several funds in the 2019-2020 fiscal year. The following is a summary of the major capital improvement projects for citywide.

Table 10
Capital Projects For FY 2019-2020

	Project Description	Budget 2019-20
1	Grade Separation Projects	$ 4,775,000
2	Street Widening, Reconstruction, Resurfacing and Slurry Seal	20,630,000
3	Bridge Widening, Seismic Retrofit And Maintenance Improvements	11,745,000
4	Traffic Signal Improvements	6,050,000
5	Storm Drain Improvements	3,095,000
6	IPUC - Water Utility	2,070,000
7	IPUC - Electric Utility	5,237,000
8	Expo Center at Industry Hills	8,650,000
9	Industry Hills Gold & Convention Facilities	765,000
10	Open Spaces/Tonner Canyon/Tres Hermanos	1,105,000
11	Civic Center Facilities Improvements	1,430,000
12	Facilities Improvements	4,970,000
	Total	$ 70,522,000

The Operating Budget for Fiscal Year 2019-20 is a well-balanced budget that reflects the City's commitment to the betterment of the community and stay within the City's financial constraint. Budget documents are available online at www.cityofindustry.org. Questions or requests for information regarding the City of Industry's budget should be sent to the Finance Department at the address below.

Request for Information

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

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Industry
Statement of Net Position
June 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash	$ 1,424,390	$ 3,912,296	$ 5,336,686
Investments	281,890,094	18,812,209	300,702,303
Investment with fiscal agent - unrestricted	341,024,972	-	341,024,972
Accounts receivable, net	10,210,323	1,234,229	11,444,552
Interest receivables	10,094,893	89,993	10,184,886
Internal balances	(154,450)	154,450	-
Inventories	57,631	59,558	117,189
Prepaid items	12,202,858	667,388	12,870,246
Other assets	-	3,000	3,000
Total current assets	656,750,711	24,933,123	681,683,834
Noncurrent assets:			
Investments with fiscal agent - restricted	304,545,583	-	304,545,583
Investments in SA to IUDA and City's bonds	379,274,600	-	379,274,600
Loans receivables	21,422,945	-	21,422,945
Net OPEB asset	2,154,287	-	2,154,287
Capital assets:			
Not being depreciated	119,346,021	7,654,283	127,000,304
Being depreciated, net	136,097,049	21,509,705	157,606,754
Total capital assets, net of accumulated depreciation	255,443,070	29,163,988	284,607,058
Total noncurrent assets	962,840,485	29,163,988	992,004,473
Total assets	1,619,591,196	54,097,111	1,673,688,307
DEFERRED OUTFLOWS OF RESOURCES			
Deferred loss on refunding, net	1,042,480	-	1,042,480
Pension related deferred outflows of resources	7,579,558	-	7,579,558
OPEB related deferred outflows of resources	77,726	-	77,726
Total deferred outflows of resources	$ 8,699,764	$ -	$ 8,699,764

(Continued)

See accompanying Notes to the Basic Financial Statements.

City of Industry
Statement of Net Position (Continued)
June 30, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	$ 5,405,320	$ 1,208,736	$ 6,614,056
Accrued liabilities	131,614	18,920	150,534
Deposits	61,898,334	7,440,888	69,339,222
Interest payable	19,801,007	-	19,801,007
Unearned revenue	-	5,899,702	5,899,702
Long-term liabilities:			
Due within one year	78,794,221	-	78,794,221
Due in more than one year	726,846,929	-	726,846,929
Net pension liabilities	9,022,253	-	9,022,253
Total liabilities	901,899,678	14,568,246	916,467,924
DEFERRED INFLOWS OF RESOURCES			
Pension related deferred inflows of resources	761,973	-	761,973
OPEB related deferred inflows of resources	115,723	-	115,723
Total deferred inflows of resources	877,696	-	877,696
NET POSITION			
Net investment in capital assets	254,158,326	29,163,988	283,322,314
Restricted for:			
Transportation and road	3,014,672	-	3,014,672
Capital projects	180,268,764	-	180,268,764
Debt services	65,921,412	-	65,921,412
Unrestricted	222,150,412	10,364,877	232,515,289
Total net position	$ 725,513,586	$ 39,528,865	$ 765,042,451

(Concluded)

See accompanying Notes to the Basic Financial Statements.

City of Industry
Statement of Activities
For the Year Ended June 30, 2019

		Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total
Primary Government:					
Governmental activities:					
General government	$ 8,687,044	$ 1,622,740	$ -	$ -	$ 1,622,740
Support services	4,973,722	-	-	-	-
Community development	86,486,369	4,066,992	-	-	4,066,992
Community services	6,195,780	-	-	-	-
Public safety	12,348,463	460,791	555,688	-	1,016,479
Public works	39,522,369	-	16,106,337	6,189,942	22,296,279
Interest expenses and fiscal charges	43,092,547	-	-	-	-
Total governmental activities	201,306,294	6,150,523	16,662,025	6,189,942	29,002,490
Business-type activities:					
Industry Public Utilities Commission:					
Water utility	2,940,656	3,094,832	-	-	3,094,832
Electric utility	4,386,619	5,905,259	-	-	5,905,259
Industry-Hill Expo Center	3,475,315	2,388,098	-	-	2,388,098
Property and Housing Management Authority	1,196,833	224,131	-	-	224,131
Total business-type activities	11,999,423	11,612,320	-	-	11,612,320
Total primary government	$ 213,305,717	$ 17,762,843	$ 16,662,025	$ 6,189,942	$ 40,614,810

See accompanying Notes to the Basic Financial Statements.

City of Industry
Statement of Activities (Continued)
For the Year Ended June 30, 2019

	Net (Expenses) Revenues and Changes in Net Position Primary Government		
	Governmental Activities	Business-Type Activities	Total
Primary Government:			
Governmental activities:			
General government	$ (7,064,304)	$ -	$ (7,064,304)
Support services	(4,973,722)	-	(4,973,722)
Community development	(82,419,377)	-	(82,419,377)
Community services	(6,195,780)	-	(6,195,780)
Public safety	(11,331,984)	-	(11,331,984)
Public works	(17,226,090)	-	(17,226,090)
Interest expenses and fiscal charges	(43,092,547)	-	(43,092,547)
Total governmental activities	(172,303,804)	-	(172,303,804)
Business-type activities:			
Industry Public Utilities Commission:			
Water utility	-	154,176	154,176
Electric utility	-	1,518,640	1,518,640
Industry-Hill Expo Center	-	(1,087,217)	(1,087,217)
Property and Housing Management Authority	-	(972,702)	(972,702)
Total business-type activities	-	(387,103)	(387,103)
Total primary government	(172,303,804)	(387,103)	(172,690,907)
General revenues and transfers:			
General revenues:			
Taxes:			
Property taxes	76,797,810	-	76,797,810
Sales tax	32,807,314	-	32,807,314
Tax increment pass through payments	682,397	-	682,397
Franchise fees	1,776,513	-	1,776,513
Documentary transfer tax	289,281	-	289,281
Transient occupancy tax	921,313	-	921,313
Total taxes	113,274,628	-	113,274,628
Revenues from use of money and property	43,347,578	452,734	43,800,312
Other revenues	398,126	-	398,126
Transfers	(1,738,805)	1,738,805	-
Total general revenues and transfers	155,281,527	2,191,539	157,473,066
Changes in net position	(17,022,277)	1,804,436	(15,217,841)
Net position:			
Beginning of year	742,535,863	37,724,429	780,260,292
End of year	$ 725,513,586	$ 39,528,865	$ 765,042,451

See accompanying Notes to the Basic Financial Statements.

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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City of Industry
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Capital Projects Funds	Debt Service Funds	Nonmajor Governmental Funds	Total
ASSETS					
Cash	$ 334,918	$ 47,873	$ 124,822	$ 916,777	$ 1,424,390
Investments	277,818,921	944,512	1,052,661	2,074,000	281,890,094
Investments with fiscal agent - unrestricted	341,024,972	-	-	-	341,024,972
Accounts receivable, net	8,592,185	-	1,599,764	18,374	10,210,323
Accrued interest	1,793,447	6,126	8,285,587	9,733	10,094,893
Inventory	57,631	-	-	-	57,631
Prepaid items	421,181	-	11,781,677	-	12,202,858
Site lease prepayment	-	-	4,104,581	-	4,104,581
Due from other funds	2,110	-	-	5,919	8,029
Notes receivable	21,422,945	-	-	-	21,422,945
Investments with fiscal agent - restricted	-	181,628,366	122,917,217	-	304,545,583
Other investments	-	-	379,274,600	-	379,274,600
Advances to other funds	55,514,239	-	-	-	55,514,239
Total assets	$ 706,982,549	$ 182,626,877	$ 529,140,909	$ 3,024,803	$ 1,421,775,138
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
Liabilities:					
Accounts payable	$ 3,627,604	$ 1,769,695	$ -	$ 8,021	$ 5,405,320
Accrued expenses	131,614	-	-	-	131,614
Deposits	748,949	-	61,149,385	-	61,898,334
Due to other funds	160,369	-	-	2,110	162,479
Site lease unearned revenues	4,104,581	-	-	-	4,104,581
Advance from other funds	-	3,516,084	51,998,155	-	55,514,239
Total liabilities	8,773,117	5,285,779	113,147,540	10,131	127,216,567
Deferred Inflows of Resources:					
Unavailable revenue	570,728	-	-	-	570,728
Total deferred inflows of resources	570,728	-	-	-	570,728
Fund balances:					
Nonspendable	75,314,554	-	15,886,258	-	91,200,812
Restricted	-	177,313,380	400,107,111	3,014,672	580,435,163
Committed	-	27,718	-	-	27,718
Unassigned	622,324,150	-	-	-	622,324,150
Total fund balances	697,638,704	177,341,098	415,993,369	3,014,672	1,293,987,843
Total liabilities, deferred inflows of resources and fund balances	$ 706,982,549	$ 182,626,877	$ 529,140,909	$ 3,024,803	$ 1,421,775,138

See accompanying Notes to the Basic Financial Statements.

City of Industry
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position
June 30, 2019

Total fund balance of governmental funds		$ 1,293,987,843
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources; therefore, are not reported in the governmental funds. These assets consist of:		
Capital assets	$ 398,784,928	
Accumulated depreciation	(143,341,858)	255,443,070
Other assets, deferred outflows of resources, liabilities and deferred inflows of resources are not available for current period expenditures or to provide for current resources. These consist of:		
Accrued interest payable	(19,801,007)	
Net other postemployment benefits assets	2,154,287	
Unavailable revenues	570,728	
Deferred loss on refunding, net	1,042,480	
Deferred outflows of resources related to pensions	7,579,558	
Deferred inflows of resources related to pensions	(761,973)	
Deferred outflows of resources related to other postemployment benefits	77,726	
Deferred inflows of resources related to other postemployment benefits	(115,723)	(9,253,924)
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Long-term liabilities are included in the statement of net position as follows:		
City of Industry:		
Bonds payable - current portion	(17,995,000)	
Bonds payable - long term	(463,205,000)	
Issuance (premium) discount - current portion	68,739	
Issuance (premium) discount - long term	5,231,972	
Compensated absences	(110,668)	
Net pension liability	(9,022,253)	
Public Facilities Authority:		
Bonds payable - current portion	(60,685,000)	
Bonds payable - long term	(268,545,000)	
Issuance (premium) discount - current portion	(132,960)	
Issuance (premium) discount - long term	(268,233)	(814,663,403)
Net position of governmental activities		$ 725,513,586

See accompanying Notes to the Basic Financial Statements.

City of Industry
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2019

	General Fund	Capital Projects Funds	Debt Service Funds	Nonmajor Governmental Funds	Total
REVENUES:					
Taxes	$ 41,219,283	$ -	$ 74,449,494	$ 314,744	$ 115,983,521
Intergovernmental	854,905	15,502,867	-	140,531	16,498,303
Charges for services	2,398,422	-	-	-	2,398,422
Licenses and permits	1,577,203	-	-	-	1,577,203
Fines, forfeitures and penalties	466,248	-	-	-	466,248
Use of money and property	28,109,248	6,049,427	20,234,504	57,669	54,450,848
Other revenue	2,031,474	-	-	8,258	2,039,732
Total revenues	76,656,783	21,552,294	94,683,998	521,202	193,414,277
EXPENDITURES:					
Current:					
Legislative	660,501	-	-	-	660,501
General administration	5,289,352	-	21,500	-	5,310,852
Support services	4,230,815	-	-	-	4,230,815
Community development	41,072,341	-	61,149,386	-	102,221,727
Community services	5,507,993	-	-	-	5,507,993
Public safety	10,664,726	-	-	-	10,664,726
Public works	12,117,212	8,852,198	-	135,119	21,104,529
Capital outlay	1,121,801	24,048,650	-	36,493	25,206,944
Debt service:					
Principal retirement	-	-	113,270,000	-	113,270,000
Interest and fiscal charges	-	-	47,337,204	-	47,337,204
Total expenditures	80,664,741	32,900,848	221,778,090	171,612	335,515,291
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,007,958)	(11,348,554)	(127,094,092)	349,590	(142,101,014)
OTHER FINANCING SOURCES (USES):					
Transfers in	11,740,629	10,781,656	25,244,125	-	47,766,410
Transfers out	(33,727,572)	(15,266,795)	-	(308)	(48,994,675)
Proceeds from sale of assets	15,969,242	-	-	-	15,969,242
Total other financing sources (uses)	(6,017,701)	(4,485,139)	25,244,125	(308)	14,740,977
NET CHANGE IN FUND BALANCES	(10,025,659)	(15,833,693)	(101,849,967)	349,282	(127,360,037)
FUND BALANCES:					
Beginning of year	707,664,363	193,174,791	517,843,336	2,665,390	1,421,347,880
End of year	$ 697,638,704	$ 177,341,098	$ 415,993,369	$ 3,014,672	$ 1,293,987,843

See accompanying Notes to the Basic Financial Statements.

City of Industry

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities

For the Year Ended June 30, 2019

Net change in fund balances of total governmental funds	$ (127,360,037)
Amounts reported for governmental activities in the statement of activities are different because:	
Capital outlays, project improvement costs, and purchases of real estate are reported as expenditures in governmental funds. However, in the statement of activities, the cost of capital assets is allocated over their estimated useful lives as depreciation expense.	
Capital outlays	25,206,944
Depreciation expense	(6,748,405)
In the statement of activities, only the gain/loss on the sale and disposal of assets is reported whereas in the governmental funds, the proceeds from the sale and disposal of assets increase financial resources. Thus, the change in net position differs from the change in fund balance by cost of assets sold or disposed of.	
Net effect on disposal of capital assets	(16,006,000)
Contribution of the governmental activities capital assets to the Property and Housing Management Authority Enterprise Fund	(510,540)
Revenue reported as unavailable revenue in the governmental funds and recognized in the Statement of Activities.	(2,384,656)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These consist of the following:	
Repayment on long-term debt	113,270,000
Some expenses reported in the statement of activities do not require the use of current financial resources; therefore, are not reported as expenditures in the governmental funds. These items consist of:	
Changes in accrued interest payable, including interest expense on redeemed debts	601,927
Amortization of bond premium/discount and deferred amounts on refunding	(54,829)
Changes in compensated absences	(47,001)
Other postemployment benefits expense	(32,650)
Pension expense, net of $195,741 pension contribution made after measurement date	(2,957,030)
Total changes in net position of governmental activities	$ (17,022,277)

See accompanying Notes to the Basic Financial Statements.

PROPRIETARY FUND FINANCIAL STATEMENTS

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City of Industry
Statement of Net Position
Proprietary Funds
June 30, 2019

	Enterprise Funds			
	Industry Public Utilities Commission Funds	Civic-Recreational-Industrial Authority Industry Hills-Expo Center Fund	Property and Housing Management Authority Fund	Total
ASSETS				
Current assets:				
Cash	$ 3,630,481	$ 255,003	$ 26,812	$ 3,912,296
Investments	18,809,053	-	3,156	18,812,209
Accounts receivable, net	1,112,984	116,178	5,067	1,234,229
Accrued interest	89,973	-	20	89,993
Inventories	10,000	49,558	-	59,558
Prepaid items	654,132	13,256	-	667,388
Due from other funds	154,450	-	-	154,450
Deposits	-	3,000	-	3,000
Total current assets	24,461,073	436,995	35,055	24,933,123
Noncurrent assets:				
Capital assets:				
Capital assets, not being depreciated	920,903	-	6,733,380	7,654,283
Capital assets, being depreciated, net	11,771,575	5,834,210	3,903,920	21,509,705
Total capital assets, net	12,692,478	5,834,210	10,637,300	29,163,988
Total noncurrent assets	12,692,478	5,834,210	10,637,300	29,163,988
Total assets	37,153,551	6,271,205	10,672,355	54,097,111
LIABILITIES				
Accounts payable	1,045,408	98,015	65,313	1,208,736
Accrued liabilities	-	18,920	-	18,920
Deposits	7,381,686	57,902	1,300	7,440,888
Unearned revenue	5,761,482	138,220	-	5,899,702
Total liabilities	14,188,576	313,057	66,613	14,568,246
NET POSITION				
Investment in capital assets	12,692,478	5,834,210	10,637,300	29,163,988
Unrestricted	10,272,497	123,938	(31,558)	10,364,877
Total net position	$ 22,964,975	$ 5,958,148	$ 10,605,742	$ 39,528,865

See accompanying Notes to the Basic Financial Statements.

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City of Industry
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2019

	Enterprise Funds			
	Industry Public Utilities Commission Funds	Civic-Recreational-Industrial Authority Industry Hills-Expo Center Fund	Property and Housing Management Authority Fund	Total
OPERATING REVENUES:				
Water sales and service	$ 3,060,693	$ -	$ -	$ 3,060,693
Electric and solar energy sales	5,102,931	-	-	5,102,931
Event and rental revenues	-	2,376,150	178,059	2,554,209
Other revenues	836,467	11,948	46,072	894,487
Total operating revenues	9,000,091	2,388,098	224,131	11,612,320
OPERATING EXPENSES:				
Purchased water	254,713	-	-	254,713
Purchased electricity	2,520,317	-	-	2,520,317
General administration	3,903,128	1,179,246	35,484	5,117,858
Expo Center operations	-	1,552,969	-	1,552,969
Housing Authority operations	-	-	1,012,916	1,012,916
Depreciation	649,117	743,100	148,433	1,540,650
Total operating expenses	7,327,275	3,475,315	1,196,833	11,999,423
OPERATING INCOME (LOSS)	1,672,816	(1,087,217)	(972,702)	(387,103)
NONOPERATING REVENUES:				
Investment income	452,655	-	79	452,734
Total nonoperating revenues	452,655	-	79	452,734
CHANGES IN NET POSITION BEFORE TRANSFERS	2,125,471	(1,087,217)	(972,623)	65,631
TRANSFERS AND CONTRIBUTIONS:				
Transfers in	-	453,171	775,094	1,228,265
Capital contribution	-	-	510,540	510,540
Total transfers and contributions	-	453,171	1,285,634	1,738,805
CHANGES IN NET POSITION	2,125,471	(634,046)	313,011	1,804,436
NET POSITION:				
Beginning of the year	20,839,504	6,592,194	10,292,731	37,724,429
End of the year	$ 22,964,975	$ 5,958,148	$ 10,605,742	$ 39,528,865

See accompanying Notes to the Basic Financial Statements.

City of Industry
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2019

	Enterprise Funds			
	Industry Public Utilities Commission Funds	Civic-Recreational-Industrial Authority Industry Hills-Expo Center Fund	Property and Housing Management Authority Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	$ 7,936,800	$ 2,321,278	$ 220,189	$ 10,478,267
Payments to vendors for supplies and services	(6,645,913)	(2,775,364)	(1,012,660)	(10,433,937)
Net cash provided by (used in) operating activities	1,290,887	(454,086)	(792,471)	44,330
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from other funds	-	453,171	775,000	1,228,171
Cash paid to other funds	(182,150)	-	-	(182,150)
Net cash provided by (used in) noncapital financing activities	(182,150)	453,171	775,000	1,046,021
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(53,758)	-	(4,000)	(57,758)
Net cash used in capital and related financing activities	(53,758)	-	(4,000)	(57,758)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investments	(5,678,783)	-	-	(5,678,783)
Proceeds from sales of investments	13,516,550	-	-	13,516,550
Interest income received	443,969	-	102	444,071
Net cash provided by investing activities	8,281,736	-	102	8,281,838
Net increase (decrease) in cash and cash equivalent	9,336,715	(915)	(21,369)	9,314,431
CASH AND CASH EQUIVALENT:				
Beginning of year	7,424,036	255,918	51,337	7,731,291
End of year	$ 16,760,751	$ 255,003	$ 29,968	$ 17,045,722
CASH AND CASH EQUIVALENT:				
Cash	$ 3,630,481	$ 255,003	$ 26,812	$ 3,912,296
Investment in LAIF	13,130,270	-	3,156	13,133,426
Total cash and cash equivalent	$ 16,760,751	$ 255,003	$ 29,968	$ 17,045,722
NONCASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Transfer of capital assets	$ -	$ -	$ 510,540	$ 510,540

See accompanying Notes to the Basic Financial Statements.

City of Industry
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2019

	Enterprise Funds			
	Industry Public Utilities Commission Funds	Civic-Recreational-Industrial Authority Industry Hills-Expo Center Fund	Property and Housing Management Authority Fund	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss)	$ 1,672,816	$ (1,087,217)	$ (972,702)	$ (387,103)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	649,117	743,100	148,433	1,540,650
(Increase) decrease in accounts receivables	190,053	(9,926)	(3,942)	176,185
(Increase) decrease in inventories	-	12,720	-	12,720
(Increase) decrease in prepaid items	(157,590)	(3,534)	-	(161,124)
Increase (decrease) in accounts payable	189,835	(41,045)	35,740	184,530
Increase (decrease) in accrued liabilities	-	(11,290)	-	(11,290)
Increase (decrease) in customer deposits	(741,401)	(16,816)	-	(758,217)
Increase (decrease) in unearned revenues	(511,943)	(40,078)	-	(552,021)
Net cash provided by (used in) operating activities	$ 1,290,887	$ (454,086)	$ (792,471)	$ 44,330

See accompanying Notes to the Basic Financial Statements.

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FIDUCIARY FUND FINANCIAL STATEMENTS

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City of Industry
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Private-Purpose Trust Fund	Agency Fund
ASSETS		
Cash	$ 1,871,873	$ 234,665
Investments	22,049,851	1,544,080
Accounts receivables	2,313,297	4,034
Notes receivable	9,507,379	-
Property held for sale or disposition	388,915,775	-
Restricted assets:		
Investments	118,194,364	-
Investments with fiscal agent	70,166,126	527,006
Total assets	613,018,665	$ 2,309,785
DEFERRED OUTFLOWS OF RESOURCES		
Deferred loss on refunding, net	17,409,793	
Total deferred outflows of resources	17,409,793	
LIABILITIES		
Current liabilities:		
Accounts payable	2,158,259	$ -
Interest payable	6,750,698	-
Due to bond holders	-	2,309,785
Bonds payable, due within one year	59,937,129	-
Total current liabilities	68,846,086	2,309,785
Noncurrent liabilities:		
Bonds payable, due in more than one year	267,897,950	-
Total noncurrent liabilities	267,897,950	-
Total liabilities	336,744,036	$ 2,309,785
NET POSITION		
Fiduciary net position held in trust for Successor Agency	$ 293,684,422	

See accompanying Notes to the Basic Financial Statements.

City of Industry
Statement of Changes in Net Position
Fiduciary Funds
For the Year Ended June 30, 2019

	Private-Purpose Trust Fund
ADDITIONS:	
Taxes, net	$ 69,483,138
Revenues from use of money and property	
Interest income	2,980,064
Rental and other income	11,791,206
Contribution from City of Industry	52,900,697
Gain on sale of properties, net	24,568,355
Other revenue	4,012,884
Total additions	165,736,344
DEDUCTIONS:	
General administration	2,186,837
Project expenses	5,802,743
Bond interest expenses	21,912,367
Total deductions	29,901,947
CHANGES IN NET POSITION	135,834,397
NET POSITION:	
Beginning of the year	157,850,025
End of the year	$ 293,684,422

See accompanying Notes to the Basic Financial Statements.

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Industry
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For the Year Ended June 30, 2019

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Note 1 – Summary of Significant Accounting Policies

A. Description of the Reporting Agency

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

B. Blended Component Units

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

IPUC was established to provide reliable utility service at reasonable rates to the residents and to assist in the promotion and stability for business owners in the City. IPUC manages the Industry Waterworks System and the Industry Electric System. The board that governs the IPUC consists of the council members of the City. The IPUC is reported as proprietary funds.

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

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

C. Fiduciary Component Unit

The City has elected to become the Successor Agency to the Industry Urban-Development Agency (referred to as the "SA to IUDA"). The City and the SA to IUDA have separate Board of Directors. However, individuals serving on the City's Council also serve on the SA to IUDA Board. The SA to IUDA is reported as private purpose trust fund of the City that is fiduciary in nature and is reported in the statements of fiduciary net position and changes in fiduciary net position within the City's fiduciary funds.

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

Note 1 – Summary of Significant Accounting Policies (Continued)

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

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

Government-Wide Financial Statements

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

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

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

Certain indirect costs are included in program expenses.

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

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

Fund Financial Statements

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

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

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Governmental Funds

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

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

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

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

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

The City reports the following major governmental funds:

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

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

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

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Proprietary Funds

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

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

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

The City reports the following major proprietary funds:

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

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

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

Fiduciary Funds

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

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

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

Note 1 – Summary of Significant Accounting Policies (Continued)

E. Cash and Investments

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

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

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

Certain disclosure requirements, if applicable, for deposits and investment risks in the following areas are presented in the footnotes:

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

F. Fair Value Measurement

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

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

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

G. Accounts Receivable

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

H. Inventories

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

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Prepaid Items

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

J. Property Held for Sale or Disposition

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

K. Capital Assets and Depreciation

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

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

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

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

L. Unearned Revenue and Unavailable Revenue

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

M. Property Taxes

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

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Property Taxes (Continued)

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

N. Bond Issuance Costs and Premiums/Discounts

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

O. Defined Benefit Pension Plan

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

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

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

P. Other Postemployment Benefits ("OPEB") Plan

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

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Other Postemployment Benefits ("OPEB") Plan (Continued)

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

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

Q. Compensated Absences

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

R. Net Position

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

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

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

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

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

S. Fund Balance

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

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

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Fund Balance (Continued)

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

Committed – committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the City imposes upon itself at its highest level of decision making authority (the City Council) through resolutions and that remain binding unless removed in the same manner. The City has $27,718 of committed fund balances at June 30, 2019.

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

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

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

T. Estimates

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

U. Reclassifications

Certain financial statement amounts reported for the year ended June 30, 2018 were reclassified. There was no effect on the changes in net position for the year ended June 30, 2018.

Note 2 – Cash and Investments

At June 30, 2019, cash and cash investments are classified in the accompanying financial statements as follows:

	Government-Wide Statement of Net Position	Fiduciary Fund Statement of Net Position	Total
Unrestricted cash and investments:			
Cash	$ 5,336,686	$ 2,106,538	$ 7,443,224
Investments	300,702,303	23,593,931	324,296,234
Investments with fiscal agent	341,024,972	-	341,024,972
Restricted cash and investments:			
Cash	-	-	-
Investment	-	118,194,364	118,194,364
Investments with fiscal agent	304,545,583	70,693,132	375,238,715
Investments in IUDA bonds	327,435,000	-	327,435,000
Investments in City bonds	51,839,600	-	51,839,600
Total cash and investments	$ 1,330,884,144	$ 214,587,965	$ 1,545,472,109

Note 2 – Cash and Investments (Continued)

At June 30, 2019, cash and investments consisted of the following:

Cash on hand	$ 18,921
Deposits with financial institution	7,424,303
Investments	821,765,198
Investments with fiscal agent	716,263,687
Total cash and investments	$ 1,545,472,109

A. Demand Deposits

The carrying amount of the City's cash deposits were $7,424,303 at June 30, 2019. Bank balances before reconciling items were $10,795,271 at that date, the total amount of which was insured or collateralized with securities held by the pledging financial institutions in the City's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC). The City, however, has not waived the collateralization requirements.

At June 30, 2019, the City and SA to IUDA's deposits exceeded federally insured limits by $7,177,631 and $1,543,346, respectively; however, such amounts are secured by the financial institutions that hold such deposits for the City and SA to IUDA.

B. Investments Authorized by the City's Investment Policy and California Government Code

Under provision of the City's Investment Policy, and in accordance with Section 53601 of the California Government Code, the City may invest in the following types of investments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury obligations	5 years	None	None
U.S. government sponsored enterprise securities	5 years	None	None
Money market funds (composed entirely of security of US government and agencies)	N/A	20%	None
Banker's acceptances	180 days	40%	30%
Commercial paper	270 days	25%	10%
Negotiable certificates of deposits	5 years	30%	None
Non-negotiable certificates of deposits	5 years	None	None
Local Agency Investment Fund ("LAIF")	N/A	None	None
Repurchase agreements	1 year	None	None
Los Angeles County Investment Pool	N/A	None	None
U.S. corporate bonds/notes	5 years	30%	None

Note 2 – Cash and Investments (Continued)

B. Investments Authorized by the City's Investment Policy and California Government Code (Continued)

The City's Investment Policy does not contain any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration risk other than those specified in the California Government Code.

C. Investments Authorized by Debt Agreements

Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by a bond trustee.

The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. government sponsored enterprise securities	None	None	None
Money market funds	None	None	None
Certificates of deposit	None	None	None
Commercial paper	None	None	None
Banker's acceptances	18 months	None	None
U.S. corporate bonds/notes	None	None	None
Municipal bonds	None	None	None
Non-investment grade bonds	None	10%	None
Exchange traded funds	None	None	None
Mortgage-backed securities	None	None	None
Investment contracts	None	None	None
LAIF	None	None	None
Foreign government bonds	None	None	None
Foreign corporate bonds/notes	None	None	None

Note 2 – Cash and Investments (Continued)

D. Fair Value Measurement

At June 30, 2019, investments are reported at fair value. The following table presents the fair value measurement of investments on a recurring basis and the levels within GASB 72 fair value hierarchy in which the fair value measurements fall at June 30, 2019:

	Measurement Input			
Investment Type	Observable Input (Level 1)	Significant Other Observable Input (Level 2)	Uncategorized	Total
Investments - unrestricted:				
Money market funds	$ -	$ -	$ 8,545,239	$ 8,545,239
U.S. government sponsored mortgage-backed securities	-	158,083,418	-	158,083,418
U.S. Treasury obligation	323,706,170	-	-	323,706,170
Commercial paper	-	11,724,457	-	11,724,457
Corporate Bonds	-	83,699,137	-	83,699,137
LAIF	-	-	39,899,790	39,899,790
Investment - restricted:				
Treasury notes	293,735,495	-	-	293,735,495
LAIF	-	-	46,053,219	46,053,219
Commercial paper	-	6,554,199	-	6,554,199
Investment held by fiscal agent:				
Money market funds	-	-	186,753,161	186,753,161
Investment in SA to IUDA bonds	-	-	327,435,000	327,435,000
Investment in City bonds	-	51,839,600	-	51,839,600
Total	$ 617,441,665	$ 311,900,811	$ 608,686,409	$ 1,538,028,885

Investments in U.S. government sponsored enterprise securities, and City of Industry bonds are valued based on institutional bond quotes while the investments in commercial papers are valued based on a variety of market makers using a curve-based approach.

E. Risk Disclosures

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure by the counterparty, the City will not be able recover the value of its investments or collateral security that are in the possession of an outside party. Under section 53652 of the California Government Code, it is required that the depository secure active or inactive deposits with eligible securities having a fair market value of at least 10% in excess of the total amount of all deposits. As of June 30, 2019, the financial institutions that hold collateral for the City of Industry had satisfied this requirement.

Note 2 – Cash and Investments (Continued)

E. Risk Disclosures (Continued)

Interest Rate Risk

Interest rate risk is the risk of changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in the market interest rates. One of the ways that the City and its component units manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City and its component units and fiduciary funds monitor the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio.

Investment Type	Amounts	Weighted Average Maturity (in month)
Investments - unrestricted:		
Money market funds	$ 8,545,239	N/A
U.S. government sponsored mortgage-backed securities	158,083,418	79.7
U.S. Treasury obligation	323,706,170	6.8
Commercial paper	11,724,457	3.0
Corporate Bonds	83,699,137	17.4
LAIF	39,899,790	N/A
Investment - restricted:		
Treasury notes	293,735,495	3.8
LAIF	46,053,219	N/A
Commercial paper	6,554,199	0.6
Investment held by fiscal agent:		
Money market funds	186,753,161	N/A
Investment in SA to IUDA bonds	327,435,000	36.6
Investment in City bonds	51,839,600	40.5
	$ 1,538,028,885	

Note 2 – Cash and Investments (Continued)

E. Risk Disclosures (Continued)

Credit Risk

Credit risk is generally the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical organization. Presented below is the minimum rating required by Section 53601 and Section 53635 of the California Government Code, Section 33603 of the Health and Safety Code, the City and its component unit's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Total as of June 30, 2019	Minimum Legal Rating	Aaa/P-1	AA/Aa - A/A	A1	Not Rated
Investments - unrestricted:						
Money market funds	$ 8,545,239	Aaa/P-1	$ 8,545,239	$ -	$ -	$ -
U.S. government sponsored mortgage-backed securities	158,083,418	None	158,083,418	-	-	-
U.S. Treasury obligation	323,706,170	None	323,706,170	-	-	-
Commercial paper	11,724,457	A	11,724,457	-	-	-
Corporate Bonds	83,699,137	A	-	83,699,137	-	-
LAIF	39,899,790	None	-	-	-	39,899,790
Investment - restricted:						
Treasury notes	293,735,495	None	293,735,495			-
LAIF	46,053,219	None	-	-	-	46,053,219
Commercial paper	6,554,199	None	6,554,199	-	-	-
Investment held by fiscal agent:						
Money market funds	186,753,161	None	186,753,161	-	-	-
Investment in SA to IUDA bonds	327,435,000	None	-	-	-	327,435,000
Investment in City bonds	51,839,600	None	-	-	51,839,600	-
Total	$ 1,538,028,885		$ 989,102,139	$ 83,699,137	$ 51,839,600	$ 413,388,009

Concentration of Credit Risk

The investment policy of the City and its component units contain no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The investments subjected to 5% concentration credit risk disclosure and represent 5% or more of the total investments of the City are IUDA bonds.

F. State of California Local Agency Investment Fund

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments in LAIF at June 30, 2019 included a portion of pool funds invested in Structure Notes and Asset-Backed Securities:

Note 2 – Cash and Investments (Continued)

F. State of California Local Agency Investment Fund (Continued)

Structured Notes are debt securities (other than asset-backed securities) whose cash-flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities, the bulk of which are mortgage-backed securities, entitle their purchasers to receive a share of the cash flows from pool of assets such as principal and interest repayments from a pool of mortgages (such as Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2019, the City had $85,953,009 invested in LAIF, which had invested 1.77% of the pool investment funds in Structured Notes and Asset-Back Securities. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. The City valued its investments in LAIF by multiplying its account balance with LAIF times a fair value factor determined by LAIF. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value.

G. Investment in IUDA Bonds

As of June 30, 2019, the City has investments in IUDA bonds in the amounts totaled to $327,435,000 The City intends to hold the investments until the maturity date. As a result, these investments are reported at amortized cost, instead of fair value.

Note 3 – Accounts Receivable

As of June 30, 2019, accounts receivable for governmental funds consisted of the following:

	General Fund	Debt Service Funds	Nonmajor Governmental Funds	Total
Sales tax receivable	$ 6,225,688	$ -	$ -	$ 6,225,688
Property tax receivable	137,950	1,599,764	-	1,737,714
Receivable from Successor Agency	761,370	-	-	761,370
Refuse receivable	1,125,778	-	-	1,125,778
Other	341,399	-	18,374	359,773
	$ 8,592,185	$ 1,599,764	$ 18,374	$ 10,210,323

Note 4 – Notes Receivable

As of June 30, 2019, notes receivable consisted of the following:

	Governmental Activities	Fiduciary Fund
Notes receivable:		
City of La Puente	$ 1,422,945	$ -
San Gabriel Valley Water and Power LLC	20,000,000	-
Developer notes receivable - construction loans	-	5,665,577
Developer notes receivable - Nissan	-	3,841,802
Total notes receivable	$ 21,422,945	$ 9,507,379

A. City of La Puente Loan

In October 2015, The City entered into an agreement with the City of La Puente to mitigate of noise, traffic and railroad impact and for other public purposes. As part of the agreement, the City of Industry agreed to lend to the City of La Puente, and the City of La Puente agreed to borrow and repay to the City, the loan in the amount of $5,952,908 for La Puente to use in constructing a sound wall along the north side of Valley Boulevard and the railroad tracks on the south side of Valley Boulevard along with other public improvements. The City of La Puente has borrowed a total of $1,801,762 of the original amount of the loan. The project has been completed and the City of La Puente does not plan on borrowing any additional funds. In October 2019, the loan agreement has been modified to pay off the remaining $1,422,945 over 28 years. Beginning November 1, 2019, the annual payment will be $53,287 including interest at 0.33%.

B. San Gabriel Valley Water and Power, LLC

The City entered into master lease agreement (the "Lease") with San Gabriel Valley Water and Power, LLC ("SGVWP") and leased properties to SGVWP for a period of twenty-five years for the development of solar projects. As part of the Lease, as further amended, the City agreed to advance $20,000,000 for funding of the project development costs. At June 30, 2019, the outstanding balance of the advance was in the amount of $20,000,000. Also refer to Note 16 for more contingency disclosures.

C. Developer Notes Receivable – Grand Central Recycling & Transfer Station, Inc. Construction Loan

In June 2000, IUDA entered into an agreement with a Developer to redevelop certain real property located within the City, Redevelopment Plan for Project Area No. 1. As part of the agreement, the Developer purchased the land from IUDA for $12,900,000. In order to finance construction costs, IUDA has provided the Developer with construction loans totaling $14,703,280. The promissory notes for the construction loans and land purchase is secured by a deed of trust and is payable in equal installments over 20 years including principal and interest at a rate of 4% per annum and consisted of the following:

Note 4 – Notes Receivable (Continued)

C. Developer Notes Receivable - Construction Loan (Continued)

	Outstanding Balance at June 30, 2019	Principal Amounts due within one year	Principal Amounts due in more than one year
Due June 2022, payable in monthly payments of $78,171 including interest at 4.00% per annum beginning July 2002	$ 2,647,728	$ 847,575	$ 1,800,153
Due June 2022, payable in monthly payments of $66,658 inlcuding interest at 4.00% per annum beginning July 2002	2,257,750	722,739	1,535,011
Due June 2022, payable in monthly payments of $22,441 including interest at 4.00% per annum beginning July 2002	760,099	243,319	516,780
Totals	$ 5,665,577	$ 1,813,633	$ 3,851,944

Total interest received on these loans during the year ended June 30, 2019 was in the amount of $264,604.

D. Developer Notes Receivable – Nissan Auto Mall

In May 2010, IUDA entered into an agreement with a Developer to redevelop certain real property located within the City of Industry, Redevelopment Plan for Project Area No. 1. In order to finance the property acquisition, IUDA provided the Developer with a loan of $4,500,000, of which $3,841,802 was outstanding as of June 30, 2019.

	Outstanding Balance at June 30, 2019	Principal Amounts due within one year	Principal Amounts due in more than one year
Due May 2022, payable in monthly payments of $25,069 and a final balloon payment of $3,427,959 inlcuding interest at 4.00% per annum beginning May 2012	$ 3,841,802	$ 149,821	$ 3,691,981

Total interest received on this loan during the year ended June 30, 2019 was in the amount of $156,875.

Note 5 – Industry Convalescent Hospital

During 1992, the City Council passed a resolution stating that periodic advances made to Industry Convalescent Hospital dba El Encanto Healthcare and Habilitation Center in the past, as well as currently, are treated as loans. The note is payable on demand with simple interest at 6% per annum on the unpaid balance. During the year ended June 30, 2019, the City advanced additional $972,098 to the Hospital. As of June 30, 2019, the unpaid note balance amounted to $21,210,000 and accrued interest amounted to $27,013,457. As the collectability of this note and accrued interest is uncertain, the loan amounts are offset with allowance for doubtful account in the financial statements; and the City will recognize the collections on the note receivable as revenue as the amounts are collected.

The Hospital leased property from SA to IUDA for $1 a year, which was renewed annually, and at the time of renewal the lease may be terminated or the lease payment renegotiated by SA to IUDA. In November 2018, the SA to IUDA sold the property to the City. The City is currently working with the Hospital on the new lease agreement. During the year ended June 30, 2019, the City incurred expenses on behalf of the Hospital totaling $305,469 relating to contract labor, security and repairs and maintenance.

Note 6 – Prepaid Items

At June 30, 2019, Government-Wide Financial Statements report the following prepaid items:

	Governmental Activities	Business-type Activities	Total
Prepaid bond insurance	$ 11,781,677	$ -	$ 11,781,677
Other prepaid items	421,181	667,388	1,088,569
	$ 12,202,858	$ 667,388	$ 12,870,246

At June 30, 2019, Fund Financial Statements reported the following prepaid items:

	Governmental Fund			Enterprise Fund		
	General Fund	Debt Service Fund	Total	IPUC Fund	Industry Hills-Expo Center Fund	Total
Prepaid bond insurance	$ -	$ 11,781,677	$ 11,781,677	$ -	$ -	$ -
Other prepaid items	421,181	-	421,181	654,132	13,256	667,388
	$ 421,181	$ 11,781,677	$ 12,202,858	$ 654,132	$ 13,256	$ 667,388

Note 7 – Interfund Transactions

All interfund assets, liabilities, fund equity, revenues, expenditures and operating transfers have been eliminated in the Statement of Net Position and the Statement of Activities.

A. Due to /from Other Funds

Due to/from other funds consisted of the following at June 30, 2019:

	Due from Other Funds			
	Governmental Fund		Proprietary Fund	
Due to Other Funds	General Fund	Nonmajor Governmental Fund	IPUC Enterprise Fund	Total
Governmental Funds:				
General Fund	$ -	$ 5,919	$ 154,450	$ 160,369
Nonmajor Governmental Funds	2,110	-	-	2,110
Total	$ 2,110	$ 5,919	$ 154,450	$ 162,479

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

B. Advances to/from Other Funds

Advances to/from other funds consisted of the following at June 30, 2019:

	Advance to Other Funds
	Governmental Fund
Advance from Other Funds	General Fund
Governmental Fund:	
Debt Service Fund	$ 51,998,155
Capital Projects Fund	3,516,084
Total	$ 55,514,239

On December 1, 2015, the PFA entered into loan agreement with the City to borrow $51,460,000 for the purchase of City of Industry Subordinate Sales Tax Revenue Bonds, Series 2015B (Taxable). The loan bears interest ranges from 2.75% to 7.75% annually, due February 1 and August 1 each year. The principal payments are due on February 1 each year and range from $520,000 to $3,905,000.

As of June 30, 2019, the total outstanding balance amounted to $51,998,155 (principal of $50,470,000 and accrued interest of $1,528,155). Interest revenue for the City and interest expense for the PFA in the amount of $3,697,559 is eliminated in the Statement of Activities.

Note 7 – Interfund Transactions (Continued)

B. Advances to/from Other Funds (Continued)

The repayment schedule for the advances is as following:

Year Ending June 30,	Principal	Interest	Total
2020	$ 520,000	$ 3,687,948	$ 4,207,948
2021	540,000	3,668,448	4,208,448
2022	560,000	3,645,498	4,205,498
2023	585,000	3,620,298	4,205,298
2024	615,000	3,592,510	4,207,510
2025-2029	3,600,000	17,430,044	21,030,044
2030-2034	4,930,000	16,107,304	21,037,304
2035-2039	6,985,000	14,044,328	21,029,328
2040-2044	10,040,000	10,996,838	21,036,838
2045-2049	14,565,000	6,472,798	21,037,798
2050-2051	7,530,000	886,214	8,416,214
Total	$ 50,470,000	$ 84,152,228	$ 134,622,228

As of June 30, 2019, the General Fund has advanced $3,516,084 to the Capital Projects Fund for the Lemon Avenue and Grand Avenue On and Off Ramp projects.

C. Site Lease Prepayment

In March 2010, the PFA made the site lease prepayment to the City in the amount of $7,462,875. The lease revenues for the City and lease expenditures for the PFA are to be recognized over the life of the lease. As of June 30, 2019, the remaining site lease prepayment to be amortized was in the amount of $4,104,581. See Note 10D for more information.

Lease revenue/expenditures paid from PFA to City on site lease prepayment between PFA and City was in the amount of $373,144 for the year ended June 30, 2019. Lease revenue/expenditures paid from City to PFA on lease-back between PFA and City was in the amount of $936,096 for the year ended June 30, 2019.

Note 7 – Interfund Transaction (Continued)

D. Transfers

Transfers in and transfer out for the year ended June 30, 2019 consisted of the following:

	Transfers out			
	Governmental Funds			
Transfers In	General Fund	Capital Projects Funds	Nonmajor Governmental Funds	Total
Governmental Funds:				
General Fund	$ -	$ 11,740,321	$ 308	$ 11,740,629
Capital Projects Funds	10,781,656	-	-	10,781,656
Debt Service Funds	22,170,822	3,073,303	-	25,244,125
Proprietary Funds:				
Expo Center Enterprise Fund	-	453,171	-	453,171
PHMA Enterprise Fund	775,094	-	-	775,094
Total	$ 33,727,572	$ 15,266,795	$ 308	$ 48,994,675

General Fund made the following transfers:

- $9,841,849 to Capital Projects Funds to fund project expenditures and $939,807 to Capital Projects Funds to fund CRIA project and program costs.
- $22,170,822 net transferred to Debt Service Funds to fund sales tax revenue bond payments which consists of $34,763,398 transferred from the General Fund net of $12,592,576 transferred from Debt Service to the General Fund.
- $775,094 to PHMA Enterprise Fund for cover housing project costs.

Capital Projects Funds made the following transfers:

- $11,740,321 to General Fund to reimburse General Fund for project cost incurred.
- $3,073,303 to Debt Service Funds was to transfer interest income earned on bond proceeds for the project funds.
- $453,171 to Expo Center Enterprise Fund to provide funding for the operation of the Expo Center.

Note 8 – Capital Assets

A. Governmental Activities

Summary of changes in capital asset activity for the year ended June 30, 2019 is as follows:

Capital Assets	Balance July 1, 2018	Additions	Deletions	Transfer and Reclassification	Balance June 30, 2019
Primary Government					
Governmental activities:					
Capital assets, not being depreciated					
Land	$ 100,991,923	$ 18,007,623	$ (16,006,000)	$ -	$ 102,993,546
Construction in progress	12,273,179	7,184,388	-	(3,105,092)	16,352,475
Total capital assets, not being depreciated	113,265,102	25,192,011	(16,006,000)	(3,105,092)	119,346,021
Capital assets, being depreciated					
Buildings and improvements	119,662,696	-	-	(510,540)	119,152,156
Machinery and equipment	1,926,746	-	-	-	1,926,746
Furniture and fixture	4,623,753	-	-	-	4,623,753
Infrastructure	150,616,227	14,933	-	3,105,092	153,736,252
Total capital assets, being depreciated	276,829,422	14,933	-	2,594,552	279,438,907
Less accumulated depreciation					
Buildings and improvements	(63,824,675)	(2,607,923)	-	-	(66,432,598)
Machinery and equipment	(1,814,168)	(51,255)	-	-	(1,865,423)
Furniture and fixture	(4,255,212)	(176,705)	-	-	(4,431,917)
Infrastructure	(66,699,398)	(3,912,522)	-	-	(70,611,920)
Total accumulated depreciation	(136,593,453)	(6,748,405)	-	-	(143,341,858)
Total capital assets, being depreciated, net	140,235,969	(6,733,472)	-	2,594,552	136,097,049
Total Governmental activities	$ 253,501,071	$ 18,458,539	$ (16,006,000)	$ (510,540)	$ 255,443,070

Depreciation expense was charged to the primary government in the governmental activities in the amount of $6,748,405 to the following function:

General government	$ 568,390
Support services	1,618,269
Community development	112,417
Community services	687,787
Public safety	1,683,737
Public works	2,077,805
Total depreciation expense	$ 6,748,405

Note 8 – Capital Assets (Continued)

B. Business-Type Activities

Summary of changes in capital asset activity for the year ended June 30, 2019 is as follows:

Capital Assets	Balance July 1, 2018	Additions	Deletions	Transfers and Reclassification	Balance June 30, 2019
Business-type activities:					
Capital assets not being depreciated					
Land	$ 6,764,880	$ -	$ -	$ -	$ 6,764,880
Water rights	441,200	-	-	-	441,200
Source of supply-Water	441,688	-	-	-	441,688
Construction in Progress	-	57,758		(51,243)	6,515
Total capital assets, not being depreciated	7,647,768	57,758	-	(51,243)	7,654,283
Capital assets being depreciated					
Buildings and improvements	54,473,201	-	-	525,428	54,998,629
Equipment, furniture and fixtures	1,337,536	-	-	(14,888)	1,322,648
Infrastructure	991,255	-	-	51,243	1,042,498
Source of supply-Electric	4,053,806	-	-	-	4,053,806
Total capital assets, being depreciated	60,855,798	-	-	561,783	61,417,581
Less: accumulated depreciation					
Buildings and improvements	(19,409,721)	(847,659)	-	-	(20,257,380)
Equipment,furniture and fixture	(17,586,489)	(577,017)	-	-	(18,163,506)
Source of supply-Electric	(1,371,016)	(115,974)	-	-	(1,486,990)
Total accumulated depreciation	(38,367,226)	(1,540,650)	-	-	(39,907,876)
Total capital assets being depreciated, net	22,488,572	(1,540,650)	-	561,783	21,509,705
Total Business-type activities	$ 30,136,340	$ (1,482,892)	$ -	$ 510,540	$ 29,163,988

Depreciation expenses for business activities in the amount of $1,540,650 were charged to the activities:

IPUC:	
Water	$ 533,143
Electric	115,974
CRIA Expo Center	743,100
IPHMA	148,433
Total depreciation expense	$ 1,540,650

Note 8 – Capital Assets (Continued)

C. Property Held for Sale or Disposition of the Private-Purpose Trust Fund

Property Held for Sale or Disposition	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets not being depreciated:				
Land	$ 86,899,872	$ -	$ (29,684,165)	$ 57,215,707
Construction in progress	125,409,689	23,453,008	(3,629,473)	145,233,224
Total capital assets not being depreciated	212,309,561	23,453,008	(33,313,638)	202,448,931
Capital assets being depreciated				
Infrastructure	204,294,396	-	-	204,294,396
Buildings and improvements	12,113,887	-	(9,144,153)	2,969,734
Furniture and fixtures	676,222	-	(676,222)	-
Vehicles	33,312	-	-	33,312
Total capital assets being depreciated	217,117,817	-	(9,820,375)	207,297,442
Less: accumulated depreciation	(25,326,312)	-	4,495,714	(20,830,598)
Total capital assets being depreciated, net	191,791,505	-	(5,324,661)	186,466,844
Capital assets, net	$ 404,101,066	$ 23,453,008	$ (38,638,299)	$ 388,915,775

The SA to IUDA no longer records depreciation expense on its capital assets as these assets are being held for sale or disposition.

During the year ended June 30, 2019, the SA to IUDA sold 12 properties to the City as part of the long range property management plan and reported gain on sale of properties in the amount of $30,125,530. Also the SA to IUDA had written off the value of certain properties previously disposed of in the amount of $5,557,175, which is reported against the gain on sale of properties. The Gain on sale of properties, net, was $24,568,355 on the Statement of Changes in Fiduciary Net Position.

Note 9 – Unearned Revenue from Reclaimed Water Sales

Reclaimed Water Sales

The City purchases 10,000 acre feet of reclaimed water from LA County Sanitation District annually. The City also entered into separate joint use and development agreements with the Rowland Water District ("RWD") and the Upper San Gabriel Valley Water District ("SGVWD"). The purpose of the agreements is to sell 3,400 and 2,500 acre feet of reclaimed water to RWD and SGVWD, respectively. Under the agreements, RWD and SGVWD had the option to pay their allocated shares of cost in advance or over 20 years. On July 15, 2009, RWD paid its allocated share of cost in advance in the amount of $5,958,516. Subsequently, SGVWD also paid its allocable share of cost in advance in the amount of $4,280,345 on November 10, 2012. Both advances are to be amortized and recognized as revenue over 20 years. At June 30, 2019 total unearned revenue from the sale of reclaimed water to RWD and SGVWD was in the amount of $5,761,482.

Civic-Recreational-Industrial Authority

Unearned revenue for CRIA are for event rental fees collected prior to the event. At June 30, 2019, unearned revenue for CRIA was in the amount of $138,220.

Note 10 – Long-Term Liabilities

Summary of Changes in the Governmental Activities long-term liabilities for the year ended June 30, 2019 is as following:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due within one year	Due in more than one year
Governmental activities:						
Bonds payable:						
City of Industry:						
General obligation bonds	$ 82,730,000	$ -	$ (11,840,000)	$ 70,890,000	$ 12,370,000	$ 58,520,000
Sales tax revenue bonds	415,820,000	-	(5,510,000)	410,310,000	5,625,000	404,685,000
Public Facilities Authority:						
Tax allocation bonds	422,510,000	-	(95,075,000)	327,435,000	59,805,000	267,630,000
Lease revenue bonds	2,640,000	-	(845,000)	1,795,000	880,000	915,000
Subtotal	923,700,000	-	(113,270,000)	810,430,000	78,680,000	731,750,000
Deferred amounts:						
Unamortized premium/discounts	(4,688,520)	-	(210,998)	(4,899,518)	64,221	(4,963,739)
Total bonds payable	919,011,480	-	(113,480,998)	805,530,482	78,744,221	726,786,261
Net Pension liability	8,994,206	4,729,842	(4,701,795)	9,022,253	-	9,022,253
Compensated absences	63,667	110,350	(63,349)	110,668	50,000	60,668
Total long-term liabilities	$ 928,069,353	$ 4,840,192	$ (118,246,142)	$ 814,663,403	$ 78,794,221	$ 735,869,182

A. City of Industry General Obligation Bonds

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
General obligation bonds:					
2009 GO Refunding Bonds, Series A	$ 8,875,000	$ -	$ (4,330,000)	$ 4,545,000	$ 4,545,000
2009 GO Refunding Bonds, Series B	16,215,000	-	(5,180,000)	11,035,000	5,395,000
2010 GO Refunding Bonds	28,655,000	-	(2,330,000)	26,325,000	2,430,000
2014 GO Refunding Bonds	28,985,000	-	-	28,985,000	-
Total general obligation bonds	$ 82,730,000	$ -	$ (11,840,000)	$ 70,890,000	$ 12,370,000

2009 General Obligation Refunding Bonds, Series A

In May 2009, the City issued $37,860,000 of General Obligation Refunding Bonds (the "2009 GO Refunding Bonds, Series A"). Proceeds from the 2009 GO Refunding Bonds, Series A, along with other funds, were used to refund the $61,935,000 City General Obligation Refunding Bonds, Issue of 2001. In addition to the funds received, the City used approximately $4,000,000 from other funds to fund the redemption of the 2001 bonds. The 2001 General Obligation Bonds were fully redeemed on July 1, 2009.

Principal $4,545,000 matures on July 1, 2019. The bonds bear interests at rate of 3.800%, due on July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 4,545,000	$ 113,625	$ 4,658,625

Note 10 – Long-Term Liabilities (Continued)

A. City of Industry General Obligation Bonds (Continued)

2009 General Obligation Refunding Bonds, Series B

On July 30, 2009, the City issued $50,975,000 of General Obligation Refunding Bonds, Series B (the "2009 GO Refunding Bonds, Series B"). Proceeds from the 2009 GO Refunding Bonds, Series B were used to refund the $72,490,000 of Public Works Capital Improvement General Obligation Refunding Bonds, Issue of 2003. The 2003 General Obligation Bonds were fully redeemed on August 18, 2009.

Principal ranges from $5,395,000 to $5,640,000 maturing annually through July 1, 2020. The bonds bear interest rate of 4.500%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 5,395,000	$ 379,250	$ 5,774,250
2021	5,640,000	127,800	5,767,800
	$ 11,035,000	$ 507,050	$ 11,542,050

2010 General Obligation Refunding Bonds

On August 31, 2010, the City issued $43,340,000 of General Obligation Refunding Bonds (the "2010 GO Refunding Bonds"). Proceeds from the 2010 GO Refunding Bonds were used to refund the $27,245,000 2004 GO Refunding Bonds, Series A, and the $29,015,000 2004 GO Refunding Bonds, Series B. The defeased bonds were fully redeemed on September 17, 2010.

Principal ranges from $1,550,000 to $3,240,000 maturing annually through July 1, 2029. The bonds bear interests at rates range from 4.000% to 5.000%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 2,430,000	$ 1,175,500	$ 3,605,500
2021	2,550,000	1,051,000	3,601,000
2022	2,675,000	924,825	3,599,825
2023	2,800,000	792,400	3,592,400
2024	2,940,000	648,900	3,588,900
2025-2029	11,180,000	1,371,640	12,551,640
2030	1,750,000	37,188	1,787,188
	$ 26,325,000	$ 6,001,453	$ 32,326,453

Note 10 – Long-Term Liabilities (Continued)

A. City of Industry General Obligation Bonds (Continued)

2014 General Obligation Refunding Bonds

In May 2014, the City issued $28,985,000 of General Obligation Refunding Bonds, Series 2014 (Federally Taxable) (the "2014 GO Refunding Bonds"). Proceeds from the 2014 GO Refunding Bonds, along with other funds, were used to refund the $35,000,000 Taxable General Obligation Bonds, Issue of 2002. In addition to the funds received, the City used approximately $1,764,000 from other funds to fund the redemption of the 2002 bonds. The 2002 Taxable General Obligation Bonds were fully redeemed on May 28, 2014.

Principal ranges from $4,470,000 to $6,395,000 maturing annually through July 1, 2024. The bonds bear interests at rates range from 2.500% to 3.125%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ -	$ 832,964	$ 832,964
2021	4,470,000	777,089	5,247,089
2022	5,875,000	640,432	6,515,432
2023	6,035,000	472,897	6,507,897
2024	6,210,000	292,993	6,502,993
2025	6,395,000	99,921	6,494,921
	$ 28,985,000	$ 3,116,296	$ 32,101,296

All the general obligation bonds are secured by property taxes received by the City. The general obligation bonds will be paid off through the fiscal year ending 2030. Principal and interest payments outstanding at June 30, 2019 on the bonds amounted to $80,628,424. Annual principal and interest payments on the general obligation bonds are expected to require 24% of the property taxes. For the year ended June 30, 2019, total monies received to pay for these bonds amounted to $18,135,707. Principal and interest paid on the bonds during the year ended June 30, 2019 amounted to $14,901,714.

B. City of Industry Sales Tax Revenue Bonds

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Sales tax revenue bonds:					
2015 Sales Tax Revenue Refunding Bonds, Series A	$ 334,080,000	$ -	$ (1,920,000)	$ 332,160,000	$ 1,960,000
2015 Sales Tax Revenue Bonds, Series B	50,975,000	-	(505,000)	50,470,000	520,000
2017 Sales Tax Refunding Revenue Bonds	30,765,000	-	(3,085,000)	27,680,000	3,145,000
Total sales tax revenue bonds	$ 415,820,000	$ -	$ (5,510,000)	$ 410,310,000	$ 5,625,000

Note 10 – Long-Term Liabilities (Continued)

B. City of Industry Sales Tax Revenue Bonds (Continued)

2015 Taxable Sales Tax Revenue Refunding Bonds, Series A

On December 3, 2015, the City issued $336,570,000 Senior Sales Tax Revenue Refunding Bonds, Series A (Taxable) to 1) refund its 2005 and 2008 Sales Tax Revenue Bonds, 2) to finance certain improvements and expenditures of the City, 3) purchase a surety for the reserve fund for the bonds, 4) purchase a municipal bond insurance policy for the bonds, and 5) pay certain costs of issuance of the bonds. The 2005 Taxable Sales Tax Revenues Bonds and 2008 Taxable Sales Tax Revenue Bonds were fully redeemed on December 13, 2015.

The refunding was structured to combine the refunding and new money component. As a result, there is no savings in aggregate debt service payments due to the final maturity was extended from 2027 to 2051. However, the refunding resulted in economic gain in the amount of $3,884,174.

Principal ranges from $1,960,000 to $21,875,000 maturing annually through January 1, 2051. The bonds bear interests at rates range from 2.500% to 5.125%, due semiannually on January 1 and July 1.

Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 1,960,000	$ 16,297,363	$ 18,257,363
2021	2,010,000	16,248,362	18,258,362
2022	2,065,000	16,193,088	18,258,088
2023	2,130,000	16,131,138	18,261,138
2024	2,200,000	16,061,913	18,261,913
2025-2029	21,880,000	78,893,643	100,773,643
2030-2034	43,045,000	71,943,518	114,988,518
2035-2039	54,470,000	60,518,563	114,988,563
2040-2044	69,930,000	45,055,156	114,985,156
2045-2049	89,785,000	25,201,675	114,986,675
2050-2051	42,685,000	3,308,700	45,993,700
	$ 332,160,000	$ 365,853,119	$ 698,013,119

2015 Taxable Sales Tax Revenue Refunding Bonds, Series B

On December 3, 2015, the City issued $51,460,000 Subordinate Sales Tax Revenue Bonds, Series 2015B (Taxable) to finance working capital expenditures and/or project costs.

Principal ranges from $520,000 to $3,905,000 maturing annually through February 1, 2051. The bonds bear interests at rates range from 3.750% to 7.750%, due semiannually on January 1 and July 1.

Note 10 – Long-Term Liabilities (Continued)

B. City of Industry Sales Tax Revenue Bonds (Continued)

2015 Taxable Sales Tax Revenue Refunding Bonds, Series B (Continued)

Debt service requirement to maturity is as follows

Year Ending June 30,	Principal	Interest	Total
2020	$ 520,000	$ 3,687,948	$ 4,207,948
2021	540,000	3,668,448	4,208,448
2022	560,000	3,645,498	4,205,498
2023	585,000	3,620,298	4,205,298
2024	615,000	3,592,510	4,207,510
2025-2029	3,600,000	17,430,044	21,030,044
2030-2034	4,930,000	16,107,304	21,037,304
2035-2039	6,985,000	14,044,328	21,029,328
2040-2044	10,040,000	10,996,838	21,036,838
2045-2049	14,565,000	6,472,798	21,037,798
2050-2051	7,530,000	886,214	8,416,214
Total	$ 50,470,000	$ 84,152,228	$ 134,622,228

2017 Senior Taxable Sales Tax Revenue Refunding Bonds

On April 11, 2017, the City issued $34,340,000 Senior Sales Tax Revenue Refunding Bonds (Taxable) to 1) defease its 2010 Sales Tax Revenue Bonds, 2) purchase a surety for the reserve fund for the bonds, 3) purchase a municipal bond insurance policy for the bonds, and 4) pay certain costs of issuance of the bonds.

The refunding resulted in savings in debt service payments in the amount of $7,396,509. It also resulted in economic gain in the amount of $1,784,623. Outstanding balance for the defeased 2010 Sales Tax Revenue Bonds at June 30, 2019 was in the amount of $27,515,000. The 2010 Sales Tax Revenue Bonds is schedules for full redemption on January 1, 2020.

Principal ranges from $3,145,000 to $3,835,000 maturing annually through January 1, 2027. The bonds bear interests at rates range from 2.000% to 3.500%, due semiannually on January 1 and July 1.

Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 3,145,000	$ 828,956	$ 3,973,956
2021	3,215,000	758,194	3,973,194
2022	3,295,000	677,818	3,972,818
2023	3,390,000	587,206	3,977,206
2024	3,490,000	485,506	3,975,506
2025-2027	11,145,000	770,276	11,915,276
	$ 27,680,000	$ 4,107,956	$ 31,787,956

Note 10 – Long-Term Liabilities (Continued)

B. City of Industry Sales Tax Revenue Bonds (Continued)

2017 Senior Taxable Sales Tax Revenue Refunding Bonds (Continued)

The sales tax revenue bonds are secured by sales tax revenues received by the City until the bonds are paid off in fiscal year 2051. Principal and interest payments outstanding at June 30, 2019 on the bonds amounted to $864,423,303. Annual principal and interest payments on the sales tax revenue bonds are expected to require 25% of the sales tax revenues. For the year ended June 30, 2019, total sales tax revenues received to pay for these bonds amounted to $35,191,970. Principal and interest paid on the bonds during the year ended June 30, 2019 amounted to $26,443,178.

C. Public Facilities Authority Tax Allocation Revenue Bonds

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Tax allocation revenue bonds:					
2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 1)	$ 171,345,000	$ -	$ (36,945,000)	$ 134,400,000	$ 37,925,000
2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 2)	5,945,000	-	(735,000)	5,210,000	770,000
2015 Tax Allocation Revenue Refunding Bonds, Series B (Project No. 2)	207,485,000	-	(53,330,000)	154,155,000	16,905,000
2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 3)	6,015,000	-	(740,000)	5,275,000	780,000
2015 Tax Allocation Revenue Refunding Bonds, Series B (Project No. 3)	31,720,000	-	(3,325,000)	28,395,000	3,425,000
Total tax allocation revenue bonds	$ 422,510,000	$ -	$ (95,075,000)	$ 327,435,000	$ 59,805,000

2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 1)

On July 1, 2015, the PFA issued the $239,525,000 Tax Allocation Revenue Refunding Bonds, Series 2015A (Civic-Recreational-Industrial Redevelopment Project No. 1) (Taxable) for the purpose of acquiring the SA to IUDA's Project No. 1 2015A Bonds, which was issued to defease all IUDA Project No. 1's 2002 Tax Allocation Refunding Bonds Series B, 2003 Tax Allocation Bonds, Series A, 2003 Tax Allocation Bonds, Series B, 2003 Subordinate Lien Tax Allocation Refunding Bonds, 2005 Subordinate Lien Tax Allocation Refunding Bonds, 2007 Subordinate Lien Tax Allocation Refunding Bonds, and 2008 Subordinate Lien Tax Allocation Refunding Bonds.

The PFA has funded its debt service bond reserve requirement by purchasing insurance in the amount of $23,952,000.

Note 10 – Long-Term Liabilities (Continued)

C. Public Facilities Authority Tax Allocation Revenue Bonds (Continued)

2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 1) (Continued)

Principal ranges from $6,835,000 to $39,090,000 maturing annually through January 1, 2025. The bonds bear interests at rates range from 3.139% to 4.344%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 37,925,000	$ 4,840,094	$ 42,765,094
2021	39,090,000	3,649,628	42,739,628
2022	30,740,000	2,292,814	33,032,814
2023	9,705,000	1,118,239	10,823,239
2024	10,105,000	725,769	10,830,769
2025	6,835,000	148,456	6,983,456
	$ 134,400,000	$ 12,775,000	$ 147,175,000

2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 2)

On July 1, 2015, the PFA issued the $7,140,000 Tax Allocation Revenue Refunding Bonds, Series 2015A (Transportation-Distribution-Industrial Redevelopment Project No. 2) (Tax-Exempt) for the purpose of acquiring the SA to IUDA's Project No. 2 2015A Bonds, issued to defease all IUDA Project No. 2's outstanding 2002 Tax Allocation Refunding Bonds. The PFA also issued the $249,770,000 Tax Allocation Revenue Refunding Bonds, Series 2015B (Transportation-Distribution-Industrial Redevelopment Project No. 2) (Taxable) for the purpose of acquiring the SA to IUDA's Project No. 2 2015B Bonds, issued to defease a portion of 2003 Subordinate Lien Tax Allocation Refunding Bonds (with outstanding accreted value of $178,967,753) and all IUDA Project No. 2's outstanding 2003 Tax Allocation Bonds, 2005 Subordinate Lien Tax Allocation Refunding Bonds, 2008 Subordinate Lien Tax Allocation Refunding Bonds, 2010 Subordinate Tax Allocation Refunding Bonds.

For Series A, principal ranges from $770,000 to $975,000 maturing annually through January 1, 2025. The bonds bear interests at rate of 5.000%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 770,000	$ 260,500	$ 1,030,500
2021	805,000	222,000	1,027,000
2022	845,000	181,750	1,026,750
2023	885,000	139,500	1,024,500
2024	930,000	95,250	1,025,250
2025	975,000	48,750	1,023,750
	$ 5,210,000	$ 947,750	$ 6,157,750

Note 10 – Long-Term Liabilities (Continued)

C. Public Facilities Authority Tax Allocation Revenue Bonds (Continued)

2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 2) (Continued)

For Series B, the PFA early redeemed $36,910,000 of the bonds during the year ended June 30, 2019. The remaining principal ranges from $1,530,000 to $48,825,000 maturing annually through January 1, 2025. The bonds bear interests at rates ranges from 3.389% to 5.044%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 16,905,000	$ 6,774,818	$ 23,679,818
2021	17,490,000	6,201,908	23,691,908
2022	22,550,000	5,481,146	28,031,146
2023	46,855,000	4,551,860	51,406,860
2024	48,825,000	2,539,906	51,364,906
2025	1,530,000	77,174	1,607,174
	$ 154,155,000	$ 25,626,812	$ 179,781,812

2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 3)

On July 1, 2015, the PFA issued the $7,230,000 Tax Allocation Revenue Refunding Bonds, Series 2015A (Transportation-Distribution-Industrial Redevelopment Project No. 3) (Tax-Exempt) for the purpose of acquiring the SA to IUDA's Project No.3 2015A Bonds, which was issued to defease IUDA's Project No. 3 outstanding 2002 Tax Allocation Refunding Bonds. The PFA also issued the $37,425,000 Tax Allocation Revenue Refunding Bonds, Series 2015B (Transportation-Distribution-Industrial Redevelopment Project No. 3) (Taxable) for the purpose of acquiring the SA to IUDA's Project No.3 2015B Bonds, which was issued to defease IUDA's Project No. 3 2003 Tax Allocation Bonds, 2003 Subordinate Lien Tax Allocation Refunding Bonds, and 2008 Subordinate Lien Tax Allocation Refunding Bonds.

The PFA has funded its debt service reserve fund requirement by purchasing insurance in the amount of $4,524,216.

For Series A, principal ranges from $780,000 to $985,000 maturing annually through January 1, 2025. The bonds bear interests at rate of 5.000%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 780,000	$ 263,750	$ 1,043,750
2021	815,000	224,750	1,039,750
2022	855,000	184,000	1,039,000
2023	900,000	141,250	1,041,250
2024	940,000	96,250	1,036,250
2025	985,000	49,250	1,034,250
	$ 5,275,000	$ 959,250	$ 6,234,250

Note 10 – Long-Term Liabilities (Continued)

C. *Public Facilities Authority Tax Allocation Revenue Bonds (Continued)*

2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 3) (Continued)

For Series B, principal ranges from $3,285,000 to $3,990,000 maturing annually through January 1, 2027. The bonds bear interests at rates ranges from 3.000% to 5.044%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 3,425,000	$ 1,362,237	$ 4,787,237
2021	3,530,000	1,259,487	4,789,487
2022	3,435,000	1,081,434	4,516,434
2023	3,605,000	908,172	4,513,172
2024	3,795,000	726,336	4,521,336
2025-2027	10,605,000	1,036,542	11,641,542
	$ 28,395,000	$ 6,374,208	$ 34,769,208

Revenue Pledged

All of the 2015 Tax Allocation Refunding Bonds described in Note 10C are secured and payable in the following order of priority: 1) pledged tax revenue through ownership to local obligation bonds, 2) investment income with respect to the funds and accounts established under the indenture, and 3) certain override revenues until the bonds are fully paid off which is scheduled to be during the year ending 2027. Principal and interest payments outstanding at June 30, 2019 amounted to $374,118,020.

At June 30, 2019, PFA and the Successor Agency had funds held by the bond trustee that was and will be used to fund the bond payments on the 2015 A & B Public Facilities Authority Tax Allocation Revenue Refunding Bonds as follows:

PFA Tax Override Funds:	
Tax Override Funds transferred during the year ended June 30, 2019	$ 61,149,385
Carryover from prior year and interest income	966,499
Total Tax Override Funds Held by PFA Bond Trustee at June 30, 2019	62,115,884
Successor Agency RPTTF Funds:	70,166,126
Total Tax Override and SA RPTTF Funds Held by Bond Trustee at June 30, 2019	$ 132,282,010

2015A & B PFA Tax Allocation Revenue Refunding Bond Payments during the Year Ending June 30, 2019:

Payment Date	Principal	Interest	Total
July 1, 2019	$ -	$ 6,750,699	$ 6,750,699
January 1, 2020	59,805,000	6,750,699	66,555,699
	$ 59,805,000	$ 13,501,398	$ 73,306,398

PFA will have approximately $58,900,000 funds available to fund an early redemption of the 2015 A & B Public Facilities Authority Tax Allocation Revenue Refunding Bonds.

The $61,149,385 of current tax override funds transferred during the year ended June 30, 2019 is shown as a deposit for bond payments on the accompanying balance sheet.

Note 10 – Long-Term Liabilities (Continued)

C. *Public Facilities Authority Tax Allocation Revenue Bonds (Continued)*

Prior Years Defeased Obligations

In prior years, the PFA defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. At June 30, 2019, the PFA had redeemed all prior year bonds that are considered defeased.

D. *Public Facilities Authority Lease Revenue Refunding Bonds*

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year
Lease revenue refunding bonds					
2010 Lease Revenue Refunding Bonds	$ 2,640,000	$ -	$ (845,000)	$ 1,795,000	$ 880,000

2010 Lease Revenue Refunding Bonds and City Certificates of Participation

In order to assist the City in financing the construction of various projects, on August 1, 2000, IUDA and the City entered into a lease agreement for certain properties owned by the City for a one-time site lease payment in the amount of $11,000,000. The IUDA agreed to lease back these properties to the City. In conjunction with the signing of these lease agreements on August 30, 2000, the City issued $12,620,000 of Certificates of Participation Series 2000 bonds ("2000 Certificates") to fund IUDA's site lease payment. Under the lease agreement, the certificates represented direct, undivided fractional interests of the owners in lease payments to be made by the City to IUDA.

The term of both leases ceased on the date in which all the outstanding 2000 Certificates were paid in full as discussed below.

In March 2010, the City terminated its lease agreement with IUDA and leased the properties to PFA under a Site Lease Agreement between the City and PFA. As consideration, PFA paid an upfront rental payment of approximately $8,500,000 to the City for the lease of certain properties. The funds were then used by the City to prepay the 2000 Certificates. These funds were placed in an irrevocable trust to provide for all future debt service payments on the 2000 Certificates. Accordingly, the trust account and the defeased Certificates are not included in the City's financial statements.

In order to prepay the Site Lease, PFA issued $8,460,000 of 2010 Refunding Lease Revenue Bonds. Principal ranges from $880,000 to $915,000 maturing annually through August 1, 2020. The bonds bear interests at rates range from 4.125% to 4.250%, due semiannually on February 1 and August 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 880,000	$ 57,038	$ 937,038
2021	915,000	19,444	934,444
	$ 1,795,000	$ 76,482	$ 1,871,482

Note 10 – Long-Term Liabilities (Continued)

D. Public Facilities Authority Lease Revenue Refunding Bonds (Continued)

2010 Lease Revenue Refunding Bonds and City Certificates of Participation (Continued)

In order to secure payments of the bond principal and interest, PFA then leased back the property to the City in which the City is then obligated to pay semi-annual lease payments as rental payments for the leased back properties. PFA has assigned its right to receive the lease payments to U.S. Bank Trust National Association as trustee for the holders of the Refunding Lease Revenue Bonds.

The term of both leases will cease on the date on which all the outstanding principal and interest payments of the 2010 Refunding Lease Revenue Bonds are paid in full or a provision has been made for such payment, but not later than August 1, 2030.

PFA will amortize the site lease prepayment over the term of the lease as follows:

Year Ending June 30,	Lease Expense
2020	$ 373,144
2021	373,144
2022	373,144
2023	373,144
2024	373,144
Thereafter	2,238,861

The following is a schedule of future minimum lease payments to be received by PFA and paid by the City:

Year Ending June 30,	Amount
2020	$ 937,658
2021	937,658

E. Non-City Obligation Bonds

In December 1998, the City issued $6,735,000 of 1998 Revenue Bonds, the purpose of providing funds to acquire the City of Industry Limited Obligation Refunding Improvement Bonds, Assessment District No. 91-1. These funds were used to advance refund and to defease the 1991 Assessment Bonds.

The 1998 Revenue Bonds are special obligations of the City, payable from revenues consisting primarily of debt service payments received from the Refunding Improvement Bonds which revenues are secured by liens of unpaid reassessments on the properties within the Assessment

Any surplus revenues, after paying administrative costs or paying of installments upon properties which are subject to the reassessment, will be paid over to the City to be used for any lawful purpose of the City. The 1998 Revenue Bonds and the City of Industry Limited Obligation Refunding Improvement Bonds, Assessment District No. 91-1 are not debt or liabilities of the City. However, the bonds are payable solely by the revenues and funds pledged in the indenture. Accordingly, these obligations have not been reflected as obligations on the financial statements of the City.

F. Compensated Absences

At June 30, 2019, compensated absences totaled to $110,668, which will be liquidated by the General Fund.

Note 11 – Successor Agency Bonds Payable

Summary of changes in the Successor Agency to IUDA's bonds payables for the year ended June 30, 2019 is as following:

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019	Due Within One Year	Due in more than one year
Project Area 1:						
2015 Tax Allocation Revenue Refunding Bonds, Series A	$ 171,345,000	$ -	$ (36,945,000)	$ 134,400,000	$ 37,925,000	$ 96,475,000
Total Project Area 1	171,345,000	-	(36,945,000)	134,400,000	37,925,000	96,475,000
Project Area 2:						
2015 Tax Allocation Revenue Refunding Bonds, Series A	5,945,000	-	(735,000)	5,210,000	770,000	4,440,000
2015 Tax Allocation Revenue Refunding Bonds, Series B	207,485,000	-	(53,330,000)	154,155,000	16,905,000	137,250,000
Total Project Area 2	213,430,000	-	(54,065,000)	159,365,000	17,675,000	141,690,000
Project Area 3:						
2015 Tax Allocation Revenue Refunding Bonds, Series A	6,015,000	-	(740,000)	5,275,000	780,000	4,495,000
2015 Tax Allocation Revenue Refunding Bonds, Series B	31,720,000	-	(3,325,000)	28,395,000	3,425,000	24,970,000
Total Project Area 3	37,735,000	-	(4,065,000)	33,670,000	4,205,000	29,465,000
Total tax allocation bonds	422,510,000	-	(95,075,000)	327,435,000	59,805,000	267,630,000
Deferred amounts:						
Unamortized premium/discounts	556,050	-	(155,971)	400,079	132,129	267,950
Total bonds payable	$ 423,066,050	$ -	$ (95,230,971)	$ 327,835,079	$ 59,937,129	$ 267,897,950

2015 Tax Allocation Revenue Refunding Bonds, Series A (Project No. 1)

On July 1, 2015, the SA to IUDA issued the $239,525,000 Tax Allocation Revenue Refunding Bonds, Series 2015A (Civic-Recreational-Industrial Redevelopment Project No. 1) (Taxable) for the purpose to defease all IUDA Project No. 1 outstanding 2002 Tax Allocation Refunding Bonds Series B, 2003 Tax Allocation Bonds, Series A, 2003 Tax Allocation Bonds, Series B, 2003 Subordinate Lien Tax Allocation Refunding Bonds, 2005 Subordinate Lien Tax Allocation Refunding Bonds, 2007 Subordinate Lien Tax Allocation Refunding Bonds, and 2008 Subordinate Lien Tax Allocation Refunding Bonds.

Principal ranges from $6,835,000 to $39,090,000, maturing annually through January 1, 2025. The bonds bear interests at rates range from 3.139% to 4.344%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 37,925,000	$ 4,840,094	$ 42,765,094
2021	39,090,000	3,649,628	42,739,628
2022	30,740,000	2,292,814	33,032,814
2023	9,705,000	1,118,239	10,823,239
2024	10,105,000	725,769	10,830,769
2025	6,835,000	148,456	6,983,456
	$ 134,400,000	$ 12,775,000	$ 147,175,000

Note 11 – Successor Agency Bonds Payable (Continued)

2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 2)

On July 1, 2015, the SA to IUDA issued the $7,140,000 Tax Allocation Revenue Refunding Bonds, Series 2015A (Transportation-Distribution-Industrial Redevelopment Project No. 2) (Tax-Exempt) for the purpose to defease all IUDA Project No. 2 outstanding 2002 Tax Allocation Refunding Bonds. The SA to IUDA also issued the $249,770,000 Tax Allocation Revenue Refunding Bonds, Series 2015B (Transportation-Distribution-Industrial Redevelopment Project No. 2) (Taxable) for the purpose to defease a portion of 2003 Subordinate Lien Tax Allocation Refunding Bonds (with outstanding accreted value of $178,967,753) and all IUDA Project No. 2 outstanding 2003 Tax Allocation Bonds, 2005 Subordinate Lien Tax Allocation Refunding Bonds, 2008 Subordinate Lien Tax Allocation Refunding Bonds, 2010 Subordinate Tax Allocation Refunding Bonds.

For Series A, principal ranges from $770,000 to $975,000 maturing annually through January 1, 2025. The bonds bear interests at rate of 5.000%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 770,000	$ 260,500	$ 1,030,500
2021	805,000	222,000	1,027,000
2022	845,000	181,750	1,026,750
2023	885,000	139,500	1,024,500
2024	930,000	95,250	1,025,250
2025	975,000	48,750	1,023,750
	$ 5,210,000	$ 947,750	$ 6,157,750

For Series B, the SA to IUDA early redeemed $36,910,000 of the bonds during the year ended June 30, 2019. The remaining principal ranges from $1,530,000 to $48,825,000 maturing annually through January 1, 2025. The bonds bear interests at rates ranges from 3.389% to 5.044%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 16,905,000	$ 6,774,818	$ 23,679,818
2021	17,490,000	6,201,908	23,691,908
2022	22,550,000	5,481,146	28,031,146
2023	46,855,000	4,551,860	51,406,860
2024	48,825,000	2,539,906	51,364,906
2025	1,530,000	77,174	1,607,174
	$ 154,155,000	$ 25,626,812	$ 179,781,812

2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 3)

On July 1, 2015, the SA to IUDA issued the $7,230,000 Tax Allocation Revenue Refunding Bonds, Series 2015A (Transportation-Distribution-Industrial Redevelopment Project No. 3) (Tax-Exempt) for the purpose to defease IUDA's Project No. 3 outstanding 2002 Tax Allocation Refunding Bonds. The SA to IUDA also issued the $37,425,000 Tax Allocation Revenue Refunding Bonds, Series 2015B (Transportation-Distribution-Industrial Redevelopment Project No. 3) (Taxable) for the purpose to defease all IUDA's Project No. 3 outstanding 2003 Tax Allocation Bonds, 2003 Subordinate Lien Tax Allocation Refunding Bonds, and 2008 Subordinate Lien Tax Allocation Refunding Bonds.

Note 11 – Successor Agency Bonds Payables (Continued)

2015 Tax Allocation Revenue Refunding Bonds, Series A and B (Project No. 3) (Continued)

For Series A, principal ranges from $780,000 to $985,000 maturing annually through January 1, 2025. The bonds bear interests at rate of 5.000%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 780,000	$ 263,750	$ 1,043,750
2021	815,000	224,750	1,039,750
2022	855,000	184,000	1,039,000
2023	900,000	141,250	1,041,250
2024	940,000	96,250	1,036,250
2025	985,000	49,250	1,034,250
	$ 5,275,000	$ 959,250	$ 6,234,250

For Series B, principal ranges from $3,285,000 to $3,990,000 maturing annually through January 1, 2027. The bonds bear interests at rates ranges from 3.000% to 5.044%, due semiannually on January 1 and July 1. Debt service requirement to maturity is as follows:

Year Ending June 30,	Principal	Interest	Total
2020	$ 3,425,000	$ 1,362,237	$ 4,787,237
2021	3,530,000	1,259,487	4,789,487
2022	3,435,000	1,081,434	4,516,434
2023	3,605,000	908,172	4,513,172
2024	3,795,000	726,336	4,521,336
2025-2027	10,605,000	1,036,542	11,641,542
	$ 28,395,000	$ 6,374,208	$ 34,769,208

The 2015 Tax Allocation Revenue Refunding Bonds collectively resulted in an economic gain in the amount of $42,816,814 and total savings in debt service payments in the amount of $149,432,987.

Prior Years Defeased Obligations

In prior years, the SA to IUDA defeased certain bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. At June 30, 2019, the SA to IUDA had redeemed all prior year bonds that are considered defeased.

Revenue Pledged

All of the bonds described in this note are secured by a pledge of all future payments from the Redevelopment Property Tax Trust Fund ("RPTTF") funds until the bonds are fully paid off which is scheduled to be during the year ending 2027. Principal and interest payments outstanding at June 30, 2019 amounted to $374,118,020. Annual principal and interest payments on the bonds are expected to require 100% of the RPTTF funds. For the year ended June 30, 2019, total tax increment revenues calculated by the Los Angeles Auditor-Controller amounted to $81,616,777, which the SA received $69,483,138 after deductions.

Note 11 – Successor Agency Bonds Payable (Continued)

Revenue Pledged (Continued)

Prior to the dissolution of the Industry Urban-Development Agency, the IUDA undertook a program to redevelop each Project Area pursuant to the Community Redevelopment Law. The IUDA issued bonds discussed in the note and secured the bonds by a pledge of tax increment revenues allocated and paid to the IUDA pursuant to HSC Section 33670(b). In 1978, the City's voters authorized the City to levy an *ad valorem tax* (the "Property Tax Override") and the City continues to levy the Property Tax Override on taxable properties in the City, including properties within three Project Areas.

Since the Property Tax Override was authorized in 1978, the tax increment revenues allocated and paid to the IUDA before its dissolution in 2012 included a portion of the Property Tax Override. Pursuant to the IUDA bond indentures, the tax increment revenues pledged to the IUDA bonds included the Property Tax Override. Pursuant to the mandate set forth in HSC Section 34175, the pledge of property tax revenues for the IUDA bonds must not be affected and pledged revenues must continue to include the Agency Override Portion. However the Los Angeles Auditor-Controller in administering the allocation of property taxes pursuant to AB X1 26, is disbursing the Agency Override Portion to the City of Industry, instead of depositing the Agency Override Portion into the Successor Agency's RPTTF fund.

In recognition of the above the SA to IUDA has adopted resolution no. SA 2013-10 on September 25, 2013 authorizing the Executive Director to do as follows, if during each six month ROPS period the moneys received by the SA to IUDA from the Los Angeles Auditor-Controller's RPTTF disbursement is insufficient to pay the principal and interest payments with respect to the IUDA bonds coming due during the ROPS period, the Executive Director shall notify the City of the shortfall.

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

The SA to IUDA received RPTTF Funds for the year ended June 30, 2019 was as follows:

RPTTF Funds	$	81,616,777
Less:		
Administrative expenses		(1,498,621)
Pass through payments		(10,635,018)
Net RPTTF Funds	$	69,483,138

At June 30, 2019 the PFA owned 100 percent of the outstanding bonds of the SA to the IUDA.

Note 12 – Defined Benefit Pension Plan

A. General Information about the Pension Plan

Plan Description

The City contributes to CalPERS, a cost-sharing multiple-employer defined pension plan, for its miscellaneous employees. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of CalPERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

Employees Covered by Benefit Terms

At June 30, 2017 (valuation date), the following employees were covered by the benefit terms:

	Plans		
	Classic	Second Tier	PEPRA
Active employees	5	4	15
Transferred and terminated employees	10	0	2
Retired employees and beneficiaries	35	0	0
Total	50	4	17

Benefits Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A first tier classic CalPERS member becomes eligible for service retirement upon attainment of age 55 with at least five years of credited service. A second tier classic CalPERS member becomes eligible for service retirement upon attainment of age 60 with at least five years of credited service. A PEPRA miscellaneous member becomes eligible for service retirement upon attainment of age 62 with at least five years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 12 - 36 months of full-time equivalent monthly pay.

The following are the benefit provisions for each plan:

- Classic Tier 1: 2.7% (at age 55) of the highest average 12-months compensation.
- Classic Tier 2: 2.0% (at age 60) of the highest average 36-months compensation.
- PEPRA: 2.0% (at age 62) of the average 36-months compensation.

Participants are eligible for non-industrial disability retirement if they become disabled and have at least five years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8 percent of final compensation, multiplied by service.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.5 percent per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death. Upon the death of a retiree, a one-time lump sum payment of $500 will be made to the retiree's designated survivor(s) or to the retiree's estate.

Note 12 – Defined Benefit Pension Plan (Continued)

A. General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2.0 percent.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law ("PERL") requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following the notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the measurement period ended June 30, 2018, the contribution rates were as follows:

Plans	Active Employee Contribution Rate	Employer Contribution Rate
Classic	8.000%	13.714%
Second Tier	7.000%	9.152%
PEPRA	7.000%	7.170%

B. Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

Actuarial Methods and Assumption Used to Determine Total Pension Liability

For the measurement period ended June 30, 2018, the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2018 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table[1]	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies 2.50% thereafter

[1]The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

Note 12 – Defined Benefit Pension Plan (Continued)

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

Change of Assumption

In 2018, demographic assumptions and inflation were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

Long-Term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

Asset Class[1]	Assumed Asset Allocation	Real Return Years 1 - 10[2]	Real Return Years 11+[3]
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	100.00%		

[1] In the CalPERS' CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

[2] An expected inflation of 2.00% used

[3] An expected inflation of 2.92% used

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 12 – Defined Benefit Pension Plan (Continued)

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

Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage-point lower (6.15 percent) or one percentage-point higher (8.15 percent) than the current rate:

Plan's Net Pension Liability/(Asset)		
Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
$ 14,492,243	$ 9,022,253	$ 4,506,866

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS' financial report and can be obtained from CalPERS' website under Forms and Publications.

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan's proportionate share of the risk pool collective net pension liability over the measurement period:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2017 (Valuation Date)	$ 29,685,069	$ 20,690,863	$ 8,994,206
Balance at June 30, 2018 (Measurement Date)	29,226,087	20,203,834	9,022,253
Net changes from July 1, 2017 to June 30, 2018	$ (458,982)	$ (487,029)	$ 28,047

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool:

(1) In determining a cost-sharing plan's proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation date (June 30, 2017). The risk pool's fiduciary net position ("FNP") subtracted from its total pension liability ("TPL") determines the net pension liability ("NPL") at the valuation date.

(2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2018). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool's FNP at the measurement date denotes the aggregate risk pool's FNP at June 30, 2018 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (2017-18).

Note 12 – Defined Benefit Pension Plan (Continued)

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

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

(3) The individual plan's TPL, FNP and NPL are also calculated at the valuation date.

(4) Two ratios are created by dividing the plan's individual TPL and FNP as of the valuation date from by the amounts in step (1), the risk pool's total TPL and FNP, respectively.

(5) The plan's TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan's FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.

(6) The plan's NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

Deferred outflows of resources, deferred inflows of resources, and pension expense is allocate based on the City's share of contribution.

The City's proportionate share of the net pension liability was as follows:

June 30, 2017	0.09069%
June 30, 2018	0.09363%
Change - Increase (Decrease)	0.00294%

For the year ended June 30, 2019, the City recognized pension expense in the amount of $3,152,771.

The Expected Average Remaining Service Lifetime ("EARSL") is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the risk pool. The EARSL for risk pool for the June 30, 2018 measurement period is 3.8 years, which was obtained by dividing the total service years of 516,147 (the sum of remaining service lifetimes of the active employees) by 135,474 (the total number of participants: active, inactive, and retired).

At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contribution made after the measurement date	$ 195,741	$ -
Changes of assumptions	1,028,564	(252,081)
Difference between expected and actual experience	346,168	(117,800)
Net difference between projected and actual earnings on pension plan investments	44,603	-
Adjustment due to differences in proportions	52,219	(199,558)
Employer contributions over/(under) proportionated contributions	5,912,263	(192,534)
Total	$ 7,579,558	$ (761,973)

Note 12 – Defined Benefit Pension Plan (Continued)

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

Proportionate Share of Net Pension Liability and Pension Expense (Continued)

Deferred outflows of resources related to pensions resulting from the City's contributions made subsequent to the measurement date in the amount of $195,741 will be recognized as a reduction of the collective net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Deferred Outflows/(Inflows) of Resources
2020	$ 2,828,537
2021	2,506,652
2022	1,367,805
2023	(81,150)
2024	-
Thereafter	-
	$ 6,621,844

Note 13 – Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or an unforeseeable emergency. All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights (until paid or made available to the employees or other beneficiary) are solely the property and rights of the participant and are not subject to the claims of the City's general creditors.

Investments are managed by the plan's trustee under one of several investment options, or a combination thereof. The choice of the investment options is made by the participants. Plan assets are held in trust for the exclusive benefit of participant and their beneficiaries; and therefore, are not included in the accompanying financial statements. As of June 30, 2019, the plan had investments in the amount of $1,754,757.

Note 14 – Other Postemployment Benefits ("OPEB")

A. General Information about the OPEB Plan

Plan Description

The City contributes to a single-employer defined benefit plan to provide postemployment medical benefits. Specifically, the City offers postretirement medical, dental and vision benefits to all employees who retire from the City. The plan does not provide a publicly available financial report.

Benefits provided by the plan is as follow:

	General Employees	Management
Benefit Types Provided	Medical, dental and vision	Medical, dental and vision
Duration of Benefits	Lifetime	Lifetime
Required Services	15 years**	15 years*
Minimum Age	50 years old	50 years old
Dependent Coverage	Yes	Yes
City Contribution %	100.00%	100.00%
City Cap	None	None

* Elected and appointed officials qualify for City-paid coverage after 8 or more years.
**25 years for those hired 4/26/1990 to 6/30/2012.; 10 years for those hired prior to 4/26/1990

Employees Covered by Benefit Term

At June 30, 2017 valuation date, the following employees were covered by the benefit term:

Active employees	31
Inactive employees receiving benefits	34
Inactive employees entitled to but not receiving benefits	-
Total	65

Contribution

The obligation of the City to contribute to the plan is established and may be amended by the City Council. For the year ended June 30, 2019, the average contribution rate was not applicable. Employees are not required to contribute to the plan.

B. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

Actuarial Assumptions

Total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Note 14 – Other Postemployment Benefits ("OPEB") (Continued)

B. Net OPEB Liability (Continued)

Actuarial Assumptions (Continued)

Actuarial Cost Method:	Entry age actuarial cost method
Actuarial Assumptions:	
Inflation	2.75%
Investment Rate of Return/Discount Rate	7.00%
Healthcare Cost Trend	4.00%
Payroll Increase	2.75%
Mortality Rate Table	2014 CalPERS Active Mortality for Miscellaneous Employees
Retirement Rate	Hired < 1/1/2013: 2009 CalPERS 2.7%@ 55 Rates for Misc. Employees
	Hired > 12/31/2012: 2009 CalPERS 2.0%@ 60 Rates for Misc. Employees
	adjusted to reflect minimum retirement age of 52
Service Requirement	General Employee - Hired before 4/26/90: 100% at 10 years of service
	General Employee - Hired 4/26/90 to 6/30/12: 100% at 25 years of Service
	General Employee - Hired 7/1/12 or later: 100% at 15 Years of Service
	Elected and Appointed Officials - 100% at 8 years of service
	Management - 100% at 15 years of service
Medical Costs	General Employees - Future Retirees Pre-65 $27,121
	General Employees - Future Retirees Post-65 $14,249
	Management - Future Retirees Pre-65 $27,121
	Management - Future Retirees Pre-65 $14,249
Participation Rate	< 65 Non-Medicare Participation % at 100%
	> 65 Medicare Participation % at 100%
Turnover	2009 CalPERS Turnover for Miscellaneous Employees

Discount Rate

The discount rate of 7% was used in the valuation. It was assumed that contributions would be sufficient to fully fund the obligation over a period not to exceed 30 years. The City used historic 30 year real rates of return for each asset class along with the assumed long-term inflation assumption to set the discount rate. The City offset the expected investment return by investment expenses of 25 basis points. The following is the assumed asset allocation and assumed rate of return:

Asset Class	Percentage of Portfolio	Assumed Gross Return
US Large Cap	43.00%	7.795%
US Small Cap	23.00%	7.795%
Long-Term Corporate Bonds	12.00%	5.295%
Long-Term Government Bonds	6.00%	4.500%
Treasury Inflation Protected Securities (TIPS)	5.00%	7.795%
US Real Estate	8.00%	7.795%
All Commodities	3.00%	7.795%
	100.00%	

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

Note 14 – Other Postemployment Benefits ("OPEB") (Continued)

C. Change in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/ (Asset)
Balance at June 30, 2017 (Valuation Date)	$ 9,012,577	$ 11,161,517	$ (2,148,940)
Changes recognized for the measurement period:			
Service Cost	261,189	-	261,189
Interest on total OPEB liability	619,722	-	619,722
Difference between expected and actual experience	95,803	-	95,803
Employer contributions	-	-	-
Employee contributions	-	-	-
Investment income	-	904,934	(904,934)
Administrative expenses	-	(20,767)	20,767
Benefit payments	(579,992)	(579,992)	-
Actual minus expected benefit payments	(95,803)	-	(95,803)
Other	-	2,091	(2,091)
Net change during measurement period 2017-2018	300,919	306,266	(5,347)
Balance at June 30, 2018 (Measurement Date)	$ 9,313,496	$ 11,467,783	$ (2,154,287)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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

	Net OPEB Liability (Asset)		
Measurement Date	Discount Rate - 1% (6.00%)	Current Discount Rate (7.00%)	Discount Rate + 1% (8.00%)
June 30, 2018	$ (1,161,688)	$ (2,154,287)	$ (2,984,621)

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower (4.0 percent decreasing to 3.0 percent) or one percentage-point higher (4.0 percent increasing to 5.0 percent) than the current healthcare cost trend rates:

	Net OPEB Liability (Asset)		
Measurement Date	Healthcare Cost Trend Rate - 1% (3.00%)	Current Healthcare Cost Trend Rate Rate (4.00%)	Healthcare Cost Trend Rate + 1% (5.00%)
June 30, 2018	$ (3,107,861)	$ (2,154,287)	$ (1,020,543)

Note 14 – Other Postemployment Benefits ("OPEB") (Continued)

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

For the year ended June 30, 2019, the City recognized OPEB expense in the amount of $32,650. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Difference between expected and actual experience	$ 77,726	$ -
Projected earnings on OPEB plan investments under/ (in excess of) actual earnings	-	(115,723)
Total	$ 77,726	$ (115,723)

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

Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2020	$ (10,854)
2021	(10,854)
2022	(10,854)
2023	(10,853)
2024	5,418
Thereafter	-
	$ (37,997)

Note 15 – Self-Insurance Plan

The City established a Self-insurance Plan (the "Plan") to pay for liability claims against the City and its component units. The Plan is administered by an insurance committee which is responsible for approving all claims of $25,000 or less and for making provision to have sufficient funds available to pay approved claims and legal and investigative expenses. The insurance committee has vested this responsibility to the City Manager. Potential liability for claims in excess of $250,000 up to $10,000,000 is covered by excess liability insurance policies.

As of June 30, 2019, there are $105,803 in pending liability claims and litigation outstanding against the City and its component units. Based on information presently available, the City believes that there are substantial defenses to such litigation and disputes and that, in any event, the ultimate liability, if any, resulting there from will not have a material effect on the financial position of the City and its component units.

Note 16 – Commitments and Contingencies

Los Angeles Regional Water Quality Control Board

On October 27, 2015, the Los Angeles Regional Water Quality Control Board (the "Regional Board") issued Administrative Civil Liability Complaint R4-2015-0207 ("Complaint") to the City proposing $5,758,792 in administrative civil liabilities alleging that unpermitted grading activities resulted in unauthorized discharge of dredged and/or fill material in the Eastern Fork of the San Gabriel River in May 2012. The Regional Board and the City entered into settlement agreement in October 2016 to the imposition of administrative civil liability in the amount of $5 million. Of that amount, the City agreed and paid $2.5 million in December 2016. The remaining $2.5 million is suspended pending completion of an Enhanced Compliance Action ("ECA"). The City will develop a stormwater quality improvement project as an ECA. The proposed timeline for the design and construction of the ECA is approximately three years from inception to completion by October 27, 2020. As of June 30, 2019, the City is still in the process of developing the ECA.

San Gabriel Valley Water and Power, LLC

On or about May 17, 2016, the City entered into the Lease with SGVWP. The Lease was ratified by the City Council on or about October 12, 2017. Among the Lease's various provisions, the City provided SGVWP with a $20 million loan (Note 4) for SGVWP to analyze the feasibility of constructing a "solar farm" and other necessary public infrastructure improvements. The Lease potentially included two separate and adjacent properties.

Under Section 25.3 of the Lease, repayment on the loan would be triggered "upon commencement of construction of the first project pursuant to the Lease." In January 2018, SGVWP failed to comply with certain material provisions of the Lease. The City gave SGVWP written notice of its obligations under the Lease and requested immediate compliance. On or about May 23, 2018, under Section 17.2.1 of the Lease, because SGVWP had failed to cure its default, the City informed SGVWP that the lease was null and void and of no further force or effect. During the year ended June 30, 2019, the City filed the lawsuit against SGVWP. At this time, given the termination of the Lease and the litigation, it is unknown whether SGVWP will repay the loan.

Note 17 – Joint Governed Organization – Tres Hermanos Conservation Authority

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

Note 17 – Joint Governed Organization – Tres Hermanos Conservation Authority (Continued)

On February 6, 2019, the three cities entered into Amended and Restated Tres Hermanos Conservation Authority Joint Powers Agreement (the "Agreement") which superseded the 1999 Agreement in its entirety. The general purpose of the Authority is to coordinate the overall conservation, use and potential improvement of the Ranch through collaboration by its members. The board consist of seven voting directors where three appointed by the City and two each appointed by Chino Hills and Diamond Bar. Each member city pays an equal one-third share of the cost for the reasonable annual and recurring maintenance of the Ranch. Any costs over the annual maintenance cost will be allocated and invoiced separately to the member cities based on the benefits provided. In addition, the City is responsible for an one-time remediation work for the Arnold Reservoir dam. After the completion of the one-time remediation work, the City will not be responsible for any future repair, maintenance or other work to the Arnold Reservoir dam.

In February 2019, Chino Hills and Diamond Bar collectively contributed $4,165,000, and the City contributed the remaining $37,480,000 toward the purchase of the Ranch for the Authority. The financial statement of the Authority can be obtained at 14000 City Center Drive, Chino Hills.

Note 18 – Transactions with Related Parties

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

Service Provided by Vendor	Related Parties	Expenditures for the Year Ended June 30, 2019
Engineering services for the City and management services for the Expo Center	City Council member	$ 5,990,496
Auto body and towing services	City Council member	49,685
Landscaping services	City Council member	2,274,434

Other Related Party Transactions	Related Parties	Amount for the Year Ended June 30, 2019
Tenant of the City's (Housing Authority) Properties	City Council members, Commissioners, and Board members	$ 78,710

Note 19 – Industry Hills Regional Public Park and Recreation Area

On September 30, 2000, a lease was entered into with a third party and the City for the operation and management of what was formerly known as the Industry Hills Sheraton Resort and Conference Center. The term of the lease is for 25 years with six five-year options to extend the lease. The initial annual rental payment was $300,000 with nothing due for the first year. Rent will be increased $20,000 per year from the initial period of the lease. This lease is accounted for in the General Fund of the City.

On June 1, 2002, CRIA assumed control over the operations of the Industry Hills Equestrian Center and Equestrian Center Trails. During 2004, the name was formally changed to The Industry Hills Expo Center. CRIA has employed a management company to manage the daily operations of the Expo Center. The activities of the Expo Center are accounted for in the enterprise fund in the accompanying proprietary funds financial statements under the heading "Industry Hills Expo Center", CRIA shall have available the use of all funds held or accruing in its Capital Improvement Fund for capital improvements. If any funds are expended for the maintenance and operation expenses, the City will reimburse CRIA from the General Fund.

Note 20 – Rental Properties

The City and its component units rent land, buildings and housing to others through non-cancelable rental agreements. Rental income for the year ended June 30, 2019 amounted to $14,334,166. Rental income of $2,364,901 is reported in the Governmental Fund financial statements, $178,059 in the IPHMA Enterprise Fund financial statements, and $11,791,206 in the Fiduciary Fund financial statements.

Future minimum rental income payments based on terms in effect at June 30, 2019 are as follows:

Year Ending June 30,	Amount
2020	$ 14,177,929
2021	14,060,731
2022	17,193,630
2023	13,312,029
2024	10,623,997
2025-2029	50,258,990
2030-2034	49,288,990
2035-2039	49,288,990
Thereafter	270,456,200

The Successor Agency is in the process of winding down its activities in accordance with the dissolution of redevelopment agencies in the State of California. The above table does not take into account when or if the property will be sold in the future.

On April 28, 2005, IUDA entered into an agreement with a private company (the "Company") to lease land owned by IUDA to the Company for the purpose of having the land developed and operated by the Company. SA to IUDA is required to perform substantial public improvements surrounding the project area. The term of the agreement continues for 65 years from the commencement date.

The agreement allows for SA to IUDA and the Company to split revenues generated by rents of the buildings after deductions for any loan payments or costs associated with the ownership, operation, financing, maintenance, and leasing of the various buildings.

In the event that rental income on the buildings is insufficient to repay any loans outstanding related to any financing of such building projects, and operation and maintenance of the various buildings, the SA to IUDA is required to contribute fifty percent for any shortfall as a capital contribution if the Company issues a demand for additional capital. Such payments if made by SA to IUDA on the projects would be subject to return by the Company with interest at the prime rate plus three percent provided that future rents generate revenue for SA to IUDA.

Note 21 – Lease Commitments

The City leases office space and other equipment and storage under operating lease agreements from third parties. Minimum lease commitments on all non-cancelable operating leases are as follows:

Year Ending June 30,	Leased from Third Parties
2020	$ 2,187

Note 22 – Excess of Expenditures Over Appropriations

During the year ended June 30, 2019, expenditures in excess of appropriations are as follows:

	Appropriation	Expenditures	Variance
General Fund:			
General administration	$ 4,962,680	$ 5,289,352	$ (326,672)
Public safety	10,590,775	10,664,726	(73,951)
Capital outlay	6,000	1,121,801	(1,115,801)
CRIA Capital Projects Fund:			
Public works	591,985	624,066	(32,081)
Debt Service Fund:			
General administration	18,900	21,500	(2,600)
Interest	23,994,895	24,546,057	(551,162)
Tax Override Debt Service Fund:			
Community development	50,465,200	61,149,386	(10,684,186)
Industry Public Facilities Authority Debt Service Fund:			
Principal retirement	83,384,825	95,920,000	(12,535,175)
Interest and fiscal charges	17,558,180	22,791,147	(5,232,967)
Gas Tax Special Revenue Fund:			
Public works	10,000	20,153	(10,153)
Measure R Local Return Special Revenue Fund:			
Public works	5,000	5,497	(497)
Proposition A Sales Tax Special Revenue Fund:			
Capital outlay	-	36,493	(36,493)
Measure M Special Revenue Fund:			
Public works	5,000	8,169	(3,169)

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REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)

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City of Industry
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2019

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Taxes	$ 39,492,350	$ 39,492,350	$ 41,219,283	$ 1,726,933
Intergovernmental	824,400	824,400	854,905	30,505
Charges for services	1,694,530	1,694,530	2,398,422	703,892
Licenses and permits	2,982,000	2,982,000	1,577,203	(1,404,797)
Fines, forfeitures and penalties	377,500	377,500	466,248	88,748
Use of money and property	15,577,510	15,577,510	28,109,248	12,531,738
Other revenue	1,737,740	1,737,740	2,031,474	293,734
Total revenues	62,686,030	62,686,030	76,656,783	13,970,753
EXPENDITURES:				
Current:				
Legislative	786,045	768,555	660,501	108,054
General administration	4,864,550	4,962,680	5,289,352	(326,672)
Support services	5,813,565	5,054,745	4,230,815	823,930
Community development	4,537,965	45,380,245	41,072,341	4,307,904
Community services	4,809,600	5,805,600	5,507,993	297,607
Public safety	10,614,975	10,590,775	10,664,726	(73,951)
Public works	17,445,000	13,500,000	12,117,212	1,382,788
Capital outlay	6,000	6,000	1,121,801	(1,115,801)
Total expenditures	48,877,700	86,068,600	80,664,741	5,403,859
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	13,808,330	(23,382,570)	(4,007,958)	19,374,612
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	11,740,629	11,740,629
Transfers out	(29,404,655)	(29,818,655)	(33,727,572)	(3,908,917)
Proceeds from sale of assets	-	-	15,969,242	15,969,242
Total other financing sources (uses)	(29,404,655)	(29,818,655)	(6,017,701)	23,800,954
NET CHANGE IN FUND BALANCES	$ (15,596,325)	$ (53,201,225)	(10,025,659)	$ 43,175,566
FUND BALANCES:				
Beginning of year			707,664,363	
End of year			$ 697,638,704	

Budgetary information

The City Council adopts an annual budget, submitted by the City Manager prior to June 30th. The appropriated budget is prepared by fund, function and department. All annual appropriations lapse at the end of the fiscal year. The City Council has the legal authority to amend the budget at any time during the fiscal year. The City Manager has the authority to make adjustments to the operating budget within a fund. Transfers of operating budgets between funds or from appropriated reserve accounts, use of unappropriated fund balances, cancellation of appropriation and all changes in capital improvement project budgets require the approval of the City Council.

The annual budget is prepared on a basis consistent with generally accepted accounting principles and is adopted for all governmental type funds.

The City maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) for the operating budget is at the fund level.

There were no budgets adopted for AQMD Special Revenue Fund and CARB Grant Special Revenue Fund.

City of Industry
Required Supplementary Information (Unaudited)
Schedule of the City's Proportionate Share of the Net Pension Liability and Related Ratios
For the Year Ended June 30, 2019

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Classic Plan

Measurement date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014[1]
City's proportion of the net pension liability/(asset)	0.09363%	0.09069%	0.09088%	0.09232%	0.07687%
City's proportionate share of the net pension liability/(asset)	$ 9,022,253	$ 8,994,206	$ 7,864,664	$ 6,336,456	$ 4,782,916
City's covered payroll	$ 1,680,481	$ 2,072,156	$ 1,936,492	$ 1,988,262	$ 1,779,595
City's proportionate share of the net pension liability as a percentage of covered payroll	536.89%	434.05%	406.13%	318.69%	268.76%
Plan's proportionate share of the fiduciary net position as a percentage of the total pension liability	69.13%	69.70%	70.71%	77.21%	83.03%

[1] Historical information is presented only for measurement periods for which GASB 68 is applicable. Additional years of information will be presented as become available.

City of Industry
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2019

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Fiscal year end	2018-19	2017-18	2016-17	2015-16	2014-15
Actuarially determined contribution	$ 195,741	$ 640,586	$ 567,355	$ 534,918	$ 255,850
Contribution in relation to the actuarially determined contribution	(195,741)	(640,586)	(567,355)	(534,918)	(255,850)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll[2]	$ 1,730,895	$ 1,680,481	$ 2,072,156	$ 1,936,492	$ 1,988,262
Contributions as a percentage of covered payroll	11.31%	38.12%	27.38%	27.62%	12.87%

[1] Historical information is presented only for measurement periods for which GASB 68 information is applicable.

[2] Payroll from prior year $1,680,481 was assumed to increase by the 3.00% payroll growth assumption.

Notes to Schedule:

Change in Benefit Terms: There we no changes in benefit terms.

Changes of Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Industry
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2019

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") Miscellaneous Plan

Fiscal year end	2013-14[1]
Actuarially determined contribution	$ 303,098
Contribution in relation to the actuarially determined contribution	(303,098)
Contribution deficiency (excess)	$ -
Covered payroll[2]	$ 1,779,595
Contributions as a percentage of covered payroll	17.03%

City of Industry
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
For the Year Ended June 30, 2019

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Measurement period	June 30, 2018	June 30, 2017[1]
Total OPEB liability		
Service cost	$ 261,189	$ 254,199
Interest	619,722	602,445
Differences between expected and actual experience	95,803	-
Benefit payments	(579,992)	(653,626)
Actual minus Expected Benefit Payments	(95,803)	-
Net change in total OPEB liability	300,919	203,018
Total OPEB liability, beginning	9,012,577	8,809,559
Total OPEB liability, ending (a)	$ 9,313,496	$ 9,012,577
OPEB fiduciary net position		
Investment income	$ 904,934	$ 1,136,614
Benefit payments	(579,992)	(653,626)
Administrative expense	(20,767)	(9,512)
Other	2,091	-
Net change in plan fiduciary net position	306,266	473,476
Plan fiduciary net position, beginning	11,161,517	10,688,041
Plan fiduciary net position, ending (b)	$ 11,467,783	$ 11,161,517
Plan net OPEB asset - ending (a) - (b)	$ (2,154,287)	$ (2,148,940)
Plan's fiduciary net position as a percentage of the total OPEB liability	123.13%	123.84%
Covered payroll	$ 1,680,481	$ 2,072,156
Plan net OPEB asset as a percentage of covered payroll	-128.19%	-103.71%

[1] Historical information is presented only for measurement periods for which GASB 75 is applicable.

City of Industry
Required Supplementary Information (Unaudited)
Schedule of Contributions - Other Postemployment Benefits
For the Year Ended June 30, 2019

Last Ten Fiscal Years

Other Postemployment Benefits ("OPEB")

Fiscal year end	2018-19	2017-18	2016-17[1]
Actuarially determined contribution[2]	$ -	$ -	$ -
Contribution in relation to the actuarially determined contribution[2]	-	-	-
Contribution deficiency/(excess)	$ -	$ -	$ -
Covered payroll	$ 2,198,350	$ 2,134,321	$ 2,072,156
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%

[1] Historical information is presented only for measurement periods for which GASB 75 is applicable.

[2] The July 1, 2015 actuarial valuation provided the actuarially determined contributions for fiscal year ended June 30, 2017. There were no actuarially determined contribution for the years ended June 30, 2019 and 2018.

Notes to Schedule:

Valuation date:	June 30, 2015
Methods and assumptions used to determine contribution rates:	
Actuarial cost method:	Entry age actuarial cost method.
Inflation:	2.75% per year
Investment return/discount rate:	7.00% per year based on assumed long-term return on plan assets assuming 100% funding through CERBT. "Building Block Method" is used.
Healthcare cost trend:	4.00% per year
Payroll increase:	2.75% per year
Mortality:	2014 CalPERS active mortality for miscellaneous employees
Retirement rates:	2009 CalPERS 2.75%@55 rates for miscellaneous employee

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SUPPLEMENTARY INFORMATION

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CAPITAL PROJECTS FUNDS

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City of Industry
Combining Balance Sheet
Capital Projects Funds
June 30, 2019

	Capital Projects Fund	Civic-Recreational-Industrial Authority Capital Projects Fund	Total
ASSETS			
Cash	$ 5,843	$ 42,030	$ 47,873
Investments	863,524	80,988	944,512
Accrued interest	5,608	518	6,126
Investments with fiscal agent	181,628,366	-	181,628,366
Total assets	$ 182,503,341	$ 123,536	$ 182,626,877
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	$ 1,673,877	$ 95,818	$ 1,769,695
Advances from other funds	3,516,084	-	3,516,084
Total liabilities	5,189,961	95,818	5,285,779
Fund Balances:			
Restricted	177,313,380	-	177,313,380
Committed	-	27,718	27,718
Total fund balances	177,313,380	27,718	177,341,098
Total liability and fund balances	$ 182,503,341	$ 123,536	$ 182,626,877

City of Industry
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Capital Projects Funds
For the Year Ended June 30, 2019

	Capital Projects Fund	Civic-Recreational-Industrial Authority Capital Projects Fund	Total
REVENUES:			
Intergovernmental revenue	$ 15,502,867	$ -	$ 15,502,867
Use of money and property	6,047,438	1,989	6,049,427
Total revenues	21,550,305	1,989	21,552,294
EXPENDITURES:			
Current:			
Public works	8,228,132	624,066	8,852,198
Capital outlay	24,048,650	-	24,048,650
Total expenditures	32,276,782	624,066	32,900,848
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(10,726,477)	(622,077)	(11,348,554)
OTHER FINANCING SOURCES (USES):			
Transfers in	9,841,849	939,807	10,781,656
Transfers out	(14,813,624)	(453,171)	(15,266,795)
Total other financing sources (uses)	(4,971,775)	486,636	(4,485,139)
NET CHANGE IN FUND BALANCES	(15,698,252)	(135,441)	(15,833,693)
FUND BALANCES:			
Beginning of year	193,011,632	163,159	193,174,791
End of year	$ 177,313,380	$ 27,718	$ 177,341,098

City of Industry
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
For the Year Ended June 30, 2019

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Intergovernmental revenue	$ 7,927,365	$ 7,927,365	$ 15,502,867	$ 7,575,502
Use of money and property	506,500	506,500	6,047,438	5,540,938
Total revenues	8,433,865	8,433,865	21,550,305	13,116,440
EXPENDITURES:				
Current:				
Public works	59,900,000	59,900,000	8,228,132	51,671,868
Capital outlay	-	-	24,048,650	(24,048,650)
Total expenditures	59,900,000	59,900,000	32,276,782	27,623,218
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(51,466,135)	(51,466,135)	(10,726,477)	40,739,658
OTHER FINANCING SOURCES (USES):				
Transfer in	1,365,000	1,365,000	9,841,849	8,476,849
Transfers out	-	-	(14,813,624)	(14,813,624)
Total other financing sources (uses)	1,365,000	1,365,000	(4,971,775)	(6,336,775)
NET CHANGES IN FUND BALANCE	$ (50,101,135)	$ (50,101,135)	(15,698,252)	$ 34,402,883
FUND BALANCE:				
Beginning of year			193,011,632	
End of year			$ 177,313,380	

City of Industry
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)
Civic-Recreational-Industrial Authority Capital Projects Fund
For the Year Ended June 30, 2019

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Use of money and property	$ 1,210	$ 1,210	$ 1,989	$ 779
Total revenues	1,210	1,210	1,989	779
EXPENDITURES:				
Current:				
Public works	591,985	591,985	624,066	(32,081)
Total expenditures	591,985	591,985	624,066	(32,081)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(590,775)	(590,775)	(622,077)	(31,302)
OTHER FINANCING SOURCES (USES):				
Transfers in	1,066,130	1,066,130	939,807	(126,323)
Transfers out	(474,145)	(474,145)	(453,171)	20,974
Total other financing sources (uses)	591,985	591,985	486,636	(105,349)
NET CHANGES IN FUND BALANCE	$ 1,210	$ 1,210	(135,441)	$ (136,651)
FUND BALANCE:				
Beginning of year			163,159	
End of year			$ 27,718	

DEBT SERVICE FUNDS

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City of Industry
Combining Balance Sheet
Debt Service Funds
June 30, 2019

	Debt Service Fund	Tax Override Fund	Industry Public Facilities Authority Debt Service Fund	Total
ASSETS				
Cash	$ 123,968	$ 854	$ -	$ 124,822
Investments	1,051,400	1,261	-	1,052,661
Accounts receivable	536,028	1,063,736	-	1,599,764
Accrued interest	6,724	8	8,278,855	8,285,587
Prepaid items	6,880,785	-	4,900,892	11,781,677
Site lease prepayment	-	-	4,104,581	4,104,581
Investments with fiscal agent - restricted	59,953,000	-	62,964,217	122,917,217
Investments in City and SA to IUDA bonds	-	-	379,274,600	379,274,600
Total assets	$ 68,551,905	$ 1,065,859	$ 459,523,145	$ 529,140,909
LIABILITIES AND FUND BALANCES				
Liabilities:				
Bond payment deposits	$ -	$ -	$ 61,149,385	$ 61,149,385
Advance from other funds	-	-	51,998,155	51,998,155
Total liabilities	-	-	113,147,540	113,147,540
Fund Balances:				
Nonspendable	6,880,785	-	9,005,473	15,886,258
Restricted	61,671,120	1,065,859	337,370,132	400,107,111
Total fund balances	68,551,905	1,065,859	346,375,605	415,993,369
Total liabilities and fund balances	$ 68,551,905	$ 1,065,859	$ 459,523,145	$ 529,140,909

City of Industry
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Debt Service Funds
For the Year Ended June 30, 2019

	Debt Service Fund	Tax Override Fund	Industry Public Facilities Authority Debt Service Fund	Total
REVENUES:				
Property taxes	$ 15,104,994	$ 59,344,500	$ -	$ 74,449,494
Use of money and property	826,292	30	19,408,182	20,234,504
Total revenues	15,931,286	59,344,530	19,408,182	94,683,998
EXPENDITURES:				
Current:				
General administration	21,500	-	-	21,500
Community development	-	61,149,386	-	61,149,386
Debt service:				
Principal retirement	17,350,000	-	95,920,000	113,270,000
Interest and fiscal charges	24,546,057	-	22,791,147	47,337,204
Total expenditures	41,917,557	61,149,386	118,711,147	221,778,090
REVENUES OVER (UNDER) EXPENDITURES	(25,986,271)	(1,804,856)	(99,302,965)	(127,094,092)
OTHER FINANCING SOURCES:				
Transfers in	25,226,629	-	17,496	25,244,125
Total other financing sources	25,226,629	-	17,496	25,244,125
Changes in fund balances	(759,642)	(1,804,856)	(99,285,469)	(101,849,967)
FUND BALANCES:				
Beginning of year	69,311,547	2,870,715	445,661,074	517,843,336
End of year	$ 68,551,905	$ 1,065,859	$ 346,375,605	$ 415,993,369

City of Industry
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Debt Service Fund
For the Year Ended June 30, 2019

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property taxes	$ 13,417,900	$ 13,417,900	$ 15,104,994	$ 1,687,094
Use of money and property	120,100	120,100	826,292	706,192
Total revenues	13,538,000	13,538,000	15,931,286	2,393,286
EXPENDITURES:				
Current:				
General administration	18,900	18,900	21,500	(2,600)
Debt service:				
Principal retirement	17,350,000	17,350,000	17,350,000	-
Interest	23,994,895	23,994,895	24,546,057	(551,162)
Total expenditures	41,363,795	41,363,795	41,917,557	(553,762)
REVENUES OVER (UNDER) EXPENDITURES	(27,825,795)	(27,825,795)	(25,986,271)	1,839,524
OTHER FINANCING SOURCES:				
Transfers in	26,443,180	26,443,180	25,226,629	(1,216,551)
Total other financing sources	26,443,180	26,443,180	25,226,629	(1,216,551)
Changes in fund balance	$ (1,382,615)	$ (1,382,615)	(759,642)	$ 622,973
FUND BALANCE:				
Beginning of year			69,311,547	
End of year			$ 68,551,905	

City of Industry
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)
Tax Override Debt Service Funds
For the Year Ended June 30, 2019

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Property taxes	$ 50,465,200	$ 50,465,200	$ 59,344,500	$ 8,879,300
Use of money and property	1,000	1,000	30	(970)
Total revenues	50,466,200	50,466,200	59,344,530	8,878,330
EXPENDITURES:				
Current:				
Community development	50,465,200	50,465,200	61,149,386	(10,684,186)
Total expenditures	50,465,200	50,465,200	61,149,386	(10,684,186)
Changes in fund balance	$ 1,000	$ 1,000	(1,804,856)	$ (1,805,856)
FUND BALANCE:				
Beginning of year			2,870,715	
End of year			$ 1,065,859	

City of Industry
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)
Industry Public Facilities Authority Debt Service Funds
For the Year Ended June 30, 2019

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Use of money and property	$ 21,703,100	$ 15,123,340	$ 19,408,182	$ 4,284,842
Total revenues	21,703,100	15,123,340	19,408,182	4,284,842
EXPENDITURES:				
Debt service:				
Principal retirement	86,709,825	83,384,825	95,920,000	(12,535,175)
Interest and fiscal charges	21,262,540	17,558,180	22,791,147	(5,232,967)
Total expenditures	107,972,365	100,943,005	118,711,147	(17,768,142)
REVENUES OVER (UNDER) EXPENDITURES	(86,269,265)	(85,819,665)	(99,302,965)	(13,483,300)
OTHER FINANCING SOURCES:				
Transfers in	-	-	17,496	17,496
Total other financing sources	-	-	17,496	17,496
Changes in fund balance	$ (86,269,265)	$ (85,819,665)	(99,285,469)	$ (13,465,804)
FUND BALANCE:				
Beginning of year			445,661,074	
End of year			$ 346,375,605	

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NONMAJOR GOVERNMENTAL FUNDS

City of Industry
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Funds				
	State Gas Tax	Measure R Local Return	Proposition A - Sales Tax	Proposition C - Sales Tax	AQMD Grants
ASSETS					
Cash	$ -	$ -	$ 180,765	$ 16,767	$ -
Investments	-	-	2,074,000	-	-
Accounts receivable, net	17,903	-	-	-	471
Accrued interest	-	-	9,733	-	-
Due from other funds	-	-	-	5,919	-
Total assets	$ 17,903	$ -	$ 2,264,498	$ 22,686	$ 471
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ -	$ -	$ 8,021	$ -	$ -
Due to other funds	-	-	-	2,110	-
Total liabilities	-	-	8,021	2,110	-
Fund Balances:					
Restricted	17,903	-	2,256,477	20,576	471
Total fund balances	17,903	-	2,256,477	20,576	471
Total liabilities and fund balances	$ 17,903	$ -	$ 2,264,498	$ 22,686	$ 471

(Continued)

City of Industry
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2019

	Special Revenue Funds		
	Measure M	CARB Grant	Total
ASSETS			
Cash	$ -	$ 719,245	$ 916,777
Investments	-	-	2,074,000
Accounts receivable, net	-	-	18,374
Accrued interest	-	-	9,733
Due from other funds	-	-	5,919
Total assets	$ -	$ 719,245	$ 3,024,803
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ -	$ -	$ 8,021
Due to other funds	-	-	2,110
Total liabilities	-	-	10,131
Fund Balances:			
Restricted	-	719,245	3,014,672
Total fund balances	-	719,245	3,014,672
Total liabilities and fund balances	$ -	$ 719,245	$ 3,024,803

(Concluded)

City of Industry
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue Funds				
	State Gas Tax	Measure R Local Return	Proposition A - Sales Tax	Proposition C - Sales Tax	AQMD Grants
REVENUES:					
Taxes	$ 11,895	$ 5,497	$ 283,833	$ 7,327	$ -
Intergovernmental	-	-	-	-	-
Use of money and property	-	-	57,669	-	-
Other revenues	8,258	-	-	-	-
Total revenues	20,153	5,497	341,502	7,327	-
EXPENDITURES:					
Current:					
Public works	20,153	5,497	99,190	2,110	-
Capital outlay	-	-	36,493	-	-
Total expenditures	20,153	5,497	135,683	2,110	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	205,819	5,217	-
OTHER FINANCING SOURCES (USES):					
Transfers out	-	-	(308)	-	-
Total other financing sources (uses)	-	-	(308)	-	-
Changes in fund balances	-	-	205,511	5,217	-
FUND BALANCES:					
Beginning of year	17,903	-	2,050,966	15,359	471
End of year	$ 17,903	$ -	$ 2,256,477	$ 20,576	$ 471

(Continued)

City of Industry
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

	Special Revenue Funds		
	Measure M	CARB Grant	Total
REVENUES:			
Taxes	$ 6,192	$ -	$ 314,744
Intergovernmental	-	140,531	140,531
Use of money and property	-	-	57,669
Other revenues	-	-	8,258
Total revenues	6,192	140,531	521,202
EXPENDITURES:			
Current:			
Public works	8,169	-	135,119
Capital outlay	-	-	36,493
Total expenditures	8,169	-	171,612
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,977)	140,531	349,590
OTHER FINANCING SOURCES (USES):			
Transfers out	-	-	(308)
Total other financing sources (uses)	-	-	(308)
Changes in fund balances	(1,977)	140,531	349,282
FUND BALANCES:			
Beginning of year	1,977	578,714	2,665,390
End of year	$ -	$ 719,245	$ 3,014,672

(Concluded)

City of Industry
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2019

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	$ 14,945	$ 14,945	$ 11,895	$ (3,050)
Use of money and property	100	100	-	(100)
Other revenues	3,085	3,085	8,258	5,173
Total revenues	18,130	18,130	20,153	2,023
EXPENDITURES:				
Current:				
Public works	10,000	10,000	20,153	(10,153)
Total expenditures	10,000	10,000	20,153	(10,153)
NET CHANGES IN FUND BALANCE	$ 8,130	$ 8,130	-	$ (8,130)
FUND BALANCE:				
Beginning of year			17,903	
End of year			$ 17,903	

City of Industry
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)
Measure R Local Return Special Revenue Fund
For the Year Ended June 30, 2019

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	$ 5,000	$ 5,000	$ 5,497	$ 497
Total revenues	5,000	5,000	5,497	497
EXPENDITURES:				
Current:				
Public works	5,000	5,000	5,497	(497)
Total expenditures	5,000	5,000	5,497	(497)
NET CHANGES IN FUND BALANCE	$ -	$ -	-	$ -
FUND BALANCE:				
Beginning of year			-	
End of year			$ -	

City of Industry
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)
Proposition A Sales Tax Special Revenue Fund
For the Year Ended June 30, 2019

	Budget			Variance Positive
	Original	Final	Actual	(Negative)
REVENUES:				
Taxes	$ 8,500	$ 8,500	$ 283,833	$ 275,333
Intergovernmental	-	-	-	-
Revenues from use of money and property	1,500	1,500	57,669	56,169
Total revenues	10,000	10,000	341,502	331,502
EXPENDITURES:				
Current:				
Public works	1,112,600	1,112,600	99,190	1,013,410
Capital outlay	-	-	36,493	(36,493)
Total expenditures	1,112,600	1,112,600	135,683	976,917
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,102,600)	(1,102,600)	205,819	1,308,419
OTHER FINANCING SOURCES:				
Transfers in	-	-	-	-
Transfers out	-	-	(308)	(308)
Total other financing sources	-	-	(308)	(308)
NET CHANGES IN FUND BALANCE	$ (1,102,600)	$ (1,102,600)	205,511	$ 1,308,111
FUND BALANCE:				
Beginning of year			2,050,966	
End of year			$ 2,256,477	

City of Industry
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)
Proposition C Sales Tax Special Revenue Fund
For the Year Ended June 30, 2019

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	$ 7,000	$ 7,000	$ 7,327	$ 327
Use of money and property	10	10	-	(10)
Total revenues	7,010	7,010	7,327	317
EXPENDITURES:				
Current:				
Public works	10,000	10,000	2,110	7,890
Total expenditures	10,000	10,000	2,110	7,890
NET CHANGES IN FUND BALANCE	$ (2,990)	$ (2,990)	5,217	$ 8,207
FUND BALANCE:				
Beginning of year			15,359	
End of year			$ 20,576	

City of Industry
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (Continued)
Measure M Special Revenue Fund
For the Year Ended June 30, 2019

	Budget			Variance Positive (Negative)
	Original	Final	Actual	
REVENUES:				
Taxes	$ 5,000	$ 5,000	$ 6,192	$ 1,192
Total revenues	5,000	5,000	6,192	1,192
EXPENDITURES:				
Current:				
Public works	5,000	5,000	8,169	(3,169)
Total expenditures	5,000	5,000	8,169	(3,169)
NET CHANGES IN FUND BALANCES	$ -	$ -	(1,977)	$ (1,977)
FUND BALANCE:				
Beginning of year			1,977	
End of year			$ -	

INDUSTRY PUBLIC UTILITIES COMMISSION ENTERPRISE FUNDS

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City of Industry
Combining Statement of Net Position
Industry Public Utilities Commission Enterprise Funds
June 30, 2019

	Industry Public Utilities Commission		
	Water	Electric	Total
ASSETS			
Current assets:			
Cash	$ 1,189,975	$ 2,440,506	$ 3,630,481
Investments	6,508,270	12,300,783	18,809,053
Accounts receivable, net	458,487	654,497	1,112,984
Accrued interest	38,655	51,318	89,973
Inventory of materials and supplies	10,000	-	10,000
Prepaid items	654,132	-	654,132
Due from other funds	-	154,450	154,450
Total current assets	8,859,519	15,601,554	24,461,073
Noncurrent assets:			
Capital assets:			
Capital assets not being depreciated	918,388	2,515	920,903
Capital assets being depreciated, net	8,266,761	3,504,814	11,771,575
Capital assets, net	9,185,149	3,507,329	12,692,478
Total noncurrent assets	9,185,149	3,507,329	12,692,478
Total assets	18,044,668	19,108,883	37,153,551
LIABILITIES			
Current liabilities:			
Accounts payable	687,234	358,174	1,045,408
Deposits	45,222	7,336,464	7,381,686
Unearned revenue from reclaimed water sales	5,761,482	-	5,761,482
Total current liabilities	6,493,938	7,694,638	14,188,576
Total liabilities	6,493,938	7,694,638	14,188,576
NET POSITION			
Investment in capital assets	9,185,149	3,507,329	12,692,478
Unrestricted	2,365,581	7,906,916	10,272,497
Total net position	$ 11,550,730	$ 11,414,245	$ 22,964,975

City of Industry
Combining Statement of Revenues, Expenses, and Changes in Net Position
Industry Public Utilities Commission Enterprise Funds
For the Year Ended June 30, 2019

	Industry Public Utilities Commission		
	Water	Electric	Total
OPERATING REVENUES:			
Water sales and service	$ 3,060,693	$ -	$ 3,060,693
Electric and solar energy sales	-	5,102,931	5,102,931
Other revenue	34,139	802,328	836,467
Total operating revenues	3,094,832	5,905,259	9,000,091
OPERATING EXPENSES:			
Purchased water	254,713	-	254,713
Purchased electricity	-	2,520,317	2,520,317
General administration	2,152,800	1,750,328	3,903,128
Depreciation	533,143	115,974	649,117
Total operating expenses	2,940,656	4,386,619	7,327,275
OPERATING INCOME	154,176	1,518,640	1,672,816
NONOPERATING REVENUES:			
Investment income	145,801	306,854	452,655
Total nonoperating revenue	145,801	306,854	452,655
Changes in net position	299,977	1,825,494	2,125,471
NET POSITION:			
Beginning of year	11,250,753	9,588,751	20,839,504
End of year	$ 11,550,730	$ 11,414,245	$ 22,964,975

City of Industry
Combining Statement of Cash Flows
Industry Public Utilities Commission Enterprise Funds
For the Year Ended June 30, 2019

	Industry Public Utilities Commission		
	Water	Electric	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	$ 2,656,036	$ 5,280,764	$ 7,936,800
Payments to vendors for supplies and services	(2,212,090)	(4,433,823)	(6,645,913)
Net cash provided by operating activities	443,946	846,941	1,290,887
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash paid to other funds	-	(182,150)	(182,150)
Net cash used in noncapital financing activities	-	(182,150)	(182,150)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	-	(53,758)	(53,758)
Net cash used in capital and related financing activities	-	(53,758)	(53,758)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchases of investments	-	(5,678,783)	(5,678,783)
Proceeds from sale of investments	-	13,516,550	13,516,550
Interest received	133,345	310,624	443,969
Net cash provided by investing activities	133,345	8,148,391	8,281,736
Net decrease in cash and cash equivalents	577,291	8,759,424	9,336,715
CASH AND CASH EQUIVALENT:			
Beginning of year	7,120,954	303,082	7,424,036
End of year	$ 7,698,245	$ 9,062,506	$ 16,760,751
CASH AND CASH EQUIVALENT:			
Cash	$ 1,189,975	$ 2,440,506	$ 3,630,481
Investment in LAIF	6,508,270	6,622,000	13,130,270
Total cash and cash equivalents	$ 7,698,245	$ 9,062,506	$ 16,760,751
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Operating income	$ 154,176	$ 1,518,640	$ 1,672,816
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation	533,143	115,974	649,117
(Increase) decrease in accounts receivables	61,642	128,411	190,053
(Increase) decrease in prepaid items	(157,590)	-	(157,590)
Increase (decrease) in accounts payable	353,013	(163,178)	189,835
Increase (decrease) in customer deposits	11,505	(752,906)	(741,401)
Increase (decrease) in unearned revenues	(511,943)	-	(511,943)
Net cash provided by operating activities	$ 443,946	$ 846,941	$ 1,290,887

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AGENCY FUND

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City of Industry
Statement of Changes in Fiduciary Assets and Liabilities
Agency Fund
For the Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Assessment Districts				
ASSETS				
Cash	$ 595,234	$ 1,748,826	$ (2,109,395)	$ 234,665
Investments	1,660,298	3,143,585	(3,259,803)	1,544,080
Cash with fiscal agent	522,686	516,313	(511,993)	527,006
Other receivables	2,753	4,034	(2,753)	4,034
Total assets	$ 2,780,971	$ 5,412,758	$ (5,883,944)	$ 2,309,785
LIABILITIES				
Due to bond holders	$ 2,780,971	$ 38,513	$ (509,699)	$ 2,309,785
Total liabilities	$ 2,780,971	$ 38,513	$ (509,699)	$ 2,309,785

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SCHEDULES OF LONG-TERM DEBT

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City of Industry
Schedule of Long-Term Debt
$37,860,000 General Obligation Refunding Bonds, Issue of 2009 - Maturity Schedule
For the Year Ended June 30, 2019

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
7/1/2019	$ 4,545,000	3.800%	$ 113,625	$ 4,658,625	$ 4,658,625

City of Industry
Schedule of Long-Term Debt (Continued)
$50,975,000 General Obligation Refunding Bonds, Series B, Issue of 2009 - Maturity Schedule
For the Year Ended June 30, 2019

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
7/1/2019	5,395,000	4.500%	251,450	5,646,450	
1/1/2020	-	4.500%	127,800	127,800	5,774,250
7/1/2020	5,640,000	4.500%	127,800	5,767,800	5,767,800
	$ 11,035,000		$ 507,050	$ 11,542,050	$ 11,542,050

City of Industry
Schedule of Long-Term Debt (Continued)
$43,340,000 General Obligation Refunding Bonds, Issue of 2010 - Maturity Schedule
For the Year Ended June 30, 2019

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
7/1/2019	2,430,000	5.000%	618,125	3,048,125	
1/1/2020	-	5.000%	557,375	557,375	3,605,500
7/1/2020	2,550,000	5.000%	557,375	3,107,375	
1/1/2021	-	5.000%	493,625	493,625	3,601,000
7/1/2021	2,675,000	4.500%	493,625	3,168,625	
1/1/2022	-	4.500%	431,200	431,200	3,599,825
7/1/2022	2,800,000	5.000%	431,200	3,231,200	
1/1/2023	-	5.000%	361,200	361,200	3,592,400
7/1/2023	2,940,000	5.000%	361,200	3,301,200	
1/1/2024	-	5.000%	287,700	287,700	3,588,900
7/1/2024	3,095,000	5.000%	287,700	3,382,700	
1/1/2025	-	5.000%	210,325	210,325	3,593,025
7/1/2025	3,240,000	4.500%	210,325	3,450,325	
1/1/2026	-	4.500%	137,075	137,075	3,587,400
7/1/2026	1,550,000	4.250%	137,075	1,687,075	
1/1/2027	-	4.250%	104,138	104,138	1,791,213
7/1/2027	1,615,000	4.000%	104,138	1,719,138	
1/1/2028	-	4.000%	71,838	71,838	1,790,976
7/1/2028	1,680,000	4.125%	71,838	1,751,838	
1/1/2029	-	4.125%	37,188	37,188	1,789,026
7/1/2029	1,750,000	4.250%	37,188	1,787,188	1,787,188
	$ 26,325,000		$ 6,001,453	$ 32,326,453	$ 32,326,453

City of Industry
Schedule of Long-Term Debt (Continued)
$28,985,000 General Obligation Refunding Bonds Taxable, Issue of 2014 - Maturity Schedule
For the Year Ended June 30, 2019

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
7/1/2019	-	2.500%	416,482	416,482	
1/1/2020	-	2.500%	416,482	416,482	832,964
7/1/2020	4,470,000	2.500%	416,482	4,886,482	
1/1/2021	-	2.750%	360,607	360,607	5,247,089
7/1/2021	5,875,000	2.750%	360,607	6,235,607	
1/1/2022	-	2.875%	279,825	279,825	6,515,432
7/1/2022	6,035,000	2.875%	279,825	6,314,825	
1/1/2023	-	3.000%	193,072	193,072	6,507,897
7/1/2023	6,210,000	3.000%	193,072	6,403,072	
1/1/2024	-	3.125%	99,921	99,921	6,502,993
7/1/2024	6,395,000	3.125%	99,921	6,494,921	6,494,921
	$ 28,985,000		$ 3,116,296	$ 32,101,296	$ 32,101,296

City of Industry
Schedule of Long-Term Debt (Continued)
$336,570,000 Taxable Sales Tax Revenue Refunding Bonds, Series 2015A - Maturity Schedule
For the Year Ended June 30, 2019

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
7/1/2019	-	2.500%	8,148,682	8,148,682	
1/1/2020	1,960,000	2.500%	8,148,681	10,108,681	18,257,363
7/1/2020	-	2.750%	8,124,181	8,124,181	
1/1/2021	2,010,000	2.750%	8,124,181	10,134,181	18,258,362
7/1/2021	-	3.000%	8,096,544	8,096,544	
1/1/2022	2,065,000	3.000%	8,096,544	10,161,544	18,258,088
7/1/2022	-	3.250%	8,065,569	8,065,569	
1/1/2023	2,130,000	3.250%	8,065,569	10,195,569	18,261,138
7/1/2023	-	3.250%	8,030,956	8,030,956	
1/1/2024	2,200,000	3.250%	8,030,957	10,230,957	18,261,913
7/1/2024	-	3.500%	7,995,206	7,995,206	
1/1/2025	2,270,000	3.500%	7,995,206	10,265,206	18,260,412
7/1/2025	-	3.625%	7,955,481	7,955,481	
1/1/2026	2,345,000	3.625%	7,955,481	10,300,481	18,255,962
7/1/2026	-	4.000%	7,912,978	7,912,978	
1/1/2027	2,435,000	4.000%	7,912,978	10,347,978	18,260,956
7/1/2027	-	4.000%	7,864,278	7,864,278	
1/1/2028	7,270,000	4.000%	7,864,278	15,134,278	22,998,556
7/1/2028	-	4.125%	7,718,879	7,718,879	
1/1/2029	7,560,000	4.125%	7,718,878	15,278,878	22,997,757
7/1/2029	-	4.250%	7,562,953	7,562,953	
1/1/2030	7,870,000	4.250%	7,562,953	15,432,953	22,995,906
7/1/2030	-	4.625%	7,395,715	7,395,715	
1/1/2031	8,205,000	4.625%	7,395,716	15,600,716	22,996,431
7/1/2031	-	4.625%	7,205,975	7,205,975	
1/1/2032	8,585,000	4.625%	7,205,975	15,790,975	22,996,950
7/1/2032	-	4.625%	7,007,446	7,007,446	
1/1/2033	8,985,000	4.625%	7,007,447	15,992,447	22,999,893
7/1/2033	-	4.625%	6,799,669	6,799,669	
1/1/2034	9,400,000	4.625%	6,799,669	16,199,669	22,999,338
7/1/2034	-	5.125%	6,582,294	6,582,294	
1/1/2035	9,835,000	5.125%	6,582,294	16,417,294	22,999,588
7/1/2035	-	5.125%	6,330,272	6,330,272	
1/1/2036	10,335,000	5.125%	6,330,272	16,665,272	22,995,544
7/1/2036	-	5.125%	6,065,438	6,065,438	
1/1/2037	10,865,000	5.125%	6,065,438	16,930,438	22,995,876
7/1/2037	-	5.125%	5,787,021	5,787,021	
1/1/2038	11,425,000	5.125%	5,787,022	17,212,022	22,999,043
7/1/2038	-	5.125%	5,494,256	5,494,256	
1/1/2039	12,010,000	5.125%	5,494,256	17,504,256	22,998,512
7/1/2039	-	5.125%	5,186,500	5,186,500	
1/1/2040	12,625,000	5.125%	5,186,500	17,811,500	22,998,000
7/1/2040	-	5.125%	4,862,984	4,862,984	
1/1/2041	13,270,000	5.125%	4,862,984	18,132,984	22,995,968
7/1/2041	-	5.125%	4,522,941	4,522,941	
1/1/2042	13,950,000	5.125%	4,522,941	18,472,941	22,995,882
7/1/2042	-	5.125%	4,165,472	4,165,472	
1/1/2043	14,665,000	5.125%	4,165,472	18,830,472	22,995,944
7/1/2043	-	5.125%	3,789,681	3,789,681	
1/1/2044	15,420,000	5.125%	3,789,681	19,209,681	22,999,362
7/1/2044	-	5.125%	3,394,544	3,394,544	
1/1/2045	16,210,000	5.125%	3,394,544	19,604,544	22,999,088
7/1/2045	-	5.125%	2,979,162	2,979,162	

City of Industry
Schedule of Long-Term Debt (Continued)
$336,570,000 Taxable Sales Tax Revenue Refunding Bonds, Series 2015A - Maturity Schedule
For the Year Ended June 30, 2019

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
1/1/2046	17,040,000	5.125%	2,979,163	20,019,163	22,998,325
7/1/2046	-	5.125%	2,542,512	2,542,512	
1/1/2047	17,910,000	5.125%	2,542,513	20,452,513	22,995,025
7/1/2047	-	5.125%	2,083,568	2,083,568	
1/1/2048	18,830,000	5.125%	2,083,569	20,913,569	22,997,137
7/1/2048	-	5.125%	1,601,050	1,601,050	
1/1/2049	19,795,000	5.125%	1,601,050	21,396,050	22,997,100
7/1/2049	-	5.125%	1,093,803	1,093,803	
1/1/2050	20,810,000	5.125%	1,093,803	21,903,803	22,997,606
7/1/2050	-	5.125%	560,547	560,547	
1/1/2051	21,875,000	5.125%	560,547	22,435,547	22,996,094
	$ 332,160,000		$ 365,853,119	$ 698,013,119	$ 698,013,119

City of Industry
Schedule of Long-Term Debt (Continued)
$51,460,000 Taxable Sales Tax Revenue Refunding Bonds, Series 2015B - Maturity Schedule
For the Year Ended June 30, 2019

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
8/1/2019	-	3.750%	1,843,974	1,843,974	
2/1/2020	520,000	3.750%	1,843,974	2,363,974	4,207,948
8/1/2020	-	4.250%	1,834,224	1,834,224	
2/1/2021	540,000	4.250%	1,834,224	2,374,224	4,208,448
8/1/2021	-	4.500%	1,822,749	1,822,749	
2/1/2022	560,000	4.500%	1,822,749	2,382,749	4,205,498
8/1/2022	-	4.750%	1,810,149	1,810,149	
2/1/2023	585,000	4.750%	1,810,149	2,395,149	4,205,298
8/1/2023	-	5.000%	1,796,255	1,796,255	
2/1/2024	615,000	5.000%	1,796,255	2,411,255	4,207,510
8/1/2024	-	5.250%	1,780,880	1,780,880	
2/1/2025	645,000	5.250%	1,780,880	2,425,880	4,206,760
8/1/2025	-	5.550%	1,763,949	1,763,949	
2/1/2026	680,000	5.550%	1,763,949	2,443,949	4,207,898
8/1/2026	-	5.850%	1,745,079	1,745,079	
2/1/2027	715,000	5.850%	1,745,079	2,460,079	4,205,158
8/1/2027	-	6.150%	1,724,165	1,724,165	
2/1/2028	755,000	6.150%	1,724,165	2,479,165	4,203,330
8/1/2028	-	6.450%	1,700,949	1,700,949	
2/1/2029	805,000	6.450%	1,700,949	2,505,949	4,206,898
8/1/2029	-	6.750%	1,674,988	1,674,988	
2/1/2030	860,000	6.750%	1,674,988	2,534,988	4,209,976
8/1/2030	-	7.000%	1,645,963	1,645,963	
2/1/2031	915,000	7.000%	1,645,963	2,560,963	4,206,926
8/1/2031	-	7.250%	1,613,938	1,613,938	
2/1/2032	980,000	7.250%	1,613,938	2,593,938	4,207,876
8/1/2032	-	7.250%	1,578,413	1,578,413	
2/1/2033	1,050,000	7.250%	1,578,413	2,628,413	4,206,826
8/1/2033	-	7.250%	1,540,350	1,540,350	
2/1/2034	1,125,000	7.250%	1,540,350	2,665,350	4,205,700
8/1/2034	-	7.250%	1,499,569	1,499,569	
2/1/2035	1,205,000	7.250%	1,499,569	2,704,569	4,204,138
8/1/2035	-	7.250%	1,455,888	1,455,888	
2/1/2036	1,295,000	7.250%	1,455,888	2,750,888	4,206,776
8/1/2036	-	7.500%	1,408,944	1,408,944	
2/1/2037	1,390,000	7.500%	1,408,944	2,798,944	4,207,888
8/1/2037	-	7.500%	1,356,819	1,356,819	
2/1/2038	1,490,000	7.500%	1,356,819	2,846,819	4,203,638
8/1/2038	-	7.500%	1,300,944	1,300,944	
2/1/2039	1,605,000	7.500%	1,300,944	2,905,944	4,206,888
8/1/2039	-	7.500%	1,240,756	1,240,756	
2/1/2040	1,725,000	7.500%	1,240,756	2,965,756	4,206,512
8/1/2040	-	7.500%	1,176,069	1,176,069	
2/1/2041	1,855,000	7.500%	1,176,069	3,031,069	4,207,138
8/1/2041	-	7.750%	1,106,506	1,106,506	
2/1/2042	1,995,000	7.750%	1,106,506	3,101,506	4,208,012
8/1/2042	-	7.750%	1,029,200	1,029,200	
2/1/2043	2,150,000	7.750%	1,029,200	3,179,200	4,208,400
8/1/2043	-	7.750%	945,888	945,888	
2/1/2044	2,315,000	7.750%	945,888	3,260,888	4,206,776
8/1/2044	-	7.750%	856,181	856,181	
2/1/2045	2,495,000	7.750%	856,181	3,351,181	4,207,362
8/1/2045	-	7.750%	759,500	759,500	
2/1/2046	2,685,000	7.750%	759,500	3,444,500	4,204,000

City of Industry
Schedule of Long-Term Debt (Continued)
$51,460,000 Taxable Sales Tax Revenue Refunding Bonds, Series 2015B - Maturity Schedule
For the Year Ended June 30, 2019

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
8/1/2046	-	7.750%	655,456	655,456	
2/1/2047	2,900,000	7.750%	655,456	3,555,456	4,210,912
8/1/2047	-	7.750%	543,081	543,081	
2/1/2048	3,120,000	7.750%	543,081	3,663,081	4,206,162
8/1/2048	-	7.750%	422,181	422,181	
2/1/2049	3,365,000	7.750%	422,181	3,787,181	4,209,362
8/1/2049	-	7.750%	291,788	291,788	
2/1/2050	3,625,000	7.750%	291,788	3,916,788	4,208,576
8/1/2050	-	7.750%	151,319	151,319	
2/1/2051	3,905,000	7.750%	151,319	4,056,319	4,207,638
	$ 50,470,000		$ 84,152,228	$ 134,622,228	$ 134,622,228

City of Industry
Schedule of Long-Term Debt (Continued)
$34,340,000 Taxable Sales Tax Revenue Refunding Bonds, Issue of 2017 - Maturity Schedule
For the Year Ended June 30, 2019

Period Ending	Principal	Interest Rate	Interest	Debt Service	Annual Debt Service
7/1/2019	-	2.250%	414,478	414,478	
1/1/2020	3,145,000	2.250%	414,478	3,559,478	3,973,956
7/1/2020	-	2.500%	379,097	379,097	
1/1/2021	3,215,000	2.500%	379,097	3,594,097	3,973,194
7/1/2021	-	2.750%	338,909	338,909	
1/1/2022	3,295,000	2.750%	338,909	3,633,909	3,972,818
7/1/2022	-	3.000%	293,603	293,603	
1/1/2023	3,390,000	3.000%	293,603	3,683,603	3,977,206
7/1/2023	-	3.125%	242,753	242,753	
1/1/2024	3,490,000	3.125%	242,753	3,732,753	3,975,506
7/1/2024	-	3.250%	188,222	188,222	
1/1/2025	3,595,000	3.250%	188,222	3,783,222	3,971,444
7/1/2025	-	3.375%	129,803	129,803	
1/1/2026	3,715,000	3.375%	129,803	3,844,803	3,974,606
7/1/2026	-	3.500%	67,113	67,113	
1/1/2027	3,835,000	3.500%	67,113	3,902,113	3,969,226
	$ 27,680,000		$ 4,107,956	$ 31,787,956	$ 31,787,956

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CITY COUNCIL

ITEM NO. 5.4

City of Industry

City of Industry, California

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

For the Year Ended June 30, 2019

THE PUN GROUP
ACCOUNTANTS & ADVISORS

City of Industry

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THE PUN GROUP
ACCOUNTANTS & ADVISORS

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

Independent Auditors' Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Industry, California (the "City") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 13, 2019.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying Schedule of Findings and Responses, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as item 2019-001 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Responses as items 2019-002, 2019-003, and 2019-004 to be significant deficiencies.

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Compliance and Other Matters

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

The City's Response to Findings

The City's response to the findings identified in our audit are described in the accompanying Schedule of Findings and Responses. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

The Pun Group, LLP

Santa Ana, California
December 13, 2019

City of Industry
Schedule of Findings and Responses
For the Year Ended June 30, 2019

Finding 2019-001 Notes Receivable

Criteria:
As stated in the *Government Auditing Standards*, the concept of accountability for use of public resources and government authority is key to our nation's governing process. Management and officials entrusted public resources are responsible to carry out public functions and providing service to the public effectively, efficiently, economically, ethically, and equitably within the context of the statutory boundaries of the specific government program.

Condition:

The notes receivable from Industry Convalescent Hospital (the "Hospital") was result of advances made by the City to the Hospital back in 1992 pursuant to resolution adopted by the City Council. There is no repayment schedule as these loans are due on demand. The City management has determined that the collectability of the notes receivable and the accrued interest is uncertain. Despite the uncertainty in collection, the City continued to advance funds to the Hospital during the year ended June 30, 2019. Total amount advanced in the year ended June 30, 2019 was $972,098. As of June 30, 2019, the principal was in the amount of $21,210,000 with accrued interest in the amount of $27,013,457 based on 6% simple interest per annum. As a result, the entire $48,223,457 outstanding balance is offset with allowance for doubtful account in the financial statements.

In addition to the advances, the Hospital also leased the property from the Successor Agency to the Industry Urban-Development Agency (the "SA to IUDA") at $1 a year, renewed annually. In November 2018, the SA to IUDA sold the property to the City and assign the lease to the City. During the year ended June 30, 2019, the City also incurred expenses in the amount of $305,469 relating to contract labor, security and repair and maintenance of the property leased to the Hospital.

Cause:
The Hospital has not been able to generate sufficient revenue to repay the advances from the City and to cover its operating costs. The promissory notes between the City and the Hospital also do not have the necessary elements to secure the repayment by the Hospital.

Effect or Potential Effect:
The collectability of the advances is in question and the public funds could not be used for other public purposes. At June 30, 2019, the total advances to the Hospital and the unpaid accrued interest was in the amount of $48,223,457. In addition, the City has been subsidizing the Hospital's operations by charging $1 rent per year and maintaining the property for the Hospital.

Recommendation:
We recommended the City continue working with the Hospital and establish a repayment plan. Also, the City should conduct a review of the expenses incurred on the Hospital property and renegotiate a reasonable rent amount to at cover, at a minimum, the operating and maintenance expenses for the property.

Views of Responsible Officials:
The Hospital is a 501(c)(3) non-profit organization that has been servicing the San Gabriel Valley since 1976. All profits earned by the Hospital are required to be used for its primary charitable purposes related to its non-profit status. The City Council over the years has viewed the Hospital as providing a vital service to the residents of the City and surrounding communities. Since the original dates of the loan advances, the City has been working with the Hospital to collect the outstanding balances and accrued interest. The City is also currently working with the Hospital on the new lease agreement.

Finding 2019-002 Procurement Process

Criteria:
Management is responsible for establishing sound internal controls over procurement process and for complying with California Public Contract Code.

Condition:
During the performance of the internal control testing over procurement process, we noted the following:

- Two out of the twenty-five samples selected for procurement testing did not have the required purchase order request form.
- Six out of twenty-five samples selected for procurement testing did not have supporting documents to show bid or request for proposal ("RFP")/request for qualification ("RFQ") were performed.
- Four out of the twenty-five samples selected for procurement testing were under the contract that did not have an expiration date and the City rolled over the contract every year without any procurement processes.
- One out of the twenty-five samples selected for procurement testing was for landscape maintenance service authorized under the blanket purchase order instead of bidding/RFP/RFQ process. In addition, the approved blanket purchase order vendor list used was for the year ended June 30, 2018, instead of for the year ended June 30, 2019.

Cause:
The City was still in the process of implementing the updated procurement process.

Effect or Potential Effect:
Without following the procurement process in issuing purchase orders, the City would not be able to effectively manage the budget and monitor the costs. When there are not termination dates for the contracts or when the contracts were procured without bidding/RFP/RFQ process, it diminishes the City's ability to promote open competition on all purchases.

Recommendation:
We recommended the City enhance its internal control over procurement process and follow its purchasing policy and California Public Contract Code.

View of Responsible Officials:
The current Procurement Policy was adopted in June 2013 and the City is in the process of reviewing and updating the contracts to be compliant with the 2013 policy. The prior contracts met the procurement policies at that time and were either approved by the City's Procurement Officer or the then-City Council depending the types of contracts and services to be provided. It is the management's belief that the City has not experienced any budget mismanagement related to these contracts not being updated to current standards. City's current management continues to review agreements and bring them in compliance with current procurement policies and procedures.

Finding 2019-003 Rental Properties

Criteria:
California Government Code requires the City to assess and analyze the housing needs for all income levels, including extremely low-income households in the City. Included in the City's 2013-2021 Housing Element, the City established goal to assure housing opportunities are available to all persons without regard to race, color, ancestry or national origin, religion, marital status, age, or disability and support efforts to ensure housing is available to all economic segments of the community.

Condition:
In the City's 2013-2021 Housing Element, the City reported total of 50 housing units in the City, of which, 38 are rental units. During our audit we noted that the Industry Property and Housing Management Authority (the "IPHMA"), a component unit of the City, owns twenty-seven rental properties in the City. All residential properties are rented at $600 to $770 per month, which is below the market value in the same neighborhood. As of June 30, 2019, nine units were rented to the City Council members, other governing board members and their related parties, nine units were rent to unrelated parties, and nine units were vacant.

Cause:
The City and IPHMA has not developed a policy relating to the promotion of the housing benefits for resident of the City.

Effect or Potential Effect:
The IPHMA purchased the properties with public funds, and without policies in place to manage the rental units, the City will be unable to meet the State's housing goals or the City's goals set forth in its 2013-2021 Housing Element. Since ten rental units are being rented to City Council members, other governing board members and their related parties, it appears that the use of these properties are largely benefiting the City officials.

Recommendation:
We recommended the City and IPHMA establish policies and procedures to promote the housing benefits to all the residents of the City, including the low-income families and adhere to its policy in renting these properties to all segments of the community within the City.

Views of Responsible Officials:
According to the city's Charter Section 301 Eligibility, ***"[n]o person shall be eligible to hold office of Council member unless he or she is a voter and resident of the City at the time of filing of nomination papers"***. It is acknowledged that any current City official who resides in a property owned or managed by the IPHMA, resided in an IPHMA property prior to becoming a City official.

Management is in agreement with the recommendation and is in the process of revising policies concerning the rental units. Effective June 1, 2019 the IPHMA increased the monthly rental rates by 10% and subsequently adjusted the monthly rental rates down to an 8.3% (5% increase plus 3.3% cost of living adjustment) as required by Assembly Bill 1482 ("AB 1482"). In accordance with AB 1482, on January 1, 2021 the monthly rental rates will increase 5% plus the percent change in the cost of living index or 10%, whichever is lower. Annually thereafter, the IPHMA reserves the right to increase rent as permitted under State law.

Finding 2019-004 Property Held for Sale or Disposition

Criteria:
Management is responsible for accuracy and completeness of the accounting records.

Condition:
During the year ended June 30, 2019, the SA to IUDA performed inventory of assets and wrote off property held for sale or disposition in an amount of $5,557,175 for properties no longer existed.

Cause:
The City did not have a formal reviewing process over the completeness of the accounting records over the SA to IUDA's property held for sale or disposition.

Effect or Potential Effect:
The SA to IUDA reported write-off of properties in the amount of $5,557,175 for the year ended June 30, 2019

Recommendation:
We recommend that the City establish and implement procedures to review all properties held for sale owned by the City or SA to IUDA to ensure properties are properly reported in the general ledger.

Views of Responsible Officials:
Management agrees with the comment and will conduct a thorough review of properties owned by SA to IUDA against the accounting records.

CITY COUNCIL

ITEM NO. 5.5

THE
PUN GROUP
ACCOUNTANTS & ADVISORS

April 8, 2019

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

We are engaged to audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Industry, California (the "City") for the year ending June 30, 2019. Professional standards require that we provide you with the following information related to our audit. We would also appreciate the opportunity to meet with you to discuss this information further since a two-way dialogue can provide valuable information for the audit process.

Our Responsibilities under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated April 8, 2019, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we will consider the internal control of the City. Such considerations are solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will also perform tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, providing an opinion on compliance with those provisions is not an objective of our audit.

Generally accepted accounting principles provide for certain Required Supplementary Information ("RSI") to supplement the basic financial statements. Our responsibility with respect to the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedule of City's Proportionate Share of Net Pension Liability and Related Ratios, Schedule of the Contributions - Pension, Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios, Schedule of Contributions - Other Postemployment Benefits, which supplement the basic financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI will not be audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we will not express an opinion or provide any assurance on the RSI.

We have been engaged to report on the Combining and Individual Fund Financial Statements, Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual, and Schedules of Long-Term Debt, which accompany the financial statements but are not RSI. Our responsibility for this supplementary information, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

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Planned Scope, Timing of the Audit, and Other

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested.

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. We will generally communicate our significant findings at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We expect to begin our audit on April 8, 2019 and issue our report on approximately December 31, 2019. Frances J. Kuo is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign it.

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

Very truly yours,

The Pun Group, LLP

Santa Ana, California

THE PUN GROUP
ACCOUNTANTS & ADVISORS

To the Management
of the City of Industry
Industry, California

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Industry, California (the "City") for the year ended June 30, 2019 and have issued our report thereon dated December 13, 2019.

We noted the following matters during our audit to bring to your attention.

The City entered into a Master Ground Lease agreement (the "Agreement") with San Gabriel Valley Water and Power, LLC ("SGVWP") and advanced $20 million to SGVWP for development of a solar farm project. Lawsuit was filed against SGVWP during the year ended June 30, 2019 after the City terminated the Agreement for cause. Due to the uncertainly with the lawsuit, $20 million of public funds could not be used for other public purposes until advances are collected back from SGVWP.

Recommendation:

We recommended the City continue to monitor the collectability of the receivable based on the solvency of SGVWP. We also recommended the City evaluate the viability of all future projects prior to enter into any agreements with other parties or advance funds.

Management Response:

Management is closely monitoring the development of the legal proceedings and the collectability of the receivable. Members of the City Council are kept appraised as to the status of the case.

Restriction of Use

This information is intended solely for the use of the management of the City and is not intended to be, and should not be, used by anyone other than the specific party.

The Pun Group, LLP

Santa Ana, California
December 13, 2019

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CITY COUNCIL

ITEM NO. 5.6

City of Industry

Industry, California

Independent Accountants' Report on Applying Agreed-Upon Procedures to Appropriations Limit Schedule

For the Year Ending June 30, 2020

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

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

We have performed the procedures enumerated below, which were agreed to by the City of Industry, California (the "City"), and the League of California Cities (as presented in the publication entitled *Agreed-upon Procedures Applied to the Appropriations Limitation Prescribed by Article XIII-B of the California Constitution)* on assisting you in meeting the requirements of Section 1.5 of Article XIII-B of California for the year ending June 30, 2020. The City's management is responsible for the Appropriations Limit Schedule. The sufficiency of these procedures is solely the responsibility of the City. Consequently we make no representation regarding the sufficiency of the procedures described below either the purpose for which this report has been requested or for any other purpose.

Our procedures and associated findings are as follows:

1. We obtained the completed worksheets used by the City to calculate its appropriations limit for the year ending June 30, 2020, and verified that the limit and annual calculation factors were adopted by resolution of the City Council. We also determined that the population and inflation options were selected by a recorded vote of the City Council.

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

2. For the accompanying Appropriations Limit Schedule, we added the prior year's limit to the total adjustments, and verified the resulting amount to the current year's limit.

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

3. We verified the current year information presented in the accompanying Appropriations Limit Schedule to corresponding information in worksheets used by the City.

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

4. We verified the appropriations limit presented in the accompanying Appropriations Limit Schedule to the appropriations limit adopted by the City Council.

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

200 E. Sandpointe Avenue, Suite 600, Santa Ana, California 92707
Tel: 949-777-8800 • Fax: 949-777-8850 • www.pungroup.com

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

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

The Pun Group, LLP

Santa Ana, California
January 14, 2020

City of Industry
Appropriations Limit Schedule
For the Year Ending June 30, 2020

	Amount	Source
A. Appropriations Limit FY 2018-2019	$ 687,953,120	Prior year appropriations limit adopted by the City
B. Calculation Factors:		
1) Population increase %	1.0000	California Department of Finance
2) Inflation increase %	1.0464	HDL Coren & Cone
3) Total adjustment %	1.0464	(B1 x B2)
C. Annual Adjustment Increase	31,921,025	{(B3 - 1) x A}
D. Other Adjustments:		
1) Loss responsibility (-)	-	N/A
2) Transfer to private (-)	-	N/A
3) Transfer to fees (-)	-	N/A
4) Assumed responsibility (+)	-	N/A
E. Total Adjustments	31,921,025	(C + D)
Appropriations Limit FY 2019-2020	$ 719,874,145	(A + E)

See Accompanying Notes to the Appropriations Limit Schedule

City of Industry
Notes to the Appropriations Limit Schedule
For the Year Ending June 30, 2020

Note 1 – Purpose of Limited Procedures Review

Under Article XIIIB of the California Constitution (the Gann Spending Limitation Initiative), California governmental agencies are restricted as to the amount of annual appropriations from proceeds of taxes. Effective for years beginning on or after July 1, 1990, under Section 1.5 of Article XIIIB, the annual calculation of the appropriations limit is subject to a limited procedures review in connection with the annual audit.

Note 2 – Method of Calculation

Under Section 10.5 of Article XIIIB, for fiscal years beginning on or after July 1990, the appropriations limit is required to be calculated based on the limit for the fiscal year 1986-87, adjusted for the inflation and population factors discussed in Notes 3 and 4 below.

Note 3 – Population Factors

A California governmental agency may use as its population factor either the annual percentage change of the jurisdiction's own population or the annual percentage change in population of the county where the jurisdiction is located. The factor adopted by the City for the year ending June 30, 2020, represents the annual percentage change in population for the City of Industry.

Note 4 – Inflation Factors

A California governmental agency may use as its inflation factor either the annual percentage change in the 4th quarter per capita personal income (which percentage is supplied by the California Department of Finance) or the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction. The factor adopted by the City for the year ending June 30, 2020, represents the percentage change in the local assessment roll from the preceding year due to the change of local nonresidential construction.

Note 5 – Other Adjustments

A California government agency may be required to adjust its appropriations limit when certain events occur, such as the transfer of responsibility for municipal services to, or from, another government agency or private entity. The City had no such adjustments for the year ending June 30, 2020.

CITY COUNCIL

ITEM NO. 6.1

CITY OF INDUSTRY
MEMORANDUM

TO: Honorable Mayor Moss and Members of the City Council

FROM: Troy Helling, City Manager TH

STAFF: Sam Pedroza, Public Affairs Manager

DATE: January 23, 2020

SUBJECT: Consideration of Resolution No. CC 2020-01 approving a donation to the Veterans Benefit Team Roping Foundation in the amount of $25,000

Background:

The Veterans Benefit Team Roping Foundation ("Foundation") is a non-profit organization that supports the use of horse therapy programs. These programs are uniquely designed, operated, and managed by veterans for the purpose of providing wellness and skill sets to all veterans and active military. These programs have created positive results in coping with Post-Traumatic Stress Disorder and other combat-induced injuries.

Discussion:

The Foundation contacted the City for a donation to sponsor this year's programs. The donation of $25,000, along with other fund-raising activities including the annual team roping event at the Industry Hills Expo Center, will help the Foundation continue its programs and support veterans who are transitioning from combat to civilian life through recreational activities. The City's donation serves a public purpose by contributing to an organization that supports veterans.

Fiscal Impact:

In the Fiscal Year 2019/2020 budget, $367,000 was approved for Community Promotions and Economic Development. No appropriations are required at this time (Account No. 100-621-5601).

Recommendation:

1) Staff recommends that the City Council adopt Resolution No. CC 2020-01 approving a donation of $25,000 to the Veterans Benefit Team Roping Foundation.

Exhibit:

A. Resolution No. CC 2020-01

TH/SP:yp

EXHIBIT A

Resolution No. CC 2020-01

[Attached]

RESOLUTION NO. CC 2020-01

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF INDUSTRY, CALIFORNIA, APPROVING A DONATION TO THE VETERANS BENEFIT TEAM ROPING FOUNDATION IN THE AMOUNT OF TWENTY-FIVE THOUSAND DOLLARS ($25,000)

RECITALS

WHEREAS, the Veterans Benefit Team Roping Foundation ("Foundation") provides a horsemanship, wellness and skill-set program, free to all veterans and active duty military, many of whom have suffered from Post-Traumatic Stress Disorder ("PTSD"), and other combat-induced injuries; and

WHEREAS, annually, the Foundation holds a team roping event at the Industry Hills Expo Center to raise funds for the operation of its programs; and

WHEREAS, the Foundation requested a donation in the amount of $25,000 from the City to assist in the operation of its programs; and

WHEREAS, the City's donation serves a public purpose in that the United States Department of Veterans Affairs has determined that participation by veterans in recreational activities, and engaging in good self-care, are foundational aspects of positive psychological functioning, aids in the recovery from PTSD, and assists with the transition from combat to civilian life. The City's donation allows the Foundation to provide valuable recreational activities to local veterans; and

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

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

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

SECTION 2. The City's donation serves a public purpose in that the United States Department of Veterans Affairs has determined that participation by veterans in recreational activities, and engaging in good self-care, are foundational aspects of positive psychological functioning, aids in the recovery from PTSD, and assists with the transition from combat to civilian life. The City's donation will allow the Foundation to provide valuable recreational activities to local veterans.

SECTION 3. The City Council hereby approves the donation of Twenty-Five Thousand Dollars ($25,000) to the Veterans Benefit Team Roping Foundation.

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

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

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

PASSED, APPROVED AND ADOPTED by the City Council of the City of Industry at a regular meeting held on January 23, 2020, by the following vote:

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

_____
Cory C. Moss, Mayor

ATTEST:

_____
Julie Gutierrez-Robles, City Clerk

CITY COUNCIL

ITEM NO. 6.2

CITY OF INDUSTRY

MEMORANDUM

TO: Honorable Mayor Moss and Members of the City Council

FROM: Troy Helling City Manager TH

STAFF: Julie Gutierrez-Robles, City Clerk JGR

DATE: January 23, 2020

SUBJECT: Consideration of one appointment to the Planning Commission

---

Background:

Currently the Planning Commission has one vacancy due to the expiration of term of Chairman Michael Greubel. The Planning Commission is a five-member board. The person appointed will serve a four (4) year term. Following the standard recruitment process, the City received one application from Michael Greubel. His application is attached.

The Planning Commission meetings are held at 11:30 a.m. on the Tuesday preceding the second Thursday of each month.

Recommendations:

Discuss and make the appointment to the Planning Commission and/or provide additional direction to staff.

Exhibit:

A. Application

EXHIBIT A

Application

[Attached]

CITY OF INDUSTRY

CITY OF INDUSTRY

APPLICATION FOR CITY COMMISSION OR AUTHORITY

To: The Honorable Mayor and Members of the City Council

Please accept this correspondence as my formal interest in serving on the City of Industry Planning Commission.

I very much appreciate your consideration.

Sincerely,

Michael Vincent Greubel
Print your name

15240 E Valley Blvd 91746
Address

626 712 5493
Phone Number

greubel34@icloud.com
Email Address

Michael Vincent Greubel
Signature

11/20/19
Date

CITY COUNCIL

ITEM NO. 6.3

CITY OF INDUSTRY

MEMORANDUM

TO: Honorable Mayor Moss and Members of the City Council

FROM: Troy Helling, City Manager TH

STAFF: Bing Hyun, Assistant City Manager

DATE: January 23, 2020

SUBJECT: Consideration of a License Agreement with La Puente Valley County Water District, for Access to Assessor's Parcel No. 8208-8027-918 located at the northeast corner of Parriott Place and Don Julian Road for temporary staging of construction materials and equipment

---

Background:

La Puente Valley County Water District ("La Puente Water") contacted the City regarding the temporary use of the City owned property located at the northwest corner of Parriott Place and Don Julian Road ("Property"). La Puente Water's contractor, W.A. Rasic Construction ("Rasic"), is working on the water district's recycled water project. This project will be in the San Jose Creek storm water channel. Due to its proximity to the project, the Property is an ideal construction staging area.

Discussion:

La Puente Water has requested to use the Property to store construction materials and equipment, including ductile iron/steel pipe, fittings, aggregates-sand, temp cold mix, clean dirt for backfill, backhoe, traffic delineators, and a storage container. Under the proposed License Agreement, the contractor is required to prevent any environmental contamination on the Property by placing drip pans under staged equipment, straw waddle and filter fabric over nearby catch basins, and any active stock piles must be covered during rain events to prevent runoff. The License Agreement will terminate on August 30, 2020, but allows two (2) six (6) month extensions with the City Manager's approval.

Fiscal Impact:

The proposed License Agreement charges La Puente Water a rental amount of $150.00 per month, which is consistent with other license agreements executed by the City. This fee is payable to the City in advance on the first day of each month during the term of the agreement.

Recommendation:

1.) Staff recommends that the City Council approve the License Agreement with La Puente Valley County Water District, dated January 23, 2020.

Exhibit:

A. License Agreement with La Puente Valley County Water District dated January 23, 2020

TH/BH:yp

EXHIBIT A

License Agreement with La Puente Valley County Water District, dated January 23, 2020

[Attached]

LICENSE AGREEMENT

THIS LICENSE AGREEMENT ("**Agreement**"), dated **January 23, 2020**, ("**Effective Date**") is entered into by and between the City of Industry, a public body, corporate and politic ("**Licensor/City**"), and La Puente Valley County Water District, a government agency ("**Licensee**") Licensor and Licensee are individually referred to as "**Party**" and collectively referred to as the "**Parties**".

RECITALS

WHEREAS, the City is the owner of certain property located at the northwest corner of Don Julian Road and Parriott Place, City of Industry, CA 91744, and Licensee desires to enter the portion of the property generally described as a lot, **Assessor's Parcel No.** 8208-027-918, as set forth in Exhibit A, attached hereto and incorporated herein by reference ("**Premises**").

WHEREAS, Licensee desires to utilize the Premises as a temporary staging area for construction materials and equipment; and

WHEREAS, Licensee acknowledges that Licensee is entering onto the Premises at its sole risk and expense, and Licensor does not have any liability to Licensee under this Agreement.

NOW, THEREFORE, for valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

TERMS

1. License to Enter the Premises. Licensor hereby grants to Licensee a non-exclusive license (the "**License**") granting permission to enter upon the Premises as of the Effective Date of this Agreement, and to use a portion of the Premises, as depicted in Exhibit A, for a temporary staging area for construction materials and equipment (collectively, "**Permitted Use**"); provided, that Licensee's use of the Premises shall not interfere with the operation of business activities, if any, then being conducted on the Premises, and provided Licensee provides written notice to the Licensor at least five (5) days prior to Licensee first entering upon the Premises (said written notice shall state the purpose for the entry upon the Premises, and said entry shall not exceed the stated purpose). Prior to any initial entry pursuant to the License, Licensee shall provide to Licensor proof of insurance as set forth in Section 8 of this Agreement. Licensee shall not permit any other party, except the duly-authorized representatives, agents, employees and contractors (collectively "**Representatives**") of Licensee to enter or use the Premises during the term of this License, without Licensor's prior written consent, and in all events the sole reason for entry and use of the Premises shall be for the performance of Licensee's Permitted Use.

2. Payment. Licensee shall pay Licensor, and Licensor shall accept One hundred and fifty dollars ($150.00) ("**License Payment**") per month, for the use of the Premises. Payment shall be due in advance on the first day of each month during the term of the Agreement. Payment shall be made to Licensor at 15625 E. Stafford Street, City of Industry, CA 91744.

3. Permitted Use. The Permitted Use is hereby defined to include storage of materials and equipment such as ductile iron/steel pipe, fittings, aggregates-sand, temp cold mix, clean dirt for backfill, backhoe, traffic delineators, and a storage container. Licensee shall exercise due care in the

performance of the Permitted Use and such use shall be exercised in a manner which complies with all applicable laws.

4. Maintenance of Premises. Prior to commencement of the Permitted Use, Licensee shall install a temporary construction fence around the staging area on the Premises. During the term of the License, Licensee shall place drip pans under staged equipment, straw waddle and filter fabric over nearby catch basins, and any active stock piles must be covered during rain events to prevent runoff. Upon termination of the License, Licensee shall repair any damage done to the Premises by Licensee or its duly authorized Representatives, including environmental contamination, and shall restore the Premises to its condition as of the Effective Date of this Agreement, which shall include removal of the temporary construction fence.

5. Government Regulations and Other Obligations of Licensee. As a condition precedent to commencement of the Permitted Use, if required, Licensee shall obtain at its sole cost and expense all governmental permits and authorizations of whatever nature required, if any ("**Permits**") by any and all governmental authorities having jurisdiction over the Premises for Licensee's exercise of the Permitted Use. Licensor shall use commercially reasonable efforts to cooperate with Licensee and to support any and all applications or request for said Permits submitted by Licensee or on Licensee's behalf. Licensee shall, in all activities undertaken pursuant to this Agreement, comply and cause its Representatives to comply with all federal, state and local laws, statutes, orders, ordinances, rules, regulations, plans, policies and decrees.

6. Liens.

6.1 Licensee shall not cause or permit to be filed, recorded or enforced against the Premises, or any part thereof, any mechanics', material men's, contractors' or subcontractors' liens arising from the Permitted Use or any claim or action affecting the title to the Premises arising from the Permitted Use, and Licensee shall pay or cause to be paid, or otherwise removed or bonded over, the full amount of all such liens or claim within fifteen (15) days of receiving written notice thereof. In addition to and not in limitation of Licensor's other rights and remedies under this Agreement or under law, should Licensee fail within fifteen (15) business days of a written notice from Licensor to pay and discharge or bond over any lien arising out of Licensee's use of the Premises, then a material breach under this Agreement shall be deemed to have occurred which, at Licensor's election, shall entitle Licensor to terminate this License effective upon notice by Licensor to Licensee so stating.

6.2 If Licensee desires to contest in good faith the validity of any lien or any claim or demand that could result in a lien against the Premises or any portion thereof for which Licensor could become liable if not successfully resolved, as a condition to such contest, Licensee shall notify Licensor of Licensee's intent to contest the lien or claim and the grounds for such contest. Notwithstanding anything to the contrary set forth herein, Licensee shall pay and satisfy any adverse judgment that may be rendered thereon before the enforcement thereof against Licensor or the Premises.

7. Insurance. Prior to entering the Premises and until the termination of this Agreement, Licensee shall maintain at its sole expense insurance limits as stipulated in this section.

7.1 Minimum Scope and Limit of Insurance. Coverage shall be at least as broad as:

(a) Commercial General Liability (CGL): Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis, including products and completed operations, property damage, bodily injury and personal and advertising injury with limits no less than $1,000,000 per occurrence and $2,000,000 in the aggregate.

(b) Automobile Liability: Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if Licensee has no owned autos, Code 8 (hired) and 9 (non-owned), with limits no less than $1,000,000 per accident for bodily injury and property damage.

(c) Workers' Compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than $1,000,000 per accident for bodily injury or disease.

(d) Environmental Impairment Liability Insurance shall be written on a Contractor's Pollution Liability form or other form acceptable to the Licensor providing coverage for liability arising out of sudden, accidental and gradual pollution and remediation. The policy limit shall be no less than $1,000,000 dollars per claim and in the aggregate. All activities contemplated in this Agreement shall be specifically scheduled on the policy as "covered operations."

7.2 Other Insurance Provisions. The insurance policies are to contain, or be endorsed to contain, the following provisions:

(a) Additional Insured Status. The Licensor and City Representatives, (as defined in Section 8, below) are to be additional insureds on the CGL policy with respect to liability arising out of Licensee's use of the Premises. General liability coverage can be provided in the form of an endorsement to the Licensee's insurance (at least as broad as ISO Form CG 20 10 11 85 or both CG 20 10 and CG 20 37 forms if later revisions used).

(b) Primary Coverage. For any claims related to this Agreement, the Licensee's insurance coverage shall be primary insurance as respects the Licensor/City Representatives. Any insurance or self-insurance maintained by the Licensor/City Representatives, shall be excess of the Licensee's insurance and shall not contribute with it.

(c) Contractors and Subcontractors. Licensee shall require and verify that all contractors and subcontractors maintain insurance meeting all the requirements stated herein, and Licensee shall ensure that Licensor/City Representatives are additional insureds on insurance required from contractors/subcontractors. For CGL coverage contractors and subcontractors shall provide coverage with a format least as broad as CG 20 38 04 13.

(d) Notice of Cancellation. Each insurance policy required above shall state that coverage shall not be canceled, except with notice to the City.

(e) Waiver of Subrogation. Licensee hereby grants to City a waiver of any right to subrogation which any insurer of said Licensee may acquire against the City by virtue of the payment of any loss under such insurance. Licensee agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation provided such endorsement is available on commercially reasonable terms, but this provision applies regardless of whether or not the City has received a waiver of subrogation endorsement from the insurer.

(f) Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City. The City may require the Licensee to provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention.

(g) Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City. Licensee is insured through the Association of California Water Agencies Joint Powers Insurance Authority and the City hereby approves of that insurer.

(h) Deductibles. All such insurance shall have deductibility limits of not greater than $50,000.00 unless otherwise approved by the City.

(i) Verification of Coverage. Licensee shall furnish the City with original certificates and amendatory endorsements or copies of the applicable policy language providing the insurance coverage required above. All certificates and endorsements are to be received and approved by the City before exercise of the Permitted Use commences. However, failure to obtain the required documents prior to the exercise of the Permitted Use shall not waive the Licensee's obligation to provide them. The City reserves the right to require complete copies of all required insurance policies, including endorsements, required by these specifications, at any time.

(j) Occurrence Basis Coverage. All policies shall be written on an occurrence basis unless otherwise approved by the City.

8. Indemnification. From and after the execution of this Agreement, Licensee hereby agrees to indemnify, defend, protect and hold harmless, with counsel of the Licensor's choosing, the City and any and all predecessors, successors, assigns, agents, officials, employees, members, independent contractors, affiliates, principals, officers, directors, attorneys, accountants, representatives, staff, and council members of the City collectively, the "**City Representatives**", and each of them, from and against all claims, including any claims from any third party beneficiary to this Agreement, causes of action, liabilities, losses, damages, injuries, expenses, charges, penalties, or costs, of whatsoever character, nature and kind, (including attorney's fees and costs incurred by the indemnified Party with respect to legal counsel of its choice), whether to property or to person(s), and whether by direct or derivative action, known or unknown, suspected or unsuspected, latent or patent, existing or contingent (collectively "**Losses and Liabilities**"), related directly or indirectly to, or arising out of or in any way connected with any of the activities of Licensee, its agents, employees, licensees, lessees, representatives, invitees, contractors, subcontractors or independent contractors on the Premises. This indemnification requires Licensee to indemnify the City and any and all City Representatives from and against all Losses and Liabilities, including attorneys' fees, arising out of the use or release of any Hazardous Substances on the Premises by Licensee. Licensee's obligation to defend shall arise regardless of any claim or assertion that the City caused or contributed to the Losses and/or Liabilities, provided, however, that Licensee's liability under this Section 8 will be limited to the extent of any contributory negligence of Licensor.

Environmental Indemnity.

Licensee's Indemnity Obligations. Licensee agrees, from and after the Effective Date, to defend, indemnify, protect and hold harmless City Representatives from, regarding and against any and all liabilities, obligations, orders, decrees, judgments, liens, demands, actions, Environmental

Response Actions (as defined herein), claims, losses, damages, fines, penalties, expenses, Environmental Response Costs (as defined herein) or costs of any kind or nature whatsoever, together with fees (including, without limitation, reasonable attorneys' fees and experts' and consultants' fees), resulting from or in connection with the actual or claimed generation, storage, handling, transportation, use, presence, placement, migration and/or release of Hazardous Materials (as defined herein), at, on, in, beneath or from the Premises and/or the Property during the term of the Lease (sometimes herein collectively referred to as "**Contamination**"), except to the extent caused by the Licensor or its agents, contractors or employees during the Licensor's ownership of the Property prior to the commencement of the Agreement or solely caused by the Licensor or its agents, contractors or employees during the term of the Agreement. Licensee's defense, indemnification, protection and hold harmless obligations herein shall include, without limitation, the duty to respond to any governmental inquiry, investigation, claim or demand regarding the Contamination, at Licensee's sole cost.

Release and Waiver. Licensee hereby releases and waives all rights, causes of action and claims Licensee has or may have in the future against the City Indemnitees arising out of or in connection with any Hazardous Materials (as defined herein), at, on, in, beneath or from the Premises, except to the extent caused or permitted by Licensor or its contractors, agents, or employees prior to conveyance to the Licensee or caused by Licensor during the term of the Lease.

Definitions.

(1) As used in this Agreement, the term "**Environmental Response Actions**" means any and all activities, data compilations, preparation of studies or reports, interaction with environmental regulatory agencies, obligations and undertakings associated with environmental investigations, removal activities, remediation activities or responses to inquiries and notice letters, as may be sought, initiated or required in connection with any local, state or federal governmental or private party claims, including any claims by Licensee.

(2) As used in this Agreement, the term "**Environmental Response Costs**" means any and all costs associated with Environmental Response Actions including, without limitation, any and all fines, penalties and damages.

(3) As used in this Agreement, the term "**Hazardous Materials**" means any substance, material or waste which is (1) defined as a "hazardous waste," "hazardous material," "hazardous substance," "extremely hazardous waste," or "restricted hazardous waste" under any provision of California law; (2) petroleum or petroleum products; (3) asbestos; (4) polychlorinated biphenyls; (5) radioactive materials; (6) designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act, 33 U.S.C. section 1251 et seq. (33 U.S.C.§ 1321) or listed pursuant to Section 307 of the Clean Water Act (33 U.S.C. § 1317); (7) defined as a "hazardous substance" pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. section 6901 et seq. (42 U.S.C. § 6903) or its implementing regulations; (8) defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. section 9601 et seq. (42 U.S.C. § 9601); or (9) determined by California, federal or local governmental authority to be capable of posing a risk of injury to health, safety or property.

Materiality. Licensee acknowledges and agrees that the defense, indemnification, protection and hold harmless obligations of Licensee for the benefit of Licensor set forth in this Agreement are a material element of the consideration to Licensor for the performance of its obligations under this

Agreement, and that Licensor would not have entered this Agreement unless Licensee's obligations were as provided for herein.

9. Term, Termination and Remedies. The License shall commence as of the Effective Date of this Agreement and shall automatically terminate on **August 30, 2020.** The City Manager may approve two (2) six (6) month extensions. Notwithstanding the foregoing, at any time, for any reason, the Licensor may, at its sole and absolute discretion, terminate this Agreement without cause, upon 30 days' written notice to Licensee. Further, in the event Licensor sells or transfers the Premises during the term of this Agreement, this Agreement shall terminate upon seven (7) days written notice to Licensee. At its sole and absolute discretion, from April 24, 2020 through April 26, 2020 the City may provide Licensee with 24 hours notice of the unavailability of the Premises for the Permitted Use. In addition, if Licensee shall be in breach of any of its obligations under this Agreement and shall fail to cure such breach within ten (10) business days of written notice from Licensor specifying the nature of any such breach, Licensor shall have the right to terminate this Agreement upon written notice to Licensee. Licensee acknowledges that this License is solely a license, and that Licensee has no rights as an owner, purchaser or tenant by virtue thereof. Upon termination of the Agreement, Licensee shall promptly vacate the Premises and comply with the provisions of Section 4 above. No termination or expiration of this License shall relieve Licensee of its obligations hereunder.

10. Inspection and Access to Premises. Licensor and any of its duly authorized representatives, employees, agents or independent contractors shall be entitled to enter the Premises, to show the Premises to potential purchasers, to inspect the Premises, to inspect Licensee's use of the Premises, and for any other purpose, at any time

11. Assignability. This License cannot be assigned by Licensee whether voluntarily or by operation of law, and Licensee shall not permit any use of the Premises, or any part thereof during the Term of this License in violation of the provisions of this License, except with the consent of Licensor (which shall not be unreasonably withheld, conditioned or delayed), and any attempt to do so shall be null and void.

12. Cost of Enforcement. In the event it is necessary for either Party to employ an attorney or other person or commence an action to enforce or interpret any of the provisions of this License or for Licensor to remove Licensee from the Premises, the non-prevailing party agrees to pay to the prevailing party, in addition to such other relief as may be awarded by the court, City or other authority before which such suit or proceeding is commenced, all reasonable costs of enforcement in connection therewith including, but not limited to, reasonable attorneys' fees, expenses and costs of investigation.

13. Notices. All notices, consents, approvals, requests, demands and other communications provided for herein shall be in writing and shall be deemed to have been duly given upon the earlier of when personally delivered or served or twenty-four (24) hours after being deposited with FedEx or any other established overnight courier service to the intended party addressed as follows:

Licensor: Troy Helling
City Manager

15625 East Stafford Street
City of Industry, CA 91744
Tel: (626) 333-2211
thelling@cityofindustry.org

With a Copy to: James M. Casso, City Attorney
Casso & Sparks, LLP
13300 Crossroads Parkway North, Suite 410
City of Industry, CA 91746
Tel: (626) 269-2980
jcasso@cassosparks.com

Licensee: Greg Galindo, General Manager
La Puente Valley County Water District
112 N. First Street
La Puente, CA 91744
Tel: (626) 330-2126

14. Miscellaneous. This Agreement constitutes the entire agreement between the Parties hereto pertaining to the subject matter hereof, and all prior and contemporaneous agreements, representations and understandings of the Parties hereto, oral or written, are hereby superseded and merged herein. No supplement, modification or amendment of this Agreement shall be binding unless in writing and executed by the Parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions, whether or not similar, nor shall any waiver be a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver. The indemnifications under this Agreement, the obligations of Licensee hereunder to remove liens and Licensee's obligations hereunder with respect to vacating and repairing the Premises shall survive the expiration or termination of the License Term. This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California. Any action brought concerning this Agreement shall be brought in the appropriate court for the County of Los Angeles, California. Each Party hereby irrevocably consents to the jurisdiction of said court. Licensee hereby expressly waives all provisions of law providing for a change of venue due to the fact that the City may be a party to such action, including, without limitation, the provisions of California Code of Civil Procedure Section 394. Licensee further waives and releases any right it may have to have any action concerning this Agreement transferred to Federal District Court due to any diversity of citizenship that may exist between City and Licensee. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of the provisions hereof. This Agreement may be executed in any number of counterparts, each of which shall be an original, and all of which shall constitute one and the same instrument. Neither this instrument nor a short form memorandum or assignment hereof shall be filed or recorded in any public office without Licensor's or Licensee's prior written consent.

15. Authority. Each person executing this Agreement hereby represents and warrants (i) their authority to do so, and (ii) that such authority has been duly and validly conferred.

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the Effective Date.

"LICENSOR"

CITY OF INDUSTRY

By:_____
Troy Helling, City Manager

ATTEST:

_____
Julie Gutierrez-Robles, City Clerk

APPROVED AS TO FORM:

_____
James M. Casso, City Attorney

"LICENSEE"

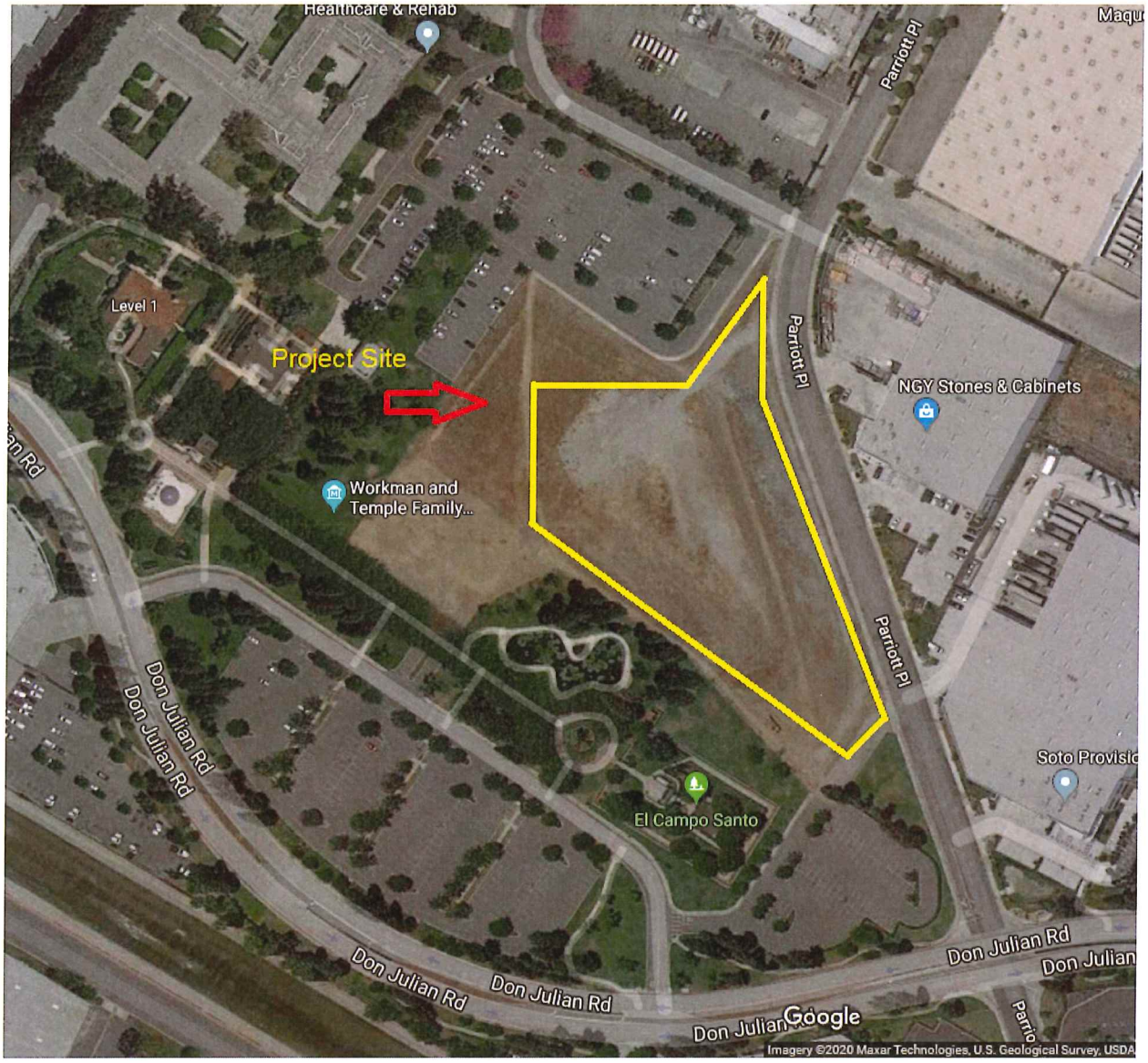
LA PUENTE VALLEY COUNTY WATER DISTRICT

By:_____
Greg Galindo, General Manager

EXHIBIT A

Legal Description

Assessor Parcel Number (APN) 8208-027-918 located at northwest corner of Parriott Place and Don Julian Road, City of Industry, CA 91744. The area identified as "Project Site" in the map below by an arrow and defining yellow lines identifies the area of the Premises, where the Permitted use shall occur.



CITY COUNCIL

ITEM NO. 6.4

CITY OF INDUSTRY

MEMORANDUM

TO: Honorable Mayor Moss and Members of the City Council

FROM: Troy Helling, City Manager TH

STAFF: Bing Hyun, Assistant City Manager

DATE: January 23, 2020

SUBJECT: Consideration of an Amended and Restated Professional Services Agreement with Industry Security Services, Inc., for Security Services at various locations throughout the City, in the amount of $3,505,890.81 million dollars for the period of January 23, 2020 through December 31, 2022

Discussion:

On November 8, 2007, the City Council approved an Agreement ("Agreement") with Industry Security Services ("Consultant") to provide security services at various City facilities.

The Consultant recently requested an increase in rates, and pursuant to Section I.2.b. of the current agreement with Consultant, the billing rates for Consultants services may be negotiated by the parties.

Further, due to recent changes to State law, most notably the provisions of Assembly Bill 5 ("AB 5"), it is necessary to amend the prior agreement to include provisions concerning Consultant's status as an independent contractor. Pursuant to AB 5, Consultant must provide all of its own vehicles and equipment to maintain its status as an independent contractor.

Lastly, because the prior agreement is from 2007, it does not contain the City's standard insurance and indemnification language, or some of the other provisions from the City's standard professional services agreement. The proposed amended and restated agreement was revised to incorporate the language from the City's standard agreement.

Below is a summary of the major revisions:

- Added a term date of January 23, 2020 through December 31, 2022 (total of three years).
- Added a maximum compensation of $3,505,890.81 for the duration of the term.
- Allows for the City Manager to assign security officers where needed.

- Revised indemnification and insurance language to be consistent with the City's standard agreement language.
- Included language acknowledging independent contractor status under AB 5.

Fiscal Impact:

The fiscal impact for Amendment No. 1 is $3,505,890.81. An appropriation of $3,505,890.81 is requested to various General Fund and Proposition A Accounts for security services 100-XXX-6120 and 103-XXX-6120, respectively.

Recommendation:

1.) Staff recommends that the City Council approve the Amended and Restated Professional Services Agreement with Industry Security Services, Inc.
2.) Appropriate $3,505,890.81 to various General Fund and Proposition A Accounts for security services 100-XXX-6120 and 103-XXX-6120, respectively.

Exhibit:

A. Amendment No. 1 to the Professional Services Agreement with Industry Security Services, Inc., dated January 23, 2020

TH/BH:yp

EXHIBIT A

Amendment No. 1 to the Professional Services Agreement with Industry Security Services, Inc., dated January 23, 2020

[Attached]

CITY COUNCIL
JANUARY 23, 2020

ITEM NO. 6.4

(Back-up material to be distributed prior to meeting)

CITY COUNCIL

ITEM NO. 6.5

CITY OF INDUSTRY

MEMORANDUM

TO: Honorable Mayor Moss and Members of the City Council

FROM: Troy Helling, City Manager TH

STAFF: Joshua Nelson, Director of Public Works/City Engineer
Dev Birla, Operations Manager, CNC Engineering DBB

DATE: January 23, 2020

SUBJECT: Consideration of Amendment No. 1 to the Professional Services Agreement with ORSA Consulting Engineers, Inc. for Phase 2 of the engineering design of new streetlights along Arenth Avenue, in an amount not to exceed $95,000.00 (MP 14-12 #3)

Background:

On April 11, 2019, the City Council approved the Professional Services Agreement with ORSA Consulting Engineers ("ORSA") to design streetlights and underground power and fiber optics conduits in two phases, as there are currently no streetlights along Arenth Avenue. Phase 1 extends from Anaheim-Puente Road to Phillips Drive, and Phase 2 will continue from Phillips Drive to Nogales Street. The budget for Phase 1 was $75,000.00. The scope of services for Phase 1 included 5,000 feet of underground streetlight conduit, pull boxes, streetlight poles and foundations, metering service pedestals and foundations, streetlight underground cable, and LED luminaires. In addition, the scope included 5,000 feet of power and fiber optics conduits, 12,000-Volt primary underground cable, and pad mounted transformers with connections to the metering service pedestals as a power source for the streetlights. Phase 1 design is almost complete and Phase 2 design is set to begin.

Discussion:

An amendment to the original Agreement with ORSA is necessary, as the Agreement was only for the design of Phase 1 of the streetlights and underground power and fiber optics conduit along Arenth Avenue. ORSA submitted a proposal to provide plans and specifications to complete the work outlined in Exhibit A for Phase 2. Phase 2 of the Arenth Avenue Reconstruction project spans from Phillips Drive to the west to Nogales

Street to the east. The proposed amendment updates the scope of work to include all of the work necessary to implement Phase 2 of the project.

As part of Phase 2, ORSA will provide the design that includes 8,000 feet of new streetlight conduit, pull boxes, streetlight poles and foundations, metering service pedestals and foundations, streetlight underground cable, and LED luminaires. The scope for Phase 2 also includes 8,000 feet of power and fiber optics conduits, 12,000-Volt primary underground cable and pad mounted transformers with connections to metering service pedestals as a power source for the streetlights.

Staff recommends ORSA provide the engineering design work for the new streetlights for Phase 2 through this Amendment No. 1 and for a budget increase of $95,000.00. No term extension is needed. The ORSA team has the expertise and track record of doing similar work for other local cities and companies, including work they have recently done in the City for Phase 1 for Arenth Avenue.

Fiscal Impact:

The fiscal impact for Amendment No. 1 is $95,000.00. An Appropriation of $95,000.00 from the 2015 Bond Proceeds to City Capital Improvements – Street Improvements - Contract Labor Professional and Technical (Account No. 120-702-6200) is being requested.

Recommendation:

It is recommended that the City Council approve Amendment No. 1 to the Professional Services Agreement for Engineering Support Services with ORSA Consulting Engineers, Inc. in an amount not-to-exceed $95,000.00 and appropriate $95,000.00 from the 2015 Bond Proceeds to City Capital Improvements.

Exhibit:

A. Amendment No. 1 to the Professional Services Agreement with ORSA Consulting Engineers, Inc. dated January 23, 2020

TH/JN/DB:jf

EXHIBIT A

Amendment No. 1 to the Professional Services Agreement with ORSA Consulting Engineers, Inc. dated January 23, 2020

AMENDMENT NO. 1
TO PROFESSIONAL SERVICES AGREEMENT WITH
ORSA CONSULTING ENGINEERS, INC.

This Amendment No. 1 to the Professional Services Agreement ("Agreement") is made and entered into this 23rd day of January, 2020, ("Effective Date") by and between the City of Industry, a municipal corporation ("City") and ORSA Consulting Engineers, Inc., a California corporation, ("Consultant"). The City and Consultant are hereinafter collectively referred to as the "Parties."

RECITALS

WHEREAS, on or about April 11, 2019, the Agreement was entered into and executed between the City and Consultant to perform engineering work for the design of a streetlight system along Arenth Avenue from Anaheim-Puente Road to Philips Drive for Phase 1; and

WHEREAS, the Consultant will provide the engineering design of the streetlight system for Phase 2 along Arenth Avenue from Philips Drive to Nogales Street; and

WHEREAS, the City desires to provide a budget increase of $95,000.00 for the additional scope of work for Phase 2; and

WHEREAS, for the reasons set forth herein, the City and Consultant desire to enter into this Amendment No.1, as set forth below.

AMENDMENT

NOW, THEREFORE, in consideration of the mutual covenants, promises and agreements set forth herein, it is agreed the aforesaid Agreement, a copy of which is attached hereto as Exhibit A, and incorporated herein by reference, shall remain in full force and effect except as otherwise hereinafter provided:

Section 4. PAYMENT
Section (a) is hereby revised to read in its entirety as follows:

The City agrees to pay Consultant monthly, in accordance with the payment rates and terms and schedule of payment as set forth in Exhibit B ("Rate Schedule"), attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed One Hundred Seventy Thousand Dollars ($170,000.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

Section 14. NOTICES

The address for James M. Casso is hereby revised to read in its entirety as follows:

James M. Casso, City Attorney
Casso & Sparks, LLP
13300 Crossroads Parkway North, Suite 410
City of Industry, CA 91746

Exhibit A Scope of Services

The Scope of Services is hereby rescinded in its entirety and replaced with Attachment 1, attached hereto, and incorporated herein by reference.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 1 to the Agreement as of the Effective Date.

"CITY"
City of Industry

By: _____
Troy Helling, City Manager

"CONSULTANT"
ORSA Consulting Engineers, Inc.

By: _____
Misha Davoodian, Vice President

Attest:

By: _____
Julie Gutierrez-Robles, City Clerk

APPROVED AS TO FORM

By: _____
James M. Casso, City Attorney

ATTACHMENT 1
EXHIBIT A

SCOPE OF SERVICES

Phase 1

Scope of work involves approximately 5,000 feet of 12,000-Volt (12-kV) underground primary design, transformation to 120/240-Volt and complete underground streetlight design with photometrics along Arenth Avenue from Anaheim-Puente Road to Phillips Drive.

Consultant shall perform the following design work:

1. Intercepting at least one existing 5-inch primary conduit at Anaheim-Puente Road and the driveway of IPUC access road adjacent to the Flood Control Channel, take it along Anaheim-Puente Road towards north and then cross towards east to a new 3'x5' pull box in the side walk of Arenth Avenue where Arenth Avenue starts.
2. Install approximately 5,000 feet of two 3-inch or 4-inch conduits (one for 12-kV primary and one for streetlights) in the sidewalk from Anaheim-Puente Road to Phillips Drive.
3. Stub primary conduit at or near Phillips Drive for next phase.
4. Add 3'x5' pull boxes for primary conduits as required and at the locations permitted by the field conditions.
5. Add transformer pads 48"x54" with small hand hole for providing power source for street light for this first phase which include the transformer details also.
6. Cable schedule and circuit diagram for 12-kV underground primary circuit with 15kV 1/0 EPR Full Concentric Neutral PE Jacketed cable and single–phase 50 KVA looped pad mounted transformers (may need at least two for first phase) with 120/240 Volt secondary as required.
7. Perform the photometric analysis including spacing of streetlights, wattage/lumens of recommended LED luminaires to provide lighting level to meet or exceed IES Guidelines.
8. Perform complete streetlight design of all 5,000 feet of first phase of Arenth Avenue to include streetlight pole foundations, streetlight pull boxes, conduits, wires and luminaires.

Tasks:

- Scope of work can be divided into five major tasks below:

TASK 1 – MEETING COORDINATION AND DOCUMENTATION

- Five (5) meetings planned during design (Kick-off, 50%, 75%, 90% & 100% of plans).
- Three (3) Site Visits for substructure location, alignment, review of existing conditions and potential physical conflicts etc.
- Final meeting to deliver plans, documents updated or created during design phase.

TASK 2 – ANALYSIS, SELECTION OF EQUIPMENT, DESIGN AND TECHNICAL SUBMITTALS AND REVIEWS

- Review existing photometric if available.
- Selection of LED Luminaires (Watts/Lumens), Pole height and obstructions (trees and Shrubbery).

- Perform photometric analysis to comply with ANSI/IES RP-8-14 Roadway Lighting Guidelines.
- Complete 12-kV primary and streetlight conduit and cable design, material descriptions with complete bill of material.
- Assistance in the bidding document and approval of technical and material submittals as required.

TASK 3 – FIELD OBSERVATIONS

- Review provided survey of Arenth Ave. to ensure existing conditions match existing plans provided by IPUC.
- Design does not physically conflict with any existing field conditions and proper construction notes on the drawings.

TASK 4

This task is for developing a standard of pole spacing and luminaries based on photometrics for future use in the City.

- Photometric Analysis and spacing of typical City streets such as Regional Arterial, Major Arterial, Collector and Residential streets. Two (2) scenarios are to be provided for each category above. The first is a staggered streetlight layout using both sides of the street and the second a non-staggered streetlight layout using only one side of the street. A total of eight (8) scenarios are required.

TASK 5 – SCHEDULE MONITORING AND CONTROL

- Collect all electrical plans, standards and specifications from IPUC.
- Photometric Analysis can be completed in three (3) weeks (pending all civil, survey and dig alert is inclusive in plans and available.
- Final Photometric Analysis and Luminaire plans two (2) weeks later pending IPUC approval.
- Transformer selection, single line, civil plans and foundations can be finalized four (4) weeks later.
- Completion of Photometric Analysis to be completed after completion of Arenth Avenue Street Improvement. Approximately three (3) weeks needed to complete.

Phase 2

Provide engineering services for streetlight design of Arenth Avenue Phase 2 from Philips Drive to Nogales Street. Scope of work involves 8,000 feet of new streetlight conduit, pull boxes, streetlight poles and foundations, metering service pedestals and foundations, streetlight underground cable, and LED luminaires. Design will start at the end of Phase 1 with approximately 8,000 feet of power and fiber optics conduits, 12,000-Volt primary cable and pad mounted transformers with the connections to metering service pedestals as a power source for streetlights. Details of the scope of work include:

- Design of 8,000 feet of power and fiber optics conduit in the Arenth Avenue to extend it where left from Phase 1 and primary pull boxes, as required
- Cable schedule and circuit diagram for 12,000-Volt primary 1/0 EPR insulation

with full concentric neutral cable and extension from Phase 1

- Add 48"x54" single phase pads and 50KVA,12,000-Volt to 120/240-Volt pad mounted transformers for providing power source to metering service pedestals and to the streetlights of Phase 2
- Metering Service Pedestal Foundations and Metering pedestal Pedestals, as required
- Complete design of 8,000 feet of streetlight system to include streetlight conduits, pull boxes, streetlight poles and foundations underground streetlight cable, and LED luminaires. Design to meet COI illumination level requirements determined during Phase 1 with the same pole spacing and the same size and the type of LED luminaires
- Complete signed and stamped plans for bidding and support in specifications for bidding including bill of material, description of bid items and quantities and rough cost estimates
- Attend kick-off and 4 design review meetings (50%, 75%, 90% and 100%)
- Site visits, as required
- Review and approval of technical submittals during construction, as required
- Provide any other design and construction related support, as required

EXHIBIT A TO AMENDMENT NO. 1:

AGREEMENT FOR PROFESSIONAL SERVICES WITH ORSA CONSULTING ENGINEERS, INC. (DATED APRIL 11, 2019)

CITY OF INDUSTRY

PROFESSIONAL SERVICES AGREEMENT

This PROFESSIONAL SERVICES AGREEMENT ("Agreement"), is made and effective as of April 11, 2019 ("Effective Date"), between the City of Industry, a municipal corporation ("City") and ORSA Consulting Engineers, Inc., a California corporation ("Consultant"). The City and Consultant are hereinafter collectively referred to as the "Parties".

RECITALS

WHEREAS, City desires to engage Consultant to perform the services described herein, and Consultant desires to perform such services in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions herein contained, City and Consultant agree as follows:

1. TERM

This Agreement shall commence on the Effective Date, and shall remain and continue in effect until tasks described herein are completed, but in no event later than June 30, 2021 unless sooner terminated pursuant to the provisions of this Agreement.

2. SERVICES

(a) Consultant shall perform the tasks ("Services") described and set forth in Exhibit A, attached hereto and incorporated herein as though set forth in full. ("Scope of Services"). Tasks other than those specifically described in the Scope of Services shall not be performed without prior written approval of the City. The Services shall be performed by Consultant, unless prior written approval is first obtained from the City. In the event of conflict or inconsistency between the terms of this Agreement and Exhibit A, the terms of this Agreement shall prevail.

(b) City shall have the right to request, in writing, changes to the Services. Any such changes mutually agreed upon by the Parties, and any corresponding increase or decrease in compensation, shall be incorporated by written amendment to this Agreement.

(c) Consultant shall perform all Services in a manner reasonably satisfactory to the City and in a first-class manner in conformance with the standards of quality normally observed by an entity providing engineering services in the area of underground power distribution line design and street light design with photometrics to comply with Illuminating Engineering Society of North America ("IES") Roadway Lighting Guidelines serving a municipal agency.

(d) Consultant shall comply with all applicable federal, state, and local laws, regulations and ordinances in the performance of this Agreement, including but not limited to, the conflict of interest provisions of Government Code Section 1090 and the Political Reform Act (Government Code Section 81000 *et seq.*)). During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working on the Effective Date if both (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute or law; and (ii) City has not consented in writing to Consultant's performance of such work. No officer or employee of City shall have any financial interest in this Agreement that would violate California Government Code Sections 1090 *et seq.* Consultant hereby warrants that it is not now, nor has it been in the previous twelve (12) months, an employee, agent, appointee, or official of the City. If Consultant was an employee, agent, appointee, or official of the City in the previous twelve (12) months, Consultant warrants that it did not participate in any manner in the forming of this Agreement. Consultant understands that, if this Agreement is made in violation of Government Code §1090 *et. seq.*, the entire Agreement is void and Consultant will not be entitled to any compensation for Services performed pursuant to this Agreement, and Consultant will be required to reimburse the City for any sums paid to the Consultant. Consultant understands that, in addition to the foregoing, it may be subject to criminal prosecution for a violation of Government Code § 1090 and, if applicable, will be disqualified from holding public office in the State of California.

(e) Consultant represents that it has, or will secure at its own expense, all licensed personnel required to perform the Services. All Services shall be performed by Consultant or under its supervision, and all personnel engaged in the Services shall be qualified and licensed to perform such services.

3. MANAGEMENT

City Manager or his designee shall represent the City in all matters pertaining to the administration of this Agreement, review and approval of all products submitted by Consultant, but shall have no authority to modify the Services or the compensation due to Consultant.

4. PAYMENT

(a) The City agrees to pay Consultant monthly, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B ("Rate Schedule"), attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. This amount shall not exceed Seventy Five Thousand Dollars ($75,000.00) for the total Term of the Agreement unless additional payment is approved as provided in this Agreement.

(b) Consultant shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City. Consultant shall be compensated for any additional services in the amounts and in the manner as

agreed to by City and Consultant at the time City's written authorization is given to Consultant for the performance of said services.

(c) Consultant shall submit invoices monthly for actual services performed. Invoices shall be submitted on or about the first business day of each month, or as soon thereafter as practical, for services provided in the previous month. Payment shall be made within thirty (30) days of receipt of each invoice as to all non-disputed fees. If the City disputes any of Consultant's fees it shall give written notice to Consultant within thirty (30) days of receipt of an invoice of any disputed fees set forth on the invoice. Any final payment under this Agreement shall be made within 45 days of receipt of an invoice therefore.

5. SUSPENSION OR TERMINATION OF AGREEMENT

(a) The City may at any time, for any reason, with or without cause, suspend or terminate this Agreement, or any portion hereof, by serving upon the Consultant at least ten (10) days prior written notice. Upon receipt of said notice, the Consultant shall immediately cease all work under this Agreement, unless the notice provides otherwise. If the City suspends or terminates a portion of this Agreement such suspension or termination shall not make void or invalidate the remainder of this Agreement.

(b) In the event this Agreement is terminated pursuant to this Section, the City shall pay to Consultant the actual value of the work performed up to the time of termination, provided that the work performed is of value to the City. Upon termination of the Agreement pursuant to this Section, the Consultant shall submit an invoice to the City pursuant to Section 5 of this Agreement.

6. OWNERSHIP OF DOCUMENTS

(a) Consultant shall maintain complete and accurate records with respect to sales, costs, expenses, receipts, and other such information required by City that relate to the performance of services under this Agreement. Consultant shall maintain adequate records of services provided in sufficient detail to permit an evaluation of services. All such records shall be maintained in accordance with generally accepted accounting principles and shall be clearly identified and readily accessible. Consultant shall provide free access to the representatives of City or its designees at reasonable times to review such books and records; shall give City the right to examine and audit said books and records; shall permit City to make transcripts or copies therefrom as necessary; and shall allow inspection of all work, data, documents, proceedings, and activities related to this Agreement. Such records, together with supporting documents, shall be maintained for a period of three (3) years after receipt of final payment.

(b) Upon completion of, or in the event of termination or suspension of this Agreement, all original documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared in the course of providing the services to be performed pursuant to this Agreement shall become the sole property of the City and may be used, reused, or otherwise disposed of by the City without the permission of the Consultant. With respect to computer files, Consultant shall make available to the City, at

the Consultant's office, and upon reasonable written request by the City, the necessary computer software and hardware for purposes of accessing, compiling, transferring, copying and/or printing computer files. Consultant hereby grants to City all right, title, and interest, including any copyright, in and to the documents, designs, drawings, maps, models, computer files, surveys, notes, and other documents prepared by Consultant in the course of providing the services under this Agreement. All reports, documents, or other written material developed by Consultant in the performance of the Services pursuant to this Agreement, shall be and remain the property of the City.

7. INDEMNIFICATION

(a) Indemnity for professional liability

When the law establishes a professional standard of care for Consultant's Services, to the fullest extent permitted by law, Consultant shall indemnify, protect, defend and hold harmless the City and any and all of its officials, employees and agents ("Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including legal counsel's fees and costs caused in whole or in part by any negligent or wrongful act, error or omission of Consultant, its officers, agents, employees or Subconsultants (or any agency or individual that Consultant shall bear the legal liability thereof) in the performance of professional services under this Agreement.

(b) Indemnity for other than professional liability

Other than in the performance of professional services and to the full extent permitted by law, Consultant shall indemnify, defend and hold harmless City, and any and all of its employees, officials and agents from and against any liability (including liability for claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind, whether actual, alleged or threatened, including legal counsel fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are in any way attributable to, in whole or in part, the performance of this Agreement by Consultant or by any individual or agency for which Consultant is legally liable, including but not limited to officers, agents, employees or subcontractors of Consultant.

(c) DUTY TO DEFEND. In the event the City, its officers, employees, agents and/or volunteers are made a party to any action, claim, lawsuit, or other adversarial proceeding arising from the performance of the services encompassed by this Agreement, and upon demand by City, Consultant shall have an immediate duty to defend the City at Consultant's cost or at City's option, to reimburse the City for its costs of defense, including reasonable attorney's fees and costs incurred in the defense of such matters.

Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Consultant and City, as to whether liability arises from the sole negligence of the City or its officers, employees, or agents, Consultant will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely negligent. Consultant will not be entitled in the absence of such a

determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

8. INSURANCE

Consultant shall maintain prior to the beginning of and for the duration of this Agreement insurance coverage as specified in Exhibit C attached hereto and incorporated herein by reference.

9. INDEPENDENT CONSULTANT

(a) Consultant is and shall at all times remain as to the City a wholly independent consultant and/or independent contractor. The personnel performing the services under this Agreement on behalf of Consultant shall at all times be under Consultants exclusive direction and control. Neither City nor any of its officers, employees, or agents shall have control over the conduct of Consultant or any of Consultant's officers, employees, or agents, except as set forth in this Agreement. Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are in any manner officers, employees, or agents of the City. Consultant shall not incur or have the power to incur any debt, obligation, or liability whatever against the City, or bind the City in any manner.

(b) No employee benefits shall be available to Consultant in connection with the performance of this Agreement. Except for the fees paid to Consultant as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Consultant for performing services hereunder for City. City shall not be liable for compensation or indemnification to Consultant for injury or sickness arising out of performing services hereunder.

10. LEGAL RESPONSIBILITIES

The Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Consultant to comply with this Section.

11. UNDUE INFLUENCE

Consultant declares and warrants that no undue influence or pressure was used against or in concert with any officer or employee of the City in connection with the award, terms or implementation of this Agreement, including any method of coercion, confidential financial arrangement, or financial inducement. No officer or employee of the City has or will receive compensation, directly or indirectly, from Consultant, or from any officer, employee or agent of Consultant, in connection with the award of this Agreement or any work to be conducted as a result of this Agreement. Violation of this Section shall be a material breach of this Agreement entitling the City to any and all remedies at law or in equity.

12. NO BENEFIT TO ARISE TO LOCAL OFFICERS AND EMPLOYEES

No member, officer, or employee of City, or their designees or agents, and no public official who exercises authority over or responsibilities with respect to the Project during his/her tenure or for one year thereafter, shall have any interest, direct or indirect, in any agreement or sub-agreement, or the proceeds thereof, for work to be performed in connection with the Project performed under this Agreement.

13. RELEASE OF INFORMATION/CONFLICTS OF INTEREST

(a) All information gained by Consultant in performance of this Agreement shall be considered confidential and shall not be released by Consultant without City's prior written authorization. Consultant, its officers, employees, agents, or subconsultants, shall not without written authorization from the City, voluntarily provide declarations, letters of support, testimony at depositions, response to interrogatories, or other information concerning the work performed under this Agreement or relating to any project or property located within the City, unless otherwise required by law or court order. (b) Consultant shall promptly notify City should Consultant, its officers, employees, agents, or subconsultants be served with any summons, complaint, subpoena, notice of deposition, request for documents, interrogatories, request for admissions, or other discovery request ("Discovery"), court order, or subpoena from any person or party regarding this Agreement and the work performed there under or with respect to any project or property located within the City, unless Consultant is prohibited by law from informing the City of such Discovery, court order or subpoena. City retains the right, but has no obligation, to represent Consultant and/or be present at any deposition, hearing, or similar proceeding as allowed by law. Unless City is a party to the lawsuit, arbitration, or administrative proceeding and is adverse to Consultant in such proceeding, Consultant agrees to cooperate fully with the City and to provide the opportunity to review any response to discovery requests provided by Consultant. However, City's right to review any such response does not imply or mean the right by City to control, direct, or rewrite said response.

14. NOTICES

Any notices which either party may desire to give to the other party under this Agreement must be in writing and may be given either by (i) personal service, (ii) delivery by a reputable document delivery service, such as but not limited to, Federal Express, which provides a receipt showing date and time of delivery, or (iii) mailing in the United States Mail, certified mail, postage prepaid, return receipt requested, addressed to the address of the party as set forth below or at any other address as that party may later designate by notice:

To City:	City of Industry 15625 E. Stafford, Suite 100 City of Industry, CA 91744 Attention: City Manager
With a Copy to:	James M. Casso, Legal Counsel Casso & Sparks, LLP

13200 Crossroads Parkway North, Suite 345
City of Industry, CA 91746

To Consultant: ORSA Consulting Engineers, Inc.
223 E. Imperial Highway, Suite#130
Fullerton, CA 92835
Attention: Misha Davoodian

15. ASSIGNMENT

The Consultant shall not assign the performance of this Agreement, nor any part thereof, nor any monies due hereunder, without prior written consent of the City.

Before retaining or contracting with any subconsultant for any services under this Agreement, Consultant shall provide City with the identity of the proposed subconsultant, a copy of the proposed written contract between Consultant and such subconsultant which shall include and indemnity provision similar to the one provided herein and identifying City as an indemnified party, or an incorporation of the indemnity provision provided herein, and proof that such proposed subconsultant carries insurance at least equal to that required by this Agreement or obtain a written waiver from the City for such insurance.

Notwithstanding Consultant's use of any subconsultant, Consultant shall be responsible to the City for the performance of its subconstultant as it would be if Consultant had performed the Services itself. Nothing in this Agreement shall be deemed or construed to create a contractual relationship between the City and any subconsultant employed by Consultant. Consultant shall be solely responsible for payments to any subconsultants. Consultant shall indemnify, defend and hold harmless the Indemnified Parties for any claims arising from, or related to, the services performed by a subconsultant under this Agreement.

16. GOVERNING LAW/ATTORNEYS' FEES

The City and Consultant understand and agree that the laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court in Los Angeles County, California. If any action at law or suit in equity is brought to enforce or interpret the provisions of this Agreement, or arising out of or relating to the Services provided by Consultant under this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and all related costs, including costs of expert witnesses and consultants, as well as costs on appeal, in addition to any other relief to which it may be entitled.

17. ENTIRE AGREEMENT

This Agreement contains the entire understanding between the Parties relating to the obligations of the Parties described in this Agreement. All prior or contemporaneous agreements, understandings, representations, and statements, oral or written and pertaining

to the subject of this Agreement or with respect to the terms and conditions of this Agreement, are merged into this Agreement and shall be of no further force or effect. Each party is entering into this Agreement based solely upon the representations set forth herein and upon each party's own independent investigation of any and all facts such party deems material.

18. SEVERABILITY

If any term or provision of this Agreement or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, then such term or provision shall be amended to, and solely to, the extent necessary to cure such invalidity or unenforceability, and in its amended form shall be enforceable. In such event, the remainder of this Agreement, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Agreement shall be valid and be enforced to the fullest extent permitted by law.

19. COUNTERPARTS

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

20. CAPTIONS

The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and shall have no significance in the interpretation of this Agreement.

21. WAIVER

The waiver by City or Consultant of any breach of any term, covenant or condition herein contained shall not be deemed to be a waiver of such term, covenant or condition or of any subsequent breach of the same or any other term, covenant or condition herein contained. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing.

22. REMEDIES

Each right, power and remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise shall be cumulative and shall be in addition to every other right, power, or remedy provided for herein or now or hereafter existing at law, in equity, by statute, or otherwise. The exercise, the commencement of the exercise, or the forbearance of the exercise by any party of any one or more of such rights, powers or remedies shall not preclude the simultaneous or later exercise by such party of any of all of such other rights, powers or remedies.

23. AUTHORITY TO EXECUTE THIS AGREEMENT

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

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

"CITY"
City of Industry

By: _____
Troy Helling, City Manager

"CONSULTANT"
ORSA Consulting Engineers, Inc.

By _____
Misha Davoodian, Vice President

Attest:

By: _____
Julie Gutierrez- Robles, Deputy City Clerk

Approved as to form:

By: _____
James M. Casso, City Attorney

Attachments:	Exhibit A	Scope of Services
	Exhibit B	Rate Schedule
	Exhibit C	Insurance Requirements

EXHIBIT A

SCOPE OF SERVICES

Scope of work involves approximately 5,000 feet of 12,000-Volt (12-kV) underground primary design, transformation to 120/240-Volt and complete underground streetlight design with photometrics along Arenth Avenue from Anaheim-Puente Road to Phillips Drive.

Consultant shall perform the following design work:

1. Intercepting at least one existing 5-inch primary conduit at Anaheim-Puente Road and the driveway of IPUC access road adjacent to the Flood Control Channel, take it along Anaheim-Puente Road towards north and then cross towards east to a new 3'x5' pull box in the side walk of Arenth Avenue where Arenth Avenue starts.
2. Install approximately 5,000 feet of two 3-inch or 4-inch conduits (one for 12-kV primary and one for streetlights) in the sidewalk from Anaheim-Puente Road to Phillips Drive.
3. Stub primary conduit at or near Phillips Drive for next phase.
4. Add 3'x5' pull boxes for primary conduits as required and at the locations permitted by the field conditions.
5. Add transformer pads 48"x54" with small hand hole for providing power source for street light for this first phase which include the transformer details also.
6. Cable schedule and circuit diagram for 12-kV underground primary circuit with 15kV 1/0 EPR Full Concentric Neutral PE Jacketed cable and single–phase 50 KVA looped pad mounted transformers (may need at least two for first phase) with 120/240 Volt secondary as required.
7. Perform the photometric analysis including spacing of streetlights, wattage/lumens of recommended LED luminaires to provide lighting level to meet or exceed IES Guidelines.
8. Perform complete streetlight design of all 5,000 feet of first phase of Arenth Avenue to include streetlight pole foundations, streetlight pull boxes, conduits, wires and luminaires.

Tasks:

- Scope of work can be divided into five major tasks below:

TASK 1 – MEETING COORDINATION AND DOCUMENTATION

- Five (5) meetings planned during design (Kick-off, 50%, 75%, 90% & 100% of plans).
- Three (3) Site Visits for substructure location, alignment, review of existing conditions and potential physical conflicts etc.
- Final meeting to deliver plans, documents updated or created during design phase.

TASK 2 – ANALYSIS, SELECTION OF EQUIPMENT, DESIGN AND TECHNICAL SUBMITTALS AND REVIEWS

- Review existing photometric if available.
- Selection of LED Luminaires (Watts/Lumens), Pole height and obstructions (trees and Shrubbery).
- Perform photometric analysis to comply with ANSI/IES RP-8-14 Roadway Lighting Guidelines.

- Complete 12-kV primary and streetlight conduit and cable design, material descriptions with complete bill of material.
- Assistance in the bidding document and approval of technical and material submittals as required.

TASK 3 – FIELD OBSERVATIONS

- Review provided survey of Arenth Ave. to ensure existing conditions match existing plans provided by IPUC.
- Design does not physically conflict with any existing field conditions and proper construction notes on the drawings.

TASK 4 –

This task is for developing a standard of pole spacing and luminaries based on photometrics for future use in the City.

- Photometric Analysis and spacing of typical City streets such as Regional Arterial, Major Arterial, Collector and Residential streets. Two (2) scenarios are to be provided for each category above. The first is a staggered streetlight layout using both sides of the street and the second a non-staggered streetlight layout using only one side of the street. A total of eight (8) scenarios are required.

TASK 5 – SCHEDULE MONITORING AND CONTROL

- Collect all electrical plans, standards and specifications from IPUC.
- Photometric Analysis can be completed in three (3) weeks (pending all civil, survey and dig alert is inclusive in plans and available.
- Final Photometric Analysis and Luminaire plans two (2) weeks later pending IPUC approval.
- Transformer selection, single line, civil plans and foundations can be finalized four (4) weeks later.
- Completion of Photometric Analysis to be completed after completion of Arenth Avenue Street Improvement. Approximately three (3) weeks needed to complete.

EXHIBIT B

RATE SCHEDULE

Position	Rate
Principal Electrical Engineer, P.E.	$175.00
Principal Civil/ Structural Engineer, P.E.	$150.00
Senior Electrical Engineer, P.E.	$122.00
Electrical Engineer	$105.00
Senior Designer/Engineer	$105.00
Designer/Drafting/ Engineer	$80.00
Administrator	$60.00
Drawing Per Sheet	$12.00
Mileage (per mile if applicable)	$0.55

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting Consultant's indemnification of City, and prior to commencement of the Services, Consultant shall obtain, provide and maintain at its own expense during the term of this Agreement, policies of insurance of the type and amounts described below and in a form satisfactory to City.

General liability insurance. Consultant shall maintain commercial general liability insurance with coverage at least as broad as Insurance Services Office form CG 00 01, in an amount not less than $1,000,000.00 per occurrence, $2,000,000.00 general aggregate, for bodily injury, personal injury, and property damage. The policy must include contractual liability that has not been amended. Any endorsement restricting standard ISO "insured contract" language will not be accepted.

Automobile liability insurance. Consultant shall maintain automobile insurance at least as broad as Insurance Services Office form CA 00 01 covering bodily injury and property damage for all activities of the Consultant arising out of or in connection with Work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rented vehicles, in an amount not less than $1,000,000.00 combined single limit for each accident.

Professional liability (errors & omissions) insurance. Consultant shall maintain professional liability insurance that covers the Services to be performed in connection with this Agreement, in the minimum amount of $1,000,000 per claim and in the aggregate. Any policy inception date, continuity date, or retroactive date must be before the effective date of this agreement and Consultant agrees to maintain continuous coverage through a period no less than three years after completion of the services required by this agreement.

Workers' compensation insurance. Consultant shall maintain Workers' Compensation Insurance (Statutory Limits) and Employer's Liability Insurance (with limits of at least $1,000,000.00).

Consultant shall submit to City, along with the certificate of insurance, a Waiver of Subrogation endorsement in favor of City, its officers, agents, employees and volunteers.

Proof of insurance. Consultant shall provide certificates of insurance to City as evidence of the insurance coverage required herein, along with a waiver of subrogation endorsement for workers' compensation. Insurance certificates and endorsement must be approved by City's Risk Manager prior to commencement of performance. Current certification of insurance shall be kept on file with City at all times during the term of this contract. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

Duration of coverage. Consultant shall procure and maintain for the duration of the contract insurance against claims for injuries to persons or damages to property, which may arise from or in connection with the performance of the Services hereunder by Consultant, his agents, representatives, employees or subconsultants.

Primary/noncontributing. Coverage provided by Consultant shall be primary and any insurance or self-insurance procured or maintained by City shall not be required to contribute with it. The limits of insurance required herein may be satisfied by a combination of primary and umbrella or excess insurance. Any umbrella or excess insurance shall contain or be endorsed to contain a provision that such coverage shall also apply on a primary and non-contributory basis for the benefit of City before the City's own insurance or self-insurance shall be called upon to protect it as a named insured.

City's rights of enforcement. In the event any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant, or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

Acceptable insurers. All insurance policies shall be issued by an insurance company currently authorized by the Insurance Commissioner to transact business of insurance in the State of California, with an assigned policyholders' Rating of A- (or higher) and Financial Size Category Class VI (or larger) in accordance with the latest edition of Best's Key Rating Guide, unless otherwise approved by the City's Risk Manager.

Waiver of subrogation. All insurance coverage maintained or procured pursuant to this agreement shall be endorsed to waive subrogation against City, its elected or appointed officers, agents, officials, employees and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

Enforcement of contract provisions (non estoppel). Consultant acknowledges and agrees that any actual or alleged failure on the part of the City to inform Consultant of non-compliance with any requirement imposes no additional obligations on the City nor does it waive any rights hereunder.

Requirements not limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Consultant maintains higher limits than the minimums shown above, the City requires and shall be entitled to coverage for the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

Notice of cancellation. Consultant agrees to oblige its insurance agent or broker and insurers to provide to City with a thirty (30) day notice of cancellation (except for

nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

Additional insured status. General liability policies shall provide or be endorsed to provide that City and its officers, officials, employees, and agents, and volunteers shall be additional insureds under such policies. This provision shall also apply to any excess liability policies.

Prohibition of undisclosed coverage limitations. None of the coverages required herein will be in compliance with these requirements if they include any limiting endorsement of any kind that has not been first submitted to City and approved of in writing.

Separation of Insureds. A severability of interests provision must apply for all additional insureds ensuring that Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the insurer's limits of liability. The policy(ies) shall not contain any cross-liability exclusions.

Pass Through Clause. Consultant agrees to ensure that its subconsultants, subcontractors, and any other party involved with the project who is brought onto or involved in the project by Consultant, provide the same minimum insurance coverage and endorsements required of Consultant. Consultant agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this section. Consultant agrees that upon request, all agreements with consultants, subcontractors, and others engaged in the project will be submitted to City for review.

City's right to revise specifications. The City reserves the right at any time during the term of the contract to change the amounts and types of insurance required by giving the Consultant ninety (90) days advance written notice of such change. If such change results in substantial additional cost to the Consultant, the City and Consultant may renegotiate Consultant's compensation.

Self-insured retentions. Any self-insured retentions must be declared to and approved by the City. The City reserves the right to require that self-insured retentions be eliminated, lowered, or replaced by a deductible. Self-insurance will not be considered to comply with these specifications unless approved by the City.

Timely notice of claims. Consultant shall give the City prompt and timely notice of claims made or suits instituted that arise out of or result from Consultant's performance under this Agreement, and that involve or may involve coverage under any of the required liability policies.

Additional insurance. Consultant shall also procure and maintain, at its own cost and expense, any additional kinds of insurance, which in its own judgment may be necessary for its proper protection and prosecution of the work.

CITY COUNCIL

ITEM NO. 6.6

CITY OF INDUSTRY

MEMORANDUM

TO: Honorable Mayor Moss and Members of the City Council

FROM: Troy Helling, City Manager TH

STAFF: Joshua Nelson, Director of Public Works/City Engineer
Lisette Montoya, Funding Program Consultant, Avant Garde

DATE: January 23, 2020

SUBJECT: Consideration of Amendment No. 2 to the Funding Agreement with LACMTA for the SR 57/60 Confluence, Grand Avenue at Golden Springs Drive

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Background:

On November 18, 2014, the City entered into a Funding Agreement ("Agreement") with Los Angeles County Metropolitan Transportation Authority ("LACMTA" or "Metro"), defining the terms and conditions under which the SR-57/60 Confluence, Grand Avenue at Golden Springs Drive ("Project") activities are performed and financed. The Project includes the improvements to the Grand Avenue and Golden Springs Drive Intersection, which is a precursor to further improvements in the SR 57/60 Confluence Project. The project will widen Golden Springs Drive between Copley Drive and Racquet Club Drive to add a westbound left-turn lane and a dedicated right-turn lane, widen sidewalks and add pedestrian countdown signals.

Through Metro's 2011 Call for Projects, the City secured $6.7 million in local Proposition C grant funds for a share in project costs related to the right of way acquisition, construction and construction management activities. The remaining share is expected to be funded in bond proceeds from the Successor Agency to the Industry Urban-Development Agency. The total project costs are estimated at $18,757,000.

Metro implements a lapsing policy on all Call for Projects funding to ensure resources are provided for projects that can use them in a timely manner. The policy states that if programmed funds are not expended before their lapsing date, the grantee runs the risk of those funds becoming de-obligated for the entire project and therefore no longer being able to use them. Under the Agreement, all funds programmed for: FY2014/15 were subject to lapse on June 30, 2017; FY2015/16 were subject to lapse on June 30, 2018; and FY2016/17 were subject to lapse on June 30, 2019.

On September 1, 2017, the City executed a first amendment to the Agreement which extended the lapsing date of all programmed funds to June 30, 2019. The locally managed Call for Projects funds are allowed some flexibility in the lapsing date dependent upon a positive demonstration of Project progress and expenditures.

Processing an amendment to extend the lapsing date allows the City to keep its funding without having to appear before the Metro Technical Advisory Committee (TAC) and requesting to do so.

Discussion:

A second amendment is necessary to extend the lapsing date of all project funds to February 28, 2021, and update the scope of work to include streetscape enhancements within the project limits. A construction contract was awarded on August 22, 2019 to Los Angeles Engineering in the amount of $16,007,000. Construction is expected to begin in January 2020 with completion scheduled for July 2021. At this time the project is only eligible for a 20-month extension. Staff will work with the Metro Project Manager as construction reaches completion to process another extension if needed.

On March 20, 2019, Metro approved an administrative change in the scope of work. Based on the location of the project and to ensure continuity adjacent to the project limits, the scope of work was revised to include the following streetscape enhancements:

- Enhanced Landscaping
  - Plant materials
  - Irrigation
  - Custom cast iron tree gates
  - Decorative paving
  - Planters
  - Rock cobble at medians
- Decorative traffic signal poles
- Specialty fencing
  - Precast posts with decorative steel panels
  - Wood railing
  - Tubular steel fencing
- Crosswalks with decorative paving at all four quadrants of the intersection

Amendment No. 2 also includes the following revisions:

- Part II, Paragraph 8.1(iv), 8.2, and 8.3 of the existing Agreement is being amended by deleting them in their entirety and replacing them.
- Attachment B of the existing Agreement is being replaced by Attachment B-1.
- Part II, Paragraph 11 of the existing Agreement is being amended by deleting it in its entirety and replacing it with Metro's updated "Communications" language.
- Part I, Paragraph 8 is being amended to update the Metro Project Manager.

Fiscal Impact:

There is no fiscal impact associated with Amendment No. 2.

Recommendation:

It is recommended that the City Council approve Amendment No. 2.

Exhibit:

A. Amendment No. 2 to the Funding Agreement between the City and LACMTA for the SR 57/60 Confluence, Grand Avenue at Golden Springs Drive Project.

TH/JN/LM

EXHIBIT A

Amendment No. 2 to the Funding Agreement between the City and LACMTA for the SR 57/60 Confluence, Grand Avenue at Golden Springs Drive Project

[Attached]

AMENDMENT No. 2 TO FUNDING AGREEMENT BETWEEN CITY OF INDUSTRY AND THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

This Amendment No. 2 to Funding Agreement (this "Amendment"), is dated as of September 30, 2019, by and between City of Industry ("GRANTEE"), and the Los Angeles County Metropolitan Transportation Authority ("LACMTA").

RECITALS:

A. GRANTEE and LACMTA entered into that certain Funding Agreement No. 920000000F5100, dated November 18, 2014, which was amended on September 1, 2017 (as amended, the "Existing FA"), which Existing FA provides for the SR 57/60 Confluence, Grand Avenue at Golden Springs Drive (the "Project"); and

B. Whereas, on March 20, 2029, LACMTA approved an administrative change in the scope of work; and

C. Whereas, LACMTA Board on July 25, 2019, desires to extend the lapsing date of the Project to February 28, 2021; and

D. GRANTEE AND LACMTA desire to amend the Existing FA as provided herein.

AGREEMENT:

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereby agree as follows:

1. Part II, Paragraph 8.1(iv), 8.2, and 8.3 of the Existing FA are hereby amended by deleting them in their entirety and replacing it with the following:

"8.1(iv) funds programmed for FY 2014-15, FY 2015-16, and FY 2016-17 are subject to lapse on February 28, 2021.

8.2 Quarterly Progress/Expenditure Reports will be used to evaluate compliance with the Project milestone due dates as identified in the FA. Even though Grantee is within its last 20-month lapse date extension, if the Project still does not meet the milestone due dates as agreed upon in the FA, LACMTA will issue a notice of non-compliance to the GRANTEE, the GRANTEE will be required to develop a written recovery plan illustrating in detail the GRANTEE's actions to resolve the delay and to meet the Project completion date agreed upon in the FA (the "Recovery Plan"). If the Recovery Plan is deemed viable by LACMTA staff, and meets the Project completion date agreed upon in the FA, LACMTA may grant an administrative schedule update as long as the Funds are expended in compliance with (iv) above. If GRANTEE fails to submit a Recovery Plan within 30 days of the notice of non-compliance from LACMTA, or the Recovery Plan illustrates that the Project will not meet the lapse date in the FA, LACMTA may recommend potential deobligation of the Funds as part of its annual Call for Projects Recertification/Deobligation process.

8.3 Intentionally omitted."

2. Attachment B of the Existing FA is hereby replaced by Attachment B-1, attached

3. Part II, Paragraph 11 of Existing FA is hereby amended by deleting it in its entirety and replacing it with the following:

"11. **COMMUNICATIONS:**

11.1 GRANTEE shall ensure that all Communication Materials contain recognition of LACMTA's contribution to the Project as more particularly set forth in "Funding Recipient Communications Guidelines" available at http://metro.net/partners-civic. The Funding Recipient Communications Guidelines may be changed from time to time during the course of this Agreement. GRANTEE shall be responsible for complying with the latest Funding Recipient Communications Guidelines during the term of this Agreement, unless otherwise specifically authorized in writing by the LACMTA Chief Communications Officer.

11.2 For purposes of this Agreement, "Communications Materials" include, but are not limited to, press events, public and external newsletters, printed materials, advertising, websites radio and public service announcements, electronic media, and construction site signage. A more detailed definition of "Communications Materials" is found in the Funding Recipient Communications Guidelines.

11.3 The Metro logo is a trademarked item that shall be reproduced and displayed in accordance with specific graphic guidelines. The preferred logo lock-up for Funding Recipients to use is included in the Funding Recipient Communications Guidelines.

11.4 GRANTEE shall ensure that any subcontractor, including, but not limited to, public relations, public affairs, and/or marketing firms hired to produce Project Communications Materials for public and external purposes will comply with the requirements contained in this Section.

11.5 The LACMTA Project Manager shall be responsible for monitoring GRANTEE's compliance with the terms and conditions of this Section. GRANTEE's failure to comply with the terms of this Section shall be deemed a default hereunder and LACMTA shall have all rights and remedies set forth herein."

4. Part I, Paragraph 8 of Existing FA is hereby amended to change LACMTA's project manager to Christina Baghdasarian mail stop 99-22-7.

5. Except as expressly amended hereby, the Existing FA remains in full force and effect as originally executed. All rights and obligations of the parties under the Existing FA that are not expressly amended by this Amendment shall remain unchanged.

IN WITNESS WHEREOF, the parties have caused this Amendment No. 2 to be duly executed and delivered as of the above date.

LOS ANGELES COUNTY
METROPOLITAN TRANSPORTATION AUTHORITY

By: _____ Date: _____
Phillip A. Washington
Chief Executive Officer

APPROVED AS TO FORM:

MARY C. WICKHAM
County Counsel

By: _____ Date: 12/27/19
Deputy

CITYOF INDUSTRY

By: _____ Date: _____
Cory C. Moss
Mayor

APPROVED AS TO FORM:

By: _____ Date: _____
James M. Casso
City Attorney

ATTACHMENT B-1

SCOPE OF WORK

PROJECT NAME: SR-57/60 Confluence, Grand Avenue at Golden Springs Drive

PROJECT LOCATION:

In the City of Diamond Bar at Grand Avenue and Golden Springs Drive Intersection.

PROJECT DESCRIPTION:

This project is sponsored by the City of Industry and has the cooperation of Diamond Bar. It is located in the City of Diamond Bar on Grand Avenue extending from the SR-60 Freeway to the intersection of Grand Avenue and Golden Springs Drive, a distance of 0.2 miles. In general, the project includes the improvements to the Grand Avenue and Golden Springs Intersection, which is a precursor to further improvements in the SR57/60 Confluence Project (Project# F5100).

The scope of work includes the following items:

- Grand Avenue, between SR-60 and Golden Springs Drive, will be widened to accommodate three additional through lanes – one southbound and two northbound.
- A left-turn lane and a dedicated right-turn lane will be added to the eastbound direction of Golden Springs Drive.
- Sidewalks will be widened where the roadway intersects with Grand Avenue.
- Pedestrian countdown signals will be installed.
- A new golf course tunnel will be constructed under Grand Avenue as part of the Grand Avenue widening.
- Golden Springs Drive will be widened between Copley Drive and Racquet Club Drive to add a westbound left-turn lane and a dedicated right-turn lane.
- Enhanced landscaping
    - Plant materials: Tuskegee Pink Crape Myrtle trees, Yellow Kangaroo Paw perennial, Afterglow Echeveria succulents, Sienna Sunrise Heavenly Bamboo shrubs, finestem needlegrass, African daisies, and New Gold Lantanas
    - Irrigation
    - Custom cast iron tree grates
    - Decorative paving
    - Planters
    - Rock cobble at medians
- Decorative traffic signal poles
- Specialty fencing
    - Precast posts with decorative steel panels
    - Wood railing
    - Tubular steel fencing
- Crosswalks with decorative paving at all four quadrants of the intersection

The majority of widening is within city of Diamond Bar street right of way. Temporary Construction Easements and Roadway Easements will be obtained from the Los Angeles County along the golf course slopes. A Temporary Construction Easement will be obtained to re-construct a driveway on the west side of Grand Avenue, north of Golden Springs Drive.

Utilities to be relocated on Grand Avenue include Walnut Valley Water District water transmission pipe, underground Southern California Edison power and communication, and Verizon underground telephone.

The City has obtained environmental clearance for the project under the SR57/60 Confluence Project Report and Environmental Document. The City is also responsible for all permits and engineering design of the project.

PROJECT COST (ESTIMATE):

Right of Way	$950,000
Construction	$16,007,000
Construction Support	$1,800,000
TOTAL	**$18,757,000**[1]

PROJECT FUNDING:

Metro Grant Funds	$6,727,566	PC 25%
Local Match	$10,091,349	Successor Agency to the Industry Urban-Development Agency
Total	**$16,818,915**	

[1] Total project costs may be higher than the current estimate. Any cost increases will be the responsibility of the City.

PROJECT SCHEDULE:

FA Milestones	Original FA Schedule in Scope of Work		Revised Project Schedule	
	Start Date	**End Date**	**Start Date**	**End Date**
Environmental Clearance		December 2013		December 2013
Design	September 2014	June 2016	June 2015	March 2018
ROW Acquisition	January 2015	June 2016	January 2016	October 2019
Construction Bid & Award	June 2016	August 2016	April 2019	May 2019
Construction	August 2016	July 2017	December 2019	June 2021
Project Completion & Close-out	July 2017	October 2017	July 2021	October 2021
Total Project Duration (Months)	46 months		94 months	

CITY COUNCIL

ITEM NO. 6.7

CITY OF INDUSTRY

MEMORANDUM

TO: Honorable Mayor Moss and Members of the City Council

FROM: Troy Helling, City Manager TH

STAFF: Joshua Nelson, Director of Public Works/City Engineer
Arlene Lopez, Project Engineer, CNC Engineering ASL

DATE: January 23, 2020

SUBJECT: Consideration of Award of El Encanto Healthcare Facility Interior Improvements to BLD Builders, Inc. for an amount not to exceed $1,130,232.00, and adoption of a Notice of Exemption regarding same (Project No. CIP-FAC-19-064-B)

Background:

On July 25, 2019, the City Council authorized the solicitation of public bids for El Encanto Healthcare Facility Interior Improvements, for an estimated cost of $650,000.00. This project was bid to procure a contractor for cosmetic renovations of the interior common areas of a Skilled Nursing Facility that is over 50 years old.

On September 24, 2019, the bid was posted in the City's PlanetBids™ vendor portal, and an email notification was sent to 118 vendors. The bid was viewed by 35 prospective bidders. The appropriate trade journals were notified on September 24, 2019. The bid was advertised on September 27, 2019 and October 4, 2019 in the San Gabriel Valley Tribune. Questions pertaining to the bid were received up until October 18, 2019 at 5:00 p.m. in the City's Planetbids™ vendor portal. Two pre bid job walks were held on October 1, 2019 and October 8, 2019 at 9:30 a.m.

City staff has determined that this project is subject to review under the California Environmental Quality Act ("CEQA"), however, it falls within the Categorical Exemption, Section 15301 Class 1, minor alteration of existing public facilities. As set forth above, the project involves the interior improvements to El Encanto Healthcare facility, and pursuant to Section 15301 of the CEQA Regulations, the repair, maintenance, or minor alteration of existing facilities is exempt, as long as there is no expansion (or only negligible expansion) of the use. Here, Staff is proposing to perform cosmetic renovations to the interior common areas of a skilled nursing facility. The project does not result in an expansion of the use, as the facility is not being expanded to allow for additional capacity, it's simply routine maintenance work updating the existing facility. Based on the foregoing, Staff is recommending that the City Council adopt a Notice of Exemption for the project.

Discussion:

The bid process closed on October 23, 2019, and City Staff determined that no responsive bids were received. Per Section 3.52.090.J. of the City's Code, the City has the option to complete the project under a negotiated contract when the formal bid process results in no bids. Given that no bids were received, Staff proceeded to seek informal proposals from qualified general contractors, and met with two general contractors on December 19, 2019 to discuss project requirements and scope of work. All proposals were required to be submitted by January 9, 2020.

One proposal was received from BLD Builders Inc. with a bid price of $1,130,232.00. After review of their bid proposal, as well as information gathered at the meeting, it was determined that BLD Builders Inc. has the relevant experience, qualifications, and licensing necessary to complete this project.

Fiscal Impact:

In the Fiscal Year 2019/2020 budget, $675,000 was approved for this project. An appropriation of $455,232 is requested at this time from the 2015 Sales Tax Bond Proceeds to City Capital Improvements – Facilities Improvements – Construction Costs (Account No. 120-712-5205) (CIP-FAC-19-064-B).

Recommendation:

1) City staff recommends that the City Council award the project to BLD Builders Inc. and adopt a Notice of Exemption regarding same.

2) Appropriate $455,232 from the 2015 Sales Tax Bond Proceeds to City Capital Improvements – Facilities Improvements – Construction Costs (Account No. 120-712-5205) (CIP-FAC-19-064-B).

Exhibits:

A. Bid Schedule Packet (Pages C-4 through C-11)
B. Contractor's State of California and Department of Industrial relations License Detail
C. Notice of Exemption

TH/JN/AL:jf

EXHIBIT A

Bid Schedule Packet (Pages C-4 through C-11)

[Attached]

SECTION C

BID SCHEDULE

FOR

CITY OF INDUSTRY
PROJECT NO. CIP-FAC-19-064-B

EL ENCANTO HEALTHCARE FACILITY INTERIOR IMPROVEMENTS

CONTRACT NO. CIP-FAC-19-064-B

BIDDER: BLD Builders Inc.

Hereby proposes to construct the above-named project in accordance with the plans and specifications for the following prices:

SCHEDULE OF WORK ITEMS

NO.	DESCRIPTION	APPROX. QTY	UNIT MEAS.	UNIT PRICE	TOTAL
1.	El Encanto Healthcare Facility Interior Improvements	1	LS	948,232	
2.	Asbestos Abatement	1	LS	115,000	
3.	Contingency for unforeseen conditions	1	LS	$67,000.00	
				GRAND TOTAL	1,130,232

I hereby certify that on 1-9, 2020, Donald G Webb II (Print Name) examined the site of the proposed work, and the undersigned, fully understands the scope of work and has checked carefully all words and figures inserted in this Bid Schedule.

By:

Donald G Webb II
CONTRACTOR NAME

bldbuildersinc@gmail.com
EMAIL ADDRESS

PW-LR1000550368
DIR #

Donald G Webb II
PRINT NAME

SIGNATURE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT **CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Diego)

On January 9, 2020 before me, Iris Alcaraz, Notary Public,
Date *Here Insert Name and Title of the Officer*

personally appeared Donald G Webb II
Name(s) of Signer(s)

,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Iris Alcaraz
Signature of Notary Public

IRIS ALCARAZ
Commission No. 2240172
NOTARY PUBLIC-CALIFORNIA
SAN DIEGO COUNTY
My Comm. Expires APRIL 28, 2022

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

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BIDDER'S INFORMATION SHEET

- Receipt of any addenda shall be acknowledged only online through the PlanetBids™ software.

RETENTION MONEY OPTION: Please initial **one** of the following options.

_____ (Initials) 1. I will provide securities in lieu of monies to be withheld to ensure performance under the contract as per Section D63, General Provisions.

_____ (Initials) 2. I will not provide securities in lieu of monies to ensure performance under the contract.

The undersigned, as bidder, declares as follows:

1. The only persons or parties interested in this proposal as principals are those named herein;

2. This proposal is made without collusion with any other person, firm or corporation;

3. We have carefully examined the location of the proposed work, the attached proposed form of contract, and the plans therein referred to; and

4. We propose and agree, if this Proposal is accepted, that we will contract with the City of Industry in the form of the copy of the contract attached hereto;

5. We will provide all necessary machinery, tools, apparatus and other means of construction and/or maintenance;

6. We will do all the work and furnish all the materials specified in the contract, in the manner and time therein prescribed, and according to the requirements of the City Engineer as therein set forth; and

7. This bid is sufficient to allow us to comply with all applicable local, state, and federal laws or regulations governing the labor or services to be provided; and

8. We will take in full payment therefore in the amounts shown on the Bid Schedule.

BID RESULTS

CITY OF INDUSTRY
PROJECT NO. CIP-FAC-19-064-B

EL ENCANTO HEALTHCARE FACILITY INTERIOR IMPROVEMENTS

CONTRACT NO. CIP-FAC-19-064-B

PLEASE NOTE: This page was intentionally left blank. After the bid has been awarded, it will be replaced with the awardee's Bid Results from PlanetBids™

IN WITNESS WHEREOF, Bidder executes and submits this proposal with the names, titles, hands, and seals of all aforenamed principals this 01 day of 08, 2020.

The undersigned declares under penalty of perjury under the laws of the State of California that the representations made hereto are true and correct.

BUD Builders Inc	
Bidder	Signature
P.O Box 2258	Donald G Webb II
Mailing Address	Print Name
Fallbrook, CA 92088	Owner
City/State/Zip	Title
760 626-7065	1025606 | General B
Telephone	License No./Class
(442) 444-8453	04/30/2021
Fax	Expiration Date

Underline one of the following: The Bidder is a (Partnership)/(Corporation)/(Individual).

The names of all persons, firms or corporations interested in this bid are: (See Section B, Page B-2, and Item 4 - Signature of Bid).

AFFIX CORPORATE SEAL

BUD Builders Inc.
Donald G. Webb II

Note:

- **All signatures must be acknowledged before a Notary Public.**
- **If any person is signing as attorney-in-fact, evidence of the authority for that must be attached as well.**

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT **CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Diego)

On January 9, 2020 before me, IRIS alcaraz, notary public,
Date *Here Insert Name and Title of the Officer*

personally appeared Donald G Webb II
Name(s) of Signer(s)

,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

IRIS ALCARAZ
Commission No. 2240172
NOTARY PUBLIC-CALIFORNIA
SAN DIEGO COUNTY
My Comm. Expires APRIL 28, 2022

Signature Iris Alcaraz
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

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CONTRACTOR'S LICENSE AFFIDAVIT

STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

CITY OF INDUSTRY
PROJECT NO. CIP-FAC-19-064-B

EL ENCANTO HEALTHCARE FACILITY INTERIOR IMPROVEMENTS

CONTRACT NO. CIP-FAC-19-064-B

Donald G Webb II, being first duly sworn, deposes and says that
Name

he or she is Owner, of BLD Builders Inc,
Title Name of Firm

1025606 General B
License Number Classification

04/30/2021
Expiration Date

The party making the foregoing bid, is a licensed contractor and understands the information shown above shall be included with the bid, and understands that any bid not containing this information, or if this information is subsequently proven to be false, shall be considered non-responsive and shall be rejected by the CITY OF INDUSTRY.

I certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

1.9.20
DATE

SIGNATURE

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT **CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of San Diego)

On January 9, 2020 before me, Iris Alcaraz, Notary Public,
Date *Here Insert Name and Title of the Officer*

personally appeared Donald G Webb II
Name(s) of Signer(s)

,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Iris Alcaraz
Signature of Notary Public

NCC1 IRIS ALCARAZ Commission No. 2240172 NOTARY PUBLIC-CALIFORNIA SAN DIEGO COUNTY My Comm. Expires APRIL 28, 2022 NCC1

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

Signer's Name: _____
☐ Corporate Officer — Title(s): _____
☐ Partner — ☐ Limited ☐ General
☐ Individual ☐ Attorney in Fact
☐ Trustee ☐ Guardian or Conservator
☐ Other: _____
Signer Is Representing: _____

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BIDDER'S LIST OF CONSTRUCTION TRADES

In submitting this bid for the following project:

CITY OF INDUSTRY
PROJECT NO. CIP-FAC-19-064-B

EL ENCANTO HEALTHCARE FACILITY INTERIOR IMPROVEMENTS

CONTRACT NO. CIP-FAC-19-064-B

BLO Builders, Inc certifies that:
Bidder

The following listed construction trades will be used in the work.

☐ ASBESTOS	☐ BOILERMAKER	☐ BRICKLAYERS	☒ CARPENTERS
☐ CARPET/LINOLEUM	☐ CEMENT MASONS	☒ DRYWALL FINISHER	☐ DRYWALL/LATHERS
☐ ELECTRICIANS	☐ ELEVATOR MECHANIC	☐ GLAZIERS	☐ IRON WORKERS
☒ LABORERS	☐ MILLWRIGHTS	☐ OPERATING ENG	☒ PAINTERS
☐ PILE DRIVERS	☐ PIPE TRADES	☐ PLASTERERS	☐ ROOFERS
☐ SHEET METAL	☐ SOUND/COMM	☐ SURVEYORS	☐ TEAMSTER
☐ TILE WORKERS			

Signature of Authorized
Representative of Bidder

NON-COLLUSION DECLARATION

CITY OF INDUSTRY
PROJECT NO. CIP-FAC-19-064-B

EL ENCANTO HEALTHCARE FACILITY INTERIOR IMPROVEMENTS

CONTRACT NO. CIP-FAC-19-064-B

CONTRACTOR:
BLD Builders Inc.

BUSINESS ADDRESS:
P.O Box 2258
Fallbrook CA 92088

In submitting this bid for the project:

I, Donald G Webb II, state that I have not directly or indirectly,
(Name)
entered into any agreement, participated in any collusion or otherwise taken any action in restraint of free competitive bidding in connection with the project.

I do hereby certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct. Executed at Fallbrook California, this 10 day of January, 2020

Donald G Webb II

SIGNATURE

CALIFORNIA ALL- PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California }

County of San Diego }

On January 10, 2020 before me, Sarah Schock, notary public,
(Here insert name and title of the officer)

personally appeared Donald G. Webb,
who proved to me on the basis of satisfactory evidence to be the person(~~s~~) whose name(~~s~~)(is)/are subscribed to the within instrument and acknowledged to me that (he)/she/they executed the same in (his)/her/their authorized capacity(~~ies~~), and that by (his)/her/their signature(~~s~~) on the instrument the person(~~s~~), or the entity upon behalf of which the person(~~s~~) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Sarah Schock
Notary Public Signature (Notary Public Seal)

NCC1 SARAH SCHOCK
Commission No. 2244082
NOTARY PUBLIC-CALIFORNIA
SAN DIEGO COUNTY
My Comm. Expires JUNE 23, 2022 NCC1

ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

non-collusion declaration
(Title or description of attached document)
(Title or description of attached document continued)

Number of Pages ____ Document Date 1/10/2020

CAPACITY CLAIMED BY THE SIGNER

- ☐ Individual (s)
- ☐ Corporate Officer
  _____
  (Title)
- ☐ Partner(s)
- ☐ Attorney-in-Fact
- ☐ Trustee(s)
- ☐ Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

This form complies with current California statutes regarding notary wording and, if needed, should be completed and attached to the document. Acknowledgments from other states may be completed for documents being sent to that state so long as the wording does not require the California notary to violate California notary law.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. ~~he~~/she/~~they,~~ is /~~are~~) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
  - Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
  - Indicate title or type of attached document, number of pages and date.
  - Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document with a staple.

SUBCONTRACTORS LISTING - PAGE 1

CITY OF INDUSTRY
PROJECT NO. CIP-FAC-19-064-B

EL ENCANTO HEALTHCARE FACILITY INTERIOR IMPROVEMENTS

CONTRACT NO. CIP-FAC-19-064-B

(See Paragraph 14 - Instructions to Bidders)

1. Name: Diversified Architectural
   Address: 3321 Hillside Lane Fallbrook CA 92028
   Telephone #: (760) 723-0387 Fax #: n/a
   License #: 815362
   Portion of Work: Wall Protection | Handrails

2. Name: Harris & Ruth Painting
   Address: 2107 W. San Bernardo Rd. West Covina CA 91790
   Telephone #: 626.960.4004 Fax #: 626.338-3584
   License #: CA -271139
   Portion of Work: Paint | Stain | wallpaper

3. Name: 3C Flooring - Cal Coast Commercial
   Address: 10616 Depoe Ct. Huntington, CA 92648
   Telephone #: 714.932.3631 Fax #: N/A
   License #: 1019038
   Portion of Work: Flooring | Floor Matts

SUBCONTRACTORS LISTING - PAGE 2

CITY OF INDUSTRY
PROJECT NO. CIP-FAC-19-064-B

EL ENCANTO HEALTHCARE FACILITY INTERIOR IMPROVEMENTS

CONTRACT NO. CIP-FAC-19-064-B

(See Paragraph 14 - Instructions to Bidders)

4. Name: Covor Corporation
Address: 1194 E. Valencia Dr. Fullerton, CA 92831
Telephone #: (800) 725-3266 Fax #: (714) 879-9365
License #: 277127
Portion of Work: Drapery | Solar Panels.

5. Name: Janus Corporation
Address: 2025 Tandem Way Norco, CA 92860
Telephone #: (951) 479-0700 Fax #: (951) 479-0701
License #: 572682
Portion of Work: Abatement

6. Name: Sign Tech
Address: 4444 Federal Blvd San Diego, CA 92102
Telephone #: (619) 527-6100 Fax #: 619-527-6111
License #: 457406
Portion of Work: Signage

EXHIBIT B

Contractor's State of California and Department of Industrial relations License Detail

[Attached]

Registration Number	Legal Entity Name	Registration Start Date	Registration Expiration Date	Status	Mailing Address	DBA Name	Craft Name
PW-LR-1000550368	BLD Builders, Inc	1/8/2020	6/30/2020	Active	P. O Box 2258 Fallbrook United States of America 92088		Carpenter,Laborer,General Building

CONTRACTORS STATE LICENSE BOARD

Contractor's License Detail for License # 1025606

DISCLAIMER: A license status check provides information taken from the CSLB license database. Before relying on this information, you should be aware of the following limitations.

- CSLB complaint disclosure is restricted by law (B&P 7124.6) If this entity is subject to public complaint disclosure, a link for complaint disclosure will appear below. Click on the link or button to obtain complaint and/or legal action information.
- Per B&P 7071.17 , only construction related civil judgments reported to the CSLB are disclosed.
- Arbitrations are not listed unless the contractor fails to comply with the terms of the arbitration.
- Due to workload, there may be relevant information that has not yet been entered onto the Board's license database.

Data current as of 1/15/2020 10:34:27 AM

Business Information

BLD BUILDERS INC
2508 RALLS STREET
FALLBROOK, CA 92028
Business Phone Number:(760) 419-9072

Entity Corporation
Issue Date 04/10/2017
Expire Date 04/30/2021

License Status

This license is current and active.

All information below should be reviewed.

Classifications

B - GENERAL BUILDING CONTRACTOR

Bonding Information

Contractor's Bond

This license filed a Contractor's Bond with BUSINESS ALLIANCE INSURANCE COMPANY.
Bond Number: G70330203607
Bond Amount: $15,000
Effective Date: 03/29/2017

Bond of Qualifying Individual

The qualifying individual DONALD GENE WEBB II certified that he/she owns 10 percent or more of the voting stock/membership interest of this company; therefore, the Bond of Qualifying Individual is not required.
Effective Date: 04/10/2017

Workers' Compensation

This license has workers compensation insurance with the EVEREST PREMIER INSURANCE COMPANY
Policy Number:7600020344191
Effective Date: 04/17/2019
Expire Date: 04/17/2020
Workers' Compensation History

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EXHIBIT C

Notice of Exemption

[Attached]

NOTICE OF EXEMPTION

To: County Clerk
County of Los Angeles
Environmental Filings
12400 East Imperial Highway #2001
Norwalk, CA 90650

From: City of Industry
15625 E. Stafford Street, Suite 100
City of Industry, CA 91744

Project Title: CIP-FAC-19-064-B – El Encanto Healthcare Facility Interior Improvements

Project Location - Specific: 555 El Encanto Road

Project Location-City: City of Industry **Project Location-County:** Los Angeles

Description of Project: Interior cosmetic renovations of common areas of a Skilled Nursing Facility. The areas included in the renovation are the corridors throughout the facility, three dining rooms, a computer lab and rehabilitation room. The work consists of flooring, painting, staining of the doors, wallcoverings, the installation of door panels, handrail covers, corner guards and new interior signage.

Name of Public Agency Approving Project: City of Industry

Name of Person or Agency Carrying Out Project: City of Industry

Exempt Status: *(check one)*

☐ Ministerial (Sec. 21080(b)(1); 15268);

☐ Declared Emergency (Sec. 21080(b)(3); 15269(a));

☐ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));

☑ Categorical Exemption. *State type and section number:* 15301 Class 1

☐ Statutory Exemptions. *State code number:*

Reasons why project is exempt: The proposed project is exempt from the California Environmental Quality Act ("CEQA") per Section 15301 Class 1 of the CEQA Regulations in which the minor alteration of existing public or private structures or facilities involve negligible or no expansion of existing use. This project will complete interior improvements to an existing skilled nursing facility and the project does not result in an expansion of the use. It is simply interior cosmetic improvements.

Lead Agency

Contact Person: Joshua Nelson Telephone: (626) 333-2211

Signature: _____ Date: January 23, 2020

Title: City Engineer