



**CITY OF MONTEBELLO
CITY COUNCIL
REGULAR MEETING**

MONDAY, APRIL 10, 2023 AT 6:00 PM

**CITY HALL COUNCIL CHAMBERS
1600 WEST BEVERLY BOULEVARD
MONTEBELLO, CALIFORNIA**

CITY COUNCIL

**David N. Torres, Mayor
Scarlet Peralta, Mayor Pro Tem
Angie M. Jimenez, Councilmember
Salvador Melendez, Councilmember
Georgina Tamayo, Councilmember**

**CITY MANAGER
René Bobadilla**

**CITY TREASURER
David Matanga**

**CITY ATTORNEY
Arnold M. Alvarez-Glasman**

**CITY CLERK
Christopher Jimenez**

DEPARTMENT HEADS

**Assistant City Manager
Fire Chief
Police Chief
Director of Finance
Director of Human Resources
Director of Planning/Community Development
Director of Public Works
Director of Recreation and Community Services
Director of Transportation
Director of Public Affairs and Information Technology**

**Arlene Salazar
Fernando Pelaez
Paul Espinosa
Michael Solorza
Nicholas Razo
Joseph Palombi
James Enriquez
David Sosnowski
Adrianna Kendricks
Michael Chee**

NOTICES

This City Council Meeting ("Council") will be held in person and will meet at **City Hall – City Council Chambers, 1600 West Beverly Boulevard, Montebello, California.** The meeting will be live streamed and can be watched on the City's website and YouTube Channel via the following link: <https://www.montebelloca.gov>, and may also be viewed on Spectrum Public Access Channel 3 for all Spectrum cable subscribers.

AMERICANS WITH DISABILITIES ACT: In compliance with the Americans with Disabilities Act (ADA) any person with a disability who requires special accommodations in order to participate in a meeting should contact the Administration Office at (323) 887-1437 Monday-Thursday from 7:30 a.m.-5:30 p.m. Please call 48 hours prior to the meeting to ensure that reasonable arrangements can be made to provide accessibility to this meeting (28 CFR 35.102-35.104 ADA Title II 1203). If you require translation services, please contact the City Clerk's office 72 hours before this meeting. **Si necesita servicios de traducción, comuníquese con la Oficina del Secretario Municipal 72 horas antes de esta reunión.** 如果您需要翻译服务, 请在会议前 72 小时联系市书记员办公室.

RULES OF DECORUM:

As established by Resolution No. 23-17, adopted on February 22, 2023: Speakers shall not engage in willful conduct which interrupts the meeting or interferes with the orderly conduct of the meeting. Any speaker who becomes boisterous while addressing the Council or who otherwise disrupts the orderly conduct of the Council business shall be called to order by the Mayor. If the conduct continues, the Mayor may bar the speaker from speaking and/or attending the meeting. Any disruption of the meeting shall be addressed in a manner consistent with SB 1100. The sergeant-of-arms shall enforce the rules of decorum and remove and/or arrest any person upon the direction of the Presiding Officer, or upon his or her own discretion, as applicable.

PUBLIC COMMENTS:

In-Person: For those interested in participating during the Public Comment period(s) or public testimony period for Public Hearings of the City Council meetings, you may address the City Council ***in person only the day of the meeting.*** Speakers will be required to fill out a speaker card provided at the door and submit it to City Clerk staff prior to each Public Comment announcement period. Staff will number and call each speaker card in the order received. ***Closed Session begins at 6:00 p.m. and Regular Session begins immediately thereafter; if there is no Closed Session, Regular Session will begin at 6:00 p.m.***

AGENDA MATERIALS: The agenda and/or agenda packet are available for public inspection at City's website at: [Agendas, Minutes, and Videos](#).

IN CONSIDERATION OF OTHERS, PLEASE TURN OFF, OR MUTE, ALL CELL PHONES AND PAGERS
THANK YOU FOR YOUR COOPERATION

OPENING CEREMONIES

CALL TO ORDER - 6:00 P.M.

ROLL CALL

ANNOUNCEMENT OF CLOSED SESSION ITEMS

PUBLIC COMMENTS ON CLOSED SESSION ITEMS

At this time, the public may submit a speaker card to the City Clerk staff for Closed Session items, prior to the beginning of this statement. Speakers will be called in the order received. Please be aware that the maximum time allotted for members of the public to speak on Closed Session items shall not exceed three (3) minutes per person. State Law prohibits the City Council from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor and City Council.

CLOSED SESSION

The City Attorney shall provide a briefing on the item listed for Closed Session as follows:

1. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Government Code Section 54956.9(d)(2)
Significant exposure to litigation in one matter related to a claim presented by Infrastructure Engineering
2. **PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
Government Code Section 54957(b)(1)
Title: City Manager
3. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**
Government Code Section 54956.9(d)(4)
Initiation of litigation in one case.

REGULAR SESSION - IMMEDIATELY FOLLOWING CLOSED SESSION

CLOSED SESSION REPORT

INVOCATION

PLEDGE OF ALLEGIANCE

CORRECTIONS TO THE AGENDA - CITY MANAGER

CEREMONIAL ITEMS/PRESENTATIONS

4. **RECOGNITION OF CITY STAFF THAT RESPONDED TO THE TORNADO**
5. **CITIZEN OF THE MONTH - MAYRA GUTIERREZ**
6. **NATIONAL CHILD ABUSE PREVENTION**
7. **NATIONAL VOLUNTEER MONTH**
8. **AUTISM AWARENESS MONTH**
9. **ARMENIAN HISTORY MONTH**

10. NATIONAL DONATE LIFE MONTH**PUBLIC COMMENTS ON NON-AGENDA ITEMS (30 MINUTES)**

At this time, the public may submit speaker card(s) to the City Clerk staff, for both agenda and non-agenda items, prior to the beginning of this statement; Public Hearing items do not require a speaker card.

The City Council will address non-agenda items during this section and speakers will be called in the order received. Those persons not accommodated during this 30-minute period will have an opportunity to speak under "Public Comments – Continued", after all scheduled matters have been considered. **Public Hearing, Regular Business and/or Consent Calendar items will be addressed at the time that matter of business is heard, in the order received.**

Please be aware that the maximum time allotted for members of the public to speak shall not exceed three (3) minutes per speaker. State Law prohibits the City Council from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor and City Council.

STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST**PUBLIC HEARING****11. ADOPT RESOLUTION NO. 23-25 DESIGNATING A PREFERENTIAL PARKING DISTRICT ALONG TOLA STREET FROM MONTEBELLO BOULEVARD TO ITS WESTERLY TERMINUS**

RECOMMENDATION: It is recommended that the City Council:

1. Conduct a Public Hearing regarding the designation of a Preferential Parking District and consider any testimony received during the hearing; and
2. Adopt Resolution No. 23-25 designating a Preferential Parking District (PPD) along Tola Street from Montebello Boulevard to its westerly terminus; and
3. Take such additional, related action that may be desirable.

OLD BUSINESS**12. RECEIVE AND FILE THE FISCAL YEAR 2021-22 ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)**

RECOMMENDATION: It is recommended that the City Council:

1. Receive and file the Fiscal Year 2021-22 Annual Comprehensive Financial Report (ACFR); and,
2. Take such additional, related action that may be desirable.

REGULAR BUSINESS**13. APPROVAL OF AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT NO. 3777 BETWEEN THE CITY OF MONTEBELLO AND RANGWALA ASSOCIATES FOR THE COMPREHENSIVE GENERAL PLAN UPDATE AND BICYCLE MASTER PLAN**

RECOMMENDATION: It is recommended that the City Council:

1. Approve Amendment No. 2 to Professional Services Agreement No. 3777 between the City of Montebello and Rangwala Associates to provide consulting services related to the comprehensive General Plan Update and Bicycle Master Plan; and
2. Authorize the City Manager and/or his designee to execute Amendment No. 2 to Professional Services Agreement between the City and Rangwala Associates for related ancillary services to prepare a comprehensive Bicycle Master Plan and related documents on behalf of the City; and
3. Amend the Fiscal Year 2022-23 budget by increasing appropriations by \$260,000 in Account No. 100-50-590-6040.95 (General Fund, Community Development, Long Range Planning, Other Professional Services); and

4. Take such additional, related action that may be desirable.

14. APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT NO. 3858 WITH ADVANCED AVANT-GARDE COMPANY FOR AS-NEEDED HOUSING CONSULTING SERVICES AND APPROVE ISSUING A REQUEST FOR PROPOSALS FOR FUTURE AS-NEEDED PROFESSIONAL SUPPORT SERVICES FOR THE ADMINISTRATION OF HOME/CDBG PROGRAMS

RECOMMENDATION: It is recommended that the City Council:

1. Approve Amendment No. 1 to Professional Services Agreement No. 3858 between the City of Montebello and Advanced Avant-Garde Company ("Avant-Garde") to provide as-needed housing consulting services; and
2. Authorize the City Manager and/or his designee to execute Amendment No. 1 to Professional Services Agreement No. 3858 between the City and Avant-Garde to provide housing consulting services as needed; and
3. Approve issuing a Request for Proposals ("RFP") for as-needed professional support services for the administration of HOME/CDBG programs; and
4. Take such additional, related action that may be desirable.

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine. Any items a member wishes to discuss, including any items the public submitted speaker cards for, should be designated at this time. All other items may be approved in a single motion. Such approval will also waive the reading of any Ordinance.

15. APPROVAL OF COOPERATIVE AGREEMENT NO. 4093 WITH LOS ANGELES COUNTY DEPARTMENT OF PUBLIC WORKS FOR THE OLYMPIC BOULEVARD TRAFFIC SIGNAL SYNCHRONIZATION PROGRAM (TSSP)

RECOMMENDATION: It is recommended that the City Council:

1. Approve Cooperative Agreement No. 4093 with the Los Angeles County Department of Public Works (Attachment A) defining funding for the Olympic Boulevard Traffic Signal Synchronization Program (TSSP) Project; and
2. Approve Amendment No.1 (Attachment B) to Agreement No. 2508 (Attachment C) with the Los Angeles County Department of Public Works redefining the streets included in the TSSP Project; and
3. Authorize the City Manager to execute the Agreements on behalf of the City; and
4. Amend the Fiscal Year 2022-23 budget by increasing appropriations in Fund 200 (Gas Tax) by \$161,400 (Account No. 200-99-6040.95, Gas Tax, Other Professional Services); and
5. Take such additional, related action that may be desirable.

16. APPROVAL OF AMENDMENT NO. 2 TO AGREEMENT NO. 3855 WITH ULTIMATE MAINTENANCE SERVICES FOR INCREASED CUSTODIAL SERVICES AT VARIOUS CITY FACILITIES

RECOMMENDATION: It is recommended that the City Council:

1. Approve Amendment No. 2 to Agreement No. 3855 with Ultimate Maintenance Services for Citywide Custodial Services increasing the scope of services and annual fee to an amount not-to-exceed \$560,000; and
2. Authorize the City Manager to execute the amendment on behalf of the city; and
3. Amend the Fiscal Year 2022-23 budget by increasing appropriations by \$146,000 in Account No. 100-30-510-6040.35 (General Fund, Public Works, Facilities Maintenance, Custodial Services), and \$54,000 in Account No. 600-90-900-6040.35 (Transit Fund, Administration, Custodial Services); and
4. Take such additional, related action that may be desirable.

17. APPROVAL OF AGREEMENT NO. 4085 WITH BLACK AND WHITE EMERGENCY VEHICLES, LLC FOR VEHICLE UPFITTER SERVICES

RECOMMENDATION: It is recommended that the City Council:

1. Approve Agreement No. 4085 with Black and White Emergency Vehicles, LLC, (Black and White) (Agreement No. 4085); and
2. Take such additional, related action that may be desirable.

18. APPROVAL OF AGREEMENT NO. 4086 WITH PRECISION MATERIAL MANAGEMENT, LLC FOR ASSET INVENTORY AND VALUATION SERVICES

RECOMMENDATION: It is recommended that the City Council:

1. Approve Agreement No. 4086 with Precision Material Management, LLC for Asset Inventory and Valuation Services; and
2. Take such additional, related action that may be desirable.

19. APPROVAL OF BLANKET PURCHASE ORDERS WITH TYLER TECHNOLOGIES, INC. FOR THE ON-GOING USE OF SOFTWARE AND SUPPORT SERVICES

RECOMMENDATION: It is recommended that the City Council:

1. Authorize software solutions and services by Tyler Technologies, Inc. (Tyler) in an amount not-to-exceed \$1,084,238 for the next three (3) years (Fiscal Years 2023-24 through 2025-26), and
2. Take such additional, related action that may be desirable.

20. PAYMENT OF BILLS: ADOPT RESOLUTION NO. 23-24 APPROVING THE CITY WARRANT REGISTER OF DEMANDS DATED APRIL 10, 2023

RECOMMENDATION: It is recommended that the City Council:

1. Adopt Resolution No. 23-24 approving the Warrant Register dated April 10, 2023.

21. APPROVAL OF MINUTES: JANUARY 30, 2023 SPECIAL CITY COUNCIL MEETING AND FEBRUARY 2, 2023 SPECIAL CITY COUNCIL MEETING

RECOMMENDATION: It is recommended that the City Council:

1. Approve said minutes as is.

PUBLIC COMMENTS - CONTINUED

AB 1234 TRAVEL REPORTS

Members will provide a brief report on meetings attended at the expense of the local agency as required by Government Code Section 53232.3(d).

COUNCIL/AGENCY ORALS

Announcements and requests for future agenda items.

- **Salvador Melendez, Councilmember**
- **Georgina Tamayo, Councilmember**
- **Scarlet Peralta, Mayor Pro Tem**

1. Findly exit and address the dangerous crosswalk to Bella Vista Elementary.

- **Angie M. Jimenez, Councilmember**
- **David N. Torres, Mayor**

1. Appointment of Victor Cuevas to the Planning Commission.
2. Appointment of Sylvia Takeyama to the Parks and Recreation Commission.
3. Request for council consensus to agendize art in public places.
4. Request for council consensus to arrange official naming ceremonies for Marge Villa Field, Bill Walters Cabin.
5. Request for council consensus to establish a Young Men's and Young Women's conference for 2023.

CLOSED SESSION - CONTINUED

ADJOURNMENT

The City of Montebello will adjourn to the next **Regular Meeting on April 26, 2023 at 6:00 p.m.** which can be live streamed at <https://www.montebelloca.gov> (Click on Live Stream).

I, Alicia Fernandez, Senior Deputy City Clerk for the City of Montebello hereby certify that a copy of this agenda has been posted on or before **Friday, April 7, 2023 no later than 6:00 p.m.**



Alicia Fernandez, Senior Deputy City Clerk

EXHIBIT - CITY OF MONTEBELLO FORECASTED AGENDA

Please note, the attached exhibit is a draft version that is to be used for reference purposes only; agenda items, information, and dates are subject to change. The exhibit will be placed at the end of the Agenda Packet.

- **City of Montebello Forecasted City Council Agenda**



ITEM # 11

**CITY OF MONTEBELLO
CITY COUNCIL AGENDA STAFF REPORT**

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: James Enriquez, Director of Public Works

SUBJECT: ADOPT RESOLUTION NO. 23-25 DESIGNATING A PREFERENTIAL PARKING DISTRICT ALONG TOLA STREET FROM MONTEBELLO BOULEVARD TO ITS WESTERLY TERMINUS

DATE: April 10, 2023

RECOMMENDATION(S):

It is recommended that the City Council:

1. Conduct a Public Hearing regarding the designation of a Preferential Parking District and consider any testimony received during the hearing; and
2. Adopt Resolution No. 23-25 designating a Preferential Parking District (PPD) along Tola Street from Montebello Boulevard to its westerly terminus; and
3. Take such additional, related action that may be desirable.

FISCAL IMPACT:

Fiscal impacts related to the establishment of a Preferential Parking District are not anticipated to exceed \$5,000 in staff time to process the request. The cost to install signage on Tola Street is estimated at \$4,000. Adequate funding is included in the approved FY 2022-23 budget to cover all associated costs of establishing a Preferential Parking District and no budget amendment is needed at this time.

BACKGROUND/DISCUSSION:

There are 18 residential properties on Tola Street from Montebello Boulevard to its westerly terminus. The City received a petition from 13 of the 18 properties on Tola Street requesting designation of Tola Street as a Preferential Parking District. Tola Street is a cul-de-sac street west of Montebello Boulevard. The petition was filed on January 3, 2022 along with a required fee of \$790 and signatures of residents (one signature per household). The residents have indicated that their street is being used for parking by non-residents during weekday daytime hours. The petition requests establishing preferential parking to be enforced from Sunday 8:00 pm to Friday 6:00 pm, excluding holidays.

CITY COUNCIL AGENDA REPORT - MEETING OF APRIL 10, 2023

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Engineering staff conducted a site investigation at the direction of the City Traffic Engineer to observe existing parking conditions. A third-party private firm was contracted with the help of Montebello Police Department to provide a survey of the street and vehicles parked on a typical weekday during daytime hours. The survey was conducted for one week from Monday through Thursday (6/6/22 to 6/9/22), and the results are shown below:

Date	Time	Day	Resident Vehicles	Non-resident Vehicles	Total Vehicles Parked
6-6-2022	09:30	Monday	2	6	8
6-7-2022	06:30	Tuesday	6	10	16
6-8-2022	06:00	Wednesday	5	4	9
6-9-2022	05:30	Thursday	7	9	16

There are a total of 26 unmarked parking spaces available on both sides of Tola Street. The survey data shows that a maximum of 16 spaces were occupied during the hour the survey was conducted. The average percentage of non-resident cars parked during the surveyed times is approximately 62%, indicating a considerable number of parking used by non-residents.

Proof of Publication for the Notice of Public Hearing is included in Attachment B. The Notice was also directly mailed to the affected properties on March 27, 2023.

ENVIRONMENTAL:

N/A

ANALYSIS:

N/A

SUMMARY:

Upon the approval of the City Council of the recommended actions, City staff will coordinate the establishment and enforcement of the Preferential Parking District.

ATTACHMENT(S)

1. Attachment A - Resolution No. 23-25
2. Attachment B - Proof of Publication

NEXT STEPS:

N/A

RESOLUTION NO. 23-25**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO, CALIFORNIA, DESIGNATING A PREFERENTIAL PARKING DISTRICT ALONG TOLA STREET FROM MONTEBELLO BOULEVARD TO ITS WESTERLY TERMINUS****RECITALS**

WHEREAS, Montebello Municipal Code (“MMC”), Chapter 10.36, “Preferential Parking Districts,” authorizes and sets for the procedures for establishing preferential parking district in the City of Montebello to address locations experiencing insufficient or impaired on-street parking;

WHEREAS, upon receipt of a qualifying petition requesting the designation of a preferential parking district, the Director of Public Works (“Director”) may recommend to the City Council approval of a resolution designating a Preferential Parking District (MMC 10.36.010);

WHEREAS, upon recommendation of the Director, the City Council must consider the request and may, at its discretion, designate by resolution a certain area as a preferential parking district and authorize the Director to establish parking restrictions for the district (MMC 10.36.010);

WHEREAS, Montebello Municipal Code section 10.36.020(B) sets forth factors which the City Council must consider in determining whether to designate a particular area as a preferential parking district;

WHEREAS, On April 10, 2023 the City Council held a duly-noticed public hearing to consider a qualifying petition signed by residents seeking the establishment of a preferential parking district along Tola Street from Montebello Boulevard to its westerly terminus, in the City of Montebello.

WHEREAS, at the public hearing, residents afforded the opportunity to indicate that on-street parking in front of their private residences has been monopolized by vehicles associated with nearby residences, apartments and/or businesses;

WHEREAS, after considering the public testimony and the recommendations of the Director of Public Works, the City Council may, in its discretion, adopt the Director’s recommendation and designate the recommended district as a preferential parking district.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO HEREBY RESOLVES, FINDS, AND DECLARES AS FOLLOWS:

RESOLUTION NO. 23-25

Page 2 of 3

SECTION 1. The City Council, after consideration of staff presentation, reports, discussion, oral testimony, and evidence presented to the City Council, hereby finds that the above recitals are true and correct and incorporate them herein.

SECTION 2. The City Council finds and declares that parking conditions existing along Tola Street from Montebello Boulevard to its westerly terminus, satisfy the criteria for designating such area as a preferential parking district, as such criteria is set forth in Montebello Municipal Code 10.36020(B). Residents' testimony established that legal on-street parking availability has been monopolized by vehicles associated with nearby residences, apartments and/or businesses that residents on Tola Street are being impacted and cannot find on-street parking in front of their homes. The establishment of a preferential parking district will improve parking and traffic conditions along the affected portion of Tola Street and the immediately surrounding areas by ensuring nearby residents have access to adequate legal on-street parking in the proximity of their residences.

SECTION 3. The City Council hereby declares Tola Street from Montebello Boulevard to its westerly terminus to be a preferential parking district (the "District") pursuant to Montebello Municipal Code section 10.36 *et seq.*

SECTION 4. The Director of Public Works is hereby authorized to establish parking restrictions for the District and those restrictions will be enforced by Parking Enforcement Officers.

SECTION 5. The Director of Public Works shall cause appropriate signs to be erected in the District as required by Montebello Municipal Code section 10.36.040.

SECTION 6. EFFECTIVE DATE. This Resolution shall take effect immediately upon its adoption by the City Council and the City Clerk shall certify to the passage and adoption of this resolution.

APPROVED AND ADOPTED THIS 10TH DAY OF APRIL 2023.

David N. Torres, Mayor

ATTEST:

APPROVED AS TO FORM:

Christopher Jimenez, City Clerk

Arnold M. Alvarez-Glasman, City Attorney

RESOLUTION NO. 23-25

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STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF MONTEBELLO) SS:

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 23-25 was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 10th day of April 2023 and that said Resolution was adopted by the following vote, to-wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: _____

Christopher Jimenez, City Clerk

MONTEBELLO NEWS

This space for filing stamp only

3731 WILSHIRE BLVD STE 840, LOS ANGELES, CA 90010
Telephone (323) 556-5720 / Fax (213) 835-0584

KIMBERLY GUILLEN
CITY OF MONTEBELLO/CITY CLERK (LEAD)
1600 W. BEVERLY BLVD
MONTEBELLO, CA - 90640

EWA#: 3685404

PROOF OF PUBLICATION

(2015.5 C.C.P.)

State of California)
County of LOS ANGELES) ss

Notice Type: HRG - NOTICE OF HEARING

Ad Description:

Notice of Public Hearing - Tola St. Parking District Designation

I am a citizen of the United States and a resident of the State of California; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer and publisher of the MONTEBELLO NEWS, a newspaper published in the English language in the city of MONTEBELLO, county of LOS ANGELES, and adjudged a newspaper of general circulation as defined by the laws of the State of California by the Superior Court of the County of LOS ANGELES, State of California, under date 03/13/1934, Case No. 369441. That the notice, of which the annexed is a printed copy, has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

03/30/2023

Executed on: 03/31/2023
At Los Angeles, California

I certify (or declare) under penalty of perjury that the foregoing is true and correct.



Signature



Email

**CITY OF MONTEBELLO
PUBLIC HEARING NOTICE**
NOTICE IS HEREBY GIVEN that the City Council of the City of Montebello will hold a Public Hearing in the Council Chamber of the Montebello City Hall located at **1600 West Beverly Boulevard, Montebello, California, on Monday April 10, 2023, at 6:00 p.m.**, or as soon as possible thereafter as the matter can be heard, to consider the following:
Receive public input regarding:
• Designation of Tola Street, from Montebello Boulevard westerly to its westerly terminus, as a Preferential Parking District (PPD).
• A total of 18 properties on Tola Street would be included in the PPD, including the addresses begin at 800 Tola Street to 833 Tola Street, inclusive.
• A petition was received from Tola Street residents requesting the PPD. The petition requests establishing preferential parking to be enforced from Sunday 8:00 pm to Friday 6:00 pm, except on holidays. During this time, on street parking would require a parking permit issued by the City of Montebello.
For those interested in making public comments, you may address the City Council in person during the public comment period or public testimony period for public hearings by attending the Montebello Council Chambers at 1600 W. Beverly Blvd., Montebello, California on **Monday, April 10, 2023, at 6:00 p.m.** In addition, the City has created an email address ccpubliccomment@cityofmontebello.com where the public can submit written public comments no later than **Monday, April 10, 2023, at 3:00 p.m.** These comments will not be read aloud but will be entered into the record and submitted to all members of the City Council. The email address for City Council meetings can be located on the City's webpage under the City Clerk tab, <https://www.cityofmontebello.com/departments/administration/city-clerk-s-office.html>.
If you challenge the subject matter in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice, or in written correspondence delivered to the City Council, at, or prior to, the Public Hearing.
Alicia Fernandez, Senior Deputy City Clerk
Dated: March 27, 2023
Date published: March 30, 2023
3/30/23
EWA-3685404#
MONTEBELLO NEWS



ITEM # 12

**CITY OF MONTEBELLO
CITY COUNCIL AGENDA STAFF REPORT**

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Michael Solorza, Director of Finance

**SUBJECT: RECEIVE AND FILE THE FISCAL YEAR 2021-22 ANNUAL
COMPREHENSIVE FINANCIAL REPORT (ACFR)**

DATE: April 10, 2023

RECOMMENDATION(S):

It is recommended that the City Council:

1. Receive and file the Fiscal Year 2021-22 Annual Comprehensive Financial Report (ACFR); and,
2. Take such additional, related action that may be desirable.

FISCAL IMPACT:

The action of receiving and filing the ACFR for the period ending June 30, 2022 does not have a fiscal impact.

BACKGROUND/DISCUSSION:

Each year the City produces an Annual Comprehensive Financial Report (ACFR) that presents audited financial results as of June 30 of the prior fiscal year. Staff is presenting the ACFR for the fiscal year ended June 30, 2022. The City engages a third-party audit firm (PUN Group) to review all financial transactions, produce various statements, ensure compliance with Governmental Accounting Standards Board (GASB) statements, assist staff in compiling the ACFR document, sample transactions, review internal controls, and provide an opinion on the accuracy and validity of the financial statements.

The auditors have provided an “un-qualified” opinion for the Fiscal Year 2021-22 report. In other words, this is a “clean” audit with no significant findings that would cause the auditors to render a “qualified” opinion:

“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, 2022, 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.”

The ACFR is a document that tells “what happened” in the prior fiscal year, as opposed to a budget which is a plan for the upcoming fiscal year. There are statements, notes and financial schedules of required information that provide the reader a comprehensive view of revenues, expenses, assets, liabilities, cash and investments, debt, pension liabilities, and other financial data across the entire organization. There are also statistical tables which present a more complete (non-financial) picture of Montebello.

The Transmittal Letter (Attachment A) and Management Discussion and Analysis (MD&A) (Attachment B) provide extensive detail and discussion of the financial statements and are included in the final published ACFR document. They are included as attachments to this report for review and detail and to ensure the public has access to these summaries by promoting financial transparency. The extensive Notes section included in the ACFR is useful in providing a more complete explanation of the various financial aspects of the City, adding descriptions and explanations to the myriad schedules and tables. The ACFR in its entirety can be found on the City's website: www.montebelloca.gov.

This agenda report provides a summary of the document and does not replace a thorough review and understanding of the entire ACFR.

ENVIRONMENTAL:

N/A

ANALYSIS:

The ACFR presents information by type of fund, with the two most significant “buckets” being Governmental Activities and Business-type Activities. Governmental Activities includes not just the General Fund, but special funds such as Gas Tax, Proposition A, Proposition C, Housing Successor Agency, Retirement Fund, and the various (non-Transit) Grant Funds. Business-type Activities includes Transit, Golf Course, Water, Hilton Garden Inn and the Home2Suites.

Included in the financial statements for both Governmental and Business-type funds is not only revenue and expenditures, but liabilities related to bond debt, pension and retiree medical liabilities, assets such as land, buildings and equipment, and other useful information designed to give the reader a clear picture of the City's overall financial condition. The following pages provide a discussion of major items found in the complete

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ACFR document (which can be found in its entirety on the City's website: www.montebelloca.gov).

Government-wide Overview

Overall, across the entire organization, total revenues (Governmental and Business-type combined) for FY 2021-22 were \$163.4 million, compared to \$136.4 million in FY 2020-21, a 19.77% increase year-over-year. The largest dollar increases to revenue were in the "Sales Tax," "Charges for Services," "Capital Grants" and "Operating Grants" categories.

The largest City-wide revenues came from four sources: charges for services (e.g. business license fees, building permits, hotel charges and bus fares) at \$43.6 million, operating grants and contributions (e.g. allocations of funds derived from Los Angeles County Metropolitan Transportation Authority Local Return Funds Propositions A and C, and Measures R and M, as well as asset forfeiture funds contributed from the Justice Department and US Treasury) at \$43.3 million, property taxes at \$21.1 million, and sales taxes at \$25.4 million. Property taxes includes the property taxes derived from the 1946 voter approved initiative to provide restricted revenue to pay for the retirement benefit costs of City employees, which is recorded in a separate fund from the General Fund.

Total Citywide expenses before transfers were \$124.1 million, a decrease of approximately \$2.7 million compared to the preceding fiscal year. Total citywide expenses decreased across several program areas: Public Safety (\$22.9 million) and Transit (\$13.9 million); offset by increases to Public Works (\$13.3 million) and Parks and Recreation (\$4.0 million). The cost of serving residents for the year (across Governmental and Business-type Activities) includes: \$31.8 million for Public Safety (Police and Fire), \$16.1 million for Public Works, \$29.3 million for Transit (Montebello Bus Lines), \$13.9 million in General Government, and \$5.4 million for Parks, Recreation and Culture.

Business-Type Activities

The City's Transit operation (Montebello Bus Lines) is the largest component of the Business-type Activities group. In addition, there are the Golf Course, Water, Hilton Garden Inn and Home2Suites operations recorded in "Business-type Activities".

The Transit System reported operating revenues of \$28.539 million, a \$3.930 million increase (15.97%) when compared to FY 2020-21. Charges for Services were up \$731 thousand, primarily due to the return to normal bus operations as pandemic restrictions were lifted. There were also increases in Federal and State transit assistance and Local Return Funds (Metro) funding. Operating expenses in FY 2021-22 were \$27.846 million, a \$13.873 million decrease from the prior fiscal year. The \$13.761 million decrease in Salaries and Benefits year over year was responsible for the total decrease in expenses. Net position (i.e., assets net of liabilities) increased by \$15.202 million.

The City's Golf Course operating revenue was essentially unchanged year over year: \$2.945 million as of June 30, 2022 vs. \$2.967 million the prior year. Operating expenses increased by \$167 thousand. As a result, the Golf fund ended the fiscal year with a net income before transfers in of \$210 thousand.

The Hilton Garden Inn reflected operating net income of \$540 thousand, a vast improvement over the net loss of \$1.023 million in the pandemic impacted FY 2020-21. The net income (surplus) is attributable to the recovering economy and the return of leisure and business travelers, leading to a direct increase in total occupancy. Operating revenues increased \$3.285 million, and operating expenses increased by \$1.722 million. Total change in net position was a positive \$271 thousand.

The Montebello Home2Suites reflected operating net income of \$4.596 million, an increase from FY 2020-21 of \$1.850 million -- which was impacted due to the pandemic. Operating revenue was \$12.050 million, a significant increase over FY 2020-21 revenue of \$8.358 million. As the economy recovers from the pandemic, a return to leisure and business travel has positively impacted the hotel's operations. Total net position increased by \$2.280 million.

Governmental Activities

Governmental Activities includes the General Fund, as well as myriad special funds that record activity related to road repair and maintenance (Gas Tax, SB1/RMRA, Local REturn Funds such as Proposition C, Measure M, etc.); assistance to low- and moderate-income households (CDBG, HOME), retirement expenses (Retirement Fund), debt service, public safety (Asset Forfeiture), and numerous public works, public safety and related grant activities.

Total governmental activities revenues increased by \$11.931 million (14.20%). This is mainly due to increases in three revenue categories: Charges for Services (\$4.013 million), Operating Grants (\$6.043 million) and Sales Taxes (\$3.109 million).

Sales tax revenues were the largest portion of total governmental activities revenues (26.45%). Sales tax revenues increased by \$3.109 million, to \$25.379 million as of June 30, 2022. Property tax revenues were the second largest revenue source for governmental activities (22.03%). This includes the 1946 voter-approved retirement portion of property tax (e.g., property tax override). Property tax revenues decreased slightly by \$280 thousand (-1.31%). Charges for services were the third largest source of revenue for governmental activities (19.19%). Charges for services in governmental funds include licenses and permits, fines and forfeitures, waste collection, etc. Compared to the prior fiscal year, this program revenue increased by approximately \$4.103 million, or 27.87%.

The cost of providing all governmental activities in 2022 was \$75.829 million, an increase in expenses of \$7.873 million (11.59%) when compared to June 30, 2021. There were increases and decreases to different categories, causing the overall net increase. General Government and Public Works increased \$11.496 million and \$13.329 million respectively, offsetting a decrease of \$22.975 million in Public Safety.

The General Fund is the City's main operating fund. It is used to account for revenues and expenditures necessary to perform basic government functions that are not accounted for through other special revenue and grant funds. These are the typical services residents see daily: police and fire service, street maintenance, community

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services programming, etc. As of June 30, 2022, the General Fund realized an increase in fund balance of \$7.131 million, to a total of \$14.7 million. Fund Balance is now 22.0% of Operating Revenues.

The key factors positively impacting fund balance of the General Fund for FY 2021-22 are as follows:

- General Fund operating revenues (i.e., taxes, charges for services, licenses and permits, etc.) increased by \$10.790 million (19.23%) from the prior year, which is primarily due to the overall increase in sales tax (\$3.109 million), Licenses and Permits (\$2.037 million) and Intergovernmental (\$5.215 million). The increase in sales tax is due to two primary reasons: the recovering economy as pandemic related restrictions ease and consumers remain active in the retail economy; and the continued local improvement of the recently enacted (March 2020) Measure H Transaction and Use Tax revenue stream. The increase to Intergovernmental revenue is from the recognition of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF).
- General Fund expenditures decreased year-over-year by \$3.406 million. There were year-over-year savings in some areas (i.e., General Government, Public Works, Public Safety) which offset increases in Parks and Recreation and Housing and Community Development. Capital related expenses in the General Fund were also less in FY 2021-22 when compared to the prior year.

Economic Overview

The financial statements and commentary found in the prior two ACFR's have been dominated by the impacts of the Coronavirus pandemic. For the results as of June 30, 2022, these impacts have lessened and there appears to be a return to "pre-pandemic" economic and financial activity. Overall, the local Montebello economy appears to be healthy, as evidenced by continued strong sales and transaction and use tax performance. Also, the City's two hotels are performing well, seeing occupancy rates at or near levels last seen in 2019.

For most of FY 2021-22, the discussion surrounding the economy focused on inflation, and the various causes of the generationally high inflation rate and methods used by the Federal Reserve to temper its impacts on the economy. Hand-in-hand with the inflation discussion has been predictions of if and or when a recession would hit the U.S. economy.

A recent Deloitte Insights economic update stated "Is a recession on the horizon? That's been a key question for the US economy for the past six months. So far, it's safe to say that the recession is mostly in people's minds." This statement is based on actual economic activity – as measured by job gains, industrial production and retail sales – remaining strong and indicating growth. External forces and pressures such as the war in Ukraine or market problems in China do not impact the United States as much as other nations. While these major issues undoubtedly impact millions around the world, the US economy is not as exposed to these problems as some analysts assume.

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The Deloitte Insights analysis goes on to say the real case for recession involves the Federal Reserve's actions to slow the economy. Many analysts see the increase in the Fed funds rate leading to a recession. However, comparing current Fed funds rate increases to those of the early 1980's, the rate of increase has been slower. And while the increase to the Fed funds rate in the early 1980's did lead to recessions, "it took a lot more tightening than we've seen so far this time around." Moreover, the case can be made that the US economy may be less sensitive to interest rates than in prior years.

Regardless of these impact's overall effect on the economy, many analysts see a recession in 2023 as more than likely. The key question is how deep and prolonged such a recession could be. Given the impact consumers have on the economy – nationally, regionally and most importantly locally – it is prudent to focus on retail activity as an indicator of both short and long-term economic growth. Consumer spending could return to pre-pandemic patterns: less on durable goods and more on services. One forecast shows durable goods spending levelling off in 2023 and beyond, with a steady increase in services spending, that could surpass spending on non-durables.

These forecasts still show a steady increase in spending in these areas, even if the pandemic trend of spending in durables levels off. The key point is that consumers will continue to spend at levels above those seen pre-pandemic. That is important to Montebello, since 36.6% of General Fund revenue comes from sales tax. So long as retail activity remains robust – even as inflation continues to be elevated – the City can count on healthy sales tax revenue. It should be noted that out-year sales tax projections are tempered, indicating growth rates under two percent (2.0%) for the next three to five years.

For this and other reasons, it is imperative that Montebello's economic development activities promote projects that expand the City's sales tax base. Looking ahead, there is much to be excited about in Montebello in this area, with several projects underway in FY 2022-23 that will contribute to the City's long-term economic health and viability. The issuance of \$15.140 million in lease revenue bonds in September, 2022 will usher in a new era for the City's public golf course. These proceeds will be used to completely reconstruct the existing golf course, creating a championship 9-hole course, a 6-hole "executive" course, and adding lights for the ability to play golf during evening hours. This project will help the Golf Course reduce – even eliminate – the subsidy required from the General Fund.

Connected to the Golf Course Renovation Project is the construction of a Topgolf facility on 15 acres of the existing golf course property. This project will be funded with the \$55.4 million in lease revenue bonds issued in December, 2022. In a unique financing arrangement, the Public Financing Authority issued the bonds, with a sub-lease and guaranty tied to the issuance that requires Topgolf to pay the annual debt service. The completed Topgolf facility will be a three-story entertainment and event center, featuring 102 hitting bays, a restaurant, meeting space and a pro shop. In addition to the commitment to pay annual debt service, Topgolf will pay an annual lease for the use of City property. In addition, the facility will generate sales tax revenue, which will help boost overall General Fund revenue.

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In addition to these exciting capital projects and economic development initiatives, the City finally received approval from the Public Utilities Commission (PUC) to sell its water system. The PUC decision was finalized in December 2022, and escrow closed in February 2023. The sale of the water system to San Gabriel Valley Water Company (SGVWC) concludes a long saga of the City attempting to sell its water system. The State Auditor, in its December 2018 report, recommended the City pursue the sale, and the October 2021 follow-up report noted this recommendation and continued to support the sale. The \$15.8 million in proceeds the City received will help boost its General Fund reserves in FY 2022-23.

As noted in the preceding pages, the General Fund reserves increased to \$14.716 million as of June 30, 2022. The proceeds from the sale of the water system will more than double these reserves, allowing the City to begin following its adopted GASB 54 compliant reserve policies (first adopted in June, 2020).

In FY 2021-22, the City began much needed work to upgrade its information technology infrastructure. This project will be funded using a portion of the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) revenue the City received between May 2021 and 2022. The total \$16.59 million in CSLFRF revenue received by Montebello has been categorized as “revenue loss,” as permitted by U.S. Treasury Interim Final and Final Rules. This much needed funding has allowed the City to fast-track the technology upgrade, improving security, storage and productivity hardware and software. The project will continue in subsequent fiscal years, with completion anticipated sometime in FY 2023-24.

These are just a few highlights of the many projects underway in Montebello that are aimed at improving residents’ lives and helping to put the City on a long-term path to financial stability and sustainability. Some other projects that either began or were continued into FY 2021-22 are the following:

- Issuance of \$15.140 million in bonds to fully renovate and rejuvenate the City’s public golf course
- Issuing bonds to construct a Topgolf on 15 acres of the City’s public golf course
- Substantial completion of “Paving the Way” projects that improved residential street and road conditions
- Major repairs to the City’s aging sewer system
- Expansion of the Montebello Community Assistance Program (MCAP), aimed at helping the City’s unhoused population
- Approval of a Housing Element by the State’s Housing and Community Development Department, making Montebello only the second city in Los Angeles County to have a current approved plan
- Significant progress on the City’s General Plan update, the first in almost fifty years
- Completion of a park and facilities needs assessment study and master plan
- Completion of significant facility repair and upgrade projects, eliminating years of deferred maintenance on key City facilities
- Introduction of improved purchasing and procurement guidelines

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- Receiving the Government Finance Officers Association (GFOA) award for budget preparation for the third time in the history of the City

Management and the City Council continue to be dedicated to improving Montebello's long-term financial sustainability. Pursuing projects that are externally and internally focused – capital and infrastructure projects as well as organizational improvements – will strengthen Montebello's ability to weather changes in the economy as well as the "next pandemic," in whatever form that may appear.

SUMMARY:

Recieve and file the ACFR and related presentation.

ATTACHMENT(S)

1. Attachment A - Transmittal Letter, 03_22_2023
2. Attachment B - Management's Discussion and Analysis, 03_22_2023
3. Attachment C - Montebello Annual Comprehensive Financial Report, 2022

NEXT STEPS:

N/A



CITY OF MONTEBELLO

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March 2, 2023

Honorable Mayor and Members of the City Council:

The Annual Comprehensive Financial Report (ACFR) of the City of Montebello for the fiscal year ended June 30, 2022 is submitted as prepared by the City's Finance Department. The report is published to provide the City Council, community and other interested parties detailed financial and operational information about the City for the previous fiscal year. The financial statements are audited by a third-party accounting firm, providing assurance to the public that the City's financial reporting and associated operations meet or exceed generally accepted accounting and auditing standards.

The ACFR is presented in three sections: the **Introductory Section**, the **Financial Section**, and the **Statistical Section**. The Management Discussion and Analysis (MD&A) is the most useful for readers of the ACFR to find a general overview of the City's financial condition at year-end, providing highlights of significant changes or key events impacting year-end financial results.

Responsibility for both the accuracy of the financial report and the completeness and fairness of the presentation rests with the City. To the best of our knowledge, the information presented is accurate in all material aspects and includes all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

The City prepared the ACFR using the financial reporting requirements outlined in the Governmental Accounting Standards Board (GASB) Statement No. 34. This statement requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the ACFR.

The City requires that its financial statements be audited by an independent, accredited auditing firm on an annual basis. This requirement has been satisfied, and the auditor's opinion is included in the financial section of this report.

In addition, the City is required to undergo an annual single audit to conform to the provisions of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This requirement has also been satisfied, with the single audit published separately as a stand-alone document.

THE FINANCIAL REPORTING ENTITY

This report includes activity of all funds of the City, with presentation in the ACFR being done on a major vs. other funds basis. All funds have their appropriations approved by the governing body



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(i.e., City Council) through the annual budget development process. In addition to the General Fund, other governmental and enterprise funds are utilized to record financial activity. Each fund is appropriated annually, and includes the General Fund, Proposition A, Proposition C, Measure M, Measure R, HOME, Community Development Block Grant (CDBG), Gas Tax, Grants (non-Transit), Asset Forfeiture, Grants (Transit), Debt Service, Retirement, Asset Forfeiture, etc. Revenue and expenditures are appropriated through the budget process, with the FY 2021-22 budget (all funds) adopted at a regular City Council meeting in June 2021, and amended as needed throughout the fiscal year.

The City of Montebello provides a full range of municipal services including police and fire protection, street maintenance, transit (Montebello Bus Lines) planning and community development, parks and recreation services, financial planning, treasury management, information technology, human resources, engineering and general administration.

Montebello also operates several enterprise funds, which include a municipal golf course, a transportation system (Montebello Bus Lines), and two hotels (i.e., Hilton Garden Inn and Home2Suites). Enterprise funds are financed from user charges (e.g., green fees, room charges, bus fares, etc.) and revenue from other governmental agencies (e.g., Los Angeles County Metropolitan Transportation Authority funding for fixed transit lines), as applicable. It should be noted that the City will be finalizing the sale of its water system in the subsequent fiscal year (FY 2022-23). Subsequent financial reports and ACFRs will include appropriate updates once the sale is completed.

ACCOUNTING SYSTEM

The modified accrual basis of accounting is followed for governmental fund types and the accrual basis of accounting is followed for proprietary and fiduciary fund types. In reviewing and developing the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding:

- The safeguarding of assets against losses from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets.
- The concept of reasonable assurance recognizes that the cost control procedures should not exceed the benefits likely to be derived and that the evaluation of costs and benefits require estimates and judgment by management.
- All internal control evaluations occur within the above framework.

As discussed more fully below, management has made a concerted effort to improve internal controls by updating the Municipal Code, creating and implementing new procedures and policies, and generally ensuring internal policies and procedures are efficient while not sacrificing requisite safeguards against fraud, waste and abuse.



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BUDGETARY CONTROL

In addition to internal accounting controls, the City also maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with the City's budget policy approved by the City Council as incorporated in the budget adoption resolution. Appropriations of the General Fund, special revenue funds, debt service funds, and capital project funds are included in the annual approved budget. The City's adopted budget document includes detailed information about the approval process. A budget calendar, various budget schedules and related policies can be found in that document.

Budgetary control is maintained at a functional level by division within the department through the use of object level accounting as actual expenditures are compared to appropriations. As purchase orders are approved, appropriations are encumbered. Encumbrances and expenditures, which would cause an overrun of appropriations, require an approved budget transfer, which is reviewed and approved by the Director of Finance, pursuant to the Annual Budget Resolution and the Municipal Code. The City's Capital Improvement Program (CIP) is adopted at the same time as the operational budget and includes various street and infrastructure improvement projects. Any action to increase total appropriations requires approval by a majority vote of the City Council.

IMPROVEMENTS TO INTERNAL CONTROLS

The City responded positively and decisively to the 2021 State Auditor's update report (published in October 2021, Report #2021-807). The 2021 audit report was a follow up to the 2018 report and was mandated by State Government Code to be completed. Both audit reports – published by the State Auditors "High Risk Agency" group – provided numerous recommendations for improving different areas of management and internal controls. The 2021 update report focused primarily on the City's purchasing and procurement processes and made recommendations for improvements.

Over the span of the last five years – dating back to the initial 2018 audit report – the City has put into place numerous new procedures and policies directly aimed at responding to the audit reports' recommendations. The City's municipal code chapters dealing with purchasing and procurement were updated in March 2019 and again in February 2022 – utilizing best practice language found in neighboring cities' municipal code and aimed at improving and professionalizing Montebello's procurement practices. In addition, citywide purchasing training has been conducted on numerous occasions since 2019. Several new administrative policies were developed that addressed the areas of weakness identified by the State Auditor (i.e., petty cash, credit cards, hotel financial reporting, etc.), while other existing policies were updated to incorporate recommendations from the audit reports.

As required, management provides status reports to the City Council at regular meetings, which are then forwarded to the State Auditor to show the City's progress towards meeting the audit report recommendations. These "corrective action plans" serve as the primary method the City



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uses to communicate progress to the State Auditor. As of May 2022, the State Auditor has indicated satisfaction of the majority of recommendations included in the 2021 report.

Staff continues to focus on the remaining four recommendations outstanding and anticipates meeting the State Auditor's threshold for satisfying all remaining recommendations by the end of FY 2022-23. The improvements made in organizational management and internal controls indicate that Montebello is making positive strides in ensuring future financial stability, as well as putting into place internal controls that ensure public funds are managed and spent wisely.

ADOPTION OF FORMAL RESERVE POLICIES

Besides improvements to internal controls – through the publication and operationalization of updated policies – the City is demonstrating its commitment to fiscal sustainability by the adoption of General Fund reserve policies. The City Council first adopted comprehensive reserve policies in June 2020, as part of the City's operating and capital budget. These policies are incorporated into the adopted budget document and are presented annually for review and approval by the City Council, which has been done since 2020.

Having such written policies in place indicates to third parties (i.e., credit rating agencies) that Montebello has a clear plan for how to manage General Fund reserves – spendable and non-spendable. Fully compliant with GASB 54, the policies establish distinct reserve categories for various uses:

- Economic Uncertainties
- Unfunded Liabilities
- Equipment/Technology Replacement and Upgrade
- Capital Improvement (Unfunded/Un-programmed)
- Deferred Maintenance
- Insurance – Risk Management
- Economic Sustainability

Each reserve category sets aside a specific amount – either a fixed dollar amount or an amount calculated as a percentage of prior year operating revenues. The policy, per GASB 54, makes “commitments” or “assignments,” and describes the method by which each reserve can be utilized. Furthermore, the policy includes the method for replenishing the various reserve buckets, should they be used and fall below the pre-scribed amounts.

Since adoption, the City's General Fund reserve balance has not been sufficient to operationalize the reserve policies. However, as was seen with the financial results as of June 30, 2022, fund balance continues to grow. Ending fund balance in the General Fund was \$14.716 million, a \$7.131 million increase from the prior year. Comprising 22.0% of operating revenues, the fund balance is nearly at a level for the reserve policy categories to be in operation. Based on current forecasts, Staff anticipates making the GASB 54 commitments and assignments as of June 30, 2023.



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GENERAL INFORMATION AND ECONOMIC OUTLOOK

The City of Montebello was incorporated on October 16, 1920 and is progressing positively into its second century of existence. The City is a general law city and functions under the City Council-Manager form of government. The City is governed by a legislative body of five City Councilmembers elected by district (as of November 2022) and serving staggered, four-year terms, with the Mayor and Mayor Pro-Team selected by fellow Councilmembers. The City Clerk and City Treasurer are also elected to four-year terms. The City Manager and City Attorney are appointed by the City Council.

Montebello is located nine miles east of the Los Angeles Civic Center, with access to three freeways – the Santa Ana 5 Freeway to the south, the Pomona 60 Freeway to the north, and the San Gabriel River 605 Freeway to the east. The City has a population of approximately 64,000 living in an area of 8.2 square miles. The City is a balanced community with industrial, residential, and commercial areas.

Fiscal Year 2021-22 continued to be driven by the impacts of the coronavirus pandemic and the social and economic effects related to the public response to containing the virus' spread – albeit a more positive trend as restrictions eased or ended and life (social and economic) began to return to pre-pandemic patterns. The local Montebello economy proved itself resilient, as sales tax showed strong growth, and the City's two hotels' occupancy rates returned to pre-pandemic levels.

Early in the pandemic (Spring and Summer, 2020), various State and County stay at home orders – implemented to “flatten the curve” and protect the public – negatively impacted sales tax generating retail operations throughout the City for FY 2019-20 and into FY 2020-21. With sales tax comprising thirty-eight percent of General Fund revenue (FY 2021-22 adopted budget), any impacts – positive or negative – directly impact the organization as a whole and its ability to fund operations. Actual sales tax (all sources) for FY 2021-22 was \$25.379 million, versus a budget of \$20.765 million. The FY 2021-22 results compare positively to the prior year, with sales tax up \$3.109 million year-over-year.

In addition to general retail activity performing better than originally forecast, the City benefitted from the 2020 voter approved additional $\frac{3}{4}$ cent transaction and use tax. Measure H was approved by over 60% of Montebello voters in the March 2020 special election. The revenue from this additional transaction and use tax began flowing to City coffers July 1, 2020. Another sales tax category that continues to perform well is the “county pool” share Montebello receives. Consumer habits changed during the pandemic, with retail activity moving more to on-line purchases. This retail behavior – coupled with the positive impacts of State law requiring remittance of sales tax by online retailers – made the “county pool” share of sales tax the fastest growing segment of the 1% Bradley-Burns sales tax revenue stream.

The second largest share of General Fund revenue is property tax, comprising twenty-six percent of revenue (measured by FY 2021-22 adopted budget). Property tax saw a slight increase of



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\$480 thousand compared to FY 2020-21. Assessed value continues to grow, with net taxable value of all property in Montebello at \$7.055 billion for FY 2021-22, a 5.1% increase from the previous year. (Net taxable value increased another 5.0% for FY 2022-23, to \$7.405 billion.)

The median home value for a detached single family residential property in Montebello for the second quarter of 2022 was \$774,000, a 19.1% increase from the same quarter in the previous year. Since the start of calendar year 2017 through the end of 2022, median home values in Montebello have averaged a 7.4% annual increase (from \$525,000 to \$750,000).

Recent interest rate hikes – driven by the Federal Reserve’s push to combat inflation – has dampened the housing market as mortgage lending rates increase along with the Fed funds rate. Total full value sales for the fourth quarter of 2022 dropped when compared to the same quarter of 2021. While activity appears to be falling, median price remains elevated, off slightly from the second quarter 2022 high of \$774,000, to \$750,000 in the fourth quarter of 2022.

In FY 2021-22 the City recognized over six million dollars of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF). The recognition of this revenue lead to an overall increase of \$5.215 million in Intergovernmental General Fund revenue (when compared to FY 2020-21). The City utilized the “revenue loss” category contained in ARPA, and detailed in US Treasury Interim Final and Final Rules published in May 2021 and January 2022. Montebello received \$16.59 million in CSLFRF revenue between May 2021 and May 2022.

Based on the revenue loss calculation outlined in the Interim Final and Final Rules, the City has chosen to utilize the entire CSLFRF award as “revenue loss.” The CSLFRF revenue is allowing the City to improve its technology security, network and storage backbone, invest in its aging sewer system, purchase public safety and public works vehicles, and fund other capital infrastructure investments that have been deferred for decades.

License and Permit revenue realized a \$2.037 million gain year-over-year. This increase can be attributed to two primary reasons: an improved economy that has property owners pulling building and associated permits for repairs and upgrades; and the residential construction related to Metro Heights. This new development, which will realize approximately 1,200 residential units once completed, has contributed substantial license and permit revenue to the General Fund over the last two fiscal years. While this revenue is “one-time” in nature – it will cease once the units are completed – it nonetheless helps the General Fund revenue bottom line. As the residential units are completed, they will be added to the property tax rolls, further increasing the City’s assessed value and contributing additional property tax revenue to the General Fund.

On the expense side of the ledger, total expenditures were \$3.405 million less in FY 2021-22 when compared to FY 2020-21. There were puts and takes among all expenditure categories. The largest decrease was in Capital Outlay, with FY 2021-22 expenditures of \$2.074 million compared to \$9.014 million the prior year. The single largest change in Capital Outlay was the completion of a citywide energy efficiency project in FY 2020-21, with no associated expenditures in the current fiscal year. There were also several vehicle purchases completed in FY 2021-22,



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as well as real estate purchases (acquisitions) which did not have similar expenditures in FY 2021-22.

Public Safety (Fire and Police) saw a \$614 thousand increase in expenditures, to \$33.256 million. The majority of these expenditures are personnel related, providing for the City's police officers and firefighters and associated staffing levels. In addition, there are supplies, equipment and vehicle expenses: new patrol vehicles, turnouts, hoses, ladders, medical supplies, dispatch software, radio/dispatch fees, etc. that are utilized when providing emergency response to the community.

The \$827 thousand decrease General Government expenditures is primarily from a drop in pandemic related expenses. In FY 2020-21, the City spent \$407 thousand on various contracts related to the pandemic – additional cleaning and janitorial services, COVID-19 testing, etc. This amount dropped to \$23 thousand in FY 2021-22. There was a reduction of \$349 thousand in janitorial, medical and related supplies and equipment that were necessary to respond to the Coronavirus threats in prior fiscal years, and to improve employee health and safety. As the COVID-19 threat diminishes, so does the need for specialty supplies, services and equipment necessary to mitigate the Coronavirus impacts.

Parks and Recreation saw a year-over-year increase of \$351 thousand. The majority of this increase was from increased part-time wages. The increase to the State's minimum wage, combined with additional and expanded community special events drove costs up in this expenditure area. Along with the expanded offering of special events, overall supplies expenditures increased from the prior year as well.

Moreover, as of the date of this ACFR, the City S&P issuer credit rating (ICR) is "A+", with the underlying credit rating on the City's outstanding lease revenue bonds is "A", with a "stable" outlook. These latest ratings were reaffirmed when the City issued \$15.140 million in Lease Revenue Bonds, Series 2022A, which will be used to refurbish and reconstruct the City's public golf course. The outlook for all ratings is "stable." It should note that the "A+" ICR reflects S&P's view of the City's general creditworthiness.

ACCOMPLISHMENTS AND ACHIEVEMENTS

Montebello has made tremendous strides by improving its financial standing and overall operations in recent years, and this progress continued in Fiscal Year 2021-22. In addition to improvements in internal controls, responding to the State Auditor findings, adopting a General Fund budget with a surplus for the third year in a row, extinguishing existing unfunded liability, some of the many positive accomplishments this past year include:

- Issuance of \$15.140 million in bonds to fully renovate and rejuvenate the City's public golf course
- Providing conduit financing to construct a Topgolf on 15 acres of the City's public golf course, with guarantees for Topgolf to pay the annual debt service



CITY OF MONTEBELLO

DEPARTMENT OF FINANCE

- Substantial completion of “Paving the Way” projects that improved residential street and road conditions
- Major repairs to the City’s aging sewer system
- Expansion of the Montebello Community Assistance Program (MCAP), aimed at helping the City’s unhoused population
- Approval of a Housing Element by the State’s Housing and Community Development Department (HCD), making Montebello only the second city in Los Angeles County to have a current approved plan
- Significant progress on the City’s General Plan update, the first in over forty years
- Completion of a park and facilities needs assessment study and master plan
- Completion of significant facility repair and upgrade projects, eliminating years of deferred maintenance on key City facilities
- Introduction of improved purchasing and procurement guidelines
- Receiving the Government Finance Officers Association (GFOA) award for budget preparation for the second time in the history of the City (with the FY 2022-23 budget receiving this award as well)

These and other accomplishments have helped set Montebello on the right path towards fiscal sustainability and operational stability. The following pages provide technical information related to the City’s accounting system, budgetary control, cash and investments, etc. Greater detail is available in the MD&A, the various notes to the financial statements, required supplementary information (RSI) and statistical sections.

ACKNOWLEDGEMENTS

The preparation of the City’s Annual Comprehensive Financial Report could not have been accomplished without the dedicated services of the entire Finance Department, as well as assistance from each of the operating departments. I want to specifically thank the lead Accountant in this endeavor, Van Dao for her commitment to ensuring the ACFR was completed accurately and on-time. The City’s independent auditor – The Pun Group – provided invaluable assistance and expert advice in completing the ACFR.

I also want to thank the City Council, the Executive Management Team and City staff for their interest and support of the financial operations of the City and helping ensure Montebello thrives financially and operationally.

Respectfully submitted,

Michael Solorza
Director of Finance

City of Montebello

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2022

The following section represents Management's Discussion and Analysis (MD&A). It is intended to provide narrative overview and analysis on the City's financial performance for the fiscal year ended June 30, 2022. Readers are encouraged to consider the information presented here in conjunction with the accompanying letter of transmittal and financial statements.

Overview of the Financial Statements

The City's basic financial statements consist of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. The Statistical section at the end of this report provides supplementary information in addition to the basic financial statements. Government-wide Financial Statements are prepared using accrual accounting method to demonstrate the City's operational accountability, while the Fund Financial Statements are based on modified-accrual accounting method to demonstrate its budgetary accountability. Reconciliations of the Fund Financial Statements to the Government-wide Financial Statements are provided to explain to readers the differences created by this integrated approach.

Government-wide Financial Statements

The Government-wide Financial Statements provide a broad overview of the City's finances, in a manner similar to a private-sector business. The statements present information about the functions of the City principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the City include general government (i.e., administration, finance, human resources, elected officials, etc.) public safety, public works, parks and recreation, and housing and community development. Business-type activities of the City include water, golf course, transportation and hotel operations. These statements include all assets of the City as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement in regard to inter-fund activity, payables, and receivables.

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 and liabilities of the City using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

The Fund Financial Statements include statements for three categories of activities: Governmental Funds, Proprietary Funds and Fiduciary Funds. The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as Governmental Activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the Government-wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains various individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet, and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, for the General Fund, the Retirement Special Revenue Fund, the Public Financing Authority Debt Service Fund, and the Housing Successor Special Revenue Fund, all of which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of combining statements elsewhere in this report. As a result of Assembly Bills 1X26 and 1484, Redevelopment Agency assets and liabilities are no longer a part of the governmental funds of the City and are now reported in the Fiduciary Fund section of the financial statements.

The City adopts an annual appropriated budget for all of its individual funds, including the major funds as listed above. The basic financial statements include a budgetary comparison statement for the General Fund. The budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found immediately following the government-wide financial statements.

Proprietary Funds. Proprietary funds are generally used to account for services for which the City charges external customers, or other units of the City. Proprietary funds provide the same type of information as shown in the government-wide statements, only in more detail. The City maintains the following two types of 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 operations of water, golf course, transit system, Montebello Hilton and Home2suites Hotels.
- **Internal service** funds are used to report activities that provide internal services for the City. The City uses internal service funds to account for workers' compensation and general liability. Because internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The basic fiduciary fund financial statements can be found immediately following the basic proprietary fund financial statements and include the assets and liabilities of the Successor Agency Fiduciary Fund.

Notes to financial statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements can be found immediately following the Required Supplementary Information.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Other information

The combining statements referred to earlier in connection with other governmental funds and internal service funds are presented for all other Special Revenue Funds, all other Debt Service Funds, all other Capital Projects Funds, and all Internal Service Funds. These combining fund statements and schedules of revenues, expenditures and changes in fund balance - budget and actual for individual funds – can be found immediately following the notes to financial statements.

Note: The numbers shown on the MD&A are either expressed in multiples of one thousand or million dollars while percentages are rounded to the nearest tenth or whole number. Hence, there may be slight differences between numbers on the MD&A and the numbers on the Basic Financial Statements.

Financial Highlights

The following are entity-wide financial highlights, covering both Governmental and Business-type activities:

- On June 30, 2022, the City's total net position was approximately \$30.484 million dollars, an increase (improvement) of \$39.035 million compared to the negative \$8.551 million as of June 30, 2021. The City's unrestricted net position, at a negative \$142.496 million, improved (decreased) by \$44.225 million dollars over the prior fiscal year.
- Total revenues from all sources were \$164.093 million while total expenses were \$125.058 million. Of the total revenues, program revenues totaled \$120.201 million while general revenues totaled \$43.892 million, net of transfers.
- The City's General Fund revenue and other financing sources exceeded expenses by \$7.131 million in the Fiscal Year 2021-22. The General Fund unassigned fund balance was \$9.844 million at the end of the fiscal year, an increase of \$4.969 million from FY 2020-21. Total fund balance as of June 30, 2022, was \$14.716 million, up from \$7.585 million the prior year.
- General Fund total revenues, including transfers in and proceeds from the sale of assets as June 30, 2022, was \$70.585 million, \$11.698 million higher than budget. This is due to an overall increase in sales and property tax revenues, as well as the recognition of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF).
- The General Fund expenditures as of June 30, 2022, including transfers out, were \$2.790 million under budget primarily due to lower-than-expected Public Safety, Public Works, Housing and Community Development and Capital Outlay expenses.
- The Transit enterprise fund ended Fiscal Year 2021-22 with a total net position of \$28.663 million, a \$15.202 million increase from the prior fiscal year.
- The City's Hilton Garden Inn ended the fiscal year with \$540 thousand in operating income (surplus), which increased total net position by \$271 thousand – to negative \$84 thousand from \$355 thousand the prior fiscal year.
- The Home2Suites ended the fiscal year with \$4.595 million in operating income (surplus), increasing net position by \$2.280 million – improving total net position to negative \$1.724 million from negative \$4.005 million the prior year.

These Financial Highlights, as well as other points, are discussed in greater detail in the body of this discussion and analysis, as well as the Notes to the Financial Statements. The following pages provide greater, in-depth detail on Government-wide financials, as well as Governmental and Business-type activities.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Government-wide Financial Analysis

The government-wide financial statements provide both long-term and short-term information about the City's overall financial position. This analysis addresses the financial statements of the City as a whole. The statement of net position includes all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The City's net position is a useful measurement of its financial health. Net position can be tracked over time to assess whether the City's financial health is improving or deteriorating. However, readers will need to consider other nonfinancial factors, such as changes in the City's property tax base, the condition of the City's infrastructure, and the level of public safety services to assess the overall health of the City.

The table below is the "Statement of Net Position," and provides net position information broken out by Governmental and Business-type activities, with totals and a comparison to amounts as of June 30, 2022:

City of Montebello Statement of Net Position June 30 (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2022	2021 (As Restated)	2022	2021	2022	2021 (As Restated)
Assets:						
Current and other assets	\$ 155,801	\$ 95,492	\$ 54,607	\$ 32,885	\$ 210,408	\$ 128,377
Capital assets	104,617	102,330	106,337	103,686	210,954	206,016
Total assets	260,418	197,822	160,944	136,571	421,362	334,393
Deferred outflows of resources	11,718	12,854	2,347	3,528	14,065	16,382
Liabilities:						
Long-term liabilities	208,001	205,816	114,154	117,940	322,155	323,756
Other liabilities	22,239	21,074	6,041	8,960	28,280	30,034
Total liabilities	230,240	226,890	120,195	126,900	350,435	353,790
Deferred inflows of resources	41,115	3,801	13,393	1,735	54,508	5,536
Net Position:						
Net investment in capital assets	79,728	76,851	34,949	30,182	114,677	107,033
Restricted	45,666	59,934	12,637	11,203	58,303	71,137
Unrestricted	(124,613)	(156,800)	(17,883)	(29,921)	(142,496)	(186,721)
Total net position	\$ 781	\$ (20,015)	\$ 29,703	\$ 11,464	\$ 30,484	\$ (8,551)

As mentioned in the "Financial Highlights" section above, the City's total net position was \$30.484 million as of June 30, 2022, an increase (improvement) of \$39.035 million compared to the negative net position of \$8.551 million in FY 2020-21. Included in the City's net position is \$114.677 million net investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure, improvements other than buildings, and construction in progress); less any related debt used to acquire those assets that remain outstanding. Capital assets, net of accumulated depreciation, increased by \$4.939 million, while current and other assets increased \$82.031 million.

The City uses capital assets to provide services to residents and the community at large; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, 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. Any remaining amount is restricted to spending agreements originated by law, contract, or other agreements with external parties.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Highlights of the key elements impacting the City's net position for the fiscal year ended June 30, 2022, are as follows:

- Governmental Activities total revenues before transfers exceeded total expenses by \$20.803 million, including transfers of negative \$7 thousand, the total positive change to net position was \$20.796 million.
- Business-type Activities total revenues before transfers exceeded total expenses by \$18.232 million, with the change in net position after transfers a positive \$18.239 million.
- Total Citywide expenses before transfers were \$125.058 million, a decrease of approximately \$2.704 million (-2.12%) compared to the preceding fiscal year.
- Total Citywide revenues before transfers were \$164.094 million, an increase of \$27.664 million (20.28%) compared to June 30, 2021.
- Revenues are classified into program and general revenues. Total program revenues (Governmental and Business-type activities combined) were approximately \$120.201 million, which are used to offset program expenses under each functional activity and are comprised of charges for services, operating and capital grants. General revenues of approximately \$43.892 million are used to offset the additional expenses net of program revenues and are comprised primarily of taxes (i.e., property, sales, franchise, etc.).
- The overall increase of 20.36% in total revenues (\$27.766 million) for the City was primarily due to increases in sales tax (\$3.109 million), Charges for Services (\$11.811 million), Capital Grants (\$5.032 million) and Operating Grants (\$9.152 million).
- The largest City-wide revenues came from four sources: charges for services (e.g. business license fees, building permits, hotel charges and bus fares) at \$43.575 million, operating grants and contributions (e.g. allocations of funds derived from Los Angeles County Metropolitan Transportation Authority Local Return Funds Propositions A and C, and Measures R and M, as well as asset forfeiture funds contributed from the Justice Department and US Treasury) at \$43.327 million, property taxes at \$6.565 million, and sales taxes at \$25.379 million. Property taxes exclude the property taxes derived from the 1946 voter approved initiative to provide restricted revenue to pay for the retirement benefit costs of City employees, which is recorded in a separate fund from the General Fund.
- Revenue from charges for services increased by \$11.811 million (37.18%), property tax increased by \$89 thousand (1.37%), sales taxes increased by \$3.109 million (13.96%) and Operating grants and contributions increased 24.59% (\$6.363 million).
- Total citywide expenses decreased by \$2.703 million, the net impact of decreases in Public Safety (\$22.975 million) and Transit (\$13.998 million); offset by increases to Public Works (\$13.329) million and Parks and Recreation (\$4.035 million).
- The cost of serving residents for the year (across Governmental and Business-type Activities) includes: \$31.790 million for public safety (police and fire); \$16.052 million for public works; \$29.280 million for transit (Montebello Bus Lines); \$13.983 million in general government; and \$5.407 million for parks, recreation and culture.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

The "Summary of Changes in Net Position" table below provides additional detail on changes to revenues, expenses and net position for the years ending June 30, 2021, and 2022.

City of Montebello Summary of Changes in Net Position (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2022	2021 (As Reclassified)	2022	2021	2022	2021 (As Reclassified)
Revenues						
Program revenues:						
Charges for services	\$ 18,412	\$ 14,399	\$ 25,163	\$ 17,365	\$ 43,575	\$ 31,764
Operating grants and contributions	32,243	25,777	26,342	23,233	58,585	49,010
Capital grants and contributions	2,162	1,207	15,879	11,802	18,041	13,009
General revenues:						
Sales taxes	25,379	22,270	-	-	25,379	22,270
Property taxes	6,565	6,476	-	-	6,565	6,476
Other taxes	10,562	10,032	-	-	10,562	10,032
Other revenues	2,071	3,289	-	-	2,071	3,289
Investment earnings	(762)	459	77	18	(685)	477
Total revenues	96,632	83,909	67,461	52,418	164,093	136,327
Expenses						
General government	13,983	2,487	-	-	13,983	2,487
Public safety	31,790	54,765	-	-	31,790	54,765
Public works	16,052	2,723	-	-	16,052	2,723
Parks, culture, and recreation	5,407	1,372	-	-	5,407	1,372
Housing and community development	2,347	644	-	-	2,347	644
Transit	-	-	29,280	43,278	29,280	43,278
Golf course	-	-	2,735	2,870	2,735	2,870
Montebello Hilton	-	-	5,089	3,367	5,089	3,367
Home2suites	-	-	9,782	7,993	9,782	7,993
Water	-	-	2,343	2,297	2,343	2,297
Interest on long-term debt	5,549	5,252	-	-	5,549	5,252
Unallocated infrastructure depreciation	701	713	-	-	701	713
Total expenses	75,829	67,956	49,229	59,805	125,058	127,761
Change in net position before transfers	20,803	15,953	18,232	(7,387)	39,035	8,566
Transfers	(7)	(518)	7	518	-	-
Change in net position after transfers	20,796	15,435	18,239	(6,869)	39,035	8,566
Net position - beginning of year, as restated	(20,015)	(35,450)	11,464	18,333	(8,551)	(17,117)
Net position - end of year	\$ 781	\$ (20,015)	\$ 29,703	\$ 11,464	\$ 30,484	\$ (8,551)

See Note 16 Prior Period Adjustments affecting the restatement of Net Position

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

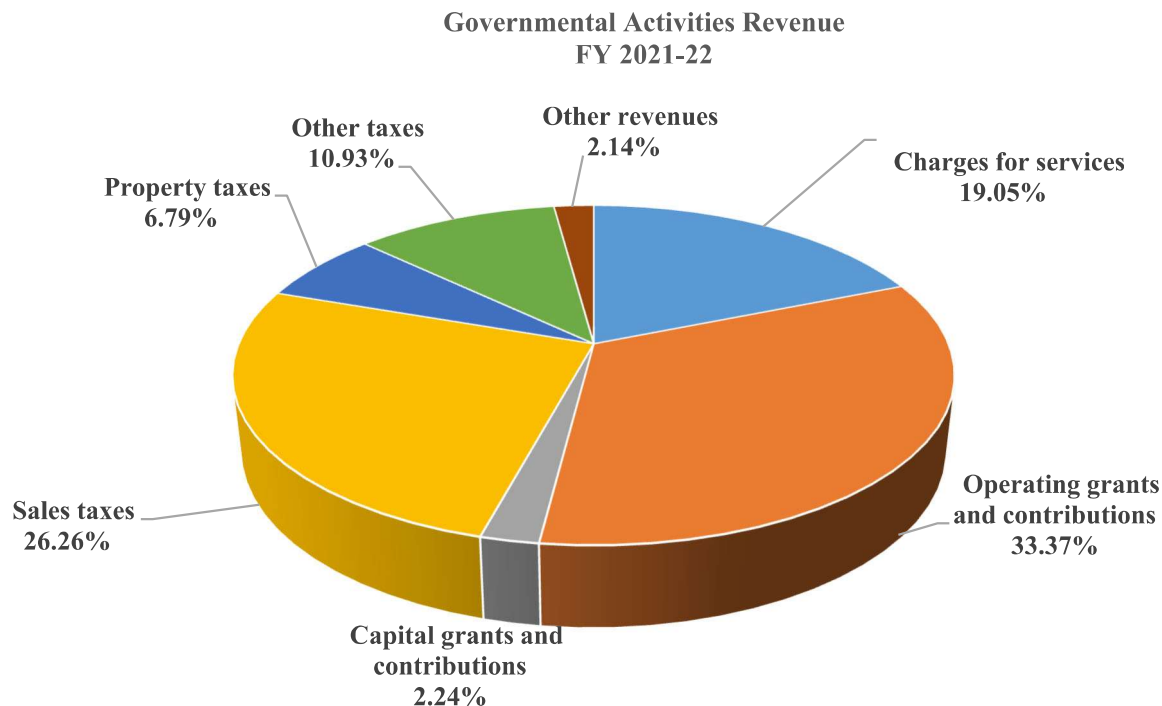
Governmental Activities

- As reflected in the Statement of Activities schedule above, Governmental activities increased the City's total net position (after transfers) by \$20.796 million, a 34.73% increase from June 30, 2021.

Key factors of this change in governmental activities include the following:

Revenues:

The pie chart below shows the relative percentage each major category of revenue (program and general) comprises of the \$96.632 million in total Governmental Activities revenue.

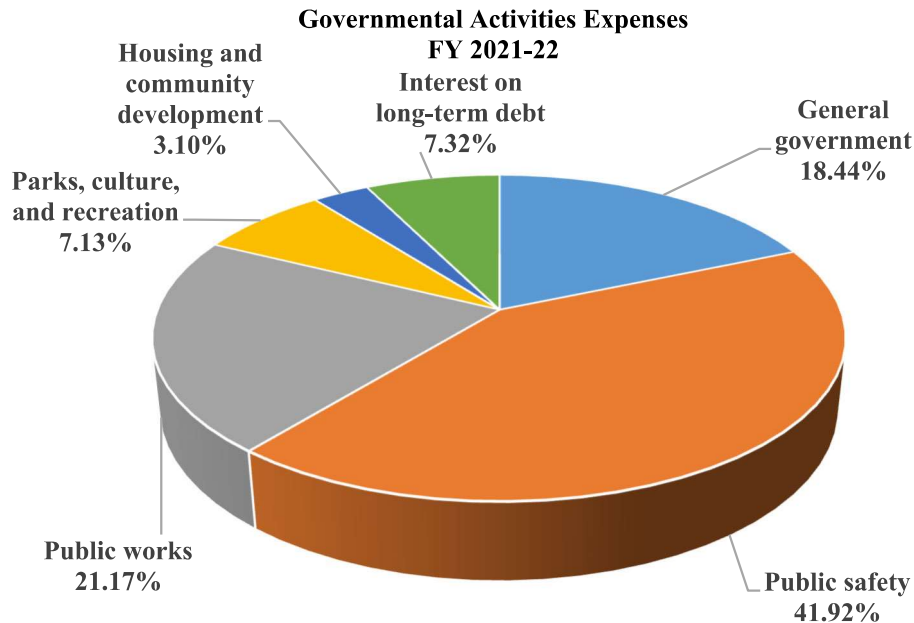


- Total governmental activities revenues increased by \$12.723 million (15.16%). This is mainly due to increases in three revenue categories: Charges for Services (\$4.013 million), Operating Grants (\$6.466 million) and Sales Taxes (\$3.109 million).
- Sales tax revenues were the largest portion of total governmental activities revenues (26.26%). Sales tax revenues increased by \$3.109 million, to \$25.379 million as of June 30, 2022.
- Property tax revenues were the second largest revenue source for governmental activities (22.25%). This includes the 1946 voter-approved retirement portion of property tax (e.g., property tax override). Property tax revenues exclude the property tax override increased slightly by \$89 thousand (1.37%).
- Charges for services were the third largest source of revenue for governmental activities (19.05%). Charges for services in governmental funds include licenses and permits, fines and forfeitures, waste collection, etc. Compared to the prior fiscal year, this program revenue increased by approximately \$4.013 million, or 27.87%.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Expenses:

The cost of providing all governmental activities in 2022 was \$75.829 million, an increase in expenses of \$7.873 million (11.59%) when compared to June 30, 2021. There were increases and decreases to different categories, causing the overall net increase. General Government and Public Works increased \$11.496 million and \$13.329 million respectively, offsetting a decrease of \$22.975 million in Public Safety.



Program revenues of \$52.817 million offset a portion of the \$75.829 million in Governmental Activities expenses, with general revenues used to offset \$23.013 million of governmental activities expenses considered “public benefit.” This portion of expenses is funded by general revenues – which are primarily derived from taxes (i.e., sales, property, transient occupancy, etc.).

Business-type Activities

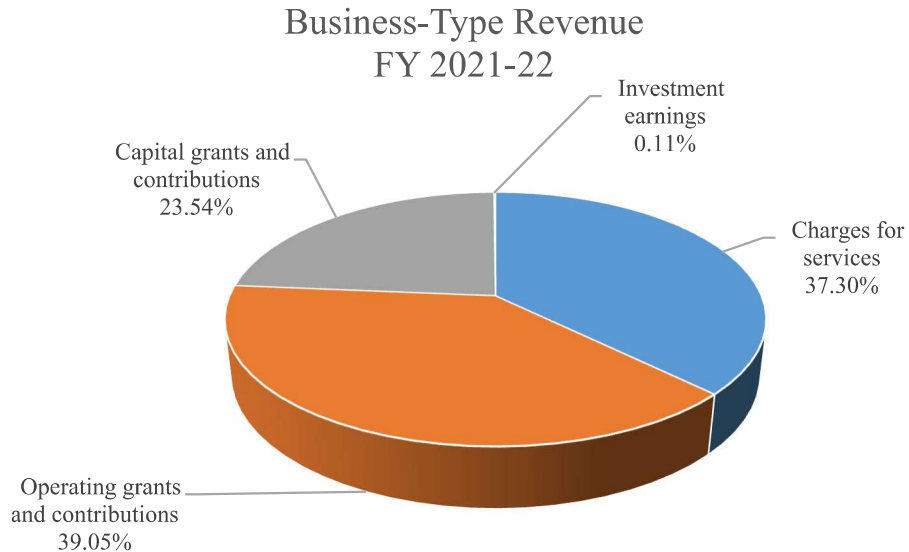
The City operates the following business-type activities: Transit System (i.e., Montebello Bus Lines), Golf Course, Hilton Garden Inn, Home2Suites, and Water Utility. The City’s Transit System is the largest business-type operation (as defined by operating expenses), followed by Home2Suites, the Hilton Garden Inn, the Golf Course and the Water Fund.

Business-type activities increased the City’s net position before transfers by \$18.239 million, an increase of \$25.109 million as compared to the prior year, primarily a result of an increase in revenue (\$15.043 million) and a decrease in expenses (\$10.576 million).

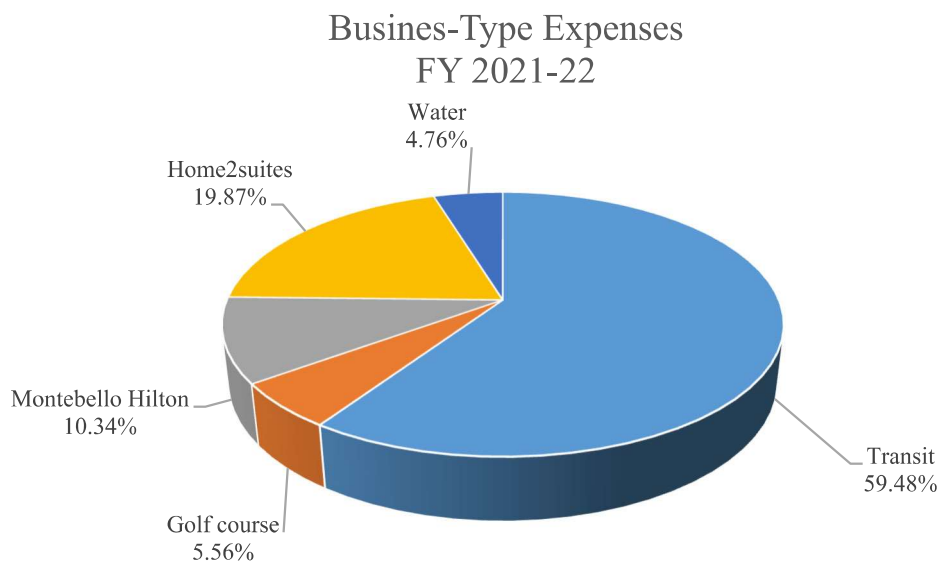
Total revenues for business-type activities were \$67.461 million, compared to \$52.418 million in the previous fiscal year, constituting a 28.70% increase. The overall change is due to a \$7.798 million increase in Charges for Services, a \$4.077 million increase in Capital Grants and an increase of \$3.109 million in Operating Grants.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

The pie chart below shows the ratio that various program revenues comprise of the total amount of Business-type Activities revenue. Approximately 37.30% of revenue came from Charges for Services, which was generated from bus fares, special contracts, revenue from hotel room fees and golf course green fees, while the remaining 62.70% comes from State and Federal subsidies in the form primarily of Transit related grants and related revenue from Federal, State and local (i.e., Los Angeles County Metropolitan Transportation Authority) agencies.



Business-type Activities expenses decreased \$10.576 million in FY 2021-22 when compared to the prior fiscal year. The pie chart below shows the composition that each operation comprises of total Business-type expenses:



City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

- The Transit System reported operating revenues of \$28.539 million, a \$3.930 million increase (15.97%) when compared to FY 2020-21. Charges for Services were up \$731 thousand, primarily due to the return to normal bus operations as pandemic restrictions were lifted. There were also increases in Federal and State transit assistance and Local Return Funds (Metro) funding. Operating expenses in FY 2021-22 were \$27.846 million, a \$13.873 million decrease from the prior fiscal year. The \$13.761 million decrease in Salaries and Benefits year over year was responsible for the total decrease in expenses. Net position increased by \$15.202 million.
- The City's Golf Course's operating revenue was essentially unchanged year over year: \$2.945 million as of June 30, 2022 vs. \$2.967 million the prior year. Operating expenses decreased by \$167 thousand. As a result, the Golf Fund ended the fiscal year with a net income (surplus) before transfers in of \$210 thousand.
- The Hilton Garden Inn reflected operating net income of \$540 thousand, a vast improvement over the net loss of \$1.023 million in FY 2020-21. The net income (surplus) is attributable to the recovering economy and the return of leisure and business travelers, leading to a direct increase in total occupancy. Operating revenues increased \$3.285 million, and operating expenses increased by \$1.722 million. Total change in net position was a positive \$271 thousand.
- The Montebello Home2Suites reflected operating net income of \$4.596 million, an increase from FY 2020-21 of \$1.850 million. Operating revenue was \$12.050 million, a significant increase over FY 2020-21 revenue of \$8.358 million. As the economy recovers from the pandemic, a return to leisure and business travel has positively impacted the hotel's operations. Total net position increased by \$2.280 million.
- The City's Water Fund increased its net position by \$269 thousand, ending FY 2021-22 with total net position of \$1.692 million. It should be noted that the California Public Utilities Commission (PUC) approved the sale of the City's water system in December, 2022. The City expects the sale to be completed in FY 2022-23. Future financial statements will reflect the sale and closing out of this fund.

Governmental Funds Financial Analysis (Reporting the City's most Significant Funds)

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information may be useful in assessing the City's financing requirements, in particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2022, the City's governmental funds (i.e., major funds such as the General Fund, Retirement Fund, Local Return Funds, etc.) reported total combined ending fund balances of \$74.694 million, an increase of \$10.800 million as compared with the prior fiscal year. All governmental fund balances are either non-spendable, restricted, committed, assigned, or unassigned pursuant to GASB 54.

Non-spendable indicates they are fund balances tied to inventories, prepaid expenses and property held for sale. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. These restrictions of fund balance are to indicate that portions of fund balance are not available for new spending, because they have already been committed to 1) finance Special Revenue Fund expenditures, 2) pay debt service, or 3) finance ongoing capital projects.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Amounts in the *committed* fund balance are constrained for specific purposes that are internally imposed by the government through formal written action of the City Council. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. The City has not designated committed or assigned fund balances as of June 30, 2022 (see next paragraph for further explanation). *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

It should be noted that updated comprehensive reserve policies were originally adopted by the City Council in June 2020 and have been presented for formal adoption as part of the budget process every fiscal year since. These reserve policies created commitments and assignments in line with GASB 54, detailing specific uses for the commitments or assignments such as "Economic Uncertainty" or "Capital Projects.": These new policies, and the assignment of portions of the General Fund's fund balance, will be fully implemented once total fund balance levels have risen to a point where the reserve categories can be fully funded. A complete copy of the reserve policies can be found in the City's adopted budget.

General Fund is the City's main operating fund. It is used to account for revenues and expenditures necessary to perform basic government functions that are not accounted for through other special revenue and grant funds. These are the typical services residents see daily: police and fire service, street maintenance, community services programming, etc.

The table below presents a comparison of General Fund revenues, expenditures, and fund balance. The General Fund saw an increase in fund balance of \$7.131 million. Fund Balance is now 22.0% of Operating Revenues.

City of Montebello
General Fund
As of June 30
(in thousands)

	2022	2021	Change	
			Amount	%
Operating revenues	\$ 66,904	\$ 56,114	\$ 10,790	19%
Operating expenditures	63,454	66,860	(3,406)	-5%
Excess of revenues over (under) expenditures	3,450	(10,746)	7,384	-69%
Net operating transfers	3,637	3,099	538	17%
Proceeds from capital lease/sale of assets	44	5,785	(5,741)	-99%
Surplus	7,131	(1,862)	8,993	-483%
Beginning fund balance	7,585	9,447	(1,862)	-20%
Ending fund balance	\$ 14,716	\$ 7,585	\$ 7,131	94%

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

The key factors positively impacting fund balance of the General Fund for FY 2021-22 are as follows:

- General Fund operating revenues (i.e., taxes, charges for services, licenses and permits, etc.) increased by \$10.790 million (19.23%) from the prior year which is primarily due to the overall increase in sales tax (\$3.109 million), Licenses and Permits (\$2.037 million) and Intergovernmental (\$5.215 million). The increase in sales tax is due to two primary reasons: the recovering economy as pandemic related restrictions ease and consumers remain active in the retail economy; and the continued local improvement of the recently enacted (March 2020) Measure H Transaction and Use Tax revenue stream. The increase to Intergovernmental revenue is from the recognition of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF).
- General Fund expenditures decreased year-over-year by \$3.406 million. There were year-over-year savings in some areas (i.e., General Government, Public Works, Public Safety) which offset increases in Parks and Recreation and Housing and Community Development. Capital related expenses in the General Fund were also less in FY 2021-22 when compared to the prior year.

The table below provides detail of General Fund revenue by major category for FY 2021-22 and FY 2020-21 for comparison purposes:

City of Montebello							
General Fund							
As of June 30							
(In thousands)							
	Budgeted Amounts		2022	Variance with Final Budget	2021	Variance with Prior	
	Original	Final	Actual	Positive (Negative)	Actual	Year	
Revenues							
Sales taxes	\$ 20,765	\$ 20,765	\$ 25,379	\$ 4,614	\$ 22,270	\$ 3,109	
Property taxes	14,293	14,293	14,195	(98)	13,715	480	
Other taxes	610	610	631	21	477	154	
Franchise taxes	2,163	2,163	2,301	138	2,316	(15)	
Licenses and permits	6,101	6,101	7,806	1,705	5,769	2,037	
Fines and forfeitures	2,250	2,250	2,512	262	2,312	200	
Investment income	225	225	(869)	(1,094)	77	(946)	
Intergovernmental	8	8	6,311	6,303	1,096	5,215	
Charges for services	7,806	7,806	8,077	271	6,317	1,760	
Proceeds from sale of property	-	-	44	44	-	44	
Other revenue	558	558	560	2	1,763	(1,203)	
Total revenues	\$ 54,779	\$ 54,779	\$ 66,947	\$ 12,168	\$ 56,112	\$ 10,835	

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Retirement Fund is reserved for the payment of retirement expenses (both Normal Cost and Unfunded Accrued Liability) for all employees of the City. The Retirement Fund is financed by the retirement portion of the property tax revenue (i.e., property tax override) pursuant to a 1946 voter approved initiative to provide for the retirement benefit costs of City employees. The City's Retirement Fund increased fund balance by \$3.436 million as of June 30, 2022, to a total of \$21.047 million. The largest expense is the \$11.041 million in Transfers Out related to the reimbursement of General Fund pension costs and payment of debt service on the \$153.4 million in Pension Obligation Bonds issued in 2020.

Transportation and Street Improvement Funds category is used to account for the activity of Los Angeles County Metropolitan Transportation Authority (Metro) Local Return Funds and State of California Gas Tax funds. This is a new presentation of these funds for FY 2021-22, combining activity to better illustrate the revenue and expenses related to street and roads funds. During the year ended June 30, 2022, fund balance decreased by \$430 thousand. The combination of operating expenses – utilized for capital and maintenance projects – and Transfers Out – utilized to record debt service on the Sales Tax Revenue Bonds Series 2019ABC -- exceeded operating revenues.

Public Financing Authority Debt Service Fund is used to account for the accumulation of resources required for the payment of interest and principal on all revenue bonds issued by the Public Financing Authority. As of June 30, 2022 fund balance decreased slightly by \$6 thousand. This fund is designed to act as a conduit for payment of debt service: expenses generally equal Transfers In (revenue).

Capital Asset and Debt Administration

Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2022 amounted to \$210.954 million, net of accumulated depreciation, a \$5.627 million increase over the prior year. Capital assets include land, buildings, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The table below provides a year-over-year comparison of capital assets (net of depreciation), broken out by Governmental Activities and Business-type Activities:

City of Montebello Summary of Capital Assets, Net of Depreciation As of June 30 (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021 (As Restated)	2022	2021 (As Restated)
Land	\$ 2,731	\$ 2,378	\$ 6,307	\$ 6,307	\$ 9,038	\$ 8,685
Rights of way	14,392	14,392	-	-	14,392	14,392
Construction in progress	25,208	32,503	13,431	4,920	38,639	37,423
Buildings and improvements	41,605	30,872	70,715	73,268	112,320	104,140
Machinery and equipment	7,546	8,319	15,884	18,502	23,430	26,821
Infrastructure	13,135	13,866	-	-	13,135	13,866
	<u>\$ 104,617</u>	<u>\$ 102,330</u>	<u>\$ 106,337</u>	<u>\$ 102,997</u>	<u>\$ 210,954</u>	<u>\$ 205,327</u>

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

The capital asset classes include:

- Sewer system, including sewer pipes, pumping stations, manholes, and laterals;
- Storm drain system, including storm drain pipes, flood control channels, and catch basins;
- Streets, including pavement, curb and gutter, sidewalks, medians, greenways, block walls and traffic signals;
- Buildings, including building remodels, building lighting systems, building equipment, and building roofs; and
- Parks, including associated structures and infrastructure assets.

Major capital asset transactions during the current fiscal year included the following additions to values:

- Purchased a new property for \$352 thousand (612 W. Whittier)
- Completion of portions of the bond financed "Paving the Way" project added \$2.9 million in asset value (re-paved/re-built streets and roadways increased overall asset value)
- Completion of the Montebello Blvd project added \$8.4 million in capital asset value

Additional information on the City's capital assets can be found in Note 5 to the basic financial statements section of this report.

Long-Term Debt

At the end of Fiscal Year 2021-22, the City had total debt outstanding of \$322.155 million, a decrease of \$1.602 million compared to the prior year.

The outstanding debt includes \$102.692 million of revenue bonds and \$143.015 of pension obligation bonds. Claims payable of \$27.445 million is a \$3.844 million increase over the prior year. Compensated absences also increased, by \$2.595 million of a total of \$6.867 million. The City's Other Postemployment Benefit Obligation (OPEB) amount – as determined by the updated GASB 75 valuation – increased to \$33.697 million from \$30.359 million.

The table below provides an overview and comparison of the various types of long-term debt:

City of Montebello Summary of Long-term Debt As of June 30 (in thousands)							
	Governmental Activities		Business-type Activities		Total		
	2022	2021 (As Restated)	2022	2021	2022	2021 (As Restated)	
Revenue bonds, net	\$ 32,659	\$ 35,014	\$ 70,033	\$ 71,761	\$ 102,692	\$ 106,775	
Pension bonds, net	104,873	108,679	38,142	39,526	143,015	148,205	
Claims payable	27,445	23,601	-	-	27,445	23,601	
Notes payable	6,742	7,803	863	1,099	7,605	8,901	
Capital lease obligation	784	1,403	50	240	834	1,643	
Compensated absences	5,592	2,977	1,275	1,295	6,867	4,272	
Other postemployment benefit obligation	29,906	26,339	3,791	4,020	33,697	30,359	
Sub total	208,001	205,816	114,154	117,940	322,155	323,757	
Less current portion	16,569	16,162	4,558	3,968	21,127	20,130	
Noncurrent portion	\$ 191,432	\$ 189,655	\$ 109,596	\$ 113,972	\$ 301,028	\$ 303,627	

Additional information on the City's long-term debt can be found in Note 6 to the basic financial statements section of this report.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Credit Rating

As of the date of this ACFR, the City S&P issuer credit rating (ICR) is "A+", with the underlying credit rating on the City's outstanding lease revenue bonds is "A", with a "stable" outlook. These latest ratings were reaffirmed when the City issued \$15.140 million in Lease Revenue Bonds, Series 2022A, which will be used to refurbish and reconstruct the City's public golf course. The outlook for all ratings is "stable." It should be noted that the "A+" ICR reflects S&P's view of the City's general creditworthiness.

Organizational and Economic Overview

The financial statements and commentary found in the prior two ACFR's has been dominated by the impacts of the Coronavirus pandemic. For the results as of June 30, 2022, these impacts have lessened and there appears to be a return to "pre-pandemic" economic and financial activity. Overall, the local Montebello economy appears to be healthy, as evidence by continued strong sales and transaction and use tax performance. Also, the City's two hotels are performing well, seeing occupancy rates at or near levels last since in 2019.

For most of FY 2021-22, the discussion surrounding the economy focused on inflation, and the various causes of the generationally high inflation rate and methods used by the Federal Reserve to temper its impacts on the economy. Hand-in-hand with the inflation discussion has been predictions of if and or when a recession would hit the U.S. economy.

A recent Deloitte Insights economic update stated "Is a recession on the horizon? That's been a key question for the US economy for the past six months. So far, its safe to say that the recession is mostly in people's minds." This statement is based on actual economic activity – as measured by job gains, industrial production and retail sales – remaining strong and indicating growth. External forces and pressures such as the war in Ukraine or housing market problems in China do not impact the United States as much as other nations. While these major issues undoubtedly impact millions around the world, the US economy is not as exposed to these problems as some analysts assume.

The Deloitte Insights analysis goes on to say the real case for recession involves the Federal Reserve's actions to slow the economy. Many analysts see the increase in the Fed funds rate leading to a recession. However, comparing current Fed funds rate increases to those of the early 1980's, the rate of increase has been slower. And while the increase to the Fed funds rate in the early 1980's did lead to recessions, "it took a lot more tightening than we've seen so far this time around." Moreover, the case can be made the US economy may be less sensitive to interest rates than in prior years.

Regardless of these impact's overall effect on the economy, many analysts see a recession in 2023 as more than likely. The key question is how deep and prolonged such a recession could be. Given the impact consumers have on the economy – nationally, regionally and most importantly locally – it is prudent to focus on retail activity as an indicator of both short and long-term economic growth. Consumer spending could return to pre-pandemic patterns: less on durable goods and more on services. One forecast shows durable goods spending levelling off in 2023 and beyond, with a steady increase in services spending, that could surpass spending on non-durables.

These forecasts still show a steady increase in spending in these areas, even if the pandemic trend of spending in durables levels off. The key point is that consumers will continue to spend, at levels above those seen pre-pandemic. That is important to Montebello, since 36.6% of General Fund revenue comes from sales tax. So long as retail activity remains robust – even as inflation continues to be elevated – the City can count on healthy sales tax revenue. It should be noted that out-year sales tax projections are tempered, indicating growth rates under two percent (2.0%).

For this and other reasons, it is imperative that Montebello's economic development activities promote projects that expand the City's sales tax base. Looking ahead, there is much to be excited about in Montebello in this arena, with several projects underway in FY 2022-23 that will contribute to the City's long-term economic health and viability.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

The issuance of \$15.140 million in lease revenue bonds in September, 2022 will usher in a new era for the City's public golf course. These proceeds will be used to completely reconstruct the existing golf course, creating a championship 9-hole course, a 6-hole "executive" course, and adding lights for the ability to play golf during evening hours. This project will help the Golf Course reduce – even eliminate – the subsidy required from the General Fund.

Connected to the Golf Course Renovation Project is the construction of a Topgolf facility on 15 acres of the existing golf course property. This project will be funded with the \$55.4 million in lease revenue bonds issued in December, 2022. In a unique financing arrangement, the Public Financing Authority issued the bonds, with a sub-lease and guaranty tied to the issuance that requires Topgolf to pay the annual debt service. The completed Topgolf facility will be a three-story entertainment and event center, featuring 102 hitting bays, a restaurant, meeting space and a pro shop. In addition to the commitment to pay annual debt service, Topgolf will pay an annual lease for the use of City property. In addition, the facility will generate sales tax revenue, which will help boost overall General Fund revenue.

In addition to these exciting capital projects and economic development initiatives, the City finally received approval from the Public Utilities Commission (PUC) to sell its water system. The PUC decision was finalized in December 2022, and escrow is estimated to close in February 2023. The sale of the water system to San Gabriel Valley Water Company (SGVWC) concludes a long saga of the City attempting to sell its water system. The State Auditor, in its December 2018 report, recommended the City pursue the sale, and the October 2021 follow up report noted this recommendation and continued to support the sale. The \$15.8 million in proceeds the City will receive will help boost its General Fund reserves in FY 2022-23.

As noted in the preceding pages, the General Fund's fund balance increased to \$14.716 million as of June 30, 2022. The proceeds from the sale of the water system will more than double these reserves, allowing the City to begin following its adopted GASB 54 compliant reserve policies (first adopted in June, 2020).

In FY 2021-22, the City began much needed work to upgrade its information technology infrastructure. This project will be funded using a portion of the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) revenue the City received between May 2021 and 2022. The total \$16.59 million in CSLFRF revenue received by Montebello has been categorized as "revenue loss," as permitted by U.S. Treasury Interim Final and Final Rules. This much needed funding has allowed the City to fast-track the technology upgrade, improving security, storage and productivity hardware and software. The project will continue in subsequent fiscal years, with completion anticipated sometime in FY 2023-24.

- These are just a few highlights of the many projects underway in Montebello that are aimed at improving residents' lives and helping to put the City on a long-term path to financial stability and sustainability. Some other projects that either began or were continued into FY 2021-22 are the following: Issuance of \$15.140 million in bonds to fully renovate and rejuvenate the City's public golf course
- Issuing bonds to construct a Topgolf on 15 acres of the City's public golf course
- Substantial completion of "Paving the Way" projects that improved residential street and road conditions
- Major repairs to the City's again sewer system
- Expansion of the Montebello Community Assistance Program (MCAP), aimed at helping the City's unhoused population
- Approval of a Housing Element by the State's Housing and Community Development Department, making Montebello only the second city in Los Angeles County to have a current approved plan
- Significant progress on the City's General Plan update, the first in over forty years
- Completion of a park and facilities needs assessment study and master plan
- Completion of significant facility repair and upgrade projects, eliminating years of deferred maintenance on key City facilities
- Introduction of improved purchasing and procurement guidelines
- Receiving the Government Finance Officers Association (GFOA) award for budget preparation for the second time in the history of the City

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Management and the City Council continue to be dedicated to improving Montebello's long-term sustainability. Pursuing projects that are externally and internally focused – capital and infrastructure projects as well as organizational improvements – will strengthen Montebello's abilities to weather changes in the economy as well as the “next pandemic,” in whatever form that may appear.

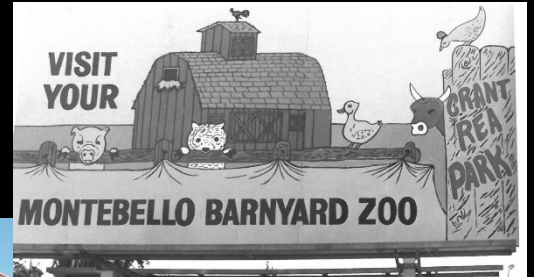
Requests for Information

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 of the information provided in this report can be answered by visiting the City's website at www.montebelocala.gov.



City of Montebello, California

Annual Comprehensive Financial Report



Fiscal Year Ended

June 30, 2022



MONTEBELLO
ELEVATE

City of Montebello

Montebello, California

Annual Comprehensive Financial Report

For the Year Ended June 30, 2022

Prepared by:
Finance Department

City of Montebello
Annual Comprehensive Financial Report
For the Year Ended June 30, 2022

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CITY OF MONTEBELLO

DEPARTMENT OF FINANCE

March 2, 2023

Honorable Mayor and Members of the City Council:

The Annual Comprehensive Financial Report (ACFR) of the City of Montebello for the fiscal year ended June 30, 2022 is submitted as prepared by the City's Finance Department. The report is published to provide the City Council, community and other interested parties detailed financial and operational information about the City for the previous fiscal year. The financial statements are audited by a third-party accounting firm, providing assurance to the public that the City's financial reporting and associated operations meet or exceed generally accepted accounting and auditing standards.

The ACFR is presented in three sections: the **Introductory Section**, the **Financial Section**, and the **Statistical Section**. The Management Discussion and Analysis (MD&A) is the most useful for readers of the ACFR to find a general overview of the City's financial condition at year-end, providing highlights of significant changes or key events impacting year-end financial results.

Responsibility for both the accuracy of the financial report and the completeness and fairness of the presentation rests with the City. To the best of our knowledge, the information presented is accurate in all material aspects and includes all disclosures necessary to enable the reader to gain an understanding of the City's financial activities.

The City prepared the ACFR using the financial reporting requirements outlined in the Governmental Accounting Standards Board (GASB) Statement No. 34. This statement requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A) section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors in the financial section of the ACFR.

The City requires that its financial statements be audited by an independent, accredited auditing firm on an annual basis. This requirement has been satisfied, and the auditor's opinion is included in the financial section of this report.

In addition, the City is required to undergo an annual single audit to conform to the provisions of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). This requirement has also been satisfied, with the single audit published separately as a stand-alone document.

THE FINANCIAL REPORTING ENTITY

This report includes activity of all funds of the City, with presentation in the ACFR being done on a major vs. other funds basis. All funds have their appropriations approved by the governing body



CITY OF MONTEBELLO

DEPARTMENT OF FINANCE

(i.e., City Council) through the annual budget development process. In addition to the General Fund, other governmental and enterprise funds are utilized to record financial activity. Each fund is appropriated annually, and includes the General Fund, Proposition A, Proposition C, Measure M, Measure R, HOME, Community Development Block Grant (CDBG), Gas Tax, Grants (non-Transit), Asset Forfeiture, Grants (Transit), Debt Service, Retirement, Asset Forfeiture, etc. Revenue and expenditures are appropriated through the budget process, with the FY 2021-22 budget (all funds) adopted at a regular City Council meeting in June 2021, and amended as needed throughout the fiscal year.

The City of Montebello provides a full range of municipal services including police and fire protection, street maintenance, transit (Montebello Bus Lines) planning and community development, parks and recreation services, financial planning, treasury management, information technology, human resources, engineering and general administration.

Montebello also operates several enterprise funds, which include a municipal golf course, a transportation system (Montebello Bus Lines), and two hotels (i.e., Hilton Garden Inn and Home2Suites). Enterprise funds are financed from user charges (e.g., green fees, room charges, bus fares, etc.) and revenue from other governmental agencies (e.g., Los Angeles County Metropolitan Transportation Authority funding for fixed transit lines), as applicable. It should be noted that the City will be finalizing the sale of its water system in the subsequent fiscal year (FY 2022-23). Subsequent financial reports and ACFRs will include appropriate updates once the sale is completed.

ACCOUNTING SYSTEM

The modified accrual basis of accounting is followed for governmental fund types and the accrual basis of accounting is followed for proprietary and fiduciary fund types. In reviewing and developing the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding:

- The safeguarding of assets against losses from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability for assets.
- The concept of reasonable assurance recognizes that the cost control procedures should not exceed the benefits likely to be derived and that the evaluation of costs and benefits require estimates and judgment by management.
- All internal control evaluations occur within the above framework.

As discussed more fully below, management has made a concerted effort to improve internal controls by updating the Municipal Code, creating and implementing new procedures and policies, and generally ensuring internal policies and procedures are efficient while not sacrificing requisite safeguards against fraud, waste and abuse.



CITY OF MONTEBELLO

DEPARTMENT OF FINANCE

BUDGETARY CONTROL

In addition to internal accounting controls, the City also maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with the City's budget policy approved by the City Council as incorporated in the budget adoption resolution. Appropriations of the General Fund, special revenue funds, debt service funds, and capital project funds are included in the annual approved budget. The City's adopted budget document includes detailed information about the approval process. A budget calendar, various budget schedules and related policies can be found in that document.

Budgetary control is maintained at a functional level by division within the department through the use of object level accounting as actual expenditures are compared to appropriations. As purchase orders are approved, appropriations are encumbered. Encumbrances and expenditures, which would cause an overrun of appropriations, require an approved budget transfer, which is reviewed and approved by the Director of Finance, pursuant to the Annual Budget Resolution and the Municipal Code. The City's Capital Improvement Program (CIP) is adopted at the same time as the operational budget and includes various street and infrastructure improvement projects. Any action to increase total appropriations requires approval by a majority vote of the City Council.

IMPROVEMENTS TO INTERNAL CONTROLS

The City responded positively and decisively to the 2021 State Auditor's update report (published in October 2021, Report #2021-807). The 2021 audit report was a follow up to the 2018 report and was mandated by State Government Code to be completed. Both audit reports – published by the State Auditors "High Risk Agency" group – provided numerous recommendations for improving different areas of management and internal controls. The 2021 update report focused primarily on the City's purchasing and procurement processes and made recommendations for improvements.

Over the span of the last five years – dating back to the initial 2018 audit report – the City has put into place numerous new procedures and policies directly aimed at responding to the audit reports' recommendations. The City's municipal code chapters dealing with purchasing and procurement were updated in March 2019 and again in February 2022 – utilizing best practice language found in neighboring cities' municipal code and aimed at improving and professionalizing Montebello's procurement practices. In addition, citywide purchasing training has been conducted on numerous occasions since 2019. Several new administrative policies were developed that addressed the areas of weakness identified by the State Auditor (i.e., petty cash, credit cards, hotel financial reporting, etc.), while other existing policies were updated to incorporate recommendations from the audit reports.

As required, management provides status reports to the City Council at regular meetings, which are then forwarded to the State Auditor to show the City's progress towards meeting the audit report recommendations. These "corrective action plans" serve as the primary method the City



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uses to communicate progress to the State Auditor. As of May 2022, the State Auditor has indicated satisfaction of the majority of recommendations included in the 2021 report.

Staff continues to focus on the remaining four recommendations outstanding and anticipates meeting the State Auditor's threshold for satisfying all remaining recommendations by the end of FY 2022-23. The improvements made in organizational management and internal controls indicate that Montebello is making positive strides in ensuring future financial stability, as well as putting into place internal controls that ensure public funds are managed and spent wisely.

ADOPTION OF FORMAL RESERVE POLICIES

Besides improvements to internal controls – through the publication and operationalization of updated policies – the City is demonstrating its commitment to fiscal sustainability by the adoption of General Fund reserve policies. The City Council first adopted comprehensive reserve policies in June 2020, as part of the City's operating and capital budget. These policies are incorporated into the adopted budget document and are presented annually for review and approval by the City Council, which has been done since 2020.

Having such written policies in place indicates to third parties (i.e., credit rating agencies) that Montebello has a clear plan for how to manage General Fund reserves – spendable and non-spendable. Fully compliant with GASB 54, the policies establish distinct reserve categories for various uses:

- Economic Uncertainties
- Unfunded Liabilities
- Equipment/Technology Replacement and Upgrade
- Capital Improvement (Unfunded/Un-programmed)
- Deferred Maintenance
- Insurance – Risk Management
- Economic Sustainability

Each reserve category sets aside a specific amount – either a fixed dollar amount or an amount calculated as a percentage of prior year operating revenues. The policy, per GASB 54, makes "commitments" or "assignments," and describes the method by which each reserve can be utilized. Furthermore, the policy includes the method for replenishing the various reserve buckets, should they be used and fall below the pre-scribed amounts.

Since adoption, the City's General Fund reserve balance has not been sufficient to operationalize the reserve policies. However, as was seen with the financial results as of June 30, 2022, fund balance continues to grow. Ending fund balance in the General Fund was \$14.716 million, a \$7.131 million increase from the prior year. Comprising 22.0% of operating revenues, the fund balance is nearly at a level for the reserve policy categories to be in operation. Based on current forecasts, Staff anticipates making the GASB 54 commitments and assignments as of June 30, 2023.



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GENERAL INFORMATION AND ECONOMIC OUTLOOK

The City of Montebello was incorporated on October 16, 1920 and is progressing positively into its second century of existence. The City is a general law city and functions under the City Council-Manager form of government. The City is governed by a legislative body of five City Councilmembers elected by district (as of November 2022) and serving staggered, four-year terms, with the Mayor and Mayor Pro-Team selected by fellow Councilmembers. The City Clerk and City Treasurer are also elected to four-year terms. The City Manager and City Attorney are appointed by the City Council.

Montebello is located nine miles east of the Los Angeles Civic Center, with access to three freeways – the Santa Ana 5 Freeway to the south, the Pomona 60 Freeway to the north, and the San Gabriel River 605 Freeway to the east. The City has a population of approximately 64,000 living in an area of 8.2 square miles. The City is a balanced community with industrial, residential, and commercial areas.

Fiscal Year 2021-22 continued to be driven by the impacts of the coronavirus pandemic and the social and economic effects related to the public response to containing the virus' spread – albeit a more positive trend as restrictions eased or ended and life (social and economic) began to return to pre-pandemic patterns. The local Montebello economy proved itself resilient, as sales tax showed strong growth, and the City's two hotels' occupancy rates returned to pre-pandemic levels.

Early in the pandemic (Spring and Summer, 2020), various State and County stay at home orders – implemented to “flatten the curve” and protect the public – negatively impacted sales tax generating retail operations throughout the City for FY 2019-20 and into FY 2020-21. With sales tax comprising thirty-eight percent of General Fund revenue (FY 2021-22 adopted budget), any impacts – positive or negative – directly impact the organization as a whole and its ability to fund operations. Actual sales tax (all sources) for FY 2021-22 was \$25.379 million, versus a budget of \$20.765 million. The FY 2021-22 results compare positively to the prior year, with sales tax up \$3.109 million year-over-year.

In addition to general retail activity performing better than originally forecast, the City benefitted from the 2020 voter approved additional $\frac{3}{4}$ cent transaction and use tax. Measure H was approved by over 60% of Montebello voters in the March 2020 special election. The revenue from this additional transaction and use tax began flowing to City coffers July 1, 2020. Another sales tax category that continues to perform well is the “county pool” share Montebello receives. Consumer habits changed during the pandemic, with retail activity moving more to on-line purchases. This retail behavior – coupled with the positive impacts of State law requiring remittance of sales tax by online retailers – made the “county pool” share of sales tax the fastest growing segment of the 1% Bradley-Burns sales tax revenue stream.

The second largest share of General Fund revenue is property tax, comprising twenty-six percent of revenue (measured by FY 2021-22 adopted budget). Property tax saw a slight increase of



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\$480 thousand compared to FY 2020-21. Assessed value continues to grow, with net taxable value of all property in Montebello at \$7.055 billion for FY 2021-22, a 5.1% increase from the previous year. (Net taxable value increased another 5.0% for FY 2022-23, to \$7.405 billion.)

The median home value for a detached single family residential property in Montebello for the second quarter of 2022 was \$774,000, a 19.1% increase from the same quarter in the previous year. Since the start of calendar year 2017 through the end of 2022, median home values in Montebello have averaged a 7.4% annual increase (from \$525,000 to \$750,000).

Recent interest rate hikes – driven by the Federal Reserve’s push to combat inflation – has dampened the housing market as mortgage lending rates increase along with the Fed funds rate. Total full value sales for the fourth quarter of 2022 dropped when compared to the same quarter of 2021. While activity appears to be falling, median price remains elevated, off slightly from the second quarter 2022 high of \$774,000, to \$750,000 in the fourth quarter of 2022.

In FY 2021-22 the City recognized over six million dollars of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF). The recognition of this revenue lead to an overall increase of \$5.215 million in Intergovernmental General Fund revenue (when compared to FY 2020-21). The City utilized the “revenue loss” category contained in ARPA, and detailed in US Treasury Interim Final and Final Rules published in May 2021 and January 2022. Montebello received \$16.59 million in CSLFRF revenue between May 2021 and May 2022.

Based on the revenue loss calculation outlined in the Interim Final and Final Rules, the City has chosen to utilize the entire CSLFRF award as “revenue loss.” The CSLFRF revenue is allowing the City to improve its technology security, network and storage backbone, invest in its aging sewer system, purchase public safety and public works vehicles, and fund other capital infrastructure investments that have been deferred for decades.

License and Permit revenue realized a \$2.037 million gain year-over-year. This increase can be attributed to two primary reasons: an improved economy that has property owners pulling building and associated permits for repairs and upgrades; and the residential construction related to Metro Heights. This new development, which will realize approximately 1,200 residential units once completed, has contributed substantial license and permit revenue to the General Fund over the last two fiscal years. While this revenue is “one-time” in nature – it will cease once the units are completed – it nonetheless helps the General Fund revenue bottom line. As the residential units are completed, they will be added to the property tax rolls, further increasing the City’s assessed value and contributing additional property tax revenue to the General Fund.

On the expense side of the ledger, total expenditures were \$3.405 million less in FY 2021-22 when compared to FY 2020-21. There were puts and takes among all expenditure categories. The largest decrease was in Capital Outlay, with FY 2021-22 expenditures of \$2.074 million compared to \$9.014 million the prior year. The single largest change in Capital Outlay was the completion of a citywide energy efficiency project in FY 2020-21, with no associated expenditures in the current fiscal year. There were also several vehicle purchases completed in FY 2021-22,



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as well as real estate purchases (acquisitions) which did not have similar expenditures in FY 2021-22.

Public Safety (Fire and Police) saw a \$614 thousand increase in expenditures, to \$33.256 million. The majority of these expenditures are personnel related, providing for the City's police officers and firefighters and associated staffing levels. In addition, there are supplies, equipment and vehicle expenses: new patrol vehicles, turnouts, hoses, ladders, medical supplies, dispatch software, radio/dispatch fees, etc. that are utilized when providing emergency response to the community.

The \$827 thousand decrease General Government expenditures is primarily from a drop in pandemic related expenses. In FY 2020-21, the City spent \$407 thousand on various contracts related to the pandemic – additional cleaning and janitorial services, COVID-19 testing, etc. This amount dropped to \$23 thousand in FY 2021-22. There was a reduction of \$349 thousand in janitorial, medical and related supplies and equipment that were necessary to respond to the Coronavirus threats in prior fiscal years, and to improve employee health and safety. As the COVID-19 threat diminishes, so does the need for specialty supplies, services and equipment necessary to mitigate the Coronavirus impacts.

Parks and Recreation saw a year-over-year increase of \$351 thousand. The majority of this increase was from increased part-time wages. The increase to the State's minimum wage, combined with additional and expanded community special events drove costs up in this expenditure area. Along with the expanded offering of special events, overall supplies expenditures increased from the prior year as well.

Moreover, as of the date of this ACFR, the City S&P issuer credit rating (ICR) is "A+", with the underlying credit rating on the City's outstanding lease revenue bonds is "A", with a "stable" outlook. These latest ratings were reaffirmed when the City issued \$15.140 million in Lease Revenue Bonds, Series 2022A, which will be used to refurbish and reconstruct the City's public golf course. The outlook for all ratings is "stable." It should note that the "A+" ICR reflects S&P's view of the City's general creditworthiness.

ACCOMPLISHMENTS AND ACHIEVEMENTS

Montebello has made tremendous strides by improving its financial standing and overall operations in recent years, and this progress continued in Fiscal Year 2021-22. In addition to improvements in internal controls, responding to the State Auditor findings, adopting a General Fund budget with a surplus for the third year in a row, extinguishing existing unfunded liability, some of the many positive accomplishments this past year include:

- Issuance of \$15.140 million in bonds to fully renovate and rejuvenate the City's public golf course
- Providing conduit financing to construct a Topgolf on 15 acres of the City's public golf course, with guarantees for Topgolf to pay the annual debt service



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- Substantial completion of “Paving the Way” projects that improved residential street and road conditions
- Major repairs to the City’s aging sewer system
- Expansion of the Montebello Community Assistance Program (MCAP), aimed at helping the City’s unhoused population
- Approval of a Housing Element by the State’s Housing and Community Development Department (HCD), making Montebello only the second city in Los Angeles County to have a current approved plan
- Significant progress on the City’s General Plan update, the first in over forty years
- Completion of a park and facilities needs assessment study and master plan
- Completion of significant facility repair and upgrade projects, eliminating years of deferred maintenance on key City facilities
- Introduction of improved purchasing and procurement guidelines
- Receiving the Government Finance Officers Association (GFOA) award for budget preparation for the second time in the history of the City (with the FY 2022-23 budget receiving this award as well)

These and other accomplishments have helped set Montebello on the right path towards fiscal sustainability and operational stability. The following pages provide technical information related to the City’s accounting system, budgetary control, cash and investments, etc. Greater detail is available in the MD&A, the various notes to the financial statements, required supplementary information (RSI) and statistical sections.

ACKNOWLEDGEMENTS

The preparation of the City’s Annual Comprehensive Financial Report could not have been accomplished without the dedicated services of the entire Finance Department, as well as assistance from each of the operating departments. I want to specifically thank the lead Accountant in this endeavor, Van Dao for her commitment to ensuring the ACFR was completed accurately and on-time. The City’s independent auditor – The Pun Group – provided invaluable assistance and expert advice in completing the ACFR.

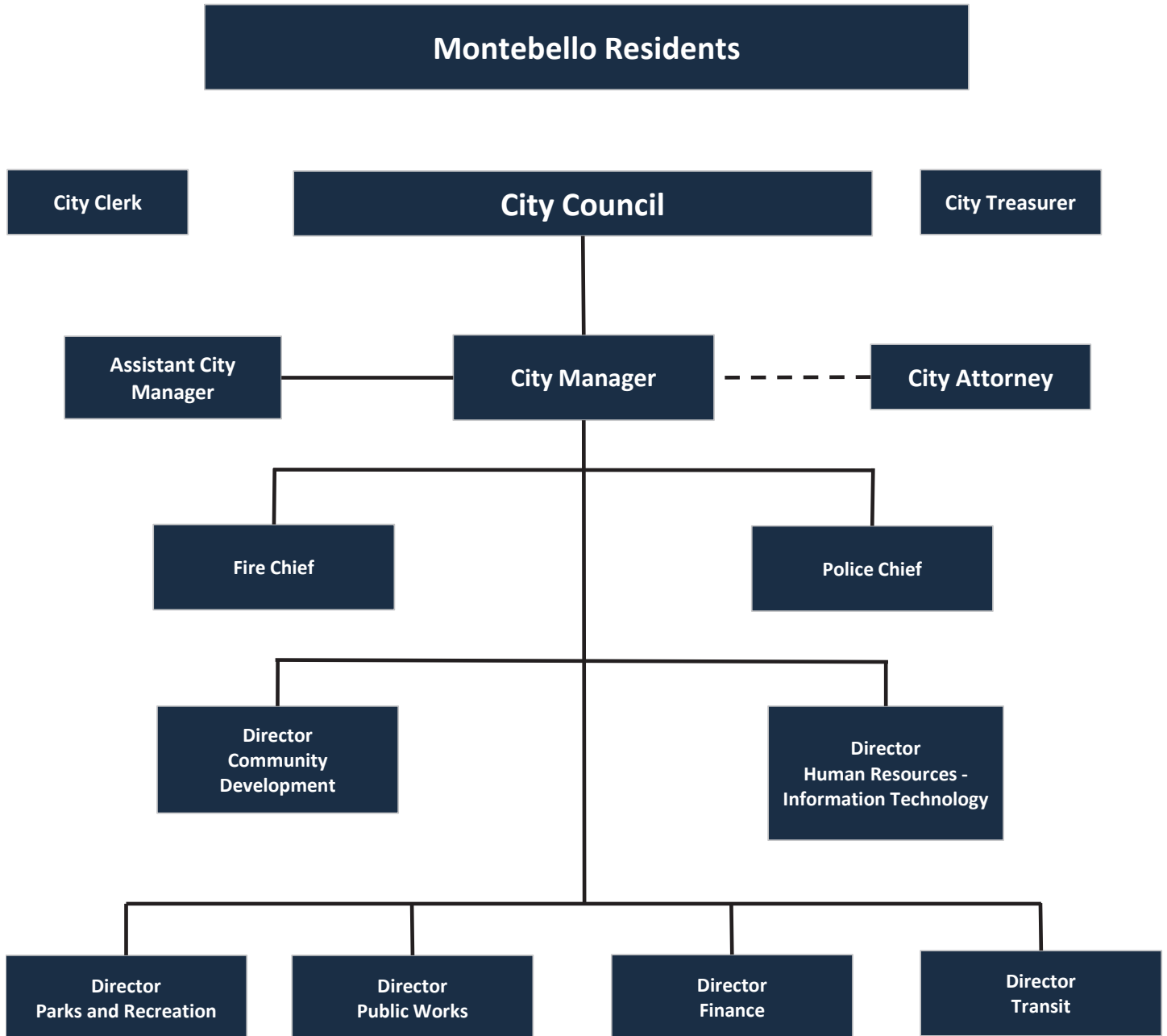
I also want to thank the City Council, the Executive Management Team and City staff for their interest and support of the financial operations of the City and helping ensure Montebello thrives financially and operationally.

Respectfully submitted,

Michael Solorza
Director of Finance



City of Montebello
Citywide Organizational Chart
FY 2021-22





City of Montebello
Fiscal Year 2021-22
Annual Comprehensive Financial Report (ACFR)

CITY COUNCIL

Kimberly A. Cobos-Cawthorne, Mayor

Angie M. Jimenez, Mayor Pro Tem

Scarlett Peralta, Councilmember

Salavador Melendez, Councilmember

David N. Torres, Councilmember

ELECTED OFFICIALS

Christopher Jimenez, City Clerk

Rafael Gutierrez, City Treasurer

René Bobadilla

City Manager

Arlene Salazar

Assistant City Manager

Paul Espinosa

Chief of Police

Fernando Pelaez

Fire Chief

James Enriquez

Director of Public Works

Lupita Ibarra

Director of Transit

Joseph Palombi

Director of Community Development

Nick Razo

Director of Human Resources

David Sosnowski

Director of Parks and Recreation

Michael Solorza

Director of Finance



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

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 the City of Montebello, California (the "City"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibility for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of City's Proportionate Share of the Net Pension Liability and Related Ratios, the Schedules of Contributions – Pensions, the Schedules of Changes in Net Other Postemployment Benefits Liability and Related Ratios, and the Schedules of Contributions – Other Postemployment Benefits on pages 5 through 21 and 117 through 132 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining and Individual Fund Financial Statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the Combining and Individual Fund Financial Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory and Statistical Sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2023, 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.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
March 2, 2023

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City of Montebello

Management's Discussion and Analysis (Unaudited)

For the Year Ended June 30, 2022

The following section represents Management's Discussion and Analysis (MD&A). It is intended to provide narrative overview and analysis on the City's financial performance for the fiscal year ended June 30, 2022. Readers are encouraged to consider the information presented here in conjunction with the accompanying letter of transmittal and financial statements.

Overview of the Financial Statements

The City's basic financial statements consist of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. The Statistical section at the end of this report provides supplementary information in addition to the basic financial statements. Government-wide Financial Statements are prepared using accrual accounting method to demonstrate the City's operational accountability, while the Fund Financial Statements are based on modified-accrual accounting method to demonstrate its budgetary accountability. Reconciliations of the Fund Financial Statements to the Government-wide Financial Statements are provided to explain to readers the differences created by this integrated approach.

Government-wide Financial Statements

The Government-wide Financial Statements provide a broad overview of the City's finances, in a manner similar to a private-sector business. The statements present information about the functions of the City principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the City include general government (i.e., administration, finance, human resources, elected officials, etc.) public safety, public works, parks and recreation, and housing and community development. Business-type activities of the City include water, golf course, transportation and hotel operations. These statements include all assets of the City as well as all liabilities (including long-term debt). Additionally, certain eliminations have occurred as prescribed by the statement in regard to inter-fund activity, payables, and receivables.

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 and liabilities of the City using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found immediately following this discussion and analysis.

Fund Financial Statements

The Fund Financial Statements include statements for three categories of activities: Governmental Funds, Proprietary Funds and Fiduciary Funds. The governmental activities are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

A Fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as Governmental Activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the Government-wide Financial Statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains various individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet, and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, for the General Fund, the Retirement Special Revenue Fund, the Public Financing Authority Debt Service Fund, and the Housing Successor Special Revenue Fund, all of which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of combining statements elsewhere in this report. As a result of Assembly Bills 1X26 and 1484, Redevelopment Agency assets and liabilities are no longer a part of the governmental funds of the City and are now reported in the Fiduciary Fund section of the financial statements.

The City adopts an annual appropriated budget for all of its individual funds, including the major funds as listed above. The basic financial statements include a budgetary comparison statement for the General Fund. The budgetary comparison statement has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found immediately following the government-wide financial statements.

Proprietary Funds. Proprietary funds are generally used to account for services for which the City charges external customers, or other units of the City. Proprietary funds provide the same type of information as shown in the government-wide statements, only in more detail. The City maintains the following two types of 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 operations of water, golf course, transit system, Montebello Hilton and Home2suites Hotels.
- **Internal service** funds are used to report activities that provide internal services for the City. The City uses internal service funds to account for workers' compensation and general liability. Because internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The basic fiduciary fund financial statements can be found immediately following the basic proprietary fund financial statements and include the assets and liabilities of the Successor Agency Fiduciary Fund.

Notes to financial statements

The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the Government-wide and Fund Financial Statements. The notes to the basic financial statements can be found immediately following the Required Supplementary Information.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Other information

The combining statements referred to earlier in connection with other governmental funds and internal service funds are presented for all other Special Revenue Funds, all other Debt Service Funds, all other Capital Projects Funds, and all Internal Service Funds. These combining fund statements and schedules of revenues, expenditures and changes in fund balance - budget and actual for individual funds – can be found immediately following the notes to financial statements.

Note: The numbers shown on the MD&A are either expressed in multiples of one thousand or million dollars while percentages are rounded to the nearest tenth or whole number. Hence, there may be slight differences between numbers on the MD&A and the numbers on the Basic Financial Statements.

Financial Highlights

The following are entity-wide financial highlights, covering both Governmental and Business-type activities:

- On June 30, 2022, the City's total net position was approximately \$30.484 million dollars, an increase (improvement) of \$39.035 million compared to the negative \$8.551 million as of June 30, 2021. The City's unrestricted net position, at a negative \$142.496 million, improved (decreased) by \$44.225 million dollars over the prior fiscal year.
- Total revenues from all sources were \$164.093 million while total expenses were \$125.058 million. Of the total revenues, program revenues totaled \$120.201 million while general revenues totaled \$43.892 million, net of transfers.
- The City's General Fund revenue and other financing sources exceeded expenses by \$7.131 million in the Fiscal Year 2021-22. The General Fund unassigned fund balance was \$9.844 million at the end of the fiscal year, an increase of \$4.969 million from FY 2020-21. Total fund balance as of June 30, 2022, was \$14.716 million, up from \$7.585 million the prior year.
- General Fund total revenues, including transfers in and proceeds from the sale of assets as June 30, 2022, was \$70.585 million, \$11.698 million higher than budget. This is due to an overall increase in sales and property tax revenues, as well as the recognition of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF).
- The General Fund expenditures as of June 30, 2022, including transfers out, were \$2.790 million under budget primarily due to lower-than-expected Public Safety, Public Works, Housing and Community Development and Capital Outlay expenses.
- The Transit enterprise fund ended Fiscal Year 2021-22 with a total net position of \$28.663 million, a \$15.202 million increase from the prior fiscal year.
- The City's Hilton Garden Inn ended the fiscal year with \$540 thousand in operating income (surplus), which increased total net position by \$271 thousand – to negative \$84 thousand from \$355 thousand the prior fiscal year.
- The Home2Suites ended the fiscal year with \$4.595 million in operating income (surplus), increasing net position by \$2.280 million – improving total net position to negative \$1.724 million from negative \$4.005 million the prior year.

These Financial Highlights, as well as other points, are discussed in greater detail in the body of this discussion and analysis, as well as the Notes to the Financial Statements. The following pages provide greater, in-depth detail on Government-wide financials, as well as Governmental and Business-type activities.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Government-wide Financial Analysis

The government-wide financial statements provide both long-term and short-term information about the City's overall financial position. This analysis addresses the financial statements of the City as a whole. The statement of net position includes all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources. The City's net position is a useful measurement of its financial health. Net position can be tracked over time to assess whether the City's financial health is improving or deteriorating. However, readers will need to consider other nonfinancial factors, such as changes in the City's property tax base, the condition of the City's infrastructure, and the level of public safety services to assess the overall health of the City.

The table below is the "Statement of Net Position," and provides net position information broken out by Governmental and Business-type activities, with totals and a comparison to amounts as of June 30, 2022:

City of Montebello Statement of Net Position June 30 (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2022	2021 (As Restated)	2022	2021	2022	2021 (As Restated)
Assets:						
Current and other assets	\$ 155,801	\$ 95,492	\$ 54,607	\$ 32,885	\$ 210,408	\$ 128,377
Capital assets	104,617	102,330	106,337	103,686	210,954	206,016
Total assets	<u>260,418</u>	<u>197,822</u>	<u>160,944</u>	<u>136,571</u>	<u>421,362</u>	<u>334,393</u>
Deferred outflows of resources	<u>11,718</u>	<u>12,854</u>	<u>2,347</u>	<u>3,528</u>	<u>14,065</u>	<u>16,382</u>
Liabilities:						
Long-term liabilities	208,001	205,816	114,154	117,940	322,155	323,756
Other liabilities	22,239	21,074	6,041	8,960	28,280	30,034
Total liabilities	<u>230,240</u>	<u>226,890</u>	<u>120,195</u>	<u>126,900</u>	<u>350,435</u>	<u>353,790</u>
Deferred inflows of resources	<u>41,115</u>	<u>3,801</u>	<u>13,393</u>	<u>1,735</u>	<u>54,508</u>	<u>5,536</u>
Net Position:						
Net investment in capital assets	79,728	76,851	34,949	30,182	114,677	107,033
Restricted	45,666	59,934	12,637	11,203	58,303	71,137
Unrestricted	<u>(124,613)</u>	<u>(156,800)</u>	<u>(17,883)</u>	<u>(29,921)</u>	<u>(142,496)</u>	<u>(186,721)</u>
Total net position	<u>\$ 781</u>	<u>\$ (20,015)</u>	<u>\$ 29,703</u>	<u>\$ 11,464</u>	<u>\$ 30,484</u>	<u>\$ (8,551)</u>

As mentioned in the "Financial Highlights" section above, the City's total net position was \$30.484 million as of June 30, 2022, an increase (improvement) of \$39.035 million compared to the negative net position of \$8.551 million in FY 2020-21. Included in the City's net position is \$114.677 million net investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure, improvements other than buildings, and construction in progress); less any related debt used to acquire those assets that remain outstanding. Capital assets, net of accumulated depreciation, increased by \$4.939 million, while current and other assets increased \$82.031 million.

The City uses capital assets to provide services to residents and the community at large; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, 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. Any remaining amount is restricted to spending agreements originated by law, contract, or other agreements with external parties.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Highlights of the key elements impacting the City's net position for the fiscal year ended June 30, 2022, are as follows:

- Governmental Activities total revenues before transfers exceeded total expenses by \$20.803 million, including transfers of negative \$7 thousand, the total positive change to net position was \$20.796 million.
- Business-type Activities total revenues before transfers exceeded total expenses by \$18.232 million, with the change in net position after transfers a positive \$18.239 million.
- Total Citywide expenses before transfers were \$125.058 million, a decrease of approximately \$2.704 million (-2.12%) compared to the preceding fiscal year.
- Total Citywide revenues before transfers were \$164.094 million, an increase of \$27.664 million (20.28%) compared to June 30, 2021.
- Revenues are classified into program and general revenues. Total program revenues (Governmental and Business-type activities combined) were approximately \$120.201 million, which are used to offset program expenses under each functional activity and are comprised of charges for services, operating and capital grants. General revenues of approximately \$43.892 million are used to offset the additional expenses net of program revenues and are comprised primarily of taxes (i.e., property, sales, franchise, etc.).
- The overall increase of 20.36% in total revenues (\$27.766 million) for the City was primarily due to increases in sales tax (\$3.109 million), Charges for Services (\$11.811 million), Capital Grants (\$5.032 million) and Operating Grants (\$9.152 million).
- The largest City-wide revenues came from four sources: charges for services (e.g. business license fees, building permits, hotel charges and bus fares) at \$43.575 million, operating grants and contributions (e.g. allocations of funds derived from Los Angeles County Metropolitan Transportation Authority Local Return Funds Propositions A and C, and Measures R and M, as well as asset forfeiture funds contributed from the Justice Department and US Treasury) at \$43.327 million, property taxes at \$6.565 million, and sales taxes at \$25.379 million. Property taxes exclude the property taxes derived from the 1946 voter approved initiative to provide restricted revenue to pay for the retirement benefit costs of City employees, which is recorded in a separate fund from the General Fund.
- Revenue from charges for services increased by \$11.811 million (37.18%), property tax increased by \$89 thousand (1.37%), sales taxes increased by \$3.109 million (13.96%) and Operating grants and contributions increased 24.59% (\$6.363 million).
- Total citywide expenses decreased by \$2.703 million, the net impact of decreases in Public Safety (\$22.975 million) and Transit (\$13.998 million); offset by increases to Public Works (\$13.329) million and Parks and Recreation (\$4.035 million).
- The cost of serving residents for the year (across Governmental and Business-type Activities) includes: \$31.790 million for public safety (police and fire); \$16.052 million for public works; \$29.280 million for transit (Montebello Bus Lines); \$13.983 million in general government; and \$5.407 million for parks, recreation and culture.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

The "Summary of Changes in Net Position" table below provides additional detail on changes to revenues, expenses and net position for the years ending June 30, 2021, and 2022.

City of Montebello Summary of Changes in Net Position (in thousands)						
	Governmental Activities		Business-type Activities		Total	
	2022	2021 (As Reclassified)	2022	2021	2022	2021 (As Reclassified)
Revenues						
Program revenues:						
Charges for services	\$ 18,412	\$ 14,399	\$ 25,163	\$ 17,365	\$ 43,575	\$ 31,764
Operating grants and contributions	32,243	25,777	26,342	23,233	58,585	49,010
Capital grants and contributions	2,162	1,207	15,879	11,802	18,041	13,009
General revenues:						
Sales taxes	25,379	22,270	-	-	25,379	22,270
Property taxes	6,565	6,476	-	-	6,565	6,476
Other taxes	10,562	10,032	-	-	10,562	10,032
Other revenues	2,071	3,289	-	-	2,071	3,289
Investment earnings	(762)	459	77	18	(685)	477
Total revenues	96,632	83,909	67,461	52,418	164,093	136,327
Expenses						
General government	13,983	2,487	-	-	13,983	2,487
Public safety	31,790	54,765	-	-	31,790	54,765
Public works	16,052	2,723	-	-	16,052	2,723
Parks, culture, and recreation	5,407	1,372	-	-	5,407	1,372
Housing and community development	2,347	644	-	-	2,347	644
Transit	-	-	29,280	43,278	29,280	43,278
Golf course	-	-	2,735	2,870	2,735	2,870
Montebello Hilton	-	-	5,089	3,367	5,089	3,367
Home2suites	-	-	9,782	7,993	9,782	7,993
Water	-	-	2,343	2,297	2,343	2,297
Interest on long-term debt	5,549	5,252	-	-	5,549	5,252
Unallocated infrastructure depreciation	701	713	-	-	701	713
Total expenses	75,829	67,956	49,229	59,805	125,058	127,761
Change in net position before transfers	20,803	15,953	18,232	(7,387)	39,035	8,566
Transfers	(7)	(518)	7	518	-	-
Change in net position after transfers	20,796	15,435	18,239	(6,869)	39,035	8,566
Net position - beginning of year, as restated	(20,015)	(35,450)	11,464	18,333	(8,551)	(17,117)
Net position - end of year	\$ 781	\$ (20,015)	\$ 29,703	\$ 11,464	\$ 30,484	\$ (8,551)

See Note 16 Prior Period Adjustments affecting the restatement of Net Position

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

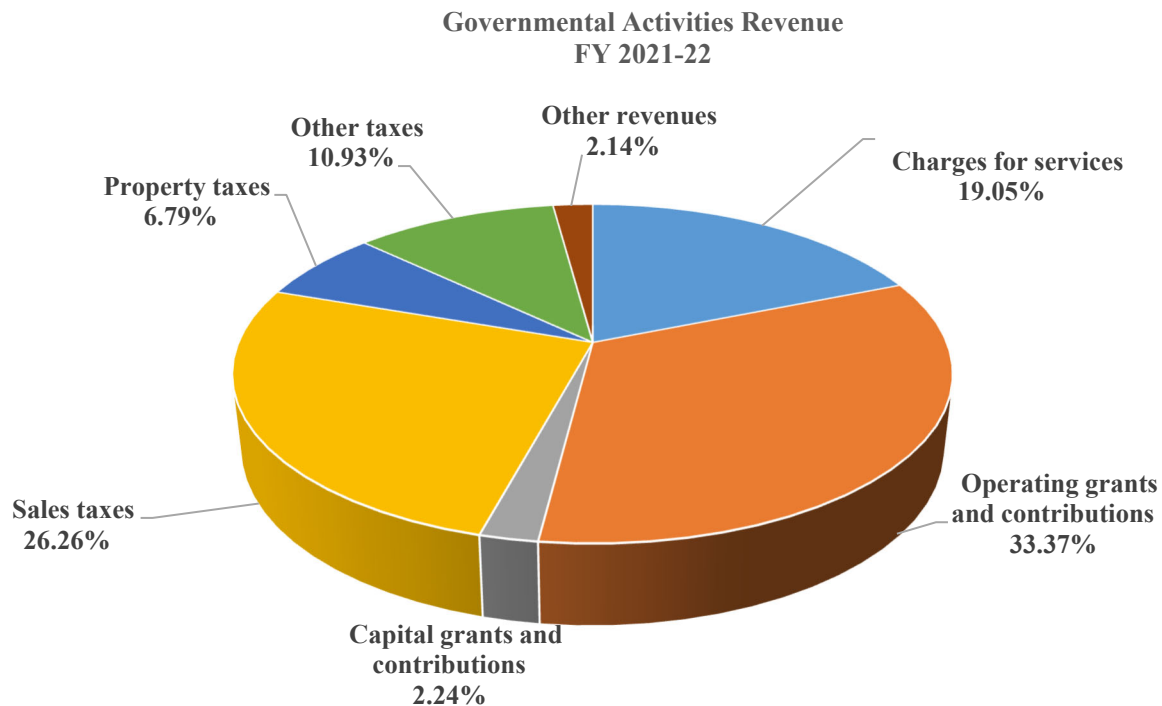
Governmental Activities

- As reflected in the Statement of Activities schedule above, Governmental activities increased the City's total net position (after transfers) by \$20.796 million, a 34.73% increase from June 30, 2021.

Key factors of this change in governmental activities include the following:

Revenues:

The pie chart below shows the relative percentage each major category of revenue (program and general) comprises of the \$96.632 million in total Governmental Activities revenue.

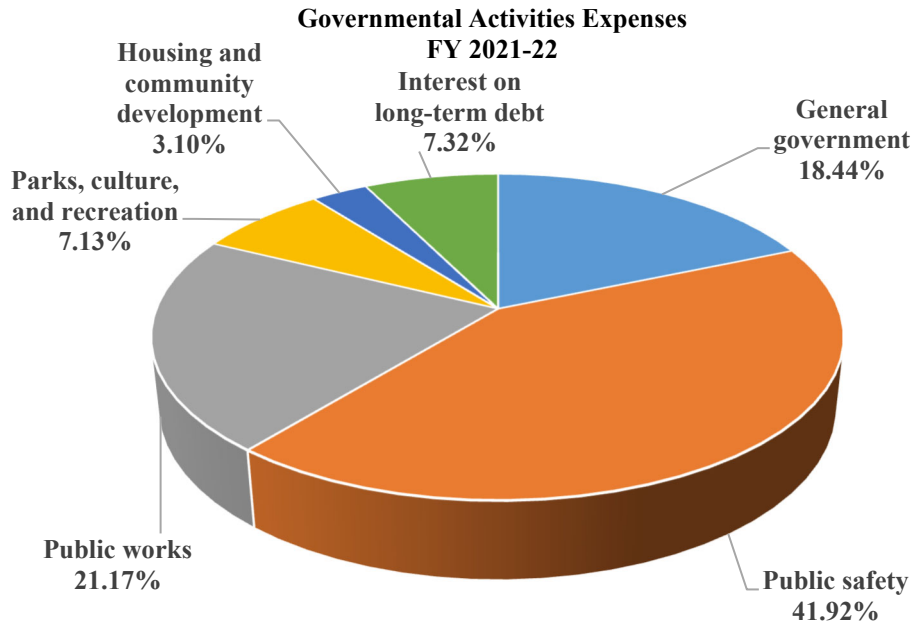


- Total governmental activities revenues increased by \$12.723 million (15.16%). This is mainly due to increases in three revenue categories: Charges for Services (\$4.013 million), Operating Grants (\$6.466 million) and Sales Taxes (\$3.109 million).
- Sales tax revenues were the largest portion of total governmental activities revenues (26.26%). Sales tax revenues increased by \$3.109 million, to \$25.379 million as of June 30, 2022.
- Property tax revenues were the second largest revenue source for governmental activities (22.25%). This includes the 1946 voter-approved retirement portion of property tax (e.g., property tax override). Property tax revenues exclude the property tax override increased slightly by \$89 thousand (1.37%).
- Charges for services were the third largest source of revenue for governmental activities (19.05%). Charges for services in governmental funds include licenses and permits, fines and forfeitures, waste collection, etc. Compared to the prior fiscal year, this program revenue increased by approximately \$4.013 million, or 27.87%.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Expenses:

The cost of providing all governmental activities in 2022 was \$75.829 million, an increase in expenses of \$7.873 million (11.59%) when compared to June 30, 2021. There were increases and decreases to different categories, causing the overall net increase. General Government and Public Works increased \$11.496 million and \$13.329 million respectively, offsetting a decrease of \$22.975 million in Public Safety.



Program revenues of \$52.817 million offset a portion of the \$75.829 million in Governmental Activities expenses, with general revenues used to offset \$23.013 million of governmental activities expenses considered “public benefit.” This portion of expenses is funded by general revenues – which are primarily derived from taxes (i.e., sales, property, transient occupancy, etc.).

Business-type Activities

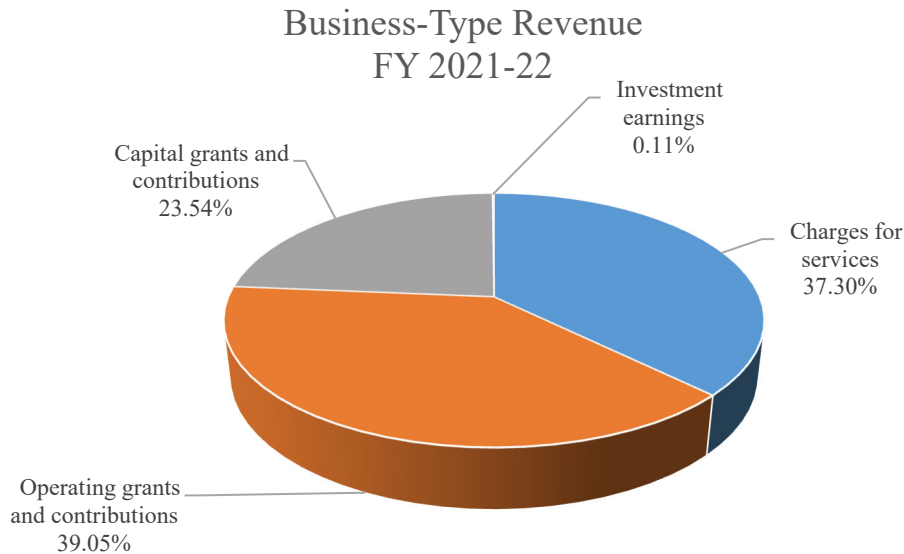
The City operates the following business-type activities: Transit System (i.e., Montebello Bus Lines), Golf Course, Hilton Garden Inn, Home2Suites, and Water Utility. The City’s Transit System is the largest business-type operation (as defined by operating expenses), followed by Home2Suites, the Hilton Garden Inn, the Golf Course and the Water Fund.

Business-type activities increased the City’s net position before transfers by \$18.239 million, an increase of \$25.109 million as compared to the prior year, primarily a result of an increase in revenue (\$15.043 million) and a decrease in expenses (\$10.576 million).

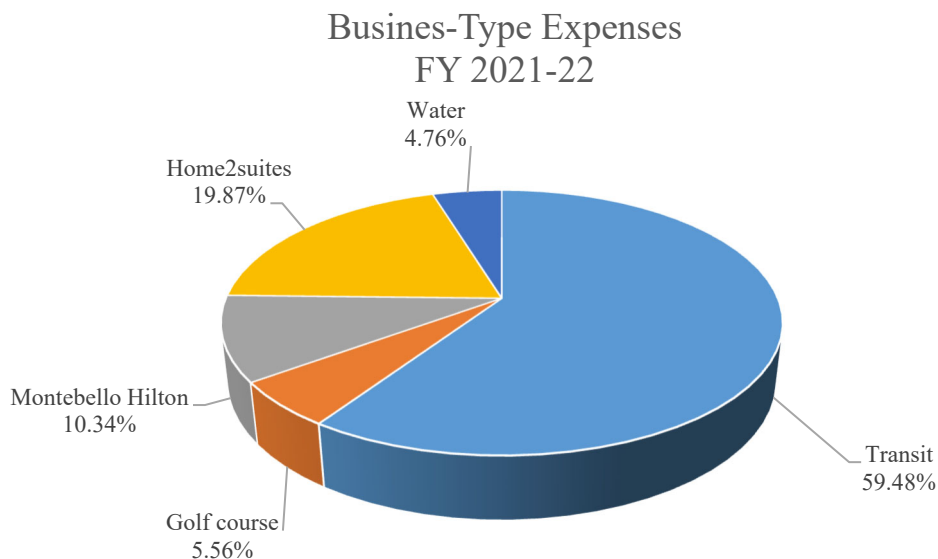
Total revenues for business-type activities were \$67.461 million, compared to \$52.418 million in the previous fiscal year, constituting a 28.70% increase. The overall change is due to a \$7.798 million increase in Charges for Services, a \$4.077 million increase in Capital Grants and an increase of \$3.109 million in Operating Grants.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

The pie chart below shows the ratio that various program revenues comprise of the total amount of Business-type Activities revenue. Approximately 37.30% of revenue came from Charges for Services, which was generated from bus fares, special contracts, revenue from hotel room fees and golf course green fees, while the remaining 62.70% comes from State and Federal subsidies in the form primarily of Transit related grants and related revenue from Federal, State and local (i.e., Los Angeles County Metropolitan Transportation Authority) agencies.



Business-type Activities expenses decreased \$10.576 million in FY 2021-22 when compared to the prior fiscal year. The pie chart below shows the composition that each operation comprises of total Business-type expenses:



City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

- The Transit System reported operating revenues of \$28.539 million, a \$3.930 million increase (15.97%) when compared to FY 2020-21. Charges for Services were up \$731 thousand, primarily due to the return to normal bus operations as pandemic restrictions were lifted. There were also increases in Federal and State transit assistance and Local Return Funds (Metro) funding. Operating expenses in FY 2021-22 were \$27.846 million, a \$13.873 million decrease from the prior fiscal year. The \$13.761 million decrease in Salaries and Benefits year over year was responsible for the total decrease in expenses. Net position increased by \$15.202 million.
- The City's Golf Course's operating revenue was essentially unchanged year over year: \$2.945 million as of June 30, 2022 vs. \$2.967 million the prior year. Operating expenses decreased by \$167 thousand. As a result, the Golf Fund ended the fiscal year with a net income (surplus) before transfers in of \$210 thousand.
- The Hilton Garden Inn reflected operating net income of \$540 thousand, a vast improvement over the net loss of \$1.023 million in FY 2020-21. The net income (surplus) is attributable to the recovering economy and the return of leisure and business travelers, leading to a direct increase in total occupancy. Operating revenues increased \$3.285 million, and operating expenses increased by \$1.722 million. Total change in net position was a positive \$271 thousand.
- The Montebello Home2Suites reflected operating net income of \$4.596 million, an increase from FY 2020-21 of \$1.850 million. Operating revenue was \$12.050 million, a significant increase over FY 2020-21 revenue of \$8.358 million. As the economy recovers from the pandemic, a return to leisure and business travel has positively impacted the hotel's operations. Total net position increased by \$2.280 million.
- The City's Water Fund increased its net position by \$269 thousand, ending FY 2021-22 with total net position of \$1.692 million. It should be noted that the California Public Utilities Commission (PUC) approved the sale of the City's water system in December, 2022. The City expects the sale to be completed in FY 2022-23. Future financial statements will reflect the sale and closing out of this fund.

Governmental Funds Financial Analysis (Reporting the City's most Significant Funds)

Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information may be useful in assessing the City's financing requirements, in particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2022, the City's governmental funds (i.e., major funds such as the General Fund, Retirement Fund, Local Return Funds, etc.) reported total combined ending fund balances of \$74.694 million, an increase of \$10.800 million as compared with the prior fiscal year. All governmental fund balances are either non-spendable, restricted, committed, assigned, or unassigned pursuant to GASB 54.

Non-spendable indicates they are fund balances tied to inventories, prepaid expenses and property held for sale. The *restricted* fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. These restrictions of fund balance are to indicate that portions of fund balance are not available for new spending, because they have already been committed to 1) finance Special Revenue Fund expenditures, 2) pay debt service, or 3) finance ongoing capital projects.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Amounts in the *committed* fund balance are constrained for specific purposes that are internally imposed by the government through formal written action of the City Council. Amounts in the *assigned* fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. The City has not designated committed or assigned fund balances as of June 30, 2022 (see next paragraph for further explanation). *Unassigned* fund balance is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

It should be noted that updated comprehensive reserve policies were originally adopted by the City Council in June 2020 and have been presented for formal adoption as part of the budget process every fiscal year since. These reserve policies created commitments and assignments in line with GASB 54, detailing specific uses for the commitments or assignments such as "Economic Uncertainty" or "Capital Projects.": These new policies, and the assignment of portions of the General Fund's fund balance, will be fully implemented once total fund balance levels have risen to a point where the reserve categories can be fully funded. A complete copy of the reserve policies can be found in the City's adopted budget.

General Fund is the City's main operating fund. It is used to account for revenues and expenditures necessary to perform basic government functions that are not accounted for through other special revenue and grant funds. These are the typical services residents see daily: police and fire service, street maintenance, community services programming, etc.

The table below presents a comparison of General Fund revenues, expenditures, and fund balance. The General Fund saw an increase in fund balance of \$7.131 million. Fund Balance is now 22.0% of Operating Revenues.

City of Montebello
General Fund
As of June 30
(in thousands)

	2022	2021	Change	
			Amount	%
Operating revenues	\$ 66,904	\$ 56,114	\$ 10,790	19%
Operating expenditures	63,454	66,860	(3,406)	-5%
Excess of revenues over (under) expenditures	3,450	(10,746)	7,384	-69%
Net operating transfers	3,637	3,099	538	17%
Proceeds from capital lease/sale of assets	44	5,785	(5,741)	-99%
Surplus	7,131	(1,862)	8,993	-483%
Beginning fund balance	7,585	9,447	(1,862)	-20%
Ending fund balance	\$ 14,716	\$ 7,585	\$ 7,131	94%

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

The key factors positively impacting fund balance of the General Fund for FY 2021-22 are as follows:

- General Fund operating revenues (i.e., taxes, charges for services, licenses and permits, etc.) increased by \$10.790 million (19.23%) from the prior year which is primarily due to the overall increase in sales tax (\$3.109 million), Licenses and Permits (\$2.037 million) and Intergovernmental (\$5.215 million). The increase in sales tax is due to two primary reasons: the recovering economy as pandemic related restrictions ease and consumers remain active in the retail economy; and the continued local improvement of the recently enacted (March 2020) Measure H Transaction and Use Tax revenue stream. The increase to Intergovernmental revenue is from the recognition of Coronavirus State and Local Fiscal Recovery Funds (CSLFRF).
- General Fund expenditures decreased year-over-year by \$3.406 million. There were year-over-year savings in some areas (i.e., General Government, Public Works, Public Safety) which offset increases in Parks and Recreation and Housing and Community Development. Capital related expenses in the General Fund were also less in FY 2021-22 when compared to the prior year.

The table below provides detail of General Fund revenue by major category for FY 2021-22 and FY 2020-21 for comparison purposes:

City of Montebello							
General Fund							
As of June 30							
(In thousands)							
	Budgeted Amounts		2022	Variance with Final Budget	2021	Variance with Prior	
	Original	Final	Actual	Positive (Negative)	Actual	Year	
Revenues							
Sales taxes	\$ 20,765	\$ 20,765	\$ 25,379	\$ 4,614	\$ 22,270	\$ 3,109	
Property taxes	14,293	14,293	14,195	(98)	13,715	480	
Other taxes	610	610	631	21	477	154	
Franchise taxes	2,163	2,163	2,301	138	2,316	(15)	
Licenses and permits	6,101	6,101	7,806	1,705	5,769	2,037	
Fines and forfeitures	2,250	2,250	2,512	262	2,312	200	
Investment income	225	225	(869)	(1,094)	77	(946)	
Intergovernmental	8	8	6,311	6,303	1,096	5,215	
Charges for services	7,806	7,806	8,077	271	6,317	1,760	
Proceeds from sale of property	-	-	44	44	-	44	
Other revenue	558	558	560	2	1,763	(1,203)	
Total revenues	\$ 54,779	\$ 54,779	\$ 66,947	\$ 12,168	\$ 56,112	\$ 10,835	

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Retirement Fund is reserved for the payment of retirement expenses (both Normal Cost and Unfunded Accrued Liability) for all employees of the City. The Retirement Fund is financed by the retirement portion of the property tax revenue (i.e., property tax override) pursuant to a 1946 voter approved initiative to provide for the retirement benefit costs of City employees. The City's Retirement Fund increased fund balance by \$3.436 million as of June 30, 2022, to a total of \$21.047 million. The largest expense is the \$11.041 million in Transfers Out related to the reimbursement of General Fund pension costs and payment of debt service on the \$153.4 million in Pension Obligation Bonds issued in 2020.

Transportation and Street Improvement Funds category is used to account for the activity of Los Angeles County Metropolitan Transportation Authority (Metro) Local Return Funds and State of California Gas Tax funds. This is a new presentation of these funds for FY 2021-22, combining activity to better illustrate the revenue and expenses related to street and roads funds. During the year ended June 30, 2022, fund balance decreased by \$430 thousand. The combination of operating expenses – utilized for capital and maintenance projects – and Transfers Out – utilized to record debt service on the Sales Tax Revenue Bonds Series 2019ABC -- exceeded operating revenues.

Public Financing Authority Debt Service Fund is used to account for the accumulation of resources required for the payment of interest and principal on all revenue bonds issued by the Public Financing Authority. As of June 30, 2022 fund balance decreased slightly by \$6 thousand. This fund is designed to act as a conduit for payment of debt service: expenses generally equal Transfers In (revenue).

Capital Asset and Debt Administration

Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2022 amounted to \$210.954 million, net of accumulated depreciation, a \$5.627 million increase over the prior year. Capital assets include land, buildings, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The table below provides a year-over-year comparison of capital assets (net of depreciation), broken out by Governmental Activities and Business-type Activities:

City of Montebello
Summary of Capital Assets, Net of Depreciation
As of June 30
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021 (As Restated)	2022	2021 (As Restated)
Land	\$ 2,731	\$ 2,378	\$ 6,307	\$ 6,307	\$ 9,038	\$ 8,685
Rights of way	14,392	14,392	-	-	14,392	14,392
Construction in progress	25,208	32,503	13,431	4,920	38,639	37,423
Buildings and improvements	41,605	30,872	70,715	73,268	112,320	104,140
Machinery and equipment	7,546	8,319	15,884	18,502	23,430	26,821
Infrastructure	13,135	13,866	-	-	13,135	13,866
	<u>\$ 104,617</u>	<u>\$ 102,330</u>	<u>\$ 106,337</u>	<u>\$ 102,997</u>	<u>\$ 210,954</u>	<u>\$ 205,327</u>

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

The capital asset classes include:

- Sewer system, including sewer pipes, pumping stations, manholes, and laterals;
- Storm drain system, including storm drain pipes, flood control channels, and catch basins;
- Streets, including pavement, curb and gutter, sidewalks, medians, greenways, block walls and traffic signals;
- Buildings, including building remodels, building lighting systems, building equipment, and building roofs; and
- Parks, including associated structures and infrastructure assets.

Major capital asset transactions during the current fiscal year included the following additions to values:

- Purchased a new property for \$352 thousand (612 W. Whittier)
- Completion of portions of the bond financed "Paving the Way" project added \$2.9 million in asset value (re-paved/re-built streets and roadways increased overall asset value)
- Completion of the Montebello Blvd project added \$8.4 million in capital asset value

Additional information on the City's capital assets can be found in Note 5 to the basic financial statements section of this report.

Long-Term Debt

At the end of Fiscal Year 2021-22, the City had total debt outstanding of \$322.155 million, a decrease of \$1.602 million compared to the prior year.

The outstanding debt includes \$102.692 million of revenue bonds and \$143.015 of pension obligation bonds. Claims payable of \$27.445 million is a \$3.844 million increase over the prior year. Compensated absences also increased, by \$2.595 million of a total of \$6.867 million. The City's Other Postemployment Benefit Obligation (OPEB) amount – as determined by the updated GASB 75 valuation – increased to \$33.697 million from \$30.359 million.

The table below provides an overview and comparison of the various types of long-term debt:

City of Montebello Summary of Long-term Debt As of June 30 (in thousands)							
	Governmental Activities		Business-type Activities		Total		
	2022	2021 (As Restated)	2022	2021	2022	2021 (As Restated)	
Revenue bonds, net	\$ 32,659	\$ 35,014	\$ 70,033	\$ 71,761	\$ 102,692	\$ 106,775	
Pension bonds, net	104,873	108,679	38,142	39,526	143,015	148,205	
Claims payable	27,445	23,601	-	-	27,445	23,601	
Notes payable	6,742	7,803	863	1,099	7,605	8,901	
Capital lease obligation	784	1,403	50	240	834	1,643	
Compensated absences	5,592	2,977	1,275	1,295	6,867	4,272	
Other postemployment benefit obligation	29,906	26,339	3,791	4,020	33,697	30,359	
Sub total	208,001	205,816	114,154	117,940	322,155	323,757	
Less current portion	16,569	16,162	4,558	3,968	21,127	20,130	
Noncurrent portion	\$ 191,432	\$ 189,655	\$ 109,596	\$ 113,972	\$ 301,028	\$ 303,627	

Additional information on the City's long-term debt can be found in Note 6 to the basic financial statements section of this report.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Credit Rating

As of the date of this ACFR, the City S&P issuer credit rating (ICR) is "A+", with the underlying credit rating on the City's outstanding lease revenue bonds is "A", with a "stable" outlook. These latest ratings were reaffirmed when the City issued \$15.140 million in Lease Revenue Bonds, Series 2022A, which will be used to refurbish and reconstruct the City's public golf course. The outlook for all ratings is "stable." It should be noted that the "A+" ICR reflects S&P's view of the City's general creditworthiness.

Organizational and Economic Overview

The financial statements and commentary found in the prior two ACFR's has been dominated by the impacts of the Coronavirus pandemic. For the results as of June 30, 2022, these impacts have lessened and there appears to be a return to "pre-pandemic" economic and financial activity. Overall, the local Montebello economy appears to be healthy, as evidence by continued strong sales and transaction and use tax performance. Also, the City's two hotels are performing well, seeing occupancy rates at or near levels last since in 2019.

For most of FY 2021-22, the discussion surrounding the economy focused on inflation, and the various causes of the generationally high inflation rate and methods used by the Federal Reserve to temper its impacts on the economy. Hand-in-hand with the inflation discussion has been predictions of if and or when a recession would hit the U.S. economy.

A recent Deloitte Insights economic update stated "Is a recession on the horizon? That's been a key question for the US economy for the past six months. So far, its safe to say that the recession is mostly in people's minds." This statement is based on actual economic activity – as measured by job gains, industrial production and retail sales – remaining strong and indicating growth. External forces and pressures such as the war in Ukraine or housing market problems in China do not impact the United States as much as other nations. While these major issues undoubtedly impact millions around the world, the US economy is not as exposed to these problems as some analysts assume.

The Deloitte Insights analysis goes on to say the real case for recession involves the Federal Reserve's actions to slow the economy. Many analysts see the increase in the Fed funds rate leading to a recession. However, comparing current Fed funds rate increases to those of the early 1980's, the rate of increase has been slower. And while the increase to the Fed funds rate in the early 1980's did lead to recessions, "it took a lot more tightening than we've seen so far this time around." Moreover, the case can be made the US economy may be less sensitive to interest rates than in prior years.

Regardless of these impact's overall effect on the economy, many analysts see a recession in 2023 as more than likely. The key question is how deep and prolonged such a recession could be. Given the impact consumers have on the economy – nationally, regionally and most importantly locally – it is prudent to focus on retail activity as an indicator of both short and long-term economic growth. Consumer spending could return to pre-pandemic patterns: less on durable goods and more on services. One forecast shows durable goods spending levelling off in 2023 and beyond, with a steady increase in services spending, that could surpass spending on non-durables.

These forecasts still show a steady increase in spending in these areas, even if the pandemic trend of spending in durables levels off. The key point is that consumers will continue to spend, at levels above those seen pre-pandemic. That is important to Montebello, since 36.6% of General Fund revenue comes from sales tax. So long as retail activity remains robust – even as inflation continues to be elevated – the City can count on healthy sales tax revenue. It should be noted that out-year sales tax projections are tempered, indicating growth rates under two percent (2.0%).

For this and other reasons, it is imperative that Montebello's economic development activities promote projects that expand the City's sales tax base. Looking ahead, there is much to be excited about in Montebello in this arena, with several projects underway in FY 2022-23 that will contribute to the City's long-term economic health and viability.

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

The issuance of \$15.140 million in lease revenue bonds in September, 2022 will usher in a new era for the City's public golf course. These proceeds will be used to completely reconstruct the existing golf course, creating a championship 9-hole course, a 6-hole "executive" course, and adding lights for the ability to play golf during evening hours. This project will help the Golf Course reduce – even eliminate – the subsidy required from the General Fund.

Connected to the Golf Course Renovation Project is the construction of a Topgolf facility on 15 acres of the existing golf course property. This project will be funded with the \$55.4 million in lease revenue bonds issued in December, 2022. In a unique financing arrangement, the Public Financing Authority issued the bonds, with a sub-lease and guaranty tied to the issuance that requires Topgolf to pay the annual debt service. The completed Topgolf facility will be a three-story entertainment and event center, featuring 102 hitting bays, a restaurant, meeting space and a pro shop. In addition to the commitment to pay annual debt service, Topgolf will pay an annual lease for the use of City property. In addition, the facility will generate sales tax revenue, which will help boost overall General Fund revenue.

In addition to these exciting capital projects and economic development initiatives, the City finally received approval from the Public Utilities Commission (PUC) to sell its water system. The PUC decision was finalized in December 2022, and escrow is estimated to close in February 2023. The sale of the water system to San Gabriel Valley Water Company (SGVWC) concludes a long saga of the City attempting to sell its water system. The State Auditor, in its December 2018 report, recommended the City pursue the sale, and the October 2021 follow up report noted this recommendation and continued to support the sale. The \$15.8 million in proceeds the City will receive will help boost its General Fund reserves in FY 2022-23.

As noted in the preceding pages, the General Fund's fund balance increased to \$14.716 million as of June 30, 2022. The proceeds from the sale of the water system will more than double these reserves, allowing the City to begin following its adopted GASB 54 compliant reserve policies (first adopted in June, 2020).

In FY 2021-22, the City began much needed work to upgrade its information technology infrastructure. This project will be funded using a portion of the Coronavirus State and Local Fiscal Recovery Funds (CSLFRF) revenue the City received between May 2021 and 2022. The total \$16.59 million in CSLFRF revenue received by Montebello has been categorized as "revenue loss," as permitted by U.S. Treasury Interim Final and Final Rules. This much needed funding has allowed the City to fast-track the technology upgrade, improving security, storage and productivity hardware and software. The project will continue in subsequent fiscal years, with completion anticipated sometime in FY 2023-24.

- These are just a few highlights of the many projects underway in Montebello that are aimed at improving residents' lives and helping to put the City on a long-term path to financial stability and sustainability. Some other projects that either began or were continued into FY 2021-22 are the following: Issuance of \$15.140 million in bonds to fully renovate and rejuvenate the City's public golf course
- Issuing bonds to construct a Topgolf on 15 acres of the City's public golf course
- Substantial completion of "Paving the Way" projects that improved residential street and road conditions
- Major repairs to the City's again sewer system
- Expansion of the Montebello Community Assistance Program (MCAP), aimed at helping the City's unhoused population
- Approval of a Housing Element by the State's Housing and Community Development Department, making Montebello only the second city in Los Angeles County to have a current approved plan
- Significant progress on the City's General Plan update, the first in over forty years
- Completion of a park and facilities needs assessment study and master plan
- Completion of significant facility repair and upgrade projects, eliminating years of deferred maintenance on key City facilities
- Introduction of improved purchasing and procurement guidelines
- Receiving the Government Finance Officers Association (GFOA) award for budget preparation for the second time in the history of the City

City of Montebello
Management's Discussion and Analysis (Unaudited) (Continued)
For the Year Ended June 30, 2022

Management and the City Council continue to be dedicated to improving Montebello's long-term sustainability. Pursuing projects that are externally and internally focused – capital and infrastructure projects as well as organizational improvements – will strengthen Montebello's abilities to weather changes in the economy as well as the "next pandemic," in whatever form that may appear.

Requests 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 of the information provided in this report can be answered by visiting the City's website at www.montebelocal.gov.

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Montebello
Statement of Net Position
June 30, 2022

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 62,724,376	\$ 17,794,854	\$ 80,519,230
Taxes receivable	5,600,887	-	5,600,887
Accounts receivable	5,396,004	11,875,942	17,271,946
Interest receivable	112,522	-	112,522
Notes receivable	495,693	-	495,693
Due from other governments	4,979,426	-	4,979,426
Prepaid items	346,129	413,464	759,593
Inventories	-	1,405,122	1,405,122
Internal balances	7,146,134	(7,146,134)	-
Total current assets	86,801,171	24,343,248	111,144,419
Noncurrent assets:			
Restricted cash and investments	15,186,067	12,682,854	27,868,921
Land held for resale	1,679,368	-	1,679,368
Net pension assets	52,134,867	17,580,885	69,715,752
Capital assets:			
Non-depreciable assets	42,330,867	19,737,407	62,068,274
Depreciable assets (net of depreciation)	62,286,529	86,599,231	148,885,760
Total capital assets, net	104,617,396	106,336,638	210,954,034
Total noncurrent assets	173,617,698	136,600,377	310,218,075
Total assets	260,418,869	160,943,625	421,362,494
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferred outflows of resources	6,247,861	1,629,574	7,877,435
Other postemployment benefits related deferred outflows if resources	5,335,951	676,388	6,012,339
Unamortized loss on defeasance of debt	134,111	40,963	175,074
Total deferred outflows of resources	11,717,923	2,346,925	14,064,848
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	3,936,004	3,504,485	7,440,489
Accrued interest	844,561	370,834	1,215,395
Deposits payable	-	134,182	134,182
Due to other governments	7,381	2,750	10,131
Unearned revenue	17,452,022	2,028,961	19,480,983
Long-term liabilities, due within one year	16,569,110	4,557,912	21,127,022
Total current liabilities	38,809,078	10,599,124	49,408,202
Noncurrent liabilities:			
Long-term liabilities, due in more than one year	161,525,505	105,804,790	267,330,295
Net other postemployment benefits liability	29,905,997	3,790,901	33,696,898
Total noncurrent liabilities	191,431,502	109,595,691	301,027,193
Total liabilities	230,240,580	120,194,815	350,435,395
DEFERRED INFLOWS OF RESOURCES			
Deferred gain on refunding of debt	-	529,498	529,498
Pension related deferred inflows of resources	38,749,254	12,563,853	51,313,107
Other postemployment benefits related deferred inflows of resources	2,365,627	299,868	2,665,495
Total deferred inflows of resources	41,114,881	13,393,219	54,508,100
NET POSITION			
Net investment in capital assets	79,727,948	34,948,689	114,676,637
Restricted for:			
Retirement	21,046,898	-	21,046,898
Community development	9,212,429	-	9,212,429
Public safety	965,996	-	965,996
Capital projects	214,580	-	214,580
Transportation	13,854,886	-	13,854,886
Debt service	371,706	12,636,555	13,008,261
Total restricted	45,666,495	12,636,555	58,303,050
Unrestricted (deficit)	(124,613,112)	(17,882,728)	(142,495,840)
Total net position (deficit)	\$ 781,331	\$ 29,702,516	\$ 30,483,847

City of Montebello
Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues			Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 13,983,490	\$ 4,823,331	\$ 1,602,604	\$ 550	\$ 6,426,485
Public safety	31,790,604	4,576,406	18,668,562	705,696	23,950,664
Public works	16,052,469	4,680,288	8,504,120	49,373	13,233,781
Parks, recreation, and culture	5,406,906	220,152	2,739,257	194,517	3,153,926
Housing and community development	2,346,627	4,111,335	728,456	1,211,892	6,051,683
Unallocated infrastructure depreciation	700,608	-	-	-	-
Interest and fiscal charges	5,548,594	-	-	-	-
Total governmental activities	75,829,298	18,411,512	32,242,999	2,162,028	52,816,539
Business-type Activities:					
Transit system	29,280,305	2,201,947	26,342,293	15,879,414	44,423,654
Golf course	2,735,232	2,945,485	-	-	2,945,485
Montebello Hilton	5,088,673	5,357,504	-	-	5,357,504
Home2Suites	9,782,114	12,050,342	-	-	12,050,342
Water utility	2,343,193	2,607,898			2,607,898
Total business-type activities	49,229,517	25,163,176	26,342,293	15,879,414	67,384,883
Total	\$ 125,058,815	\$ 43,574,688	\$ 58,585,292	\$ 18,041,442	\$ 120,201,422

City of Montebello
Statement of Activities (Continued)
For the Year Ended June 30, 2022

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Governmental activities:			
General government	\$ (7,557,005)	\$ -	\$ (7,557,005)
Public safety	(7,839,940)	-	(7,839,940)
Public works	(2,818,688)	-	(2,818,688)
Parks, recreation, and culture	(2,252,980)	-	(2,252,980)
Housing and community development	3,705,056	-	3,705,056
Unallocated infrastructure depreciation	(700,608)	-	(700,608)
Interest and fiscal charges	(5,548,594)	-	(5,548,594)
Total governmental activities	(23,012,759)	-	(23,012,759)
Business-type Activities:			
Transit system	-	15,143,349	15,143,349
Golf course	-	210,253	210,253
Montebello Hilton	-	268,831	268,831
Hotel2Suites	-	2,268,228	2,268,228
Water utility	-	264,705	264,705
Total business-type activities	-	18,155,366	18,155,366
Total	(23,012,759)	18,155,366	(4,857,393)
General revenues:			
Taxes:			
Property taxes	6,565,336	-	6,565,336
Sales tax	25,378,979	-	25,378,979
Franchise taxes	2,300,508	-	2,300,508
Transient occupancy tax	340,195	-	340,195
Property tax in lieu of vehicle license fee	7,629,793	-	7,629,793
Other taxes	290,889	-	290,889
Total taxes	42,505,700	-	42,505,700
Investment (loss) income	(761,829)	77,003	(684,826)
Other revenues	2,071,400	-	2,071,400
Transfers	(6,627)	6,627	-
Total general revenues and transfers	43,808,644	83,630	43,892,274
Changes in net position	20,795,885	18,238,996	39,034,881
Net position (deficit):			
Beginning of year, as restated (Note 16)	(20,014,554)	11,463,520	(8,551,034)
End of year	\$ 781,331	\$ 29,702,516	\$ 30,483,847

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FUND FINANCIAL STATEMENTS

The Fund Financial Statements only present individual major funds, while nonmajor funds are combined in a single column. Major funds are generally defined as having significant activities or balances in the current year.

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

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MAJOR GOVERNMENTAL FUNDS

The funds described below were determined to be Major Funds. Individual nonmajor funds may be found in the Supplementary Information Section.

GENERAL FUND

The **General Fund** is the primary operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. The major revenue sources of this fund include property tax, sales tax, transient occupancy tax, business license tax, utility users tax and charges for services. These revenues support the general operations of the City, which include police, fire, street maintenance, parks, recreation, planning and general government. In addition, the General Fund finances many capital improvements each year.

RETIREMENT FUND SPECIAL REVENUE FUND

The City of Montebello voters twice approved a Property Tax Override (PTO) in 1946 and again in 1976 (affirmation vote) to be utilized to pay for retirement related pension costs (i.e., PERS related expenditures). Ordinance No 2148 (1996) codified the tax rate at \$0.197875 per \$100 of assessed valuation (Municipal Code Section 3.28.020). The revenue from the property tax override can only be used to pay for retirement system related expenses. The revenue is utilized to pay for unfunded actuarial liability (UAL), normal costs, and effective FY 2020-21, debt service on Pension Obligation Bonds.

TRANSPORTATION AND STREET IMPROVEMENT SPECIAL REVENUE FUNDS

To account for the all transportation and street repair maintenance funds that were previously reported separately as Gas Tax Special Revenue Fund, Road Maintenance and Rehabilitation Special Revenue Fund, Prop A Local, Special Revenue Fund, Prop C Local Special Revenue Fund, Measure R Local Special Revenue Fund, and Measure M Local Special Revenue Fund. A combining statement of these funds is shown in the supplementary information.

PUBLIC FINANCING AUTHORITY DEBT SERVICE FUND

Montebello pays debt service on bond issues and lease payments for equipment. This fund records various debt related expenses. Funds are transferred into this fund (Transfers In) and debt service is recorded when paid.

City of Montebello
Balance Sheet
Governmental Funds
June 30, 2022

		Special Revenue Funds		Debt Service Fund
			Transportation and Street Improvement Funds	Public Financing Authority
	General Fund	Retirement Fund		
ASSETS				
Cash and investments	\$ 19,131,893	\$ 20,396,902	\$ 14,282,547	\$ -
Accounts receivable	2,042,338	-	229,476	-
Interest receivable	112,522	-	-	-
Taxes receivable	4,949,073	649,996	-	-
Notes receivable	-	-	-	-
Due from other funds	5,555,019	-	-	376,060
Due from other governments	34,737	-	-	-
Advances to other funds	3,159,680	-	-	-
Prepaid items	195,722	-	28,970	-
Property held for resale	682,538	-	-	-
Restricted assets:				
Cash and investments held by fiscal agents	374,594	-	14,786,770	24,703
Total assets	\$ 36,238,116	\$ 21,046,898	\$ 29,327,763	\$ 400,763
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,912,815	\$ -	\$ 657,137	\$ -
Due to other funds	1,475,000	-	-	29,057
Due to other governments	7,381	-	-	-
Unearned revenues	17,126,666	-	-	-
Total Liabilities	21,521,862	-	657,137	29,057
Deferred Inflows of Resources:				
Unavailable revenues	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Fund Balances:				
Nonspendable	4,037,940	-	28,970	-
Restricted	374,594	21,046,898	28,641,656	371,706
Committed	459,491	-	-	-
Unassigned (deficit)	9,844,229	-	-	-
Total fund balances	14,716,254	21,046,898	28,670,626	371,706
Total liabilities, deferred inflows of resources, and fund balances	\$ 36,238,116	\$ 21,046,898	\$ 29,327,763	\$ 400,763

City of Montebello
Balance Sheet (Continued)
Governmental Funds
June 30, 2022

	Other Nonmajor Governmental Funds	Total Governmental Funds
ASSETS		
Cash and investments	\$ 1,778,386	\$ 55,589,728
Accounts receivable	3,120,294	5,392,108
Interest receivable	-	112,522
Taxes receivable	1,818	5,600,887
Notes receivable	495,693	495,693
Due from other funds	1,475,000	7,406,079
Due from other governments	4,944,689	4,979,426
Advances to other funds	-	3,159,680
Prepaid items	121,437	346,129
Property held for resale	996,830	1,679,368
Restricted assets:		
Cash and investments held by fiscal agents	-	15,186,067
Total assets	\$ 12,934,147	\$ 99,947,687
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
Accounts payable and accrued liabilities	\$ 349,457	\$ 3,919,409
Due to other funds	1,915,568	3,419,625
Due to other governments	-	7,381
Unearned revenues	325,356	17,452,022
Total Liabilities	2,590,381	24,798,437
Deferred Inflows of Resources:		
Unavailable revenues	455,405	455,405
Total deferred inflows of resources	455,405	455,405
Fund Balances:		
Nonspendable	121,437	4,188,347
Restricted	10,029,884	60,464,738
Committed	-	459,491
Unassigned (deficit)	(262,960)	9,581,269
Total fund balances	9,888,361	74,693,845
Total liabilities, deferred inflows of resources, and fund balances	\$ 12,934,147	\$ 99,947,687

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City of Montebello
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2022

Total fund balances reported on the governmental funds balance sheet	\$ 74,693,845
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Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

Capital assets used in governmental activities are not current assets or provides financial resources and therefore are not reported in the Governmental Funds.	104,617,396
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Internal service funds are not governmental funds. However, they are used by management to charge the costs of certain activities, such as insurance and central services and maintenance to individual governmental funds. Currently due assets and liabilities of these funds are therefore included in Governmental Activities in the following line items in the Statement of Net Position.	(20,326,439)
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Revenues earned but not available to pay for current expenditures for governmental funds are reported as unavailable revenue in the Governmental Funds Balance Sheet.	455,405
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Compensated absences were not due and payable in the current period; therefore, they were not reported in the governmental fund balance sheets, net of \$(3,777) reported in Internal Service Funds.	(5,588,405)
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Net pension liabilities and the related deferred outflows and inflows of resources were not due and payable in the current period; therefore, they were not reported in the governmental fund balance sheets:

Deferred outflows of resources	6,247,861	
Net pension assets	52,134,867	
Deferred inflows of resources	<u>(38,749,254)</u>	19,633,474

Net other postemployment benefits liability and the related deferred outflows and inflows of resources were not due and payable in the current period; therefore, they were not reported in the governmental fund balance sheets:

Deferred outflows of resources	\$ 5,335,951	
Net other postemployment benefits liability	(29,905,997)	
Deferred inflows of resources	<u>(2,365,627)</u>	(26,935,673)

Long-term debts and related payables were not due and payable in the current period; therefore, they were not reported in the governmental fund balance sheets:

Bonds and loans payable, net of premium and discount	(145,057,822)	
Unamortized loss on defeasance of debt	134,111	
Interest payable	<u>(844,561)</u>	<u>(145,768,272)</u>

Net position (deficit) of governmental activities:	\$ <u>781,331</u>
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City of Montebello
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2022

		Special Revenue Funds		Debt Service Fund
	General Fund	Retirement Fund	Transportation and Street Improvement Funds	Public Financing Authority
REVENUES:				
Taxes	\$ 42,505,700	\$ 14,569,128	\$ -	\$ -
Intergovernmental	6,311,326	-	7,799,136	-
Licenses and permits	7,806,258	-	-	-
Fines and forfeitures	2,512,256	-	-	-
Use of money and property	(869,471)	98,079	84,531	543
Charges for services	8,077,509	-	-	-
Other revenue	560,220	-	-	1,506,936
Total revenues	66,903,798	14,667,207	7,883,667	1,507,479
EXPENDITURES:				
Current:				
General government	7,508,181	191,001	-	-
Public safety	33,255,910	-	-	-
Public works	11,882,266	-	780,492	-
Parks, recreation, and culture	4,711,686	-	-	-
Housing and community development	2,370,064	-	-	-
Capital outlay	2,073,997	-	5,396,999	-
Debt service:				
Principal	1,254,815	-	-	5,876,027
Interest and fiscal charges	397,418	-	-	5,170,131
Total expenditures	63,454,337	191,001	6,177,491	11,046,158
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,449,461	14,476,206	1,706,176	(9,538,679)
OTHER FINANCING SOURCES (USES):				
Transfers in	3,637,348	-	-	9,532,529
Transfers out	-	(11,040,588)	(2,135,916)	-
Proceeds from sale of assets	44,300	-	-	-
Total other financing sources (uses)	3,681,648	(11,040,588)	(2,135,916)	9,532,529
NET CHANGE IN FUND BALANCES	7,131,109	3,435,618	(429,740)	(6,150)
FUND BALANCES:				
Beginning of year, as restated (Note 16)	7,585,145	17,611,280	29,100,366	377,856
End of year	\$ 14,716,254	\$ 21,046,898	\$ 28,670,626	\$ 371,706

City of Montebello
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2022

	Other Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:		
Taxes	\$ -	\$ 57,074,828
Intergovernmental	5,147,910	19,258,372
Licenses and permits	-	7,806,258
Fines and forfeitures	-	2,512,256
Use of money and property	13,947	(672,371)
Charges for services	-	8,077,509
Other revenue	52,397	2,119,553
Total revenues	5,214,254	96,176,405
EXPENDITURES:		
Current:		
General government:	-	7,699,182
Public safety	1,916,718	35,172,628
Public works	869,375	13,532,133
Parks and recreation	810,546	5,522,232
Housing and community development	284,597	2,654,661
Capital outlay	192,310	7,663,306
Debt service:		
Principal	425,000	7,555,842
Interest and fiscal charges	46,595	5,614,144
Total expenditures	4,545,141	85,414,128
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	669,113	10,762,277
OTHER FINANCING SOURCES (USES):		
Transfers in	-	13,169,877
Transfers out	-	(13,176,504)
Proceeds from sale of assets	-	44,300
Total other financing sources (uses)	-	37,673
NET CHANGE IN FUND BALANCES	669,113	10,799,950
FUND BALANCES:		
Beginning of year, as restated (Note 16)	9,219,248	63,893,895
End of year	<u>\$ 9,888,361</u>	<u>\$ 74,693,845</u>

City of Montebello
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, 2022

Net change in fund balances - total governmental funds: \$ 10,799,950

Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the portion of the cost attributed to capital assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense. The remaining amounts are expensed and allocated to the programs they support.

The capital outlay expenditures	\$ 7,961,454	
Depreciation expense	(3,408,289)	
Net effect of disposal of capital assets	(2,265,654)	2,287,511

Revenues in the Government-Wide Statement of Activities that do not provide current financial resources and are not reported as revenue in the governmental funds.		455,405
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Repayment of debt principal	7,555,842	
Interest and amortization expense	65,550	7,621,392

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in governmental funds:

Pension credit, net of contribution made after measurement date	9,277,991	
OPEB expense, net of contribution made after measurement date	(600,440)	
Compensated absences	(2,614,819)	6,062,732

Internal Service Funds are used by management to charge the costs of insurance activities to individual funds. The portion of the net revenue (expense) of these Internal Service Funds arising out of their transactions with governmental funds is reported with governmental activities, because they service those activities.

(6,431,105)

Change in net position of governmental activities		\$ 20,795,885
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PROPRIETARY FUND FINANCIAL STATEMENTS

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MAJOR PROPRIETARY FUNDS

Proprietary funds account for City operations financed and operated in a manner similar to a private business enterprise. The intent of the City is that the cost of providing goods and services be financed primarily through user charges.

The concept of major funds extends to Proprietary Funds. The City has identified the funds below as major proprietary funds.

TRANSIT SYSTEM FUND

This fund is used to account for all revenues and expenses related to the operations of the City's transit service. The City of Montebello operates a bus line: Montebello Bus Lines. This fund is utilized to track revenue and expenditures for all operations. The revenue recorded in this fund is comprised of fares, Local Return Funds (LA County Metro) and Federal funds. Operating expenses include salaries and benefits of bus operators and mechanics, fuel, supplies for bus repairs, and other related expenditures.

GOLF COURSE FUND

This fund is used to account for all revenues and expenses related to the operations of the Montebello Municipal Golf Course. The City owns and operates an eighteen hole championship Golf Course, in operation since 1926. This enterprise fund accounts for the operations of the golf course: staff, maintenance, repairs, etc. In addition, the fund accounts for revenue and operating expenses of the Quiet Cannon, an event and conference space that is owned by the City but operated by a management company.

MONTEBELLO HILTON FUND

This fund is used to account for revenues and expenses related to the operations of the Montebello Hilton (i.e., Hilton Garden Inn). This City owned hotel has been in operation since 2004 and is operated by a management company. It is a full service hotel that offers a full range of amenities: business center, meeting rooms, bar/restaurant, swimming pool, etc. It is adjacent to the City's eighteen-hole championship golf course.

HOME2SUITES FUND

This fund is used to account for revenues and expenses related to the operations of the Montebello Home2Suites Hotel. This City owned hotel opened in 2018 and is operated by a management company. It is a full-service hotel that caters to the long-term business traveler.

WATER UTILITY FUND

This fund is used to account for the revenue and expenses of the Water Fund. The City contracts with a third-party, the San Gabriel Valley Water Company ("SGVWC"), for the operation and maintenance of this utility. In May 2020 the City received approval to move forward with the sale of its water system to SGVWC. The Public Utilities Commission ("PUC") gave final approval of the sale in November 2021. It is anticipated that the sale will be completed by June 30, 2023. All activities necessary to provide such service are accounted for in this fund including, but not limited to administration, operations, maintenance, financing, billing and collections.

City of Montebello
Statement of Net Position
Proprietary Funds
June 30, 2022

	Business-type Activities - Enterprise Funds				
	Transit System	Golf Course	Montebello Hilton	Home2Suites	Water
ASSETS					
Current assets:					
Cash and investments	\$ 15,350,137	\$ -	\$ 277,514	\$ 1,270,809	\$ 896,394
Accounts receivable	9,966,661	212,638	772,292	740,731	183,620
Inventories	1,336,597	66,175	480	1,870	-
Prepaid items	71,882	-	129,980	211,602	-
Restricted:					
Cash and investments with fiscal agents	55,070	-	2,263,460	10,364,324	-
Total current assets	26,780,347	278,813	3,443,726	12,589,336	1,080,014
Noncurrent assets:					
Net pension assets	17,580,885	-	-	-	-
Capital assets:					
Nondepreciable	15,554,952	3,581,034	566,421	-	35,000
Depreciable	101,016,821	13,455,748	19,715,754	49,083,848	3,137,430
Accumulated depreciation	(74,605,641)	(9,931,757)	(8,419,244)	(4,601,611)	(2,252,117)
Total capital assets, net	41,966,132	7,105,025	11,862,931	44,482,237	920,313
Total noncurrent assets	59,547,017	7,105,025	11,862,931	44,482,237	920,313
Total assets	86,327,364	7,383,838	15,306,657	57,071,573	2,000,327
DEFERRED OUTFLOWS OF RESOURCES					
Pension related	1,629,574	-	-	-	-
Other postemployment benefits related	676,388	-	-	-	-
Deferred charges on refunding	-	40,963	-	-	-
Total deferred outflows of resources	2,305,962	40,963	-	-	-

(Continued)

City of Montebello
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2022

	Business-type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
	Total	Self-insurance
ASSETS		
Current assets:		
Cash and investments	\$ 17,794,854	\$ 7,134,648
Accounts receivable	11,875,942	3,896
Inventories	1,405,122	-
Prepaid items	413,464	-
Restricted:		
Cash and investments with fiscal agents	12,682,854	-
Total current assets	44,172,236	7,138,544
Noncurrent assets:		
Net pension assets	17,580,885	-
Capital assets:		
Nondepreciable	19,737,407	-
Depreciable	186,409,601	-
Accumulated depreciation	(99,810,370)	-
Total capital assets, net	106,336,638	-
Total noncurrent assets	123,917,523	-
Total assets	168,089,759	7,138,544
DEFERRED OUTFLOWS OF RESOURCES		
Pension related	1,629,574	-
Other postemployment benefits related	676,388	-
Deferred charges on refunding	40,963	-
Total deferred outflows of resources	2,346,925	-

(Continued)

City of Montebello
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2022

	Business-type Activities - Enterprise Funds				
	Transit System Fund	Golf Course	Montebello Hilton	Home2Suites	Water Fund
LIABILITIES					
Current liabilities:					
Accounts payable and accrued liabilities	1,117,265	244,824	1,112,922	937,377	92,097
Interest payable	115,575	11,535	34,000	206,954	2,770
Deposits payable	-	400	30,486	71,621	31,675
Due to other funds	-	3,986,454	-	-	-
Due to other governments	-	-	-	2,750	-
Unearned revenue	2,028,961	-	-	-	-
Compensated absences, due within one year	880,294	-	-	-	-
Claims payable, due within one year	-	-	-	-	-
Bonds and notes payable, due within one year	1,453,083	409,535	650,000	1,165,000	-
Total current liabilities	5,595,178	4,652,748	1,827,408	2,383,702	126,542
Noncurrent liabilities:					
Advances from other funds	-	-	2,300,000	859,680	-
Compensated absences, due in more than one year	394,594	-	-	-	-
Claims payable, due in more than one year	-	-	-	-	-
Bonds and notes payable, due in more than one year	37,325,804	1,616,517	10,733,313	55,553,005	181,557
Net other postemployment benefits liability	3,790,901	-	-	-	-
Total noncurrent liabilities	41,511,299	1,616,517	13,033,313	56,412,685	181,557
Total liabilities	47,106,477	6,269,265	14,860,721	58,796,387	308,099
DEFERRED INFLOWS OF RESOURCES					
Deferred gain on refunding	-	-	529,498	-	-
Pension related	12,563,853	-	-	-	-
Other postemployment benefits related	299,868	-	-	-	-
Total deferred inflows of resources	12,863,721	-	529,498	-	-
NET POSITION					
Net investment in capital assets	41,375,645	5,119,936	(49,880)	(12,235,768)	738,756
Restricted for debt service	8,771	-	2,263,460	10,364,324	-
Unrestricted (deficit)	(12,721,288)	(3,964,400)	(2,297,142)	146,630	953,472
Total net position	\$ 28,663,128	\$ 1,155,536	\$ (83,562)	\$ (1,724,814)	\$ 1,692,228

(Continued)

City of Montebello
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2022

	Business-type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
	Total	Self-insurance
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	3,504,485	16,595
Interest payable	370,834	-
Deposits payable	134,182	-
Due to other funds	3,986,454	-
Due to other governments	2,750	-
Unearned revenue	2,028,961	-
Compensated absences, due within one year	880,294	3,777
Claims payable, due within one year	-	6,696,705
Bonds and notes payable, due within one year	3,677,618	-
Total current liabilities	14,585,578	6,717,077
Noncurrent liabilities:		
Advances from other funds	3,159,680	-
Compensated absences, due in more than one year	394,594	-
Claims payable, due in more than one year	-	20,747,906
Bonds and notes payable, due in more than one year	105,410,196	-
Net other postemployment benefits liability	3,790,901	-
Total noncurrent liabilities	112,755,371	20,747,906
Total liabilities	127,340,949	27,464,983
DEFERRED INFLOWS OF RESOURCES		
Deferred gain on refunding	529,498	-
Pension related	12,563,853	-
Other postemployment benefits related	299,868	-
Total deferred inflows of resources	13,393,219	-
NET POSITION		
Net investment in capital assets	34,948,689	-
Restricted for debt service	12,636,555	-
Unrestricted (deficit)	(17,882,728)	(20,326,439)
Total net position	\$ 29,702,516	\$ (20,326,439)

(Concluded)

City of Montebello
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds				
	Transit System	Golf Course	Montebello Hilton	Home2Suites	Water
OPERATING REVENUES:					
Charges for services	\$ 2,092,340	\$ 2,940,434	\$ 5,256,495	\$ 11,968,958	\$ 2,607,898
Operating subsidies:					
Proposition "A" discretionary	5,681,362	-	-	-	-
Proposition "C" discretionary	3,812,459	-	-	-	-
Measure M	3,592,001	-	-	-	-
Measure R	3,604,280	-	-	-	-
Federal and state transit assistance	9,652,191	-	-	-	-
Total operating subsidies:	26,342,293	-	-	-	-
Other	104,707	5,051	101,009	81,384	-
Total operating revenues	28,539,340	2,945,485	5,357,504	12,050,342	2,607,898
OPERATING EXPENSES:					
Salaries and benefits expense (credit)	13,550,771	(261,683)	1,176,667	1,769,105	1,116
Materials and supplies	3,098,640	27,756	209,443	-	-
Food and beverage	-	-	446,424	548,968	-
Repairs and maintenance	136,811	205	-	15	-
Utilities	319,575	950,729	242,266	310,714	187,749
Insurance claims and premiums	2,100,000	-	79,200	94,568	-
Contractual services	1,981,382	1,349,987	415,037	951,532	1,983,319
Franchise fees	-	-	162,276	537,571	-
Depreciation	4,330,533	233,298	430,301	1,227,097	5,680
Administrative expense	1,953,337	357,080	1,060,461	2,007,223	160,602
Other expenses	374,753	5,766	595,623	7,832	-
Total operating expenses	27,845,802	2,663,138	4,817,698	7,454,625	2,338,466
Operating income (loss)	693,538	282,347	539,806	4,595,717	269,432
NONOPERATING REVENUES (EXPENSES):					
Investment income	58,265	-	2,240	12,142	4,356
Interest and fiscal charges	(1,434,503)	(72,094)	(270,975)	(2,327,489)	(4,727)
Gain on sale of assets	4,900	-	-	-	-
Total nonoperating revenues (expenses)	(1,371,338)	(72,094)	(268,735)	(2,315,347)	(371)
Income before contribution and transfers	(677,800)	210,253	271,071	2,280,370	269,061
CONTRIBUTIONS AND TRANSFERS:					
Federal and state capital grants	15,879,414	-	-	-	-
Transfers in	-	6,627	-	-	-
Total contributions and transfers	15,879,414	6,627	-	-	-
Change in net position	15,201,614	216,880	271,071	2,280,370	269,061
NET POSITION:					
Beginning of year	13,461,514	938,656	(354,633)	(4,005,184)	1,423,167
End of year	\$ 28,663,128	\$ 1,155,536	\$ (83,562)	\$ (1,724,814)	\$ 1,692,228

(Continued)

City of Montebello
Statement of Revenues, Expenses, and Changes in Net Position (Continued)
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
	Total	Self-insurance
OPERATING REVENUES:		
Charges for services	\$ 24,866,125	\$ 8,528,226
Operating subsidies:		
Proposition "A" discretionary	5,681,362	-
Proposition "C" discretionary	3,812,459	-
Measure M	3,592,001	-
Measure R	3,604,280	-
Federal and state transit assistance	9,652,191	-
Total operating subsidies:	26,342,293	-
Other	292,151	-
Total operating revenues	51,500,569	8,528,226
OPERATING EXPENSES:		
Salaries and benefits	16,235,976	-
Materials and supplies	3,335,839	-
Food and beverage	995,392	-
Repairs and maintenance	137,031	-
Utilities	2,011,033	-
Insurance claims and premiums	2,273,768	14,474,506
Contractual services	6,681,257	484,825
Franchise fees	699,847	-
Depreciation	6,226,909	-
Administrative expense	5,538,703	-
Other expenses	983,974	-
Total operating expenses	45,119,729	14,959,331
Operating income (loss)	6,380,840	(6,431,105)
NONOPERATING REVENUES (EXPENSES):		
Investment income	77,003	-
Interest and fiscal charges	(4,109,788)	-
Gain on sale of assets	4,900	-
Total nonoperating revenues (expenses)	(4,027,885)	-
Income before contribution and transfers	2,352,955	(6,431,105)
CONTRIBUTIONS AND TRANSFERS:		
Federal and state capital grants	15,879,414	-
Transfers in	6,627	-
Total contributions and transfers	15,886,041	-
Change in net position	18,238,996	(6,431,105)
NET POSITION:		
Beginning of year	11,463,520	(13,895,334)
End of year	\$ 29,702,516	\$ (20,326,439)

(Concluded)

City of Montebello
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds				
	Transit System	Golf Course	Montebello Hilton	Home2Suites	Water
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 8,714,866	\$ 2,739,875	\$ 5,064,274	\$ 11,517,872	\$ 2,658,540
Payments to suppliers	(10,408,896)	(2,474,882)	(4,299,656)	(6,249,139)	(2,348,587)
Payments to employees	(17,011,769)	(162,840)	(1,177,294)	(1,735,000)	329
Operating subsidies received from Federal and State	26,114,585	-	-	-	-
Claims and insurance paid	-	-	-	-	-
Cash flows provided by (used in) operating activities	7,408,786	102,153	(412,676)	3,533,733	310,282
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Principal payment on pension obligation bonds	(1,384,173)	-	-	-	-
Interest paid on pension obligation bonds	(1,412,735)	-	-	-	-
Interfund receipts	-	-	-	862,430	-
Interfund payments	(219,255)	1,619,544	(378,454)	(1,076,515)	-
Transfers in	-	6,627	-	-	-
Cash flows provided by (used in) noncapital financing activities	(3,016,163)	1,626,171	(378,454)	(214,085)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Federal and State capital grants	15,879,414	-	-	-	-
Acquisition of capital assets	(8,349,823)	(1,211,034)	(6,940)	-	-
Proceed from sale of assets	4,900	-	-	-	-
Debt principal repayment	(215,443)	(443,892)	-	(1,110,000)	(76,307)
Interest paid	(48,964)	(75,775)	(408,000)	(2,545,519)	(4,240)
Cash flows provided by (used in) capital and related financing activities	7,270,084	(1,730,701)	(414,940)	(3,655,519)	(80,547)
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment earning	58,265	-	2,240	12,142	4,356
Cash flows provided by investing activities	58,265	-	2,240	12,142	4,356
Net increase (decrease) in cash and investments	11,720,972	(2,377)	(1,203,830)	(323,729)	234,091
CASH AND INVESTMENTS:					
Beginning of year	3,684,235	2,377	3,744,804	11,958,862	662,303
End of year	<u>\$ 15,405,207</u>	<u>\$ -</u>	<u>\$ 2,540,974</u>	<u>\$ 11,635,133</u>	<u>\$ 896,394</u>
CASH AND INVESTMENTS:					
Cash and investments (as restated)	\$ 15,350,137	\$ -	\$ 277,514	\$ 1,270,809	\$ 896,394
Cash and investments with fiscal agents	55,070	-	2,263,460	10,364,324	-
Total cash and investments	<u><u>\$ 15,405,207</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 2,540,974</u></u>	<u><u>\$ 11,635,133</u></u>	<u><u>\$ 896,394</u></u>

(Continued)

City of Montebello
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds				
	Transit System	Golf Course	Montebello Hilton	Home2Suites	Water
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating activities:					
Operating income (loss)	\$ 693,538	\$ 282,347	\$ 539,806	\$ 4,595,717	\$ 269,432
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities:					
Depreciation	4,330,533	233,298	430,301	1,227,097	5,680
(Increase) decrease in:					
Accounts receivable	6,517,819	(205,610)	(310,158)	(603,709)	50,642
Inventories	32,843	4,106	(480)	(82)	-
Prepaid items	(21,177)	-	(91,510)	(178,143)	-
Net pension assets	(16,636,432)	29,444	-	-	330
Pension related deferred outflows of resources	1,284,944	90,862	-	-	1,019
Other postemployment benefits related deferred outflows of resources	(261,260)	59,975	-	-	-
Increase (decrease) in:					
Accounts payable and accrued liabilities	(360,058)	211,214	(997,563)	(1,578,386)	(16,588)
Deposit payable	-	-	16,928	71,239	-
Unearned revenue	(227,708)	-	-	-	-
Compensated absences	(4,336)	(15,300)	-	-	-
Claims payable	-	-	-	-	-
Net other postemployment benefits liability	278,303	(507,479)	-	-	-
Pension related deferred inflows of resources	11,896,510	(20,805)	-	-	(233)
Other postemployment benefits related deferred inflows of resources	(114,733)	(59,899)	-	-	-
Cash flows provided by (used in) operating activities	\$ 7,408,786	\$ 102,153	\$ (412,676)	\$ 3,533,733	\$ 310,282

(Continued)

City of Montebello
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
	Total	Self-insurance
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 30,695,427	\$ 8,528,226
Payments to suppliers	(25,781,160)	(490,274)
Payments to employees	(20,086,574)	
Operating subsidies received from Federal and State	26,114,585	-
Claims and insurance paid	-	(10,631,125)
Cash flows provided by (used in) operating activities	10,942,278	(2,593,173)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Principal payment on pension obligation bonds	(1,384,173)	-
Interest paid on pension obligation bonds	(1,412,735)	-
Interfund receipts	862,430	-
Interfund payments	(54,680)	-
Transfers in	6,627	-
Cash flows provided by (used in) noncapital financing activities	(1,982,531)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Federal and State capital grants	15,879,414	-
Acquisition of capital assets	(9,567,797)	-
Proceed from sale of assets	4,900	-
Debt principal repayment	(1,845,642)	-
Interest paid	(3,082,498)	-
Cash flows provided by (used in) capital and related financing activities	1,388,377	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment earning	77,003	-
Cash flows provided by investing activities	77,003	-
Net increase (decrease) in cash and investments	10,425,127	(2,593,173)
CASH AND INVESTMENTS:		
Beginning of year	20,052,581	9,727,821
End of year	<u>\$ 30,477,708</u>	<u>\$ 7,134,648</u>
CASH AND INVESTMENTS:		
Cash and investments (as restated)	\$ 17,794,854	\$ -
Cash and investments with fiscal agents	12,682,854	-
Total cash and investments	<u><u>\$ 30,477,708</u></u>	<u><u>\$ -</u></u>

(Continued)

City of Montebello
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2022

	Business-type Activities - Enterprise Funds	Governmental Activities - Internal Service Fund
	Total	Self-insurance
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating activities:		
Operating income (loss)	\$ 6,380,840	\$ (6,431,105)
Adjustments to reconcile operating income (loss) to net cash flows provided by (used in) operating activities:		
Depreciation	6,226,909	-
(Increase) decrease in:	-	-
Accounts receivable	5,448,984	-
Inventories	36,387	-
Prepaid items	(290,830)	-
Net pension assets	(16,606,658)	-
Pension related deferred outflows of resources	1,376,825	-
Other postemployment benefits related deferred outflows of resources	(201,285)	-
Increase (decrease) in:		
Accounts payable and accrued liabilities	(2,741,381)	(5,449)
Deposit payable	88,167	-
Unearned revenue	(227,708)	-
Compensated absences	(19,636)	-
Claims payable	-	3,843,381
Net other postemployment benefits liability	(229,176)	-
Pension related deferred inflows of resources	11,875,472	-
Other postemployment benefits related deferred inflows of resources	(174,632)	-
Cash flows provided by (used in) operating activities	\$ 10,942,278	\$ (2,593,173)

(Concluded)

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FIDUCIARY FUNDS

The City maintains two types of fiduciary funds: agency funds and private purpose trust funds. These funds are presented separately from the Entity-wide and Fund financial statements.

A private purpose trust fund is used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations or other governments. A summary description of the City's fund is as follows:

Redevelopment Successor Agency Private Purpose Trust Fund – This fund was established to account for assets held by the Redevelopment Successor Agency pending distribution to the appropriate taxing entities after the payment of enforceable obligations that were in effect as of the signing of Assembly Bill X1 26.

Custodial funds account for assets held by the City as agent for individuals, governmental entities, and other organizations.

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City of Montebello
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Successor Agency Private-Purpose Trust Fund	Custodial Fund
ASSETS:		
Cash and investments	\$ 19,226,231	\$ 1,081,341
Accounts receivable	2,733	-
Interest receivable	26,234	-
Notes receivable	3,831,900	-
Due from the other governments	8,016	2,115
Land held for resale	1,627,486	-
Restricted assets:		
Cash with fiscal agents	1,996,774	-
Capital assets, net	10,793,236	-
Total assets	37,512,610	1,083,456
DEFERRED OUTFLOWS OF RESOURCES:		
Unamortized loss on defeasance of debt	143,052	-
Total deferred outflows of resources	143,052	1,083,456
LIABILITIES:		
Current liabilities:		
Accounts payable and accrued liabilities	17,705	-
Deposits payable	50,000	-
Accrued interest	200,138	-
Due to other governments	4,967,239	12,187
Bonds payable, due in one year	4,294,333	-
Noncurrent liabilities:		
Bonds payable, due in more than one year	14,680,817	-
Total liabilities	24,210,232	12,187
NET POSITION		
Held in trust for individuals, organizations, and other governments	<u><u>\$ 13,445,430</u></u>	<u><u>\$ 1,071,269</u></u>

City of Montebello
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2022

	Successor Agency Private-Purpose Trust Fund	Custodial Fund
ADDITIONS:		
Redevelopment property trust tax fund	\$ 7,040,722	\$ -
Contributions	-	97,148
Investment income	(129,865)	116
Other income	188,430	-
Total additions	<u>7,099,287</u>	<u>97,264</u>
DEDUCTIONS:		
Contractual services	29,263	-
Payments for retiree benefits	-	164,700
General and administrative	35,118	2,716
Depreciation expense	228,550	-
Interest expense	1,007,461	-
Loss on disposal of property	2,100,000	-
Other deduction	40,508	139,005
Total deductions	<u>3,440,900</u>	<u>306,421</u>
CHANGE IN NET POSITION	3,658,387	(209,157)
NET POSITION:		
Beginning of year, as restated (Note 16)	<u>9,787,043</u>	<u>1,280,426</u>
End of year	<u>\$ 13,445,430</u>	<u>\$ 1,071,269</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Montebello
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For the Year Ended June 30, 2022

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City of Montebello
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For the Year Ended June 30, 2022

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City of Montebello
Notes to the Basic Financial Statements
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Montebello, California, (the “City”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) as applied to governmental agencies. The Governmental Accounting Standards Board (“GASB”) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies:

A. Financial Reporting Entity

The City was incorporated on October 16, 1920 as a general law City, utilizing the City Council/City Manager form of government and provides the following services: general government, police, fire, street maintenance, parks, recreation, planning, public transit, golf course, two hotels, and water utility services.

Component Units

The financial statements includes the financial activities of the City of Montebello, the primary government, and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization, or there is a financial benefits or financial burden relationship. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City) and there is a financial burden or benefit component to the relationship. In certain cases, other organizations are included as component units if the nature and significance of their operational and financial relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

Management determined that the following component unit should be blended based on the criteria above:

Montebello Public Improvement Corporation (“MPIC”)

The Montebello Public Improvement Corporation was formed in June 1990 as a nonprofit corporation. MPIC was formed for the purpose of acquisition and construction of various projects in the City under a financing agreement. The MPIC is not active.

Montebello Public Financing Authority (the “Authority”)

The Montebello Public Financing Authority was established pursuant to a Joint Exercise of Powers Agreement, dated September 2, 1997, entered into by the City and the former Redevelopment Agency for the purpose, among others, of issuing bonds to be used to provide financial assistance to its members. The activities of the Authority are reported in the Debt Service and Capital Projects Funds. In August 2014, the Montebello Parking Authority replaced the Successor Agency as one of the principals in the Montebello Public Financing Authority.

Water System Improvement Corporation (“WSIC”)

The Water System Improvement Corporation was formed in July 1972. The WSIC was formed for the purpose of rendering assisting the City in acquisition or improvement to the City's Water System facilities. The WSIC is not active.

Separate financial statements are not prepared for these blended component units.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

Successor Agency to the Montebello Redevelopment Agency (the “Successor Agency”)

Prior to its dissolution on February 1, 2012, the former Montebello Redevelopment Agency’s (the “Agency”) financial activity was reported as a component unit of the City. The primary purpose of the Agency was to eliminate blighted areas by encouraging development of residential, commercial, industrial, recreational, and public facilities.

Pursuant to the provisions of AB 1x26, the former Montebello Redevelopment Agency was dissolved and the Successor Agency to the Dissolved Montebello Redevelopment Agency (“Successor Agency”) was created. Accordingly, all of the assets, liabilities and obligations of the former redevelopment agency were transferred to the Successor Agency and the Housing Successor Special Revenue Fund (“Housing Fund”) of the City on February 1, 2012.

The City of Montebello currently serves as the Successor Agency to the former redevelopment agency that is responsible for revenue collection, maintaining the bond reserves, disposing of excess property and fulfilling the obligations of the dissolved Agency. The City Council serves as the Successor Agency’s governing board.

Financial information for the Successor Agency is presented as a private-purpose trust fund.

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

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental 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.

Government-Wide Financial Statements

The government-wide financial statements are reported using the “*economic resources*” measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under the economic resources measurement focus, all assets and deferred outflows of resources and liabilities and deferred inflows of resources (whether current or noncurrent) are included in the Statement of Net Position. Operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Statement of Net Position and the Statement of Activities report information about the reporting government as a whole, except for its fiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government (including its blended component units) is reported separately from discretely presented component units for which the primary government is financially accountable. The City has no discretely presented component units. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's enterprise activities and various functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Government-Wide Financial Statements (Continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues.

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 and eliminated in the total primary government column. 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. The following interfund activities have been eliminated:

- Due from and to other funds
- Advances to and from other funds
- Transfers in and out

Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange include property taxes, grants, entitlements, and donations. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all the eligibility requirements have been satisfied.

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

Governmental Fund Financial Statements

A Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances are presented for all major governmental funds and aggregated nonmajor funds. Accompanying schedules are presented to reconcile and explain the differences in fund balances as presented in these statements, to the net position presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

Governmental fund financial statements are reported using the “*current financial resources*” measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period. Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. However, special reporting treatments are used to indicate that they should not be considered “available spendable resources” since they do not represent net current assets. Recognition of governmental fund type revenue represented by noncurrent receivables is deferred until they become current receivables. Noncurrent portions of other long-term receivables are offset by fund balance nonspendable accounts.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Governmental Fund Financial Statements (Continued)

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

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period with the exception of interest not expected to be received within 60 days. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

The General Fund is the primary operating fund of the City. It is used to account for all revenues and expenditures that are not required to be accounted for in another fund.

The Retirement Special Revenue Fund is used to account for the accumulation of resources required for costs associated with the City's defined benefit retirement program, provided through a contractual relationship with the California Public Employees Retirement System (CalPERS). The City of Montebello voters twice approved a Property Tax Override (PTO) in 1946 and again in 1976 (affirmation vote) to be utilized to pay for retirement related pension costs (i.e., PERS related expenditures). Ordinance No 2148 (1996) codified the tax rate at \$0.197875 per \$100 of assessed valuation (Municipal Code Section 3.28.020). The revenue from the property tax override can only be used to pay for retirement system related expenses. The revenue is utilized to pay for unfunded actuarial liability (UAL), normal costs, and effective fiscal year 2020 – 2021, debt service on Pension Obligation Bonds.

The Transportation and Street Improvement Special Revenue Funds is used to account for the all transportation and street repair maintenance funds that were previously reported separately as Gas Tax Special Revenue Fund, Road Maintenance and Rehabilitation Special Revenue Fund, Prop A Local, Special Revenue Fund, Prop C Local Special Revenue Fund, Measure R Local Special Revenue Fund, and Measure M Local Special Revenue Fund.

The Public Financing Authority Debt Service Fund is used to account for the accumulation of resources required for payment of interest and principal on all Public Financing Authority revenue bonds.

Proprietary Fund Financial Statements

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total 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.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Proprietary Fund Financial Statements (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major proprietary funds:

The Transit System Enterprise Fund is used to account for all revenues and expenses related to the operations of the City's transit service. The City of Montebello operates a bus line: Montebello Bus Lines. This fund is utilized to track revenue and expenditures for all operations. The revenue recorded in this fund is comprised of fares, Local Return Funds (LA County Metro) and Federal funds. Operating expenses include salaries and benefits of bus operators and mechanics, fuel, supplies for bus repairs, and other related expenditures. Fund 270 records Transit related grant awards and Fund 202 records the portion of the Road Maintenance and Rehabilitation Act (SB1) funding for transit agencies known as "State of Good Repair."

The Golf Course Enterprise Fund is used to account for all revenues and expenses related to the operations of the Montebello Municipal Golf Course. The City owns and operates an eighteen hole championship Golf Course, in operation since 1926. This enterprise fund accounts for the operations of the golf course: staff, maintenance, repairs, etc. In March, 2020, the City changed operators of the golf course. In addition, the fund accounts for revenue and operating expenses of the Quiet Cannon, an event and conference space that is owned by the City but operated by a third party.

The Montebello Hilton Enterprise Fund is used to account for revenues and expenses related to the operations of the Montebello Hilton (i.e., Hilton Garden Inn). This City owned hotel has been in operation since 2004 and is operated by a third-party. It is a full- service hotel that offers a full range of amenities: business center, meeting rooms, bar/restaurant, swimming pool, etc. It is adjacent to the City's eighteen-hole championship golf course.

The Home2Suites Enterprise Fund is used to account for revenues and expenses related to the operations of the Montebello Home2Suites. This City owned hotel opened in 2018 and is operated by a third-party. It is a full-service hotel that caters to the long-term business traveler. Occupancy rates traditionally have been in the 90% range (pre-pandemic).

The Water Utility Enterprise Fund is used to account for the revenues and expenses of the Water Fund. The City owns a water utility. The City contracts out to a third-party, the San Gabriel Valley Water Company ("SGVWC"), for the operation and maintenance of this utility. In May 2020, the City received approval to move forward with the sale of its water system to SGVWC. The Public Utilities Commission ("PUC") gave final approval of the sale in November 2021. It is anticipated that the sale will be completed by June 30, 2023. All activities necessary to provide such service are accounted for in this fund including, but not limited to administration, operations, maintenance, financing, and billing collections.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

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

Proprietary Fund Financial Statements (Continued)

Additionally, the City reports the following proprietary fund types:

The Internal Service Fund is used to account for the financing of special activities that provide services within the City. These activities include self-insurance services. Montebello is a member of CSAC and acquires liability and workers compensation insurance through an independent broker and utilizes a Third-Party Administrator to administer all claims (liability and workers compensation). Related expenses are recorded in this Internal Service Fund.

Fiduciary Funds

Fiduciary fund financial statements include a statement of fiduciary net position and a statement of changes in fiduciary net position. The City's fiduciary fund represents a private purpose trust fund and a custodial fund. The fiduciary funds are accounted for on the full accrual basis of accounting where the assets associated with the activity are controlled by the City and the assets are not derived 1) solely from the government's own-source revenues or 2) from government-mandated nonexchange transactions or voluntary nonexchange transactions.

The City reports the following two types of fiduciary funds:

The Successor Agency Private-Purpose Trust Fund is a fiduciary fund type used by the City to report trust arrangements under which principal and income benefit other governments. The former Montebello Redevelopment Agency activity is now recorded in this fund. The State of California Department of Finance (DOF) approves enforceable obligations that are funded using former tax increment (i.e., property tax) revenue. All revenue and expense activity related to the Successor Agency's approved enforceable obligations are recorded in this fund.

The Custodial Fund is used to account for the resources (deposits) held by the City in a fiduciary capacity for individuals, governmental entities, and others. The City maintains various accounts, where it collects and maintains funds, but is only the custodian of such funds. For example, the City provides for police and fire personnel to contribute a percentage of income to a retiree health account. These funds are held in an account in this fund and ultimately transferred to a third party. There are other accounts where the City acts as custodian.

C. Cash, Cash Equivalents, and Investments

The City pools idle cash from all funds for the purpose of increasing income through investment activities. For purposes of the Statement of Cash Flows, the proprietary funds consider all cash and investments with original maturities of 90 days or less to be cash or cash equivalents. In addition, cash invested in the City's cash management pool is considered to be cash equivalents.

D. 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.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Fair Value Measurement (Continued)

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 of what market participants would use pricing the assets or liabilities at the measurement date.

E. Land Held for Resale

Land held for resale is carried at the lower of cost or estimated net realizable value.

F. Inventory and Prepaid Items

Inventories are valued at cost on a first-in, first-out basis. The City follows the consumption method for inventory control. Inventory items are reported as expenditures/expenses when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements by using purchase method.

A nonspendable fund balance has been reported in the governmental funds to show that inventories and prepaid items do not constitute “available spendable resources,” even though they are a component of current assets.

G. Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their acquisition value. Generally, capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of one year or more.

Capital assets include additions to public domain (infrastructure), certain improvements including pavement, curb and gutter, sidewalks, traffic control devices, streetlights, sewers, bridges, and right-of-way corridors within the City. The City has valued and recorded all infrastructure asset data as of June 30, 2022.

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 funds. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective statement of net position. The lives used for depreciation purposes of each capital asset class are:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	10 to 50
Machinery	5 to 30
Equipment	5 to 10
Infrastructure	20 to 50

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Deferred Outflows and Inflows of Resources

The statement of financial position reports separate sections for deferred outflows of resources and deferred inflows of resources, when applicable.

Deferred Outflows of Resources represent a consumption of net assets that applies to future periods. The City reports pension and other benefits (“OPEB”) contributions after the measurement date and deferred losses related to pensions, OPEB, and debt refunding in this category.

Deferred Inflows of Resources represent an acquisition of net assets that applies to future periods. The City reports unavailable revenues, deferred gains related to pensions, OPEB, and debt refunding in this category.

I. Compensated Absences

It is the City's policy to permit employees to accumulate limited amounts of earned but unused vacation and sick leave benefits, which will be paid to employees upon separation from City service. In governmental fund types, the cost of vacation and sick leave benefits are recognized when payments are made to employees. Proprietary fund types accrue vacation and sick leave benefits in the period they are earned.

General fund is typically used to liquidate compensated absences for governmental funds.

J. Pensions

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.

General Fund and special revenue funds are typically used to liquidate pension liabilities for governmental funds.

The following time frames are used for pension reporting:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. 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.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Postemployment Benefits Other than Pensions (“OPEB”)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the City’s OPEB Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

General Fund and special revenue funds are typically used to liquidate OPEB liabilities for governmental funds.

The following timeframes are reported OPEB reporting:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Measurement Period	July 1, 2020 to June 30, 2021

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. Gains and losses are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

L. Net Position

In the government-wide financial statements, net positions are categorized as follows:

- Net Investment in Capital Assets consists of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of retention payable and debt that are attributable to the acquisition, construction, or improvement of those assets, and related deferred outflows and inflows of resources, net of unspent debt proceeds.
- Restricted Net Position consist 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 law through constitutional provisions or enabling legislation. 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.
- Unrestricted Net Position consist of net position that do not meet the definition of net investment in capital assets or restricted net position.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

M. Fund Balances

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

- Nonspendable - Amounts that cannot be spent either because it is not in spendable form or because of legal or contractual constraints.
- Restricted - Amounts that are constrained for specific purposes, which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.
- Committed - Amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the City Council and does not lapse at year-end.
- Assigned - Amounts that are intended to be used for specific purposes and that are neither considered restricted or committed. Fund balance may be assigned by City Council or by an official or body to which the City Council delegates the authority.
- Unassigned - All amounts not included in other classifications. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal contracts that prohibit doing this. Additionally, the City would first use committed, then assigned, and lastly, unassigned amounts of unrestricted fund balance when expenditures are made as necessary.

The City Council reviewed and approved comprehensive General Fund reserve policies in June 2021. These reserve policies created distinct categories of fund balance, with specific uses and funding amounts. The reserve policies are GASB 54 compliant and present a strategic approach to categorizing available fund balance and specifying – by commitment and assignment – the uses for each reserve category. The policies can be found in their entirety in the Appendices of the Fiscal Year 2021-22 adopted budget.

N. Property Taxes

The assessment, levy, and collection of property taxes are the responsibility of the County of Los Angeles. The City records property taxes as revenue when received from the County, except at year-end, when property taxes received within 60 days are accrued as revenue.

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien Date	January 1
Levy Date	July 1
Due Dates	November 1 and March 1
Delinquent Dates	December 10 and April 10

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

O. Use of Estimates

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

P. Implementation of New GASB Pronouncements

During the fiscal year ended June 30, 2022, the City implemented the following GASB pronouncements:

- GASB Statement No. 84, *Fiduciary Activities*. This statement establishes standards relating accounting and financial reporting for identifying and financial reporting of fiduciary activities. Those provisions are effective for reporting periods beginning after December 15, 2019, as amended by GASB Statement No. 95. See Note 15 for restatement of beginning fiduciary net position as result of implementation.
- GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*, to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It also establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2022.
- GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre–November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2022.
- GASB Statement No. 92 – In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2022.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 1 – Summary of Significant Accounting Policies (Continued)

P. Implementation of New GASB Pronouncements (Continued)

- GASB Statement No. 93 – In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2022.
- GASB Statement No. 97 – In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2022.

Note 2 – Cash and Investments

Cash and investments at June 30, 2022 consisted of the following:

	Government-Wide Statement of Net Position		Fiduciary Fund Statement of Net Position	Total
	Governmental Activities	Business-Type Activities		
Unrestricted assets:				
Cash and investments	\$ 62,724,376	17,794,854	\$ 20,307,572	\$ 100,826,802
Restricted assets:				
Cash and investments with fiscal agent	15,186,067	12,682,854	1,996,774	29,865,695
Total cash and investments	\$ 77,910,443	\$ 30,477,708	\$ 22,304,346	\$ 130,692,497

Cash and investments at June 30, 2022 in more detail:

Petty cash	\$ 10,312
Deposits with financial institution	19,565,156
Investments	111,117,029
Total cash and investments	\$ 130,692,497

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Cash and Investments (Continued)

A. Deposits

At June 30, 2022, the carrying amount of the City's demand deposits was \$19,565,156 the bank balance was \$22,104,373. The \$2,539,217 difference represents outstanding checks, deposits in transit, and other reconciling items.

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, deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). The City did not waive the collateral requirement for deposits insured by FDIC.

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

The table below identifies the investment types that are authorized for the City by the *California Government Code* (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. The City presents its investment policy annually to the City Council, as required by Government Code. The current investment policy was updated in October 2020, and has been updated annually every June since (i.e, June 2021, June 2022). Furthermore, the City's investment policy has been received the "Investment Policy Certification" award from the California Municipal Treasurers Association ("CMTA").

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Cash and Investments (Continued)

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Minimum Quality Requirements
U.S Treasury Obligations	5 years	None	None
U.S. Agency Obligations	5 years	None	None
State Obligations - CA and Others	5 years	None	None
CA Local Agency Obligations	5 years	None	None
Local Agency Bonds	5 years	None	"A" rating category or its equivalent or better
Bankers' Acceptances	180 days	40%	None
Commercial Paper— Non-Pooled Funds	270 days or less	25% of the Agency's Money	Highest letter and number rating by an NRSROH
Commercial Paper— Pooled Funds	270 days or less	40% of the Agency's Money	Highest letter and number rating by an NRSROH
Negotiable Certificates of Deposit	5 years	30%	None
Non-negotiable Certificates of Deposit	5 years	None	None
Placement Service Deposits	5 years	50%	None
Placement Service Certificates of Deposit	5 years	50%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements and Securities Lending Agreements	92 days	20% of the base value of the portfolio	None
Medium-Term Notes	5 years or less	30%	"A" rating category or its equivalent or better
Mutual Funds And Money Market Mutual Funds	N/A	20%	Multiple
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through and Asset-Backed Securities	5 years or less	20%	"AA" rating category or its equivalent or better
County Pooled Investment Funds	N/A	None	None
Joint Powers Authority Pool	N/A	None	Multiple
Local Agency Investment Fund (LAIF)	N/A	None	None
Supranational Obligations	5 years or less	30%	"AA" rating category or its equivalent or better
N/A - Not Applicable			

C. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates 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 market interest rates. The City does not have a formal policy to manage interest rate risk. However, one of the ways that the City 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 over time as necessary to provide the cash flow and liquidity needed for operations.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Cash and Investments (Continued)

C. Disclosures Relating to Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total	Remaining Maturity	
		1 Year or Less	1 Year to 3 Years
Local Agency Investment Fund	\$ 78,325,391	\$ 78,325,391	\$ -
Negotiable Certificates of Deposit	2,925,944	1,237,233	1,688,711
Held by fiscal agent:			
Money Market Mutual Funds	29,865,694	29,865,694	-
Total investments	\$ 111,117,029	\$ 109,428,318	\$ 1,688,711

D. Disclosures Relating to Credit Risk

Generally, credit risk is 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 rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating, as reported by Standard & Poor's, as of year-end for each investment type:

Investment Type	Total	AAA	Unrated
Local Agency Investment Fund (LAIF)	78,325,391	-	78,325,391
Negotiable Certificates of Deposit	2,925,944	-	2,925,944
Held by fiscal agent:			
Money Market Mutual Funds	29,865,694	29,865,694	-
Total	\$ 111,117,029	\$ 29,865,694	\$ 81,251,335

E. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. At June 30, 2022, none of the City's deposits or investments were exposed to custodial credit risk.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 2 – Cash and Investments (Continued)

F. Fair Value Measurement

The City has the following recurring fair value measurements as of June 30, 2022:

Investment Type	Measurement Input		
	Significant	Other	Total
	Observable Inputs (Level 2)	Uncategorized	
Local Agency Investment Fund	\$ -	\$ 78,325,391	\$ 78,325,391
Negotiable Certificates of deposits	2,925,944 ⁽¹⁾	-	2,925,944
Restricted with Fiscal Agent:			
Money Market Funds	-	29,865,694	29,865,694
Total	<u>\$ 2,925,944</u>	<u>\$ 108,191,085</u>	<u>\$ 111,117,029</u>

⁽¹⁾ Valued based on matrix formula.

G. Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (“LAIF”) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City’s investments with LAIF at June 30, 2022, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

Structured Notes: 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: generally, mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2022, the City had \$78,325,391 invested in LAIF, which had invested 1.88% of the pool investment funds in Structured Notes and Asset-Backed Securities. The fair value of the City’s portion in the pool is the same as the value of the pool shares and is reported at amortized cost. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. LAIF is not registered with the Securities and Exchange Commission and is not rated.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 3 – Interfund Receivables, Payables, and Transfers

A. Due To/From Other Funds

At June 30, 2022, the City had the following interfund balances:

Due To Other Funds					
Due From Other Funds	Governmental Funds			Proprietary Funds	Total
	General Fund	Public Financing Authority	Nonmajor Governmental Funds	Golf Course Enterprise Fund	Total
Governmental Funds:					
General Fund	\$ -	\$ 29,057	\$ 1,915,568	\$ 3,610,394	\$ 5,555,019
Public Financing Authority Debt Service Fund	-	-	-	376,060	376,060
Nonmajor Governmental Funds	1,475,000	-	-	-	1,475,000
	<u>\$ 1,475,000</u>	<u>\$ 29,057</u>	<u>\$ 1,915,568</u>	<u>\$ 3,986,454</u>	<u>\$ 7,406,079</u>

The receivable of the General Fund and Public Financing Authority debt service fund from the Golf Course Enterprise Fund was mainly to fund operating deficits incurred by the Golf Course Enterprise Fund and debt service payments in prior years.

The receivable of the Nonmajor Governmental Fund from General Fund was to fund the acquisition of properties located at 612 W. Whittier Blvd. and 715 W. Whittier Blvd.

The other interfund payable balances represent routine and temporary cash flow assistance until amounts receivable from the other funds are collected to pay the amounts owed.

B. Advances To/From Other Funds

At June 30, 2022, the City had the following advances to/from other funds:

Advances From Other Funds			
Advances To Other Funds	Proprietary Funds		Total
	Hilton Garden Enterprise Fund	Home2Suites Enterprise Fund	
Governmental Funds			
General Fund	\$ 2,300,000	\$ 859,680	\$ 3,159,680

The receivable of the General Fund from the Hilton Garden Enterprise Fund was a loan for the renovation of the Hilton Garden Inn that will be paid back in one lump-sum payment by January 2024. The Hilton Corporation requires hotels under the Hilton “flag” undergo major renovations to stay current with corporate standards. The Hilton Garden Inn, built in 2004, had not undergone such a major renovation. The loan was necessary to complete the required renovations, with the project being completed in September 2020.

The receivable of the General Fund from the Home2Suites Enterprise Fund was a loan for the construction cost of the Home2Suites Hotel which occurred between November 2016 and December 2020. The balance of the loan will be paid fully on December 2022.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 3 – Interfund Receivables, Payables, and Transfers (Continued)

C. Interfund Transfers

For the year ended June 30, 2022, the compositions of the City's interfund transfer balances are as follows:

	Transfers In			
	Governmental Funds		Proprietary Fund	
	General Fund	Public Financing Authority Debt Service Fund	Golf Course Enterprise Fund	Total
Transfers Out				
Governmental Funds:				
Retirement Special Revenue Fund	\$ 3,337,348	\$ 7,696,613	\$ 6,627	\$ 11,040,588
Transportation and Street Improvement Special Revenue Fund	300,000	1,835,916	-	2,135,916
	<u>\$ 3,637,348</u>	<u>\$ 9,532,529</u>	<u>\$ 6,627</u>	<u>\$ 13,176,504</u>

- (A) Transfers from the Retirement Fund of \$3,337,348 to the General Fund and \$6,627 to the Golf Course Enterprise Fund were to pay the annual retirement contributions to CalPERS for the City's defined benefit retirement program. Transfer from the Retirement Fund of \$7,696,613 to the Public Financing Authority Fund was to pay for debt service due for the 2020 Pension Obligation Bonds.
- (B) Transfers from Transportation and Street Improvement Special Revenue funds of \$300,000 and \$1,835,916 to General Fund and to Public Financing Authority Debt Service Fund were to pay for streets expenditures and to pay for debt service due on the 2019ABC Sales Tax Revenue bonds.

Note 4 – Notes Receivable

A. Governmental Activities

Notes receivable at June 30, 2022 include the following:

Low and Moderate Income Housing loans	\$ 5,905,908
Community Development Block Grant loans	350,693
HOME Program loan	<u>145,000</u>
	6,401,601
Allowance for loan forgiveness	<u>(5,905,908)</u>
Total notes and loans receivable	<u>\$ 495,693</u>

Low and Moderate Income Housing Loans

Montebello Downtown Plaza Project – On December 26, 2001, the Agency entered into an Owner Participation Agreement (Agreement) with the Montebello Downtown Plaza LLC (Participant) for the acquisition, development, and operation of affordable senior citizen rental units and retail commercial buildings. The Agreement, which was amended and restated on October 26, 2005, provides that the now dissolved Redevelopment Agency loan \$6,250,000 from the Low- and Moderate-Income Housing Fund for the acquisition of property and construction of affordable senior housing units. The Participant was to provide financing for costs in excess of \$6,250,000. The unpaid balance of the loan outstanding at June 30, 2022 was \$5,276,308. The loan is to be forgiven over a period of 99 years.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 4 – Notes Receivable (Continued)

A. Governmental Activities (Continued)

Low and Moderate Income Housing Loans (Continued)

Whittier Project – In March 2000, the now dissolved Redevelopment Agency entered into an Owner Participation Agreement with Garfield Financial Corporation (Owner), whereby the Agency was to loan the Owner money for the construction of an affordable housing project. In accordance with the agreement, the amounts disbursed accrue interest at the rate of 7% compounded annually. In fiscal year 2005, the terms of the note were changed to forgive the loan over a period of 99 years. The balance of the note receivable at June 30, 2022 was \$629,600.

Above loans were provided with 100% allowance for forgiveness.

Community Development Block Grant Loans

At June 30, 2022, loans made to individual homeowners under the Community Development Block Grant program amounted to \$350,693. These loans are payable when the borrowers sell the property.

HOME Program Loan

On July 23, 2014, the City entered into a HOME program loan agreement with the Montebello Housing Development Corporation (the “Developer”), whereby the City provided financial assistance of \$145,000 in the form of a forgivable loan in exchange for developing single-family homes for sale to low and moderate income individuals and families. In July 2019, the City entered into a development agreement with Developer whereby certain housing units have been dedicated as affordable housing units and restricted for use as a principal residence for eligible home buyers for a period of 20 years. Upon home buyer’s purchase of the property, the Developer’s obligation under the HOME program loan agreement and development agreement will be terminated and a HOME loan agreement is executed between the home buyer and the City. The loan maybe forgiven after the end of July 2039 if the home buyer is in compliance of the affordability covenant.

B. Fiduciary Activities

The following is a summary of the notes receivable at June 30, 2022:

	Amount
Quiet Cannon Montebello, Inc.	\$ 2,182,178
Casa La Merced	666,308
Business assistance program	546,020
Home improvement loans	437,394
Total	<u>\$ 3,831,900</u>

Quiet Cannon Montebello, Inc.

The Agency leases a facility to Quiet Cannon Montebello, Inc. (“Quiet Cannon”). The Agency agreed to provide financing for the renovation and improvement of the leased facility and in return Quiet Cannon agreed to make additional rental payments. As of June 30, 2022, \$2,182,178 remains outstanding on the note receivable.

Casa La Merced

Casa La Merced entered into an agreement on September 24, 1985 with the Agency. The agreement with Casa La Merced was for the development of a parcel of land. Casa La Merced agreed to a note payable to the Agency for \$666,308 that matures February 1, 2027. The note has a simple interest rate of 9.25%. The outstanding balance on the note receivable at June 30, 2022 was \$666,308. The interest receivable is net with allowance for doubtful account.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 4 – Notes Receivable (Continued)

B. Fiduciary Activities (Continued)

Business Assistance Program

Business improvement loans were made in the prior years between the Agency and local merchants. The loans are secured by the real estate property and personal guaranty of the borrowers. As of June 30, 2022, \$546,020 remained outstanding on the business improvement loans.

Home Improvement Loans

During the prior fiscal years, the Agency made home improvement loans to low- and moderate-income households. These loans accrue interest of 4% and are payable in ten years or when the borrower sells their property, whichever comes first. The total outstanding balance as of June 30, 2022 was \$437,394.

Note 5 – Capital Assets

A. Governmental Activities

A summary of changes in the governmental activities capital assets for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Reclassification	Balance June 30, 2022
<u>Governmental activities:</u>					
Capital assets, not being depreciated:					
Land	\$ 2,378,363	\$ 352,361	\$ -	\$ -	\$ 2,730,724
Right-of-way	14,391,776	-			14,391,776
Construction in progress	32,502,737	6,785,934	(2,262,716)	(11,817,588)	25,208,367
Total assets not being depreciated	49,272,876	7,138,295	(2,262,716)	(11,817,588)	42,330,867
Capital assets, being depreciated:					
Buildings and improvements	52,339,488	188,956	-	11,817,588	64,346,032
Machinery and equipment	55,318,028	634,203	(441,238)	-	55,510,993
Infrastructure	49,618,548	-	-	-	49,618,548
Total assets being depreciated	157,276,064	823,159	(441,238)	11,817,588	169,475,573
Less accumulated depreciation for:					
Buildings and improvements	(21,467,278)	(1,273,269)	-	-	(22,740,547)
Machinery and equipment	(46,998,850)	(1,404,189)	438,300	-	(47,964,739)
Infrastructure	(35,752,927)	(730,831)	-	-	(36,483,758)
Total accumulated depreciation	(104,219,055)	(3,408,289)	438,300	-	(107,189,044)
Total capital assets, being depreciated, net	53,057,009	(2,585,130)	(2,938)	11,817,588	62,286,529
Total capital assets, net	\$ 102,329,885	\$ 4,553,165	\$ (2,265,654)	\$ -	\$ 104,617,396

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 5 – Capital Assets (Continued)

A. Governmental Activities (Continued)

Depreciation and amortization expense was charged to functions of the governmental activities for the year June 30, 2022 as follows:

General government	\$ 508,485
Public safety	1,148,795
Public works, including infrastructure	812,569
Parks, recreation, and culture	201,236
Housing and community development	36,596
Unallocated infrastructure	700,608
Total depreciation expense	\$ 3,408,289

B. Business-Type Activities

A summary of changes in the business-type activities capital assets for the year ended June 30, 2022 is as follows:

	July 1, 2021 (As Restated)	Additions	Deletions	Reclassification	Balance June 30, 2022
<u>Business-type activities:</u>					
Capital assets, not being depreciated:					
Land	\$ 6,306,596	\$ -	\$ -	\$ -	\$ 6,306,596
Construction in progress	4,919,518	9,523,862	-	(1,012,569)	13,430,811
Total assets not being depreciated	11,226,114	9,523,862	-	(1,012,569)	19,737,407
Capital assets, being depreciated:					
Buildings and improvements	109,940,179	-	-	-	109,940,179
Machinery and equipment	76,370,442	43,935	(957,524)	1,012,569	76,469,422
Total assets being depreciated	186,310,621	43,935	(957,524)	1,012,569	186,409,601
Less accumulated depreciation for:					
Buildings and improvements	(36,672,406)	(2,552,719)	-	-	(39,225,125)
Machinery and equipment	(57,868,579)	(3,674,190)	957,524	-	(60,585,245)
Total accumulated depreciation	(94,540,985)	(6,226,909)	957,524	-	(99,810,370)
Total capital assets, being depreciated, net	91,769,636	(6,182,974)	-	1,012,569	86,599,231
Total capital assets, net	\$ 102,995,750	\$ 3,340,888	\$ -	\$ -	\$ 106,336,638

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 5 – Capital Assets (Continued)

B. Business-Type Activities (Continued)

Depreciation and amortization expense was charged to functions of the business-type activities for the year ended June 30, 2022 as follows:

Transit system	\$ 4,330,533
Golf course	233,298
Montebello Hilton	430,301
Home2suites	1,227,097
Water	5,680
Total depreciation expense	\$ 6,226,909

C. Fiduciary Activities

A summary of changes in the fiduciary activities capital assets for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021 (As restated)	Additions	Deletions	Reclassification	Balance June 30, 2022
<u>Fiduciary activities</u>					
Capital assets, not being depreciated:					
Land	\$ 6,815,650	\$ -	\$ -	\$ -	\$ 6,815,650
Total assets not being depreciated	6,815,650	-	-	-	6,815,650
Capital assets, being depreciated:					
Buildings and improvements	7,507,224	-	-	-	7,507,224
Machinery and equipment	311,026	-	(311,026)	-	-
Total assets being depreciated	7,818,250	-	(311,026)	-	7,507,224
Less accumulated depreciation for:					
Buildings and improvements	(3,301,087)	(228,551)	-	-	(3,529,638)
Machinery and equipment	(313,515)	-	313,515	-	-
Total accumulated depreciation	(3,614,602)	(228,551)	313,515	-	(3,529,638)
Total capital assets, being depreciated, net	4,203,648	(228,551)	2,489	-	3,977,586
Total capital assets, net	\$ 11,019,298	\$ (228,551)	\$ 2,489	\$ -	\$ 10,793,236

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Long-Term Liabilities

The summary of changes in the governmental activities long-term liabilities for the year ended June 30, 2022 is as follows:

A. Governmental Activities

	Balance July 1, 2021 (As Restated)	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Due in More Than One Year
Governmental Activities:						
Bonds Payable, net:						
2014B Lease Revenue Refunding Bonds	\$ 5,305,000	\$ -	\$ (780,000)	\$ 4,525,000	\$ 820,000	\$ 3,705,000
2014C Lease Revenue Refunding Bonds	1,806,860	-	(420,200)	1,386,660	439,300	947,360
2019ABC Sales Tax Revenue Bonds	24,115,000	-	(870,000)	23,245,000	905,000	22,340,000
2020 Pension Obligation Bonds	108,678,726	-	(3,805,827)	104,872,899	3,882,823	100,990,076
Unamortized Premiums/(Discounts)						
2014B Lease Revenue Refunding Bonds	617,664	-	(102,944)	514,720	-	514,720
2014C Lease Revenue Refunding Bonds	(1,939)	-	484	(1,455)	-	(1,455)
2019ABC Sales Tax Revenue Bonds	3,171,379	-	(181,897)	2,989,482	-	2,989,482
Finance Purchase:						
Transportation and Public Safety Equipment	1,402,552	-	(618,969)	783,583	193,634	589,949
Notes Payable:						
ABM Notes Payable	5,785,000	-	(632,826)	5,152,174	330,966	4,821,208
United States Department of Housing and Urban Development - CDBG	1,994,000	-	(425,000)	1,569,000	445,000	1,124,000
Southern California Edison	23,779	-	(3,020)	20,759	3,020	17,739
Claims Payable	23,601,230	7,018,256	(3,174,875)	27,444,611	6,696,705	20,747,906
Compensated Absences	2,977,363	4,110,755	(1,495,936)	5,592,182	2,852,662	2,739,520
Total Governmental Activities	\$179,476,614	\$ 11,129,011	\$ (12,511,010)	\$178,094,615	\$ 16,569,110	\$161,525,505

2014B Lease Revenue Refunding Bonds

On September 10, 2014, the Financing Authority issued the 2014 Lease Revenue Refunding Bonds, Series B, of \$10,040,000 which repaid the \$12,595,000 of principal due on the 2000 COPs. The City received a premium on the bond issue in the amount of \$1,338,273 and incurred a loss of \$294,258 in the bond defeasance. The bond premium and loss on defeasance are amortized over the life of the refunded bonds. The Bonds are payable from payments made by the City to the Financing Authority pledging public facilities consisting of the City Hall and Police Department pursuant to the Lease Agreement. The City is required under the Agreement to make payments in each fiscal year to pay the annual principal and interest due on the Bonds. Annual installments are due November 1, 2014 through November 1, 2026. Interest rates on the 2014 Lease Revenue Refunding Bonds, Series B range from 0.30% to 5.0%. The outstanding balance at June 30, 2022 was \$4,525,000.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2014B Lease Revenue Refunding Bonds (Continued)

The future annual debt service requirements for 2014 Lease Revenue Refunding Bonds, Series B are as follows:

For the Year Ending June 30,	Principal	Interest	Total
2023	\$ 820,000	\$ 205,750	\$ 1,025,750
2024	860,000	163,750	1,023,750
2025	905,000	119,625	1,024,625
2026	945,000	73,375	1,018,375
2027	995,000	24,875	1,019,875
Subtotal	4,525,000	587,375	5,112,375
Add - premium	514,720	-	514,720
Total	<u>\$ 5,039,720</u>	<u>\$ 587,375</u>	<u>\$ 5,627,095</u>

2014C Lease Revenue Refunding Bonds

On September 10, 2014, the Financing Authority issued 2014 Lease Revenue Refunding Bonds, Series C of \$5,395,000 which defeased the principal due on the 2001 Certificate of Participation. The Bonds are payable from payments made by the City to the Finance Authority pledging public facilities consisting of the City Hall and Police Department pursuant to the Agreement. The City is required under the Agreement to make payments in each fiscal year to pay the annual principal and interest due on the Bonds. Interest rates on the 2014 Lease Revenue Refunding Bonds, Series C range from 0.40% to 4.07%. Annual installments are due November 1, 2014 through November 1, 2024.

The governmental activities' share (76.4%) from the 2014 Lease Revenue Refunding Bonds, Series C is \$4,121,780 and the Golf Course Enterprise Fund's share (23.6%) is \$1,273,220. The governmental activities outstanding balance at June 30, 2022 was \$1,386,660.

The future annual debt service requirements for 2014 Lease Revenue Refunding Bonds, Series C are as follows:

For the Year Ending June 30,	Governmental Activities		Golf Course Enterprise Fund		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2023	\$ 439,300	\$ 45,584	\$ 135,700	\$ 14,081	\$ 575,000	\$ 59,665	\$ 634,665
2024	462,220	28,689	142,780	8,862	605,000	37,551	642,551
2025	485,140	9,873	149,860	3,050	635,000	12,923	647,923
Subtotal	1,386,660	84,146	428,340	25,993	1,815,000	110,139	1,925,139
Less - discount	(1,455)	-	(449)	-	(1,904)	-	(1,904)
Total	<u>\$ 1,385,205</u>	<u>\$ 84,146</u>	<u>\$ 427,891</u>	<u>\$ 25,993</u>	<u>\$ 1,813,096</u>	<u>\$ 110,139</u>	<u>\$ 1,923,235</u>

The 2014B and 2014C Lease Revenue Refunding Bonds are secured and payable solely from Revenues payable by the City pursuant to the Agreement and subsequent Amendments to the Agreement relating to certain real properties and improvement located on the Property, and the other assets pledged thereafter under the Indenture. In accordance with the Indenture, the MPFA will satisfy the applicable Reserve Requirement of each Reserve Account established under the Indenture with a Municipal Bond Debt Service Reserve Insurance Policy.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

2019ABC Sales Tax Revenue Bonds

On December 10, 2019, the Financing Authority issued \$24,945,000 in Sales Tax Revenue Bonds, 2019 Series A, B, and C, for the “Paving the Way” citywide road construction and improvement project. The bonds are secured by pledged Measure M, Measure R, and Proposition C sales tax revenues derived by Los Angeles County transportation sales tax levies approved by the voters.

Interest rates on the Sales Tax Revenue Bonds, 2019 Series A, B, and C range from 4.0% to 5.0%. Annual installments are due June 1, 2021 through June 1, 2040. The outstanding balance at June 30, 2022 was \$23,245,000.

The future annual debt service requirements for 2019A, B, and C Sales Tax Revenue Bonds are as follows:

For the Year Ending June 30,	Principal	Interest	Total
2023	\$ 905,000	\$ 931,138	\$ 1,836,138
2024	935,000	894,938	1,829,938
2025	975,000	857,538	1,832,538
2026	1,020,000	818,538	1,838,538
2027	1,055,000	777,738	1,832,738
2028-2032	6,125,000	3,042,688	9,167,688
2033-2037	7,565,000	1,599,488	9,164,488
2038-2040	4,665,000	305,438	4,970,438
Subtotal	23,245,000	9,227,500	32,472,500
Add - premium	2,989,482	-	2,989,482
Total	\$ 26,234,482	\$ 9,227,500	\$ 35,461,982

2020 Pension Obligation Bonds

On May 27, 2020, the City issued Pension Obligation Bonds, Series 2020 for \$153,425,000 which was used to pay down the City’s unfunded actuarial liability (“UAL”) to the California Public Employees’ Retirement System (“CalPERS”). Interest rates on the 2020 POBs range from 1.94% to 4.3% and will mature in 2045.

The General Fund share (73.33%) of the 2020 Pension Obligation Bonds is \$108,678,726 and the Transit Fund’s share (26.67%) is \$39,526,274.

At June 30, 2022, the outstanding balance for the governmental activities’ 2020 Pension Obligation Bonds was \$104,872,899. The future annual debt service requirements for are as follows:

For the Year Ending June 30,	Governmental Activities		Transit Enterprise Fund		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2023	\$ 3,882,823	\$ 3,813,331	\$ 1,412,177	\$ 1,386,902	\$ 5,295,000	\$ 5,200,233	\$ 10,495,233
2024	3,967,153	3,728,957	1,442,847	1,356,216	5,410,000	5,085,173	10,495,173
2025	4,062,482	3,633,627	1,477,518	1,321,544	5,540,000	4,955,171	10,495,171
2026	4,161,477	3,531,943	1,513,523	1,284,562	5,675,000	4,816,505	10,491,504
2027	4,282,472	3,414,173	1,557,528	1,241,729	5,840,000	4,655,902	10,495,902
2028-2032	23,494,932	14,976,894	8,545,068	5,447,072	32,040,000	20,423,966	52,463,966
2033-2037	27,971,729	10,408,192	10,173,272	3,785,442	38,145,001	14,193,634	52,338,634
2038-2042	25,056,861	4,681,048	9,113,139	1,702,490	34,170,000	6,383,538	40,553,538
2043-2045	7,992,970	555,369	2,907,030	201,987	10,900,000	757,355	11,657,355
Total	\$ 104,872,899	\$ 48,743,534	\$ 38,142,101	\$ 17,727,943	\$ 143,015,000	\$ 66,471,477	\$ 209,486,477

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Transportation and Public Safety Equipment

The City entered into various finance purchase agreements for the acquisition of certain transportation and public safety equipment. The securities for the financing agreements are the equipment themselves, and will be surrendered to the lender in case of payment default. The outstanding balance at June 30, 2022 was \$783,583.

The future debt service payments as of June 30, 2022 are as follows:

For the Year Ending June 30,	Principal	Interest	Total
2023	\$ 193,634	\$ 30,624	\$ 224,258
2024	191,183	21,799	212,982
2025	93,417	14,744	108,161
2026	71,993	11,970	83,963
2027	74,815	9,148	83,963
2028-2029	158,541	9,382	167,923
Total	\$ 783,583	\$ 97,668	\$ 881,251

ABM Notes Payable

The City entered into a contract with ABM Building Solutions to finance a citywide energy efficiency upgrade project. The \$6.5 million project replaced light fixtures, HVAC, and other infrastructure with more energy-efficient products (i.e., LED lighting, etc.). The goal is to reduce electrical usage by upgrading high-energy use infrastructure. The City was able to accomplish this by financing the entire cost of the project. The \$6.5 million cost is amortized over fifteen years, with payments on the note due July 1 of each year. July 1, 2021 was the first payment on the note. The debt service is split between the General Fund (89%) and the Transit Enterprise Fund (11%) based on the ratio of infrastructure in Transit vs. non-Transit operations.

The amount outstanding for governmental activities at June 30, 2022 was \$5,152,174. The annual debt service requirements for the governmental activities are as follows:

For the Year Ending June 30,	Governmental Activities		Transit Enterprise Fund		Total		
	Principal	Interest	Principal	Interest	Principal	Interest	Total
2023	\$ 330,966	\$ 151,873	\$ 40,906	\$ 18,771	\$ 371,872	\$ 170,644	\$ 542,516
2024	340,722	142,117	42,112	17,565	382,834	159,682	542,516
2025	350,766	132,073	43,353	16,324	394,119	148,397	542,516
2026	361,105	121,734	44,631	15,046	405,736	136,780	542,516
2027	371,750	111,089	45,947	13,730	417,697	124,819	542,516
2028-2032	2,029,728	384,468	250,865	47,519	2,280,593	431,987	2,712,580
2033-2036	1,367,137	81,380	168,972	10,058	1,536,109	91,438	1,627,547
Total	\$ 5,152,174	\$ 1,124,734	\$ 636,786	\$ 139,013	\$ 5,788,960	\$ 1,263,747	\$ 7,052,707

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

United States Department of Housing and Urban Development - CDBG

In November 2005, the City borrowed \$6,500,000 from the United States Department of Housing and Urban Development (“HUD”) to provide for funds to pay for street improvements. The principals are due annually from August 1, 2019 to August 1, 2025. Interest are due on due August 1 and February 1 at rate of 2.6% to 2.7%.

The amount outstanding at June 30, 2022 was \$1,569,000. Interest and principal are due as follows:

For the Year Ending June 30,	Principal	Interest	Total
2023	\$ 445,000	\$ 35,467	\$ 480,467
2024	493,000	23,347	516,347
2025	548,000	9,583	557,583
2026	83,000	1,136	84,136
Total	<u>\$ 1,569,000</u>	<u>\$ 69,533</u>	<u>\$ 1,638,533</u>

Southern California Edison (“SCE”) On-Bill Financing Loan

On March 13, 2017 and January 9, 2019, the City entered into a zero-interest loan agreement with Southern California Edison (“SCE”) for the Energy Management Solutions Incentives Application for the installation of certain energy efficient equipment of which is to be repaid over ten years.

SCE may determine the loan to be breached and the City to be in default if the City (1) sells, assigns or otherwise transfers ownership, possession or title of the site or the equipment, (2) fails to pay the money payment when due, (3) closes, discontinues or otherwise causes the termination of the service account(s), or (4) otherwise breaches this agreement, and the breach is not cured as specified therein. Following a breach, SCE shall have the right to declare the entire unpaid balance of the loan obligation due and payable.

The amount outstanding at June 30, 2022 was \$20,759. The annual debt service requirements on this loan are as follows:

For the Year Ending June 30,	Principal	Interest	Total
2023	\$ 3,020	\$ -	\$ 3,020
2024	3,020	-	3,020
2025	3,020	-	3,020
2026	3,020	-	3,020
2027	3,020	-	3,020
2028-2029	5,659	-	5,659
Total	<u>\$ 20,759</u>	<u>\$ -</u>	<u>\$ 20,759</u>

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

Claims Payable

Refer to Note 7 for more information on these liabilities.

Compensated Absences

The compensated absences are to be liquidated primarily by the General Fund at June 30, 2022 was in the amount of \$5,592,182.

B. Business-Type Activities

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Due in More Than One Year
<u>Business-Type Activities</u>						
Bonds Payable, net:						
Hilton Hotel 2019A Revenue Refunding Bonds	\$ 10,200,000	\$ -	\$ -	\$ 10,200,000	\$ 650,000	\$ 9,550,000
Golf 2014A Revenue Refunding Bonds	1,635,000	-	(180,000)	1,455,000	190,000	1,265,000
Golf 2014C Revenue Refunding Bonds	558,140	-	(129,800)	428,340	135,700	292,640
Home2Suites 2016A Revenue Refunding Bonds	52,795,000	-	(1,110,000)	51,685,000	1,165,000	50,520,000
Transit 2020 Pension Obligation Bonds	39,526,274	-	(1,384,173)	38,142,101	1,412,177	36,729,924
Unamortized Premiums/(Discounts)						
Hilton Hotel 2019A Revenue Refunding Bonds	1,277,978	-	(94,665)	1,183,313	-	1,183,313
Golf 2014A Revenue Refunding Bonds	55,563	-	(6,944)	48,619	-	48,619
Golf 2014C Revenue Refunding Bonds	(599)	150	-	(449)	-	(449)
Home2Suites 2016A Revenue Refunding Bonds	5,239,841	-	(206,836)	5,033,005	-	5,033,005
Finance Purchase:						
Motorolla - Transit	137,229	-	(137,229)	-	-	-
PNC Equipment - Golf	102,971		(53,105)	49,866	49,866	-
Notes Payable:						
ABM Notes Payable - Transit	715,000	-	(78,214)	636,786	40,906	595,880
Southern California Edison - Golf	78,645	-	(33,969)	44,676	33,969	10,707
Quiet Cannon - Golf	47,018	-	(47,018)	-	-	-
Acuna Park Notes Payable - Water	257,864	-	(76,307)	181,557	-	181,557
Compensated Absences	1,294,524	736,788	(756,424)	1,274,888	880,294	394,594
Total Business-Type Activities	\$113,920,448	\$ 736,938	\$ (4,294,684)	\$110,362,702	\$ 4,557,912	\$105,804,790

Montebello Hilton Hotel Revenue Bonds

On December 19, 2019, the Financing Authority issued \$10.2 million 2019 Lease Revenue Refunding Bonds, Series A to refund 2004A Revenue Refunding Bonds, resulting in a net present value savings of approximately \$1.4 million. The 2004A Revenue Refunding Bonds were fully redeemed on January 21, 2020. The prior bond proceeds were used to finance the acquisition, construction, and equipping of hotel facility (Project) located adjacent to the Montebello municipal golf course and the Quiet Cannon Restaurant and Conference Facility. The bonds are secured by the revenues of the hotel and mature in December 2034. Interest rate on the 2019 Lease Revenue Refunding Bonds, Series A is at 4.0%. Principal amounts are due December 1, 2022 through December 1, 2034. The outstanding balance at June 30, 2022 was \$10,200,000.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

The annual future debt service requirements are as follows:

For the Year Ending June 30,	Principal	Interest	Total
2023	\$ 650,000	\$ 395,000	\$ 1,045,000
2024	685,000	368,300	1,053,300
2025	700,000	340,600	1,040,600
2026	715,000	312,300	1,027,300
2027	730,000	283,400	1,013,400
2028-2032	3,965,000	956,900	4,921,900
2033-2034	2,755,000	170,900	2,925,900
Subtotal	10,200,000	2,827,400	13,027,400
Add - premium	1,183,313	-	1,183,313
Total	<u>\$ 11,383,313</u>	<u>\$ 2,827,400</u>	<u>\$ 14,210,713</u>

2014A Lease Revenue Refunding Bonds

On September 10, 2014, the Financing Authority issued 2014 Lease Revenue Refunding Bonds Series A of \$2,755,000 which repaid the outstanding principal due on the 1999 COPs. The City received a premium on the bond issue in the amount of \$104,175 and incurred a loss of \$87,777 in the bond defeasance. The bond premium and loss on defeasance are amortized over the life of the refunded bonds. The Bonds are payable from payments made by the City to the Finance Authority pledging public facilities consisting of the City Hall and Police Department pursuant to the Agreement.

The City is required under the Agreement to make payments in each fiscal year to pay the annual principal and interest due on the Bonds. Annual Installments are due from November 1, 2014 through November 1, 2028. Interest rates on the 2014 Series A Lease Revenue Refunding Bonds range from 0.30% to 3.5%. The outstanding balance at June 30, 2022 was \$1,455,000.

The annual future debt service requirements are as follows:

For the Year Ending June 30,	Principal	Interest	Total
2023	\$ 190,000	\$ 44,538	\$ 234,538
2024	195,000	37,813	232,813
2025	200,000	31,888	231,888
2026	205,000	25,813	230,813
2027	215,000	19,244	234,244
2028-2029	450,000	15,925	465,925
Subtotal	1,455,000	175,221	1,630,221
Add - premium	48,619	-	48,619
Total	<u>\$ 1,503,619</u>	<u>\$ 175,221</u>	<u>\$ 1,678,840</u>

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

2014C Lease Revenue Refunding Bonds

See Note 6A for disclosures. The outstanding balance for Golf Course Enterprise Fund at June 30, 2022 was \$428,340.

2016A Lease Revenue Bonds

On October 18, 2016, the Financing Authority issued 2016 Series A Lease Revenue Bonds in the amount of \$54,860,000. The bonds bear interest rate of 5% and will mature in 2046. The bonds were issued to (1) finance the acquisition, construction and equipping of the Home2Suites by Hilton Hotel Project, (2) fund a reserve fund for the bonds, (3) fund interest accruing on the bonds through November 1, 2019, and (4) pay costs of issuance of the bonds. The bonds are payable from the payments made by the City to the Authority pledging the Home2Suites property pursuant to the Lease Agreement. The City is required under the Agreement to make payments in each fiscal year to pay the annual principal and interest due on the bonds. Interest rate on the 2016 Lease Revenue Refunding Bonds, Series A is at 5.0% Principals are due June 1, 2018 through June 1, 2046. The outstanding balance at June 30, 2022 was \$51,685,000.

The annual future debt service requirements are as follows:

For the Year Ending June 30,	Principal	Interest	Total
2023	\$ 1,165,000	\$ 2,483,450	\$ 3,648,450
2024	1,225,000	2,425,200	3,650,200
2025	1,285,000	2,363,950	3,648,950
2026	1,350,000	2,299,700	3,649,700
2027	1,415,000	2,232,200	3,647,200
2028-2032	8,220,000	10,025,250	18,245,250
2033-2037	10,500,000	7,753,500	18,253,500
2038-2042	13,390,000	4,501,650	17,891,650
2043-2046	13,135,000	1,813,400	14,948,400
Subtotal	51,685,000	35,898,300	87,583,300
Add - premium	5,033,005	-	5,033,005
Total	<u>\$ 56,718,005</u>	<u>\$ 35,898,300</u>	<u>\$ 92,616,305</u>

2020 Pension Obligation Bonds ("POB")

See Note 6A for disclosures. The outstanding balance for Transit Fund at June 30, 2022 was \$38,142,101.

Motorola Finance Purchase

The City entered into a financing agreement to finance the acquisition of certain communication equipment for the City's Transit operation in November 2018. The securities for the agreement are the equipment themselves and to be surrendered to the lender in case of payment default or termination of the agreements. Annual payment is due on November 1 and matured on November 1, 2021. The finance agreement was fully paid off during the year ended June 30, 2022.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

PNC Equipment Finance Purchase

The City entered into a financing agreement to finance the acquisition of certain transportation equipment for the City's Golf Course. The securities for the lease are the equipment themselves and to be surrendered to the lessor in case of payment default or termination of the agreements. The outstanding balance at June 30, 2022 was \$49,866.

The future debt service requirement is as follows:

For the Year Ending June 30,	Principal	Interest	Total
2023	\$ 49,866	\$ 2,169	\$ 52,035

ABM Notes Payable

See note 6A for disclosures. The outstanding balance of the note for Transit at June 30, 2022 was \$636,786.

Southern California Edison ("SCE")

In July 2013, the City entered into a zero percent On-Bill Financing Agreement with the Southern California Edison Company for the installation of certain energy efficient equipment at the Golf Course premises for a total amount of \$327,213 payable over a period of 116 months (9 years and 8 months). At June 30, 2022, the total outstanding loans payable amounted to \$44,676.

The annual future debt service requirements are as follows:

For the Year Ending June 30,	Principal	Total
2023	\$ 33,969	\$ 33,969
2024	10,707	10,707
Total	\$ 44,676	\$ 44,676

Quiet Cannon

The City entered into two loan agreements with Quiet Cannon Montebello, Inc. ("Quiet Cannon"). Quiet Cannon leases a facility on the City's golf course property. The loans were obtained by Quiet Cannon on behalf of the City from a financial institution payable in monthly installments ranging from \$5,969 to \$6,658 at prime interest rate (currently 3.25%) until year 2021. The installment payments are deducted by Quiet Cannon from its lease payments to the City. The loan proceeds were used to finance the renovation of the facility and signage.

During the year ended June 30, 2014, the City entered into a Maintenance Loan Agreement with Quiet Cannon for \$700,000. Under the agreement, Quiet Cannon borrowed the amount from a financial institution payable over a period of 5 years at prime lending rate. The loan repayment shall be offset by Quiet Cannon from its rental obligation to the City. At June 30, 2022, the outstanding balance was fully paid off.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Long-Term Liabilities (Continued)

B. Business-Type Activities (Continued)

Acuna Park Notes Payable - Water

The City entered into an agreement with Central Basin Municipal Water District (the “District”) to facilitate the use of the recycled water at Montebello Golf Course for constructing recycled water facilities for the amount of \$615,000. The City may request drawdowns monthly up to the total loan amount after the submission of supporting documentation verifying the costs incurred to the District. The principal is subject to 2% interest and accrued on any drawn amounts. The loan shall be repaid in the form of \$250 charge for every acre-foot of recycled water provided by the District to the City, until the balance is paid off. At June 30, 2022, the outstanding balance of the loan was \$181,557.

Compensated Absences

All vested vacation and compensatory leave time is recognized as an expense and as a liability in the business-type funds at the time the liability vests. Transit Fund has been used to liquidate the liability. The balance outstanding at June 30, 2022 was \$1,274,888.

The summary of changes in the Successor Agency long-term debts for the year ended June 30, 2022 is as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due Within One Year	Due in More Than One Year
Successor Agency Activities						
Bonds payable, net:						
1999B Montebello Hills Tax Allocation Parity Bonds	6,232,632	409,429	(2,350,000)	4,292,061	-	4,292,061
2007A Taxable South Montebello Industrial Redevelopment Project Tax Allocation Parity Bonds	1,310,000	-	(635,000)	675,000	675,000	-
2007B Taxable Montebello Hills Tax Allocation Parity Refunding Bonds	1,015,000	-	(320,000)	695,000	335,000	360,000
2015A Tax-Exempt and 2015B Taxable Subordinated Tax Allocation Bonds	13,855,000	-	(2,910,000)	10,945,000	3,045,000	7,900,000
2002 Montebello Housing Tax Allocation Parity Bonds	1,306,262	115,830	(490,000)	932,092	-	932,092
Unamortized premiums/(discounts):						
2015A Tax-Exempt Tax Allocation Bonds	1,675,330	-	(239,333)	1,435,997	239,333	1,196,664
Notes payable:						
Ostrom Chevrolet	2,223,408	-	(2,223,408)	-	-	-
Total Business-Type Activities	\$ 27,617,632	\$ 525,259	\$ (9,167,741)	\$ 18,975,150	\$ 4,294,333	\$ 14,680,817

1999 Montebello Hill Tax Allocation Parity Bonds, Series B

In November 1999, the former Agency issued \$5,593,888 Montebello Hills Redevelopment Project Tax Allocation Parity Bonds, 1999 Series B. The \$1,370,000 current interest serial bonds and term bonds were fully matured as of November 1, 1999. The \$2,918,888 capital appreciation bonds accrete interest from their dated date, and interest is compounded on March 1, 2000 and semiannually on each September 1 and March 1, thereafter, payable only at maturity at rates range from 6.2666% to 6.423%. The bonds are secured by incremental property taxes allocated to and received by the Successor Agency. The outstanding balance at June 30, 2022 was \$4,292,061.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Long-Term Liabilities (Continued)

C. Fiduciary Activities

1999 Montebello Hill Tax Allocation Parity Bonds, Series B (Continued)

The future annual debt service requirement is as follows:

For the Year Ending June 30	Principal	Accreted Interest	Interest	Total
2023	\$ 544,660	\$ 1,669,614	\$ 1,805,340	4,019,614
2024	505,273	1,572,514	1,844,727	3,922,514
Total	<u>\$ 1,049,933</u>	<u>\$ 3,242,128</u>	<u>\$ 3,650,067</u>	<u>\$7,942,128</u>

2007 South Montebello Industrial Redevelopment Project Tax Allocation Parity Bonds, Series A (Taxable)

In October 2007, the former Agency issued \$6,065,000 South Montebello Industrial Redevelopment Project Tax Allocation Parity Bonds, 2007 Series A (Taxable). Principal due annually through September 1, 2022 and interest on the bonds are due on March 1 and September 1 of each year at rate of 5.804%. The bonds are secured by incremental property taxes allocated to and received by the Successor Agency. The outstanding balance at June 30, 2022 was \$675,000.

The future annual debt service requirement is as follows:

For the Year Ending June 30,	Principal	Interest	Total
2023	<u>\$ 675,000</u>	<u>\$ 19,589</u>	<u>\$ 694,589</u>

2007 Montebello Hills Tax Allocation Parity Refunding Bonds, Series B (Taxable)

In October 2007, the former Agency issued \$3,660,000 Montebello Hills Redevelopment Project Tax Allocation Parity Refunding Bonds, 2007 Series B (Taxable). Principal due annually through March 1, 2024 and interest on the Bonds are due on March 1 and September 1 of each year at rate of 5.854%. The bonds are secured by incremental property taxes allocated to and received by the Successor Agency. The outstanding balance at June 30, 2022 was \$695,000.

The future annual debt service requirement is as follows:

For the Year Ending June 30,	Principal	Interest	Total
2023	\$ 335,000	\$ 20,343	\$ 355,343
2024	360,000	10,537	370,537
Total	<u>\$ 695,000</u>	<u>\$ 30,880</u>	<u>\$ 725,880</u>

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Long-Term Liabilities (Continued)

C. Fiduciary Activities (Continued)

2015 Subordinated Tax Allocation Refunding Bonds, Series A (Tax-exempt) and Series B (Taxable)

In August 2015, the Successor Agency issued Subordinate Tax Allocation Refunding Bonds, Series 2015 A (Tax Exempt) & Series B (Taxable), totaling \$25,180,000 to refund the following old bonds: 1997 Montebello Hills, 1998A Montebello Hills, 1999A Montebello Hills, 2009A Montebello Hills, 1999A South Montebello, 1999B South Montebello, 1998B Montebello Hills, and 2002 Housing (non-accretion bonds only) with total outstanding principal as of June 30, 2015 of \$28,355,000. The Series A bonds, with interest rate ranging from 2% to 5%, are due in annual installments of \$1,220,000 to \$3,045,000 through September 1, 2027. The Series B bonds, with interest rates ranging from 1.25% to 2.50%, are due in annual installments of \$335,000 to \$375,000 through September 1, 2019. The outstanding balance at June 30, 2022 was \$10,945,000.

The future annual debt service requirement is as follows:

For the Year Ending June 30,	Principal	Interest	Total
2023	\$ 3,045,000	\$ 444,425	\$ 3,489,425
2024	2,195,000	313,425	2,508,425
2025	1,880,000	211,550	2,091,550
2026	1,220,000	134,050	1,354,050
2027	1,270,000	71,800	1,341,800
2028	1,335,000	20,025	1,355,025
Total	<u>\$ 10,945,000</u>	<u>\$ 1,195,275</u>	<u>\$ 12,140,275</u>

2002 Montebello Housing Tax Allocation Parity Bonds

In April 2002, the former Agency issued \$5,557,642 2002 Housing Tax Allocation Parity Bonds. The \$4,910,000 current interest serial bonds and term bonds were fully matured as of September 1, 2024. Interest on the current interest bonds is payable on commencing on September 1, 2002 and semiannually thereafter on March and September 1 each year until maturity at rate of 5.25%. The \$647,642 capital appreciation bonds accrete interest from their dated date, and interest is compounded on September 1, 2002 and semiannually on each September 1 and March 1, thereafter, payable only at maturity, at rates range from 5.60% to 5.75%. The bonds are secured by incremental property taxes allocated to and received by the Successor Agency. The outstanding balance at June 30, 2022 was \$932,092.

The future annual debt service requirement is as follows:

For the Year Ending June 30	Principal	Accreted Interest	Interest	Total
2023	\$ 157,549	\$ 324,106	\$ 337,450	819,105
2024	145,906	304,531	344,093	794,530
Total	<u>\$ 303,455</u>	<u>\$ 628,637</u>	<u>\$ 681,543</u>	<u>\$1,613,635</u>

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 6 – Long-Term Liabilities (Continued)

C. Fiduciary Activities (Continued)

2002 Montebello Housing Tax Allocation Parity Bonds (Continued)

The future annual debt service requirement is as follows:

For the Year Ending June 30	Principal	Accreted Interest	Interest	Total
2023	\$ 157,549	\$ 324,106	\$ 337,450	819,105
2024	145,906	304,531	344,093	794,530
Total	<u>\$ 303,455</u>	<u>\$ 628,637</u>	<u>\$ 681,543</u>	<u>\$1,613,635</u>

Redevelopment Agency Note

The former redevelopment agency entered into an agreement dated February 11, 2009 to purchase the property owned by Ostrom Chevrolet for \$12,000,000. The Agency paid \$5,000,000 in cash; \$2,734,834 was from proceeds of a note owed by Ostrom Chevrolet to the Agency; and \$4,265,166 was financed by a note payable to the seller. The note payable has an interest rate of 5%. For the first 10 years, interest only payments are due each calendar quarter. Following the 10th anniversary of the note date, the Agency is to make four quarterly payments in an amount sufficient to amortize and repay all accrued interest and principal by the date the last payment is due on the first day of the full calendar quarter following the 20th anniversary date of the note. The Agency made early principal payments in the current year as well as the prior fiscal years with total annual payment of \$337,780 inclusive of interest. On November 23, 2021, this property was sold and the outstanding note was fully paid off.

D. Advances from City of Montebello

At June 30, 2022, the Successor Agency has a net liability to the City of \$4,967,239, which is reported in the Statement of Fiduciary Net Position as due to other governments. This amount was due to the Housing Successor Special Revenue Fund pertaining to advances made by the former Low-and-Moderate Income Housing Fund to the former redevelopment agency. These advances were for payment of the Supplemental Educational Revenue Augmentation Fund ("SERAF") and to finance the project expenses of one of the project areas of the former redevelopment agency.

Note 7 – Self Insurance

The City is partially self-insured for general liability and workers' compensation claims. The City pays up to \$1 million per occurrence for general liability claims, and has excess insurance up to \$10 million per occurrence. For workers' compensation, the City provides self-insurance up to a \$1,000,000 retention level and has acquired excess insurance coverage of \$5 million for each claim. The City also purchases commercial insurance for other risks of loss, including property loss and vehicle physical damage. There have been no significant changes in insurance coverage as compared to last year. At June 30, 2022, the present value of the estimated liability for claims payable, discounted at a 2% rate, is \$27,444,611, based on an actuarial study. The liability includes an estimate for incurred, but not reported (IBNR), losses and is based on past experience, modified for current trends and information.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 7 – Self Insurance (Continued)

Changes in the claims payable amount for the three years ended June 30, 2022 are as follows:

Fiscal Year	Balance Beginning of Year	Addition	Deletion	Balance End of Year
June 30, 2020	\$ 21,064,070	\$ 5,039,758	\$ (3,982,828)	\$ 22,121,000
June 30, 2021	22,121,000	5,266,139	(3,785,909)	23,601,230
June 30, 2022	23,601,230	7,018,256	(3,174,875)	27,444,611

Note 8 – Hotel Management Agreements

Montebello Hilton Hotel (“Hilton Garden Inn”)

Pursuant to a Hotel Management Agreement dated November 29, 2001, the Montebello Hilton Hotel (Hilton Garden Inn) pays Hotel Adventures LLC (“HALLC”) an annual management fee which includes an operational amount and a projected franchise fee assessed by Hilton Hotels. The actual franchise fee amount is paid directly to Hilton Hotels from the City’s Hilton Garden Inn (Enterprise) Fund. The obligation of the City to pay the management fee is subordinated to the payment of operating expenses and debt service on the Bonds issued to finance Hotel construction. Unpaid fees, consisting of the management fee and any franchise fee differential between projected franchise fees and actual franchise fees paid to Hilton Hotels, accrue interest at a prime lending rate established by Citibank, N.A.

On November 29, 2018, the City extended the Hotel Management Agreement with HALLC for an additional 15 years until December 17, 2032. Under this new agreement, HALLC shall receive an annual management fee of \$597,000. The franchise fee assessed by Hilton Hotels is included in the Hotel operating expenses. Unpaid management fees shall accrue interest at simple annual interest rate equal to that earned in the Local Agency Investment Fund (LAIF).

During the year ended June 30, 2022, the Hotel reported expense for management fees and interest on management fees of \$1,039,573. Accrued unpaid expenses for management fees were \$357,805 as of June 30, 2022.

Home2Suites

Pursuant to a Hotel Management Agreement dated May 26, 2016, the Montebello Home2Suites Hotel (“H2S”) pays Hotel2Suites LLC an annual management fee of \$700,000, as adjusted upward or downward based upon changes in the Annual CPI Index. The obligation of the City to pay the management fee is subordinated to the payment of operating expenses and debt service on the Bonds issued to finance H2S construction. The H2S accrued and unpaid management fees were \$422,909 as of June 30, 2022.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 9 – Defined Benefit Pension Plan

A. General Information About the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's Safety Plan (police and fire) and Miscellaneous Plan (all others), agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System ("CalPERS"), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous	
	Prior to 1-Jan-13	On or after 1-Jan-13
Hire date		
Benefit formula	2.7% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 55	52 - 67
Benefit per year of service, as a percentage of salary	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	8.000%	6.250%
Required employer contribution rates	11.129%	11.129%
	Safety	
	Prior to 1-Jan-13	On or after 1-Jan-13
Hire date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50 - 55	50 - 57
Benefit per year of service, as a percentage of salary	2.0% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.000%	12.750%
Required employer contribution rates	21.164%	21.164%

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 9 – Defined Benefit Pension Plan (Continued)

A. General Information About the Pension Plan (Continued)

Employees Covered

At June 30, 2020, the valuation date, the following employees were covered by the benefit terms of the Plan:

	<u>Miscellaneous</u>	<u>Safety</u>
Active employees	333	112
Transferred and terminated employees	428	125
Retired employees and beneficiaries	463	282
Total	<u>1224</u>	<u>519</u>

Contributions

Section 20814(c) of the California Public Employees' Retirement Law 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 notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2022, the employer contributions recognized as a reduction to the net pension liability for the Miscellaneous and Safety Plan were \$2,061,508 and \$2,913,777, respectively.

B. Pension Liability

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The June 30, 2020 valuation was rolled forward to determine the June 30, 2021 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.00% Net of pension plan investment and administrative expenses; including inflation
Mortality Rate Table ¹	Derived using CalPERS' Membership Data for all Funds.

¹The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Postretirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this tables please refer to the CalPERS experience study and Review of Actuarial Assumption report from December 2017 that can be found on the CalPERS website.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 9 – Defined Benefit Pension Plan (Continued)

B. Pension Liability(Continued)

Changes of Assumptions

In 2021, there were no changes in assumptions.

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.

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 follows:

Asset Class ¹	Current 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%
	<u>100.00%</u>		

¹ In the CalPERS's ACFR, Fixed Income is included in the 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 for this period.

³ An expected inflation of 2.92% used for this period.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 9 – Defined Benefit Pension Plan (Continued)

C. Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period for the Miscellaneous agent multiple-employer plan:

Miscellaneous Plan			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2020 (Valuation Date)	\$ 207,674,011	\$ 209,346,248	\$ (1,672,237)
Changes recognized for the measurement period:			
Service cost	3,191,506	-	3,191,506
Interest on the total pension liability	14,665,797	-	14,665,797
Changes of benefit terms	-	-	-
Difference between expected and actual experience	1,575,308	-	1,575,308
Changes of assumptions	-	-	-
Plan to plan resource movement	-	-	-
Contributions from the employer	-	2,061,508	(2,061,508)
Contributions from employees	-	1,399,212	(1,399,212)
Net investment income, net of administrative expense	-	46,168,935	(46,168,935)
Benefit payments, including refunds of employee contributions	(11,458,063)	(11,458,063)	-
Administrative expense	-	(209,124)	209,124
Other miscellaneous income/ (expense)	-	-	-
Net Changes during July 1, 2020 to June 30, 2021	\$ 7,974,548	\$ 37,962,468	\$ (29,987,920)
Balance at June 30, 2021 (Measurement Date)	\$ 215,648,559	\$ 247,308,716	\$ (31,660,157)

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 9 – Defined Benefit Pension Plan (Continued)

C. Changes in the Net Pension Liability (Continued)

The following table shows the changes in net pension liability recognized over the measurement period for the Safety agent multiple-employer plan:

Safety Plan			
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at June 30, 2020 (Valuation Date)	\$ 270,879,258	\$ 271,648,136	\$ (768,878)
Changes recognized for the measurement period:			
Service cost	3,827,398	-	3,827,398
Interest on the total pension liability	19,228,565	-	19,228,565
Changes of benefit terms	-	-	-
Difference between expected and actual experience	3,576,407	-	3,576,407
Changes of assumptions	-	-	-
Plan to plan resource movement	-	-	-
Contributions from the employer	-	2,913,777	(2,913,777)
Contributions from employees	-	1,383,844	(1,383,844)
Net investment income, net of administrative expense	-	59,892,826	(59,892,826)
Benefit payments, including refunds of employee contributions	(14,876,758)	(14,876,758)	-
Administrative expense	-	(271,360)	271,360
Other miscellaneous income/ (expense)	-	-	-
Net Changes during July 1, 2020 to June 30, 2021	\$ 11,755,612	\$ 49,042,329	\$ (37,286,717)
Balance at June 30, 2021 (Measurement Date)	\$ 282,634,870	\$ 320,690,465	\$ (38,055,595)

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Plan's Net Pension Liability		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Miscellaneous Plan	\$ (4,178,565)	\$ (31,660,157)	\$ (54,444,142)
Safety Plan	\$ (1,115,292)	\$ (38,055,595)	\$ (68,437,309)

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 9 – Defined Benefit Pension Plan (Continued)

C. Changes in the Net Pension Liability (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the plans' fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

D. Pension Expenses and Deferred Outflows and Inflows of Resources Related to Pensions

For the year measurement period ending June 30, 2021, the City recognized pension credit of (\$3,254,790) and (\$4,133,145) for the miscellaneous and safety plans, respectively.

As of June 30, 2022, the City has deferred outflows and deferred inflows of resources related to pensions for the Miscellaneous Plan as follows:

Miscellaneous Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Contributions made after the measurement date	\$ 1,942,722	\$ -
Difference between expected and actual experience	991,861	(393,863)
Net difference between projected and actual earning on pension plan investments	-	(22,231,481)
Total	<u>\$ 2,934,583</u>	<u>\$ (22,625,344)</u>

The amounts above are net of outflows and inflows recognized in the 2020-2021 measurement period expense.

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). The EARSL for the Miscellaneous Plan, for the 2020-21 measurement period is 2.7 years, which was obtained by dividing the total service years of 3,277 (the sum of remaining service lifetimes of the active employees) by 1.224 (the total number of participants: active, inactive, and retired), respectively.

The \$1,942,722 reported as deferred outflows represents contributions made after the measurement date of the net pension liability but before the end of the City's reporting period and will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 9 – Defined Benefit Pension Plan (Continued)

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

Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ending June 30	Deferred Outflows/ (Inflows) of Resources <u>Miscellaneous Plan</u>
2022	\$ (5,305,170)
2023	(4,731,648)
2024	(5,296,491)
2025	(6,300,174)
2026	-
Thereafter	-
	<u>\$ (21,633,483)</u>

As of June 30, 2022, the City has deferred outflows and deferred inflows of resources related to pensions for the Safety Plan as follows:

	<u>Safety Plan</u>	
	Deferred outflows of Resources	Deferred inflows of Resources
Contributions made after the measurement date	\$ 2,856,615	\$ -
Changes of assumptions	-	-
Difference between expected and actual experience	2,086,237	(74,532)
Net difference between projected and actual earning on pension plan investments	-	(28,613,231)
Total	<u>\$ 4,942,852</u>	<u>\$ (28,687,763)</u>

The amounts above are net of outflows and inflows recognized in the 2020-2021 measurement period expense.

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). The EARSL for the Safety Plan for the 2020-21 measurement period is 2.4 years, which was obtained by dividing the total service years of 1,259 (the sum of remaining service lifetimes of the active employees) by 519 (the total number of participants: active, inactive, and retired), respectively.

The \$2,856,615 reported as deferred outflows of resources represents contributions made after the measurement date of the net pension liability but before the end of the City's reporting period and will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 9 – Defined Benefit Pension Plan (Continued)

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

Other amounts reported as deferred outflows or deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ending June 30	Deferred Outflows/ (Inflows) of Resources Safety Plan
2022	\$ (5,615,957)
2023	(6,011,542)
2024	(6,801,431)
2025	(8,172,596)
2026	-
Thereafter	-
	\$ (26,601,526)

Note 10 – Other Postemployment Benefits (“OPEB”)

A. General Information About the Other Postemployment Benefit Plan

Plan Description

The City provides postemployment healthcare benefits to eligible employees at retirement through a single-employer defined benefit other postemployment benefits (“OPEB”) plan administered by the City. Benefit provisions are established through agreements and memorandums of agreement between the City, its management employees, and unions representing the City's employees.

Benefits Provided

The City provides the minimum required employer contributions under the CalPERS Health Plan for eligible retirees and surviving spouses in receipt of a pension benefit from PERS. An employee is eligible for this employer contribution provided they are vested in their PERS pension benefit and commence payment for their pension benefit when retiring from the City. The surviving spouse of an eligible retiree who elected spouse coverage under CalPERS is eligible for the employer contribution upon the death of the retiree.

Additional Benefits for Miscellaneous Employees

The current retiree health benefit is a monthly allowance that is payable to the eligible retiree and will be reduced by any amounts paid by the City towards health insurance for the retiree. The monthly allowance is available only to the retired employee and does not continue to a surviving spouse. The retiree is not required to continue medical insurance through the City to receive the monthly allowance. The monthly allowance is currently \$25 for each year of service with the City up to 25 years (\$625 maximum per month).

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 10 – Other Postemployment Benefits (“OPEB”) (Continued)

A. General Information About the Other Postemployment Benefit Plan (Continued)

Additional Benefits for Miscellaneous Employees (Continued)

The monthly allowance is payable up to Medicare eligibility age (currently age 65).

Eligibility from the monthly allowance requires retirement from the City on or after age 50 with at least 15 years of active City service at retirement. Disability retirement requires 10 years of active City service and has no age requirement. Montebello Mid- Management Association (“MMA”) and Montebello Supervisors Association (“MSA”) employees are not eligible for this allowance unless they made a one-time election for this benefit in lieu of a City contribution to a 401 (a) plan.

Additional Benefits Safety (Fire and Police) Employees

The current retiree health benefit is a monthly allowance that is payable to the eligible retiree and will be reduced by any amounts paid by the City towards health insurance for the retiree. The monthly allowance is available only to the retired employee and does not continue to a surviving spouse. The retiree is not required to continue medical insurance through the City to receive the monthly allowance. The monthly allowance is currently \$25 for each year of service with the City up to 25 years (\$625 maximum per month). The monthly allowance is payable during the retiree’s lifetime for members of Montebello Police Officers Association (“MPOA”), Montebello Police Management Association (“MPMA”) and Montebello Fire Fighters Association (“MFFA”) and to Medicare eligibility age for all unrepresented Safety employees.

Eligibility from the monthly allowance requires retirement from the City on or after age 50 with at least 15 years of active City service at retirement. Disability retirement requires only 10 years of active City service and has no age requirement. Prior to August 2008, MFA employees received a contribution to a 401 (a) (h) plan in lieu of retiree health benefits.

The City also pays 1% of payroll into a Health Reimbursement Account for MPOA, MPMA and, commencing in 2008 for MFA employees.

Employees Covered

At June 30, 2020, the valuation date, the following numbers of participants were covered by the benefit terms:

Inactive plan members or beneficiaries	
currently receiving benefits	181
Active plan members	343
Total	<u>524</u>

Contributions

The plan is not funded. The City finances these benefits on a pay-as-you-go basis.

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 10 – Other Postemployment Benefits (“OPEB”) (Continued)

B. Net OPEB Liability

Actuarial Methods and Assumptions Used to Determine Total OPEB Liability

The City's total OPEB liability was measured as of June 30, 2021 for the measurement period July 1, 2020 through June 30, 2021. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2020, based on the following actuarial assumptions:

Actuarial Cost Method	Entry Age, Level Percent of Pay
Actuarial Assumptions:	
Inflation	2.75%
Salary Increases	Based on the 2017 experience study for CalPERS pension
Discount Rate	2.66% as of June 30, 2020 and 1.92% as of June 30, 2021
Mortality rates	Scale MP-2020
Healthcare cost trend rate	6.25% for 2021 decreasing 0.25% per year to and ultimate rate of 4.50% for 2028 and later years

Discount Rate

The discount rate used to measure the total OPEB liability are based on the S&P Municipal Bond 20 Year High Grade Index. This index indicates discount rates of 2.66% as of June 30, 2020 and 1.92% as of June 30, 2021.

C. Changes in the Net OPEB Liability

The changes in the total OPEB liability for the plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (c) = (a) - (b)
Balance at June 30, 2020	\$ 30,359,256	\$ -	\$ 30,359,256
Changes recognized for the measurement period:			
Service cost	1,192,947	-	1,192,947
Interest on the total OPEB liability	820,237	-	820,237
Changes of benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes of assumptions	2,766,372	-	2,766,372
Contributions from the employer	-	1,441,914	(1,441,914)
Contributions from employees	-	-	-
Net investment income, net of administrative expense	-	-	-
Benefit payments, including refunds of employee contributions	(1,441,914)	(1,441,914)	-
Administrative expense	-	-	-
Net Changes during July 1, 2020 to June 30, 2021	\$ 3,337,642	\$ -	\$ 3,337,642
Balance at June 30, 2021 (Measurement Date)	\$ 33,696,898	\$ -	\$ 33,696,898

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 10 – Other Postemployment Benefits (“OPEB”) (Continued)

C. Changes in the Net OPEB Liability (Continued)

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point higher or one percentage point lower than the current discount rate, for the measurement period June 30, 2021:

Plan's Net OPEB Liability/(Asset)		
Discount Rate - 1% (0.92%)	Current Discount Rate (1.92%)	Discount Rate + 1% (2.92%)
\$ 38,131,433	\$ 33,696,898	\$ 30,046,135

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

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

Plan's Net OPEB Liability/(Asset)		
1% Decrease (5.25% decreasing to 3.50%)	Current Rate (6.25% decreasing to 4.50%)	1% Increase (7.25% decreasing to 5.50%)
\$ 31,068,112	\$ 33,696,898	\$ 36,643,907

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$2,054,726. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

OPEB Plan		
	Deferred outflows of Resources	Deferred inflows of Resources
Contributions made after the measurement date	\$ 1,514,821	\$ -
Changes of assumptions	4,497,518	(438,515)
Difference between expected and actual experience	-	(2,226,980)
Total	\$ 6,012,339	\$ (2,665,495)

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 10 – Other Postemployment Benefits (“OPEB”) (Continued)

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

The \$1,514,821 reported as deferred outflows of resources represents contributions made after the measurement date of the OPEB liability but before the end of the City's reporting period and will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB credit as follows:

Measurement Period Ending June 30,	Deferred Outflows /(Inflows) of Resources
2022	\$ 211,162
2023	211,161
2024	211,161
2025	211,161
2026	320,790
Thereafter	666,588
	\$ 1,832,023

Note 11 – Net Investment in Capital Assets

The net investment in capital assets for governmental activities, business-type activities, and enterprise funds is calculated as follows:

	Governmental Activities	Business-Type Activities
Total capital assets, net	\$ 104,617,396	\$ 106,336,638
Unspent capital debt proceeds	15,161,364	46,299
Deferred loss on refunding debt	134,111	40,963
Capital related debt	(40,184,923)	(70,945,713)
Deferred gain on refunding debt	-	(529,498)
Net investment in capital assets	\$ 79,727,948	\$ 34,948,689

	Enterprise Fund				
	Transit System Fund	Golf Course	Montebello Hilton	Home2Suites	Water Fund
Total capital assets, net	\$ 41,966,132	\$ 7,105,025	\$ 11,862,931	\$ 44,482,237	\$ 920,313
Unspent capital debt proceed	46,299	-	-	-	-
Deferred loss on refunding debt	-	40,963	-	-	-
Capital related debt	(636,786)	(2,026,052)	(11,383,313)	(56,718,005)	(181,557)
Deferred gain on refunding debt	-	-	(529,498)	-	-
Net investment in capital assets	\$ 41,375,645	\$ 5,119,936	\$ (49,880)	\$ (12,235,768)	\$ 738,756

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 12 – Fund Balance Classifications

Fund balances for the governmental funds at June 30, 2022 consisted of the following:

	General Fund	Retirement Fund	Transportation and Street Improvement Funds	Public Financing Authority	Nonmajor Governmental Fund	Total
Nonspendable:						
Advances to other funds	\$ 3,159,680	\$ -	\$ -	\$ -	\$ -	\$ 3,159,680
Prepaid items	195,722	-	28,970	-	121,437	346,129
Property held for resale	682,538	-	-	-	-	682,538
Total nonspendable	4,037,940	-	28,970	-	121,437	4,188,347
Restricted:						
Retirement	-	21,046,898	-	-	-	21,046,898
Community development	-	-	-	-	8,849,308	8,849,308
Public safety	-	-	-	-	965,996	965,996
Capital projects	374,594	-	14,786,770	-	214,580	15,375,944
Transportation	-	-	13,854,886	-	-	13,854,886
Debt service	-	-	-	371,706	-	371,706
Total restricted	374,594	21,046,898	28,641,656	371,706	10,029,884	60,464,738
Committed:						
Encumbrances	459,491	-	-	-	-	459,491
Total committed	459,491	-	-	-	-	459,491
Unassigned:						
Fund balance (deficit)	9,844,229	-	-	-	(262,960)	9,581,269
Total unassigned	9,844,229	-	-	-	(262,960)	9,581,269
Total fund balances	\$14,716,254	\$21,046,898	\$28,670,626	\$ 371,706	\$ 9,888,361	\$74,693,845

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 13 – Stewardship, Compliance and Accountability

The following expenditures for the year ended June 30, 2022, exceeded appropriations in the following funds and functions:

Funds	Appropriation	Expenditures	Expenditures over Appropriation
Major Governmental Funds:			
General Fund			
General government	\$ 7,203,177	\$ 7,508,181	\$ (305,004)
Parks, recreation, and culture	4,489,521	4,711,686	(222,165)
Debt service:			
Principal retirement	1,012,235	1,254,815	(242,580)
Interest and fiscal charges	170,500	397,418	(226,918)
Retirement Special Revenue Funds			
General government	126,400	191,001	(64,601)
Transportation and Street Improvement			
Special Revenue Funds			
Public works	354,200	780,492	(426,292)
Nonmajor Governmental Funds:			
Supplemental Law Enforcement Special Revenue Fund			
Capital Outlay	-	1,794	(1,794)
Grants Special Revenue Fund			
Housing and community development	105,000	481,757	(376,757)
George Miller Estate Donations Special Revenue Fund			
Public safety	65,750	73,224	(7,474)
Measure W Special Revenue Fund			
Public works	298,447	869,375	(570,928)
Housing Successor Agency Special Revenue Fund			
Housing and community development	2,500	25,083	(22,583)

The following funds had deficit fund balances or net position at June 30, 2022. Management expects to eliminate the deficits with subsequent revenue in the funds or transfers from the General Fund.

Funds	Amount
Enterprise Funds:	
Montebello Hilton	\$ (83,562)
Home2Suites	(1,724,814)
Internal Service Fund:	
Self-insurance	(20,326,439)
Nonmajor Governmental Funds:	
Supplemental Law Enforcement Special Revenue Fund	(170,676)
CDBG Special Revenue Fund	(92,284)

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 14 – Construction Commitments

The City had outstanding construction commitments in the amount of \$3,675,769 for governmental activities and \$13,958,277 for business-type activities at June 30, 2022 as follows:

Governmental Activities	
General Fund	\$ 459,491
Transportation and Street Improvement	
Special Revenue Funds	3,012,401
Nonmajor governmental funds	<u>203,877</u>
Total Governmental Activities	<u><u>\$ 3,675,769</u></u>
Business-type Activities	
Golf Enterprise Fund	<u><u>\$13,958,277</u></u>

Note 15 – Contingencies

The City is involved in several pending lawsuits of a nature common to many similar jurisdictions. City management estimates that potential claims against the City, not covered by insurance, will not have a material adverse effect on the financial statements of the City.

Note 16 – Prior Period Adjustments

The beginning net positions and fund balances were restated as following:

	Governmental- Wide
	<u>Governmental Activities</u>
Beginning, as previously reported	\$ (20,800,935)
Prior year revenue correction	(102,725)
Notes payable	<u>889,106</u>
Beginning, as restated	<u><u>\$ (20,014,554)</u></u>

City of Montebello
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2022

Note 16 – Prior Period Adjustments (Continued)

	Governmental Funds			Fiduciary Funds	
	CDBG Special Revenue Fund	HOME Special Revenue Fund	Total Governmental Fund	Successor Agency Private-Purpose Trust Fund	Custodial Fund
Beginning, as previously reported					
as previously reported	\$ 17,256	\$ (125,342)	\$ (108,086)	\$ (366,104)	\$ -
Unavailable revenue	543,530	145,000	688,530	-	-
Prior year revenue correction	(202,140)	99,415	(102,725)	-	-
Land held for resale	-	-	-	10,400,000	-
Capital assets	-	-	-	(246,853)	-
Deposits	-	-	-	-	1,280,426
Beginning, as restated	<u>\$ 358,646</u>	<u>\$ 119,073</u>	<u>\$ 477,719</u>	<u>\$ 9,787,043</u>	<u>\$ 1,280,426</u>

Governmental activities beginning net position was restated to correct the reporting of unavailable revenue for loans receivable in CDBG Special Revenue Fund and HOME Special Revenue Fund and to correct notes payable to HUD in HOME Special Revenue Fund which repayment was completed in fiscal year 2020.

The beginning net position of Successor Agency Private-Purpose Trust Fund was restated to correct the land held for resale not reported previously and to catch up capital assets depreciation.

The beginning net position of custodial fund was restated to implement GASB 84, *Fiduciary Activities*.

Note 17 – Subsequent Events

Lease Revenue Bond, Series 2022A Issuance

On December 1, 2022, the City issued Taxable Lease Revenue Bonds, Series 2022A in the amount of \$15,700,000 to fund for design, architectural, engineering, construction, and other related costs of the Golf Course Improvement Project. The bonds bear an interest rate of 5% and the principal matures in amounts ranging \$230,000 to \$975,000 through May 2053.

Lease Revenue Bond, Series 2022B Issuance

On December 1, 2022, the City issued Taxable Lease Revenue Bonds, Series 2022B in the amount of \$55,965,000 to finance the costs to design and construct a driving range and entertainment venue to be operated by Topgolf USA MB, LLC. The bonds bear an interest rates of 5.15% to 6.50% and the principal matures in amounts ranging \$805,000 to \$4,785,000 through May 2043.

Sale of City's Water System

On December 1, 2022, the California Public Utilities Commission authorized the sale of the City's water system and related assets to the San Gabriel Valley Water Company ("SGVWC"). The City received the sale proceeds of \$16.411 million on February 13, 2023. The City retains certain water rights and will lease such rights to SGVWC.

**REQUIRED SUPPLEMENTARY INFORMATION
(UNAUDITED)**

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City of Montebello
Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
REVENUES:				
Taxes	\$ 37,831,100	\$ 37,831,100	\$ 42,505,700	\$ 4,674,600
Intergovernmental	7,500	7,500	6,311,326	6,303,826
Licenses and permits	6,101,500	6,101,500	7,806,258	1,704,758
Fines and forfeitures	2,250,000	2,250,000	2,512,256	262,256
Use of money and property	225,000	225,000	(869,471)	(1,094,471)
Charges for services	7,807,350	7,807,350	8,077,509	270,159
Other revenue	557,500	557,500	560,220	2,720
Total revenues	<u>54,779,950</u>	<u>54,779,950</u>	<u>66,903,798</u>	<u>12,123,848</u>
EXPENDITURES:				
Current:				
General government	6,089,500	7,203,177	7,508,181	(305,004)
Public safety	33,577,820	34,489,873	33,255,910	1,233,963
Public works	10,338,000	12,765,829	11,882,266	883,563
Parks, recreation, and culture	4,424,550	4,489,521	4,711,686	(222,165)
Housing and community development	2,489,820	3,088,582	2,370,064	718,518
Capital outlay	481,500	3,025,000	2,073,997	951,003
Debt service:				
Principal	997,800	1,012,235	1,254,815	(242,580)
Interest	170,500	170,500	397,418	(226,918)
Total expenditures	<u>58,569,490</u>	<u>66,244,717</u>	<u>63,454,337</u>	<u>2,790,380</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(3,789,540)</u>	<u>(11,464,767)</u>	<u>3,449,461</u>	<u>14,914,228</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	4,100,000	4,100,000	3,637,348	(462,652)
Proceeds from sale of asset	-	-	44,300	44,300
Total other financing sources (uses)	<u>4,100,000</u>	<u>4,100,000</u>	<u>3,681,648</u>	<u>(418,352)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 310,460</u>	<u>\$ (7,364,767)</u>	<u>7,131,109</u>	<u>\$ 14,495,876</u>
FUND BALANCE:				
Beginning of year			7,585,145	
End of Year			<u>\$ 14,716,254</u>	

City of Montebello
Budgetary Comparison Schedule (Continued)
Retirement Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
REVENUES				
Taxes	\$ 15,046,000	\$ 15,046,000	\$ 14,569,128	\$ (476,872)
Use of money and property	125,000	125,000	98,079	(26,921)
Total revenues	15,171,000	15,171,000	14,667,207	(503,793)
EXPENDITURES				
Current:				
General government	126,400	126,400	191,001	(64,601)
EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	15,044,600	15,044,600	14,476,206	(568,394)
OTHER FINANCING USES				
Transfers out	(11,521,700)	(11,521,700)	(11,040,588)	481,112
Total other financing (uses)	(11,521,700)	(11,521,700)	(11,040,588)	481,112
NET CHANGE IN FUND BALANCE	\$ 3,522,900	\$ 3,522,900	3,435,618	\$ (87,282)
FUND BALANCE				
Beginning of year			17,611,280	
End of year			\$ 21,046,898	

City of Montebello
Budgetary Comparison Schedule (Continued)
Transportation and Street Improvement Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
REVENUES				
Intergovernmental	\$ 6,790,200	\$ 6,790,200	\$ 7,799,136	\$ 1,008,936
Use of money and property	48,000	48,000	84,531	36,531
Total revenues	<u>6,838,200</u>	<u>6,838,200</u>	<u>7,883,667</u>	<u>1,045,467</u>
EXPENDITURES				
Current:				
Public works	354,200	354,200	780,492	(426,292)
Capital outlay	8,933,074	8,933,074	5,396,999	3,536,075
Total expenditures	<u>9,287,274</u>	<u>9,287,274</u>	<u>6,177,491</u>	<u>3,109,783</u>
EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	<u>(2,449,074)</u>	<u>(2,449,074)</u>	<u>1,706,176</u>	<u>4,155,250</u>
OTHER FINANCING USES				
Transfers out	(2,135,900)	(2,135,900)	(2,135,916)	(16)
Total other financing (uses)	<u>(2,135,900)</u>	<u>(2,135,900)</u>	<u>(2,135,916)</u>	<u>(16)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (4,584,974)</u>	<u>\$ (4,584,974)</u>	<u>(429,740)</u>	<u>\$ 4,155,234</u>
FUND BALANCE				
Beginning of year			29,100,366	
End of year			<u>\$ 28,670,626</u>	

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City of Montebello
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2022

Budget and Budgetary Accounting

The City follows these procedures in establishing the operating budgetary data reflected in the financial statements:

- a. The annual budget adopted by the City Council provides for the general operation of the City. It includes proposed expenditures and estimated revenues for all governmental fund types.
- b. The City Manager is authorized to transfer certain appropriations between activities within any department in accordance with the budget resolution.
- c. The budget is formally integrated into the accounting system.
- d. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The modified accrual basis of accounting is employed in the preparation of the budget.
- e. At fiscal year-end, operating budget appropriations lapse. Incomplete capital improvements are rolled over to the new fiscal year. Projects that are not started during the budget year are re-evaluated in the following year.

The budgetary comparison schedule is not presented for the Inmate Welfare Special Revenue Fund due to no approved budget for the year ended June 30, 2022.

City of Montebello
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2022

Last Ten Fiscal Years

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

Measurement period	2013-14 ¹	2014-15	2015-16	2016-17	2017-18
Total pension liability					
Service cost	\$ 2,802,157	\$ 2,918,611	\$ 2,703,362	\$ 2,932,068	\$ 2,914,031
Interest	11,639,094	12,022,505	12,395,700	12,673,319	13,109,478
Differences between expected and actual experience	-	(2,072,412)	(2,550,443)	(2,393,873)	531,297
Changes of assumptions	-	(2,949,227)	-	10,512,651	(1,078,751)
Benefit payments, including refunds of employee contributions	(7,364,542)	(7,653,087)	(7,156,315)	(9,080,226)	(8,817,355)
Net change in total pension liability	7,076,709	2,266,390	5,392,304	14,643,939	6,658,700
Total pension liability - beginning	157,469,110	164,545,819	166,812,209	172,204,513	186,848,452
Total pension liability - ending (a)	\$ 164,545,819	\$ 166,812,209	\$ 172,204,513	\$ 186,848,452	\$ 193,507,152
Pension fiduciary net position					
Contributions - employer	\$ 3,168,029	\$ 3,123,518	\$ 3,474,912	\$ 3,893,457	\$ 4,404,730
Contributions - employee	1,468,002	1,260,428	1,208,725	1,186,191	1,198,860
Net investment income ²	19,352,467	2,844,663	665,613	13,752,535	11,334,145
Benefit payments, including refunds of employee contributions	(7,364,542)	(7,653,087)	(7,156,315)	(9,080,226)	(8,817,355)
Plan to plan resources movement	-	-	-	(1,197)	(334)
Administrative expense	-	(144,043)	(78,007)	(186,195)	(211,420)
Other miscellaneous income/ (expense)	-	-	-	-	(401,491)
Net change in plan fiduciary net position	16,623,956	(568,521)	(1,885,072)	9,564,565	7,507,135
Plan fiduciary net position - beginning	111,940,967	128,564,923	127,996,402	126,111,330	135,675,895
Plan fiduciary net position - ending (b)	\$ 128,564,923	\$ 127,996,402	\$ 126,111,330	\$ 135,675,895	\$ 143,183,030
Plan net pension liability - ending (a) - (b)	\$ 35,980,896	\$ 38,815,807	\$ 46,093,183	\$ 51,172,557	\$ 50,324,122
Plan fiduciary net position as a percentage of the total pension liability	78.13%	76.73%	73.23%	72.61%	73.99%
Covered payroll	\$ 15,828,716	\$ 16,304,182	\$ 16,324,646	\$ 16,116,462	\$ 15,903,678
Plan net pension liability as a percentage of covered payroll	227.31%	238.07%	282.35%	317.52%	316.43%

¹ Historical information is presented only for measurement periods after GASB 68 implementation in 2013-14.

² Net of administrative expenses for measurement period 2013-14.

Notes to Schedule:

Benefit Changes: There were no benefit changes.

Change of Assumptions: None in 2019 - 2021. In 2018, demographic assumptions and inflation rates 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 discount rate was reduced from 7.65% to 7.15 %. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

City of Montebello
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

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

Measurement period	2018-19	2019-20	2020-21
Total pension liability			
Service cost	\$ 2,908,539	\$ 2,826,979	\$ 3,191,506
Interest	13,768,761	14,108,298	14,665,797
Differences between expected and actual experience	2,360,490	(1,969,315)	1,575,308
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(9,503,625)	(10,333,268)	(11,458,063)
Net change in total pension liability	9,534,165	4,632,694	7,974,548
Total pension liability - beginning	193,507,152	203,041,317	207,674,011
Total pension liability - ending (a)	\$ 203,041,317	\$ 207,674,011	\$ 215,648,559
Pension fiduciary net position			
Contributions - employer	\$ 5,051,169	\$ 61,879,526	\$ 2,061,508
Contributions - employee	1,198,617	1,324,939	1,399,212
Net investment income ²	9,332,756	7,525,227	46,168,935
Benefit payments, including refunds of employee contributions	(9,503,625)	(10,333,268)	(11,458,063)
Plan to plan resources movement	-	-	-
Administrative expense	(102,178)	(210,279)	(209,124)
Other miscellaneous income/ (expense)	334	-	-
Net change in plan fiduciary net position	5,977,073	60,186,145	37,962,468
Plan fiduciary net position - beginning	143,183,030	149,160,103	209,346,248
Plan fiduciary net position - ending (b)	\$ 149,160,103	\$ 209,346,248	\$ 247,308,716
Plan net pension liability - ending (a) - (b)	\$ 53,881,214	\$ (1,672,237)	\$ (31,660,157)
Plan fiduciary net position as a percentage of the total pension liability	73.46%	100.81%	114.68%
Covered payroll	\$ 16,045,340	\$ 15,953,606	\$ 18,031,110
Plan net pension liability as a percentage of covered payroll	335.81%	-10.48%	-175.59%

¹ Historical information is presented only for measurement periods after GASB 68 implementation in 2013-14.

² Net of administrative expenses for measurement period 2013-14.

Notes to Schedule:

Benefit Changes: There were no benefit changes.

Change of Assumptions: None in 2019 - 2021. In 2018, demographic assumptions and inflation rates 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 discount rate was reduced from 7.65% to 7.15 %. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

City of Montebello
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2022

Last Ten Fiscal Years

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

	2013-14 ¹	2014-15	2015-16	2016-17	2017-18
Actuarially determined contribution	\$ 3,123,518	\$ 3,474,912	\$ 3,893,457	\$ 4,395,719	\$ 4,404,730
Contributions in relation to the actuarially determined contribution	(3,123,518)	(3,474,912)	(3,893,457)	(4,395,719)	(4,404,730)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll ²	\$ 16,304,182	\$ 16,324,646	\$ 16,116,462	\$ 16,116,462	\$ 15,903,678
Contributions as a percentage of covered payroll	19.16%	21.29%	24.16%	27.27%	27.70%

¹ Historical information is presented only for measurement periods after GASB 68 implementation in 2013-14.

² Include one year's payroll growth using 2.75 percent

Notes to Schedule:

Valuation date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	Fair value of assets
Inflation	2.50%
Salary increases	Varies by Entry age and Service
Payroll Growth	2.75%
Investment rate of return	7.00% including inflation
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using Scale MP-2016 published by the Society of Actuaries.

City of Montebello
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

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

	2018-19	2019-20	2020-21	2021-22
Actuarially determined contribution	\$ 5,051,169	\$ 5,980,507	\$ 2,061,508	\$ 1,942,722
Contributions in relation to the actuarially determined contribution	(5,051,169)	(61,879,526)	(2,061,508)	(1,942,722)
Contribution deficiency (excess)	\$ -	\$ (55,899,019)	\$ -	\$ -
Covered payroll ²	\$ 16,045,340	\$ 15,953,606	\$ 18,031,110	\$ 18,526,966
Contributions as a percentage of covered payroll	31.48%	37.49%	11.43%	10.49%

¹ Historical information is presented only for measurement periods after GASB 68 implementation in 2013-14.

² Include one year's payroll growth using 2.75 percent

Notes to Schedule:

Valuation date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	Fair value of assets
Inflation	2.50%
Salary increases	Varies by Entry age and Service
Payroll Growth	2.75%
Investment rate of return	7.00% including inflation
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using Scale MP-2016 published by the Society of Actuaries.

City of Montebello
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") - Safety Plan

Measurement period	2013-14 ¹	2014-15	2015-16	2016-17	2017-18
Total pension liability					
Service cost	\$ 3,199,355	\$ 3,228,635	\$ 3,178,292	\$ 3,513,114	\$ 3,422,176
Interest	15,059,257	15,555,154	16,109,903	16,587,154	17,067,923
Differences between expected and actual experience	-	(1,653,000)	(831,534)	(484,213)	(273,569)
Changes of assumptions	-	(3,773,844)	-	13,789,932	(910,340)
Benefit payments, including refunds of employee contributions	(10,199,284)	(10,403,035)	(10,947,880)	(11,772,390)	(12,521,308)
Net change in total pension liability	8,059,328	2,953,910	7,508,781	21,633,597	6,784,882
Total pension liability - beginning	204,290,062	212,349,390	215,303,300	222,812,081	244,445,678
Total pension liability - ending (a)	<u>\$ 212,349,390</u>	<u>\$ 215,303,300</u>	<u>\$ 222,812,081</u>	<u>\$ 244,445,678</u>	<u>\$ 251,230,560</u>
Pension fiduciary net position					
Contributions - employer	\$ 6,437,996	\$ 4,710,747	\$ 5,153,218	\$ 5,358,752	\$ 6,104,047
Contributions - employee	1,627,017	1,207,244	1,193,160	949,049	1,070,001
Net investment income ²	22,955,341	3,345,009	737,269	16,289,173	13,313,614
Benefit payments, including refunds of employee contributions	(10,199,284)	(10,403,035)	(10,947,880)	(11,772,390)	(12,521,308)
Plan to plan resources movement	-	-	-	-	(390)
Administrative expense	-	(172,263)	(93,329)	(220,253)	(248,987)
Other miscellaneous income/ (expense)	-	-	-	-	(472,831)
Net change in plan fiduciary net position	20,821,070	(1,312,298)	(3,957,562)	10,604,331	7,244,146
Plan fiduciary net position - beginning	133,628,287	154,449,357	153,137,059	149,179,497	159,783,828
Plan fiduciary net position - ending (b)	<u>\$ 154,449,357</u>	<u>\$ 153,137,059</u>	<u>\$ 149,179,497</u>	<u>\$ 159,783,828</u>	<u>\$ 167,027,974</u>
Plan net pension liability - ending (a) - (b)	<u>\$ 57,900,033</u>	<u>\$ 62,166,241</u>	<u>\$ 73,632,584</u>	<u>\$ 84,661,850</u>	<u>\$ 84,202,586</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>72.73%</u>	<u>71.13%</u>	<u>66.95%</u>	<u>65.37%</u>	<u>66.48%</u>
Covered payroll	<u>\$ 11,224,230</u>	<u>\$ 11,922,582</u>	<u>\$ 11,768,402</u>	<u>\$ 11,568,474</u>	<u>\$ 11,280,908</u>
Plan net pension liability as a percentage of covered payroll	<u>515.85%</u>	<u>521.42%</u>	<u>625.68%</u>	<u>731.83%</u>	<u>746.42%</u>

¹ Historical information is presented only for measurement periods after GASB 68 implementation in 2013-14.

² Net of administrative expenses for measurement period 2013-14.

Notes to Schedule:

Benefit Changes: There were no benefit changes.

Change of Assumptions: None in 2019 - 2021. In 2018, demographic assumptions and inflation rates 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 discount rate was reduced from 7.65% to 7.15 %. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

City of Montebello
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") - Safety Plan

Measurement period	2018-19	2019-20	2020-21
Total pension liability			
Service cost	\$ 3,246,398	\$ 3,431,014	\$ 3,827,398
Interest	17,893,099	18,421,868	19,228,565
Differences between expected and actual experience	4,006,198	(322,974)	3,576,407
Changes of assumptions	-	-	-
Benefit payments, including refunds of employee contributions	(13,213,664)	(13,813,241)	(14,876,758)
Net change in total pension liability	11,932,031	7,716,667	11,755,612
Total pension liability - beginning	251,230,560	263,162,591	270,879,258
Total pension liability - ending (a)	\$ 263,162,591	\$ 270,879,258	\$ 282,634,870
Pension fiduciary net position			
Contributions - employer	\$ 6,932,392	\$ 103,113,849	\$ 2,913,777
Contributions - employee	1,076,975	1,411,375	1,383,844
Net investment income ²	10,771,929	8,702,502	59,892,826
Benefit payments, including refunds of employee contributions	(13,213,664)	(13,813,241)	(14,876,758)
Plan to plan resources movement	-	-	-
Administrative expense	(119,195)	(243,150)	(271,360)
Other miscellaneous income/ (expense)	390	-	-
Net change in plan fiduciary net position	5,448,827	99,171,335	49,042,329
Plan fiduciary net position - beginning	167,027,974	172,476,801	271,648,136
Plan fiduciary net position - ending (b)	\$ 172,476,801	\$ 271,648,136	\$ 320,690,465
Plan net pension liability - ending (a) - (b)	\$ 90,685,790	\$ (768,878)	\$ (38,055,595)
Plan fiduciary net position as a percentage of the total pension liability	65.54%	100.28%	113.46%
Covered payroll	\$ 10,934,684	\$ 11,486,487	\$ 12,681,903
Plan net pension liability as a percentage of covered payroll	829.34%	-6.69%	-300.08%

¹ Historical information is presented only for measurement periods after GASB 68 implementation in 2013-14.

² Net of administrative expenses for measurement period 2013-14.

Notes to Schedule:

Benefit Changes: There were no benefit changes.

Change of Assumptions: None in 2019 - 2021. In 2018, demographic assumptions and inflation rates 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 discount rate was reduced from 7.65% to 7.15 %. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5% (net of administrative expense) to 7.65% (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5% discount rate.

City of Montebello
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") - Safety Plan

	2013-14 ¹	2014-15	2015-16	2016-17	2017-18
Actuarially determined contribution	\$ 4,710,747	\$ 5,153,218	\$ 5,358,752	\$ 6,096,263	\$ 6,104,047
Contributions in relation to the actuarially determined contribution	<u>(4,710,747)</u>	<u>(5,153,218)</u>	<u>(5,358,752)</u>	<u>(6,096,263)</u>	<u>(6,104,047)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll ²	\$ 11,922,582	\$ 11,768,402	\$ 11,568,474	\$ 11,568,474	\$ 11,280,908
Contributions as a percentage of covered payroll	39.51%	43.79%	46.32%	52.70%	54.11%

¹ Historical information is presented only for measurement periods after GASB 68 implementation in 2013-14.

² Include one year's payroll growth using 2.75 percent

Notes to Schedule:

Valuation date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	Fair value of assets
Inflation	2.50%
Salary increases	Varies by Entry age and Service
Payroll Growth	2.75%
Investment rate of return	7.00% including inflation
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using Scale MP-2016 published by the Society of Actuaries.

City of Montebello
Required Supplementary Information (Unaudited)
Schedule of Contributions - Pensions (Continued)
For the Year Ended June 30, 2022

Last Ten Fiscal Years

California Public Employees' Retirement System ("CalPERS") - Safety Plan

	2018-19	2019-20	2020-21	2021-22
Actuarially determined contribution	\$ 6,932,392	\$ 8,312,339	\$ 2,711,170	\$ 2,856,615
Contributions in relation to the actuarially determined contribution	(6,932,392)	(103,113,849)	(2,711,170)	(2,856,615)
Contribution deficiency (excess)	\$ -	\$ (94,801,510)	\$ -	\$ -
Covered payroll ²	\$ 10,934,684	\$ 11,486,487	\$ 12,681,903	\$ 13,030,655
Contributions as a percentage of covered payroll	63.40%	72.37%	21.38%	21.92%

¹ Historical information is presented only for measurement periods after GASB 68 implementation in 2013-14.

² Include one year's payroll growth using 2.75 percent

Notes to Schedule:

Valuation date:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were from the June 30, 2019 funding valuation report.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal Cost Method
Amortization method	Level percentage of payroll
Asset valuation method	Fair value of assets
Inflation	2.50%
Salary increases	Varies by Entry age and Service
Payroll Growth	2.75%
Investment rate of return	7.00% including inflation
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using Scale MP-2016 published by the Society of Actuaries.

City of Montebello
Required Supplementary Information (Unaudited)
Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
For the Year Ended June 30, 2022

Last Ten Fiscal Years*					
Other Postemployment Benefit Plan					
Measurement period	2016-2017*	2017-2018	2018-2019	2019-2020	2020-2021
Total OPEB liability					
Service cost	\$ 1,079,041	\$ 1,115,728	\$ 972,274	\$ 1,000,546	\$ 1,192,947
Interest	849,121	970,765	1,059,759	1,060,584	820,237
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	(59,573)	-	(2,969,308)	-
Changes of assumptions	(2,111,032)	1,069,938	(767,402)	2,769,257	2,766,372
Benefit payments, including refunds of employee contributions	(1,039,463)	(1,151,779)	(1,301,168)	(1,422,435)	(1,441,914)
Net change in total OPEB liability	(1,222,333)	1,945,079	(36,537)	438,644	3,337,642
Total OPEB liability - beginning	29,234,403	28,012,070	29,957,149	29,920,612	30,359,256
Total OPEB liability - ending (a)	<u>\$ 28,012,070</u>	<u>\$ 29,957,149</u>	<u>\$ 29,920,612</u>	<u>\$ 30,359,256</u>	<u>\$ 33,696,898</u>
OPEB fiduciary net position**					
Contributions - employer	\$ 1,039,463	\$ 1,151,779	\$ 1,301,168	\$ 1,422,435	\$ 1,441,914
Contributions - member	-	-	-	-	-
Net investment income	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(1,039,463)	(1,151,779)	(1,301,168)	(1,422,435)	(1,441,914)
Plan to plan resources movement	-	-	-	-	-
Administrative expense	-	-	-	-	-
Other expense	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan net OPEB liability - ending (a) - (b)	<u>\$ 28,012,070</u>	<u>\$ 29,957,149</u>	<u>\$ 29,920,612</u>	<u>\$ 30,359,256</u>	<u>\$ 33,696,898</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered employee payroll	<u>\$ 19,234,000</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 31,317,575</u>
Plan net OPEB liability as a percentage of covered employee payroll	<u>145.64%</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>107.60%</u>

Notes to Schedule:

*Measurement period 2017 was the first year of implementation, therefore only five years are shown

**The Plan is not funded and on a pay-as-you go basis

***No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

SUPPLEMENTARY INFORMATION

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City of Montebello
Schedule of Revenues, Expenditure, and Change in Fund Balance - Budget and Actual
Public Financing Authority Debt Service Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
REVENUES				
Use of money and property	\$ -	\$ -	\$ 543	\$ 543
Other revenue	1,507,000	1,507,000	1,506,936	(64)
Total revenues	1,507,000	1,507,000	1,507,479	479
EXPENDITURES				
Debt service:				
Principal	5,876,200	5,876,200	5,876,027	173
Interest	5,171,300	5,171,300	5,170,131	1,169
Total expenditures	11,047,500	11,047,500	11,046,158	1,342
EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	(9,540,500)	(9,540,500)	(9,538,679)	(863)
OTHER FINANCING SOURCES				
Transfers in	9,532,700	9,532,700	9,532,529	(171)
Total other financing sources	9,532,700	9,532,700	9,532,529	(171)
NET CHANGE IN FUND BALANCE	<u>\$ (7,800)</u>	<u>\$ (7,800)</u>	(6,150)	<u>\$ (1,034)</u>
FUND BALANCE				
Beginning of year			377,856	
End of year			<u>\$ 371,706</u>	

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NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

Supplemental Law Enforcement Fund – The State legislature established a 0.15% Vehicle License Fee ("VLF") in 2009 (in addition to the 0.65% base VLF fee). Revenue from the 0.15% fee is deposited in the Local Safety and Public Protection Account and revenues are used to fund a variety of law enforcement programs previously paid from the State General Fund. The County of Los Angeles distributes these funds to eligible cities through the property tax allocation process.

Park Development Fund - To account for new construction license fees received. These fees are used for the maintenance and improvement of the City's parks.

Drug Enforcement Fund - This fund records proceeds from revenue sharing from various Federal and State asset forfeiture programs. Montebello Police Department personnel participate in Federal and State drug enforcement task force operations. Depending on the operation, and the amount of assets (i.e., money, cars, homes, etc.) seized as part of the operation, a portion of proceeds from the assets are shared by participating law enforcement agencies. These funds have strict spending guidelines, and generally Montebello has utilized the funds to pay for dispatch and related software, as well as some equipment per the program guidelines.

Air Quality Fund - Assembly Bill 2766 was adopted in 1990 to provide revenue to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies. The Department of Motor Vehicles collects a registration surcharge of \$6 per vehicle to fund the AB 2766 program. Forty percent of the AB 2766 fund (approximately \$20 million annually in the South Coast Air Basin) is returned to the cities and counties to fund transportation related projects that reduce air pollution. AB 2766 revenue is distributed on a quarterly basis to participating cities and counties based on the prorated share of their population.

Justice Assistance Grants Fund – The Justice Assistance Grant program is the leading source of federal justice funding to state and local jurisdictions. The program provides local governments with critical funding to support law enforcement, prosecution, indigent defense, courts, crime prevention and education, corrections and community corrections, drug treatment and enforcement, planning, evaluation, technology improvement, and crime victim and witness initiatives and mental health programs and related law enforcement and corrections programs, including behavioral programs and crisis intervention teams.

Grants Fund - The City receives numerous grants and records the revenues and related expenditures in this fund for grants not reported in other funds. This fund only reports non-Transit grants.

CDBG Fund – This fund was created to account for financial transactions relating to the Community Development Block Grant Program of the U.S. Department of Housing and Urban Development. Program income is currently used for low interest housing rehabilitation loans and for grants to non-profit organizations for community services.

HOME Fund – This fund was created to account for financial transactions relating to the Federal HOME program. Program income from HOME funds is used to meet housing needs for low income households in accordance with federal guidelines.

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds (Continued)

TDA Article 3 Fund – Transportation Development Act (TDA), Article 3 funds are used by cities within Los Angeles County for the planning and construction of bicycle and pedestrian facilities. By ordinance, LA County Metro is responsible for administering the program and establishing its policies. TDA, Article 3 funds are allocated annually on a per capita basis to both cities and the County of Los Angeles.

George Miller Estate Donation Fund – This fund was set up per the instructions and directions of a settlement agreement reached between the City and the estate of George Miller. Mr. Miller was a long-time Montebello firefighter and left a portion of his estate to the City to be utilized for fire education and training opportunities. The settlement agreement directed the donation to be deposited and any expenditures related to the donation in a separate fund.

Measure W Fund – Approved by Los Angeles County voters in 2018, Measure W establishes a parcel tax (i.e., property tax assessment) which generates revenue for projects, infrastructure, and programs to capture, treat and recycle rainwater. Also known as the "Safe Clean Water Act," parcels are taxed at a rate of \$.025 (2.5 cents) per square foot of impermeable area (i.e., paved or built-on surfaces such as concrete patios or driveways).

Inmate Welfare Fund – This fund was created to record revenue previously recorded in a Trust and Agency fund account (Fund 500). The revenue comes from inmates incarcerated in the City of Montebello Jail and proceeds are utilized for inmate welfare related purposes.

Measure A Local – The Los Angeles County Safe, Clean Neighborhood Parks and Beaches Measure of 2016 ("Measure A") was approved by Los Angeles County voters in 2016. This measure provides funding for local parks, beaches, open space, and water resources through the levy of an annual parcel tax of 1.5 cents per square foot of development. Local communities are allocated a portion of funding based on park needs.

Housing Successor – With the dissolution of redevelopment statewide effective January 31, 2012, the City of Montebello chose to become the Successor Agency for the former Redevelopment Agency. Included in that action was the former Housing Agency, with all assets, liabilities and revenue and expense activity now recorded in the Housing Successor Agency Fund.

City of Montebello
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds				
	Supplemental	Park	Drug	Air	Justice
	Law Enforcement	Development	Enforcement	Quality	Assistance Grants
ASSETS					
Cash and investments	\$ 114,595	\$ 21,098	\$ 491,754	\$ 159,256	\$ 36,734
Accounts receivable	-	-	238,300	20,692	-
Tax receivable	-	-	-	-	-
Notes receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid items	-	-	121,437	-	-
Property held for resale	-	-	-	-	-
Total assets	\$ 114,595	\$ 21,098	\$ 851,491	\$ 179,948	\$ 36,734
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 7,169	\$ -	\$ 891	\$ 1,067	\$ -
Unearned revenue	-	-	-	-	-
Due to other funds	278,102	-	-	-	-
Total liabilities	285,271	-	891	1,067	-
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	121,437	-	-
Restricted	-	21,098	729,163	178,881	36,734
Unassigned (deficit)	(170,676)	-	-	-	-
Total fund balances (deficit)	(170,676)	21,098	850,600	178,881	36,734
Total liabilities and fund balances	\$ 114,595	\$ 21,098	\$ 851,491	\$ 179,948	\$ 36,734

(Continued)

City of Montebello
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds				
	Grants	CDBG	HOME	TDA Article 3	George Miller Estate Donation
ASSETS					
Cash and investments	\$ -	\$ -	\$ 111,940	\$ -	\$ 201,373
Accounts receivable	1,412,489	487,205	38,764	446	-
Tax receivable	1,818	-	-	-	-
Notes receivable	-	350,693	145,000	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid items	-	-	-	-	-
Property held for resale	-	-	-	-	-
Total assets	\$ 1,414,307	\$ 837,898	\$ 295,704	\$ 446	\$ 201,373
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 139,788	\$ 80,685	\$ 2,539	\$ -	\$ 2,039
Unearned revenue	310,021	-	-	-	-
Due to other funds	615,091	432,856	-	446	-
Total liabilities	1,064,900	513,541	2,539	446	2,039
Deferred Inflows of Resources:					
Unavailable revenue	-	416,641	38,764	-	-
Total deferred inflows of resources	-	416,641	38,764	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	349,407	-	254,401	-	199,334
Unassigned (deficit)	-	(92,284)	-	-	-
Total fund balances (deficit)	349,407	(92,284)	254,401	-	199,334
Total liabilities and fund balances	\$ 1,414,307	\$ 837,898	\$ 295,704	\$ 446	\$ 201,373

(Continued)

City of Montebello
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds				Total
	Measure W	Inmate Welfare Fund	Measure A Local	Housing Successor	Nonmajor Governmental Funds
ASSETS					
Cash and investments	\$ -	\$ 765	\$ 8,216	\$ 632,655	\$ 1,778,386
Accounts receivable	884,710	-	37,688	-	3,120,294
Tax receivable	-	-	-	-	1,818
Notes receivable	-	-	-	-	495,693
Due from other funds	-	-	-	1,475,000	1,475,000
Due from other governments	-	-	-	4,944,689	4,944,689
Prepaid items	-	-	-	-	121,437
Property held for resale	-	-	-	996,830	996,830
Total assets	\$ 884,710	\$ 765	\$ 45,904	\$ 8,049,174	\$ 12,934,147
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 69,375	\$ -	\$ 45,904	\$ -	\$ 349,457
Unearned revenue	15,335	-	-	-	325,356
Due to other funds	585,420	-	-	3,653	1,915,568
Total liabilities	670,130	-	45,904	3,653	2,590,381
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	-	455,405
Total deferred inflows of resources	-	-	-	-	455,405
Fund Balances:					
Nonspendable	-	-	-	-	121,437
Restricted	214,580	765	-	8,045,521	10,029,884
Unassigned (deficit)	-	-	-	-	(262,960)
Total fund balances (deficit)	214,580	765	-	8,045,521	9,888,361
Total liabilities and fund balances	\$ 884,710	\$ 765	\$ 45,904	\$ 8,049,174	\$ 12,934,147

(Concluded)

City of Montebello
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds				
	Supplemental Law Enforcement	Park Development	Drug Enforcement	Air Quality	Justice Assistance Grants
REVENUES:					
Intergovernmental	\$ 161,285	\$ -	\$ 990,962	\$ 81,006	\$ -
Use of money and property	-	104	1,449	650	182
Other revenue	-	-	-	-	-
Total revenues	<u>161,285</u>	<u>104</u>	<u>992,411</u>	<u>81,656</u>	<u>182</u>
EXPENDITURES:					
Current:					
Public safety	159,489	-	383,636	-	-
Public works	-	-	-	-	-
Housing and community development	-	-	-	19,133	-
Parks and recreation	-	-	-	-	-
Capital outlay	1,794	-	90,228	-	-
Debt service:					
Principal payment	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>161,283</u>	<u>-</u>	<u>473,864</u>	<u>19,133</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	<u>2</u>	<u>104</u>	<u>518,547</u>	<u>62,523</u>	<u>182</u>
NET CHANGES IN FUND BALANCES	2	104	518,547	62,523	182
FUND BALANCES (DEFICIT):					
Beginning of year, as restated (Note 16)	(170,678)	20,994	332,053	116,358	36,552
End of year	<u>\$ (170,676)</u>	<u>\$ 21,098</u>	<u>\$ 850,600</u>	<u>\$ 178,881</u>	<u>\$ 36,734</u>

(Continued)

City of Montebello
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds				
	Grants	CDBG	HOME	TDA Article 3	George Miller Estate Donation
REVENUES:					
Intergovernmental	\$ 2,112,105	\$ 721,551	\$ 173,938	\$ -	\$ -
Use of money and property	-	-	-	-	1,152
Other revenue	550	-	153	49,373	-
Total revenues	<u>2,112,655</u>	<u>721,551</u>	<u>174,091</u>	<u>49,373</u>	<u>1,152</u>
EXPENDITURES:					
Current:					
Public safety	845,293	455,076	-	-	73,224
Public works	-	-	-	-	-
Housing and community development	481,757	245,810	38,763	-	-
Parks and recreation	246,909	-	-	-	-
Capital outlay	81,560	-	-	1,785	-
Debt service:					
Principal payment	-	425,000	-	-	-
Interest and fiscal charges	-	46,595	-	-	-
Total expenditures	<u>1,655,519</u>	<u>1,172,481</u>	<u>38,763</u>	<u>1,785</u>	<u>73,224</u>
EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	<u>457,136</u>	<u>(450,930)</u>	<u>135,328</u>	<u>47,588</u>	<u>(72,072)</u>
NET CHANGES IN FUND BALANCES	457,136	(450,930)	135,328	47,588	(72,072)
FUND BALANCES (DEFICIT):					
Beginning of year, as restated (Note 16)	(107,729)	358,646	119,073	(47,588)	271,406
End of year	<u>\$ 349,407</u>	<u>\$ (92,284)</u>	<u>\$ 254,401</u>	<u>\$ -</u>	<u>\$ 199,334</u>

(Continued)

City of Montebello
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds				Total Nonmajor Governmental Funds
	Measure W	Inmate Welfare Fund	Measure A	Housing Successor Fund	
REVENUES:					
Intergovernmental	\$ 869,375	\$ -	\$ 37,688	\$ -	5,147,910
Use of money and property	-	49	-	10,361	13,947
Other revenue	-	221	-	2,100	52,397
Total revenues	<u>869,375</u>	<u>270</u>	<u>37,688</u>	<u>12,461</u>	<u>5,214,254</u>
EXPENDITURES:					
Current:					
Public safety	-	-	-	-	1,916,718
Public works	869,375	-	-	-	869,375
Housing and community development	-	-	-	25,083	810,546
Parks and recreation	-	-	37,688	-	284,597
Capital outlay	-	16,943	-	-	192,310
Debt service:					
Principal payment	-	-	-	-	425,000
Interest and fiscal charges	-	-	-	-	46,595
Total expenditures	<u>869,375</u>	<u>16,943</u>	<u>37,688</u>	<u>25,083</u>	<u>4,545,141</u>
EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	<u>-</u>	<u>(16,673)</u>	<u>-</u>	<u>(12,622)</u>	<u>669,113</u>
NET CHANGES IN FUND BALANCES	-	(16,673)	-	(12,622)	669,113
FUND BALANCES (DEFICIT):					
Beginning of year, as restated (Note 16)	214,580	17,438	-	8,058,143	9,219,248
End of year	<u>\$ 214,580</u>	<u>\$ 765</u>	<u>\$ -</u>	<u>\$ 8,045,521</u>	<u>\$ 9,888,361</u>

(Concluded)

City of Montebello
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget to Actual
Supplemental Law Enforcement Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
REVENUES:				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 161,285	\$ 11,285
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>161,285</u>	<u>11,285</u>
EXPENDITURES:				
Current:				
Public safety	347,100	347,100	159,489	187,611
Capital outlay	-	-	1,794	(1,794)
Total expenditures	<u>347,100</u>	<u>347,100</u>	<u>161,283</u>	<u>185,817</u>
NET CHANGE IN FUND BALANCE	<u>\$ (197,100)</u>	<u>\$ (197,100)</u>	2	<u>\$ 197,102</u>
FUND BALANCE (DEFICIT):				
Beginning of year			(170,678)	
End of Year			<u>\$ (170,676)</u>	

City of Montebello
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget to Actual
Park Development Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
REVENUES:				
Use of money and property	\$ 250	\$ 250	\$ 104	\$ (146)
Total revenues	<u>250</u>	<u>250</u>	<u>104</u>	<u>(146)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 250</u>	<u>\$ 250</u>	104	<u>\$ (146)</u>
FUND BALANCE:				
Beginning of year			20,994	
End of Year			<u>\$ 21,098</u>	

City of Montebello
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget to Actual
Drug Enforcement Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
REVENUES:				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 990,962	\$ 740,962
Use of money and property	1,500	1,500	1,449	(51)
Total revenues	<u>251,500</u>	<u>251,500</u>	<u>992,411</u>	<u>740,911</u>
EXPENDITURES:				
Current:				
Public safety	476,000	476,000	383,636	92,364
Capital outlay	40,000	101,084	90,228	10,856
Total expenditures	<u>516,000</u>	<u>577,084</u>	<u>473,864</u>	<u>103,220</u>
NET CHANGE IN FUND BALANCE	<u>\$ (264,500)</u>	<u>\$ (325,584)</u>	518,547	<u>\$ 844,131</u>
FUND BALANCE:				
Beginning of year			332,053	
End of Year			<u>\$ 850,600</u>	

City of Montebello
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget to Actual
Air Quality Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
REVENUES:				
Intergovernmental	\$ 82,000	\$ 82,000	\$ 81,006	\$ (994)
Use of money and property	2,000	2,000	650	(1,350)
Total revenues	84,000	84,000	81,656	(2,344)
EXPENDITURES:				
Current:				
Housing and community development	28,700	32,700	19,133	13,567
Capital outlay	200,000	196,000	-	196,000
Total expenditures	228,700	228,700	19,133	209,567
NET CHANGE IN FUND BALANCE	\$ (144,700)	\$ (144,700)	62,523	\$ 207,223
FUND BALANCE:				
Beginning of year			116,358	
End of Year			\$ 178,881	

City of Montebello
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget to Actual
Justice Assistance Grants Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
REVENUES:				
Use of money and property	\$ 500	\$ 500	\$ 182	\$ (318)
Total revenues	<u>500</u>	<u>500</u>	<u>182</u>	<u>(318)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 500</u>	<u>\$ 500</u>	182	<u>\$ (318)</u>
FUND BALANCE:				
Beginning of year			36,552	
End of Year			<u>\$ 36,734</u>	

City of Montebello
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget to Actual
Grants Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
REVENUES:				
Intergovernmental	\$ 2,177,200	\$ 3,175,453	\$ 2,112,105	\$ (1,063,348)
Other revenue	-	-	550	550
Total revenues	<u>2,177,200</u>	<u>3,175,453</u>	<u>2,112,655</u>	<u>(1,062,798)</u>
EXPENDITURES:				
Current:				
Public safety	1,141,000	2,219,291	845,293	1,373,998
Parks, recreation, and culture	1,155,100	888,100	246,909	641,191
Housing and community development	105,000	105,000	481,757	(376,757)
Capital outlay	719,658	757,917	81,560	676,357
Total expenditures	<u>3,120,758</u>	<u>3,970,308</u>	<u>1,655,519</u>	<u>2,314,789</u>
NET CHANGE IN FUND BALANCE	<u>\$ (943,558)</u>	<u>\$ (794,855)</u>	457,136	<u>\$ 1,251,991</u>
FUND BALANCE (DEFICIT):				
Beginning of year			(107,729)	
End of Year			<u>\$ 349,407</u>	

City of Montebello
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget to Actual
CDBG Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
REVENUES:				
Intergovernmental	\$ 1,587,450	\$ 1,587,450	\$ 721,551	\$ (865,899)
Total revenues	<u>1,587,450</u>	<u>1,587,450</u>	<u>721,551</u>	<u>(865,899)</u>
EXPENDITURES:				
Current:				
Public safety	50,000	893,976	455,076	438,900
Housing and community development	1,067,600	682,876	245,810	437,066
Debt service:				
Principal	425,000	425,000	425,000	-
Interest	46,600	46,600	46,595	5
Total debt service	<u>471,600</u>	<u>471,600</u>	<u>471,595</u>	<u>5</u>
Total expenditures	<u>1,589,200</u>	<u>2,048,452</u>	<u>1,172,481</u>	<u>875,971</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,750)</u>	<u>\$ (461,002)</u>	<u>(450,930)</u>	<u>\$ 10,072</u>
FUND BALANCE (DEFICIT):				
Beginning of year, as restated (Note 16)			358,646	
End of Year			<u>\$ (92,284)</u>	

City of Montebello
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget to Actual
HOME Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 173,938	\$ 173,938
Other revenue	400,000	400,000	153	(399,847)
Total revenues	<u>400,000</u>	<u>400,000</u>	<u>174,091</u>	<u>(225,909)</u>
EXPENDITURES:				
Current:				
Housing and community development	502,400	505,987	38,763	467,224
Total expenditures	<u>502,400</u>	<u>505,987</u>	<u>38,763</u>	<u>467,224</u>
NET CHANGE IN FUND BALANCE	<u>\$ (102,400)</u>	<u>\$ (105,987)</u>	135,328	<u>\$ 241,315</u>
FUND BALANCE:				
Beginning of year, as restated (Note 16)			119,073	
End of Year			<u>\$ 254,401</u>	

City of Montebello
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget to Actual
TDA Article 3 Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
REVENUES:				
Other revenue	\$ 46,500	\$ 46,500	\$ 49,373	\$ 2,873
Total revenues	<u>46,500</u>	<u>46,500</u>	<u>49,373</u>	<u>2,873</u>
EXPENDITURES:				
Capital outlay	91,088	92,872	1,785	91,087
Total expenditures	<u>91,088</u>	<u>92,872</u>	<u>1,785</u>	<u>91,087</u>
NET CHANGE IN FUND BALANCE	<u>\$ (44,588)</u>	<u>\$ (46,372)</u>	47,588	<u>\$ 93,960</u>
FUND BALANCE (DEFICIT):				
Beginning of year			(47,588)	
End of Year			<u>\$ -</u>	

City of Montebello
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget to Actual
George Miller Estate Donations Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
REVENUES:				
Use of money and property	\$ 750	\$ 750	\$ 1,152	\$ 402
Total revenues	<u>750</u>	<u>750</u>	<u>1,152</u>	<u>402</u>
EXPENDITURES:				
Current:				
Public safety	<u>65,750</u>	<u>65,750</u>	<u>73,224</u>	<u>(7,474)</u>
Total expenditures	<u>65,750</u>	<u>65,750</u>	<u>73,224</u>	<u>(7,474)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (65,000)</u>	<u>\$ (65,000)</u>	<u>(72,072)</u>	<u>\$ (7,072)</u>
FUND BALANCE:				
Beginning of year			<u>271,406</u>	
End of Year			<u>\$ 199,334</u>	

City of Montebello
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget to Actual
Measure W Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
REVENUES:				
Intergovernmental	\$ 900,000	900,000	\$ 869,375	\$ (30,625)
Total revenues	<u>900,000</u>	<u>900,000</u>	<u>869,375</u>	<u>(30,625)</u>
Current:				
Public works	\$ -	\$ 298,447	\$ 869,375	\$ (570,928)
Total expenditures	<u>-</u>	<u>298,447</u>	<u>869,375</u>	<u>(570,928)</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (298,447)</u>	-	<u>\$ 298,447</u>
FUND BALANCE:				
Beginning of year			<u>214,580</u>	
End of Year			<u>\$ 214,580</u>	

City of Montebello
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget to Actual
Measure A Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 37,688	\$ 37,688
Total revenues	<u>-</u>	<u>-</u>	<u>37,688</u>	<u>37,688</u>
EXPENDITURES:				
Current:				
Parks and recreation	\$ -	\$ 66,000	\$ 37,688	\$ 28,312
Total expenditures	<u>-</u>	<u>66,000</u>	<u>37,688</u>	<u>28,312</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (66,000)</u>	<u>-</u>	<u>\$ 66,000</u>
FUND BALANCE:				
Beginning of year			-	
End of Year			<u>\$ -</u>	

City of Montebello
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget to Actual
Housing Successor Agency Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 10,361	\$ 10,361
Other revenue	-	-	2,100	2,100
Total revenues	<u>-</u>	<u>-</u>	<u>12,461</u>	<u>12,461</u>
EXPENDITURES:				
Current:				
Housing and community development	2,500	2,500	25,083	(22,583)
Total expenditures	<u>2,500</u>	<u>2,500</u>	<u>25,083</u>	<u>(22,583)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,500)</u>	<u>\$ (2,500)</u>	(12,622)	<u>\$ (10,122)</u>
FUND BALANCE:				
Beginning of year			8,058,143	
End of Year			<u>\$ 8,045,521</u>	

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TRANSPORTATION AND STREET IMPROVEMENT FUNDS

Special Revenue Funds

Gas Tax Fund - The State of California levies a per gallon gasoline tax. Cities and Counties receive revenue from the motor vehicle fuel taxes imposed pursuant to Revenue and Taxation Code Section 7360(a) and (b) through the Highway User Tax Account (HUTA) as outlined in the Streets and Highways Code Sections 2103, 2105, 2107, 2017.5.

Road Maintenance and Rehabilitation Fund - The Road Repair and Accountability Act of 2017 (SB 1) set new transportation taxes allocated to Cities and Counties through the Road Maintenance and Rehabilitation Account (RMRA): additional \$0.12 per gallon increase to the gasoline excise tax (with annual inflation adjustments beginning July 1, 2020), additional \$0.20 per gallon increase to the diesel fuel excise tax (with half of the revenue going to the RMRA), additional vehicle registration tax, and additional \$100 per vehicle registration tax on zero emissions vehicles.

Prop A Local Fund - The Proposition A sales tax, approved by Los Angeles County voters in 1980, is a half cent tax on most retail sales in Los Angeles County. LA County Metro returns 25% of the Proposition A tax to the Cities in the County for transportation purposes. The balance of the tax revenue is restricted to 35% for rail development and 40% for discretionary purposes.

Prop C Local Fund - The Proposition C sales tax, approved by LA County voters in 1990, is an additional half cent tax on retail sales in Los Angeles County. LA County Metro returns 20% of the Proposition C tax to the cities in the County for transportation purposes. The balance of the Proposition C tax is restricted 40% for construction and operation of the bus transit and rail system; 5% to expand rail and bus security; 10% for commuter rail, construction of transit centers, park and ride lots and freeway bus stops; and 25% for transit-related improvements to freeways and state highways.

Measure R Local Fund - Measure R was approved by Los Angeles County voters in November 2008. Measure R is an ordinance authorizing an additional half cent sales tax to fund traffic relief and rail expansion according to an expenditure plan contained in the ordinance. The sales tax became effective July 1, 2009 and will remain in effect for 30 years (expiring July 1, 2039).

Measure M Local Fund – Measure M was approved and imposes a retail transaction and use tax at the rate of one-half of one percent within Los Angeles County. The sales tax will increase to one percent (1%) on July 1, 2039, when the Measure R one-half of one percent (0.5%) tax expires (see description of Measure R above). The sales tax is in addition to any other taxes authorized by law. The sales tax has no expiration date.

City of Montebello
Combining Balance Sheet
Transportation and Street Improvement Special Revenue Funds
June 30, 2022

	Special Revenue Funds			
	Gas	Road	Prop A	Prop C
	Tax	Maintenance & Rehabilitation	Local	Local
ASSETS				
Cash and investments	\$ 1,801,645	\$ 2,421,868	\$ 6,054,012	\$ 1,220,281
Restricted cash and investments:				
Held by fiscal agent	-	-	-	10,974,746
Accounts receivable	116,139	113,337	-	-
Prepaid items	-	-	-	28,970
Total assets	<u>\$ 1,917,784</u>	<u>\$ 2,535,205</u>	<u>\$ 6,054,012</u>	<u>\$ 12,223,997</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 170,556	\$ 446,101	\$ 355	\$ 20,365
Total liabilities	<u>170,556</u>	<u>446,101</u>	<u>355</u>	<u>20,365</u>
Fund Balances:				
Nonspendable	-	-	-	28,970
Restricted	1,747,228	2,089,104	6,053,657	12,174,662
Total fund balances	<u>1,747,228</u>	<u>2,089,104</u>	<u>6,053,657</u>	<u>12,203,632</u>
Total liabilities and fund balances	<u>\$ 1,917,784</u>	<u>\$ 2,535,205</u>	<u>\$ 6,054,012</u>	<u>\$ 12,223,997</u>

(Continued)

City of Montebello
Combining Balance Sheet (Continued)
Transportation and Street Improvement Special Revenue Funds
June 30, 2022

	Special Revenue Funds		Total Transportation and Street Improvement Funds
	Measure R Local	Measure M Local	
ASSETS			
Cash and investments	\$ 1,280,767	\$ 1,503,974	\$ 14,282,547
Restricted cash and investments:			
Held by fiscal agent	1,626,805	2,185,219	14,786,770
Accounts receivable	-	-	229,476
Prepaid items	-	-	28,970
Total assets	<u><u>\$ 2,907,572</u></u>	<u><u>\$ 3,689,193</u></u>	<u><u>\$ 29,327,763</u></u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 155	\$ 19,605	\$ 657,137
Total liabilities	<u>155</u>	<u>19,605</u>	<u>657,137</u>
Fund Balances:			
Nonspendable	-	-	28,970
Restricted	2,907,417	3,669,588	28,641,656
Total fund balances	<u>2,907,417</u>	<u>3,669,588</u>	<u>28,670,626</u>
Total liabilities and fund balances	<u><u>\$ 2,907,572</u></u>	<u><u>\$ 3,689,193</u></u>	<u><u>\$ 29,327,763</u></u>

(Concluded)

City of Montebello
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Transportation and Street Improvement Special Revenue Funds
For the Year Ended June 30, 2022

	Special Revenue Funds			
	Gas Tax	Road Maintenance & Rehabilitation	Prop A Local	Prop C Local
REVENUES:				
Intergovernmental	\$ 1,474,746	\$ 1,261,049	\$ 1,604,678	\$ 1,331,047
Use of money and property	8,912	13,705	27,493	17,753
Total revenues	<u>1,483,658</u>	<u>1,274,754</u>	<u>1,632,171</u>	<u>1,348,800</u>
EXPENDITURES:				
Current:				
Public works	372,718	9,700	32,620	116,904
Capital outlay	568,861	1,733,745	101,063	154,446
Total expenditures	<u>941,579</u>	<u>1,743,445</u>	<u>133,683</u>	<u>271,350</u>
EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	<u>542,079</u>	<u>(468,691)</u>	<u>1,498,488</u>	<u>1,077,450</u>
OTHER FINANCING (USES):				
Transfers out	(300,000)	-	-	(708,779)
Total other financing (uses)	<u>(300,000)</u>	<u>-</u>	<u>-</u>	<u>(708,779)</u>
NET CHANGES IN FUND BALANCES	242,079	(468,691)	1,498,488	368,671
FUND BALANCES:				
Beginning of year	1,505,149	2,557,795	4,555,169	11,834,961
End of year	<u>\$ 1,747,228</u>	<u>\$ 2,089,104</u>	<u>\$ 6,053,657</u>	<u>\$ 12,203,632</u>

(Continued)

City of Montebello
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Transportation and Street Improvement Special Revenue Funds
For the Year Ended June 30, 2022

	Special Revenue Funds		Total Transportation and Street Improvement Funds
	Measure R Local	Measure M Local	
REVENUES:			
Intergovernmental	\$ 998,124	\$ 1,129,492	7,799,136
Use of money and property	7,525	9,143	84,531
Total revenues	<u>1,005,649</u>	<u>1,138,635</u>	<u>7,883,667</u>
EXPENDITURES:			
Current:			
Public works	185,893	62,657	780,492
Capital outlay	1,102,096	1,736,788	5,396,999
Total expenditures	<u>1,287,989</u>	<u>1,799,445</u>	<u>6,177,491</u>
EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	<u>(282,340)</u>	<u>(660,810)</u>	<u>1,706,176</u>
OTHER FINANCING (USES):			
Transfers out	(527,844)	(599,293)	(2,135,916)
Total other financing (uses)	<u>(527,844)</u>	<u>(599,293)</u>	<u>(2,135,916)</u>
NET CHANGES IN FUND BALANCES	<u>(810,184)</u>	<u>(1,260,103)</u>	<u>(429,740)</u>
FUND BALANCES:			
Beginning of year	3,717,601	4,929,691	29,100,366
End of year	<u>\$ 2,907,417</u>	<u>\$ 3,669,588</u>	<u>\$ 28,670,626</u>

(Concluded)

City of Montebello
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget to Actual
Gas Tax Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
REVENUES:				
Intergovernmental	\$ 1,518,800	1,518,800	\$ 1,474,746	\$ (44,054)
Use of money and property	-	-	8,912	8,912
Total revenues	<u>1,518,800</u>	<u>1,518,800</u>	<u>1,483,658</u>	<u>(35,142)</u>
EXPENDITURES:				
Current:				
Public works	289,700	333,368	372,718	(39,350)
Capital outlay	<u>2,726,504</u>	<u>2,709,369</u>	<u>568,861</u>	<u>2,140,508</u>
Total expenditures	<u>3,016,204</u>	<u>3,042,737</u>	<u>941,579</u>	<u>2,101,158</u>
EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	<u>(1,497,404)</u>	<u>(1,523,937)</u>	<u>542,079</u>	<u>2,066,016</u>
OTHER FINANCING USES:				
Transfers out	<u>(300,000)</u>	<u>(300,000)</u>	<u>(300,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,797,404)</u>	<u>\$ (1,823,937)</u>	<u>242,079</u>	<u>\$ 2,066,016</u>
FUND BALANCE				
Beginning of year			<u>1,505,149</u>	
End of year			<u>\$ 1,747,228</u>	

City of Montebello
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget to Actual (Continued)
Road Maintenance and Rehabilitation Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Over/(Under)
REVENUES:				
Intergovernmental	\$ 1,220,700	\$ 1,220,700	\$ 1,261,049	\$ 40,349
Use of money and property	5,000	5,000	13,705	8,705
Total revenues	<u>1,225,700</u>	<u>1,225,700</u>	<u>1,274,754</u>	<u>49,054</u>
EXPENDITURES:				
Current:				
Public works	9,700	9,700	9,700	-
Capital outlay	<u>3,515,000</u>	<u>3,542,312</u>	<u>1,733,745</u>	<u>1,808,567</u>
Total expenditures	<u>3,524,700</u>	<u>3,552,012.00</u>	<u>1,743,445</u>	<u>1,808,567</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,299,000)</u>	<u>\$ (2,326,312)</u>	<u>(468,691)</u>	<u>\$ 1,857,621</u>
FUND BALANCE:				
Beginning of year			<u>2,557,795</u>	
End of year			<u>\$ 2,089,104</u>	

City of Montebello
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget to Actual (Continued)
Prop A Local Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
REVENUES:				
Intergovernmental	\$ 1,283,200	\$ 1,283,200	\$ 1,604,678	\$ 321,478
Use of money and property	16,000	16,000	27,493	11,493
Total revenues	<u>1,299,200</u>	<u>1,299,200</u>	<u>1,632,171</u>	<u>332,971</u>
EXPENDITURES:				
Current:				
Public works	9,700	29,336	32,620	(3,284)
Capital outlay	<u>1,785,000</u>	<u>1,883,985</u>	<u>101,063</u>	<u>1,782,922</u>
Total expenditures	<u>1,794,700</u>	<u>1,913,321</u>	<u>133,683</u>	<u>1,779,638</u>
NET CHANGE IN FUND BALANCE	<u>\$ (495,500)</u>	<u>\$ (614,121)</u>	1,498,488	<u>\$ 2,112,609</u>
FUND BALANCE:				
Beginning of year			<u>4,555,169</u>	
End of year			<u>\$ 6,053,657</u>	

City of Montebello
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget to Actual (Continued)
Prop C Local Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
REVENUES:				
Intergovernmental	\$ 1,064,400	\$ 1,064,400	\$ 1,331,047	\$ 266,647
Use of money and property	16,000	16,000	17,753	1,753
Total revenues	<u>1,080,400</u>	<u>1,080,400</u>	<u>1,348,800</u>	<u>268,400</u>
EXPENDITURES:				
Current:				
Public works	19,700	19,700	116,904	(97,204)
Capital outlay	<u>385,000</u>	<u>428,870</u>	<u>154,446</u>	<u>274,424</u>
Total expenditures	<u>404,700</u>	<u>448,570</u>	<u>271,350</u>	<u>177,220</u>
EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	<u>675,700</u>	<u>631,830</u>	<u>1,077,450</u>	<u>445,620</u>
OTHER FINANCING USES:				
Transfers out	<u>(708,800)</u>	<u>(708,800)</u>	<u>(708,779)</u>	<u>21</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 675,700</u></u>	<u><u>\$ 631,830</u></u>	<u>368,671</u>	<u><u>\$ 445,641</u></u>
FUND BALANCE:				
Beginning of year			<u>11,834,961</u>	
End of year			<u><u>\$ 12,203,632</u></u>	

City of Montebello
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget to Actual (Continued)
Measure R Local Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
REVENUES:				
Intergovernmental	\$ 798,300	\$ 798,300	\$ 998,124	\$ 199,824
Use of money and property	5,500	5,500	7,525	2,025
Total revenues	<u>803,800</u>	<u>803,800</u>	<u>1,005,649</u>	<u>201,849</u>
EXPENDITURES:				
Current:				
Public works	15,700	15,700	185,893	(170,193)
Capital outlay	-	1,273,160	1,102,096	171,064
Total expenditures	<u>15,700</u>	<u>1,288,860</u>	<u>1,287,989</u>	<u>871</u>
EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	<u>788,100</u>	<u>(485,060)</u>	<u>(282,340)</u>	<u>202,720</u>
OTHER FINANCING USES:				
Transfers out	<u>(527,800)</u>	<u>(527,800)</u>	<u>(527,844)</u>	<u>(44)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 260,300</u>	<u>\$ (1,012,860)</u>	<u>(810,184)</u>	<u>\$ 202,676</u>
FUND BALANCE:				
Beginning of year			<u>3,717,601</u>	
End of year			<u>\$ 2,907,417</u>	

City of Montebello
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget to Actual (Continued)
Measure M Local Special Revenue Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Over/(Under)
REVENUES:				
Intergovernmental	\$ 904,800	\$ 904,800	\$ 1,129,492	\$ 224,692
Use of money and property	5,500	5,500	9,143	3,643
Total revenues	<u>910,300</u>	<u>910,300</u>	<u>1,138,635</u>	<u>228,335</u>
EXPENDITURES:				
Current:				
Public works	9,700	9,700	62,657	(52,957)
Capital outlay	<u>521,570</u>	<u>3,032,363</u>	<u>1,736,788</u>	<u>1,295,575</u>
Total expenditures	<u>531,270</u>	<u>3,042,063</u>	<u>1,799,445</u>	<u>1,242,618</u>
EXCESS (DEFICIENCY) OF REVENUES (UNDER) EXPENDITURES	<u>379,030</u>	<u>(2,131,763)</u>	<u>(660,810)</u>	<u>1,470,953</u>
OTHER FINANCING USES:				
Transfers out	<u>(599,300)</u>	<u>(599,300)</u>	<u>(599,293)</u>	<u>7</u>
NET CHANGE IN FUND BALANCE	<u>\$ (220,270)</u>	<u>\$ (2,731,063)</u>	<u>(1,260,103)</u>	<u>\$ 1,470,960</u>
FUND BALANCE:				
Beginning of year			<u>4,929,691</u>	
End of year			<u>\$ 3,669,588</u>	

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STATISTICAL SECTION

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City of Montebello

Statistical Section Overview

(Unaudited)

This part of the City of Montebello's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	174-184
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax.	185-189
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	190-195
Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	196-198
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	199-201

City of Montebello
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
Government Activities					
Invested in capital assets, net of related debt	\$ 54,636,719	\$ 55,212,827	\$ 56,943,195	\$ 58,082,755	\$ 58,372,453
Restricted	20,219,054	29,141,471	22,556,230	27,459,377	37,978,261
Unrestricted	(4,370,518)	(13,656,834)	(93,615,680)	(96,385,527)	(152,645,842)
Total governmental activities net assets	70,485,255	70,697,464	(14,116,255)	(10,843,395)	(56,295,128)
Business-Type Activities					
Invested in capital assets, net of related debt	55,753,529	53,562,215	51,644,871	49,943,300	62,240,064
Restricted	302,120	1,017,411	496,628	153,929	37,063,750
Unrestricted	(8,619,600)	(8,758,663)	(29,367,364)	(29,377,639)	(26,856,332)
	47,436,049	45,820,963	22,774,135	20,719,590	72,447,482
Primary Government					
Invested in capital assets, net of related debt	110,390,248	108,775,042	108,588,066	108,026,055	120,612,517
Restricted	20,521,174	30,158,882	23,052,858	27,613,306	75,042,011
Unrestricted	(12,990,118)	(22,415,497)	(122,983,044)	(125,763,166)	(179,502,174)
	\$ 117,921,304	\$ 116,518,427	\$ 8,657,880	\$ 9,876,195	\$ 16,152,354

Source: City Financial Statements

City of Montebello
Net Position by Component (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2017-18	2018-19	2019-20	2020-21	2021-22
Government Activities					
Invested in capital assets, net of related debt	\$ 60,131,857	\$ 56,932,832	\$ 37,577,753	\$ 76,850,718	\$ 79,727,948
Restricted	30,870,850	36,227,927	40,673,199	59,934,222	45,666,495
Unrestricted	(104,996,678)	(114,003,833)	(112,400,654)	(156,799,494)	(124,613,112)
Total governmental activities net assets	(13,993,971)	(20,843,074)	(34,149,702)	(20,014,554)	781,331
Business-Type Activities					
Invested in capital assets, net of related debt	50,936,245	51,863,185	45,101,842	30,182,517	34,948,689
Restricted	26,656,264	16,260,962	12,617,206	11,202,567	12,636,555
Unrestricted	(70,241,601)	(50,555,062)	(40,685,697)	(29,921,564)	(17,882,728)
	7,350,908	17,569,085	17,033,351	11,463,520	29,702,516
Primary Government					
Invested in capital assets, net of related debt	111,068,102	108,796,017	82,679,595	107,033,235	114,676,637
Restricted	57,527,114	52,488,889	53,290,405	71,136,789	58,303,050
Unrestricted	(175,238,279)	(164,558,895)	(153,975,457)	(186,721,058)	(142,495,840)
	\$ (6,643,063)	\$ (3,273,989)	\$ (18,005,457)	\$ (8,551,034)	\$ 30,483,847

Source: City Financial Statements

City of Montebello
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
Expenses:					
Governmental Activities:					
General government	\$ 3,397,386	\$ 3,868,688	\$ 8,214,000	\$ 9,376,874	\$ 5,800,255
Public safety	31,736,790	33,376,844	33,233,838	34,991,222	38,180,200
Public works	6,222,809	7,063,899	7,145,909	7,314,357	6,892,489
Parks, recreation, and culture	5,183,532	4,943,297	4,433,420	4,244,463	3,589,256
Housing and community development	2,042,906	4,045,684	3,662,170	4,149,321	4,625,548
Unallocated infrastructure depreciation	704,807	704,807	704,807	464,900	704,807
Interest on long-term debt	1,954,908	1,254,337	1,908,319	1,238,015	3,882,293
Total governmental activities and expenses	51,243,138	55,257,556	59,302,463	61,779,152	63,674,848
Business-Type Activities:					
Transit system	28,190,745	30,850,208	29,557,024	28,530,818	28,540,085
Golf course	3,015,645	2,965,428	3,095,101	2,914,099	2,745,203
Montebello Hilton	3,558,013	4,302,388	4,600,977	4,742,125	4,866,766
Water utility	2,515,604	2,806,018	2,945,512	3,138,928	2,731,099
Hotel2Suites	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-
Total business-type activities and expenses	37,280,007	40,924,042	40,198,614	39,325,970	38,883,153
Total primary government expenses	88,523,145	96,181,598	99,501,077	101,105,122	102,558,001
Program revenues:					
Governmental Activities:					
Charges for services:					
General government	3,071,973	4,074,735	3,720,526	3,548,576	3,709,505
Public safety	2,103,502	2,767,256	2,644,432	3,167,766	3,311,979
Public works	5,377,463	5,427,918	5,391,630	5,565,885	5,515,371
Parks, recreation, and culture	665,468	533,575	527,346	414,018	471,348
Housing and community development	-	-	-	-	-
Operating grants and contributions	8,519,753	8,292,687	9,522,821	10,109,717	7,382,419
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	19,738,159	21,096,171	21,806,755	22,805,962	20,390,622
Business-Type Activities:					
Charges for services:					
Transit system	6,078,505	5,985,798	5,838,678	5,680,227	5,086,810
Golf course	2,389,101	2,385,213	2,312,095	2,294,518	2,091,410
Montebello Hilton	4,316,746	5,522,384	6,270,196	6,579,766	6,834,772
Water utility	1,325,834	2,121,732	2,505,234	2,295,158	2,409,339
Hotel2Suites	-	-	-	-	-
Operating grants and contributions	18,834,317	19,726,264	20,914,063	19,314,666	20,593,875
Capital grants and contributions	7,777,911	2,764,857	1,780,967	1,726,259	5,540,308
Total business-type activities program revenues	40,722,414	38,506,248	39,621,233	37,890,594	42,556,514
Primary government program revenues	60,460,573	59,602,419	61,427,988	60,696,556	62,947,136
Net (Expense) Revenue:					
Governmental activities:	(31,504,979)	(34,161,385)	(37,495,708)	(38,973,190)	(43,284,226)
Business-type activities:	3,442,407	(2,417,794)	(577,381)	(1,435,376)	3,673,361
Total primary government net (expense) revenue	\$ (28,062,572)	\$ (36,579,179)	\$ (38,073,089)	\$ (40,408,566)	\$ (39,610,865)

(Continued)

City of Montebello
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year				
	2017-18	2018-19	2019-20	2020-21	2021-22
Expenses:					
Governmental Activities:					
General government	\$ 10,590,425	\$ 15,966,059	\$ 15,829,352	\$ 2,478,196	\$ 13,983,490
Public safety	39,719,749	37,512,859	41,005,310	54,764,550	31,790,604
Public works	9,824,917	8,765,502	10,062,947	2,737,856	16,052,469
Parks, recreation, and culture	3,948,193	4,298,740	5,382,393	1,367,331	5,406,906
Housing and community development	2,923,175	2,960,143	3,401,688	643,492	2,346,627
Unallocated infrastructure depreciation	704,807	700,608	700,607	713,200	700,608
Interest on long-term debt	356,579	605,163	5,307,866	5,251,771	5,548,594
Total governmental activities and expenses	68,067,845	70,809,074	81,690,163	67,956,396	75,829,298
Business-Type Activities:					
Transit system	34,587,386	35,629,180	37,053,009	41,718,320	29,280,305
Golf course	3,169,377	2,699,786	2,378,067	2,779,651	2,735,232
Montebello Hilton	4,590,912	4,720,613	4,306,465	3,096,193	5,088,673
Water utility	2,697,085	2,293,908	2,358,938	2,290,649	2,343,193
Hotel2Suites	30,205	5,674,308	6,167,195	5,612,342	9,782,114
Interest on long-term debt	3,409,286	3,077,709	2,983,151	4,307,914	-
Total business-type activities and expenses	48,484,251	54,095,504	55,246,825	59,805,069	49,229,517
Total primary government expenses	116,552,096	124,904,578	136,936,988	127,761,465	125,058,815
Program revenues:					
Governmental Activities:					
Charges for services:					
General government	3,921,684	5,847,466	3,755,079	4,745,318	4,823,331
Public safety	3,227,705	3,372,826	3,473,591	3,711,080	4,576,406
Public works	4,421,025	4,793,062	4,962,127	5,159,387	4,680,288
Parks, recreation, and culture	486,274	533,344	329,834	25,763	220,152
Housing and community development	1,018,644	497,300	509,089	757,819	4,111,335
Operating grants and contributions	9,759,068	9,955,275	11,105,930	10,941,780	32,242,999
Capital grants and contributions	-	-	-	1,206,941	2,162,028
Total governmental activities program revenues	22,834,400	24,999,273	24,135,650	26,548,088	52,816,539
Business-Type Activities:					
Charges for services:					
Transit system	4,728,570	4,056,307	2,999,561	1,376,710	2,201,947
Golf course	2,194,976	2,219,790	2,051,607	2,966,791	2,945,485
Montebello Hilton	7,197,488	6,436,430	4,446,750	2,072,868	5,357,504
Water utility	3,070,381	3,190,460	2,558,986	2,590,903	2,607,898
Hotel2Suites	-	7,628,131	8,881,650	8,357,846	12,050,342
Operating grants and contributions	23,014,664	27,205,168	29,238,210	23,232,583	26,342,293
Capital grants and contributions	5,994,885	4,802,972	3,275,168	11,801,668	15,879,414
Total business-type activities program revenues	46,200,964	55,539,258	53,451,932	52,399,369	67,384,883
Primary government program revenues	69,035,364	80,538,531	77,587,582	78,947,457	120,201,422
Net (Expense) Revenue:					
Governmental activities:	(45,233,444)	(45,809,800)	(57,554,513)	(41,408,308)	(23,012,759)
Business-type activities:	(2,283,287)	1,443,754	(1,794,893)	(7,405,700)	18,155,366
Total primary government net (expense) revenue	\$ (47,516,731)	\$ (44,366,046)	\$ (59,349,406)	\$ (48,814,008)	\$ (4,857,393)

(Continued)

City of Montebello
Changes in Net Position (Continued)
Last Ten Fiscal Years

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
General Revenues and Other Changes in Net Assets:					
Governmental Activities:					
Property taxes, levied for general purposes	\$ 15,449,858	\$ 14,931,613	\$ 13,759,217	\$ 15,988,925	\$ 16,507,389
Franchise taxes	1,158,219	1,303,603	1,410,918	1,405,229	1,493,956
Sales tax	11,363,067	11,725,818	12,563,805	13,992,347	13,267,373
Transient occupancy tax	271,153	355,404	357,896	365,290	401,852
Unrestricted intergovernmental revenue	5,299,230	5,513,018	5,746,091	5,373,715	6,099,771
Other revenues	2,239,898	2,036,142	2,897,684	4,401,115	7,062,983
Investment earnings	54,393	49,705	54,391	86,920	172,515
Transfers	602,070	(792,325)	(4,948,058)	632,509	(47,976,779)
Total governmental activities	<u>36,437,888</u>	<u>35,122,978</u>	<u>31,841,944</u>	<u>42,246,050</u>	<u>(2,970,940)</u>
Business-Type Activities:					
Investment earnings	-	10,383	6,433	13,340	135,411
Transfers	(602,070)	792,325	4,948,058	(632,509)	47,976,779
Total business-type activities	<u>(602,070)</u>	<u>802,708</u>	<u>4,954,491</u>	<u>(619,169)</u>	<u>48,112,190</u>
Total primary government	<u>35,835,818</u>	<u>35,925,686</u>	<u>36,796,435</u>	<u>41,626,881</u>	<u>45,141,250</u>
Change in Net Position:					
Governmental Activities:	4,932,909	212,209	(56,537,964)	3,272,860	(46,255,166)
Business-Type Activities:	2,840,337	(1,615,086)	4,377,110	(2,054,545)	51,785,551
Total primary government	<u>\$ 7,773,246</u>	<u>\$ (1,402,877)</u>	<u>\$ (52,160,854)</u>	<u>\$ 1,218,315</u>	<u>\$ 5,530,385</u>

(Continued)

Source: City Financial Statements

For TOT amount from GL, For Other Revenue amount from CAFR Change in Net position for Ten Years

City of Montebello
Changes in Net Position (Continued)
Last Ten Fiscal Years

	Fiscal Year				
	2017-18	2018-19	2019-20	2020-21	2021-22
General Revenues and Other Changes in Net Assets:					
Governmental Activities:					
Property taxes, levied for general purposes	\$ 16,961,038	\$ 18,385,624	\$ 18,662,270	\$ 21,414,087	\$ 6,565,336
Franchise taxes	2,141,450	2,224,087	2,199,915	2,316,250	2,300,508
Sales tax	13,118,981	14,031,972	12,817,884	22,270,247	25,378,979
Transient occupancy tax	414,198	421,412	376,424	223,620	340,195
Unrestricted intergovernmental revenue	6,322,299	6,708,639	7,055,984	7,238,433	7,920,682
Other revenues	2,626,065	2,270,785	2,327,446	3,542,120	2,071,400
Investment earnings	665,702	743,557	761,960	459,066	(761,829)
Transfers	(1,634,476)	(529,493)	(843,106)	(517,833)	(6,627)
Total governmental activities	40,615,257	44,256,583	43,358,777	56,945,990	43,808,644
Business-Type Activities:					
Investment earnings	448,876	461,704	416,053	18,226	77,003
Transfers	1,634,476	529,493	843,106	517,833	6,627
Total business-type activities	2,083,352	991,197	1,259,159	536,059	83,630
Total primary government	42,698,609	45,247,780	44,617,936	57,482,049	43,892,274
Change in Net Position:					
Governmental Activities:	(4,618,187)	(1,553,217)	(14,195,734)	15,537,683	20,795,885
Business-Type Activities:	(199,935)	2,434,951	(535,734)	(6,869,641)	18,238,996
Total primary government	\$ (4,818,122)	\$ 881,734	\$ (14,731,468)	\$ 8,668,042	\$ 39,034,881
					(Concluded)

Source: City Financial Statements

For TOT amount from GL, For Other Revenue amount from CAFR Change in Net position for Ten Years

City of Montebello
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
General Fund					
Nonspendable	\$ 187,730	\$ 142,394	\$ 64,038	\$ 122,474	\$ 1,380,282
Restricted	-	-	-	-	4,666,731
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	7,879,020	8,387,981	8,934,094	9,325,124	7,995,872
Total general fund	<u>\$ 8,066,750</u>	<u>\$ 8,530,375</u>	<u>\$ 8,998,132</u>	<u>\$ 9,447,598</u>	<u>\$ 14,042,885</u>
All Other Governmental Funds:					
Nonspendable	\$ 2,288,508	\$ 2,057,207	\$ 10,719,195	\$ 10,258,543	\$ 8,533,222
Restricted					
Debt service	6,116,124	7,960,932	3,070,688	3,865,331	13,162,936
Special revenue funds	22,034,631	18,000,779	7,814,447	12,882,023	15,951,357
Capital projects funds	1,445,551	1,090,991	1,093,640	453,480	330,746
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(80,230)	-	(111,631)	(682,268)	(318,397)
Total all other governmental funds	<u>\$ 31,804,584</u>	<u>\$ 29,109,909</u>	<u>\$ 22,586,339</u>	<u>\$ 26,777,109</u>	<u>\$ 37,659,864</u>

Source: City Financial Statements

City of Montebello
Fund Balances - Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2017-18	2018-19	2019-20	2020-21	2021-22
General Fund					
Nonspendable	\$ 1,383,212	\$ 823,582	\$ 811,985	\$ 788,954	\$ 4,037,940
Restricted	4,666,731	4,827,601	2,408,850	1,921,304	374,594
Committed	-	-	-	-	459,491
Assigned	-	-	-	-	-
Unassigned	11,287,858	14,542,796	6,226,719	4,874,887	9,844,229
Total general fund	<u>\$ 17,337,801</u>	<u>\$ 20,193,979</u>	<u>\$ 9,447,554</u>	<u>\$ 7,585,145</u>	<u>\$ 14,716,254</u>
All Other Governmental Funds:					
Nonspendable	\$ 8,157,472	\$ 6,928,947	\$ 6,585,577	\$ 6,178,711	\$ 150,407
Restricted					
Debt service	366,492	361,922	397,402	377,856	371,706
Special revenue funds	17,557,949	22,634,731	51,427,988	46,952,191	59,718,438
Capital projects funds	122,206	1,195,998	2,255,946	2,557,795	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	(157,153)	(165,424)	(125,245)	(343,608)	(262,960)
Total all other governmental funds	<u>\$ 26,046,966</u>	<u>\$ 30,956,174</u>	<u>\$ 60,541,668</u>	<u>\$ 55,722,945</u>	<u>\$ 59,977,591</u>

Source: City Financial Statements

City of Montebello
Change in Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
REVENUE					
Taxes					
Property taxes	\$ 15,449,858	\$ 14,931,613	\$ 13,759,217	\$ 15,988,925	\$ 16,507,389
Sales and use taxes	11,363,067	11,725,818	12,563,805	13,992,347	13,267,373
All other taxes	1,522,644	1,777,248	1,900,914	1,908,402	2,047,418
Licences and permits	4,664,830	4,617,905	4,640,365	4,733,752	4,374,761
Fines & forfeitures	1,802,114	1,774,912	1,589,536	1,912,729	2,251,384
Investments income (loss)	54,392	49,705	54,391	86,920	172,515
Intergovernmental	12,496,970	13,115,067	15,461,503	14,853,360	13,330,580
Charges for services	6,656,927	6,410,667	6,054,033	6,611,348	6,382,058
Other Revenue	313,175	3,286,142	2,897,684	2,432,902	2,396,252
Total revenues	54,323,977	57,689,077	58,921,448	62,520,685	60,729,730
EXPENDITURES					
General government	2,728,805	6,672,386	8,003,938	7,294,109	6,763,294
Public safety	29,387,879	30,989,230	31,844,365	34,595,741	32,678,899
Public works	6,005,418	6,594,303	6,551,707	6,824,093	6,812,050
Park and recreation	4,310,058	4,412,105	4,026,983	3,889,366	3,658,338
Housing and community development	1,917,976	3,918,011	3,625,767	4,136,607	4,774,847
Capital outlay	3,916,328	3,168,579	4,189,487	1,703,214	2,449,286
Debt services:					
Principal retirement	1,590,580	1,664,040	1,849,995	1,305,760	1,757,500
Interest and fiscal charges	1,525,140	1,454,943	1,995,352	1,367,401	2,849,428
Bond issuance costs					1,130,167
Interfund charges (revenue)		(1,991,200)	(646,790)	(641,466)	130,090
Total expenditures	51,382,184	56,882,397	61,440,804	60,474,825	63,003,899
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	2,941,793	806,680	(2,519,356)	2,045,860	(2,274,169)
OTHER FINANCING SOURCES (USES)					
Transfer in	10,703,941	14,503,082	14,596,612	12,225,284	14,476,752
Transfer out	(10,944,871)	(17,039,134)	(16,844,670)	(11,599,121)	(62,456,346)
Issuance of debts	-	-	28,916,923	-	61,065,074
Settlement of unfunded actuarial accrued liability	-	-	-	-	-
Defeasance of debts	-	-	(30,387,860)	-	-
Unspent bond proceeds from Successor Agency	-	-	-	-	4,666,731
Other financing uses	-	-	(295,155)	-	-
Other financing sources	-	-	477,693	1,968,213	-
Net other financing sources (uses)	(240,930)	(2,536,052)	(3,536,457)	2,594,376	17,752,211
Change of fund balances					
before extraordinary item	2,700,863	(1,729,372)	(6,055,813)	4,640,236	15,478,042
Extraordinary gain (loss)					
RDA dissolution transactions	-	(501,678)	-	-	-
Total Extraordinary gain (loss)	-	(501,678)	-	-	-
Change in fund balances					
after extraordinary item	2,700,863	(2,231,050)	(6,055,813)	4,640,236	15,478,042
Fund balances - July 1	37,170,471	39,871,334	37,640,284	31,584,471	36,224,707
Fund balances - June 30	\$ 39,871,334	\$ 37,640,284	\$ 31,584,471	\$ 36,224,707	\$ 51,702,749
DEBT SERVICE AS A PERCENTAGE					
OF NONCAPITAL EXPENDITURES	6.56%	5.81%	6.72%	4.55%	7.61%

City of Montebello
Change in Fund Balance of Governmental Funds (Continued)
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year				
	2017-18	2018-19	2019-20	2020-21	2021-22
REVENUE					
Taxes					
Property taxes	\$ 16,961,038	\$ 18,385,624	\$ 18,662,270	\$ 21,414,087	\$ 21,134,464
Sales and use taxes	13,118,981	14,031,972	12,817,884	22,270,247	25,378,979
All other taxes	2,727,410	2,838,572	2,732,920	10,031,642	10,561,385
Licences and permits	4,452,210	6,220,483	4,790,211	5,769,474	7,806,258
Fines & forfeitures	2,185,022	2,165,922	2,186,401	2,312,454	2,512,256
Investments income (loss)	665,702	743,557	761,960	459,066	(672,371)
Intergovernmental	15,909,605	15,752,312	18,035,332	12,148,721	19,258,372
Charges for services	6,438,100	6,657,594	6,053,109	6,317,440	8,077,509
Other Revenue	2,626,065	2,270,785	2,327,446	3,288,781	2,119,553
Total revenues	65,084,133	69,066,821	68,367,533	84,011,912	96,176,405
EXPENDITURES					
General government	6,791,444	12,175,179	13,768,246	8,853,719	7,699,182
Public safety	32,345,080	30,964,740	33,398,835	33,643,089	35,172,628
Public works	7,592,311	7,356,232	7,667,791	11,526,775	13,532,133
Park and recreation	3,813,599	3,827,559	4,392,532	4,514,120	5,522,232
Housing and community development	3,005,203	2,756,438	2,899,455	2,467,252	2,654,661
Capital outlay	4,749,316	4,934,643	12,785,876	23,341,025	7,663,306
Debt services:					
Principal retirement	1,325,340	1,419,180	2,433,971	6,869,371	7,555,842
Interest and fiscal charges	674,338	640,162	912,684	5,280,939	5,614,144
Bond issuance costs			2,422,237		-
Interfund charges (revenue)	(231,650)	(366,046)	(361,160)	(536,079)	-
Total expenditures	60,064,981	63,708,087	80,320,467	95,960,211	85,414,128
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	5,019,152	5,358,734	(11,952,934)	(11,948,299)	10,762,277
OTHER FINANCING SOURCES (USES)					
Transfer in	12,257,329	6,934,943	32,790,225	13,109,570	13,169,877
Transfer out	(13,898,975)	(6,066,053)	(33,210,652)	(13,627,403)	(13,176,504)
Issuance of debts	-	1,547,962	141,710,928	-	-
Settlement of unfunded actuarial accrued liability	-	-	(110,508,698)	5,785,000	-
Defeasance of debts	-	-	-	-	-
Unspent bond proceeds from Successor Agency	-	-	-	-	-
Other financing uses	-	-	-	-	-
Other financing sources	-	-	-	-	44,300
Net other financing sources (uses)	(1,641,646)	2,416,852	30,781,803	5,267,167	37,673
Change of fund balances					
before extraordinary item	3,377,506	7,775,586	18,828,869	(6,681,132)	10,799,950
Extraordinary gain (loss)					
RDA dissolution transactions	-	-	-	-	-
Total Extraordinary gain (loss)	-	-	-	-	-
Change in fund balances					
after extraordinary item	3,377,506	7,775,586	18,828,869	(6,681,132)	10,799,950
Fund balances - July 1 (as restated)	40,007,261	43,384,767	51,160,353	69,989,222	63,893,895
Fund balances - June 30	\$ 43,384,767	\$ 51,160,353	\$ 69,989,222	\$ 63,308,090	\$ 74,693,845
DEBT SERVICE AS A PERCENTAGE					
OF NONCAPITAL EXPENDITURES	3.62%	3.50%	4.96%	16.73%	17.00%

City of Montebello
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years

Fiscal Year	Property Tax	Sales and Use Tax	Transient Occupancy Tax	Franchise Tax	Other Taxes	Total Taxes
2011-12	23,636,827	10,847,400	297,679	1,221,311	1,765,267	37,768,484
2012-13	20,655,816	11,363,067	271,153	1,158,219	93,272.00	33,541,527
2013-14	20,078,684	11,725,818	355,404	1,303,603	118,241	33,581,750
2014-15	19,373,208	12,563,805	357,896	1,410,918	132,100	33,837,927
2015-16	21,224,757	13,992,347	365,290	1,405,229	137,883	37,125,506
2016-17	16,507,389	13,267,373	401,852	1,493,956	151,611	31,822,180
2017-18	16,961,038	13,118,981	414,198	2,141,450	171,762	32,807,430
2018-19	18,385,625	14,031,972	421,412	2,224,088	193,073	35,256,170
2019-20	18,662,270	12,817,884	376,424	2,199,915	156,581	34,213,073
2020-21	21,414,087	22,270,247	223,620	2,316,250	253,339	46,477,543
2021-22	28,764,256	25,378,979	340,195	2,300,508	290,890	57,074,828

Source: City Financial Statements

City of Montebello
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Fiscal Year	City				Redevelopment Agency			
	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value	Secured	Unsecured	Less: Exemptions	Taxable Assessed Value
2010-11	\$ 3,009,280	\$ 93,206	\$ 100,372	\$ 3,002,114	\$ 1,565,508	\$ 139,738	\$ 39,759	\$ 1,659,537
2011-12	3,081,874	95,765	99,789	3,077,850	1,578,855	139,820	41,746	1,676,929
2012-13	3,166,417	87,265	104,467	3,149,215	1,591,142	135,785	42,457	1,684,470
2013-14	4,938,771	220,911	146,649	5,013,033	1,671,422	133,318	40,811	1,763,929
2014-15	3,420,628	99,344	110,362	3,409,610	1,701,294	129,735	41,886	1,789,143
2015-16	3,317,644	82,016	113,073	3,286,587	1,168,508	129,094	44,039	1,253,564
2016-17	3,693,850	82,228	99,747	3,676,331	1,734,850	141,080	26,411	1,849,518
2017-18	3,845,241	76,621	103,168	3,818,695	1,789,082	144,402	42,088	1,891,396
2018-19	4,033,298	83,389	63,264	4,053,424	1,878,833	155,004	33,832	2,000,005
2019-20	4,183,599	85,986	66,377	4,203,208	1,952,461	171,050	33,065	2,090,446
2020-21	4,529,900	90,240	118,765	4,501,375	2,092,563	181,836	62,233	2,212,166
2021-22	4,691,478	90,364	120,075	4,661,767	2,248,588	177,313	55,269	2,370,632

Source: MuniServices an Avenu Insights & Analytics Company

Source: Los Angeles County Assessor Data

City of Montebello
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per \$100 of taxable value)

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
City Direct Rate:					
City basic rate	1.00000	1.00000	1.00000	1.00000	1.00000
Retirement	0.19788	0.19788	0.19788	0.19788	0.19788
Total City Direct Rate	1.19788	1.19788	1.19788	1.19788	1.19788
Overlapping Rates:					
L.A. County General	0.00000	0.00000	0.00000	0.00000	0.00000
Montebello USD	0.09630	0.09457	0.08750	0.08715	0.14705
L.A. County Flood Control	0.00000	0.00000	0.00000	0.00000	0.00000
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350
Community College	0.03756	0.04454	0.04017	0.03575	0.03596
Totals	1.33524	1.34049	1.32905	1.32428	1.38439

Source: Los Angeles County Assessor Data, Avenu Insights & Analytics

Source: City of Montebello, ACFR Fiscal Year Ended June 30, 2021

TRA 6-323 IS REPRESENTED FOR THIS REPORT

City of Montebello
Direct and Overlapping Property Tax Rates (Continued)
Last Ten Fiscal Years
(rate per \$100 of taxable value)

	Fiscal Year				
	2017-18	2018-19	2019-20	2020-21	2021-22
City Direct Rate:					
City basic rate	1.00000	1.00000	1.00000	1.00000	1.00000
Retirement	0.197875	0.197875	0.197875	0.19788	0.19788
Total City Direct Rate	1.19788	1.19788	1.19788	1.19788	1.19788
Overlapping Rates:					
L.A. County General	0.00000	0.00000	0.00000	0.00000	0.00000
Montebello USD	0.13514	0.13921	0.09306	0.09706	0.09031
L.A. County Flood Control	0.00000	0.00000	0.00000	0.00000	0.00000
Metropolitan Water District	0.00350	0.00350	0.00350	0.00350	0.00350
Community College	0.04599	0.04621	0.02717	0.04016	0.04376
Totals	1.38251	1.38680	1.32161	1.33860	1.33545

Source: Los Angeles County Assessor Data, Avenu Insights & Analytics

Source: City of Montebello, ACFR Fiscal Year Ended June 30, 2021

TRA 6-323 IS REPRESENTED FOR THIS REPORT

City of Montebello
Principal Property Tax Payers
Current Fiscal Year and Nine Fiscal Years Ago

Taxpayer	2021-22			2012-13		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Metro Heights Montebello LLC	\$ 199,193,858	1	2.93%			0.00%
Montebello Town Center	197,535,451	2	2.90%	189,070,962	1	3.90%
Bimbo Bakeries USA Inc	84,085,787	3	1.23%	65,183,503	3	1.34%
Brixmor Montebello Plaza LP	79,404,434	4	1.17%	63,388,910	4	1.31%
KK 3A CORP	51,122,306	5	0.75%	32,557,977	10	0.67%
Somerset Apts LLC	48,622,876	6	0.71%	41,901,806	6	0.86%
Comref So CA Industrial	46,718,982	7	0.69%			
M and M At Montebello LLC	41,650,000	8	0.61%			
Rreef America Reit II Corp	41,240,079	9	0.61%	35,539,454	9	0.73%
Macys West Stores Inc.	37,522,886	10	0.55%	36,764,459	8	0.76%
Plains Exploration and Production Company				122,557,911	2	2.53%
Southern California Gas Company				53,261,916	5	1.10%
Excel Realty Partners LP						
KIR Montebello LP				36,878,698	7	0.76%
TOTAL TOP 10 TAXPAYERS	827,096,659		12.15%	677,105,596		13.95%
TOTAL CITY TAXABLE VALUE	\$ 6,809,731,075			\$ 4,852,655,387		

Source: HDL

City of Montebello
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy		Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	% of Levy		Amount	% of Levy
2012-13	\$	6,975,325	\$ 11,293,837	161.91%	\$ -	\$ 11,293,837	161.91%
2013-14		7,279,631	7,275,179	99.94%	338,473	7,613,652	104.59%
2014-15		7,504,080	7,092,120	94.51%	330,553	7,422,673	98.92%
2015-16		7,616,230	10,352,514	135.93%	385,447	10,737,961	140.99%
2016-17		7,923,442	10,685,828	134.86%	579,837	11,265,665	142.18%
2017-18		8,159,530	11,032,559	135.21%	659,322	11,691,881	143.29%
2018-19		8,638,639	11,032,570	127.71%	439,208	11,471,778	132.80%
2019-20		9,133,355	12,528,093	137.17%	348,671	12,876,764	140.99%
2020-21		9,446,262	13,318,638	140.99%	352,908	13,671,546	144.73%
2021-22		9,967,851	13,653,488	136.98%	909,913	14,563,401	146.10%

Note (1) Negative number not included

Source: Los Angeles County Auditor - AF91 Report and City Remittance Advice Summary

<http://auditor.lacounty.gov/property-tax-report-central/>

City of Montebello
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities							Total Governmental Activities
	Certificates of Participation	Lease Revenue	Sales Tax Revenue	Pension Obligation	Capitalized Finance Purchase	Notes Payable	Unamortized Bond Discount/ Premium	
2012-13	\$ 17,447,900	\$ 14,800,000	\$ -	\$ -	\$ -	\$ 5,624,106	\$ (96,673)	\$ 37,775,333
2013-14	16,502,860	14,370,000	-	-	-	5,335,106	(88,143)	36,119,823
2014-15	-	25,728,200	-	-	422,278	5,334,974	2,035,323	33,520,775
2015-16	-	24,738,440	-	-	452,197	5,018,974	1,890,503	32,100,114
2016-17	-	78,171,940	-	-	972,060	4,387,106	7,950,757	91,481,863
2017-18	-	10,409,600 (1)	-	-	902,071	4,042,886	923,106	16,277,662
2018-19	-	9,356,420	-	-	2,083,910	3,702,914	820,646	15,963,890
2019-20	-	8,261,780	24,945,000	112,506,552	1,993,247	3,314,900	4,071,461	155,092,940
2020-21	-	7,111,860	24,115,000	108,678,727	1,402,552	7,802,779	3,787,104	153,787,128
2021-22	-	5,911,660	23,245,000	104,872,900	783,658	6,741,933	3,502,747	145,947,004

Note: (1) In 17-18 Home2suites bond (\$ 54.8 million) and Hilton hotel bond (\$11.9 million) were transferred from Governmental Activities to Business-type Activities

Source: City Financial Statements

City of Montebello
Ratios of Outstanding Debt by Type (Continued)
Last Ten Fiscal Years

Fiscal Year	Business Activities							Total Primary Government	Percentage of Personal Income	Total Debt per Capita
	Certificates of Participation	Lease Revenue	Pension Obligation	Capitalized Finance Purchase	Notes Payable	Unamortized Discount/ Premium	Total Business Activities			
2012-13	\$ 4,407,100				\$ 843,294		\$ 5,250,394	\$43,025,727	3.24%	685
2013-14	4,197,140				1,668,734		5,865,874	41,985,697	3.26%	661
2014-15		3,771,800		214,691	1,333,531	95,735	5,415,757	38,936,532	2.95%	613
2015-16		3,546,560		176,037	1,007,244	88,940	4,818,781	36,918,895	2.78%	578
2016-17		3,313,060		457,321	686,116	82,144	4,538,641	96,020,504	7.26%	1,502
2017-18		69,840,400 (1)		414,495	484,434	6,613,454	77,352,782	93,630,444	6.96%	1,456
2018-19		69,305,400		820,202	919,051	6,357,464	77,402,117	93,366,007	6.60%	1,491
2019-20		88,987,220	40,918,448	423,055	527,707	6,881,076	137,737,506	292,830,446	20.13%	4,608
2020-21		65,188,140	39,526,274	240,200	1,098,527	6,572,783	112,625,924	266,413,052	15.04%	4,235
2021-22		63,768,340	38,142,101	49,867	863,018	6,264,486	109,087,812	255,034,816	12.69%	4,102

Note: (1) In 17-18 Home2suites bond (\$ 54.8 million) and Hilton hotel bond (\$11.9 million) were transferred from Governmental Activities to Business-type Activities

Source: City Financial Statements

City of Montebello
Ratios of Outstanding Debt by Type (Continued)
Last Ten Fiscal Years

Fiscal Year	Governmental Activities						Total Primary Government	Total Debt Per Capita
	Certificates of Participation	Tax Allocation Bonds	Lease Revenue	Sales Tax Revenue	Pension Obligation	Other		
2012-13	\$ 17,447,900	\$ -	\$ 14,800,000	\$ -	\$ -	\$ -	\$ 32,247,900	\$ 513
2013-14	16,502,860	-	14,370,000	-	-	-	30,872,860	486
2014-15	-	-	25,728,200	-	-	-	25,728,200	405
2015-16	-	-	24,738,440	-	-	-	24,738,440	387
2016-17	-	-	78,171,940	-	-	-	78,171,940	1,223
2017-18	-	-	10,409,600	-	-	-	10,409,600	162
2018-19	-	-	9,356,420	-	-	-	9,356,420	149
2019-20	-	-	8,261,780	24,945,000	112,506,552	-	145,713,332	2,293
2020-21	-	-	7,111,860	24,115,000	108,678,727	-	139,905,587	2,224
2021-22	-	-	5,911,660	23,245,000	104,872,900	-	134,029,560	2,156

Source: City Financial Statements

City of Montebello
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Dollar amounts in thousands, except per capita)

Fiscal Year	Outstanding General Bonded Debt							Percent of Assessed Value(1)	Per Capita
	Certificates of Participation	Tax Allocation Bonds	Revenue	Sales Tax Revenue	Pension Obligation	Unamortized Bond Discount/Premium	Total		
2012-13	\$ 17,448	-	\$ 14,800	\$ -	\$ -	\$ (97)	\$ 32,151	0.65%	\$ 511
2013-14	16,503	-	14,370	-	-	(88)	30,785	0.62%	486
2014-15	-	-	25,728	-	-	2,035	27,763	0.54%	405
2015-16	-	-	24,738	-	-	1891	26,629	0.50%	417
2016-17	-	-	78,172	-	-	795	78,967	1.43%	1,235
2017-18	-	-	10,410	-	-	923	11,333	0.20%	176
2018-19	-	-	9,356	-	-	82	9,438	0.16%	151
2019-20	-	-	8,262	24,945	112,507	4,071	149,784	2.34%	2,357
2020-21	-	-	7,112	24,115	108,679	3,787	143,693	2.14%	2,284
2021-22	-	-	5,912	23,245	104,873	3,504	137,534	1.95%	2,212

(1) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

Source: City Finance Department

City of Montebello

Direct and Overlapping Debt

2021-22 Assessed Valuation: \$7,054,531,080

	Total Outstanding Debt 6/30/22	Percentage Applicable (1)	City's Share of Overlapping Debt 6/30/22
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Metropolitan Water District	\$ 20,175,000	0.208%	\$ 41,964
Los Angeles Community College District	4,146,515,000	0.705%	29,232,931
El Rancho Unified School District	99,377,736	0.004%	3,975
Los Angeles Unified School District	10,770,060,000	0.001%	107,701
Montebello Unified School District	155,962,323	36.14%	56,369,462
TOTAL GROSS OVERLAPPING TAX AND ASSESSMENT DE			\$ 85,756,034
Less: Los Angeles Unified School District General Obligation Bonds, Election of 2005 Series J (2010)			
Qualified School Construction Bonds: Amount accumulated in Interest and Sinking Fund and Set Aside for Repayment			\$ 2,253
TOTAL NET OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 85,753,781
DIRECT AND OVERLAPPING GENERAL FUND OBLIGATION DEBT:			
Los Angeles County General Fund Obligation	\$ 2,698,357,105	0.398%	\$ 10,739,461
Los Angeles County Superintendent of Schools Certificates of Participation	3,972,227	0.398%	15,809
Los Angeles County Sanitation District No. 2 Authority	1,517,904	9.085%	137,902
Los Angeles County Sanitation District No. 15 Authority	1,553,760	0.702%	10,907
Los Angeles Unified School District Certificates of Participation	120,710,000	0.001%	1,207
Montebello Unified School District Certificates of Participation	5,295,000	36.143%	1,913,772
City of Montebello General Fund Obligation	29,156,660	100.000%	29,156,660
City of Montebello Capital Lease Obligations	783,656	100.000%	783,656
City of Montebello Pension Obligation Bonds	104,872,900	100.000%	104,872,900
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FU			147,632,275
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	\$ 13,668,389	100%	\$ 13,668,389 (2)
TOTAL DIRECT DEBT			\$ 134,813,216
TOTAL NET OVERLAPPING DEBT			\$ 112,241,227
NET COMBINED TOTAL DEBT			\$ 247,054,443

- 1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

- 2) Excludes accreted value

Ratios to 2021-22 Assessed Valuation:

Total Net Overlapping Tax and Assessment Debt	1.22%
Total Net Direct Debt	1.91%
Net Combined Total Debt	3.50%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$ 2,259,537,762):

Total Overlapping Tax Increment De	0.88%	0.60%
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Source: Avenu Insights & Analytics

California Municipal Statistics, Inc.

City of Montebello
Legal Debt Margin Information
Last Ten Fiscal Years

	Fiscal Year				
	2012-13	2013-14	2014-15	2015-16	2016-17
Assessed valuation	\$ 19,404,069,772	\$ 19,864,600,740	\$ 20,609,967,972	\$ 21,223,501,036	\$ 22,103,394,800
Conversion Percentage	25.00%	25.00%	25.00%	25.00%	25.00%
Adjusted assessed valuation	4,851,017,443	4,966,150,185	5,152,491,993	5,305,875,259	5,525,848,700
Debt limit percentage	15.00%	15.00%	15.00%	15.00%	15.00%
Total net debt applicable to limit	727,652,616	744,922,528	772,873,799	795,881,289	828,877,305
Legal debt margin	<u>727,652,616</u>	<u>744,922,528</u>	<u>772,873,799</u>	<u>795,881,289</u>	<u>828,877,305</u>

	Fiscal Year				
	2017-18	2018-19	2019-20	2020-21	2021-22
Assessed valuation	22,840,364,556	24,213,713,652	25,572,386,248	26,854,163,688	28,218,124,320
Conversion Percentage	25.00%	25.00%	25.00%	25.00%	25.00%
Adjusted assessed valuation	5,710,091,139	6,053,428,413	6,393,096,562	6,713,540,922	7,054,531,080
Debt limit percentage	15.00%	15.00%	15.00%	15.00%	15.00%
Total net debt applicable to limit	856,513,671	908,014,262	958,964,484	1,007,031,138	1,058,179,662
Legal debt margin	<u>\$ 856,513,671</u>	<u>\$ 908,014,262</u>	<u>\$ 958,964,484</u>	<u>\$ 1,007,031,138</u>	<u>\$ 1,058,179,662</u>

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed. However, this provision was enacted when assessed valuation was based upon 25% of market value.

Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: Los Angeles County Assessor and HdL, Coren & Cone

City of Montebello
Pledged-Revenue Bond Coverage
Last Ten Fiscal Years

Fiscal Year	Golf Revenue Bonds						
	Gross	Less Operating	Net Available	Debt Service			
	Revenue	Expenses	Revenue	Principal	Interest	Total	Coverage
2012-13	\$ 2,389,101	\$ (2,826,082)	\$ (436,981)	\$ 201,420	\$ 200,594	\$ 402,014	-108.70%
2013-14	2,385,213	(2,748,196)	(362,983)	209,960	175,667	385,627	-94.13%
2014-15	2,312,095	(2,992,640)	(680,545)	256,420	67,650	324,070	-210.00%
2015-16	2,294,518	(2,753,607)	(459,089)	225,240	134,526	359,766	-127.61%
2016-17	2,091,410	(2,535,564)	(444,154)	233,500	116,281	349,781	-126.98%
2017-18	2,194,976	(3,103,858)	(908,882)	257,660	110,341	368,001	-246.98%
2018-19	2,219,791	(2,711,992)	(492,201)	276,820	102,463	379,283	-129.77%
2019-20	2,051,607	(2,383,223)	(331,615)	285,360	92,742	378,102	-87.71%
2020-21	2,964,027	(2,779,657)	184,370	300,080	82,176	382,256	48.23%
2021-22	2,945,484	(2,663,662)	281,822	309,800	70,776	380,576	74.05%

Source: City Finance Department

City of Montebello
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income (in millions)	Per Capita Personal Income	Unemployment Rate
2012-13	63,184	1,328	21,013	10.40%
2013-14	63,527	1,288	20,269	8.50%
2014-15	63,555	1,321	20,783	7.10%
2015-16	63,924	1,329	20,784	5.70%
2016-17	63,917	1,323	20,693	4.50%
2017-18	64,327	1,346	20,916	4.30%
2018-19	64,247	1,415	22,027	5.00%
2019-20	63,544	1,455	22,895	4.80%
2020-21	62,914	1,771	28,143	13.93%
2021-22	62,180	2,010	32,326	4.30%

Source: HdL, Coren & Cone

City of Montebello
Principal Employers
Current Fiscal Year and Nine Years Ago

Employer	2021-22		2012-13	
	Employees	Percent of Total Employment *	Employees	Percent of Total Employment *
Montebello Unified School District*	1,407	4.99%		
Beverly Hospital	961	3.41%		
City of Montebello	482	1.71%		
Bimbo Bakery	315	1.12%		
Macy's Department Store	308	1.09%		
Rio Hondo Convalescent Hospital	218	0.77%		
JCPenney Department Store	215	0.76%	343	3.80%
Monarch Litho Inc.	171	0.61%	199	2.20%
Wilbur Curtis CO	149	0.53%	265	2.93%
R+L Carriers	153	0.54%		
Katzkin Leather, Inc			400	4.43%
Costco Wholesale			237	2.62%
Forever 21			155	1.72%
B J's Restaurant & Brewhouse			145	1.61%
All Access Apparel Corp.			131	1.45%
Lifeline Ambulance			130	1.44%
Minson Corporation			120	1.33%
Total 10 Top Employers	4,379	15.53%	2,125	23.53%
Total City Employment (1)	28,200		9,030	

Source: MuniServices, LLC / Avenu Insights & Analytics
Results based on direct correspondence with city's local businesses.

(1) Total City Labor Force provided by EDD Labor Force Data.

*Includes ONLY schools within Montebello city limits.

** Costco now located in the City of Monterey Park, since 2018.

City of Montebello
Full-Time Employees by Function
Last Ten Fiscal Years

Function	Fiscal Year				
	2012-13**	2013-14**	2014-15	2015-16	2016-17
General Government			24	23	23
Public Safety			157	151	162
Public Works			12	13	13
Parks and Recreation			35	33	33
Community Development			14	12	11
Transit			159	155	154
Totals			401	387	396

Function	Fiscal Year				
	2017-18	2018-19	2019-20	2020-21	2021-22
General Government	18	24	37	38	43
Public Safety	142	153	163	168	175
Public Works	12	11	13	13	23
Parks and Recreation	28	30	29	22	21
Community Development	9	9	11	16	21
Transit	169	164	165	174	199
Totals	378	391	418	431	482

Source: City Finance Department

**Reliable data is unavailable

City of Montebello
Operating Indicators by Function
Last Ten Calendar Years

Function	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Arrests	2,093	1,896	1,642	2,005	2,037	1,648	1,466	1,360	1,179	1,347
Traffic violations	2,773	2,682	2,505	1,418	2,191	2,096	2,446	2,864	4,029	5,894
Parking violations	20,448	18,950	16,446	16,767	17,507	17,346	15,037	13,617	8,950	10,783
Fire:										
Number of calls answered	4,800	5,100	5,686	6,051	6,494	6,661	6,509	6,071	6,010	6,724
Inspections conducted	625	988	1,248	1,094	809	1,271	1,237	900	155	875
Public Works:										
Street resurfacing (miles)	0.51	2.28	1.42	5.96	0.47	3.20	0.76	1.03	0.16	2.61
Sidewalk repairs (sq ft)	11,100	35,435	29,632	7,942	3,600	15,042	12,580	11,793	22,118	9,858
Potholes repaired	3,325	3,876	3,774	4,009	7,163	7,317	7,315	8,943	5,232	
Storm drains cleaned	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Parks and Recreation:										
Number of recreation classes	137	153	160	192	214	268	284	214	10	226
Number of facility rentals	708	2,156	3,180	3,438	3,428	3,589	3,589	3,437	0	1,083

Source: City Finance Department

City of Montebello
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Police:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire:										
Fire Stations	3	3	3	3	3	3	3	3	3	3
Public Works:										
Street (miles)	125	125	125	125	125	125	125	125	125	125
Street Lights	3,682	3,682	3,682	3,682	3,683	4,718	4,725	4,725	4,725	4,725
Traffic Signals	81	81	81	79	79	79	80	80	80	80
Parks and Recreation:										
Parks	7	7	7	7	7	7	7	12*	12*	12*
Community Centers	-	4	4	3	3	3	3	6**	6**	6**

Source: City Finance Department

*Includes "mini parks" which were not counted in previous years

**Includes Grant Rea Recreation Center and Holifield Community Center which were not counted in previous years and Recreation Main Office which closed in 2015 and reopened in 2020

INFORMATION PROVIDED BY DEPARTMENTS

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ITEM # 13

**CITY OF MONTEBELLO
CITY COUNCIL AGENDA STAFF REPORT**

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: Joseph Palombi, Director of Planning & Community Development

SUBJECT: APPROVAL OF AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT NO. 3777 BETWEEN THE CITY OF MONTEBELLO AND RANGWALA ASSOCIATES FOR THE COMPREHENSIVE GENERAL PLAN UPDATE AND BICYCLE MASTER PLAN

DATE: April 10, 2023

RECOMMENDATION(S):

It is recommended that the City Council:

1. Approve Amendment No. 2 to Professional Services Agreement No. 3777 between the City of Montebello and Rangwala Associates to provide consulting services related to the comprehensive General Plan Update and Bicycle Master Plan; and
2. Authorize the City Manager and/or his designee to execute Amendment No. 2 to Professional Services Agreement between the City and Rangwala Associates for related ancillary services to prepare a comprehensive Bicycle Master Plan and related documents on behalf of the City; and
3. Amend the Fiscal Year 2022-23 budget by increasing appropriations by \$260,000 in Account No. 100-50-590-6040.95 (General Fund, Community Development, Long Range Planning, Other Professional Services); and
4. Take such additional, related action that may be desirable.

FISCAL IMPACT:

On May 28, 2020, a Professional Services Agreement between the City and Rangwala Associates was approved for a not-to-exceed-amount-of \$1,050,000 to update the City's General Plan and establish the Montebello Downtown Specific Plan. As originally contemplated, these expenses would be spread out over the 2020-21 and 2021-22 fiscal years. In addition, the total cost would be offset by non-General Fund grant awards received from the State's Housing and Community Development Department.

On August 31, 2020, as a result of its certification of the 5th Cycle Housing Element, the City was awarded approximately \$310,000 in Senate Bill 2 Planning Grant funding. In addition, the City received \$300,000 in Local Early Action Planning (LEAP) grant funding. Therefore, the amount of non-General Fund grant sources totaled \$610,000. The remaining \$440,000 contract cost has been covered by the General Fund (Account No. 100-50-590-6040.95, General Fund, Community Development Long Range Planning).

The recommended budget amendment of \$260,000 would include appropriations to: 1) fund development of a Bicycle Master Plan; and 2) increase the original contract budget to cover unexpected expenditures related to recent updates to State housing law impacting the required analysis for the 6th Cycle Housing Element. The proposed Amendment No. 2 to Professional Services Agreement No. 3777 would expand the initial scope of work (visioning, outreach, environmental analysis, document preparation, including certification of the 6th Cycle Housing Element) and increase the not-to-exceed amount from \$1,050,000 to \$1,310,000 (an increase of \$260,000). This amendment will update the original scope of work to include deliverables such as the preparation of a Bicycle Master Plan and offset expenditures used to achieve compliance with new State laws established by the California Department of Housing and Community Development in connection with the City's certified 6th Cycle Housing Element (2021-2029).

The cost associated with the proposal for the City's comprehensive Bicycle Master Plan (Please see Attachment D) is \$139,195. In addition, the proposed budget amendment will be used to cover the above-referenced unexpected expenditures totaling \$120,805 (Please see Attachment E). Therefore, the total budget amendment related to this request is \$260,000.

BACKGROUND/DISCUSSION:

On May 27, 2020, the City Council approved the Professional Services Agreement (PSA) between the City of Montebello and Rangwala Associates, who was selected, through a competitive proposal and bidding process, to prepare a comprehensive update to the City's General Plan and related environmental analysis in accordance with the California Environmental Quality Act ("CEQA"). The fee proposal associated with the PSA included an initial not to exceed amount of \$1,050,000 which was to be expended over two fiscal years (2020-21 and 2021-22). A portion of the cost has been off-set through non-General Fund grant revenue awarded to the City.

The original PSA was approved for two (2) years beginning June 1, 2020 through June 30, 2022. However, due to the COVID-19 Pandemic, the project kick-off was delayed to October 2020. Therefore, the anticipated timeframe of two (2) years as set forth in the original PSA was impacted and needed to be extended. As a result, in collaboration with the City Attorney's office, an extension was completed to extend the term of the original PSA for an additional two (2) fiscal years to accommodate the adjusted project schedule. (Attachment "B" hereto). The extension outlined in Amendment No. 1 establishes a new expiration date of May 27, 2024. There were no other changes made to the PSA during this process.

CITY COUNCIL AGENDA REPORT - MEETING OF APRIL 10, 2023

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On October 26, 2022, staff provided an update to the City Council related to the Bicycle Master Plan. During this meeting, staff received direction to begin the process of preparing and conducting community outreach to establish a comprehensive Bicycle Master Plan for the City of Montebello. Ultimately, the Bicycle Master Plan will be presented to the Planning Commission for recommendation and City Council for final consideration.

On March 1, 2023, staff provided the City Council with an update during a special study session regarding the General Plan Update and Downtown Specific Plan. During this special study session, the City Council directed staff to initiate the environmental analysis as required by CEQA.

ENVIRONMENTAL:

In accordance with CEQA, the proposed Amendment No. 2 to Professional Services Agreement No. 3777 is not considered a project per the CEQA definition of a project since the activity is statutorily exempt per CEQA Section 15061(b)(3) (Common Sense Exemption). CEQA only applies to projects which have the potential for causing a significant effect on the environment. No physical changes will occur as a result of the proposed budget amendment for the City's General Plan Update/Downtown Specific Plan and Bicycle Master Plan

ANALYSIS:

As required by State Housing Law, the City was required to have a certified 6th Cycle Housing Element (2021- 2029) by February 2022 or be subjected to potential penalties which included, among other things, losing the ability to enforce local zoning laws and potentially being unable to collect building permit fees. In an effort to meet this deadline and avoid potential penalties, additional resources were allocated to achieve compliance and attain State certification for the 6th Cycle Housing Element. On October 5, 2021, the City's draft 6th Cycle Housing Element was originally submitted to HCD for review. Based on comments received from HCD in December 2021, the draft Housing Element was revised and resubmitted on January 19, 2022. As a result of a second round of comments received by the City from HCD on March 16, 2022, staff focused all efforts in effectively addressing these comments which related to affirmatively furthering fair housing in accordance with the California Government Code as well as revision related to zoning, land use controls, environmental constraints, infrastructure, nonvacant sites, and realistic capacity. Prior to the City's third submittal to HCD, and adoption by the City Council on June 22, 2022, HCD approved and certified the City's current Housing Element pursuant to a letter issued by HCD on July 11, 2022. As a result, the department exhausted more funds than anticipated in this effort and will need to replenish those funds to adequately complete the final phase of the General Plan Update/Downtown Specific Plan, as well as initiate the analysis and preparation of a Bicycle Master Plan.

Therefore, Staff is recommending a second amendment ("Amendment No. 2") and requesting an increase of the not-to-exceed amount of existing Agreement No. 3777 by

CITY COUNCIL AGENDA REPORT - MEETING OF APRIL 10, 2023

Page 4 of 5

\$260,000.00, raising the total contract amount to \$1,310,000, to assist with the final phase of the General Plan Update, and expand the scope of work to include a Bicycle Master Plan. As the city prepares to commence the environmental process, this contract amendment is essential to ensure successful completion and assist with establishing a comprehensive City of Montebello Bicycle Master Plan.

Amendment No. 2

The proposed Amendment No. 2 will include appropriations to fund and complete the final phase of the General Plan Update/Downtown Montebello Specific Plan and expand the scope of work to include a Bicycle Master Plan. Below is a breakdown of the pending items needed to finalize these efforts.

General Plan Update - Pending Tasks

1. Environmental Impact Report

- a. Analysis
- b. Scoping meeting
- c. Implementation
- d. Adoption/Certification

2. Bicycle Master Plan – Additional Scope of Work

- a. Community Outreach
- b. Visioning
- c. Opportunities
- d. Preparation of Concept Graphics
- e. Identify Funding Sources

SUMMARY:

Staff recommends approval of Amendment No. 2 to Professional Services Agreement No. 3777 between the City of Montebello and Rangwala Associates to provide consulting services related to the comprehensive General Plan Update and Bicycle Master Plan and Amend the Fiscal Year 2022-23 budget by increasing appropriations by \$260,000 in Account No. 100-50-590-6040.95 (General Fund, Communit Development, Long Range Planning, Other Professional Services).

ATTACHMENT(S)

- 1. Attachment A - Amendment No. 2 to Agreement No. 3777 with Rangwala Associates
- 2. Attachment B - Amendment No. 1 to Agreement No. 3777 with Rangwala Associates
- 3. Attachment C - Agreement No. 3777 with Rangwala Associates
- 4. Attachment D - Montebello Bike Master Plan Scope

CITY COUNCIL AGENDA REPORT - MEETING OF APRIL 10, 2023

Page **5** of **5**

5. Attachment E - Proposal for Bike Master Plan and Budget Adjustment for GP DSP and Hsg Element

NEXT STEPS:

N/A

CITY OF MONTEBELLO

AMENDMENT NO. 2 TO PROFESSIONAL SERVICES AGREEMENT NO. 3777 WITH RANGWALA ASSOCIATES FOR THE PREPARATION OF THE CITY'S COMPREHENSIVE GENERAL PLAN UPDATE TO INCLUDE A BICYCLE MASTER PLAN

This Amendment No. 2 to Professional Services Agreement No. 3777 ("Amendment No. 2"), is made and entered into this 10th day of April 2023 ("Effective Date") by and between the City of Montebello, a California municipal corporation, (hereinafter, the "City") and Rangwala Associates (hereinafter referred to as the "Consultant"). The City and the Consultant are sometimes hereinafter individually referred to as a "Party" and jointly as the "Parties".

RECITALS

WHEREAS, the City and the Consultant entered into Professional Services Agreement No. 3777 by and between the City of Montebello and Rangwala Associates, dated May 28, 2020 (the "Agreement"), for preparation of a General Plan update for the City of Montebello as further described in the Agreement; and

WHEREAS, Section 32 ("Entire Agreement") of the Agreement allows for amendments to the Agreement by a writing executed by the Parties; and

WHEREAS, the City and Consultant amended the Agreement No. 3777 on May 28, 2022 to extend the term of the Agreement with no other changes for an additional two (2) fiscal years, set to expire on May 27, 2024 (Amendment No. 1); and

WHEREAS, on October 26, 2022, staff provided an update to the City Council related to the Bicycle Master Plan and staff was directed to expand the scope of the General Plan to prepare a Bicycle Master Plan specific to Montebello; and

WHEREAS, the Parties each being mutually satisfied with the other's performance thereof, desire to amend the Agreement once more to revise the Scope of Work (SOW) for additional services ("Revised Scope of Work"); and

WHEREAS, based on the amendment to the SOW, the City and Consultant desire to amend the Agreement No. 3777 increasing the compensation by \$260,000 for a not to exceed total of \$1,310,000; and

WHEREAS, for the reasons set forth herein, the City and Consultant desire to enter into this Amendment No. 2, as set forth below.

NOW THEREFORE, based upon the foregoing recitals, which the Parties agree are true and correct, and for good and adequate consideration, the receipt and adequacy

AMENDMENT NO. 2 TO AGREEMENT NO. 3777

Page 2 of 3

of which is expressly acknowledged by the Parties, the Parties agree to amend the Agreement as follows:

AMENDMENT

SECTION 1. COMPENSATION. The compensation to be paid by the City to Consultant for the services provided hereby shall be amended as follows:

“In no event shall the total compensation and costs payable to Consultant under Amendment No. 2 exceed (\$260,000) for a total not-to-exceed project amount of (\$1,310,000), unless specifically approved in advance, in writing, by City. The Consultant shall keep tally of the cost for the work ordered by the City. The Consultant shall not accept work order from the City if the cost for the work will exceed the amount indicated above unless otherwise agreed to by the parties in writing.”

SECTION 2. AMENDMENT TO THE SCOPE OF WORK. Through this Amendment No. 2, the Parties hereto agree to replace the Scope of Work previously made part of the Agreement with a new SOW outlined in Attachment “C” (“Revised Scope of Work”), attached hereto and incorporated herein by this reference.

SECTION 3. INCORPORATION OF REMAINING TERMS. Other than as expressly modified in this Amendment No. 2 with respect to the Agreement, all remaining terms, conditions, including the provisions of the Agreement and the term extension agreed to in Amendment No. 1, shall remain in full force and effect, and is incorporated fully herein by this reference.

IN WITNESS WHEREOF, the Parties have executed this Amendment No. 2 to Agreement No. 3777 to include a Bicycle Master Plan as of the Effective Date identified above.

[SIGNATURES ON THE FOLLOWING PAGES]

AMENDMENT NO. 2 TO AGREEMENT NO. 3777

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("CITY")

CITY OF MONTEBELLO

("CONSULTANT")

RANGWALA ASSOCIATES

René Bobadilla, City Manager

Kaizer Rangwala, Principal

ATTEST:

Christopher Jimenez, City Clerk

APPROVED AS TO FORM:

Arnold M. Alvarez-Glasman, City
Attorney

CITY OF MONTEBELLO

**AMENDMENT NO. 1
TO PROFESSIONAL SERVICES AGREEMENT NO. 3777
WITH RANGWALA ASSOCIATES**

This Amendment No. 1 to Professional Services Agreement No. 3777 ("Amendment No. 1"), is made and entered into this 28th day of May 2022, ("Effective Date") by and between the City of Montebello, a California municipal corporation, (hereinafter referred to as the "City") and Rangwala Associates (hereinafter referred to as the "Consultant"). The City and the Consultant are sometimes hereinafter individually referred to as a "Party" and jointly as the "Parties".

RECITALS

WHEREAS, the Consultant and the City entered into Professional Services Agreement No. 3777 by and between the City of Montebello and Rangwala Associates, dated May 28, 2020 ("Agreement"), for preparation of a General Plan update for the City of Montebello as further described in the Agreement; and

WHEREAS, the City awarded the Agreement to the Consultant based on their qualifications. However, the services needed exceeded the anticipated timeframe of two (2) years set forth in the Agreement, and City and Consultant desire to extend the term of the Agreement for an additional two (2) fiscal years, expiring on May 27, 2024; and

WHEREAS, under Section 4. **TERM OF AGREEMENT**, the term of this Agreement shall be extended for an additional two (2) fiscal years; and

WHEREAS, for the reasons set forth herein, the City and Consultant desire to enter into this Amendment No. 1, as set forth below.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the receipt adequacy of which is expressly acknowledged by the Parties, the Parties agree to amend the Agreement as follows:

AMENDMENTS

SECTION 1. Section 4. **TERM OF AGREEMENT** of the Agreement is amended to read as follows:

The term of this Agreement shall commence on the Commencement Date and shall continue until terminated in accordance with Section 22 below. Notwithstanding anything in this Agreement, this Agreement shall automatically terminate on May 27, 2024, unless extended by the Parties in writing. Nothing in this Section shall operate to prohibit or otherwise restrict the City's ability to terminate this Agreement at any time for convenience or for cause.

AMENDMENT NO. 1 TO AGREEMENT NO. 3777

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IN WITNESS WHEREOF, the Parties execute this Amendment No. 1 to take effect as of the Effective Date identified above.

("CITY")

CITY OF MONTEBELLO



René Bobadilla, City Manager

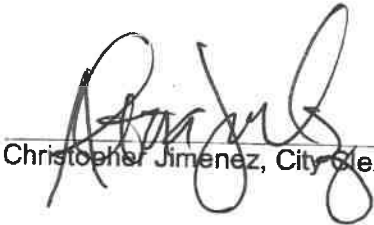
("CONSULTANT")

RANGWALA ASSOCIATES



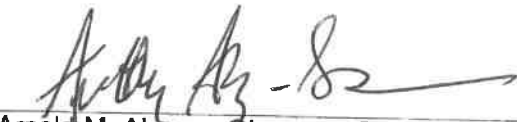
Kaizer Rangwala, Principal

ATTEST:



Christopher Jimenez, City Clerk

APPROVED AS TO FORM:



Arnold M. Alvarez-Glasman, City Attorney

AGREEMENT NO. 3777
PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF MONTEBELLO AND RANGWALA ASSOCIATES

1. IDENTIFICATION

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into by and between the City of Montebello, a California municipal corporation ("City") and Rangwala Associates, ("Consultant"). City and Consultant are sometimes hereinafter individually referred to as a "Party" and collectively referred to as "Parties."

2. RECITALS

2.1 City has determined that it requires professional services for the preparation of a General Plan update for the City of Montebello.

2.2 Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the performance by the Parties of the mutual covenants and conditions herein contained, the Parties hereto agree as follows:

3. DEFINITIONS

3.1 "Scope of Services": Such professional services as are set forth in the Consultant's February 18, 2020 proposal to City attached hereto as Exhibit "A" and incorporated herein by this reference.

3.2 "Approved Fee Schedule:" Such compensation rates as are set forth in the Consultant's February 18, 2020, proposal to City attached hereto as Exhibit "B."

3.3 "Commencement Date:" That certain date on which the Agreement is executed by both Parties following its approval by the City Council of the City of Montebello.

4. TERM OF AGREEMENT

The term of this Agreement shall commence on the Commencement Date and shall continue until terminated in accordance with Section 22 below. Notwithstanding anything in this Agreement, this Agreement shall automatically terminate after two (2) years unless extended by the Parties in writing. Nothing in the Section shall operate to prohibit or otherwise restrict the City's ability to terminate this Agreement at any time for convenience or for cause.

5. CONSULTANT'S SERVICES

5.1 Consultant shall perform the services identified in the Scope of Services. City shall have the right to request, in writing, changes in the Scope of 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.

5.2 Consultant shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged in the general geographical area of the City. Consultant shall prepare all work products required by this Agreement in a substantial, first class manner and shall conform to the standards of quality normally observed by a practitioner in Consultant's profession.

6. COMPENSATION

6.1 City agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept in full satisfaction for such services, payment in accordance with the Approved Fee Schedule. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the sum of \$1,050,000 unless specifically approved in advance, in writing, by City.

6.2 Consultant shall submit to City an invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Within ten (10) business days of receipt of each invoice, City shall notify Consultant in writing of any disputed amounts included on the invoice. Within thirty (30) calendar days of receipt of each invoice, City shall pay all undisputed amounts included on the invoice. City shall not withhold applicable taxes or other authorized deductions from payments made to Consultant.

6.3 Payments for any services requested in writing by City and not included in the Scope of Services shall be made to Consultant by City on a time-and-materials basis using Consultant's standard fee schedule. Fees for such additional services shall be paid within sixty (60) days of the date Consultant issues an invoice to City for such services.

7. BUSINESS LICENSE

Consultant shall obtain a City business license prior to commencing performance under this Agreement.

8. COMPLIANCE WITH LAWS

Consultant shall keep informed of State, Federal and Local laws, ordinances, codes and regulations that in any manner affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. The Consultant

shall at all times comply with such laws, ordinances, codes and regulations. Without limiting the generality of the foregoing, if Consultant is an out-of-state corporation or LLC, it must be qualified and registered to do business in the State of California pursuant to sections 2105 and 17708.02 of the California Corporations Code. The City, its officers and employees shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

9. CONFLICT OF INTEREST

Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by Consultant under this Agreement, or which would conflict in any manner with the performance of its services hereunder. During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working at the Commencement Date if both: (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute; and (ii) City has not consented in writing prior to Consultant's performance of such work.

10. PERSONNEL

Consultant represents that it has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. Consultant reserves the right to determine the assignment of its own employees to the performance of Consultant's services under this Agreement, but City reserves the right, for good cause, to require Consultant to exclude any employee from performing services on City's premises. Kaizer Rangwala, Principal, of Rangwala Associates shall be Consultant's project manager and shall have direct responsibility for management of Consultant's performance under this Agreement. No change shall be made in Consultant's project manager without City's prior written consent.

11. OWNERSHIP OF WRITTEN PRODUCTS

All reports, documents or other written material ("Written Products") developed by Consultant in the performance of this Agreement shall be and remain the property of City without restriction or limitation upon its use or dissemination by City. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant. If any state, federal, or local law requires mandatory copyright protection for Consultant's work product, City shall comply with such laws to the extent feasible.

12. INDEPENDENT CONTRACTOR

12.1 Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation,

or liability on behalf of City or otherwise to act on behalf of City as an agent. Neither City nor any of its officers, employees or agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not at any time represent that it is, or that any of its agents or employees are, in any manner employees of City.

12.2 The Parties further acknowledge and agree that nothing in this Agreement shall create or be construed to create a partnership, joint venture, employment relationship, joint-employer relationship, or any other relationship between Consultant or Consultant's employees except as set forth in this Agreement.

12.3 City shall have no direct or indirect control over Consultant's employees or sub-consultants with respect to wages, hours, and working conditions. In addition, City shall not deduct from the Compensation paid to Consultant any sums required for Social Security, withholding taxes, FICA, state disability insurance or any other federal, state or local tax or charge which may or may not be in effect or hereinafter enacted or required as a charge or withholding on the compensation paid to Consultant, Consultant's employees or subconsultants. City shall have no responsibility to provide Consultant, its employees or subconsultants with workers' compensation insurance or any other insurance.

12.4 The Parties further acknowledges the following: (i) that Consultant shall provide the services outlined in the Scope of Services directly to City; (ii) Consultant maintains a business location at the address listed under Section 20 that is separate and distinct from the City; (iii) Consultant contracts with other businesses to provide the same or similar services and maintains a clientele without restriction from the City; (iv) Consultant advertises and holds itself out to the public as available to provide the same or similar services; (v) unless otherwise specified in this Agreement, Consultant provides its own tools, vehicles, and equipment necessary for performing the Scope of Services; (vi) Consultant has proposed and negotiated its own rates; and (vii) consistent with the nature and demands of the project and the City's business hours and City staff availability, Consultant may set its own hours and location of work.

13. CONFIDENTIALITY

All data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without prior written consent by City. City shall grant such consent if disclosure is legally required. Upon request, all City data and any copies thereof shall be returned to City upon the termination or expiration of this Agreement.

14. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES

No official or employee of the City shall be personally liable to Consultant in the event of any default or breach by City, or for any amount which may become due to Consultant.

15. INDEMNIFICATION

15.1 The Parties agree that City, its officers, agents, elected and appointed officials, employees, affiliated public agencies and volunteers should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the Parties to be interpreted and construed to provide the fullest protection possible under the law to City. Consultant acknowledges that City would not enter into this Agreement in the absence of Consultant's commitment to indemnify and protect City as set forth herein. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

15.2 To the full extent permitted by law, Consultant shall indemnify, hold harmless and defend City, its officers, agents, elected and appointed officials, employees, affiliated public agencies and volunteers from and against any and all claims, demands, lawsuits, causes of action, losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from or arising out of any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant or any of its officers, employees, servants, agents, or subconsultants in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of City's choice and expert witness fees and consultant fees.

15.3 City shall have the right to offset against the amount of any compensation due Consultant under this Agreement any amount due City from Consultant as a result of Consultant's failure to pay City promptly any indemnification arising under this Section 15 or related to Consultant's failure to either: (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

15.4 The obligations of Consultant under this Section 15 will not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

15.5 Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 15 from each and every subconsultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. In the event Consultant fails to obtain such indemnity obligations from others as required herein, Consultant agrees to be fully responsible and indemnify, hold harmless and defend City, its officers, agents, elected and appointed officials, employees, affiliated public agencies and volunteers from and against any and all claims, demands, lawsuits, causes of action, losses, costs or expenses for any damage due to death or injury to any person and

injury to any property resulting from or arising out of any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant's subconsultants or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of City's choice and expert witness fees and consultant fees.

15.6 City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

15.7 PERS ELIGIBILITY INDEMNITY. In the event that Consultant or any employee, agent, or subconsultant of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subconsultants, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subconsultants providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

16. INSURANCE

16.1 During the term of this Agreement, Consultant shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Consultant's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

16.1.1 Comprehensive general liability, and Umbrella or Excess Liability Insurance covering all operations by or on behalf of Consultant providing insurance for bodily injury liability and property damage liability in the amount of One Million Dollars (\$1,000,000) per occurrence combined single limit; Two Million Dollars (\$2,000,000) aggregate for products/completed operation; Two Million Dollars (\$2,000,000) general aggregate (General aggregate must apply separately to Consultant's work under this

Agreement.); and Five Million Dollars (\$5,000,000) umbrella or excess liability.

16.1.2 Automobile Liability Insurance for owned, hired and non-owned vehicles utilized by Consultant, its employees or subconsultants, in the amount of One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.

16.1.3 Worker's Compensation Insurance as required by the laws of the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than One Million Dollars (\$1,000,000) per accident for bodily injury or disease.

16.1.4 Professional Liability Insurance against errors and omissions in the performance of the work under this Agreement with coverage limits of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate.

16.2 Consultant shall require each of its subconsultants, if any, to maintain insurance coverage that meets all of the requirements of this Agreement.

16.3 The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.

16.4 Consultant agrees that if it does not keep the aforesaid insurance in full force and effect City may either: (i) immediately terminate this Agreement; or (ii) take out the necessary insurance and pay, at Consultant's expense, the premium thereon.

16.5 At all times during the term of this Agreement, Consultant shall maintain on file with City's Risk Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and, for the general liability and automobile liability policies, naming the City as an additional insured. Consultant shall, prior to commencement of work under this Agreement, file with City's Risk Manager such certificate(s).

16.6 Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall provide such proof to City at least two weeks prior to the expiration of the coverages.

16.7 The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming City, its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to City. Consultant agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to

any notice provisions.

16.8 The general liability and automobile policies of insurance provided by Consultant shall be primary to any coverage available to City. Any insurance or self-insurance maintained by City, its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

16.9 All insurance coverage provided pursuant to this Agreement shall not prohibit Consultant, and Consultant's employees, agents or subconsultants, from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against the City.

16.10 Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of City, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

16.11 Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duties to indemnify, hold harmless and defend under Section 15 of this Agreement.

16.12 If Consultant maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or 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.

17. MUTUAL COOPERATION

17.1 City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available to City for the proper performance of Consultant's services under this Agreement.

17.2 In the event any claim or action is brought against City relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that City may require.

18. RECORDS AND INSPECTIONS

Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three years after the expiration or termination of this Agreement. City shall have the right to access and examine such records, without charge, during normal business hours. City shall further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.

19. PERMITS AND APPROVALS

Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary in the performance of this Agreement. This includes, but shall not be limited to, encroachment permits and building and safety permits and inspections.

20. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile, email, or overnight courier service during Consultant's and City's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below (or to such other addresses as the Parties may, from time to time, designate in writing).

If to City:

Joseph Palombi
Planning and Community Development
Director
City of Montebello
1600 W. Beverly Blvd.,
Montebello, CA 90640
Facsimile: (323) XXX-XXXX

If to Consultant:

Kaizer Rangwala
Rangwala Associates
Principal
6325 Jackie Avenue
Los Angeles, CA 91367
Telephone: (805) 850-9779

With a courtesy copy to:

Arnold M. Alvarez-Glasman, City Attorney
13181 Crossroads Parkway North
Suite 400 - West Tower
City of Industry, CA 91746
Facsimile: (562) 692-2244

21. SURVIVING COVENANTS

The Parties agree that the covenants contained in Sections 13, 15 and Paragraph 17.2 of Section 17, of this Agreement shall survive the expiration or termination of this Agreement.

22. TERMINATION

22.1. City shall have the right to terminate this Agreement for any reason on five (5) calendar days' written notice to Consultant. Consultant shall have the right to terminate this Agreement for any reason on sixty (60) calendar days' written notice to City. The effective date of termination shall be upon the date specified in the notice of termination. Consultant agrees that in the event of such termination, City's obligation to pay Consultant shall be limited to payment only for those services satisfactorily rendered, as solely determined by the City, prior to the effective date of termination. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All City data, documents, objects, materials or other

tangible things shall be returned to City upon the termination or expiration of this Agreement.

22.2 If City terminates this Agreement due to no fault or failure of performance by Consultant, then Consultant shall be paid based on the work satisfactorily performed, as solely determined by the City, at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement.

23. ASSIGNMENT

Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without City's prior written consent, and any attempt to do so shall be void and of no effect. City shall not be obligated or liable under this Agreement to any Party other than Consultant.

24. NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

24.1 In the performance of this Agreement, Consultant shall not discriminate against any employee, subconsultant, or employment applicant because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation. Consultant will take affirmative action to ensure that subconsultants, employees, and employment applicants are treated without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

24.2 Consultant will, in all solicitations or advertisements for employees placed by or on behalf of Consultant state either that it is an equal opportunity employer or that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

24.3 Consultant will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement except contracts or subcontracts for standard commercial supplies or raw materials.

25. WARRANTIES

25.1 Each Party has received independent legal advice from its attorneys with respect to the advisability of entering into and executing this Agreement or been provided with an opportunity to receive independent legal advice and has freely and voluntarily waived and relinquished the right to do so. Each Party who has not obtained independent counsel acknowledges that the failure to have independent legal counsel will not excuse such Party's failure to perform under this Agreement.

25.2 In executing this Agreement, each Party has carefully read this Agreement, knows the contents thereof, and has relied solely on the statements

expressly set forth herein and has placed no reliance whatsoever on any statement, representation, or promise of any other party, or any other person or entity, not expressly set forth herein, nor upon the failure of any other party or any other person or entity to make any statement, representation or disclosure of any matter whatsoever.

25.3 It is agreed that each Party has the full right and authority to enter into this Agreement, and that the person executing this Agreement on behalf of either Party has the full right and authority to fully commit and bind such Party to the provisions of this Agreement.

26. CAPTIONS

26.1 The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the section or paragraph thereof, as the case may be, and not such heading, shall control and govern in the construction of this Agreement.

26.2 Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

27. NON-WAIVER

27.1 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. In no event shall the making by City of any payment to Consultant constitute or be construed as a waiver by City of any breach of covenant, or any default which may then exist on the part of Consultant, and the making of any such payment by City shall in no way impair or prejudice any right or remedy available to City with regard to such breach or default. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing.

27.2 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.

27.3 Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Consultant.

28. COURT COSTS AND ATTORNEY FEES

In the event legal action shall be necessary to enforce any term, covenant or condition herein contained, the Party prevailing in such action, whether reduced to judgment or not, shall be entitled to its reasonable court costs, including accountants' fees and expert witness fees, if any, and attorneys' fees expended in such action. The venue for any litigation shall be Los Angeles County, California.

29. 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.

30. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of the State of California.

31. COUNTERPARTS

This Agreement may be signed in any one or more counterparts all of which taken together shall be but one and the same Agreement. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by facsimile or email transmission, shall for all purposes be treated as if it were delivered containing an original manual signature of the Party whose signature appears in the facsimile or email and shall be binding upon such Party in the same manner as though an originally signed copy had been delivered.

32. ENTIRE AGREEMENT

All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between City and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements

are binding upon the Parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed by City and Consultant.

[Signatures on the following page]

TO EFFECTUATE THIS AGREEMENT, the Parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

"CITY"
CITY OF MONTEBELLO

"CONSULTANT"
Rangwala Associates



Rene Bobadilla, City Manager



Kalzer Rangwala, Principal

Dated: 5/28/2020

Dated: _____

ATTEST:

APPROVED AS TO FORM:



Irma Bernal Barajas, City Clerk



Arnold M. Alvarez-Glasman, City Attorney





750 The City Drive, Suite 410
Orange, CA 92868
P 714.468.1997 F 503.273.8169

November 2, 2022

Project #24761

Kaizer Rangwala, AICP, CEcd, CNU-A
Rangwala Associates
6325 Jackie Avenue
Woodland Hills, CA 91367

RE: Montebello General Plan Update – Montebello Bicycle Master Plan Contract Amendment

Dear Kaizer:

Attached is a contract amendment by Kittelison & Associates for the preparation of a citywide Bicycle Master Plan for the City of Montebello. Part “A” identifies our proposed services for the project. This scope was developed based on our discussions with City staff, our ongoing work in Montebello, and our familiarity with the City.

We estimate the cost of our work effort for this amendment to be \$139,195. We propose to conduct this work with all prior contractual terms and invoicing protocols applying. The original Kittelison contract for the project was for \$87,705. Therefore, with this amendment, the total Kittelison budget will be \$226,900.

I will continue to serve as the Project Manager, with Michael Sahimi serving as the lead for the Bicycle Master Plan. Any questions of a technical or contractual nature can be directed to either of us.

Please review this proposal at your earliest convenience and provide us with a signed copy to get started. Thank you for the opportunity to propose on this project.

Sincerely,
Kittelison & Associates, Inc.

Tim Erney, AICP, PTP, CTP
Senior Principal Planner

A handwritten signature in black ink, appearing to read 'Michael Sahimi'.

Michael Sahimi, AICP
Senior Planner

PART A - SCOPE OF WORK

TASK 1 EXISTING AND BASELINE CONDITIONS

Task 1.1 Review of Existing Conditions and Plans

To reflect the work efforts and analysis that have been conducted to date, Kittelson will review previous and ongoing studies and will summarize documented existing bicycling conditions, planned bicycle network changes, bicycle activity, bicycle crash history, existing programs/policies, and proposed policies or recommendations related to bicycle infrastructure and parking. Given that the Project is intended to guide long-term bicycle improvements in Montebello, proposed facilities in these plans and studies will be documented. This will include a review of information prepared for Kittelson-involved projects such as the City's General Plan Update, Downtown Specific Plan, and Safe Travel Plan. As part of the existing conditions analysis, Kittelson will prepare a bicyclist Level of Stress (LTS) analysis for the city, utilizing available GIS data and a Google Earth review to understand the perceived levels of comfort and stress bicyclists currently experience throughout the city.

Task 1.2 Bicycling Activity Levels

Kittelson will collect and review weekday morning, weekday evening, and Sunday morning bike counts at up to 12 intersections in Montebello. The data will be summarized to identify a relative level of bicycling activity throughout the City. Kittelson will also review larger data sources such as U.S. Census data and the California Household Travel Survey to better understand commute and non-commute mode share in the city.

Task 1.3 Existing/Baseline Conditions Memo

Kittelson will prepare a memo summarizing the results of Tasks 1.1 and 1.2.

Task 1 Deliverables

- Draft and final existing/baseline conditions memo

TASK 2 COMMUNITY AND STAKEHOLDER ENGAGEMENT

Task 2.1 Community Engagement Plan

At the onset of the project, Kittelson will prepare a community engagement plan that will include the following information:

- Project engagement goals
- Scheduling and locations of two (2) community workshops and one (1) pop-up event
- Local community groups to include as part of email blasts
- Agencies and organizations that can provide input during the outreach process
- Project survey questions

Task 2.2 Agency and Stakeholder Meetings

Kittelson will coordinate two (2) virtual agency/stakeholder meetings and will work with City staff to develop the list of potential attendees. We propose conducting the first meeting as a virtual “walkshop” of key locations at the onset of the project, and the second meeting later in the process to obtain input on project recommendations. Note, LA Metro will be a key attendee of these meetings given the ongoing planning efforts for the Gold Line Extension and Greenwood Station.

Task 2.3 Community Workshops

Kittelson will organize and conduct two (2) public workshops to solicit public input. We propose conducting the first workshop early in the process to obtain input on existing conditions and needs, and the second workshop to obtain input on recommended improvements. The Kittelson team will work with the City to increase public awareness of these public outreach meetings using the City’s current social media platforms. Kittelson will also work with local stakeholder groups to distribute reminders using social media and other communication tools.

Task 2.4 Pop-Up Booth

Kittelson will host one (1) pop-up booth. We recommend hosting the booth at an existing event in the City (such as the Montebello Farmers Market) to help maximize public participation.

Task 2.5 Project Survey

Kittelson will work with the City to develop a survey that gives insight into residents’, students’, and employees’ bicycling needs. An interactive map will also be included with the online survey, allowing participants to pin comments on specific locations in the city. The survey will be made available online on the project webpage. A Spanish version of the online survey will be included, as well as both English and Spanish paper surveys to be made available at the outreach workshops and pop-up event. Following the survey conclusion, results will be summarized in a technical memorandum to inform the plan’s development.

Task 2.6 Webpage and Social Media Content

Kittelson will work with the City to provide English and Spanish landing pages for the project on the City’s website. Kittelson will provide information for uploading onto the City’s website, such as:

- Information about the project
- A link to the online survey
- Upcoming outreach events
- Plan documents (as they become available for public review)

Alternatively, this information can be hosted on a dedicated page on the General Plan Update website.

The City’s social media platforms (i.e., Facebook, Twitter, NextDoor) can be utilized to distribute this content and update residents when new content is available. In addition, Kittelson will identify local stakeholder groups to distribute reminders using their social media channels.

Task 2 Deliverables

- Community engagement plan

- Agency/stakeholder meeting agendas, materials, and minutes
- Workshop materials (presentation materials, agendas, participant lists, public comments, input summary, photos)
- Pop-up event materials (outreach materials, summary of residents reached and their comments, photos)
- English and Spanish project survey and survey results memo
- Materials for project webpage – Project flyer that can be updated up to two (2) times during the plan process

TASK 3 PLAN DEVELOPMENT

Task 3.1 Vision and Goals

Kittelson will work with the City to establish and finalize a long-range vision and goal statement for the Project. Input from the public outreach meetings will also inform this process and the final vision, goals, and objectives.

Task 3.2 Proposed Projects

Kittelson will use information from the existing conditions inventory, community outreach, and stakeholder engagement to identify near-term and long-term bicycle infrastructure projects. This will include identifying bikeways that provide comfortable and convenient bicycle access to:

- Local K-12 schools
- Parks and trails
- Existing and proposed transit stations and stops
- Locations that could serve as future multimodal hubs, including identifying opportunities to incorporate emerging mobility technologies such as bikeshare

Infrastructure recommendations will include identifying key locations for bike parking, key intersections for bicycle-oriented improvements, and other bike facilities. The Project will also include recommendations for policies and campaigns that could be implemented in the city, such as SCAG's Go Human educational safety campaign.

Task 3.3 Project Prioritization

Following development of the project list, Kittelson will work with the City and stakeholders to develop a prioritization methodology based on the City's goals and objectives, funding priorities, and input received through community outreach. Using this prioritization framework, Kittelson will develop a list of priority projects for the City as a subset of the bikeway project list from Task 3.2.

Kittelson will develop up to five (5) concept designs and five (5) cross-sections (five individual locations total) for the highest-priority infrastructure projects.

Task 3.4 Bicycle-Oriented Wayfinding, Bicycle Parking, and E-Bikes

The City has expressed interest in establishing bicycle-oriented wayfinding protocols. Kittelson will prepare a memorandum outlining guidance for selecting locations and designing bicycle-oriented

wayfinding signage. This memorandum will also include guidance on locating and designing secure bicycle parking at key destinations, and for regulating and planning for e-bikes.

Task 3.5 Funding and Implementation Guidance

Kittelson will work with the City to identify and compile federal, state, regional, and local funding sources to further design and develop the project. To supplement the funding strategy, Kittelson will prepare implementation information for the City for constructing the priority projects, including information on potential obstacles such as right-of-way acquisition.

To assist with implementation, Kittelson will research and develop guidance for designing and maintaining bikeways and other bicycle facilities.

As part of the implementation strategy, Kittelson will provide concept-level cost estimates for Capital Project Construction and Maintenance, Programs, and Plans, using current data and information (e.g., unit cost information from actual project bid documents) and references (e.g., cost estimating tools and guides) to develop conceptual cost estimates. Implementation will include short-term, near-term, and long-term timeframes that reflect the prioritization process used. In addition, Kittelson will develop performance measures for the City to track project implementation.

Task 3 Deliverables

- Draft and final vision and goals memo
- Draft and final proposed projects memo
- Draft and final prioritization methodology memo
- Draft and final priority projects memo (including concept designs and cross-sections)
- Draft and final bicycle wayfinding, bicycle parking, and e-bikes memo
- Draft and final funding/implementation memo

TASK 4 DOCUMENTATION

Task 4.1 Admin Draft Plan

Kittelson will prepare an admin draft plan document that will serve as a blueprint for staff to facilitate project implementation to improve bicycling in the city. In addition to the plan document, Kittelson will create an executive summary overview of each section, and a technical appendix primarily comprised of any deliverables from previous tasks in order to keep the plan focused and brief.

Task 4.2 Draft Plan

The feedback for the admin draft BMP will be incorporated into the Draft BMP. Once completed, the Second Draft BMP will be presented to stakeholders and the public for review and input.

Task 4.3 Final Plan

Following the preparation of and revisions to the draft BMP, Kittelson will prepare a final BMP based on feedback obtained from the City, community, and stakeholders.

Task 4.4 Plan Presentations

Kittelson will prepare presentation material and present the plan at up to two (2) City Council or Commission meetings.

Task 4 Deliverables

- Admin draft plan
- Draft plan
- Final plan
- Up to two (2) sets of Council/Commission presentation materials

TASK 5 PROJECT MANAGEMENT**Task 5.1 Kickoff Meeting**

Kittelson will hold a virtual project kickoff meeting with the City and other relevant agencies based on input from the City. Kittelson will prepare and distribute a meeting agenda in advance of the meeting and will provide meeting notes, including identification of action items and next steps after the meeting. In addition, Kittelson will submit a data request memorandum to the City.

Task 5.2 Check-in Calls

As part of the kickoff meeting, the Kittelson team will also work with the City to determine the appropriate timing for ten (10) virtual City/consultant coordination meetings during the duration of the project. Coordination meetings will be scheduled around milestones such as deliverables, data collection and community workshops. For each meeting, Kittelson will develop meeting agendas in advance with information such as key points, a review of the project goals, and upcoming events or deliverables for review. Following each meeting, Kittelson will provide meeting notes to participants for their review and approval.

Task 5 Deliverables

- Kickoff meeting agenda and minutes
- Data request memo
- City/Consultant coordination meeting agendas and minutes

Accepted for:

Rangwala Associates

Signature

Print Name

Title

Date

Approved for:

Kittelson & Associates, Inc.

Signature

Print Name

Title

Date



Rangwala Associates

December 15, 2022

Joseph A. Palombi,
Director of Planning & Community Development
1600 W. Beverly Blvd.
Montebello, CA 90640

Ref: Proposal for Bike Master Plan and Budget Adjustment for the General Plan Update

Dear Mr. Joseph Palombi,

We are pleased to submit a proposal to prepare Bike Master Plan (Part 1). Also included is a budget adjustment to complete the outstanding General Plan and Downtown Specific Plan related tasks (Part 2).

PART 1: The Bike Master Plan

The Bike Master Plan will be developed by Kittelson and Associates, Inc. Please see attached scope and budget for Bike Master Plan.

Budget: \$139,195.

PART 2: General Plan, Housing Element, Downtown Specific Plan, & CEQA Budget Adjustment

Mandatory changes in legislation related to the Housing Element Update and General Plan has added to the scope and budget of the project. For example: the AFFH Analysis with its extensive data and mapping analysis and multiple HCD reviews were time sensitive tasks that were carried out while exhausting funds allocated to carry out other General Plan and Downtown Plan tasks.

Following are lists of tasks carried out without allocated funds:

A) Affirmatively Furthering Fair Housing Analysis for Hsg Element (AFFH Analysis)

In April 2021, the State Housing and Community Development Department released a 96-page AFFH Guidebook on the various requirements of AB 686 that expands and protects Montebello's duty to affirmatively further fair housing. Compliance required specific and equitable outreach; assessment of existing Fair Housing elements including existing segregation and inclusion trends and practices; evaluation of development sites inventory and their potential

to meet housing needs to replace segregation patterns; and programs that remediate identified fair housing issues and/or further promote fair housing. Each component required extensive research, analysis, recommendations, and documentation. The AFFH Analysis was not part of the original Housing Element scope. Funds for AFFH analysis were drawn from later task items such as preparation of Draft General Plan and Downtown Specific Plan documents that are yet to be carried out.

Budget: \$72,145

B) Multiple Rounds of Edits from HCD

The State Housing and Community Development Department provided iterative and multiple rounds of written and verbal review, each generating additional documentation and analysis. Multiple drafts were generated for State review.

Budget: \$14,125

C) Housing Element CEQA Review

The original scope was to prepare a single Project level Environmental Impact Review (EIR) Documentation for the General Plan, Housing Element, and Downtown Specific Plan. Since the Housing Element had a more immediate deadline from the State HCD, a separate Initial Study-Negative Declaration (IS-ND) was prepared.

Funds for IS-ND were drawn from later task items such as preparation of EIR for General Plan and Downtown Specific Plan documents that are yet to be carried out.

Budget: \$10,500

D) Address AB 747 & SB 99

Assembly Bill (AB) 747, passed in August of 2019, requires Montebello to update the Safety Element of their General Plan to identify evacuation routes and assess the capacity, safety, and viability of those routes under a range of emergency scenarios. Senate Bill (SB) 99 similarly requires Montebello to identify residential developments in hazard areas that do not have at least two emergency evacuation routes. Authoritative state guidance has not yet been developed to determine the type and level of analysis needed under AB 747 and SB 99. Therefore, for the General Plan Update we will conduct a simple analysis that identifies residential developments without sufficient evacuation routes, and evaluates the efficacy of existing evacuation routes under various hazard scenarios in compliance with these two statutes.

Budget: \$7,580

E) Project Meetings with staff and stakeholders

The General Plan and Housing Element update and the Downtown Specific Plan has required more community outreach and meetings with staff and stakeholders than originally scoped for the project. To keep the project on track, with staff consent, funds for the additional outreach and meetings have been drawn from tasks further down the timeline that are yet to be completed.

The City has also expressed interest in two additional joint workshops with the Planning Commission and City Council: the first workshop to review the projected growth numbers and location prior to initiating EIR documentation; and a second workshop prior to the adoption hearing to review all the draft planning documents.

Budget: \$14,455

F) Continued Website Maintenance

The project timeline has been extended due to COVID and the need to address multiple legislative mandates. As a result, domain registration renewal, website hosting and security scanner, and content management for the project website will need to be extended for an additional year.

Budget: \$2,000

We are pleased to have continued opportunity for this important project. We are looking forward to your response and encourage you to contact us with any questions.

Respectfully and enthusiastically,



Kaizer Rangwala, AICP, CECD, CNU-A
Principal, Rangwala Associates

Attachment: Kittelson's Scope and Budget for Bike Master Plan



ITEM # 18

**CITY OF MONTEBELLO
CITY COUNCIL AGENDA STAFF REPORT**

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Joseph Palombi, Director of Planning & Community Development

SUBJECT: APPROVAL OF AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT NO. 3858 WITH ADVANCED AVANT-GARDE COMPANY FOR AS-NEEDED HOUSING CONSULTING SERVICES AND APPROVE ISSUING A REQUEST FOR PROPOSALS FOR FUTURE AS-NEEDED PROFESSIONAL SUPPORT SERVICES FOR THE ADMINISTRATION OF HOME/CDBG PROGRAMS

DATE: April 10, 2023

RECOMMENDATION(S):

It is recommended that the City Council:

1. Approve Amendment No. 1 to Professional Services Agreement No. 3858 between the City of Montebello and Advanced Avant-Garde Company ("Avant-Garde") to provide as-needed housing consulting services; and
2. Authorize the City Manager and/or his designee to execute Amendment No. 1 to Professional Services Agreement No. 3858 between the City and Avant-Garde to provide housing consulting services as needed; and
3. Approve issuing a Request for Proposals ("RFP") for as-needed professional support services for the administration of HOME/CDBG programs; and
4. Take such additional, related action that may be desirable.

FISCAL IMPACT:

The proposed Amendment No. 1 to Agreement No. 3858 is intended to provide a one-year extension pursuant to Section 3 (Term) of Professional Services Agreement No. 3858 (dated February 24, 2021) with a one-time allocation of \$72,160 which will be funded using the annual administrative allocations provided through HUD's CDBG and HOME funds as part of the approved Fiscal Year 2022-23 budget. There is sufficient budget appropriations for administrative support in the CDBG (Fund 255) and HOME (Fund 260) accounts, therefore no budget adjustment is needed for the current fiscal year. Any expenses related to a new professional services agreement will be funded using administrative allocations provided through CDBG and HOME funds and will be included in the

FY 2023-24 budget.

BACKGROUND/DISCUSSION:

On December 21, 2020, staff issued a Request for Proposals (RFP) for professional support for the administration of HOME/CDBG programs.

On February 24, 2021, the City approved Professional Services Agreement No. 3858 between the City of Montebello and Avant-Garde for a two-year term with a not-to-exceed amount of \$130,220. Section 3 of the Agreement allows for a one-year extension. As such, Avant-Garde has requested to exercise its option to extend the Agreement for an additional one (1) year period. At this time, staff is requesting that the City Council allocate funds in the amount of \$72,160 to cover the projected cost proposal associated with this request based on the needs of the Planning and Community Development Department/Housing Division.

Each year the United States Department of Housing and Urban Development ("HUD") provides funding for Housing and Community Development Programs to the City, specifically Community Development Block Grant ("CDBG") and Home Investment Partnerships ("HOME") Program funds.

An RFP will be issued by the Planning and Community Development Department seeking a qualified consulting firm who can help with the administration and implementation of the Community Development Block Grant ("CDBG") Program and HOME Investment Partnership ("HOME") Grant Program for the City for subsequent years. The RFP will be made available on the city's website through the Planet Bids portal.

ENVIRONMENTAL:

Pursuant to the California Environmental Quality Act (CEQA), this project is exempt from CEQA under the commonsense rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Because it can be seen with certainty that there is no possibility that the proposed amendment will have a significant effect on the environment, the Project is not subject to CEQA pursuant to State CEQA Guidelines Section 15061(b)(3).

ANALYSIS:

The City's Housing Division currently operates with two full-time staff members consisting of a Housing Manager and Senior Management Analyst. The continuation of as-needed consulting services is important to ensure that staff has the support necessary to comply with the requirements and regulations established by HUD for the CDBG/HOME programs.

Pursuant to Section 3 of Agreement No. 3858, Avant-Garde will continue to provide program monitoring and funding compliance services for the HOME and CDBG programs through February 2024 unless terminated earlier as stipulated in the agreement. If approved, Avant-Garde will be available to assist City staff to ensure that the program objectives are met. Avant-Garde is committed to working with the city on an as-needed basis and does not bill for work not performed. Avant-Garde has established a projected budget based on the current needs identified by City staff. Based upon the proposed scope of work, Avant-Garde has agreed to a "not to exceed amount" of \$72,160 for Amendment No. 1. This Amendment will be funded by administrative allocations

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provided through CDBG and HOME funds.

Below is a cost breakdown of the additional services:

City of Montebello - Cost Proposal							
Tasks	Program Director		Program Manager		Program Assistant		Total
	Hours	Rate \$125	Hours	Rate \$105	Hours	Rate \$75	Cost
Community Development Block Grant Program	104	\$13,000	52	\$5,460	312	\$23,400	\$41,860.00
Home Program	96	\$12,000	60	\$6,300	160	\$12,000	\$30,300.00
Sub-Totals	200	\$25,000.00	112	\$11,760.00	472	\$35,400.00	\$72,160.00
Hours may be interchanged amongst staff based on the needs identified and availability of City funds							
No additional costs will be billed to the City, such as travel, duplication of materials, binding, mailing etc.							

SUMMARY:

Staff is recommending approval of a one-year extension to Agreement #3858 with Avant-Garde, Inc. to perform as-needed CDBG/HOME administrative and related services in a not-to-exceed amount of \$72,160; and approve issuing a RFP for as-needed professional support services for the administration of HOME/CDBG programs.

ATTACHMENT(S)

1. Attachment A - Amendment No.1 to Professional Services Agreement No. 3858
2. Attachment B - Professional Services Agreement No. 3858
3. Attachment C - RFP for Housing Consulting Services (03-30-2023)

NEXT STEPS:

N/A

CITY OF MONTEBELLO

AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT NO. 3858 PROFESSIONAL SERVICES AGREEMENT BETWEEN THE CITY OF MONTEBELLO AND ADVANCED AVANT-GARDE COMPANY

This Amendment No. 1 to the Professional Services Agreement ("Amendment No. 1"), is made and entered into on April 10, 2023, and retroactively effective as of February 24, 2023, by and between the City of Montebello, a municipal corporation ("City"), and Advanced Avant-Garde Corporation, a California corporation (C2469855) ("Contractor"). City and Contractor are sometimes hereinafter individually referred to as a "Party" and collectively referred to as "Parties."

RECITALS

WHEREAS, the City desires to extend the agreement of the professional contractor which provides Professional Support Services for the Administration of CDBG/HOME Programs in the City of Montebello; and

WHEREAS, on January 18, 2023, the City received a Request for Contract Extension by Advanced Avant-Garde Company; and

WHEREAS, by exercising the Contract Extension option, the City is able to continue to receive professional support services for the administration of CDBG/HOME programs for up to an additional year; and

WHEREAS, on February 24, 2021, the City executed Contract No. 3858 with Advanced Avant-Garde, ("Agreement") attached hereto as Exhibit "A" and made a part to this Amendment No. 1, to provide Professional Support Services for the Administration of CDBG/HOME Programs in an amount not to exceed a total of One Hundred Thirty Thousand, Two-Hundred Twenty Dollars (\$130,220);

WHEREAS, on April 12, 2023, the City Council allocated an additional Seventy-Two Thousand and One Hundred and Sixty Dollars (\$72,160) to cover the extension based on the needs of the department, bringing the aggregate total of the Agreement and Amendment No. 1 to a total sum of Two Hundred Two Thousand, Three Hundred and Eighty Dollars (\$202,380). The term of this funding will be retro-active as of February 24, 2023 and is expected to be utilized by February 24, 2024.

NOW, THEREFORE, THE PARTIES HERETO AGREE AS FOLLOWS:

1. MODIFICATION TO AGREEMENT.

- a. **COMPENSATION.** The amount of compensation paid by City to Contractor for the additional services as identified in Attachment "B" shall not exceed the sum of **Seventy-Two Thousand and One Hundred and Sixty Dollars (\$72,160)**, bringing the aggregate total of the Agreement and Amendment No. 1 to a total sum of Two Hundred Two Thousand, Three Hundred and Eighty Dollars (\$202,380).

AMENDMENT NO. 1 TO AGREEMENT NO. 3858

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- b. **TIME OF PERFORMANCE.** The time of performance for Advanced Avant-Garde, will be retro-active and will be extended from February 24, 2021, to February 24, 2024.

2. **EFFECT OF AMENDMENTS.** Except as expressly amended herein, all other terms and conditions of the Agreement and its Amendments, Attachments, and Exhibits thereto, shall remain in full force. All of the recitals to this Amendment No. 1 are incorporated into the Agreement as modified by this Amendment No. 1. City reserves the right to augment or reduce the scope of work as the City deems necessary.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment No. 1 to be executed and attested by their respective officers hereunto duly authorized.

CITY OF MONTEBELLO:

By: _____
René Bobadilla, City Manager

Dated: _____

ADVANCED AVANT-GARDE COMPANY:

By: _____
Ana Marie LeNoue, President//CEO

Dated: _____

ATTEST:

By: _____
Christopher Jimenez, City Clerk

CITY OF MONTEBELLO
PROFESSIONAL SERVICES AGREEMENT NO. 3858
BY AND BETWEEN
CITY OF MONTEBELLO
AND
ADVANCED AVANT-GARDE COMPANY

THIS AGREEMENT ("Agreement") is made and entered into on February 24, 2021, by the CITY OF MONTEBELLO, a municipal corporation (hereinafter referred to as "CITY") and Advanced AVANT-GARDE Corporation, a California corporation (C2469855) (hereinafter referred to as "CONTRACTOR"). CITY and CONTRACTOR are sometimes referred to herein individual as the "Party," and jointly as the "Parties."

RECITALS

WHEREAS, CITY desires to retain a qualified professional contractor to provide Professional Support Services for the Administration of HOME/CDBG Programs in the CITY; and

WHEREAS, CONTRACTOR represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

NOW THEREFORE, in consideration of performance by the Parties of the covenants and conditions herein, the Parties hereto agree as follows:

SECTION 1. SERVICES / COMPENSATION.

A. All terms, conditions, requirements, and provisions of the Request for Proposals for Professional Support Services for the Administration of HOME/CDBG Programs in the City of Montebello's, December 21, 2020), Request for Proposals No. 21-24 ("RFP 21-24"), as such is set forth fully in **Exhibit "A"** hereto, are hereby incorporated fully herein by this reference and shall be binding on the Parties. To the extent of a conflict between the terms of this Agreement and that set forth in any exhibits or attachments hereto, the terms of this Agreement shall govern.

B. CONTRACTOR shall provide to CITY all labor, equipment, materials and incidentals necessary to provide Professional Support Services for the Administration of HOME/CDBG Program services as set forth fully in RFP 21-24 and CONTRACTOR's January 21, 2021 proposal in response to RFP 21-24, as such is set forth fully in **Exhibit "A"** hereto and incorporated fully herein by this reference (hereinafter "Professional Services").

C. CONTRACTOR shall be compensated for performance of the Professional Services as set forth in the Schedule of Compensation attached hereto as **Exhibit "B"** and incorporated fully herein by this reference ("Compensation") in an amount not-to-exceed One Hundred Thirty Thousand, Two-Hundred Twenty Dollars and 00/100 Cents (\$130,220) over the course of the two (2) year term defined below. CONTRACTOR shall provide an itemized billing statement to the CITY each month for Professional Services performed. CONTRACTOR shall not incur fees or costs which exceed the Compensation without the prior written consent of the CITY.

SECTION 2. INCORPORATION OF RECITALS AND CONTRACT DOCUMENTS

The above-referenced Recitals constitute a material part hereof, and shall hereby be incorporated by reference. Moreover, this Agreement consists of the following documents, in order of precedence, all of which are incorporated herein and made part of this Agreement, as though fully set forth herein:

- A. This Agreement, including any and all addenda or supplemental agreements.
- B. RFP No. 21-24
- C. CONTRACTOR's Proposal dated January 21, 2021
- D. All other documents, including but not limited to all required bonds, insurance certificates, permits, notices, schedules, forms, certifications, and affidavits.

These documents shall be collectively referred to herein as the "Contract Documents." In the event of a conflict among the Contract Documents, the order of precedence shall be as set forth above.

SECTION 3. TERM.

This Agreement shall commence upon issuance of the Notice to Proceed by the City ("Effective Date") and shall expire two (2) years from the Effective Date, unless terminated earlier as hereinafter provided. This Agreement may be extended for up to one (1), one-year extension upon such terms and conditions mutually agreed upon by the Parties in writing.

SECTION 4. PERFORMANCE.

- a. CONTRACTOR shall at all times, faithfully, competently, and to the best of its ability, experience and talent, perform all tasks described herein.
- b. CONTRACTOR shall employ, at a minimum, generally accepted standards and practices utilized by companies engaged in providing similar services, as are required of Contractor hereunder, in meeting its obligations under this Agreement.
- c. CONTRACTOR shall be knowledgeable of and subject to all CITY ordinances, rules and regulations, standard operating procedures, and the supervisory chain of command.
- d. CONTRACTOR shall have the right to retain, subject to CITY's approval, additional individuals, consultants or subcontractors to assist in the completion of services as herein defined. Compensation for additional individuals, consultants or subcontractors shall be the sole and exclusive responsibility of CONTRACTOR.
- e. CONTRACTOR shall retain all original reports, field and office notes, correspondence, calculations, maps, and other documents specifically related to the services provided by CONTRACTOR pursuant to this Agreement, other than documents which are exempt from disclosure pursuant to the attorney-client privilege or any other law. Said documents shall be made available for inspection by the CITY upon request.

SECTION 5. WORK PRODUCT.

a. CONTRACTOR hereby agrees that all work product produced pursuant to this Agreement, and provided to CITY during and upon completion of this Agreement, shall be the property of the CITY, and ownership of said work product shall be retained by the CITY. CONTRACTOR may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by CONTRACTOR.

b. All data, documents, discussion, or other information developed or received by CONTRACTOR or provided for performance of this Agreement are deemed confidential and shall not be disclosed by CONTRACTOR without prior written consent by the CITY. The CITY shall grant such consent if disclosure is legally required. All such written products shall be returned to the CITY upon the termination or expiration of this Agreement. CONTRACTOR agrees that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

SECTION 6. EXTRA SERVICES.

No extra services over and above the Compensation shall be rendered by CONTRACTOR under this Agreement unless such extra services first shall have been duly authorized in writing by the CITY's City Manager ("City Manager").

SECTION 7. CITY SUPERVISION.

The City Manager shall have the right of general supervision of all work performed by CONTRACTOR and shall be CITY's agent with respect to obtaining CONTRACTOR's compliance hereunder. No payment for services rendered under this Agreement shall be made without the prior approval of the City Manager.

SECTION 8. TERMINATION.

In the event that either Party hereto fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, the non-defaulting party shall give the defaulting party written notice of the default, the nature of the default, and of the steps necessary to cure the default.

a. **Termination for Cause.** In the event that any of the provisions of the Agreement are violated by either party, the non-defaulting Party may terminate the Agreement by serving written notice upon the other Party, listing the violation(s) and its intent to terminate such Agreement unless within ten (10) days after the serving of such notice, such violation shall cease or be rectified, the contract shall upon the expiration of an additional thirty (30) days cease and terminate. Violations by Contractor which cannot be corrected within ten (10) days, said contract shall at the option of the City cease and terminate upon the giving of like notice. In the event of any such termination for default by Contractor, the City may take over the work and prosecute the same to completion by contract or otherwise for the account and at the expense of the Contractor. The Contractor and his sureties shall be liable to the City for any excess cost occasioned in the event of any such termination. This change shall not be construed to prevent the termination, for other causes authorized by law or other provisions of this contract. In the event of a termination for cause, CONTRACTOR shall only be entitled to the Compensation for those Professional Services satisfactory performed on or before the effective date of termination.

b. **Termination for Convenience.** The CITY shall have the option, at its sole

discretion and without cause, to terminate this Agreement in whole, or in part, by giving ten (30) business days' written notice to CONTRACTOR. Upon the termination of this Agreement as provided herein, the CITY shall provide to CONTRACTOR the part of Compensation which would otherwise be payable to CONTRACTOR for services CONTRACTOR had completed as of the date of termination, less the amount of all previous payment with respect to the Compensation. Further, upon such a termination for convenience by CITY, the Parties agree that CONTRACTOR shall be reimbursed for any "non-refundable" costs that CONTRACTOR has incurred for its services under this Agreement, provided that: (1) such "non-refundable" costs were incurred by the CONTRACTOR prior to the date of termination, and (2) that CONTRACTOR provides the CITY with adequate proof that CONTRACTOR incurred the costs, and is unable to seek a refund for such costs. Such "non-refundable" costs may include, but are not limited to, travel reservations incurred by CONTRACTOR for its performance of services under this Agreement. CONTRACTOR agrees to cease all work under this Agreement on or before the effective date of any notice of termination.

SECTION 9. EMPLOYMENT OF CITY EMPLOYEES.

No regular employee of CITY shall be employed by CONTRACTOR during the term of this Agreement.

SECTION 10. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES.

No official or employee of CITY shall be personally liable to CONTRACTOR in the event of any default or breach by CITY, or for any amount which may become due to CONTRACTOR.

SECTION 11. INDEPENDENT CONTRACTOR.

a. CONTRACTOR is and shall, at all times, remain as to CITY a wholly independent contractor. Neither CITY nor any of its elected officials, officers, employees or agents shall have control over the conduct of CONTRACTOR except as expressly set forth in this Agreement. CONTRACTOR shall not at any time or in any manner represent that he is in any manner an elected official, officer, employee or agent of CITY. No employee benefits shall be available to CONTRACTOR in connection with the performance of this Agreement. Except as provided in this Agreement, CITY shall not pay salary, wages, or other compensation to CONTRACTOR for performance hereunder for CITY, CITY shall not be liable for compensation to CONTRACTOR, CONTRACTOR's employees or CONTRACTOR'S subcontractors for injury or sickness arising out of performing services hereunder.

b. The parties further acknowledge and agree that nothing in this Agreement shall create or be construed to create a partnership, joint venture, employment relationship or any other relationship except as set forth in this Agreement.

c. CITY shall not deduct from the Compensation paid to CONTRACTOR any sums required for Social Security, withholding taxes, FICA, state disability insurance or any other federal, state or local tax or charge which may or may not be in effect or hereinafter enacted or required as a charge or withholding on the compensation paid to CONTRACTOR. CITY shall have no responsibility to provide CONTRACTOR, its employees or subcontractors with workers' compensation insurance or any other insurance.

SECTION 12. PERS ELIGIBILITY INDEMNITY.

a. In the event that CONTRACTOR or any employee, agent, or subcontractor of CONTRACTOR providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of CITY, CONTRACTOR shall indemnify, defend, and hold harmless CITY for the payment of any employee and/or employer contributions for PERS benefits on behalf of CONTRACTOR or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of CITY.

b. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, CONTRACTOR and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by CITY, including but not limited to eligibility to enroll in PERS as an employee of CITY and entitlement to any contribution to be paid by CITY for employer contribution and/or employee contributions for PERS benefits.

SECTION 13. LEGAL RESPONSIBILITIES.

CONTRACTOR shall at all times observe and comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments including, but not limited to the Montebello Municipal Code. CITY, and its appointed or elected officers, employees, or agents, shall not be liable at law or in equity occasioned by failure of CONTRACTOR to comply with this section.

SECTION 14. INDEMNIFICATION.

CONTRACTOR agrees to, and shall defend, indemnify, protect and hold harmless, the CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers from and against any and all claims, demands, lawsuits, defense costs, civil, penalties, expenses, causes of action, and judgments at law or in equity, or liability of any kind or nature which the CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers may sustain or incur or which may be imposed upon them for injuries or deaths of persons, or damage to property arising out of CONTRACTOR'S negligent or wrongful act, or omission under the terms of this Agreement, except only liability arising out of the sole negligence of the CITY.

SECTION 15. INSURANCE COVERAGE.

During the term of this Agreement, CONTRACTOR shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with CONTRACTOR'S performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

- **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed operations, personal injury and advertising injury, with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, the limit shall be twice the required occurrence limit.

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

- **Worker's Compensation** insurance as required by the laws of 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.

- **Professional Liability** insurance appropriate to the CONTRACTOR'S profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

If CONTRACTOR maintains higher limits than the minimums shown above, the CITY requires and shall be entitled to coverage for the higher limits maintained by the CONTRACTOR.

CONTRACTOR shall require each of its subcontractors, if any, to maintain insurance coverage that meets all of the requirements of this Agreement.

The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a current rating of at least A:VII in the latest edition of Best's Insurance Guide.

Each insurance policy required above shall state that coverage shall not be canceled, except after thirty (30) days' prior written notice (ten (10) days for non-payment) has been given to CITY. CONTRACTOR agrees that if it does not keep the aforesaid insurance in full force and effect CITY may either (i) immediately terminate this Agreement for Cause; or (ii) take out the necessary insurance and pay, at CONTRACTOR'S expense, the premium thereon.

At all times during the term of this Agreement, CONTRACTOR shall maintain on file with CITY's Risk Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming CITY as an additional insured. CONTRACTOR shall, prior to commencement of work under this Agreement, file with CITY's Risk Manager such certificate(s).

CONTRACTOR shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.

The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming CITY, its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to CITY. CONTRACTOR agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

The insurance provided by CONTRACTOR shall be primary to any coverage available to CITY. Any insurance or self-insurance maintained by CITY, its officers, employees, agents or volunteers, shall be in excess of CONTRACTOR'S insurance

and shall not contribute with it.

All insurance coverage provided pursuant to this Agreement shall not prohibit CONTRACTOR, and CONTRACTOR'S employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. CONTRACTOR hereby waives all rights of subrogation against CITY.

Any deductibles or self-insured retentions must be declared to and approved by CITY. At the option of CITY, CONTRACTOR shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CONTRACTOR shall procure a bond guaranteeing payment of losses and expenses.

Procurement of insurance by CONTRACTOR shall not be construed as a limitation of CONTRACTOR'S liability or as fall performance of CONTRACTOR'S duties to indemnify, hold harmless and defend under Section 10 of this Agreement.

SECTION 16. SUBCONTRACT, ASSIGNMENT OR DELEGATION.

CONTRACTOR shall not subcontract, delegate or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY. Any proposed subcontract, delegation, or assignment shall provide a description of the services to be covered, identification of the proposed sub-contractor, delegee, or assignee, and an explanation of why and how the same was selected, including the degree of competition involved.

Any subcontract, delegation or assignment shall be made in the name of CONTRACTOR and shall not bind or purport to bind CITY and shall not release CONTRACTOR from any obligations under this Agreement including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegees or sub-contractors. No such subcontract, delegation or assignment shall result in any increase in the amount of total compensation payable to CONTRACTOR under the Agreement.

SECTION 17. NO WAIVER.

Waiver by any party hereto of any term, condition or covenant of this Agreement shall not constitute the waiver of any other term, condition or covenant hereof.

SECTION 18. DISPUTE RESOLUTION; GOVERNING LAW.

Disputes regarding the interpretation or application of any provision(s) of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Parties. If any action at law or in equity is brought to enforce this Agreement or because of alleged dispute, breach, default or misrepresentation in connection with the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, expert fees, costs and necessary disbursements incurred in that action or proceeding, in addition to such other relief as may be sought and awarded. The venue for any litigation shall be County of Los Angeles, California. The Parties agree that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

SECTION 19. ATTORNEY'S FEES AND COSTS.

If litigation is reasonably required to enforce or interpret the provisions of this Agreement, the prevailing party in such litigation shall be entitled to an award of reasonable attorney's fees and costs in addition to any other relief to which it may be entitled.

SECTION 20. WARRANTIES.

Each of the parties represents and warrants to one another as follows:

- a. It has received independent legal advice from its attorneys with respect to the advisability of entering into and executing this Agreement;
- b. In executing this Agreement, it has carefully read this Agreement, knows the contents thereof, and has relied solely on the statements expressly set forth herein and has placed no reliance whatsoever on any statement, representation, or promise of any other party, or any other person or entity, not expressly set forth herein, nor upon the failure of any other party or any other person or entity to make any statement, representation or disclosure of *any* matter whatsoever; and
- c. It is agreed that each party has the full right and authority to enter into this Agreement, and that the person executing this Agreement on behalf of either party has the full right and authority to fully commit and bind such party to the provisions of this Agreement.

SECTION 21. MISCELLANEOUS.

- a. The descriptive paragraph headings of this Agreement are included for purposes of convenience only and shall not control or affect the construction of interpretation of any of its provisions.
- b. Whenever the context hereof shall so require, the singular shall include the plural, the male gender shall include the female gender, and the neuter and vice versa.
- c. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.
- d. The representations and warranties made by the parties to this Agreement shall survive the consummation of the transaction herein described.
- e. This Agreement may be signed in any one or more counterparts all of which taken together shall be but one and the same Agreement. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by facsimile transmission, shall for all purposes be treated as if it were delivered containing an original manual signature of the party whose signature appears in the facsimile and shall be binding upon such party in the same manner as though an originally signed copy had been delivered.
- f. Each of the parties acknowledges that it has been represented by independent counsel of its own choosing, or if it has not been so represented, it has been admonished to obtain independent counsel and has freely and voluntarily waived and relinquished the right to counsel. Each party who has not obtained independent counsel acknowledges that the failure to have independent legal counsel will not excuse such party's failure to perform under this Agreement or any agreement referred to in this Agreement.

SECTION 22. NOTICE.

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided. All notices, demands, requests, or approvals hereunder shall be given to the following addresses or such other addresses as the Parties may designate by written notice:

CITY: Joseph Palombi
Director of Planning and Community Development
Planning and Community Development Department
City of Montebello
1600 West Beverly Boulevard
Montebello, California 90640
E-mail: jpalombi@cityofmontebello.com

CONTRACTOR: Ana Marie LeNoue
President/CEO
3670 W. Temple Ave., Suite 278
Pomona, CA 91768
E-mail: alenoue@agi.com.co

SECTION 23. NON-DISCRIMINATION AND EQUAL OPPORTUNITY EMPLOYER.

In the performance of this Agreement, CONTRACTOR shall not discriminate against any employee, sub-contractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, mental condition or sexual orientation. CONTRACTOR will take affirmative action to ensure that sub-contractor and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

SECTION 24. CONFLICT OF INTEREST.

CONTRACTOR covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by CONTRACTOR under this Agreement, or which would conflict in any manner with the performance of its services hereunder. CONTRACTOR further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, CONTRACTOR shall avoid the appearance of having any interest that would conflict in any manner with the performance of its services pursuant to this Agreement.

CONTRACTOR covenants not to give or receive any compensation, monetary or otherwise, to or from the ultimate vendor(s) of services to CITY as a result of the performance of this Agreement, or the services that may be procured by the CITY as a result of the recommendations made by CONTRACTOR. CONTRACTOR's covenant under this section shall survive the termination of this Agreement.

SECTION 25. ENTIRE AGREEMENT.

This Agreement contains the entire understanding between the CITY and

CONTRACTOR. Any prior agreements, promises, negotiations or representations not expressly set forth herein are of no force or effect. Subsequent modifications to this Agreement shall be effective only if in writing and signed by each party. If any term, condition or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall be valid and binding.

CITY OF MONTEBELLO



René Bobadilla
City Manager

Dated: 3/4/2021

CONTRACTOR



Ana Marie LeNoue
President/CEO

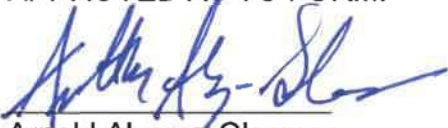
Dated: 3/9/2021

ATTEST:



Christopher Jimenez
City Clerk

APPROVED AS TO FORM:



Arnold Alvarez-Glasman
City Attorney

Exhibit "A"
**Request for Proposals for Professional Support Services for the
Administration of HOME/CDBG Programs**

CITY OF MONTEBELLO



REQUEST FOR PROPOSALS (RFP) FOR PROFESSIONAL SUPPORT SERVICES FOR THE ADMINISTRATION OF HOME/CDBG PROGRAMS RFP NO. 21-24

Closing Date and Time: January 21, 2021 by 3:00 p.m.

Submittal Information: All proposals shall be submitted electronically via Planet Bids, which can be accessed via the City website <http://www.cityofmontebello.com/rfp-bids/bid-opportunities.html>.

Contact Person: Joseph Palombi, Director Planning & Community Development
(323) 887-1200 or via E-mail at ipalombi@cityofmontebello.com

I. INVITATION

Through this Request for Proposal ("RFP") and evaluation process, the City of Montebello is seeking qualified consultant(s) to provide professional support services associated with the administration and implementation of the City's Federal Grant Programs. Montebello, as an Entitlement City, is an annual recipient of the Community Development Block Grant ("CDBG") and HOME Investment Partnerships ("HOME") Program funds from the U.S. Department of Housing and Urban Development ("HUD").

The City receives approximately \$600,000 in CDBG and \$250,000 in HOME funds each year.

II. BACKGROUND

The City of Montebello ("City" or "Montebello") is a general law city in Los Angeles County, California. Montebello is located in the southwestern region of the San Gabriel Valley, 8 miles east of Downtown Los Angeles. The City is surrounded by the City of Rosemead and unincorporated County areas to the north; by the Whittier Narrows Dam Recreation Area and Pico Rivera to the east; by Pico Rivera and Commerce to the

South; and by Commerce and unincorporated East Los Angeles to the west. According to the United States Census Bureau, as of July 1, 2016, the City has an estimated population of approximately 63,335.

III. OBJECTIVE

It is the objective of this RFP to solicit proposals from qualified and interested professional consultants to provide professional support services for the administration and implementation of the City's Federal Grant Programs (CDBG/HOME funds).

IV. CITY ROLE

City staff will be responsible for the following items with general guidance from selected consultant(s):

- HUD Program Management
- IDIS management, flagged items, program set up, program income
- Annual preparation of Consolidated Annual Performance and Evaluation Report, Annual Action Plan
- Periodic update of policies and procedures, guidelines
- Staff reports, resolutions, presentations
- Prepare environmental reviews
 - Consultant should have familiarity with NEPA and other Federal and State environmental laws that may impact programs
- Prepare Public Service Agreements/MOUs
- Budget preparation
- Maintain project files and checklists
- Respond to HUD letters/correspondence
- Conduct required program monitoring: Public Services Quarterly Reports, Annual Public Services On-Site Monitoring
- Prepare for and participate in HUD monitoring/audit

V. SCOPE OF SERVICES

Under general direction from the Director of Planning and Community Development, and designated staff, the selected consultant(s) will be tasked to assist and provide support as needed for management and related functions to successfully execute the projects/programs that are funded with CDBG/HOME funds including, but not limited to the following:

- CDBG/HOME Loan reconciliation
- Verify funded projects meet Federal Eligibility in accordance with HUD Section 24 of the Code of Federal Regulations
- Awareness of Federal Labor Standards (Prevailing wages/timesheets/Davis Bacon compliance and monitoring)
- Collect and verify program eligibility as it relates to CDBG and HOME funded projects
- Housing Rehabilitation Program Management

- Income qualification
- Field Inspection
- Community Engagement
- Prepare loan/grant documents
- Contractor Packets – (Bid documents)
- CHDO Project Management
- Coordinate with CHDO entity for the development of affordable housing
- Provide technical assistance in evaluating affordable housing projects, including maximum subsidy per unit, underwriting requirements, and subsidy layering

Proposed projects for Fiscal Year (FY) 2020-2021

#	Project Name	Funding
1	Southern California Housing rights Center (HRC)	CDBG Admin
2	Section 108 Loan Payment	CDBG
3	Public Facilities Improvements	CDBG
4	Street Improvements	CDBG
5	Montebello Senior Center Improvements	CDBG
6	Planning and Administration CDBG	CDBG Admin
7	Housing Rehabilitation and Preservation Program (HRPP)	HOME
8	Acquisition and New Construction	HOME
9	Planning and Administration HOME	HOME Admin
10	Montebello Community Assistance Program (MCAP)	CDBG-CV
11	Rental/Utility Assistance (MCAP)	CDBG-CV
12	Mortgage Relief Counseling (MCAP)	CDBG-CV
13	YMCA Montebello/Commerce	CDBG-CV
14	Mexican American Opportunity Foundation (MAOF)	CDBG-CV
15	Hearts of Compassion (HOC)	CDBG-CV
16	Senior Food Distribution (Parks and Rec)	CDBG-CV
17	Business Assistance – CCEDA	CDBG-CV
18	CDBG-CV Program Administration	CDBG-CV Admin

Total funding available for FY 2020-21:

CDBG Funds:	\$ 1,559,441
HOME Funds:	\$ 402,108
CDBG-CV Funds:	\$ 910,152

VI. LENGTH OF CONTRACT

The contract for CDBG and HOME professional support services will be for a two-year term with the option to extend for an additional one-year term at the sole and absolute discretion of the City.

VII. CITY'S RESPONSIBILITY

Upon awarding of the contract, the City shall provide the selected consultant(s) with any pertinent ordinances and resolutions or any other information mutually agreed upon that will assist the consultant with completion of the contract requirements.

VIII. PROPOSAL CONTENT/FORMAT

In order to maintain uniformity with all proposals submitted, it is requested that the consultant's proposal include the following minimum information:

1. Cover letter that serves as an executive summary of the proposal limited to no more than three (3) pages. The letter should include your firm's understanding of the work to be performed. In addition, state why your firm believes itself to be the best qualified to perform the services requested. Also, state the Management Contact (name and title of the representative authorized to sign an agreement for your firm) and Project Manager (name and title of the person responsible for day to day management of the project).
2. Experience and qualifications of the consultant and management team, including a description of relevant similar projects. The City reserves the right to reject any of the firm's consultants or management team. After the proposal deadline, substitution of consultants and management team may only be made with the permission of the City.
3. A reference list of at least three (3) other public agencies that the consultant currently provides HUD support services to, include contact person's name and phone number.
4. A list of any pending or previous litigation over the past five (5) years related to your firm's work, and the outcome of any closed claims or cases.
5. Total annual project costs and hours to the City, including a breakdown of costs by task and hourly rate.

The consultant acknowledges that submittal of proposal constitutes acceptance of and a willingness to comply with all of the terms, conditions and criteria contained within this RFP. Proposals not in compliance with the terms and conditions contained herein may be cause for rejection. The City reserves the right to interpret or change any provision of this RFP at any time prior to the proposal submission due date. Such changes or interpretations will be in the form of an addendum.

IX. SELECTION CRITERIA

Proposals will be evaluated on the proposer's ability to provide services that meet the requirements set forth in this RFP. The City reserves the right to make such investigations as it deems necessary to determine the ability of the proposer to provide services meeting a satisfactory level of performance in accordance with the City's requirements. The proposer shall furnish such information and data for this purpose as the City may request, at no cost to the City. Interviews and presentations by one, several, or all of the proposers submitting a proposal may be requested if deemed necessary to fully understand and evaluate the proposer's capabilities and qualifications.

The adequacy, depth, and clarity of the proposal will influence, to a considerable degree, its evaluation. The final selection of the consultants will be based on the following criteria:

- Cost as compared to related service requirements
- Proposal Personnel – The experience and qualifications of the proposed personnel and the consultants on similar projects. The availability of proposed personnel and overall consultant capabilities to meet additional needs of the City.
- Project Approach – The proposed project approach and services that the consultant is capable of providing and how the consultant's approach meets the needs of the City.
- Project Controls – The consultant's ability to control costs and provide accurate and timely invoices; to monitor and stay within budget; to monitor schedule and review times and the techniques used to complete projects within the proposed time frames.
- Applicant must have federal funded project management experience including:
 - a. Construction project management
 - b. Familiarity with City planning process
 - i. Securing necessary permits
 - ii. Onsite inspections
- Client References – Provide at least three (3) current references. The references should identify the client, a contact name and telephone number, a description of

the services provided. The City also reserves the right to contact the clients that terminated contracts with the consultants as listed in the consultant's submittal.

- Ability to comply with City's standard professional services agreement.
- Award will be in accordance with the provisions of the Montebello Municipal Code. The proposals may be reviewed individually by staff members. The finalists may be requested to provide the City with a presentation and/or oral interview. Based on information obtained through this process, staff will make the appropriate recommendation to City Council.

The award of a contract will be based on a combination of the aforementioned criteria and costs.

X. FEDERAL REQUIREMENTS

The services described in these provisions are to be funded through a grant provided by HUD. The successful consultant(s) ("Consultant") shall comply with all applicable terms and conditions prescribed by the Federal Government for third party contracts.

The Federal Government is not a party to this contract and has no obligations or liabilities to any consultant in connection with the performance of this project. The Consultant agrees to include this clause in each subcontract.

During the performance of this Contract, the Consultant agrees as follows:

1. Nondiscrimination - In accordance with Title VI of the Civil Rights Act, the Consultant agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability.
2. Equal Employment Opportunity - The following equal employment opportunity requirements apply to the underlying contract:
 - Race, Color, Creed, National Origin, Sex - The Contractor agrees to take affirmative action to ensure that applicants are employed and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.
3. Age - The Consultant agrees to refrain from discrimination against present and prospective employees for reason of age.
4. Disabilities - The Consultant agrees that it will comply with the requirements of the U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal

Employment Provisions of the Americans with Disabilities Act," 29 C.F.R. Part 1630, pertaining to the employment of persons with disabilities.

5. The Consultant also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by HUD, modified only if necessary to identify the affected parties.

The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

The parties to this contract agree to comply with HUD's regulations in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

The Consultant agrees to send to each labor organization or representative or workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

The Consultant agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The Consultant will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

The Consultant will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the Consultant's obligations under 24 CFR part 135.

Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

XI PROHIBITED INTEREST

No Council member, officer, or employee of the City of Montebello or of a local Public Body during his/her tenure or for one year thereafter shall have any interest, direct or indirect, in this contract or the proceeds thereof. If any such interest comes to the knowledge of any party at any time, a full and complete disclosure of all such information will be made in writing to the other parties, even if such interest would not be considered a conflict of interest under Article 4 of Chapter 1 of Division 4 of Title 1 (Sections 1090-1097) of the Government code of the State of California.

XII. GENERAL TERMS AND CONDITIONS

ADDENDA

Any changes made by the City to the requirements in this RFP will be made by written addenda. Any written addenda issued to this RFP shall be incorporated into the terms and conditions of any resulting Agreement. The City will not be bound by any modifications to or deviations from the requirements outlined in this RFP as the result of oral instructions. The City reserves the right to revise or withdraw this RFP at any time and for any reason.

CLARIFICATIONS

Should a Proposer require clarifications of this RFP, the Proposer shall notify the contact person identified in this RFP in writing. Should the City, in its sole discretion, determine that the point in question is not clearly and fully set forth; the City will issue a written addendum clarifying the matter. The aforesaid addendum shall be posted on the PlanetBids.com web page.

All questions, clarifications, or comments must be submitted to or no later than **3:00 pm, Wednesday, January 21st, 2021**. No questions will be answered individually by the City or Transportation Departments.

Requests for clarification, questions, and comments must be posted on the PlanetBids.com Q & A section. The City is not responsible for failure to respond to a request that has not been submitted in accordance with this section.

Responses by the City to the clarifications, comments, and questions will be communicated via PlanetBids.com. Every attempt will be made to respond to all Proposers in accordance with the procurement schedule for this RFP. Inquiries received after the deadline will not be accepted and will be returned to the sender without a response

Requests for clarifications and questions should be formatted in the following manner:

1. Section
2. Paragraph number
3. Page number
4. Text of passage being questioned
5. Question

DISCREPANCIES AND MISUNDERSTANDINGS

Proposing firms must satisfy themselves by personal examination of Scope of Work and by any means as they may believe necessary. No Proposing firm shall at any time after submission of the Proposal, make any claim or assertion that there was any misunderstanding or lack of information regarding the nature or amount of work necessary for the satisfactory completion of the job. Any errors, omissions, or discrepancies found in documents provided, shall be called to the attention of the City and clarified before the submission of Proposals.

WITHDRAWAL OF PROPOSALS

Proposers may withdraw their Proposals in writing, provided that such requests are received by the City before the scheduled deadline for Proposal submission or within six (6) months following the scheduled deadline for Proposal submission when no contract has been awarded.

REFERENCES

All reference information requested in this RFP and specified in the form included in this RFP must be submitted with the Proposal. Refer to Attachment B.

PROPOSAL SIGNATURES

If an individual makes the Proposal it shall be signed and the full name and address of the Proposer shall be given.

If a partnership makes the Proposal, it shall be signed with the partnership name, by a member of the partnership who shall sign by name and the name and address of each partner shall be given.

If a corporation prepares the Proposal, the name of the corporation shall be provided and signed by two (2) duly authorized Officers and, if available, stamped with the corporate seal, and the names and titles of all officers of the corporation shall be given. If a corporation provides a certified letter stating that one (1) duly authorized officer signature is binding for the corporation, this will suffice to omit the second signature requirement in the Proposal. A certified letter is to be included in the Proposal accompanied by the Letter of Transmittal.

PRE-CONTRACTUAL EXPENSES

The City will be under no obligation for payment of pre-contractual expenses. Pre-contractual expenses are defined as expenses incurred by Proposer in:

- Preparing the Proposal in response to this request
- Submitting that Proposal to the City
- Negotiating with the City any matter related to this Proposal, and/or
- Any other expenses incurred by the Proposer before the date of the award

CITY OF MONTEBELLO RIGHTS

In its discretion, the City reserves the right to:

1. Reject any and/or all Proposals for no reason or any reason including but not limited to the following:
 - a. The Proposal is incomplete, non-responsive, obscure, irregular, or lacking necessary detail and specificity.
 - b. The Proposer, in the sole judgment of the City, lacks the qualifications, experience, and/or responsibility necessary to provide the services.
 - c. The Proposer failed or neglected to complete and submit any information within the time specified by the City, and as may be otherwise required herein.
2. Reject any Proposal that, in the opinion of the City, is so unbalanced in comparison to other Proposals received and/or to the City's internal estimates that it does not accurately reflect the cost to perform.
3. Accept all or any part of a Proposal.
4. Cancel the entire RFP;
5. Issue subsequent RFPs;
6. Waive any errors or informalities in any Proposal, to the extent permitted by law.
7. To divide the project into multiple parts.
8. The City may, in the evaluation of proposals, request clarification from proposers regarding their proposals, obtain additional material or literature, and pursue other avenues of research as necessary to ensure that a thorough evaluation is conducted.

RESPONSIBILITY FOR COMPLIANCE WITH LEGAL REQUIREMENTS

The Proposer's work products, services, and facilities shall be in full compliance with all applicable Federal, State, and local regulations, standards, and ordinances, regardless of whether or not they are referred to in the RFP.

CONFIDENTIALITY AND PUBLIC RECORD

All Proposers are hereby put on notice that each Proposal received shall become the exclusive property of the City and, unless the City's prior written agreement to maintain all or part of a Proposal confidential as a trade secret is first obtained, each Proposal shall be subject to disclosure according to the California Public Records Act and/or the Federal Freedom of Information Act. The City shall not in any way be liable or responsible for the disclosure of any Proposals or portions thereof absent such agreement; nor shall such agreement preclude the City from disclosing any Proposal or portion thereof where such disclosure is required by law.

OWNERSHIP OF DOCUMENTS

All documents data, studies, drawings, maps, models, photographs and reports prepared by selected Consultant(s) are City's property. Consultant(s) may retain copies of said documents and materials as desired, but will deliver all original materials to City.

JOINT OFFERS

Where two or more Proposers desire to submit in response to this RFP, they shall do so on a prime-sub consultant basis rather than as a joint venture. The City of Montebello intends to contract with a single firm and not with multiple firms doing business as a joint venture. Any Proposal submitted on behalf of any form of a joint venture or partnership between two (2) existing Proposers may be considered collusive and may be rejected as non-responsive.

FIRM PERSONNEL

It shall be the burden of the successful Proposer to ensure all personnel possesses qualifications and/or experience. All personnel required in performing the services herein shall be secured at the expense of the successful Proposer. Personnel shall not be employees of or have any contractual relationship with the City. Successful Proposer's personnel shall conduct themselves in a professional manner to all City employees at all times. Rude or discourteous behavior by the successful Proposer will not be tolerated and the offense can be justification for termination of the contract. All sub-Consultants of successful Proposer shall abide by all the requirements outlined in this section.

SINGLE PROPOSAL RESPONSE

If only one Proposal is received in response to this RFP, a detailed cost/price Proposal may be requested of the Proposer. A cost or cost and price analysis and evaluation and/or audit of the cost may be performed to determine if the price is fair and reasonable. If the City determines a cost analysis is required, Proposer must be prepared to provide, upon request, cost summaries of estimated costs (i.e. labor, equipment, supplies, overhead costs, etc.) and documentation supporting all cost elements.

PROTEST PROCEDURES

All protests must be filed in accordance with the following:

1. The protest must be in writing and identify the solicitation (RFP) number.
2. The protest must be submitted by some return receipt method or guarantee of delivery that ensures that the protest was received promptly. The City is not responsible for lost or delayed deliverables.
3. The party's standing to protest must be identified.
4. Identification of the specific provision, law, regulation, specification, procedure, or policy violated.
5. A statement of the relief requested.

Protests related to the content of the RFP shall be received no later than ten (10) days before the Proposal due date; or within five (5) days after proposal opening. If the Protest does not comply with the preceding requirements it may not be evaluated and may be returned to the Protestor.

All protests shall be submitted to the contact person identified in this solicitation.

INCORPORATION OF PROPOSAL INTO AGREEMENT

This RFP and the Proposer's response, including all promises, warranties, commitments, and representations made in the successful Proposal, shall be binding and incorporated by reference in the City's contract with the successful Proposer.

TIME OF COMPLETION

The Contract time shall commence from the date on the Notice to Proceed (NTP) as authorized in writing by the City. The services shall be completed within the period specified in the Request for Proposal. In case the services under the terms of these provisions and related purchase contract shall be necessarily delayed because government controls and/or by reasons of any cause or circumstances beyond the control of the Consultant, the time of completion shall be extended by a number of days to be determined in each instance by mutual agreement between the Consultant and the City of Montebello.

PAYMENT

A separate invoice, referencing the respective purchase order number, shall be issued in duplicate for each invoice shown in the payment schedule, and addressed to the **City of Montebello, Attn: Accounts Payable, 1600 West Beverly Boulevard, Montebello, California, 90640.**

Payment will be made within thirty (30) days after acceptance and approval of the invoice.

Payment Schedule: Monthly

Manner: Provide (1) one invoice monthly.

CONTRACT DOCUMENTS: ORAL CHANGES / CONTRACT TERMINATION

Prohibition on Oral Changes:

Oral changes and oral change orders are not permitted. All proposed changes must be submitted in writing to, and approved by City of Montebello prior to becoming a Contract modification.

Contract Termination:

The City of Montebello may terminate any resulting Contract for convenience at any time by giving the Consultant written notice thereof. Upon termination, The City of Montebello shall pay the Consultant his/her allowable cost incurred to the date of termination, and those costs deemed reasonably necessary by City of Montebello to effect such termination, determined in accordance with Part 1-8.705-

1 of the Federal Procurement Regulations (41CFR 1-8) or other applicable portion(s) of said Regulations. In addition, the City of Montebello shall pay the Consultant a percentage of the project, which relates to Contract work accomplished to date of termination. The effective date of termination shall be the date of Notice of Termination.

In the event the Consultant breaches the terms or violates the conditions of the Contract, and does not within ten (10) days, thereafter, cure such breach of violation, the City of Montebello may immediately terminate the Contract for default. The Consultant shall be liable for any and all costs incurred by the City of Montebello as a result of such default.

SCOPE OF CONTRACT

The Consultant T shall provide all services necessary as per the Scope of Work described in this RFP.

PERFORMANCE OF WORK

It is the intent of these specifications to provide only services of the highest quality. The cost to be quoted and submitted shall include all items of service and any other costs necessary to fully complete the work according to the provisions. It is the aim of these specifications that the Consultant provides complete services of the type prescribed. Any items omitted from such specifications that are necessary for the completion of such services shall be considered a portion of such services, although not directly specified or called for in these specifications. No advantage shall be taken by the Consultant in the omission of any detail which goes to make the services complete, even though such detail is not mentioned in these specifications.

AWARD OF CONTRACT

The contract resulting from this RFP will be awarded to the responsive and responsible Proposer whose proposal, conforming to the requirements of the RFP, is determined to be the most advantageous to the City, based on the Evaluation Criteria. No agreement shall exist until the City Council or the City Manager, as designated by City Council, has awarded the Agreement and it has been mutually executed. The City reserves the right to:

- (a) Accept all or any part of a proposal;
- (b) Reject any or all proposals for any reason;
- (c) Waive any informality or minor errors to the extent permitted by law;
- (d) Award the Agreement as the interest of the City may require;
- (e) Cancel the entire RFP; or
- (f) Issue subsequent RFP's.

The City of Montebello staff in accordance with the Proposal Evaluation Criteria set forth in the Evaluation Criteria section of this RFP will evaluate all the proposals. During the evaluation period, the City may interview some or all the proposing firms. Proposers should be aware; however, that award may be made without interviews or further discussions.

The City may negotiate contract terms with the selected Proposer prior to award, and expressly reserves the right to negotiate with several Proposers simultaneously and, thereafter, to award a contract to the Proposer offering the most favorable terms to the City. However, negotiations may or may not be conducted with Proposers; therefore, the proposal submitted should contain the most favorable terms and conditions, since the selection and award may be made without discussion with any Proposer.

No agreement shall exist until the City Council or City Manager has awarded the Agreement and it has been mutually executed. The City reserves the right to reject any and all Proposals for any reason, to waive any informality or minor errors as determined by the City in any Proposal and to award the contemplated agreement as the best interests of the City may require. The award, if any, may be made by the City within ninety (90) calendar days after the opening of the Proposals.

Point of Contact

This RFP is issued by the City, and the Director of Planning and Community Development ("Director") will be the sole point of contact ("Point of Contact") during the RFP submission and procurement process. Communications initiated by respondents to this RFP with members of the City Council, or officers, personnel or employees of the City, other than as coordinated by the Point of Contact, may be grounds for disqualification. Any inquiries or requests during this submission or procurement process shall be submitted in writing to the following Point of Contact:

City of Montebello Planning and Community Development
Attention: Joseph Palombi
Director of Planning and Community Development
1600 W. Beverly Blvd
Montebello, CA 90640
(323) 887-1200
Email: jpalombi@cityofmontebello.com

If the Point of Contact determines a response to any such inquiry is warranted, said response will be issued to all prospective Proposers via PlanetBids.com.

SELECTION PROCESS

1. Proposal Review: Upon receiving an adequate number of proposals by the January 21, 2021 deadline, proposers will be evaluated and the best-qualified may be invited to participate in an interview.
2. Selection Criteria: The City will select a consultant to provide the services

pursuant to this Request for Proposal based on the evaluation of the proposals, interview process, and references. The City, however, reserves the right that an award may be made without consultant visits, interviews, or further discussion or negotiations. Therefore, the proposal submitted should contain your most favorable terms and conditions, since the selection and award may be without discussion or negotiation with any consultant. Selection is based on a determination of the consultant deemed most qualified to provide the services outlined in this request, but not limited to, the following criteria:

- a. Completeness of the proposal: How thoroughly the proposal responds to the criteria contained in this RFP.
 - b. Experience: The Proposer will provide information on their knowledge of providing support services for the management of Federal Programs.
 - c. Qualifications: Qualifications of key personnel, including principal(s), project manager(s), and other individuals pertinent to the project's success.
 - d. Performance: The Proposer must demonstrate the ability to produce timely and high-quality services.
 - e. References: Quality of reference checks obtained by interviewing prior and current clients.
 - f. Cost-effectiveness: A clear and consistent commitment to cost containment and fair play with respect to the needs of customers.
3. Interviews: Selected Proposers may be invited for an interview.
 4. Professional Services Agreement: Upon identification of a preferred provider, the Director will require a professional services agreement, subject to negotiation of precise duties, terms of payment, and other City requirements.
 5. Contract Approval and Execution: The professional services agreement, in its substantial form, will be presented to City Council for approval and execution by the City Manager or designee.

EVALUATION OF PROPOSALS

The City of Montebello uses a selection process in which proposals contain both price and qualitative components, and award is based upon a combination of price and qualitative considerations. Qualitative considerations may include experience and qualifications, technical approach, quality of proposed personnel, and/or management plan. The award selection is based upon consideration of a combination of technical and price factors to determine the offer deemed most advantageous to the City of Montebello.

Qualitative considerations will be reviewed and scored first without attention to the price. Staff will then open the cost and price proposals and evaluate and score them accordingly. During the qualitative evaluation, staff, at its sole discretion may contact any or all the Proposers with specific questions or requests for clarification. After both the qualitative and cost/price proposals have been evaluated and scored, staff will arrive

at a “comprehensive proposal score” for each proposal. A list of top-ranked proposals within a competitive range will be developed based upon the total comprehensive scores provided by staff. At this time, staff may decide that the evaluation process is complete and submit a final recommendation to City Council.

Staff may ask the Proposers to consider the dialog of negotiations and revise their proposals. A deadline will be set for the submission of the revised proposals. If a Proposer is unable to meet the deadline or chooses not to revise its proposal, its existing proposal will be rescored along with revised proposals in the same manner as the original proposals.

EVALUATION CRITERIA

Award will be made to the Proposer whose proposal offers the best value to the City.

Qualitative Considerations

The Proposer’s Qualitative Proposal will be evaluated on the basis of the following factors, each having the weighted value set forth below:

1	Project Approach	10 points
2	Proposed Personnel	15 points
3	Experience and References	30 points
4	Project Controls	25 points
TOTAL		80 points

Price Considerations

The Price Proposals will be evaluated as follows:

The Proposer’s Price Proposal will be compared to the lowest responsive Price Proposal. The lowest responsive price will receive the total weighted value for this criterion **(20 points)**. All other PPs will be scored as follows:

Proposer Price Score = Lowest Price Proposal x 20 (Total Points Available for Price Evaluation)

DISCRETION AND LIABILITY WAIVER

1. By submitting a proposal in response to this RFP, the Proposer accepts the evaluation process, acknowledges and accepts that determination will require subjective judgments by the City..

2. The City of Montebello expects the highest level of ethical conduct from Proposers including adherence to all applicable laws and local ordinances regarding ethical behavior.
3. If an agreement cannot be reached with the highest ranked Proposer, the City reserves the right to terminate negotiations with that party and enter into negotiations with the next highest ranked Proposer.
4. Consistent with AB-5, selected consultant(s) shall have the right to set his/her/its own hours and location of work. Selected consultant(s) provide his/her/its own resources and equipment and direct their operation in all respects.

XIII. EX PARTE COMMUNICATIONS

Proposers and Proposer's representatives should not communicate with the City Council members about this RFP. In addition, Proposers and Proposer's representatives should not communicate outside the procedures set forth in this RFP with an officer, employee or agent of the City, including any member of the evaluation panel, with the exception of the RFP Facilitator, regarding this RFP until after Contract Award. Proposers and their representatives are not prohibited, however, from making oral statements or presentations in public to one or more representatives of the City during a public meeting.

As applied in this Section XII, a "Proposer" or Proposer's representative" includes all of the Proposer's employees, officers, directors, consultants and agents, any subcontractors or suppliers listed in the Proposer's proposal, and any individual or entity who has been requested by the Proposer to contact the City on the Proposer's behalf.

XIV. DRAFT AGREEMENT

Included with this RFP as "Attachment A", is a draft of the Professional Services Agreement ("Agreement") that will be utilized for this contract. Proposers are asked to review the proposed Agreement and note any objections and/or corrections as part of their proposal submittal and to pay particular attention to the insurance requirements specified in the Agreement. It should be noted that this Agreement is subject to change and revision pursuant to review by the City Attorney.

The proposal process, contract negotiations and execution, and subsequent actions will be conducted by the City in accordance with applicable law. Proposers should carefully review this document, which constitutes the formal RFP, to ensure a clear understanding of the City's needs and objectives and scope of work.

XV. DIRECTIONS FOR SUBMITTAL OF PROPOSAL

All proposals shall be submitted electronically via Planet Bids as described above. Any questions on this RFP shall be submitted via Planet Bids section on "Q&A."

Deadline: Proposals must be received no later than January 21, 2021 by 3:00 p.m.

Location: <https://www.cityofmontebello.com/rfp-bids/bid-opportunities.html>

“ATTACHMENT A”

CITY OF MONTEBELLO

STANDARD PROFESSIONAL SERVICES AGREEMENT

(Sample)

**AGREEMENT NO. _____
PROFESSIONAL SERVICES AGREEMENT
BETWEEN THE CITY OF MONTEBELLO AND _____**

1. IDENTIFICATION

THIS PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is entered into by and between the City of Montebello, a California municipal corporation (“City”) and _____, (“Consultant”). City and Consultant are sometimes hereinafter individually referred to as a “Party” and collectively referred to as “Parties.”

2. RECITALS

2.1 City has determined that it requires professional services Administration of HOME/CDBG Programs for the City of Montebello (“Project”).

2.2 Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the performance by the Parties of the mutual covenants and conditions herein contained, the Parties hereto agree as follows:

3. DEFINITIONS

3.1 “Scope of Services”: Such professional services as are set forth in the Consultant’s (DATE) proposal to City attached hereto as Exhibit “A” and incorporated herein by this reference.

3.2 “Approved Fee Schedule:” Such compensation rates as are set forth in the Consultant’s (DATE), proposal to City attached hereto as Exhibit “B.”

3.3 “Commencement Date:” That certain date on which the Agreement is executed by both Parties following its approval by the City Council of the City of Montebello.

3.4 "Contract Documents." For purpose of this Agreement, the contract documents for the aforesaid Project shall consist of (and are outlined in the following order of preference):

- A. RFP No. _____;
- B. Proposer's [DATE] Proposal for Professional Support Services for the Administration of HOME/CDBG Programs and all referenced specifications, details, and appendices;
- C. All required bonds, insurance certificates, permits, notices, schedules, forms, certifications and affidavits; and
- D. Any and all addenda or supplemental agreements clarifying, or extending the work contemplated as may be required to insure its completion in acceptable manner.

All of the provisions of said Contract Documents constitute a material part hereof and shall be hereby incorporated by reference as though fully set forth herein.

4. TERM OF AGREEMENT

The term of this Agreement shall commence on the Commencement Date and shall continue until terminated in accordance with Section 22 below. Notwithstanding anything in this Agreement, this Agreement shall automatically terminate after two (2) years unless extended by the Parties in writing. Nothing in the Section shall operate to prohibit or otherwise restrict the City's ability to terminate this Agreement at any time for convenience or for cause.

5. CONSULTANT'S SERVICES

5.1 Consultant shall perform the services identified in the Scope of Services. City shall have the right to request, in writing, changes in the Scope of 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.

5.2 Consultant shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged in the general geographical area of the City. Consultant shall prepare all work products required by this Agreement in a substantial, first class manner and shall conform to the standards of quality normally observed by a practitioner in Consultant's profession.

6. COMPENSATION

6.1 City agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept in full satisfaction for such services, payment in accordance with the Approved Fee Schedule. In no event shall the total

compensation and costs payable to Consultant under this Agreement exceed the sum of ~~\$\$\$\$~~ unless specifically approved in advance, in writing, by City.

6.2 Consultant shall submit to City an invoice, on a monthly basis or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Within ten (10) business days of receipt of each invoice, City shall notify Consultant in writing of any disputed amounts included on the invoice. Within thirty (30) calendar days of receipt of each invoice, City shall pay all undisputed amounts included on the invoice. City shall not withhold applicable taxes or other authorized deductions from payments made to Consultant.

6.3 Payments for any services requested in writing by City and not included in the Scope of Services shall be made to Consultant by City on a time-and-materials basis using Consultant's standard fee schedule. Fees for such additional services shall be paid within sixty (60) days of the date Consultant issues an invoice to City for such services.

7. BUSINESS LICENSE

Consultant shall obtain a City business license prior to commencing performance under this Agreement.

8. COMPLIANCE WITH LAWS

Consultant shall keep informed of State, Federal and Local laws, ordinances, codes and regulations that in any manner affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. The Consultant shall at all times comply with such laws, ordinances, codes and regulations. Without limiting the generality of the foregoing, if Consultant is an out-of-state corporation or LLC, it must be qualified and registered to do business in the State of California pursuant to sections 2105 and 17708.02 of the California Corporations Code. The City, its officers and employees shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

9. CONFLICT OF INTEREST

Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by Consultant under this Agreement, or which would conflict in any manner with the performance of its services hereunder. During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working at the Commencement Date if both: (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict of interest statute; and (ii) City has not consented in writing prior to Consultant's performance of such work.

10. PERSONNEL

Consultant represents that it has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services

shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. Consultant reserves the right to determine the assignment of its own employees to the performance of Consultant's services under this Agreement, but City reserves the right, for good cause, to require Consultant to exclude any employee from performing services on City's premises. **Contact person name**, Principal, of **consultant firm name** shall be Consultant's project manager and shall have direct responsibility for management of Consultant's performance under this Agreement. No change shall be made in Consultant's project manager without City's prior written consent.

11. OWNERSHIP OF WRITTEN PRODUCTS

All reports, documents or other written material ("Written Products") developed by Consultant in the performance of this Agreement shall be and remain the property of City without restriction or limitation upon its use or dissemination by City. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant. If any state, federal, or local law requires mandatory copyright protection for Consultant's work product, City shall comply with such laws to the extent feasible.

12. INDEPENDENT CONTRACTOR

12.1 Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise to act on behalf of City as an agent. Neither City nor any of its officers, employees or agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not at any time represent that it is, or that any of its agents or employees are, in any manner employees of City.

12.2 The Parties further acknowledge and agree that nothing in this Agreement shall create or be construed to create a partnership, joint venture, employment relationship, joint-employer relationship, or any other relationship between Consultant or Consultant's employees except as set forth in this Agreement.

12.3 City shall have no direct or indirect control over Consultant's employees or sub-consultants with respect to wages, hours, and working conditions. In addition, City shall not deduct from the Compensation paid to Consultant any sums required for Social Security, withholding taxes, FICA, state disability insurance or any other federal, state or local tax or charge which may or may not be in effect or hereinafter enacted or required as a charge or withholding on the compensation paid to Consultant, Consultant's employees or subconsultants. City shall have no responsibility to provide Consultant, its employees or subconsultants with workers' compensation insurance or any other insurance.

12.4 The Parties further acknowledges the following: (i) that Consultant shall provide the services outlined in the Scope of Services directly to City; (ii) Consultant maintains a business location at the address listed under Section 20 that is separate and distinct from the City; (iii) Consultant contracts with other businesses to provide

the same or similar services and maintains a clientele without restriction from the City; (iv) Consultant advertises and holds itself out to the public as available to provide the same or similar services; (v) unless otherwise specified in this Agreement, Consultant provides its own tools, vehicles, and equipment necessary for performing the Scope of Services; (vi) Consultant has proposed and negotiated its own rates; and (vii) consistent with the nature and demands of the project and the City's business hours and City staff availability, Consultant may set its own hours and location of work.

13. CONFIDENTIALITY

All data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without prior written consent by City. City shall grant such consent if disclosure is legally required. Upon request, all City data and any copies thereof shall be returned to City upon the termination or expiration of this Agreement.

14. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES

No official or employee of the City shall be personally liable to Consultant in the event of any default or breach by City, or for any amount which may become due to Consultant.

15. INDEMNIFICATION

15.1 The Parties agree that City, its officers, agents, elected and appointed officials, employees, affiliated public agencies and volunteers should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the Parties to be interpreted and construed to provide the fullest protection possible under the law to City. Consultant acknowledges that City would not enter into this Agreement in the absence of Consultant's commitment to indemnify and protect City as set forth herein. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

15.2 To the full extent permitted by law, Consultant shall indemnify, hold harmless and defend City, its officers, agents, elected and appointed officials, employees, affiliated public agencies and volunteers from and against any and all claims, demands, lawsuits, causes of action, losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from or arising out of any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant or any of its officers, employees, servants, agents, or subconsultants in the performance of this Agreement. Such costs and expenses shall

include reasonable attorneys' fees incurred by counsel of City's choice and expert witness fees and consultant fees.

15.3 City shall have the right to offset against the amount of any compensation due Consultant under this Agreement any amount due City from Consultant as a result of Consultant's failure to pay City promptly any indemnification arising under this Section 15 or related to Consultant's failure to either: (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

15.4 The obligations of Consultant under this Section 15 will not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

15.5 Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 15 from each and every subconsultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. In the event Consultant fails to obtain such indemnity obligations from others as required herein, Consultant agrees to be fully responsible and indemnify, hold harmless and defend City, its officers, agents, elected and appointed officials, employees, affiliated public agencies and volunteers from and against any and all claims, demands, lawsuits, causes of action, losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from or arising out of any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant's subconsultants or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of City's choice and expert witness fees and consultant fees.

15.6 City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

15.7 **PERS ELIGIBILITY INDEMNITY.** In the event that Consultant or any employee, agent, or subconsultant of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subconsultants, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subconsultants providing service under this Agreement shall not qualify for or become

entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

16. INSURANCE

16.1 During the term of this Agreement, Consultant shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Consultant's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

16.1.1 Comprehensive general liability, and Umbrella or Excess Liability Insurance covering all operations by or on behalf of Consultant providing insurance for bodily injury liability and property damage liability in the amount of One Million Dollars (\$1,000,000) per occurrence combined single limit; Two Million Dollars (\$2,000,000) aggregate for products/completed operation; Two Million Dollars (\$2,000,000) general aggregate (General aggregate must apply separately to Consultant's work under this Agreement.); and Five Million Dollars (\$5,000,000) umbrella or excess liability.

16.1.2 Automobile Liability Insurance for owned, hired and non-owned vehicles utilized by Consultant, its employees or subconsultants, in the amount of One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.

16.1.3 Worker's Compensation Insurance as required by the laws of the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than One Million Dollars (\$1,000,000) per accident for bodily injury or disease.

16.1.4 Professional Liability Insurance against errors and omissions in the performance of the work under this Agreement with coverage limits of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate.

16.2 Consultant shall require each of its subconsultants, if any, to maintain insurance coverage that meets all of the requirements of this Agreement.

16.3 The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.

16.4 Consultant agrees that if it does not keep the aforesaid insurance in full force and effect City may either: (i) immediately terminate this Agreement; or (ii) take out the necessary insurance and pay, at Consultant's expense, the premium thereon.

16.5 At all times during the term of this Agreement, Consultant shall maintain on file with City's Risk Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and, for the general liability and automobile liability policies, naming the City as an additional insured. Consultant shall, prior to commencement of work under this Agreement, file with City's Risk Manager such certificate(s).

16.6 Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall provide such proof to City at least two weeks prior to the expiration of the coverages.

16.7 The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming City, its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to City. Consultant agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

16.8 The general liability and automobile policies of insurance provided by Consultant shall be primary to any coverage available to City. Any insurance or self-insurance maintained by City, its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

16.9 All insurance coverage provided pursuant to this Agreement shall not prohibit Consultant, and Consultant's employees, agents or subconsultants, from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against the City.

16.10 Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of City, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

16.11 Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duties to indemnify, hold harmless and defend under Section 15 of this Agreement.

16.12 If Consultant maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or 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.

17. MUTUAL COOPERATION

17.1 City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available to City for the proper performance of Consultant's services under this Agreement.

17.2 In the event any claim or action is brought against City relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that City may require.

18. RECORDS AND INSPECTIONS

Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three years after the expiration or termination of this Agreement. City shall have the right to access and examine such records, without charge, during normal business hours. City shall further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.

19. PERMITS AND APPROVALS

Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary in the performance of this Agreement. This includes, but shall not be limited to, encroachment permits and building and safety permits and inspections.

20. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile, email, or overnight courier service during Consultant's and City's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below (or to such other addresses as the Parties may, from time to time, designate in writing).

If to City:

Joseph Palombi
Planning and Community Development
Director
City of Montebello
1600 W. Beverly Blvd.,
Montebello, CA 90640
Facsimile: (323) XXX-XXXX

If to Consultant:

With a courtesy copy to:
Arnold M. Alvarez-Glasman, City Attorney
13181 Crossroads Parkway North
Suite 400 - West Tower
City of Industry, CA 91746
Facsimile: (562) 692-2244

21. SURVIVING COVENANTS

The Parties agree that the covenants contained in Sections 13, 15 and Paragraph 17.2 of Section 17, of this Agreement shall survive the expiration or termination of this Agreement.

22. TERMINATION

22.1. City shall have the right to terminate this Agreement for any reason on five (5) calendar days' written notice to Consultant. Consultant shall have the right to terminate this Agreement for any reason on sixty (60) calendar days' written notice to City. The effective date of termination shall be upon the date specified in the notice of termination. Consultant agrees that in the event of such termination, City's obligation to pay Consultant shall be limited to payment only for those services satisfactorily rendered, as solely determined by the City, prior to the effective date of termination. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All City data, documents, objects, materials or other tangible things shall be returned to City upon the termination or expiration of this Agreement.

22.2 If City terminates this Agreement due to no fault or failure of performance by Consultant, then Consultant shall be paid based on the work satisfactorily performed, as solely determined by the City, at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement.

23. ASSIGNMENT

Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without City's prior written consent, and any attempt to do so shall be void and of no effect. City shall not be obligated or liable under this Agreement to any Party other than Consultant.

24. NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

24.1 In the performance of this Agreement, Consultant shall not discriminate against any employee, subconsultant, or employment applicant because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation. Consultant will take affirmative action to ensure that subconsultants, employees, and employment applicants are treated without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

24.2 Consultant will, in all solicitations or advertisements for employees placed by or on behalf of Consultant state either that it is an equal opportunity employer or that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

24.3 Consultant will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement except contracts or subcontracts for standard commercial supplies or raw materials.

25. WARRANTIES

25.1 Each Party has received independent legal advice from its attorneys with respect to the advisability of entering into and executing this Agreement or been provided with an opportunity to receive independent legal advice and has freely and voluntarily waived and relinquished the right to do so. Each Party who has not obtained independent counsel acknowledges that the failure to have independent legal counsel will not excuse such Party's failure to perform under this Agreement.

25.2 In executing this Agreement, each Party has carefully read this Agreement, knows the contents thereof, and has relied solely on the statements expressly set forth herein and has placed no reliance whatsoever on any statement, representation, or promise of any other party, or any other person or entity, not expressly set forth herein, nor upon the failure of any other party or any other person or entity to make any statement, representation or disclosure of any matter whatsoever.

25.3 It is agreed that each Party has the full right and authority to enter into this Agreement, and that the person executing this Agreement on behalf of either Party has the full right and authority to fully commit and bind such Party to the provisions of this Agreement.

26. CAPTIONS

26.1 The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the section or paragraph thereof, as the case may be, and not such heading, shall control and govern in the construction of this Agreement.

26.2 Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

27. NON-WAIVER

27.1 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. In no event shall the making by City of any payment to Consultant constitute or be construed as a waiver by City of any breach of covenant, or any default which may then exist on the part of Consultant, and the making of any such payment by City shall in no way impair or prejudice any right or remedy available to City

with regard to such breach or default. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing.

27.2 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.

27.3 Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Consultant.

28. COURT COSTS AND ATTORNEY FEES

In the event legal action shall be necessary to enforce any term, covenant or condition herein contained, the Party prevailing in such action, whether reduced to judgment or not, shall be entitled to its reasonable court costs, including accountants' fees and expert witness fees, if any, and attorneys' fees expended in such action. The venue for any litigation shall be Los Angeles County, California.

29. 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.

30. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of the State of California.

31. COUNTERPARTS

This Agreement may be signed in any one or more counterparts all of which taken together shall be but one and the same Agreement. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by facsimile or email transmission, shall for all purposes be treated as if it were delivered containing an original manual signature of the Party whose signature appears in the facsimile or email and shall be binding upon such Party in the same manner as though an originally signed copy had been delivered.

32. ENTIRE AGREEMENT

All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between City and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the Parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed by City and Consultant.

[Signatures on the following page]

TO EFFECTUATE THIS AGREEMENT, the Parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

“CITY”
CITY OF MONTEBELLO

“CONSULTANT”

Salvador Melendez, Mayor

Dated: _____

Dated: _____

ATTEST:

APPROVED AS TO FORM:

Irma Barajas, City Clerk

Arnold M. Alvarez-Glasman, City Attorney

ATTACHMENT B**REFERENCES****At Least Three (3) References**

Project city/agency/other:	
Address:	
Phone number and email:	
Contact person:	
Description of Contract (Please include contract value, award date, term of contract, and description of work):	

Project city/agency/other:	
Address:	
Phone number and email:	
Contact person:	
Description of Contract (Please include contract value, award date, term of contract, and description of work):	

Project city/agency/other:	
Address:	
Phone number and email:	
Contact person:	
Description of Contract (Please include contract value, award date, term of contract, and description of work):	

ATTACHMENT C**PROPOSAL SUBMISSION CHECKLIST**

This checklist must be completed and returned with the Proposal. Failure to return this checklist may be cause for considering the Proposal non-responsive.

Description		Proposer Initial
1	Cover Letter	
2	Proposal	
3	List of Staff and Qualifications	
4	Closed and Pending Litigation Outcomes	
5	References (Attachment B)	
6	Cost Proposal (Task breakdown with hourly rate)	

Company Name:	
Name of Proposer initialing document (print):	
The email address of Company Contact:	
Signature:	
Title:	
Date:	

Exhibit "B"
Schedule of Compensation

HOME and CDBG Administration Services

AVANT-GARDE is proposing the not-to-exceed fee amount of \$71,310 inclusive of all program management and administrative support services.

City of Montebello - Cost Proposal								
Tasks	Program Director		Program Manager		Program Coordinator		Sub-Total	
	Hours	Rate	Hours	Rate	Hours	Rate	Hours	Cost
		\$ 125		\$ 105		\$ 75		
Administration of CDBG Program - includes loan reconciliation; guidance with IDIS, CAPER, Action Plan, semi-annual reporting, policy updates, compliance monitoring, HUD audits, and communications								
	208	\$ 26,000		\$ -		\$ -	208	\$ 26,000.00
Administration of CDBG-CV Program - guidance with compliance monitoring of 8 CV-funded programs, required HUD reporting, etc.								
	48	\$ 6,000		\$ -		\$ -	48	\$ 6,000.00
Davis-Bacon Monitoring - labor compliance for 3 infrastructure projects as identified in the Action Plan, including Section 3 monitoring								
		\$ -	30	\$ 3,150	90	\$ 6,750	120	\$ 9,900.00
Administration of HOME Program - qualification of CHDOs, technical assistance and management of HOME funded developments including layering analysis, developer capacity assessment, and loans								
	140	\$ 17,500		\$ -	52	\$ 3,900	192	\$ 21,400.00
Administration of Housing Rehab Program - based on 2 residential rehabs								
		\$ -	12	\$ 1,260	90	\$ 6,750	102	\$ 8,010.00
Totals	396	\$ 49,500.00	42	\$ 4,410.00	232	\$ 17,400.00	670	\$ 71,310.00
TOTAL								\$ 71,310.00
*Hours may be interchanged amongst staff based on the needs identified and availability of City funds								
*No additional costs will be billed to the City; such as travel, duplication of materials, binding, mailing etc.								
*Discounted Hourly Rates								

City of Montebello - Cost Proposal Year Two (2022/2023)

Tasks	Program Director		Program Manager		Program Coordinator		Sub-Total	
	Hours	Rate	Hours	Rate	Hours	Rate	Hours	Cost
		\$ 125		\$ 105		\$ 75		
Administration of CDBG								
Program - guidance with IDIS, CAPER, Action Plan, semi-annual reporting, policy updates, compliance monitoring, HUD audits, and communications								
	208	\$ 26,000		\$ -		\$ -	208	\$ 26,000.00
Administration of CDBG-CV								
Program - (if needed) guidance with compliance monitoring of CV-funded programs, required HUD reporting, etc.								
	48	\$ 6,000		\$ -		\$ -	48	\$ 6,000.00
Davis-Bacon Monitoring - (upon request, based on scope) labor compliance for infrastructure project(s) as identified in the Action Plan, including Section 3 monitoring								
		\$ -		\$ -		\$ -	0	\$ -
Administration of HOME								
Program - qualification of CHDOs, technical assistance and management of HOME funded developments including layering analysis, developer capacity assessment, and loans								
	120	\$ 15,000		\$ -	52	\$ 3,900	172	\$ 18,900.00
Administration of Housing								
Rehab Program - based on 2 residential rehabs								
		\$ -	12	\$ 1,260	90	\$ 6,750	102	\$ 8,010.00
Totals	376	\$ 47,000.00	12	\$ 1,260.00	142	\$ 10,650.00	530	\$ 58,910.00
TOTAL								\$ 58,910.00

*Hours may be interchanged amongst staff based on the needs identified and availability of City funds

*No additional costs will be billed to the City; such as travel, duplication of materials, binding, mailing etc.

*Discounted Hourly Rates



CITY OF MONTEBELLO

Request for Proposals

RFP No. 24 - ##

Consulting Services to assist with the administration of Housing and Urban Development (HUD) programs, services and activities related to Community Development Block Grant (CDBG) and/or the HOME Investment Partnership Program (HOME)

Release Date: August 24, 2023
Due Date: Monday, September 25, 2023 at 11 a.m. PST

TO PROSPECTIVE PROPOSERS

The City of Montebello invites firms to submit a proposal in accordance with this Request for Proposals (RFP). Your response to this request will be evaluated to determine your qualifications. Submissions must adhere to the format and content of this RFP. Proposals will not be evaluated unless all parts requested are submitted in a complete package. The information set forth is the minimum required to qualify for consideration. The successful Proposer will be required to enter into a Professional Services Agreement based on the specifications outlined in this RFP.

THE DATE OF SOLICITATION

August 24, 2023

THE PROJECT

Project Name: Consulting Services to assist with the administration of Housing and Urban Development (HUD) programs, services and activities related to Community Development Block Grant (CDBG) and/or the HOME Investment Partnership Program (HOME)
Location: City of Montebello

THE OWNER

Name: City of Montebello – Planning/Community Dev. Department
Address: 1600 West Beverly Blvd., Montebello, CA 90640
Contact: Joseph Palombi, Director
Contact Phone: (323) 887-1200 ext. 598
Contact E-Mail: JPalombi@cityofmontebello.com

PROPOSAL CONTACT

Name: City of Montebello – Housing Department
Address: 1600 W. Beverly Blvd., Montebello, CA 90640
Contact: Rosemary Perich, Housing Manager
Contact Phone: (323) 887-1200 Ext. 454
Contact E-Mail: RPerich@cityofmontebello.com

Any questions related to this RFP should be submitted via the City's PlanetBids Portal by Monday, September 25, 2023 at 11:00 a.m. PST. To access the City's PlanetBids

Portal, please visit: <https://www.cityofmontebello.com/rfp-bids/bid-opportunities.html> and click on "Bid Opportunities" to locate the RFP.

Consulting Services to assist with the administration of Housing and Urban Development (HUD) programs, services and activities related to Community Development Block Grant (CDBG) and/or the HOME Investment Partnership Program (HOME)

(RFP) No. 23-10

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Attachment A – Sample Professional Services Agreement

Attachment B – References

Attachment C– Proposal Content Checklist

Consulting Services to assist with the administration of Housing and Urban Development (HUD) programs, services and activities related to Community Development Block Grant (CDBG) and/or the HOME Investment Partnership Program (HOME)

(RFP) No. 23-10

1.0 INVITATION

Through this Request for Proposal (“RFP”) and evaluation process, the City of Montebello is seeking qualified consultant(s) to provide professional services associated with the administration and implementation of the City’s Federal Grant Programs. Montebello, as an Entitlement City, is an annual recipient of Community Development Block Grant Program (CDBG) and HOME Program funds from the U.S. Department of Housing and Urban Development (“HUD”).

The City receives approximately \$600,000 in CDBG and \$300,000 in HOME funds each year to implement the following activities and programs: Code Enforcement, Summer Youth Employment, Production of Affordable Housing, Home Improvement and Preservation, and Community Housing and Development Organization activities.

The proposals are due no later than Thursday August 25, 2023 by 11:00 a.m.

2.0 BACKGROUND

The City of Montebello is a general law city in Los Angeles County, California, located in the southwestern region of the San Gabriel Valley, 8 miles east of downtown Los Angeles. The City is surrounded by the City of Rosemead and unincorporated County areas to the north; by the Whittier Narrows Dam Recreation Area and Pico Rivera to the east; by Pico Rivera and Commerce to the south; and by Commerce and unincorporated East Los Angeles to the west. According to the United States Census Bureau, as of July 1, 2021, the City has an estimated population of approximately 61,204.

3.0 OBJECTIVE

It is the objective of this RFP to solicit proposals from qualified and interested professional consultants to provide professional services associated with the administration and implementation of the City’s Federal Grant Programs (CDBG and HOME funds).

4.0 CITY ROLE

City Staff will be responsible for the following items with general guidance from selected consultant:

- HUD Program Management
- IDIS Management: flagged items, program set up, program income
- Annual Preparation of Consolidated Annual performance and Evaluation Report, Annual Action Plan
- Periodic update of policies and procedures, guidelines
- Staff reports, resolutions, presentation
- Prepare environmental reviews (*Consultant should have familiarity with NEPA and other Federal and State environmental laws that may impact programs*)
- Prepare Public Service Agreements/MOU's
- Budget Preparation
- Maintain project files and checklists
- Respond to HUD letters/correspondence
- Conduct required program monitoring: Public Service Quarterly Reports, Annual Public Services on-site monitoring
- Prepare for and participate in HUD monitoring/audit

5.0 SCOPE OF SERVICE

Under general direction from the Director of Planning and Community Development and designated staff, the selected consultant will be tasked to assist and provide support as needed for management and related functions to successfully execute the projects/programs that are funded with CDBG/HOME funds including, but not limited to the following:

- CDBG/HOME Loan Reconciliation
- Verify funded projects meet Federal Eligibility in accordance with HUD Section 24 of the Code of Federal Regulations
- Awareness of Federal Labor Standards (Prevailing wages/timesheets/Davis Bacon compliance monitoring)
- Collect and verify program eligibility as it relates to CDBG and HOME funded projects
- Housing Rehabilitation Program Management
- Income Qualification
- Field Inspection
- Community Engagement
- Prepare loan/ Grant documents
- Contractor Packets- (Bid Documents)
- CHDO Project Management
- Coordinate with CHDO entity for the development of affordable housing

- Provide technical assistance in evaluation affordable housing projects, including maximum subsidy per unit, underwriting requirements, and subsidy layering

Proposed Projects for Fiscal Year 2023/2024

(*Activities may be subject to change)

#	Project Name	Funding
1	Housing Rights Center (HRC)	CDBG Admin
2	Section 108 Loan Payment	CDBG
3.	Youth Employment Program (YEP)	CDBG
4.	Planning and Administration CDBG	CDBG
5.	Housing Rehabilitation and Preservation Program (HRPP)	HOME
6.	Planning and Administration HOME	HOME
7.	Recreation Youth Scholarship Program	CDBG
8.	YMCA Montebello/Commerce	CDBG
9.	Heart of Compassion (HOC)	CDBG
10.	CHDO- Acquisition and New Construction	HOME

Total Funding available for FY 2023/2024:

CDBG Funds: \$703,939.00 (includes program income)

HOME Funds: \$991,152.02 (includes program income)

*The funding amount may be subject to change

On-going Projects from Previous Fiscal Years

#	Project Name	Funding
3.	Public Facilities Improvements	CDBG
4.	Street Improvements	CDBG
5.	Montebello Senior Center Improvements	CDBG
10.	Montebello Community Assistance Program (MCAP)	CDBG-CV
15.	Heart of Compassion (HOC)	CDBG-CV
18.	CDBG-CV Program Administration	CDBG-CV

It is important to note that HOME-ARP Funds have been allocated to the City in the amount of \$1,088,774. **The administration of the HOME ARP program will also be a part of the scope of service.**

6.0 STAFF CONTACT

The contact person or proposal facilitator for this RFP is provided below:

City of Montebello
Attn: Joseph Palombi, Director of Planning & Community Development
1600 West Beverly Blvd.
Montebello, CA 90640
Phone Number: (323) 887-1200 Ext 598

All questions shall be submitted in writing through Planet Bids.

7.0 LENGTH OF CONTRACT

The contract for CDBG and HOME administration services will be for a two-year term with the option to extend for an additional one-year term at the sole and absolute discretion of the City.

8.0 CITY'S RESPONSIBILITY

Upon awarding of the contract, the City shall provide the selected consultant with any pertinent ordinances and resolutions or any other information mutually agreed upon that will assist the consultant with the completion of the contract requirements.

9.0 PROPOSAL CONTENT/FORMAT

In order to maintain uniformity with all proposals submitted, it is requested that the consultant's proposal include the following minimum information:

1. Cover letter that serves as an executive summary of the proposal limited to no more than three (3) pages. The letter should include your firm's understanding of the work to be performed. In addition, state why your firm believes itself to be the best qualified to perform the services requested. Also, state the Management Contact (name and title of the representative authorized to sign an agreement for your firm) and Project Manager (name and title of the person responsible for day to day management of the project).
2. Experience and qualifications of the consultant and management team, including a description of relevant similar projects. The City reserves the right to reject any of the firm's consultants or management team. After the proposal deadlines, substitution of consultants and management team may only be made with the permission of the City.
3. An outline showing tasks and times frames to ensure completion and submittal of the document prior to the Federal deadline (Action Plan, Consolidated Annual Performance Evaluation Report, and Assessment of Fair Housing).

4. A reference list of at least three (3) other public agencies, including contact person's name and phone number, who the consultant currently provides HUD services to.
5. A list of any pending or previous litigation over the past five (5) years related to your firm's work, and the outcome of any closed claims or cases.
6. Total annual project costs to the City, including a breakdown of costs by task and hourly rates.

The consultant acknowledges that submittal of a proposal constitutes acceptance of and a willingness to comply with all of the terms, conditions and criteria contained within this RFP. Proposals not in compliance with the terms and conditions contained herein may be cause for rejection. The City reserves the right to interpret or change any provision of this RFP at any time prior to the proposal submission due date. Such changes or interpretations will be in the form of an addendum.

10.0 **SELECTION CRITERIA**

Proposals will be evaluated on the proposer's ability to provide services that meet the requirements set forth in this RPF. The City reserves the right to make such investigations as it deems necessary to determine the ability of the proposer to provide services meeting a satisfactory level of performance in accordance with the City's requirements. The proposer shall furnish such information and data for this purpose as the City may request, at no cost to the City. Interviews and presentations by one, several, or all of the proposers submitting a proposal may be requested if deemed necessary to fully understand and evaluate the proposer's capabilities and qualifications.

The adequacy, depth, and clarity of the proposal will influence, to a considerable degree, its evaluation. The final selection of the consultants will be based on the following criteria:

- Cost as compared to related service requirements.
- Proposal personnel- The experience and qualifications of the proposed personnel and the consultants on similar projects. The availability of proposed personnel and overall consultant capabilities to meet additional needs to the City.
- Project Controls- The consultant's ability to control costs and provide accurate and timely invoices; to monitor and stay within budget; to monitor schedule and review times and the techniques used to complete projects within the proposed time frames.
- Applicant must have federal funded project management experience including:
 - a. Construction Project Management
 - b. Familiarity with City Planning Process
 - i. Securing necessary permits
 - ii. Onsite inspections

- Client References- Provide at least three (3) current references. The references should identify the client, a contact name and telephone number, a description of the services provided. The City also reserves the right to contact the clients that terminated contracts with the consultants as listed in the consultant's submittal.
- Ability to comply with City's standard professional services agreement.
- Award will be in accordance with the provisions of the Montebello Municipal Code. The proposals may be reviewed individually by staff members. The finalist may be requested to provide the City with a presentation and/or oral interview. Based on information obtained through this process, staff will make the appropriate recommendation to City Council.

The award of a contract will be based on a combination of the aforementioned criteria and costs.

11.0 FEDERAL REQUIREMENTS

The service is described in these provisions are to be funded through a grant provided by HUD. The successful consultant (s) ("Consultant") shall comply with all applicable terms and conditions prescribed by the federal government for 3rd party contracts.

The federal government is not a party to this contract and has no obligations or liabilities to any consultant in connection with the performance of this project. The consultant agrees to include this clause in each subcontract.

During the performance of this contract, the consultant agrees as follows:

1. Nondiscrimination- in accordance with title VI of the Civil Rights Act, the consultant agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability.
2. Equal Employment Opportunity- the following Equal Employment Opportunity requirements applied to the underlying contract:
 - Race, color, creed, national origin, sex- the contractor agrees to take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; And selection for training, including apprenticeship.
3. Age- the consultant agrees to refrain from discrimination against present and prospective employees for reason of age.
4. Disabilities- the consultant agrees that it will comply with the requirements of the U. S. Equal Employment Opportunity Commission, "Regulations to implement the Equal Employment provisions of the Americans with disability act," 29 C. F. R. Part 1630, pertaining to the employment of persons with disabilities.
5. The consultant also agrees to include these requirements in each subcontract financed in whole or in part with federal assistance provided by HUD, modified only if necessary to identify the affected parties.

The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban development act of 1968, as amended 12 U. S. C. 1701 u (Section 3). the purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD- assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low- income persons, particularly persons who are recipients of HUD assistance for housing.

The parties to this contract agreed to comply with HUD's regulation in 24 CFR part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

The consultant agrees to send to each labor organization or representative or workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers representative of the contractors' commitments under this Section 3 clause and will post copies of the notice in conspicuous places at work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to higher, availability of apprenticeship and training positions, the qualifications for each; And the name and location of the person (s) and taking applications for each of the positions; And the anticipated date the work shall begin.

The consultant agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractors in violation of the regulations in 24 CFR part 135. The consultant will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

The consultant will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor selected but before the contract is executed, and (number 2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, or not filled to circumvent the consultants' obligations under 24 CFR part 135.

Noncompliance with HUD's regulation in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

12.0 PROHIBITED INTEREST

No council member, officer, or employee of the city of Montebello or of a local public body during his/ her tenure or for one year thereafter shall have any interest, direct or indirect, in this contract or the proceeds thereof. If any such interests comes to the knowledge of any party at any time, a full and complete disclosure of all such information will be made in writing to the other parties, even if such interests would not be considered a conflict of

interest under Article 4 of chapter one of division 4 of title one (sections 1090- 1097) of the government code of the state of California.

13.0 GENERAL TERMS AND CONDITIONS

Addenda

Any changes made by the city to the requirements in this RFP will be made by written addenda. Any written addenda issued to this RFP shall be incorporated into the terms and conditions of any resulting agreement. The city will not be bound by any modifications to or deviations from the requirements outlined in this RFP's as a result of oral instructions. The city reserves the right to revise or withdraw this RFP at any time and for any reason.

Clarifications

Should a composer require classifications of this RFP, the proposer shall notify the contact person identified in this RFP and writing. Should the city, in its sole discretion I'm determined that the point in question is not clearly and fully set forth; the city will issue a written addendum clarifying the matter. The aforesaid addendum shall be posted on theplanetbids.com web page.

All questions, clarifications, or comments must be submitted to or no later than 3:00 PM Thursday, September 25, 2023. No questions will be answered individually by the city or its departments Request for clarification, questions, comments must be posted on theplanetbids.com. The city is not responsible for failure to respond to a request that has not been submitted in accordance with this section.

Responses by the city to the clarifications, comments, and questions will be communicated via planetbids.com. Every attempt will be made to respond to all proposers in accordance with the procurement schedule for this RFP inquiries received after the deadline will not be accepted and will be returned to the sender without a response.

Requests for clarifications and questions should be formatted in the following manner:

1. Section
2. Paragraph number
3. Page number
4. Text of passage being questioned
5. Question

DISCREPANCIES AND MISUNDERSTANDINGS

Proposing firms must satisfy themselves by personal examination of scope of work and by any means as they may believe necessary. No proposing firm shall at any time after submission of the proposal, make any claim or assertion that there was any misunderstanding or lack of information regarding the nature or amount of work necessary for the satisfactory completion of the job. Any errors, omissions, or discrepancies founding

documents provided, shall be called to the attention of the city and clarified before the submission of proposals.

WITHDRAWAL OF PROPOSALS

proposers may withdraw their proposals in writing, provided that such requests are received by the city before the scheduled deadline for proposal submission or within 6 (number 6) months following the scheduled deadline for proposal submission when no contract has been awarded.

REFERENCES

All reference information requested in this RFP and specified in the form included in this RFP must be submitted with the proposal.

PROPOSAL SIGNATURES

If an individual makes the proposal, it shall be signed, and the full name and address of the proposer shall be given.

If a partnership makes the proposal, it shall be signed with the partnership name, by a member of the partnership who shall sign by name and the name and address of each partner shall we give him.

If a corporation prepares the proposal, the name of the corporation shall be provided and signed by 2 (number 2) Julie authorized officers and, if available, stamped with the corporate seal, and names and titles of all officers of the corporation shall be given. You have a corporation provides a certified letter stating that one (number one) duly authorized officer signatures binding for the corporation, this will suffice to omit the second signature requirement in the proposal. A certified letter is to be included in the proposal accompanied by the letter of transmittal.

PRE- CONTRACTUAL EXPENSES

The city will be under no obligation for payment of pre- contractual expenses. Pre-contractual expenses are defined as expenses incurred by proposer in:

- Preparing the proposal in response to this request
- submitting the proposal to the city
- Negotiating with the city any matter related to this proposal, and/ or
- Any other expenses incurred by the proposer before the date of the award

CITY OF MONTEBELLO RIGHTS

In its discretion, the city reserves the right to:

1. Reject any and/ or all proposals for no reason or any reason including but not limited to the following:
 - The proposal is incomplete, non- responsive, obscure, irregular, or lacking necessary detail and specificity.
 - The proposer, in the sole judgment of the city, lacks the qualifications, experience, and/ or responsibility necessary to provide the services.

- The proposer failed or neglected to complete and submit any information within the time specified by the city, and as may be otherwise required herein.
- 2. Reject any proposal that, in the opinion of the city, is so unbalanced in comparison to other proposals received and/ or to the cities internal estimates that it does not accurately reflect the cost to perform.
- 3. Accept all or any part of a proposal.
- 4. Cancel the attire RFP.
- 5. Issue subsequent RFP 's;
- 6. Waive any errors or informalities in any proposal, to the extent permitted by law.
- 7. To divide the project into multiple parts.
- 8. The city may, in the evaluation of proposals, request clarification from proposers regarding the proposals, obtain additional material or literature, and pursue other avenues of research is necessary to ensure that a thorough evaluation is conducted.

RESPONSIBILITY FOR COMPLIANCE WITH LEGAL REQUIREMENTS

The proposers were products, services, and facilities shall be in full compliance with all applicable federal, state, and local regulations, standards, and ordinances, regardless of whether or not they are referred to in the RFP.

CONFIDENTIALITY AND PUBLIC RECORD

all proposers are hereby put on notice that each proposal received shall become the exclusive property of the city and, unless the city's prior written agreement to maintain all or part of a proposal confidential as a trade secret is first obtained, each proposal shall be subject to disclosure according to the California Public Records Act and/ or the Federal Freedom of Information Act. The city shall not in any way be liable or responsible for the disclosure of any proposals or portions thereof absent such agreement; nor shall such agreement preclude the city from disclosing any proposal or portion thereof where such disclosure is required by law.

OWNERSHIP OF DOCUMENTS

All documents' data, studies, drawings, maps, models, photographs and reports prepared by selected consultant (s) are cities property. Consultant (s) may routine copies of said documents and materials as desired but will deliver all original materials to the city.

JOINT OFFERS

Where 2 or more proposers desire to submit a response to this RFP, they shall do so on a prime- sub consultant basis rather than a joint venture. The city of Montebello intends to contract with a single firm and not with multiple firms doing business as a joint venture. Any proposals submitted on behalf of any form of a joint venture or partnership between two (2) existing proposers may be considered collusive and may be rejected as non-responsive.

FIRM PERSONNEL

It shall be the burden of the successful proposer to ensure all personnel possesses qualifications and/ or experience. All personnel required and performing the services herein shall be secured at the expense of the successful proposer. Personnel shall not be employees of or have any contractual relationship with the city. Successful proposers' personnel shall always conduct themselves in a professional manner to all city employees. Rude or discourteous behavior by the successful proposer will not be tolerated and the offense can be justification for termination of the contract. All sub- consultants of successful proposers shall abide by all the requirements outlined in this section.

SINGLE PROPOSAL RESPONSE

If only one proposal is received in response to this RFP, a detailed cost/ price proposal may be requested of the proposal. Any cost or cost and price analysis and evaluation and/ or audit of the cost may be performed to determine if the price is fair and reasonable. If the city determines a cost analysis is required, proposer must be prepared to provide, upon request, cost summaries of estimated cost (i. e. Labor, equipment, supplies, overhead costs, etc.) and documentation supporting all cost elements.

PROTEST PROCEDURES

All protests must be filed in accordance with the following:

1. The protest must be in writing and identify the solicitation (RFP) number.
2. The protests must be submitted by some return receipt method or guarantee of delivery that ensures that the protest was received promptly. The city is not responsible for lost or delayed deliverables.
3. The parties standing to protests must be identified.
4. Identification of the specific provision, law, regulation, specification, procedure, or policy violated.
5. A statement of the relief requested.

Protests related to the content of the RFP shall be received no later than ten (10) days before the proposal due date; or within five (5) days after proposal opening. If the protest does not comply with the preceding requirements, it may not be evaluated and may be returned to the protester.

All protests shall be submitted to the contact person identified in the solicitation.

INCORPORATION OF PROPOSAL INTO AGREEMENT

This RFP and the proposer's response, including all promises, warranties, commitments, and representations made in the successful proposal, shall be binding and incorporated by reference in the city's contract with the successful proposer.

TIME OF COMPLETION

The contract time shall commence from the date of the notice to proceed (and TPP) as authorized in writing by the city. The services shall be completed within the period

specified in the request for proposal. In case the services under the terms of these provisions and related purchase contract shall be necessarily delayed because government controls and/ or by reasons of any cause or circumstances beyond the control of the consultant, the time of completion shall be extended by a number of days to be determined in each instance by mutual agreement between the consultant the city of Montebello.

PAYMENT

A separate invoice, referencing their respective purchase order number shall be issued in duplicate for each of shown in the payment schedule, and address to the **City of Montebello, Attention: Accounts Payable, 1600 West Beverly Boulevard, Montebello, California, 90640.**

Payment will be made within thirty (30) days after acceptance and approval of the invoice.

Payment schedule: Monthly

Manner: Provide (1) one invoice monthly.

CONTRACT DOCUMENTS: ORAL CHANGES/ CONTRACT TERMINATION

Prohibition on Oral Changes:

Oral changes and oral change orders are not permitted. All proposed changes must be submitted in writing to and approved by city of Montebello prior to becoming a contract modification.

Contract Termination:

The city of Montebello may terminate any resulting contract or convenience at any time by giving the consultant written notice thereof. Upon termination, the city of Montebello shall pay the consultant his/ her allowable costs incurred to the date of termination, and those cost steam reasonably necessary by the city of Montebello to affect such termination, determined in accordance with Part 1- 8. 705- 1 of the Federal Procurement Regulations (41 CFR 1- 8) or other applicable portion (s) of said regulations. In addition, the city of Montebello shall pay the consultant a percentage of the project, which relates to contract work accomplished to date of termination. The effective date of termination shall be the date of notice of termination.

In the event the consultant breaches the terms or violates the conditions of the contract, and does not within 10 days, thereafter, cure breach a violation, the city of Montebello may immediately terminate the contract for default. The consultant shall be liable for any and all costs incurred by the city of Montebello as a result of such default.

SCOPE OF CONTRACT

The consultant shall provide all services necessary as per the scope of work described in this RFP.

PERFORMANCE OF WORK

It is the intent of these specifications to provide only services of the highest quality. The cost to be quoted and submitted shall include all items of service and any other costs necessary to fulfill complete the work according to the provisions. It is the aim of these specifications that the consultant provides complete services of the type press. Any items submitted from such specifications that are necessary for the completion of such services shall be considered a portion of such services, although not directly specified or called for Indy specifications. No advantage shall be taken by the consultant in the emission of any detailed which goes to make the service complete, even though such detail is not mentioned in these specifications.

AWARD OF CONTRACT

The contract resulting from this RFP will be awarded to the responsive and responsible proposer whose proposal, conforming to the requirements of the RFP, is determined to be the most advantageous to the city, based on the evaluation criteria. No agreement shall exist until the City Council or the city manager as designated by City Council, has awarded the agreement and it has been mutually executed. The city reserves the right to:

- a. except all or any part of a proposal;
- b. Reject any or all proposals for any reason;
- c. waive any informality or minor errors to the extent permitted by law;
- d. Award the agreement as the interests of the city may require;
- e. Cancel the entire RFP; Or
- f. Issue subsequent RFP's.

The city of Montebello staff in accordance with the proposal evaluation criteria set forth in the evaluation criteria section of this RFP will evaluate all the proposals. During the evaluation period, the city may interview some or all the proposing firms. Proposers should be aware; however, that award may be made without interviews or further discussions.

The city may negotiate contract terms with the selected proposer prior to award, and expressly reserves the right to negotiate with several proposers simultaneously and thereafter, to award a contract to the proposed offering the most favorable terms to the city. However, negotiations may or may not be conducted with proposers; therefore, the proposal submitted should contain the most favorable terms and conditions, since the selection and award may be made without discussion with any proposer.

No agreement shall exist until the City Council or city manager has awarded the agreement and it has been mutually executed. The city reserves the right to reject any and all proposals for any reason, to waive any informality or a minor errors as determined by the city in any proposal and toward the contemplated agreement as the best interest of the city may require. The award, if any, may be made by the city within 90 calendar days after the opening of proposals.

POINT OF CONTACT

This RFP is issued by the city, and the director of planning and community development ("director") will be the sole point of contact ("point of contact") during the RFP submission and procurement process. Communications initiated by respondents to this RFP with members of the City Council, or officers, personnel or employees of the city, other than as

coordinated by the point of contact, may be grounds for disqualification. Any increase or requests during the submission or procurement process shall be submitted in writing to the following point of contact:

Attention: Joseph Palombi
Director of planning and community development
1600 West Beverly Boulevard
Montebello, CA 90640
(323) 887- 1200
E-mail: jpalombi@montebellocal.ca.gov

Contact determines a response to any such inquiry is warranted, said response will be issued to all prospective proposers via planetbids.com.

SELECTION PROCESS

1. Proposal review: upon receiving an adequate number of proposals by the deadline proposers will be evaluated and the best qualified may be invited to participate in an interview.
2. Selection criteria: the city will select a consultant to provide the services pursuant to this request for proposal based on the evaluation of the proposals, interview process, and references. The city, however, reserves the right that an award may be made without consultant visits, interviews, or further discussion or negotiations. Therefore, the proposal submitted should contain your most favorable terms and conditions, since the selection and award may be without discussion or negotiation with any consultant. Selection is based on a determination of the consultant deemed most qualified to provide the services outlined in this request, but not limited to, the following criteria:
 - a. Completeness of the proposal: how thoroughly the proposal responds to the criteria contained in this RFP.
 - b. Experience: the proposer will provide information on their knowledge of providing support services for the management of federal programs.
 - c. Qualifications: qualifications of key personnel, including principle(s), project manager(s), and other individuals' tenant to the project success.
 - d. Performance: the proposer must demonstrate the ability to produce timely and high-quality services.
 - e. References: quality of reference checks obtained by interviewing prior and current clients.
 - f. Cost- effectiveness: a clear and consistent commitment to cost containment and fair play with respect to the needs of customers.
3. Interviews: selected proposers may be invited for an interview.
4. Professional service agreement: upon identified of a preferred provider the director will require professional service agreement, subject to negotiation of precise duties, terms of payment, and other city requirements.
5. Contract approval and execution: the professional service agreement, in its substantial form, will be presented to City Council for approval and execution by the city manager or designee.

EVALUATION OF PROPOSALS

The city of Montebello uses a selection process in which proposals contain both price and qualitative components, and award is based upon a combination of price and qualitative considerations. Qualitative considerations may include experience and qualifications, technical approach, quality of proposed personnel, and/ or management plan. The award selection is based upon consideration of a combination of technical and price factors to determine the offer deemed most advantageous to the city of Montebello.

Qualitative considerations will be reviewed and scored first without attention to the price. As staff will then open the cost and price proposals and evaluate and score them accordingly. During the quality of evaluation, staff, add its sole discretion may contact any or all the proposers with specific questions or requests for clarification. After both the qualitative and cost/ price proposals have been evaluated and scored, staff will arrive at a "comprehensive proposal score" for each proposal. A list of top ranked proposals within a competitive range will be developed based upon the total comprehensive scores provided by staff. At this time, staff may decide that the evaluation process is complete and submit a final recommendation to City Council.

Staff may ask the proposers to consider the dialogue of negotiations and revise their proposals. A deadline will be saved for the submission of the revised proposals. If a proposer is unable to meet the deadline or chooses not to revise its proposal, its existing proposal will be rescored along with revised proposals in the same manner as the original proposals.

EVALUATION CRITERIA

Award will be made to the proposer whose proposal offers the best value to the city.

Qualitative considerations

The proposer's qualitative proposal will be evaluated on the basis of the following factors, each having the weighted value set forth below:

1. Project approach	10 points
2. Proposed personnel	15 points
3. Experience and references	30 points
4. Project controls	25 points
TOTAL	80 points

Price Considerations

The Price Proposals will be evaluated as follows:

The Proposer's Price Proposal will be compared to the lowest responsive Price Proposal. The lowest responsive price will receive the total weighed value for this criterion (20 points). All other PPs will be scored as follows:

Proposer Price Score = lowest price proposal x 20 (total points available for price evaluation)

DISCRETION AND LIABILITY WAIVER

1. Proposers shall carefully read the information contained in this RFP and submit a complete response to all requirements and questions as directed. Incomplete proposals may be considered non-responsive and may be rejected in the City's discretion.
2. All information, documentation, and other materials submitted in response to this solicitation are considered non-confidential and/or non-proprietary and are subject to public disclosure after the solicitation is completed.
3. Proposers shall prepare and develop proposals at their sole cost and expense.
4. The City makes no representations of any kind that an award of a contract will be made as a result of this RFP, or subsequent RFP. The City reserves the right to accept or reject any or all proposals, waive any formalities or minor technical inconsistencies, and/or delete any item/requirements from this RFP when deemed to be in City's best interest.
5. Failure to comply with all requirements contained in this RFP may result in the rejection of a proposal.
6. The City may, in the evaluation of proposals, request clarification from proposers regarding their proposals, obtain additional material or literature, and pursue other avenues of research as necessary to ensure that a thorough evaluation is conducted.
7. By submitting a proposal in response to this RFP, the consultant accepts the evaluation process, acknowledges and accepts that determination will require subjective judgments by the City, and waives all right to protest or seek any legal remedies whatsoever regarding any aspect of this RFP.
8. The City of Montebello expects the highest level of ethical conduct from proposers, including adherence to all applicable laws and local ordinances regarding ethical behavior.
9. If an agreement cannot be reached with the highest ranked proposer, City reserves the right to terminate negotiations with that party and enter into negotiations with the next highest ranked proposer.
10. Finalists in the selection process may be asked to attend an interview once the RFP process is complete.
11. Selected consultant provide their own resources and equipment and direct their operation in all respects.

14.0 EX PARTE COMMUNICATIONS

Consultants and Consultant' representatives should not communicate with the City Council members about this RFP. In addition, Consultants and Consultant' representatives should not communicate outside the procedures set forth in this RFP with an officer, employee or agent of the City, including any member of the evaluation panel, with the exception of the RFP Facilitator, regarding this RFP until after Contract Award. Consultants and their representatives are not prohibited, however, from making oral statements or presentations in public to one or more representatives of the City during a public meeting.

A "Consultant" or "Consultant's representative" includes all of the Proposer's employees, officers, directors, consultants and agents, any subcontractors or suppliers listed in the Consultant's proposal, and any individual or entity who has been requested by the Consultant to contact the City on the Consultant's behalf.

15.0 DRAFT AGREEMENT

Included with this RFP as "Attachment A" is a draft of the Professional Services Agreement that will be utilized for this contract. Consultants are asked to review the draft agreement and note any objections and/or corrections as part of their proposal submittal and to pay particular attention to the insurance requirements specified in the agreement. It should be noted that this Agreement is subject to change and revision pursuant to review by the City Attorney.

The proposal process, contract negotiations and execution, and subsequent actions will be conducted by the City in accordance with applicable law. Consultants should carefully review this document, which constitutes the formal RFP, to ensure a clear understanding of the City's needs and objectives and scope of work.

16.0 DIRECTIONS FOR SUBMITAL OF PROPOSAL

Deadline: Proposals must be received no later than Thursday September 25, 2023.

Location: <http://www.cityofmontebello.com/rfp-bids/bid-opportunities.html>.

All proposals shall be submitted electronically via Planet Bids as described above.

Any questions on this RFP shall be submitted via Planet Bids.

All Prospective Bidders must register to bid through the Planet Bids Vendor Portal found on the City of Montebello's website at the link provided above. There are no fees to register and bid on this RFP.

“ATTACHMENT A”

CITY OF MONTEBELLO

STANDARD PROFESSIONAL SERVICES AGREEMENT

(Sample) AGREEMENT NO. ---

PROFESSIONAL SERVICES AGREEMENT

BETWEEN THE CITY OF MONTEBELLO AND -----

1. IDENTIFICATION

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is entered into by and between the City of Montebello, a California municipal corporation ("City"} and-----, ("Consultant"). City and Consultant are sometimes hereinafter individually referred to as a "Party" and collectively referred to as "Parties."

2. RECITALS

2.1 City has determined that it requires professional services Administration of HOME/CDBG Programs for the City of Montebello ("Project").

2.2 Consultant represents that it is fully qualified to perform such professional services by virtue of its experience and the training, education and expertise of its principals and employees. Consultant further represents that it is willing to accept responsibility for performing such services in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, for and in consideration of the performance by the Parties of the mutual covenants and conditions herein contained, the Parties hereto agree as follows:

3. DEFINITIONS

3.1 "Scope of Services": Such professional services as are set forth in the Consultant's (DATE) proposal to City attached hereto as Exhibit "A" and incorporated herein by this reference.

3.2 "Approved Fee Schedule:" Such compensation rates as are set forth in the Consultant's (DATE), proposal to City attached hereto as Exhibit "B."

3.3 "Commencement Date:" That certain date on which the Agreement is executed by both Parties following its approval by the City Council of the City of Montebello.

3.4 "Contract Documents." For purpose of this Agreement, the contract documents for the aforesaid Project shall consist of (and are outlined in the following order of preference):

- A. RFP No. _____ ,
- B. Proposer's [DATE] Proposal for Professional Support Services for the Administration of HOME/CDBG Programs and all referenced. specifications, details, and appendices;
- C. All required bonds, insurance certificates, permits, notices, schedules, forms, certifications, and affidavits; and
- D. Any and all addenda or supplemental agreements clarifying, or extending the work contemplated as may be required to insure its completion in acceptable manner.

All of the provisions of said Contract Documents constitute a material part hereof and shall be hereby incorporated by reference as though fully set forth herein.

4. TERM OF AGREEMENT

The term of this Agreement shall commence on the Commencement Date and shall continue until terminated in accordance with Section 22 below. Notwithstanding anything in this Agreement, this Agreement shall automatically terminate after two (2) years unless extended by the Parties in writing. Nothing in the Section shall operate to prohibit or otherwise restrict the City's ability to terminate this Agreement at any time for convenience or for cause.

5. CONSULTANT'S SERVICES

5.1 Consultant shall perform the services identified in the Scope of Services. City shall have the right to request, in writing, changes in the Scope of 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.

5.2 Consultant shall perform all services required pursuant to this Agreement in the manner and according to the standards observed by a competent practitioner of the profession in which Consultant is engaged in the general geographical area of the City. Consultant shall prepare all work products required by this Agreement in a substantial, first-class manner and shall conform to the standards of quality normally observed by a practitioner in Consultant's profession.

6. COMPENSATION

6.1 City agrees to compensate Consultant for the services provided under this Agreement, and Consultant agrees to accept in full satisfaction for such services, payment in accordance with the Approved Fee Schedule. In no event shall the total compensation and costs payable to Consultant under this Agreement exceed the sum of \$ _____ unless specifically approved in advance, in writing, by City.

6.2 Consultant shall submit to City an invoice, monthly or less frequently, for the services performed pursuant to this Agreement. Each invoice shall itemize the services rendered during the billing period and the amount due. Within ten (10) business days of receipt of each invoice, City shall notify Consultant in writing of any disputed amounts included on the invoice. Within thirty (30) calendar days of receipt of each invoice, City shall pay all undisputed amounts included on the invoice. City shall not withhold applicable taxes or other authorized deductions from payments made to consultant.

6.3 Payments for any services requested in writing by City and not included in the Scope of Services shall be made to Consultant by City on a time-and-materials basis using Consultant's standard fee schedule. Fees for such additional services shall be paid within sixty (60) days of the date Consultant issues an invoice to City for such services.

7. BUSINESS LICENSE

Consultant shall obtain a City business license prior to commencing performance under this Agreement.

8. COMPLIANCE WITH LAWS

Consultant shall keep informed of State, Federal and Local laws, ordinances, codes and regulations that in any manner affect those employed by it or in any way affect the performance of its services pursuant to this Agreement. The Consultant shall at all times comply with such laws, ordinances, codes and regulations. Without limiting the generality of the foregoing, if Consultant is an out-of-state corporation or LLC, it must be qualified and registered to do business in the State of California pursuant to sections 2105 and 17708.02 of the California Corporations Code. The City, its officers and employees shall not be liable at law or in equity occasioned by failure of Consultant to comply with this Section.

9. CONFLICT OF INTEREST

Consultant covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by Consultant under this Agreement, or which would conflict in any manner with the performance of its services hereunder. During the term of this Agreement, Consultant shall not perform any work for another person or entity for whom Consultant was not working at the Commencement Date if both: (i) such work would require Consultant to abstain from a decision under this Agreement pursuant to a conflict-of-interest statute; and (ii) City has not consented in writing prior to Consultant's performance of such work.

10. PERSONNEL

Consultant represents that it has, or will secure at its own expense, all personnel required to perform the services identified in the Scope of Services. All such services

shall be performed by Consultant or under its supervision, and all personnel engaged in the work shall be qualified to perform such services. Consultant reserves the right to determine the assignment of its own employees to the performance of Consultant's services under this Agreement, but City reserves the right, for good cause, to require Consultant to exclude any employee from performing services on City's premises. Contact person name, Principal, of consultant firm name shall be Consultant's project manager and shall have direct responsibility for management of Consultant's performance under this Agreement. No change shall be made in Consultant's project manager without City's prior written consent.

11. OWNERSHIP OF WRITTEN PRODUCTS

All reports, documents or other written material ("Written Products") developed by Consultant in the performance of this Agreement shall be and remain the property of City without restriction or limitation upon its use or

dissemination by City. Consultant may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by Consultant. If any state, federal, or local law requires mandatory copyright protection for Consultant's work product, City shall comply with such laws to the extent feasible.

12. INDEPENDENT CONTRACTOR

12.1 Consultant is, and shall at all times remain as to City, a wholly independent contractor. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise to act on behalf of City as an agent. Neither City nor any of its officers, employees or agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not at any time represent that it is, or that any of its agents or employees are, in any manner employees of City.

12.2 The Parties further acknowledge and agree that nothing in this Agreement shall create or be construed to create a partnership, joint venture, employment relationship, joint-employer relationship, or any other relationship between Consultant or Consultant's employees except as set forth in this Agreement.

12.3 City shall have no direct or indirect control over Consultant's employees or sub-consultants with respect to wages, hours, and working conditions. In addition, City shall not deduct from the Compensation paid to Consultant any sums required for Social Security, withholding taxes, FICA, state disability insurance or any other federal, state or local tax or charge which may or may not be in effect or hereinafter enacted or required as a charge or withholding on the compensation paid to Consultant, Consultant's employees or subconsultants. City shall have no responsibility to provide Consultant, its employees or subconsultants with workers' compensation insurance or any other insurance.

12.4 The Parties further acknowledges the following: (i) that Consultant shall provide the services outlined in the Scope of Services directly to City; (ii) Consultant maintains a business location at the address listed under Section 20 that is separate and distinct from the City; (iii) Consultant contracts with other businesses to provide the same or similar services and maintains a clientele without restriction from the City; (iv) Consultant advertises and holds itself out to the public as available to provide the same or similar services; (v) unless otherwise specified in this Agreement, Consultant provides its own tools, vehicles, and equipment necessary for performing the Scope of Services; (vi) Consultant has proposed and negotiated its own rates; and (vii) consistent with the nature and demands of the project and the City's business hours and City staff availability, Consultant may set its own hours and location of work.

13. CONFIDENTIALITY

All data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without prior written consent by City. City shall grant such consent if disclosure is legally required. Upon request, all City data and any copies thereof shall be returned to City upon the termination or expiration of this Agreement.

14. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES

No official or employee of the City shall be personally liable to Consultant in the event of any default or breach by City, or for any amount which may become due to Consultant.

15. INDEMNIFICATION

15.1 The Parties agree that City, its officers, agents, elected and appointed officials, employees, affiliated public agencies and volunteers should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, or any other cost arising out of or in any way related to the performance of this Agreement. Accordingly, the provisions of this indemnity provision are intended by the

Parties to be interpreted and construed to provide the fullest protection possible under the law to City. Consultant acknowledges that City would not enter into this Agreement in the absence of Consultant's commitment to indemnify and protect City as set forth herein. Notwithstanding the foregoing, to the extent Consultant's services are subject to Civil Code Section 2782.8, the above indemnity shall be limited, to the extent required by Civil Code Section 2782.8, to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant.

15.2 To the full extent permitted by law, Consultant shall indemnify, hold harmless and defend City, its officers, agents, elected and appointed officials, employees, affiliated public agencies and volunteers from and against any and all claims, demands, lawsuits, causes of action, losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from or arising out of any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant or any of its officers, employees, servants, agents, or subconsultants in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of City's choice and expert witness fees and consultant fees.

15.3 City shall have the right to offset against the amount of any compensation due Consultant under this Agreement any amount due City from Consultant as a result of Consultant's failure to pay City promptly any indemnification arising under this Section 15 or related to Consultant's failure to either: (i) pay taxes on amounts received pursuant to this Agreement or (ii) comply with applicable workers' compensation laws.

15.4 The obligations of Consultant under this Section 15 will not be limited by the provisions of any workers' compensation act or similar act. Consultant expressly waives its statutory immunity under such statutes or laws as to City, its officers, agents, employees and volunteers.

15.5 Consultant agrees to obtain executed indemnity agreements with provisions identical to those set forth here in this Section 15 from each and every subconsultant or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. In the event Consultant fails to obtain such indemnity obligations from others as required herein, Consultant agrees to be fully responsible and indemnify, hold harmless and defend City, its officers, agents, elected and appointed officials, employees, affiliated public agencies and volunteers from and against any and all claims, demands, lawsuits, causes of action, losses, costs or expenses for any damage due to death or injury to any person and injury to any property resulting from or arising out of any alleged intentional, reckless, negligent, or otherwise wrongful acts, errors or omissions of Consultant's subconsultants or any other person or entity involved by, for, with or on behalf of Consultant in the performance of this Agreement. Such costs and expenses shall include reasonable attorneys' fees incurred by counsel of City's choice and expert witness fees and consultant fees.

15.6 City does not, and shall not, waive any rights that it may possess against Consultant because of the acceptance by City, or the deposit with City, of any insurance policy or certificate required pursuant to this Agreement. This hold harmless and indemnification provision shall apply regardless of whether or not any insurance policies are determined to be applicable to the claim, demand, damage, liability, loss, cost or expense.

15.7 **PERS ELIGIBILITY INDEMNITY.** In the event that Consultant or any employee, agent, or subconsultant of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subconsultants, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subconsultants providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City

and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

16. INSURANCE

16.1 During the term of this Agreement, Consultant shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with Consultant's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

16.1.1 Comprehensive general liability, and Umbrella or Excess Liability Insurance covering all operations by or on behalf of Consultant providing insurance for bodily injury liability and property damage liability in the amount of One Million Dollars (\$1,000,000) per occurrence combined single limit; Two Million Dollars (\$2,000,000) aggregate for products/completed operation; Two Million Dollars (\$2,000,000) general aggregate (General aggregate must apply separately to Consultant's work under this Agreement.); and Five Million Dollars (\$5,000,000) umbrella or excess liability.

16.1.2 Automobile Liability Insurance for owned, hired and non-owned vehicles utilized by Consultant, its employees or subconsultants, in the amount of One Million Dollars (\$1,000,000) per accident for bodily injury and property damage.

16.1.3 Worker's Compensation Insurance as required by the laws of the State of California, with Statutory Limits, and Employer's Liability Insurance with limit of no less than One Million Dollars (\$1,000,000) per accident for bodily injury or disease.

16.1.4 Professional Liability Insurance against errors and omissions in the performance of the work under this Agreement with coverage limits of not less than One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate.

16.2 Consultant shall require each of its subconsultants, if any, to maintain insurance coverage that meets all of the requirements of this Agreement.

16.3 The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a rating of at least A:VII in the latest edition of Best's Insurance Guide.

16.4 Consultant agrees that if it does not keep the aforesaid insurance in full force and effect City may either: (i) immediately terminate this Agreement; or (ii) take out the necessary insurance and pay, at Consultant's expense, the premium thereon.

16.5 At all times during the term of this Agreement, Consultant shall maintain on file with City's Risk Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and, for the general liability and automobile liability policies, naming the City as an additional insured. Consultant shall, prior to commencement of work under this Agreement, file with City's Risk Manager such certificate(s).

16.6 Consultant shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Consultant shall provide such proof to City at least two weeks prior to the expiration of the coverages.

16.7 The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming City, its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to City. Consultant agrees to require its insurer to modify the

certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

16.8 The general liability and automobile policies of insurance provided by Consultant shall be primary to any coverage available to City. Any insurance or self- insurance maintained by City, its officers, employees, agents or volunteers, shall be in excess of Consultant's insurance and shall not contribute with it.

16.9 All insurance coverage provided pursuant to this Agreement shall not prohibit Consultant, and Consultant's employees, agents or subconsultants, from waiving the right of subrogation prior to a loss. Consultant hereby waives all rights of subrogation against the City.

16.10 Any deductibles or self-insured retentions must be declared to and approved by the City. At the option of City, Consultant shall either reduce or eliminate the deductibles or self-insured retentions with respect to City, or Consultant shall procure a bond guaranteeing payment of losses and expenses.

16.11 Procurement of insurance by Consultant shall not be construed as a limitation of Consultant's liability or as full performance of Consultant's duties to indemnify, hold harmless and defend under Section 15 of this Agreement.

16.12 If Consultant maintains broader coverage and/or higher limits than the minimums shown above, the City requires and shall be entitled to the broader coverage and/or 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.

17. MUTUAL COOPERATION

17.1 City shall provide Consultant with all pertinent data, documents and other requested information as is reasonably available to City for the proper performance of Consultant's services under this Agreement.

17.2 In the event any claim or action is brought against City relating to Consultant's performance in connection with this Agreement, Consultant shall render any reasonable assistance that City may require.

18. RECORDS AND INSPECTIONS

Consultant shall maintain full and accurate records with respect to all matters covered under this Agreement for a period of three years after the expiration or termination of this Agreement. City shall have the right to access and examine such records, without charge, during normal business hours. City shall further have the right to audit such records, to make transcripts therefrom and to inspect all program data, documents, proceedings, and activities.

19. PERMITS AND APPROVALS

Consultant shall obtain, at its sole cost and expense, all permits and regulatory approvals necessary in the performance of this Agreement. This includes, but shall not be limited to, encroachment permits and building and safety permits and inspections.

20. NOTICES

Any notices, bills, invoices, or reports required by this Agreement shall be deemed received on: (i) the day of delivery if delivered by hand, facsimile, email, or overnight courier service during Consultant's and City's regular business hours; or (ii) on the third business day following deposit in the United States mail if delivered by mail, postage prepaid, to the addresses listed below (or to such other addresses as the Parties may, from time to time, designate in writing).

If to City:

If to Consultant:

Joseph Palombi
Planning and Community Development Director
City of Montebello 1600 W. Beverly Blvd.,
Montebello, CA 90640
Phone: (323) XXX-XXXX
Facsimile: (323) XXX-XXXX

21. SURVIVING COVENANTS

The Parties agree that the covenants contained in Sections 13, 15 and Paragraph 17.2 of Section 17, of this Agreement shall survive the expiration or termination of this Agreement.

22. TERMINATION

22.1. City shall have the right to terminate this Agreement for any reason on five (5) calendar days' written notice to Consultant. Consultant shall have the right to terminate this Agreement for any reason on sixty (60) calendar days' written notice to City. The effective date of termination shall be upon the date specified in the notice of termination. Consultant agrees that in the event of such termination, City's obligation to pay Consultant shall be limited to payment only for those services satisfactorily rendered, as solely determined by the City, prior to the effective date of termination. Consultant agrees to cease all work under this Agreement on or before the effective date of any notice of termination. All City data, documents, objects, materials or other tangible things shall be returned to City upon the termination or expiration of this Agreement.

22.2 If City terminates this Agreement due to no fault or failure of performance by Consultant, then Consultant shall be paid based on the work satisfactorily performed, as solely determined by the City, at the time of termination. In no event shall Consultant be entitled to receive more than the amount that would be paid to Consultant for the full performance of the services required by this Agreement.

23. ASSIGNMENT

Consultant shall not delegate, transfer, subcontract or assign its duties or rights hereunder, either in whole or in part, without City's prior written consent, and any attempt to do so shall be void and of no effect. City shall not be obligated or liable under this Agreement to any Party other than Consultant.

24. NON-DISCRIMINATION AND EQUAL EMPLOYMENT OPPORTUNITY

24.1 In the performance of this Agreement, Consultant shall not discriminate against any employee, subconsultant, or employment applicant because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation. Consultant will take affirmative action to ensure that subconsultants, employees, and employment applicants are treated without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

24.2 Consultant will, in all solicitations or advertisements for employees placed by or on behalf of Consultant state either that it is an equal opportunity employer or that all qualified applicants will receive consideration for

employment without regard to race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

24.3 Consultant will cause the foregoing provisions to be inserted in all subcontracts for any work covered by this Agreement except contracts or subcontracts for standard commercial supplies or raw materials.

25. WARRANTIES

25.1 Each Party has received independent legal advice from its attorneys with respect to the advisability of entering into and executing this Agreement or been provided with an opportunity to receive independent legal advice and has freely and voluntarily waived and relinquished the right to do so. Each Party who has not obtained independent counsel acknowledges that the failure to have independent legal counsel will not excuse such Party's failure to perform under this Agreement.

25.2 In executing this Agreement, each Party has carefully read this Agreement, knows the contents thereof, and has relied solely on the statements expressly set forth herein and has placed no reliance whatsoever on any statement, representation, or promise of any other party, or any other person or entity, not expressly set forth herein, nor upon the failure of any other party or any other person or entity to make any statement, representation or disclosure of any matter whatsoever.

25.3 It is agreed that each Party has the full right and authority to enter into this Agreement, and that the person executing this Agreement on behalf of either Party has the full right and authority to fully commit and bind such Party to the provisions of this Agreement.

26. CAPTIONS

26.1 The captions appearing at the commencement of the sections hereof, and in any paragraph thereof, are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between such heading, and the section or paragraph thereof at the head of which it appears, the section or paragraph thereof, as the case may be, and not such heading, shall control and govern in the construction of this Agreement.

26.2 Masculine or feminine pronouns shall be substituted for the neuter form and vice versa, and the plural shall be substituted for the singular form and vice versa, in any place or places herein in which the context requires such substitution(s).

27. NON-WAIVER

27.1 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. In no event shall the making by City of any payment to Consultant constitute or be construed as a waiver by City of any breach of covenant, or any default which may then exist on the part of Consultant, and the making of any such payment by City shall in no way impair or prejudice any right or remedy available to City with regard to such breach or default. No term, covenant or condition of this Agreement shall be deemed to have been waived by City or Consultant unless in writing.

27.2 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.

27.3 Consultant shall not be liable for any failure to perform if Consultant presents acceptable evidence, in City's sole judgment, that such failure was due to causes beyond the control and without the fault or negligence of Consultant.

28. COURT COSTS AND ATTORNEY FEES

In the event legal action shall be necessary to enforce any term, covenant or condition herein contained, the Party prevailing in such action, whether reduced to judgment or not, shall be entitled to its reasonable court costs, including accountants' fees and expert witness fees, if any, and attorneys' fees expended in such action. The venue for any litigation shall be Los Angeles County, California.

29. 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.

30. GOVERNING LAW

This Agreement shall be governed and construed in accordance with the laws of the State of California.

31. COUNTERPARTS

This Agreement may be signed in any one or more counterparts all of which taken together shall be but one and the same Agreement. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by facsimile or email transmission, shall for all purposes be treated as if it were delivered containing an original manual signature of the Party whose signature appears in the facsimile or email and shall be binding upon such Party in the same manner as though an originally signed copy had been delivered.

32. ENTIRE AGREEMENT

All documents referenced as exhibits in this Agreement are hereby incorporated in this Agreement. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of any document incorporated herein by reference, the provisions of this Agreement shall prevail. This instrument contains the entire Agreement between City and Consultant with respect to the transactions contemplated herein. No other prior oral or written agreements are binding upon the Parties. Amendments hereto or deviations herefrom shall be effective and binding only if made in writing and executed by City and Consultant.

[Signatures on the following page]

TO EFFECTUATE THIS AGREEMENT, the Parties have caused their duly authorized representatives to execute this Agreement on the dates set forth below.

"CITY"

CITY OF MONTEBELLO

David Torres, Mayor

"CONSULTANT"

Date

ATTEST:

Christopher Jimenez, City Clerk

Date

APPROVED AS TO FORM:

Arnold M. Alvarez-Glasman, City Attorney

Date

ATTACHMENT B

REFERENCES

At Least Three (3) References

Project city/agency/other:	
Address:	
Phone number and email:	
Contact person:	
Description of Contract (Please include contract value, award date, term of contract, and description of work):	

Project city/agency/other:	
Address:	
Phone number and email:	
Contact person:	

Description of Contract (Please include contract value, award date, term of contract, and description of work):	
---	--

Project city/agency/other:	
Address:	
Phone number and email:	
Contact person:	
Description of Contract (Please include contract value, award date, term of contract, and description of work):	

ATTACHMENT C

PROPOSAL CONTENT CHECKLIST

This checklist must be completed and returned with the Proposal. Failure to return this checklist may be cause for considering the Proposal non-responsive.

Description		Proposer Initial
1	Cover Letter with Proposal	
2	List of Staff and Qualifications	
3	Outline showing tasks and time frames to meet yearly HUD deadlines for programs	
4	References (Attachment B)	
5	List of any pending or previous litigation over the past (5) years	
6	Cost Proposal (Task breakdown with hourly rate)	

Company Name:	
Name of Proposer initialing document (print):	
The email address of Company Contact:	
Signature:	
Title:	
Date:	



ITEM # 15

**CITY OF MONTEBELLO
CITY COUNCIL AGENDA STAFF REPORT**

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: James Enriquez, Director of Public Works

SUBJECT: APPROVAL OF COOPERATIVE AGREEMENT NO. 4093 WITH LOS ANGELES COUNTY DEPARTMENT OF PUBLIC WORKS FOR THE OLYMPIC BOULEVARD TRAFFIC SIGNAL SYNCHRONIZATION PROGRAM (TSSP)

DATE: April 10, 2023

RECOMMENDATION(S):

It is recommended that the City Council:

1. Approve Cooperative Agreement No. 4093 with the Los Angeles County Department of Public Works (Attachment A) defining funding for the Olympic Boulevard Traffic Signal Synchronization Program (TSSP) Project; and
2. Approve Amendment No.1 (Attachment B) to Agreement No. 2508 (Attachment C) with the Los Angeles County Department of Public Works redefining the streets included in the TSSP Project; and
3. Authorize the City Manager to execute the Agreements on behalf of the City; and
4. Amend the Fiscal Year 2022-23 budget by increasing appropriations in Fund 200 (Gas Tax) by \$161,400 (Account No. 200-99-6040.95, Gas Tax, Other Professional Services); and
5. Take such additional, related action that may be desirable.

FISCAL IMPACT:

The Los Angeles County Department of Public Works (LACDPW) has secured a grant from the Los Angeles County Metropolitan Transportation Authority (Metro) in the amount of \$2,621,100 that will pay most of the project cost. The City's contribution for the project is \$161,400 to cover improvements the City requested during plan check that are not eligible for grant reimbursement.

It is recommended that the City Council approve a budget amendment to the FY 2022-

CITY COUNCIL AGENDA REPORT - MEETING OF APRIL 10, 2023

Page 2 of 3

23 CIP Budget allocating funds for the project in the amount of \$161,400 in Gas Tax funds (Fund 200) to cover the City's contribution. Staff is recommending increasing appropriations in Account No. 200-99-6040.95 (Gas Tax, Other Professional Services). The Gas Tax Fund has sufficient fund balance to cover these additional expenditures.

BACKGROUND/DISCUSSION:

On January 28, 2009, the city executed Agreement No. 2508 (Attachment C) with the Los Angeles County Department of Public Works (LACDPW) for the TSSP project. At that time, the project included Paramount Boulevard from Arroyo Drive to Montebello Boulevard, Montebello Boulevard from Paramount Boulevard to 5 Freeway, Beverly Boulevard from Simmons Avenue to Rea Drive, Garfield Avenue from Pomona Boulevard to Allston Street, and Telegraph Road from Church Road to Slauson Avenue. The TSSP project improves signal function and coordination along arterial corridors to improve the flow of traffic. LACDPW takes the lead on these projects on a regional basis.

The project has been in design since 2008 and has evolved into the current project that includes the following arterials: 1) Washington Boulevard from Vail Ave to Bluff Rd; 2) Whittier Boulevard from Garfield Ave to Van Norman Rd; 3) Olympic Boulevard from Vail Ave to Montebello Blvd; and 4) Slauson Avenue from Telegraph Rd to Chapin Rd. Amendment No. 1 to Agreement No. 2508 revises the scope of the TSSP project to include the new arterial streets.

Agreement No. 4093 defines the funding contributions for the Olympic Boulevard portion of the project from Metro grant funds, LACDPW's contribution and the City's contribution of \$161,400. The City's contribution pays for improvements requested by the City during the plan check process that are not eligible for grant reimbursement.

LACDPW advertised the Olympic Boulevard Project between Indian Street and Montebello Boulevard for construction on March 21, 2023 the bid opening is scheduled for April 18, 2023.

ENVIRONMENTAL:

N/A

ANALYSIS:

N/A

SUMMARY:

Upon the approval of the City Council of the recommended action, City staff will coordinate with LACDPW on the delivery of the project. The recommended actions will also amend the FY 2022-23 budget by increasing appropriations by \$161,400 in Account No. 200-99-6049.95 (Gas Tax, Other Professional Services).

ATTACHMENT(S)

CITY COUNCIL AGENDA REPORT - MEETING OF APRIL 10, 2023

Page 3 of 3

1. Attachment A - Agreement No. 4093
2. Attachment B - Amendment No. 1 to Agreement No. 2508
3. Attachment C - Agreement No. 2508

NEXT STEPS:

N/A

**CITY OF MONTEBELLO
AGREEMENT NO. 4093**

A G R E E M E N T

THIS AGREEMENT, made and entered into by and between the CITY OF MONTEBELLO, a municipal corporation in the County of Los Angeles, hereinafter referred to as CITY, and the COUNTY OF LOS ANGELES, a political subdivision of the State of California (hereinafter referred to as COUNTY):

W I T N E S S E T H

WHEREAS, to assist in the traffic flow, CITY, the City of Commerce, the City of Los Angeles, the State of California, and COUNTY desire to modify and synchronize the traffic signals along Olympic Boulevard between Indiana Street and Montebello Boulevard, a portion of which is within CITY, and which work is hereinafter referred to as PROJECT; and

WHEREAS, the proposed improvements are jurisdictionally shared between CITY, the City of Commerce, the City of Los Angeles, the State of California, and COUNTY, and a separate agreement between the City of Commerce and COUNTY is being executed covering the portions of PROJECT within the City of Commerce's jurisdiction; and

WHEREAS, PROJECT is within the shared geographical boundaries of CITY, the City of Commerce, the City of Los Angeles, and COUNTY; and

WHEREAS, PROJECT is of general interest to CITY, the City of Commerce, the City of Los Angeles, the State of California, and COUNTY.

and WHEREAS, CITY and COUNTY previously executed an Agreement on June 24, 2008, to memorialize their understanding regarding their relative rights, obligations, and duties with respect to the County's Traffic Signal Synchronization Program (hereinafter referred to as TSSP Agreement); and

WHEREAS, PROJECT is included in the TSSP Agreement; and

WHEREAS, for the purpose of providing funding for PROJECT, COUNTY, as lead agency, on December 1, 2017, entered into an amended Memorandum of Understanding No. P00F1321 (MOU) with the Los Angeles County Metropolitan Transportation Authority (Metro); and

WHEREAS, COUNTY is willing to utilize and share with CITY the funding provided for in COUNTRY/Metro MOU P00F1321 to finance a portion of COST OF PROJECT; and

WHEREAS, COST OF PROJECT includes the COST OF PRELIMINARY ENGINEERING, COST OF CONSTRUCTION CONTRACT, and COST OF

CONSTRUCTION ADMINISTRATION; and

WHEREAS, the total COST OF PROJECT is currently estimated to be Four Million Two Hundred Sixty One Thousand Six Hundred and 00/100 Dollars (\$4,261,600.00); and

WHEREAS, under the MOU, Metro will provide to COUNTY a grant (GRANT) of up to a maximum of Two Million Six Hundred Twenty-One Thousand One Hundred and 00/100 Dollars (\$2,621,100.00) for PROJECT; and

WHEREAS, allocation of the Metro grant is currently estimated to be, Six Hundred Ninety Thousand Nine Hundred and 00/100 Dollars (\$690,900.00) towards CITY's jurisdictional share, One Million Three Hundred Eleven Thousand and 00/100 Dollars (\$1,311,000.00) towards COUNTY's jurisdictional share, Six Hundred Fourteen Thousand Seven Hundred and 00/100 Dollars (\$614,700.00) towards the City of Commerce's jurisdictional share, and Four Thousand Five Hundred and 00/100 Dollars (\$4,500.00) towards City of Los Angeles' jurisdictional share; and

WHEREAS, CITY is willing to finance its jurisdictional share of COST OF PROJECT currently estimated to be Nine Hundred Seventy Nine Thousand Two Hundred and 00/100 Dollars (\$979,200.00) by claiming its share of COUNTY/Metro grant funds, currently estimated to be Six Hundred Ninety Thousand Nine Hundred and 00/100 Dollars (\$690,900.00) and contributing other CITY funds to be a maximum of One Hundred Sixty One Thousand Four Hundred and 00/100 Dollars (\$161,400.00) to finance a portion of the COST OF PROJECT; and

WHEREAS, COUNTY agrees to contribute One Hundred Twenty-Six Thousand nine Hundred and 00/100 Dollars (\$126,900.00) to finance a portion of CITY's COST OF PROJECT; and

WHEREAS, CITY agrees to contribute funds up to a maximum of One Hundred Sixty-One Thousand Four Hundred and 00/100 Dollars (\$161,400.00) to finance a portion of the COST OF PROJECT; and

WHEREAS, CITY'S estimated share is the sum of the costs of actual quantities of construction contract items utilized within CITY jurisdiction plus thirty (30) percent of that for PRELIMINARY ENGINEERING cost, twenty (20) percent of that for CONSTRUCTION ADMINISTRATION cost, twenty (20) percent of that for contingencies, and four (4) percent of combined costs of PRELIMINARY ENGINEERING and CONSTRUCTION ADMINISTRATION towards contract city liability trust fund altogether estimated to be One Hundred Sixty-One Thousand Four Hundred and 00/100 Dollars (\$161,400.00); and

WHEREAS, BASIC TRAFFIC SIGNAL TIMING involves the timing parameters for the general operation of a traffic signal, which typically include, but is not limited to, defining the phases, attributes and timing values for each permitted phase, pedestrian movement, and assigning detection; and

WHEREAS, COORDINATION TRAFFIC SIGNAL TIMING involves the timing parameters that allow multiple traffic signals to be synchronized with each other, which typically include defining coordination cycle lengths, offsets and time of day operations for each traffic signal coordination plan; and

WHEREAS, COUNTY agrees to be responsible to perform or cause to be performed the PRELIMINARY ENGINEERING, solicitation of construction bids and award of CONSTRUCTION CONTRACT, and CONSTRUCTION ADMINISTRATION for PROJECT; and

WHEREAS, COUNTY agrees to be responsible to perform or cause to be performed the equipment and system testing and develop and implement the BASIC TRAFFIC SIGNAL TIMING and COORDINATION TRAFFIC SIGNAL TIMING for PROJECT; and

WHEREAS, such a proposal is authorized and provided for by the provisions of Sections 6500 and 23004, et seq., of the Government Code and Sections 1685 and 1803 of the California Streets and Highways Code.

NOW, THEREFORE, in consideration of the mutual benefits to be derived by CITY and COUNTY and of the promises herein contained, it is hereby agreed as follows:

(1) DEFINITIONS:

- a. The term JURISDICTION, as referred to in this AGREEMENT, shall be defined as the area within the jurisdictional boundary of each governmental entity party to this AGREEMENT.
- b. PRELIMINARY ENGINEERING, as referred to in this AGREEMENT, shall consist of environmental findings and approvals/permits; design survey; soils report; traffic index and geotechnical investigation; preparation of plans, specifications, and cost estimates; right-of-way engineering; utility engineering; and all other necessary work prior to advertising of PROJECT for construction bids.
- c. COST OF CONSTRUCTION CONTRACT, as referred to in this AGREEMENT, shall consist of the actual payments to the construction contractor(s) for PROJECT and the total of all payments to utility companies or contractor(s) for the relocation of facilities necessary for the construction of PROJECT, and the cost of any additional unforeseen work that is necessary for the construction of PROJECT.
- d. CONSTRUCTION ADMINISTRATION as referred to in this AGREEMENT shall consist of construction contract administration, construction inspection, materials testing, construction survey, traffic detour, signing and striping, construction engineering, utility relocation and coordination matters, changes

and modifications of plans and specifications for PROJECT necessitated by unforeseen or unforeseeable field conditions encountered during construction of PROJECT, construction contingencies, and all other necessary work after advertising of PROJECT for construction bids to cause PROJECT to be constructed in accordance with said plans and specifications approved by CITY and COUNTY.

- e. COST OF PROJECT, as referred to in this AGREEMENT, shall consist of the COST OF CONSTRUCTION CONTRACT and costs of PRELIMINARY ENGINEERING, CONSTRUCTION ADMINISTRATION, BASIC TRAFFIC SIGNAL TIMING, and COORDINATION TRAFFIC SIGNAL TIMING for traffic signals within PROJECT limits, right-of-way acquisition and clearance matters, and all other work and materials necessary to construct PROJECT in accordance with the approved plans and shall include currently effective percentages added to total salaries, wages, and equipment costs to cover overhead, administration, and depreciation in connection with any or all of the aforementioned items.
- f. Completion of PROJECT as referred to in this AGREEMENT shall be defined as the date of field acceptance of construction of PROJECT by COUNTY and an electronic notification to CITY'S City Manager that the improvements within CITY'S JURISDICTION are completed and transferred to CITY for purpose of operation and maintenance.

(2) CITY AGREES:

- a. To finance CITY'S share of COST OF PROJECT, the actual amount of which is to be determined by a final accounting, pursuant to paragraph (4) d., below.
- b. To deposit with COUNTY, following execution of this AGREEMENT and upon demand by COUNTY, CITY funds in the amount of One Hundred Sixty-One Thousand Four Hundred and 00/100 Dollars (\$161,400.00) hereinafter referred as CITY'S PAYMENT. Said demand will consist of a billing invoice prepared by COUNTY and delivered to CITY.
- c. To obtain and grant to COUNTY any necessary temporary right of way within CITY for the construction of PROJECT at no cost to COUNTY.
- d. To issue to COUNTY a no-fee permit(s) authorizing COUNTY to construct those portions of PROJECT with CITY highway right of way on condition that the COUNTY'S contractor meets the insurance requirements as required and approved by the CITY's Risk Manager.
- e. To cooperate with COUNTY in conducting negotiations with and, where appropriate, issue notices to public utilities and owners of substructure and overhead facilities regarding the relocation, removal, operation, and

maintenance of all surface and underground utilities and facilities, structures, and transportation services, which interfere with the proposed construction. Where utilities have been installed in CITY streets or on CITY property, CITY will provide the necessary right of way for the relocation of those utilities and facilities that interfere with the construction of PROJECT. CITY will take all necessary steps to grant, transfer, or assign all prior rights over utility companies and owners of substructure and overhead facilities when necessary to construct, complete, and maintain PROJECT.

- f. To authorize COUNTY to represent CITY pursuant to this AGREEMENT, in negotiations pertaining to the advertisement of PROJECT for construction bids, award, and administration of the construction contract and in all things necessary and proper to complete PROJECT.
- g. Upon completion of PROJECT: (1) to accept full and complete ownership of, and responsibility for, the PROJECT; and (2) to maintain in good condition and at CITY expense all improvements constructed as part of PROJECT within CITY'S JURISDICTION, including the BASIC TRAFFIC SIGNAL TIMING and the COORDINATION TRAFFIC SIGNAL TIMING to support synchronization of traffic signals on Olympic Boulevard.

(3) COUNTY AGREES:

- a. To perform or cause to be performed the preliminary engineering, contract administration, construction inspection and engineering, utility engineering and relocation, traffic detour, BASIC TRAFFIC SIGNAL TIMING, TRAFFIC SIGNAL COORDINATION TIMING, and final signing and striping for PROJECT.
- b. To act as lead agency, prepare the necessary environmental documents, and make the required environmental findings for PROJECT pursuant to the California Environmental Quality Act.
- c. To contribute COUNTY'S share of COST OF PROJECT, currently estimated to be One Hundred Twenty-Six Thousand Nine Hundred and 00/100 Dollars (\$126,900.00).
- d. To submit an invoice to CITY in the amount of One Hundred Sixty One Thousand Four Hundred and 00/100 Dollars (\$161,400.00) upon adoption of this AGREEMENT by COUNTY.
- e. To obtain CITY'S approval of plans for PROJECT prior to advertising for construction bids.
- f. To advertise PROJECT for construction bids, to award and to administer the construction contract, and to act on behalf of CITY in all negotiations pertaining thereto.

- g. To administer the design and construction of PROJECT in accordance with all regulations and requirements of Metro relating to the expenditure of Proposition C Local Return funds and Proposition C Twenty-five Percent (25%) Discretionary funds and Memorandum of Understanding No. P00F1321 between COUNTY and Metro. COUNTY'S records for PROJECT shall be open to inspection and subject to audit and reproduction by COUNTY and Metro, or any of their duly authorized representatives, and shall be retained by COUNTY for a period of not less than seven (7) years after final payment to contractor(s) for PROJECT.
- h. To ensure that CITY and all officers and employees of CITY are named as additional insured parties under the construction contractor's(s') Contractor's General Liability and automobile insurance policies.
- i. To furnish to CITY, within one hundred eighty (180) calendar days after final Board acceptance of PROJECT, a final accounting of the actual CITY'S share of COST OF PROJECT including an itemization of actual unit costs and actual contract quantities, as specified in paragraph (3) a., above.
- j. To perform or cause to be performed the equipment and system testing and to develop and implement the BASIC TRAFFIC SIGNAL TIMING and COORDINATION TRAFFIC SIGNAL TIMING for the PROJECT.
- k. To return any unexpended CITY funds if COUNTY fails to complete all or a portion of PROJECT within CITY'S JURISDICTION.

(4) IT IS MUTUALLY UNDERSTOOD AND AGREED AS FOLLOWS:

- a. Nothing in this AGREEMENT is intended to alter TSSP Agreement.
- b. The financial obligations of COUNTY pursuant to this AGREEMENT are conditional upon COUNTY obtaining reimbursement from Metro pursuant to Memorandum of Understanding No. P00F1321 between COUNTY and Metro. If COUNTY and/or Metro fails to provide its financial contribution, then COUNTY shall refund CITY'S payment within ninety (90) calendar days after notice from Metro to COUNTY that Metro funds are not available.
- c. The final accounting of the actual total COST OF PROJECT shall allocate said total cost between CITY and COUNTY based on the previously agreed upon improvements and/or work completed. Thus, the cost of all work or improvements (including all engineering, administration, and all other costs incidental to PROJECT work), previously agreed upon as CITY'S share of the COST OF PROJECT, shall be borne by CITY. The cost of all work or improvements (including all engineering, administration, and all other costs

incidental to PROJECT work), previously agreed upon as COUNTY'S share of the COST OF PROJECT, shall be borne by COUNTY.

- d. That if at final accounting CITY'S share of COST OF PROJECT exceeds CITY'S PAYMENT, as set forth in paragraph (2) a., above, CITY shall pay to COUNTY the additional amount upon demand. Said demand shall consist of a billing invoice prepared by COUNTY. Conversely, if the CITY'S share is less than CITY'S PAYMENT, COUNTY shall refund the difference to CITY without further action by CITY.
- e. That if CITY'S PAYMENT, as set forth in paragraph (2) a., above is not delivered to COUNTY office, which is described on the billing invoice prepared by COUNTY within sixty (60) calendar days after the date of said invoice, notwithstanding the provisions of Government Code Section 907, COUNTY may satisfy such indebtedness, including interest thereon, from any funds of CITY on deposit with COUNTY after giving notice to CITY of COUNTY'S intention to do so.
- f. CITY shall review the final accounting invoice prepared by COUNTY and report in writing any discrepancies to COUNTY within sixty (60) calendar days after the date of said invoice. Undisputed charges shall be paid by CITY to COUNTY within sixty (60) calendar days after the date of said invoice. COUNTY shall review all disputed charges and submit a written justification detailing the basis for those charges within sixty (60) calendar days of receipt of CITY'S written report. CITY shall then make payment of the previously disputed charges or submit justification for nonpayment within sixty (60) calendar days after the date of COUNTY'S written justification.
- g. COUNTY at any time may, at its sole discretion, designate an alternative payment mailing address and an alternative schedule for payment of CITY funds if applicable. CITY shall be notified of such changes by invoice prepared by COUNTY and delivered to CITY.
- h. During construction of PROJECT, COUNTY shall furnish an inspector or other representative to perform the functions of an inspector. CITY may also furnish, at no cost to COUNTY, an inspector or other representative to inspect construction of the PROJECT. CITY shall have no obligation to inspect the PROJECT and no liability shall be attributable as a result of CITY'S inspection or failure to inspect. Said inspectors shall cooperate and consult with each other, but the orders of COUNTY inspector to the contractor or any other person in charge of construction shall prevail and be final, and COUNTY inspector shall be responsible for the proper inspection of PROJECT as needed.

- i. This AGREEMENT may be amended or modified only by mutual written consent of COUNTY and CITY. Amendments and modifications of a nonmaterial nature may be made by the mutual written consent of the parties.
- j. Any correspondence, communication, or contact concerning this AGREEMENT shall be directed to the following:

CITY: Mr. James Enriquez
Director of Public Works
City of Montebello
1600 W Beverly Boulevard
Montebello, CA 90640

COUNTY: Mr. Mark Pestrella
Director of Public Works
Los Angeles County Public Works
P.O. Box 1460
Alhambra, CA 91802-1460

- k. COUNTY and CITY acknowledge and recognize that the improvements contemplated by this AGREEMENT provide significant regional and local benefits with respect to reducing traffic congestion. COUNTY and CITY further acknowledge and recognize that the cost of defending claims and lawsuit arising from the improvements contemplated by this AGREEMENT is paid for by public monies and both parties share an interest in reducing the amount of public monies spent on defending claims and lawsuits where possible without prejudicing their respective defenses.
- l. In the event that a claim lawsuit is brought against COUNTY and CITY based on the allegation that the design, construction, maintenance, or operation of the improvements constructed under this AGREEMENT proximately caused injuries or damage, COUNTY and CITY agree to cooperate as much as possible with respect to defending the claim or lawsuit without causing prejudice to their respective defenses to the claim or lawsuit. Upon receipt of the claim or lawsuit, the COUNTY and CITY, through their respective agents if appropriate, shall promptly investigate the matter. COUNTY and CITY shall then meet and confer promptly regarding whether a joint defense is appropriate or if one party should tender its defense and indemnification to the other party.
- m. Neither COUNTY nor any officer or employee of COUNTY shall be responsible for any damage or liability occurring by reason of any act or omission on the part of CITY under or in connection with any work, authority, or jurisdiction delegated to, assumed by, or determined to be the responsibility of CITY under this AGREEMENT. It is also understood and agreed that, pursuant to Government Code, Section 895.4, CITY shall fully indemnify, defend, and hold

- n. Neither CITY nor any officer or employee of CITY shall be responsible for any damage or liability occurring by reason of any act or omission on the part of COUNTY under or in connection with any work, authority, or jurisdiction delegated to or determined to be the responsibility of COUNTY under this AGREEMENT. It is also understood and agreed that, pursuant to Government Code, Section 895.4, COUNTY shall fully indemnify, defend, and hold CITY harmless from any liability imposed for injury (as defined by Government Code, Section 810.8) occurring by reason of any act or omission on the part of COUNTY under or in connection with any work, authority, or jurisdiction delegated to or determined to be the responsibility of COUNTY under this AGREEMENT.
- o. It is understood and agreed that the provisions of Assumption of Liability Agreement No. 32070 between CITY and COUNTY, adopted by the Board of Supervisors on December 27, 1977, and currently in effect, are inapplicable to this AGREEMENT.

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IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed by their respective officers, duly authorized, by the CITY OF MONTEBELLO on _____, 2023, and by the COUNTY OF LOS ANGELES on _____, 2023.

COUNTY OF LOS ANGELES

By _____
Director of Public Works

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By _____
Deputy

CITY OF MONTEBELLO

By _____
City Manager

ATTEST:

By _____
City Clerk

APPROVED AS TO FORM:

By _____
City Attorney

SP:\TSM\TRA\TSSP\2007Call\SGV\Olympic\1 C&A\FA\TSSP Funding Coop Mont

AMENDMENT NO. 1 TO AGREEMENT NO. 2508

This AMENDMENT made and entered into by and between the CITY OF MONTEBELLO, a municipal corporation in the County of Los Angeles, hereinafter referred to as CITY, and the COUNTY OF LOS ANGELES, a political subdivision of the State of California (hereinafter referred to as COUNTY):

WITNESSETH

WHEREAS, CITY and COUNTY previously executed an agreement on January 28, 2009, to memorialize their understanding regarding their relative rights, obligations, and duties with respect to the County's Traffic Signal Synchronization Program (hereinafter referred to as TSSP); and

WHEREAS, CITY and COUNTY desire to amend the agreement to provide for an expansion of the existing TSSP;

NOW THEREFORE, in consideration of the mutual benefits to be derived by CITY and COUNTY and of the promises herein contained, the agreement is hereby amended as follows:

(3) IT IS MUTUALLY UNDERSTOOD AND AGREED AS FOLLOWS:

- a. The terms and provision of the previously executed agreement regarding the CITY's and COUNTY's roles and responsibilities in operating the TSSP shall remain in full force and effect other than the provisions set forth herein below.
- b. ARTERIALS is hereby redefined to include Washington Boulevard from Vail Avenue to Bluff Road, Whittier Boulevard from Garfield Avenue to Van Norman Road, Olympic Boulevard from Vail Avenue to Montebello Boulevard, and Slauson Avenue from Telegraph Road to Chapin Road.
- c. Any correspondence, communication, or contact concerning this AMENDMENT shall be directed to the following:

CITY: Mr. James Enriquez
 Director of Public Works
 City of Montebello
 1600 W Beverly Blvd
 Montebello, CA 90640

COUNTY: Ms. Elaine Kunitake
 Assistant Deputy Director
 Los Angeles County Public Works
 Traffic Safety and Mobility Division
 P.O. Box 1460
 Alhambra, CA 91802-1460

IN WITNESS WHEREOF, the parties hereto have caused this AMENDMENT to be executed by their respective officers, duly authorized, by the CITY OF MONTEBELLO on_____, 2023, and by the COUNTY OF LOS ANGELES on_____, 2023.

COUNTY OF LOS ANGELES

By_____
Director of Public Works

APPROVED AS TO FORM:

DAWYN R. HARRISON
County Counsel

By_____
Deputy

CITY OF MONTEBELLO

By_____
City Manager

ATTEST:

APPROVED AS TO FORM:

By_____
City Clerk

By_____
City Attorney

SHPT\TRAFAGR\CO GRIMONTEBELLO\TSSPIDRAFT\TSSPCOAGRAMENDMENT.DOCX



WILLIAM T FUJIOKA
Chief Executive Officer

County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

May 13, 2008

36

MAY 13 2008

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

Dear Supervisors:

DEPARTMENT OF PUBLIC WORKS: TRAFFIC SIGNAL SYNCHRONIZATION PROGRAM CITY-COUNTY COOPERATIVE AGREEMENTS (SUPERVISORIAL DISTRICTS 1, 2, 4, AND 5) (3 VOTES)

SUBJECT

This action is to approve and authorize the Acting Director of Public Works or his designee to execute Cooperative Agreements between the County of Los Angeles and the Cities of Azusa, Montebello, Rosemead, Santa Fe Springs, South Gate, Lynwood, Bellflower, Norwalk, Torrance, and West Covina to participate in the County's Traffic Signal Synchronization Program.

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and authorize the Acting Director of Public Works or his designee to execute Cooperative Agreements between the County of Los Angeles and the Cities of Azusa, [REDACTED] Rosemead, Santa Fe Springs, South Gate, Lynwood, Bellflower, Norwalk, Torrance, and West Covina to participate in the County's Traffic Signal Synchronization Program. Each agreement describes the roles and responsibilities of each City and the County in carrying out traffic signal synchronization projects on the stated arterials.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to formalize the roles and responsibilities associated with the operation of traffic signals upon completion of the Department of Public Works' traffic signal synchronization construction projects. The stated arterials in the agreements cover a combination of completed projects, projects underway, and projects nearly ready to begin.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs that we provide Service Excellence (Goal 1) as the clarification of roles and responsibilities for traffic signal synchronization projects will improve efficiency, quality, and responsiveness of County transportation services to all residents.

FISCAL IMPACT/FINANCING

There will be no impact to the County General Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The attached agreements, which have been approved as to form by County Counsel, provide for the County of Los Angeles and the Cities of Azusa, Montebello, Rosemead, Santa Fe Springs, South Gate, Lynwood, Bellflower, Norwalk, Torrance, and West Covina to adhere to stated responsibilities involved in Traffic Signal Synchronization Program (TSSP) projects.

Since 1988, the Department of Public Works has administered TSSP projects, which have provided a means to coordinate synchronization between arterials of regional significance. TSSP projects improve traffic signal operation by upgrading each traffic signal to Federal and State standards. With each project, we typically install additional vehicle detection to enable each intersection to operate as a fully traffic actuated signalized intersection. In addition, appropriate components are also installed to enable each signal to utilize time-based coordination resulting in the synchronization of a series of signals along an arterial route. These improvements have provided congestion relief and substantially increased mobility through reduced travel times.

The intent of these agreements is to document the roles and responsibilities of each City and the County when entering into TSSP projects and to confirm the associated liabilities of each agency. Nothing in these agreements will alter the current roles and responsibilities of the County and the Cities in operating and maintaining the traffic signals and signal systems within their respective jurisdiction. The effective date of each agreement, with respect to each stated arterial, is upon the installation of traffic signal timing for individual intersections.

ENVIRONMENTAL DOCUMENTATION

In accordance with Section 15378(b)(4) of the California Environmental Quality Act (CEQA) Guidelines, approval of the recommended action does not constitute a project and, hence, is not subject to the requirements of CEQA.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

There will be no impact on current County services or projects during the performance of the recommended services.

CONCLUSION

Please return one adopted copy of this letter to the Department of Public Works, Traffic and Lighting Division. After final approval by our Acting Director of Public Works or his designee we will provide you with fully executed original copies for your files.

Respectfully submitted,


for WILLIAM T FUJIOKA
Chief Executive Officer

WTF:DDE
WJW:pc

Attachments (10)

c: County Counsel (Warren Wellen)

COUNTY ORIGINAL

AGREEMENT

This AGREEMENT, made and entered into by and between the CITY OF MONTEBELLO, a municipal corporation in the County of Los Angeles, hereinafter referred to as CITY, and the COUNTY OF LOS ANGELES, a political subdivision of the State of California, hereinafter referred to as COUNTY:

WITNESSETH

WHEREAS, Paramount Boulevard from Arroyo Drive to Montebello Boulevard, Montebello Boulevard from Paramount Boulevard to 5 Freeway, Beverly Boulevard from Simmons Avenue to Rea Drive, Garfield Avenue from Pomona Boulevard to Allston Street, and Telegraph Road from Church Road to Slauson Avenue, hereinafter referred to as ARTERIALS, are roadways that are or will soon become a part of the County's Traffic Signal Synchronization Program (hereinafter referred to as TSSP); and

WHEREAS, CITY and COUNTY are each responsible for their jurisdictional portion of the operation and maintenance of the traffic signals and signal systems along each of the ARTERIALS;

WHEREAS, CITY and COUNTY have previously cooperated, in carrying out traffic signal synchronization projects on ARTERIALS; and

WHEREAS, COUNTY and CITY desire to memorialize their understanding regarding their relative rights, obligations, and duties with respect to the TSSP.

NOW, THEREFORE, in consideration of the mutual benefits to be derived by CITY and COUNTY and of the promises herein contained, it is hereby agreed as follows:

(1) CITY AGREES:

- a. Nothing in this AGREEMENT shall be construed as changing the role of CITY in operating and maintaining the traffic signals within CITY's jurisdiction.
- b. To be responsible for maintaining the basic traffic signal timing for the intersections within the jurisdictional boundary of CITY.
- c. To maintain the traffic signal coordination timing along ARTERIALS to promote coordinated traffic operations, multi jurisdictional cooperation and improve arterial traffic conditions and to make the COUNTY aware of any changes implemented to the coordination timing that may impact the coordination of the traffic signals along the ARTERIALS.
- d. To accept full and complete ownership of, responsibility for, and to maintain in good condition and at CITY expense all improvements constructed

through individual TSSP Projects within CITY's JURISDICTION, including the timing of traffic signals on ARTERIALS that supports coordination timing and optimum synchronization of traffic signals on ARTERIALS.

- e. To cooperate with COUNTY and provide requested information in a reasonable and timely fashion in connection with COUNTY's preparation of an annual report for the MTA as referred to in Paragraph (2)c. below.

(2) COUNTY AGREES:

- a. Nothing in this AGREEMENT shall be construed as changing the role of COUNTY in operating and maintaining the traffic signals and signal systems within CITY's jurisdiction.
- b. As a part of construction of individual TSSP Projects, to develop and implement the traffic signal coordination timing along the ARTERIALS that will improve arterial traffic conditions and traffic flow thereby saving motorists time and improving air quality.
- c. To file routine reports with the MTA on the efficiency of these Traffic Signal Synchronization Projects by compiling an operational status from individual cities along the ARTERIALS.

(3) IT IS MUTUALLY UNDERSTOOD AND AGREED AS FOLLOWS:

- a. This AGREEMENT does not constitute any financial commitment between the CITY and COUNTY.
- b. The term of this AGREEMENT shall commence on the date it is approved by the Board of Supervisors and shall continue until any party terminates it upon thirty (30) days prior written notice.
- c. Any correspondence, communication, or contact concerning this AGREEMENT shall be directed to the following:

CITY: Mr. Tom Melendrez
City Engineer
City of Montebello
1600 West Beverly Boulevard
Montebello, CA 90640-3970

COUNTY: Mr. William J. Winter
Assistant Deputy Director
Traffic and Lighting Division
County of Los Angeles, Department of Public Works
P.O. Box 1460
Alhambra, CA 91802-1460

- d. Neither COUNTY nor any officer or employee of COUNTY shall be responsible for any damage or liability occurring by reason of any act or omission on the part of CITY under or in connection with any work, authority, or jurisdiction delegated to, assumed by, or determined to be the responsibility of CITY under this AGREEMENT. It is also understood and agreed that, pursuant to Government Code, Section 895.4, CITY shall fully indemnify, defend, and hold COUNTY harmless from any liability imposed for injury (as defined by Government Code, Section 810.8) occurring by reason of any act or omission on the part of CITY under or in connection with any work, authority, or jurisdiction delegated to or determined to be the responsibility of CITY under this AGREEMENT.
- e. Neither CITY nor any officer or employee of CITY shall be responsible for any damage or liability occurring by reason of any act or omission on the part of COUNTY under or in connection with any work, authority, or jurisdiction delegated to or determined to be the responsibility of COUNTY under this AGREEMENT. It is also understood and agreed that, pursuant to Government Code, Section 895.4, COUNTY shall fully indemnify, defend, and hold CITY harmless from any liability imposed for injury (as defined by Government Code, Section 810.8) occurring by reason of any act or omission on the part of COUNTY under or in connection with any work, authority, or jurisdiction delegated to or determined to be the responsibility of COUNTY under this AGREEMENT.

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IN WITNESS WHEREOF, the parties hereto have caused this AGREEMENT to be executed by their respective officers, duly authorized, by the CITY OF MONTEBELLO on January 28, 2008, and by the COUNTY OF LOS ANGELES on June 24, 2008.

ATTEST:

COUNTY OF LOS ANGELES

By Will H. Hyle
for Acting Director of Public Works

APPROVED AS TO FORM:

RAYMOND G. FORTNER, JR.
County Counsel

By Carole Suzuki
Deputy

CITY OF MONTEBELLO

By Richard Torres
CITY ADMINISTRATOR; Richard Torres



ATTEST:

By Robert J. King
City Clerk, Robert J. King

By Arnold Alvarz-Glasman
City Attorney, Arnold Alvarz-Glasman



ITEM # 16

**CITY OF MONTEBELLO
CITY COUNCIL AGENDA STAFF REPORT**

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: James Enriquez, Director of Public Works

**SUBJECT: APPROVAL OF AMENDMENT NO. 2 TO AGREEMENT NO. 3855 WITH
ULTIMATE MAINTENANCE SERVICES FOR INCREASED CUSTODIAL
SERVICES AT VARIOUS CITY FACILITIES**

DATE: April 10, 2023

RECOMMENDATION(S):

It is recommended that the City Council:

1. Approve Amendment No. 2 to Agreement No. 3855 with Ultimate Maintenance Services for Citywide Custodial Services increasing the scope of services and annual fee to an amount not-to-exceed \$560,000; and
2. Authorize the City Manager to execute the amendment on behalf of the city; and
3. Amend the Fiscal Year 2022-23 budget by increasing appropriations by \$146,000 in Account No. 100-30-510-6040.35 (General Fund, Public Works, Facilities Maintenance, Custodial Services), and \$54,000 in Account No. 600-90-900-6040.35 (Transit Fund, Administration, Custodial Services); and
4. Take such additional, related action that may be desirable.

FISCAL IMPACT:

Staff is recommending approval of Amendment No. 2 to Agreement No. 3855 with Ultimate Maintenance Services to increase their contract amount to a not-to-exceed annual fee of Five Hundred and Sixty Thousand dollars (\$560,000).

The total not-to-exceed annual cost for Fiscal Year 2022-23 is three hundred and sixty thousand dollars (\$360,000) for Citywide Custodial Services. The contract amount for fiscal year 2022-23 includes funding for monthly maintenance.

Additional appropriations to the Fiscal Year 2022-23 Budget are needed to continue the custodial services at various City facilities, including at special events; street fest, opening

CITY COUNCIL AGENDA REPORT - MEETING OF APRIL 10, 2023

Page 2 of 3

days, facility rentals, etc. An increase to the contract amount and accompanying purchase order are necessary in order to continue day to day operations and provide custodial services at various city facilities. The FY 2023-24 budget will be developed using the increasing amount of \$560,000, split between the General Fund and Transit Fund.

BACKGROUND/DISCUSSION:

On January 27, 2021, after issuing Request for Proposals No. 21-20, the City Council awarded Agreement No. 3855 to Ultimate Maintenance Service to provide custodial services at various city facilities for an annual fee of \$346,800. The term of the agreement was for 3 years with an option for two 1-year extensions. Amendment No. 1 to the agreement was executed on November 1, 2021 expanding services and increasing the annual fee to \$360,000.

Ultimate Maintenance provides janitorial services for multiple city-owned facilities per Agreement No. 3855 and Amendment No. 1. The scope of work includes service of waste containers, vacuuming, dusting, paper goods replacement, and other janitorial services. In addition to monthly maintenance of city facilities, Ultimate Maintenance provides extra services for the city on an as-needed basis, as defined in the agreement. Examples of additional services include janitorial services for the park restrooms and trash pickup for special events that are above and beyond regularly scheduled services. Annual special events have increased as Covid restrictions have been lifted, and programming has returned to normal operations. Each event requires janitorial staff to clean restrooms prior to the event, maintain them during the event and assist with general clean-up after the event.

Additionally, the Senior Center is fully available for facility rentals. Typically, facility rentals occur each weekend and require janitorial services in between rentals to ensure the facility is clean and sanitized before the next rental is scheduled. Porter services are also requested to assist with bathroom vandalism and repairs to city facilities.

The additional events have increased the level of service originally contemplated in the agreement and are required to maintain clean facilities with increased usage.

ENVIRONMENTAL:

N/A

ANALYSIS:

N/A

SUMMARY:

Staff is recommending that the City Council approve Amendment No. 2 to Agreement No. 3855 with Ultimate Maintenance Service, including an increased scope of services and annual fee increase from \$360,000 to \$560,000; and amend the Fiscal Year 2022-

CITY COUNCIL AGENDA REPORT - MEETING OF APRIL 10, 2023

Page 3 of 3

23 budget by increasing appropriations by \$146,000 in Account No. 100-30-510-6040.35 (General Fund, Public Works, Facilities Maintenance, Custodial Services), and \$54,000 in Account No. 600-90-900-6040.35 (Transit Fund, Administration, Custodial Services).

ATTACHMENT(S)

1. Attachment A - Amendment No. 2
2. Attachment B - Agreement No. 3855 and Amendments

NEXT STEPS:

N/A

CITY OF MONTEBELLO

**AMENDMENT NO. 2
TO PROFESSIONAL SERVICES AGREEMENT NO. 3855
WITH ULTIMATE MAINTENANCE SERVICES**

This Amendment No. 2 to the Professional Services Agreement ("Amendment No. 2"), is made and entered into this 10th day of April 2023, ("Effective Date") by and between the City of Montebello, a California municipal corporation, (hereinafter referred to as the "City") and Ultimate Maintenance Services, (hereinafter referred to as the "Contractor"). The City and the Contractor are sometimes hereinafter individually referred to as a "Party" and jointly as the "Parties".

RECITALS

WHEREAS, the Contractor and the City entered into that certain Agreement for Citywide Custodial Services by and between the City of Montebello and Ultimate Maintenance Services, dated January 27, 2020 ("Agreement"), pursuant to which City retained Contractor to provide Citywide Custodial Services, as further described in the Agreement; and

WHEREAS, the Parties entered into Amendment No. 1 in November of 2021 as authorized by the Agreement; and

WHEREAS, the Parties, being mutually satisfied with the other Party's performance of the Agreement, desire to amend the agreement for the purpose of: (i) extending the term of the Agreement for an additional two (2) year term, specifically from January 27, 2023 to January 27, 2025, (ii) expand the scope of work to include extra services to the City Facilities, and (iii) revise the compensation due to the term extension and expanded scope of work; and

WHEREAS, for the reasons set forth herein, the City and Contractor desire to enter into this Amendment No. 2, as set forth below.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the receipt adequacy of which is expressly acknowledged by the Parties, the Parties agree to amend the Agreement as follows:

AMENDMENTS

SECTION 1. Section 1 (C) of the Agreement Services/Compensation is amended to read as follows:

"C. CONTRACTOR shall be compensated for the rendered services as set forth in the Exhibit 1 in an annual amount not-to-exceed \$560,000. Contractor shall provide an itemized billing statement to CITY each month for Professional Services performed. CONTRACTOR shall not incur fees or costs which exceed the Compensation without the prior written consent of CITY."

AMENDMENT NO. 2 TO AGREEMENT NO. 3855

Page 2 of 3

SECTION 2. Section 2 of the Agreement Term is amended to read as follows:

'2. Term. The term of this Agreement shall commence on January 27, 2023 and shall continue in full force and effect through and including January 27, 2025, unless extended or sooner terminated as provided in Section 7 herein."

SECTION 3. Section 1B of the Agreement Services/Compensation is amended to read as follows:

"B. CONTRACTOR shall provide to City all labor, equipment, materials and incidental necessary for a turnkey design-build project as set forth fully in the "Revised Scope of Work" attached hereto as Exhibit 1 and incorporated fully herein by this reference.

SECTION 4. Except as expressly modified or supplemented by this Amendment No. 2, all other provisions of the Agreement, shall remain unaltered and in full force and effect. In the event of conflict between the provisions of this Amendment No. 2 and the provisions of the Agreement, the provisions of this Amendment No. 2 shall control.

[END OF AMENDMENT NO. 2]

[SIGNATURES ON THE FOLLOWING PAGES]

AMENDMENT NO. 2 TO AGREEMENT NO. 3855

Page 3 of 3

IN WITNESS WHEREOF, the Parties execute this Amendment No. 2 to take effect as of the Effective Date identified above.

("CITY")

CITY OF MONTEBELLO

("CONTRACTOR")

ULTIMATE MAINTENANCE SERVICES

René Bobadilla, City Manager

Claudia Salomon

ATTEST:

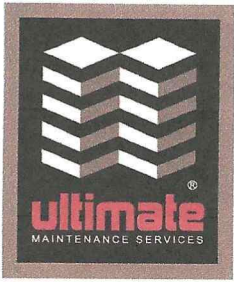
Christopher Jimenez, City Clerk

APPROVED AS TO FORM:

Arnold M. Alvarez-Glasman, City Attorney

EXHIBITS:

- Exhibit A – Revised Fee Proposal



Ultimate Maintenance Services, Inc.
4237 Redondo Beach Blvd. Lawndale, CA 90260
Phone: 310.542.1474 Fax: 310.542.0073
www.umscorporation.com

EXHIBIT A

April 5, 2023

**City of Montebello
James Coiner
Mechanic shop offices.**

Re: Deep and daily cleaning., Sunday-Monday , 7 days a week.

DAILY OFFICE CLEANING, \$ 600.00 PER MONTH.\$ 7,200.00 ANNUAL

DEEP CLEANING, \$ 800.00, ONE TIME ONLY

**Clean Mechanic shop office, trash, vacuum, dusting, Floors,etc.
Clean restrooms and breakroom.
Strip and wax all floors, breakrooms, restrooms.
Deep cleaning and disinfect all restrooms, replenish supplies.
Steam carpet shampoo
Complete dusting
Windows interior and windows sills.**

Please let me know if you have any questions or concerns.

Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Claudia Salomon", with a long horizontal flourish extending to the right.

**Claudia Salomon
Ultimate Maintenance Services**

**CITY OF MONTEBELLO
CITYWIDE CUSTODIAL SERVICES**

RFP PROPOSAL SHEET

I, the undersigned, have read and understand the attached specifications for Custodial Services. Further, I attended the Pre-bid Conference and Site Inspection, as required by the specification. If awarded the contract, I agree to perform the work in accordance with the terms and conditions of the RFP.

Bid Amounts:

For custodial services, by location, as outlined in the specifications:

Recreation and Parks Department:

a. City Hall:	<u>\$ 3,000.00 /month</u>	<u>\$36,000.00 /Annual</u>
b. Acuna Park (Parks and Recreation Office Building):	<u>\$ 700.00 /month</u>	<u>\$ 8,400.00 /Annual</u>
c. Acuna Park (Outside Restrooms):	<u>\$ 450.00 /month</u>	<u>\$ 5,400.00 /Annual</u>
d. Ashiya Park (Outside Restrooms):	<u>\$ 575.00 /month</u>	<u>\$ 6,900.00/Annual</u>
e. City Park (Outside Restrooms):	<u>\$ 750.00 /month</u>	<u>\$ 9,000.00/Annual</u>
f. City Park (Gym & Youth Center):	<u>\$ 750.00 /month</u>	<u>\$ 9,000.00 /Annual</u>
g. City Park (Aquatic Upstairs):	<u>\$ 700.00 /month</u>	<u>\$ 8,400.00 /Annual</u>
h. City Park (Aquatic Downstairs):	<u>\$ 300.00 /month</u>	<u>\$ 3,600.00 /Annual</u>
i. Senior Citizen Center:	<u>\$ 1,600.00 /month</u>	<u>\$ 19,200.00 /Annual</u>
j. Golf Course (Bicknell Scout House):	<u>\$ 350.00 /month</u>	<u>\$ 4,200.00 /Annual</u>
k. Grant Rea Park (Recreation Building):	<u>\$ 425.00 /month</u>	<u>\$ 5,100.00 /Annual</u>
l. Grant Rea Park (Community Room):	<u>\$ 425.00 /month</u>	<u>\$ 5,100.00 /Annual</u>
m. Grant Rea Park (Outside Restrooms):	<u>\$ 700.00 /month</u>	<u>\$ 8,400.00 /Annual</u>

n. Holifield Park (Recreation Building):	<u>\$ 600.00/month</u>	<u>\$ 7,200.00 /Annual</u>
o. Holifield Park (Community Room):	<u>\$ 1,100.00 /month</u>	<u>\$ 13,200.00 /Annual</u>
p. Holifield Park (Outside Restrooms):	<u>\$ 500.00 /month</u>	<u>\$ 6,000.00 /Annual</u>
q. Potrero Heights Park (Recreation Building):	<u>\$ 475.00 /month</u>	<u>\$ 5,700.00 /Annual</u>
r. Potrero Heights Park (Outside Restrooms):	<u>\$ 575.00 /month</u>	<u>\$ 6,900.00 /Annual</u>
s. Reggie Rodriguez Park (Community Room):	<u>\$ 1,200.00/month</u>	<u>\$ 14,400.00/Annual</u>
t. Reggie Rodriguez Park (Outside Restrooms):	<u>\$ 575.00 /month</u>	<u>\$ 6,900.00 /Annual</u>
u. Sanchez Adobe Park (Office Building):	<u>\$ 1,500.00 /month</u>	<u>\$ 18,000.00 /Annual</u>
v. Sanchez Adobe Park (Outside Restrooms):	<u>\$ 625.00 /month</u>	<u>\$ 7,500.00 /Annual</u>
w. Taylor Ranch Park (Outside Restrooms):	<u>\$ 575.00 /month</u>	<u>\$ 6,900.00 /Annual</u>
x. Taylor Ranch Park (Community Room):	<u>\$ 350.00 /month</u>	<u>\$ 4,200.00 /Annual</u>
y. Transit Department:	<u>\$ 2,400.00/month</u>	<u>\$ 28,800.00 /Annual</u>
z. Police Department:	<u>\$ 6,500.00/month</u>	<u>\$ 78,000.00 /Annual</u>
aa. Public Works (Corporate Yard):	<u>\$ 600.00 /month</u>	<u>\$ 7,200.00 /Annual</u>
ab. Metrolink Station (Public Restroom)	<u>\$ 600.00 /month</u>	<u>\$ 7,200.00 /Annual</u>
ac. Porter Service	<u>\$12,000.00 / month</u>	<u>\$144,000.00 / Annual</u>
ad. SPecial Events	<u>\$5,100.00 / month</u>	<u>\$61,200.00 / Annual</u>
ae. Golf Course Mechanic Shop	<u>\$600.00 /month</u>	<u>- \$7,200.00 / Annual</u>
Combined Total:	<u>\$ 46,600.00 /month</u>	<u>\$ 559,200.00 /Annual</u>

CITY OF MONTEBELLO
PROFESSIONAL SERVICES AGREEMENT NO. 3855
BY AND BETWEEN
CITY OF MONTEBELLO
AND
ULTIMATE MAINTENANCE SERVICES

THIS AGREEMENT ("Agreement") is made and entered into on January 27, 2020, by the CITY OF MONTEBELLO, a municipal corporation (hereinafter referred to as "CITY") and Ultimate Maintenance Services (hereinafter referred to as "CONTRACTOR"). CITY and CONTRACTOR are sometimes referred to herein individual as the "Party," and jointly as the "Parties."

RECITALS

WHEREAS, the CITY desires to retain a qualified professional contractor to provide Custodial Maintenance and Services at various city-owned properties in the CITY; and

WHEREAS, the CONTRACTOR represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

NOW THEREFORE, in consideration of performance by the Parties of the covenants and conditions herein contained, the Parties hereto agree as follows:

SECTION 1. SERVICES / COMPENSATION.

A. All terms, conditions, requirements, and provisions of the Request for Proposals 21-20 for Citywide Custodial Services (November 24, 2020) ("Request for Proposals"), as such is set forth fully in **Exhibit "A"** hereto, are hereby incorporated fully herein by this reference and shall be binding on the Parties. To the extent of a conflict between the terms of this Agreement and that set forth in any exhibits or attachments hereto, the terms of this Agreement shall govern.

B. CONTRACTOR shall provide to CITY all labor, equipment, materials and incidental necessary for providing the custodial services as set forth fully in the Request for Proposals, as such is set forth fully in **Exhibit "A"** hereto and incorporated fully herein by this reference (hereinafter "Professional Services").

C. CONTRACTOR shall be shall be compensated for performance of the Professional Services as set forth in the Schedule of Compensation attached hereto as **Exhibit "B"** and incorporated fully herein by this reference ("Compensation"). CONTRACTOR shall provide an itemized billing statement to the CITY each month for Professional Services performed. CONTRACTOR shall no incur fees or costs which exceed the Compensation without the prior written consent of the CITY.

SECTION 2. TERM.

This Agreement shall commence upon issuance of the Notice to Proceed by the City ("Effective Date"), and shall expire three (3) years from the Effective Date, unless terminated

earlier as hereinafter provided. This Agreement may be extended for up to two (2) additional years upon such terms and conditions mutually agreed upon by the Parties in writing.

SECTION 3. PERFORMANCE.

- a. CONTRACTOR shall at all times, faithfully, competently, and to the best of its ability, experience and talent, perform all tasks described herein.
- b. CONTRACTOR shall employ, at a minimum, generally accepted standards and practices utilized by companies engaged in providing similar services, as are required of Contractor hereunder, in meeting its obligations under this Agreement.
- c. CONTRACTOR shall be knowledgeable of and subject to all CITY ordinances, rules and regulations, standard operating procedures, and the supervisory chain of command.
- d. CONTRACTOR shall have the right to retain, subject to CITY's approval, additional individuals, consultants or subcontractors to assist in the completion of services as herein defined. Compensation for additional individuals, consultants or subcontractors shall be the sole and exclusive responsibility of CONTRACTOR.
- e. CONTRACTOR shall retain all original reports, field and office notes, correspondence, calculations, maps, and other documents specifically related to the services provided by CONTRACTOR pursuant to this Agreement, other than documents which are exempt from disclosure pursuant to the attorney-client privilege or any other law. Said documents shall be made available for inspection by the CITY upon request.

SECTION 4. WORK PRODUCT.

- a. CONTRACTOR hereby agrees that all work product produced pursuant to this Agreement, and provided to CITY during and upon completion of this Agreement, shall be the property of the CITY, and ownership of said work product shall be retained by the CITY. CONTRACTOR may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by CONTRACTOR.
- b. All data, documents, discussion, or other information developed or received by CONTRACTOR or provided for performance of this Agreement are deemed confidential and shall not be disclosed by CONTRACTOR without prior written consent by the CITY. The CITY shall grant such consent if disclosure is legally required. All such written products shall be returned to the CITY upon the termination or expiration of this Agreement. CONTRACTOR agrees that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

SECTION 5. EXTRA SERVICES.

No extra services over and above the Compensation shall be rendered by CONTRACTOR under this Agreement unless such extra services first shall have been duly authorized in writing by the City Manager or his/her designee.

SECTION 6. CITY SUPERVISION.

The City Manager shall have the right of general supervision of all work performed by CONTRACTOR and shall be the CITY agent with respect to obtaining CONTRACTOR's compliance hereunder. No payment for services rendered under this Agreement shall be made without the prior approval of the City Manager.

SECTION 7. TERMINATION.

In the event that either Party hereto fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, the non-defaulting party shall give the defaulting party written notice of the default, the nature of the default, and of the steps necessary to cure the default.

a. Termination for Cause. In the event that any of the provisions of the Agreement are violated by either party, the non-defaulting Party may terminate the Agreement by serving written notice upon the other Party, listing the violation(s) and its intent to terminate such Agreement unless within ten (10) days after the serving of such notice, such violation shall cease or be rectified, the contract shall upon the expiration of an additional thirty (30) days cease and terminate. Violations by Contractor which cannot be corrected within ten (10) days, said contract shall at the option of the City cease and terminate upon the giving of like notice. In the event of any such termination for default by Contractor, the City may take over the work and prosecute the same to completion by contract or otherwise for the account and at the expense of the Contractor. The Contractor and his sureties shall be liable to the City for any excess cost occasioned in the event of any such termination. This change shall not be construed to prevent the termination, for other causes authorized by law or other provisions of this contract. In the event of a termination for cause, CONTRACTOR shall only be entitled to the Compensation for those Professional Services satisfactory performed on or before the effective date of termination.

b. Termination For Convenience. The CITY shall have the option, at its sole discretion and without cause, to terminate this Agreement in whole, or in part, by giving ten (30) business days' written notice to CONTRACTOR. Upon the termination of this Agreement as provided herein, the CITY shall provide to CONTRACTOR the part of Compensation which would otherwise be payable to CONTRACTOR for services CONTRACTOR had completed as of the date of termination, less the amount of all previous payment with respect to the Compensation. Further, upon such a termination for convenience by CITY, the Parties agree that CONTRACTOR shall be reimbursed for any "non-refundable" costs that CONTRACTOR has incurred for its services under this Agreement, provided that: (1) such "non-refundable" costs were incurred by the CONTRACTOR prior to the date of termination, and (2) that CONTRACTOR provides the CITY with adequate proof that CONTRACTOR incurred the costs, and is unable to seek a refund for such costs. Such "non-refundable" costs may include, but are not limited to, travel reservations incurred by CONTRACTOR for its performance of services under this Agreement. CONTRACTOR agrees to cease all work under this Agreement on or before the effective date of any notice of termination.

SECTION 8. EMPLOYMENT OF CITY EMPLOYEES.

No regular employee of the CITY shall be employed by CONTRACTOR during the term of this Agreement.

SECTION 9. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES.

No official or employee of the CITY shall be personally liable to CONTRACTOR in the event of any default or breach by CITY, or for any amount which may become due to CONTRACTOR.

SECTION 10. INDEPENDENT CONTRACTOR.

a. The CONTRACTOR is and shall, at all times, remain as to the CITY a wholly independent contractor. Neither the CITY nor any of its elected officials, officers, employees or agents shall have control over the conduct of the CONTRACTOR except as expressly set forth in this Agreement. The CONTRACTOR shall not at any time or in any manner represent that he is in any manner an elected official, officer, employee or agent of the CITY. No employee benefits shall be available to CONTRACTOR in connection with the performance of this Agreement. Except as provided in this Agreement, CITY shall not pay salary, wages, or other compensation to CONTRACTOR for performance hereunder for CITY, CITY shall not be liable for compensation to CONTRACTOR, CONTRACTOR's employees or CONTRACTOR'S subcontractors for injury or sickness arising out of performing services hereunder.

b. The parties further acknowledge and agree that nothing in this Agreement shall create or be construed to create a partnership, joint venture, employment relationship or any other relationship except as set forth in this Agreement.

c. CITY shall not deduct from the Compensation paid to CONTRACTOR any sums required for Social Security, withholding taxes, FICA, state disability insurance or any other federal, state or local tax or charge which may or may not be in effect or hereinafter enacted or required as a charge or withholding on the compensation paid to CONTRACTOR. CITY shall have no responsibility to provide CONTRACTOR, its employees or subcontractors with workers' compensation insurance or any other insurance.

SECTION 11. PERS ELIGIBILITY INDEMNITY.

a. In the event that CONTRACTOR or any employee, agent, or subcontractor of CONTRACTOR providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the CITY, CONTRACTOR shall indemnify, defend, and hold harmless CITY for the payment of any employee and/or employer contributions for PERS benefits on behalf of CONTRACTOR or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of CITY.

b. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, CONTRACTOR and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by CITY, including but not limited to eligibility to enroll in PERS as an employee of CITY and entitlement to any contribution to be paid by CITY for employer contribution and/or employee contributions for PERS benefits.

SECTION 12. LEGAL RESPONSIBILITIES.

CONTRACTOR shall at all times observe and comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments including, but not limited to the Montebello Municipal Code. The CITY, and its appointed or elected officers, employees, or agents, shall not be liable at law or in equity occasioned by failure of the CONTRACTOR to comply with this section.

SECTION 13. INDEMNIFICATION.

The CONTRACTOR agrees to, and shall defend, indemnify, protect and hold harmless, the CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers from and against any and all claims, demands, lawsuits, defense costs, civil, penalties, expenses, causes of action, and judgments at law or in equity, or liability of any kind or nature which the CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers may sustain or incur or which may be imposed upon them for injuries or deaths of persons, or damage to property arising out of CONTRACTOR'S negligent or wrongful act, or omission under the terms of this Agreement, except only liability arising out of the sole negligence of the CITY.

SECTION 14. INSURANCE COVERAGE.

During the term of this Agreement, CONTRACTOR shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with CONTRACTOR'S performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

- **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed operations, personal injury and advertising injury, with limits no less than \$2,000,000 per occurrence. If a general aggregate limit applies, the limit shall be twice the required occurrence limit.
- **Automobile Liability Insurance:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if CONTRACTOR has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
- **Worker's Compensation** insurance as required by the laws of 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.
- **Professional Liability** insurance appropriate to the CONTRACTOR'S profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

If the CONTRACTOR maintains higher limits than the minimums shown above, the CITY requires and shall be entitled to coverage for the higher limits maintained by the CONTRACTOR.

CONTRACTOR shall require each of its subcontractors, if any, to maintain insurance coverage that meets all of the requirements of this Agreement.

The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a current rating of at least A:VII in the latest edition of Best's Insurance Guide.

Each insurance policy required above shall state that coverage shall not be canceled, except after thirty (30) days' prior written notice (ten (10) days for non-payment) has been given to the City. CONTRACTOR agrees that if it does not keep the aforesaid insurance in full force and effect CITY may either (i) immediately terminate this Agreement for Cause; or (ii) take out the necessary insurance and pay, at CONTRACTOR'S expense, the premium thereon.

At all times during the term of this Agreement, CONTRACTOR shall maintain on file with CITY's Risk Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming the CITY as an additional insured. CONTRACTOR shall, prior to commencement of work under this Agreement, file with CITY's Risk Manager such certificate(s).

CONTRACTOR shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two weeks prior to the expiration of the coverages.

The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming CITY, its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to CITY. CONTRACTOR agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

The insurance provided by CONTRACTOR shall be primary to any coverage available to CITY. Any insurance or self-insurance maintained by CITY, its officers, employees, agents or volunteers, shall be in excess of CONTRACTOR'S insurance and shall not contribute with it.

All insurance coverage provided pursuant to this Agreement shall not prohibit CONTRACTOR, and CONTRACTOR'S employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. CONTRACTOR hereby waives all rights of subrogation against the CITY.

Any deductibles or self-insured retentions must be declared to and approved by the CITY. At the option of CITY, CONTRACTOR shall either reduce or eliminate the deductibles or self-insured retentions with respect to CITY, or CONTRACTOR shall procure a bond guaranteeing payment of losses and expenses.

Procurement of insurance by CONTRACTOR shall not be construed as a limitation of CONTRACTOR'S liability or as fall performance of CONTRACTOR'S duties to indemnify, hold harmless and defend under Section 9 of this Agreement.

SECTION 15. SUBCONTRACT, ASSIGNMENT OR DELEGATION.

CONTRACTOR shall not subcontract, delegate or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of CITY. Any proposed subcontract, delegation, or assignment shall provide a description of the services to be covered, identification of the proposed sub-contractor, delegee, or assignee, and an explanation of why and how the same was selected, including the degree of competition involved.

Any subcontract, delegation or assignment shall be made in the name of CONTRACTOR and shall not bind or purport to bind CITY and shall not release CONTRACTOR from any obligations under this Agreement including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegees or sub-contractors. No such subcontract, delegation or assignment shall result in any increase in the amount of total compensation payable to CONTRACTOR under the Agreement.

SECTION 16. NO WAIVER.

Waiver by any party hereto of any term, condition or covenant of this Agreement shall not constitute the waiver of any other term, condition or covenant hereof.

SECTION 17. DISPUTE RESOLUTION; GOVERNING LAW.

Disputes regarding the interpretation or application of any provision(s) of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Parties. If any action at law or in equity is brought to enforce this Agreement or because of alleged dispute, breach, default or misrepresentation in connection with the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, expert fees, costs and necessary disbursements incurred in that action or proceeding, in addition to such other relief as may be sought and awarded. The venue for any litigation shall be County of Los Angeles, California. The Parties agree that the covenants contained in this Article shall survive the expiration or termination of this Agreement.

SECTION 18. ATTORNEY'S FEES AND COSTS.

If litigation is reasonably required to enforce or interpret the provisions of this Agreement, the prevailing party in such litigation shall be entitled to an award of reasonable attorney's fees and costs in addition to any other relief to which it may be entitled.

SECTION 19. WARRANTIES.

Each of the parties represents and warrants to one another as follows:

- a. It has received independent legal advice from its attorneys with respect to the advisability of entering into and executing this Agreement;
- b. In executing this Agreement, it has carefully read this Agreement, knows the contents thereof, and has relied solely on the statements expressly set forth herein and has placed no reliance whatsoever on any statement, representation, or promise of any other party, or any other person or entity, not expressly set forth herein, nor upon the failure of any other party or any other person or entity to make any statement, representation or disclosure of any matter whatsoever; and

c. It is agreed that each party has the full right and authority to enter into this Agreement, and that the person executing this Agreement on behalf of either party has the full right and authority to fully commit and bind such party to the provisions of this Agreement.

SECTION 20. MISCELLANEOUS.

a. The descriptive paragraph headings of this Agreement are included for purposes of convenience only and shall not control or affect the construction or interpretation of any of its provisions.

b. Whenever the context hereof shall so require, the singular shall include the plural, the male gender shall include the female gender, and the neuter and vice versa.

c. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.

d. The representations and warranties made by the parties to this Agreement shall survive the consummation of the transaction herein described.

e. This Agreement may be signed in any one or more counterparts all of which taken together shall be but one and the same Agreement. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by facsimile transmission, shall for all purposes be treated as if it were delivered containing an original manual signature of the party whose signature appears in the facsimile and shall be binding upon such party in the same manner as though an originally signed copy had been delivered.

f. Each of the parties acknowledges that it has been represented by independent counsel of its own choosing, or if it has not been so represented, it has been admonished to obtain independent counsel and has freely and voluntarily waived and relinquished the right to counsel. Each party who has not obtained independent counsel acknowledges that the failure to have independent legal counsel will not excuse such party's failure to perform under this Agreement or any agreement referred to in this Agreement.

SECTION 21. NOTICE.

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered personally or on the second business day after the deposit thereof in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided. All notices, demands, requests, or approvals hereunder shall be given to the following addresses or such other addresses as the Parties may designate by written notice:

David Sosnowski
Recreation and Community Services Department
City of Montebello

1600 West Beverly Boulevard
Montebello, California 90640
E-mail: dsosnowski@cityofmontebello.com

SECTION 22. NON-DISCRIMINATION AND EQUAL OPPORTUNITY EMPLOYER.

In the performance of this Agreement, CONTRACTOR shall not discriminate against any employee, sub-contractor, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, mental condition or sexual orientation. CONTRACTOR will take affirmative action to ensure that sub-contractor and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

SECTION 23. CONFLICT OF INTEREST.

CONTRACTOR covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by CONTRACTOR under this Agreement, or which would conflict in any manner with the performance of its services hereunder. CONTRACTOR further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, CONTRACTOR shall avoid the appearance of having any interest that would conflict in any manner with the performance of its services pursuant to this Agreement.

CONTRACTOR covenants not to give or receive any compensation, monetary or otherwise, to or from the ultimate vendor(s) of services to CITY as a result of the performance of this Agreement, or the services that may be procured by the CITY as a result of the recommendations made by CONTRACTOR. CONTRACTOR's covenant under this section shall survive the termination of this Agreement.

SECTION 24. ENTIRE AGREEMENT.

This Agreement contains the entire understanding between the CITY and CONTRACTOR. Any prior agreements, promises, negotiations or representations not expressly set forth herein are of no force or effect. Subsequent modifications to this Agreement shall be effective only if in writing and signed by each party. If any term, condition or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions of this Agreement shall be valid and binding.

CITY OF MONTEBELLO



René Bobadilla, P.E.
City Manager

Dated: 2/8/2021

CONTRACTOR



Ultimate Maintenance Services

Dated: 2/3/21

ATTEST:



Christopher Jimenez
City Clerk

APPROVED AS TO FORM:



Arnold Alvarez-Glasman
City Attorney

**AMENDMENT NO. 1 TO PROFESSIONAL SERVICES AGREEMENT
(AGREEMENT NO. 3855)
BY AND BETWEEN THE CITY OF MONTEBELLO
AND
ULTIMATE MAINTENANCE SERVICES**

This Amendment No. 1 to the Professional Services Agreement by and between the CITY OF MONTEBELLO and ULTIMATE MAINTENANCE SERVICES ("Amendment No. 1") is entered into this 1st day of November 2021 ("Effective Date"), by and between Ultimate Maintenance Services, ("Consultant") and the City of Montebello ("City").

RECITALS

WHEREAS, Consultant and City (sometimes hereinafter individually referred to as a "Party" and jointly as the "Parties") entered into that certain agreement (Agreement No. 3855) for Citywide Custodial Services by and between the City of Montebello and Ultimate Maintenance Services, dated January 27, 2020 (the "Agreement"), pursuant to which City retained Consultant to provide Citywide Custodial Services, as further described in the Agreement; and

WHEREAS, the Parties, being mutually satisfied with the other Party's performance of the Agreement, desire to amend the agreement for the purpose of: (i) expanding the scope of work to include services to the Montebello Golf Course, and (ii) revise the compensation due to expanded scope of work.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, the receipt adequacy of which is expressly acknowledged by the Parties, the Parties agree to amend the Agreement as follows:

SECTION 1. Recitals. The above recitals are true and correct and are hereby incorporated herein as part of this Amendment No. 1.

SECTION 2. Scope of Work. Section 1(B) ("Services/Compensation") of the Agreement is amended to read as follows:

"CONSULTANT shall provide to CITY all labor, equipment, materials and incidental necessary for a turnkey design-build project as set forth fully in the "Revised Scope of Work" attached hereto as Exhibit 1 and incorporated fully herein by this reference."

AMENDMENT NO. 1 TO AGREEMENT NO. 3855

Page 2 of 3

SECTION 3. Compensation. Section 1(C) ("Services/Compensation") of the Agreement is amended to read as follows:

"C. CONSULTANT shall be compensated for the rendered services as set forth in the Exhibit 1 in an annual amount not-to-exceed \$360,000. Consultant shall provide an itemized billing statement to CITY each month for Professional Services performed. CONSULTANT shall not incur fees or costs which exceed the Compensation without the prior written consent of CITY."

SECTION 4. Remainder of Agreement Effective. Except as expressly amended in Sections 2 and 3 of this Amendment No. 1, the remainder of the Agreement shall remain in full force and effect and is incorporated herein in its entirety. If there is any conflict between Sections 2 and 3 of this Amendment No. 1 and the Agreement, then the terms of Sections 2 and 3 of this Amendment No. 1 shall control to the extent of such conflict.

[END OF AMENDMENT NO. 1]

[SIGNATURES ON THE NEXT PAGE]

AMENDMENT NO. 1 TO AGREEMENT NO. 3855

Page 3 of 3

IN WITNESS WHEREOF, the Parties execute this Amendment No. 1 to take effect as of the Effective Date identified above.

CITY OF MONTEBELLO



René Bobadilla
City Manager

ULTIMATE MAINTENANCE SERVICES



Claudia Salomon
Ultimate Maintenance Services

ATTEST:

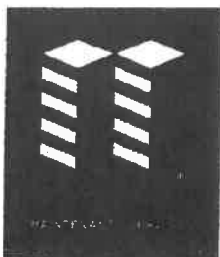


Christopher Jimenez
City Clerk

APPROVED AS TO FORM:



Arnold M. Alvarez-Glasman
City Attorney



Ultimate Maintenance Services, Inc.
4237 Redondo Beach Blvd. Lawndale, CA 90260
Phone: 310.542.1474 Fax: 310.542.0073
www.umscorporation.com

October 28, 2021

**City of Montebello
James Coiner
Golf Course Restrooms and Mechanic shop offices.**

Re: Deep and daily cleaning., Sunday-Monday , 7 days a week.

DAILY RESTROOMS CLEANING , 2 TIMES PER DAY, \$ 1,100 PER MONTH.

Clean all restrooms, toilets, showers, dividers, mirrors, replenish supplies.

Location:

2 Main Restrooms inside the building.,

2 Restrooms at the golf carts garage.

2 Restrooms Hole 12

1 Restrooms Outside by Parking lot(red house)

DEEP CLEANING, \$ 800.00, ONE TIME ONLY

Clean Mechanic shop office, trash, vacuum, dusting, Floors,etc.

Clean restrooms and breakroom.

Initial Deep Cleaning: Friday ,, October 29, 2021

Strip and wax all floors, breakrooms, restrooms.

Deep cleaning and disinfect all restrooms, replenish supplies.

Steam carpet shampoo

Complete dusting

Windows interior and windows sills.

Please let me know if you have any questions or concerns.

Thank you.

Sincerely,

**Claudia Salomon
Ultimate Maintenance Services**

**CITY OF MONTEBELLO
CITYWIDE CUSTODIAL SERVICES**

RFP PROPOSAL SHEET

I, the undersigned, have read and understand the attached specifications for Custodial Services. Further, I attended the Pre-bid Conference and Site Inspection, as required by the specification. If awarded the contract, I agree to perform the work in accordance with the terms and conditions of the RFP.

Bid Amounts:

For custodial services, by location, as outlined in the specifications:

Recreation and Parks Department:

a. City Hall:	\$ <u>3,000.00</u> /month	\$ <u>36,000.00</u> /Annual
b. Acuna Park (Parks and Recreation Office Building):	\$ <u>700.00</u> /month	\$ <u>8,400.00</u> /Annual
c. Acuna Park (Outside Restrooms):	\$ <u>450.00</u> /month	\$ <u>5,400.00</u> /Annual
d. Ashiya Park (Outside Restrooms):	\$ <u>575.00</u> /month	\$ <u>6,900.00</u> /Annual
e. City Park (Outside Restrooms):	\$ <u>750.00</u> /month	\$ <u>9,000.00</u> /Annual
f. City Park (Gym & Youth Center):	\$ <u>750.00</u> /month	\$ <u>9,000.00</u> /Annual
g. City Park (Aquatic Upstairs):	\$ <u>700.00</u> /month	\$ <u>8,400.00</u> /Annual
h. City Park (Aquatic Downstairs):	\$ <u>300.00</u> /month	\$ <u>3,600.00</u> /Annual
i. Senior Citizen Center:	\$ <u>1,600.00</u> /month	\$ <u>19,200.00</u> /Annual
j. Golf Course (Bicknell Scout House):	\$ <u>350.00</u> /month	\$ <u>4,200.00</u> /Annual
k. Grant Rea Park (Recreation Building):	\$ <u>425.00</u> /month	\$ <u>5,100.00</u> /Annual
l. Grant Rea Park (Community Room):	\$ <u>425.00</u> /month	\$ <u>5,100.00</u> /Annual
m. Grant Rea Park (Outside Restrooms):	\$ <u>700.00</u> /month	\$ <u>8,400.00</u> /Annual

n. Holifield Park (Recreation Building):	\$ <u>600.00</u> /month	\$ <u>7,200.00</u> /Annual
o. Holifield Park (Community Room):	\$ <u>1,100.00</u> /month	\$ <u>13,200.00</u> /Annual
p. Holifield Park (Outside Restrooms):	\$ <u>500.00</u> /month	\$ <u>6,000.00</u> /Annual
q. Potrero Heights Park (Recreation Building):	\$ <u>475.00</u> /month	\$ <u>5,700.00</u> /Annual
r. Potrero Heights Park (Outside Restrooms):	\$ <u>575.00</u> /month	\$ <u>6,900.00</u> /Annual
s. Reggie Rodriguez Park (Community Room):	\$ <u>1,200.00/month</u>	\$ <u>14,400.00/Annual</u>
t. Reggie Rodriguez Park (Outside Restrooms):	\$ <u>575.00</u> /month	\$ <u>6,900.00</u> /Annual
u. Sanchez Adobe Park (Office Building):	\$ <u>1,500.00</u> /month	\$ <u>18,000.00</u> /Annual
v. Sanchez Adobe Park (Outside Restrooms):	\$ <u>625.00</u> /month	\$ <u>7,500.00</u> /Annual
w. Taylor Ranch Park (Outside Restrooms):	\$ <u>575.00</u> /month	\$ <u>6,900.00</u> /Annual
x. Taylor Ranch Park (Community Room):	\$ <u>350.00</u> /month	\$ <u>4,200.00</u> /Annual
y. Transit Department:	\$ <u>2,400.00/ month</u>	\$ <u>28,800.00</u> /Annual
z. Police Department:	\$ <u>6,500.00 /month</u>	\$ <u>78,000.00</u> /Annual
aa. Public Works (Corporate Yard):	\$ <u>600.00 /month</u>	\$ <u>7,200.00</u> /Annual
ab. Metrolink Station (Public Restroom)	\$ <u>600.00</u> /month	\$ <u>7,200.00</u> /Annual

Combined Total: \$ 28,900.00 /month \$ 346,800.00 /Annual



ITEM # 17

**CITY OF MONTEBELLO
CITY COUNCIL AGENDA STAFF REPORT**

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E. City Manager

BY: Micah Herd, Senior Management Analyst

**SUBJECT: APPROVAL OF AGREEMENT NO. 4085 WITH BLACK AND WHITE
EMERGENCY VEHICLES, LLC FOR VEHICLE UPFITTER SERVICES**

DATE: April 10, 2023

RECOMMENDATION(S):

It is recommended that the City Council:

1. Approve Agreement No. 4085 with Black and White Emergency Vehicles, LLC, (Black and White) (Agreement No. 4085); and
2. Take such additional, related action that may be desirable.

FISCAL IMPACT:

If approved, Agreement No. 4085 with Black and White will have an initial term through June 30, 2025. In addition, the agreement includes two (2), one (1) year extension options.

Compensation for the first year has been pro-rated to \$50,000 to ensure sufficient funds are available for the last three (3) months of the current fiscal year (through June 30, 2023). Compensation for the remaining years (Years 2 – 5) will be approximately \$200,000 annually. If needed, the City Manager will have the authority to increase the yearly expenditure amount by up to \$50,000 annually for the duration of the agreement. The total maximum compensation shall not exceed \$600,000 over the initial term (through June 30, 2025). A full breakdown of the annual compensation can be found in Exhibit B of Agreement No. 4085.

Purchase orders for this service will be generated as needed and based on the available funds in the requesting department's budget. Funding for both the purchase and upfit of vehicles has been included with City Council authorization to procure the vehicles. Therefore, additional appropriations are not needed for Fiscal Year 2022-

23. Staff will work with departments during the current FY 2023-24 budget development process to ensure sufficient appropriations exist in department budgets for necessary upfit services. In addition, any new vehicle acquisitions will include -- as did previous procurements -- funding for upfitting the purchased vehicles.

BACKGROUND/DISCUSSION:

Departments have been designated the responsibility of managing and maintaining their vehicle fleets. As part of this process, departments submit annual requests to acquire new vehicles via supplemental budget requests, which management reviews with input from the Department of Finance. The proposal is later submitted to City Council for final review and approval.

During the current fiscal year, City Council authorized the purchase of approximately twenty-five (25) new vehicles to replace aging/older vehicles that have exceeded their usage cycle or to support the expansion of department operations. To ensure these vehicles are service ready, additional supplies, equipment, and services might be required to complete a vehicle upfit (i.e., adding necessary equipment not included with a "stock" vehicle purchase).

The Police Department primarily uses this service to upfit vehicles used for patrol with additional equipment including lightbars, push bumpers, ballistic panels and other equipment necessary for effective public safety usage and officer safety. However, other departments (e.g., Public Works, Community Development [i.e., Code and Parking Enforcement]), and Parks and Recreation) also use the services of vehicle upfitters. The services of an upfitter are also used to repair and replace damaged equipment.

In 2020, the City of Arcadia established an agreement/purchase order with Black and White Emergency Vehicles, LLC through a competitive process. This purchase agreement is still valid, and Black and White has extended an opportunity to the City to purchase supplies, equipment, and services using the same terms, conditions, and pricing/discount rates (Piggyback Purchase). This exception to the standard bidding process is authorized under Montebello Municipal Code Section 3.20.050 – Piggyback Purchase. The aforementioned municipal code section states:

Purchases of supplies and equipment for city use shall be made and accomplished in conformity with Section 3.20.080 or Section 3.20.090 except:

Piggyback Purchase - If the Purchasing Officer determines it to be in the best interest of the City, the Purchasing Officer is authorized to "piggyback" onto or join into an existing written purchase contract obtained through a competitive bidding process prepared by and awarded by another local, state or federal government agency.

The letter from Black and White approving the use of the purchase agreement and their response to the City of Arcadia's solicitation has been incorporated within Exhibit A of Agreement No. 4085.

ENVIRONMENTAL:

N/A

ANALYSIS:

N/A

SUMMARY:

The City requires the services of a vehicle upfitter that provides supplies, equipment, and services to ensure vehicles used by staff are suitable for use. The Police Department primarily uses this service to upfit both marked and unmarked vehicles; however, other departments also require this service. It is requested that City Council authorize staff to enter into Agreement No. 4085 with Black and White Emergency Vehicles, LLC to ensure these services are available when needed. The total annual cost shall not exceed \$250,000 (includes \$50,000 contingency), with a total initial term in an amount not-to-exceed \$600,000 (through June 30, 2025).

ATTACHMENT(S)

1. Attachment A - Agreement No. 4085 with Black and White Emergency Vehicles

NEXT STEPS:

N/A

CITY OF MONTEBELLO

**PROFESSIONAL SERVICES AGREEMENT NO. ####
WITH BLACK AND WHITE EMERGENCY VEHICLES, LLC**

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into on _____, 202_ ("Effective Date"), by and between the CITY OF MONTEBELLO, a California municipal corporation (the "CITY") and BLACK AND WHITE EMERGENCY VEHICLES, LLC (the "CONTRACTOR"). The CITY and the CONTRACTOR are sometimes referred to herein individual as the "Party," and jointly as the "Parties."

RECITALS

WHEREAS, the CITY desires to retain a qualified professional to upfit City vehicles as needed; and

WHEREAS, the CONTRACTOR represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees; and

WHEREAS, on or about March 17, 2020, CONTRACTOR was awarded a vehicle upfitting equipment, supplies, and services contract with the City of Arcadia; and

WHEREAS, CONTRACTOR has agreed to provide CITY to purchase similar equipment, supplies, and services using the same pricing.

NOW THEREFORE, in consideration of performance by the Parties of the covenants and conditions herein contained, the Parties hereto agree as follows:

SECTION 1. INCORPORATION OF RECITALS AND OTHER CONTRACT DOCUMENTS

a. The above-referenced Recitals constitute a material part hereof and shall hereby be incorporated by reference. Moreover, this Agreement consists of the following documents, in order of precedence, all of which are incorporated herein and made part of this Agreement, as though fully set forth herein:

1. This Agreement and its Exhibits, including any and all addenda or supplemental agreements.
2. Proposal referenced and Best Final Offer received by the successful proposer.
3. All other documents, including but not limited to all applicable bonds, insurance certificates, permits, notices, schedules, forms, certifications, and affidavits.

b. These documents shall be collectively referred to herein as the "Contract Documents." In the event of a conflict among the Contract Documents, the order of precedence list above shall apply.

SECTION 2. SERVICES / COMPENSATION.

a. All terms, conditions, requirements, and provisions of the Proposal, as such is set forth fully in **Exhibit "A"** hereto, are hereby incorporated fully herein by this reference and shall be binding on the Parties. To the extent of a conflict between the terms of this Agreement and that set forth in any exhibits or attachments hereto, the terms of this Agreement shall govern.

b. The CONTRACTOR shall provide to the CITY all labor, equipment, materials and incidental necessary to provide equipment, supplies, and services for vehicle upfitting as set forth fully in the Proposal, as such is set forth fully in **Exhibit "A"** hereto and incorporated fully herein by this reference (hereinafter "Professional Services").

c. The CONTRACTOR shall be compensated for performance of the Professional Services as set forth in the Schedule of Compensation attached hereto as **Exhibit "B"** and incorporated fully herein by this reference ("Compensation"). The CONTRACTOR shall provide an itemized billing statement to the CITY each month for Professional Services performed. The CONTRACTOR shall not incur fees or costs which exceed the Compensation without the prior written consent of the CITY.

SECTION 3. TERM.

a. This Agreement shall commence upon issuance of a written "Notice to Proceed" (as further defined below) by the CITY and shall expire on June 30, 2025 from the Effective Date, unless terminated earlier as hereinafter provided. This Agreement may be extended for up to two (2), one (1), one-year extension options upon such terms and conditions mutually agreed upon by the Parties in writing.

b. Notice to Proceed. Any work or service contemplated under this Agreement shall not commence until the CITY has issued a written Notice to Proceed issued by CITY's applicable, department head.

SECTION 4. PERFORMANCE.

a. The CONTRACTOR shall at all times, faithfully, competently, and to the best of its ability, experience, and talent, perform all tasks described herein.

b. The CONTRACTOR shall employ, at a minimum, generally accepted standards and practices utilized by companies engaged in providing similar services, as are required of CONTRACTOR hereunder, in meeting its obligations under this Agreement.

c. The CONTRACTOR shall be knowledgeable of and subject to all CITY ordinances, rules and regulations, standard operating procedures, and the supervisory chain of command.

d. The CONTRACTOR shall have the right to retain, subject to the CITY's approval, additional individuals, contractors or subcontractors to assist in the completion of services as herein defined. Compensation for additional individuals, contractors or subcontractors shall be the sole and exclusive responsibility of the CONTRACTOR.

PROFESSIONAL SERVICES AGREEMENT NO. #####

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e. The CONTRACTOR shall retain all original reports, field and office notes, correspondence, calculations, maps, and other documents specifically related to the services provided by the CONTRACTOR pursuant to this Agreement, other than documents which are exempt from disclosure pursuant to the attorney-client privilege or any other law. Said documents shall be made available for inspection by the CITY upon request.

SECTION 5. WORK PRODUCT.

a. The CONTRACTOR hereby agrees that all work product produced pursuant to this Agreement and provided to the CITY during and upon completion of this Agreement, shall be the property of the CITY, and ownership of said work product shall be retained by the CITY. The CONTRACTOR may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by the CONTRACTOR.

b. All data, documents, discussion, or other information developed or received by the CONTRACTOR or provided for performance of this Agreement are deemed confidential and shall not be disclosed by the CONTRACTOR without prior written consent by the CITY. The CITY shall grant such consent if disclosure is legally required. All such written products shall be returned to the CITY upon the termination or expiration of this Agreement. The CONTRACTOR agrees that the covenants contained in this Section shall survive the expiration or termination of this Agreement.

SECTION 6. EXTRA SERVICES.

No extra services over and above the Compensation shall be rendered by the CONTRACTOR under this Agreement unless such extra services first shall have been duly authorized in writing by the CITY's City Manager (the "City Manager").

SECTION 7. CITY SUPERVISION.

The City Manager shall have the right of general supervision of all work performed by the CONTRACTOR and shall be the CITY's agent with respect to obtaining the CONTRACTOR's compliance hereunder. No payment for services rendered under this Agreement shall be made without the prior approval of the City Manager.

SECTION 8. TERMINATION.

If either Party hereto fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, the non-defaulting party shall give the defaulting party written notice of the default, the nature of the default, and of the steps necessary to cure the default.

a. Termination for Cause. In the event that any of the provisions of the Agreement are violated by either party, the non-defaulting Party may terminate the Agreement by serving written notice upon the other Party, listing the violation(s) and its intent to terminate such Agreement unless within ten (10) days after the serving of such notice, such violation shall cease or be rectified, the contract shall upon the expiration of an additional thirty (30) days cease and terminate. Violations by the CONTRACTOR which cannot be corrected within ten (10) days, said contract shall

at the option of the CITY cease and terminate upon the giving of like notice. In the event of any such termination for default by the CONTRACTOR, the CITY may take over the work and prosecute the same to completion by contract or otherwise for the account and at the expense of the CONTRACTOR. The CONTRACTOR and his sureties shall be liable to the CITY for any excess cost occasioned in the event of any such termination. This change shall not be construed to prevent the termination, for other causes authorized by law or other provisions of this contract. In the event of a termination for cause, the CONTRACTOR shall only be entitled to the Compensation for those Professional Services satisfactory performed on or before the effective date of termination.

b. Termination for Convenience. The CITY shall have the option, at its sole discretion and without cause, to terminate this Agreement in whole, or in part, by giving ten (30) business days' written notice to the CONTRACTOR. Upon the termination of this Agreement as provided herein, the CITY shall provide to the CONTRACTOR the part of Compensation which would otherwise be payable to the CONTRACTOR for services the CONTRACTOR had completed as of the date of termination, less the amount of all previous payment with respect to the Compensation. Further, upon such a termination for convenience by the CITY, the Parties agree that the CONTRACTOR shall be reimbursed for any "non-refundable" costs that the CONTRACTOR has incurred for its services under this Agreement, provided that: (1) such "non-refundable" costs were incurred by the CONTRACTOR prior to the date of termination, and (2) that the CONTRACTOR provides the CITY with adequate proof that the CONTRACTOR incurred the costs, and is unable to seek a refund for such costs. Such "non-refundable" costs may include, but are not limited to, travel reservations incurred by the CONTRACTOR for its performance of services under this Agreement. The CONTRACTOR agrees to cease all work under this Agreement on or before the effective date of any notice of termination.

SECTION 9. EMPLOYMENT OF CITY EMPLOYEES.

No regular employee of the CITY shall be employed by the CONTRACTOR during the term of this Agreement.

SECTION 10. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES.

No official or employee of the CITY shall be personally liable to the CONTRACTOR in the event of any default or breach by the CITY, or for any amount which may become due to the CONTRACTOR.

SECTION 11. INDEPENDENT CONTRACTOR.

a. The CONTRACTOR is and shall, at all times, remain as to the CITY a wholly independent CONTRACTOR. Neither the CITY nor any of its elected officials, officers, employees, or agents shall have control over the conduct of the CONTRACTOR except as expressly set forth in this Agreement. The CONTRACTOR shall not at any time or in any manner represent that he or she is in any manner an elected official, officer, employee, or agent of the CITY. No employee benefits shall be available to the CONTRACTOR in connection with the performance of this Agreement. Except as provided in this Agreement, the CITY shall not pay salary, wages, or other compensation to the CONTRACTOR for performance hereunder for the CITY, the CITY shall not be liable for

PROFESSIONAL SERVICES AGREEMENT NO. #####

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compensation to the CONTRACTOR, the CONTRACTOR's employees or the contractor's subcontractors for injury or sickness arising out of performing services hereunder.

b. The parties further acknowledge and agree that nothing in this Agreement shall create or be construed to create a partnership, joint venture, employment relationship or any other relationship except as set forth in this Agreement.

c. The CITY shall not deduct from the Compensation paid to the CONTRACTOR any sums required for Social Security, withholding taxes, FICA, state disability insurance or any other federal, state or local tax or charge which may or may not be in effect or hereinafter enacted or required as a charge or withholding on the compensation paid to the CONTRACTOR. The CITY shall have no responsibility to provide the CONTRACTOR, its employees or subcontractors with workers' compensation insurance or any other insurance.

SECTION 12. CalPERS ANNUITANTS AND ELIGIBILITY INDEMNITY.

a. If the CONTRACTOR is a California Public Employees' Retirement System ("CalPERS") annuitant, the CONTRACTOR must provide the City with written notification of such fact a minimum of fourteen (14) calendar days prior to commencement of services under this Agreement. Failure to provide such notification may result in termination of the Agreement, and any penalties or other costs relating thereto shall be borne by the CONTRACTOR. If this Agreement remains in place, the CONTRACTOR shall execute any amendment(s) to this Agreement requested by the City in order to comply with all laws and regulations applicable to CalPERS annuitants.

b. In the event that the CONTRACTOR or any employee, agent, or subcontractor of the CONTRACTOR providing services under this Agreement claims or is determined by a court of competent jurisdiction or CalPERS to be eligible for enrollment in CalPERS as an employee of the CITY, the CONTRACTOR shall indemnify, defend, and hold harmless the CITY for the payment of any employee and/or employer contributions for CalPERS benefits on behalf of the CONTRACTOR or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of the CITY.

c. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, the CONTRACTOR and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by the CITY, including but not limited to eligibility to enroll in PERS as an employee of the CITY and entitlement to any contribution to be paid by the CITY for employer contribution and/or employee contributions for PERS benefits.

SECTION 13. LEGAL RESPONSIBILITIES.

The CONTRACTOR shall at all times observe and comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local governments including, but not limited to the Montebello Municipal Code. The CITY, and its appointed or elected officers, employees, or agents, shall not be liable at law or in

equity occasioned by failure of the CONTRACTOR to comply with this section.

SECTION 14. INDEMNIFICATION.

The CONTRACTOR agrees to, and shall defend, indemnify, protect and hold harmless, the CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers from and against any and all claims, demands, lawsuits, defense costs, civil, penalties, expenses, causes of action, and judgments at law or in equity, or liability of any kind or nature which the CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers may sustain or incur or which may be imposed upon them for injuries or deaths of persons, or damage to property arising out of the CONTRACTOR's negligent or wrongful act, or omission under the terms of this Agreement, except only liability arising out of the sole negligence of the CITY.

SECTION 15. INSURANCE COVERAGE.

a. During the term of this Agreement, the CONTRACTOR shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with CONTRACTOR's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

- **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed operations, personal injury, and advertising injury, with limits no less than \$2,000,000 per occurrence. If a general aggregate limit applies, the limit shall be twice the required occurrence limit.
- **Automobile Liability Insurance:** Insurance Services Office Form Number CA 0001 covering Code 1 (any auto), or if CONTRACTOR has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
- **Worker's Compensation** insurance as required by the laws of 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.
- **Professional Liability** insurance appropriate to the CONTRACTOR'S profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

b. If the CONTRACTOR maintains higher limits than the minimums shown above, the CITY requires and shall be entitled to coverage for the higher limits maintained by the CONTRACTOR.

c. The CONTRACTOR shall require each of its subcontractors, if any, to maintain insurance coverage that meets all of the requirements of this Agreement.

d. The policy or policies required by this Agreement shall be issued by an

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insurer admitted in the State of California and with a current rating of at least A:VII in the latest edition of Best's Insurance Guide.

e. Each insurance policy required above shall state that coverage shall not be canceled, except after thirty (30) days' prior written notice (ten [10] days for non-payment) has been given to the CITY. The CONTRACTOR agrees that if it does not keep the aforesaid insurance in full force and effect the CITY may either (i) immediately terminate this Agreement for Cause; or (ii) take out the necessary insurance and pay, at the CONTRACTOR's expense, the premium thereon.

f. **Evidence of Insurance prior to commencement.** The Contractor shall provide to the CITY Certificate(s) of Insurance evidencing such coverage together with copies of the required policy endorsements no later than five (5) business days prior to commencement of service and at least fifteen (15) business days prior to the expiration of any policy. Unreasonable failure to provide such evidence may be cause for termination of the Agreement as provided herein or delay the services' commencement date. The evidence of insurance shall be U.S. mail or email to:

City of Montebello
Attn: Risk Manager
1600 West Beverly Boulevard
Montebello, CA 90640
Email: gskibar@cityofmontebello.com

Coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits, non-renewed, or materially changed for any reason, without thirty (30) days prior written notice thereof given by the insurer to the CITY by U.S. mail, or by personal delivery, except for nonpayment of premiums, in which case ten (10) days prior notice shall be provided.

g. **Evidence of Insurance during the entire term of the Agreement.** At all times during the term of this Agreement, the CONTRACTOR shall maintain on file with the CITY's Risk Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming the CITY as an additional insured. The CONTRACTOR shall, prior to commencement of work under this Agreement, file with the CITY's Risk Manager such certificate(s).

h. The CONTRACTOR shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two (2) weeks prior to the expiration of the coverages.

i. The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming the CITY, its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to the CITY. The CONTRACTOR agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

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j. The insurance provided by the CONTRACTOR shall be primary to any coverage available to the CITY. Any insurance or self-insurance maintained by the CITY, its officers, employees, agents, or volunteers, shall be in excess of CONTRACTOR's insurance and shall not contribute with it.

k. All insurance coverage provided pursuant to this Agreement shall not prohibit the CONTRACTOR, and CONTRACTOR's employees, agents or subcontractors, from waiving the right of subrogation prior to a loss. The CONTRACTOR hereby waives all rights of subrogation against the CITY.

l. Any deductibles or self-insured retentions must be declared to and approved by the CITY. At the option of the CITY, the CONTRACTOR shall either reduce or eliminate the deductibles or self-insured retentions with respect to the CITY, or the CONTRACTOR shall procure a bond guaranteeing payment of losses and expenses.

m. Procurement of insurance by the CONTRACTOR shall not be construed as a limitation of the CONTRACTOR's liability or as full performance of CONTRACTOR's duties to indemnify, hold harmless and defend under the indemnity covenants of this Agreement.

SECTION 16. SUBCONTRACT, ASSIGNMENT OR DELEGATION.

The CONTRACTOR shall not subcontract, delegate, or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of the CITY. Any proposed subcontract, delegation, or assignment shall provide a description of the services to be covered, identification of the proposed subcontractor, delegee, or assignee, and an explanation of why and how the same was selected, including the degree of competition involved.

Any subcontract, delegation or assignment shall be made in the name of the CONTRACTOR and shall not bind or purport to bind the CITY and shall not release the CONTRACTOR from any obligations under this Agreement including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegees or subcontractors. No such subcontract, delegation or assignment shall result in any increase in the amount of total compensation payable to the CONTRACTOR under the Agreement.

SECTION 17. NO WAIVER.

Waiver by any party hereto of any term, condition or covenant of this Agreement shall not constitute the waiver of any other term, condition, or covenant hereof.

SECTION 18. DISPUTE RESOLUTION; GOVERNING LAW.

Disputes regarding the interpretation or application of any provision(s) of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Parties. If any action at law or in equity is brought to enforce this Agreement or because of alleged dispute, breach, default or misrepresentation in connection with the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, expert fees, costs and necessary disbursements incurred in that action or proceeding, in addition to such other relief as may be sought and awarded. The venue for any

litigation shall be County of Los Angeles, California. The Parties agree that the covenants contained in this Section shall survive the expiration or termination of this Agreement.

SECTION 19. ATTORNEY'S FEES AND COSTS.

If litigation is reasonably required to enforce or interpret the provisions of this Agreement, the prevailing party in such litigation shall be entitled to an award of reasonable attorney's fees and costs in addition to any other relief to which it may be entitled.

SECTION 20. WARRANTIES.

Each of the parties represents and warrants to one another as follows:

- a. It has received independent legal advice from its attorneys with respect to the advisability of entering into and executing this Agreement;
- b. In executing this Agreement, it has carefully read this Agreement, knows the contents thereof, and has relied solely on the statements expressly set forth herein and has placed no reliance whatsoever on any statement, representation, or promise of any other party, or any other person or entity, not expressly set forth herein, nor upon the failure of any other party or any other person or entity to make any statement, representation or disclosure of any matter whatsoever; and
- c. It is agreed that each party has the full right and authority to enter into this Agreement, and that the person executing this Agreement on behalf of either party has the full right and authority to fully commit and bind such party to the provisions of this Agreement.

SECTION 21. MISCELLANEOUS.

- a. The descriptive paragraph headings of this Agreement are included for purposes of convenience only and shall not control or affect the construction of interpretation of any of its provisions.
- b. Whenever the context hereof shall so require, the singular shall include the plural, the male gender shall include the female gender, and the neuter and vice versa.
- c. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.
- d. The representations and warranties made by the parties to this Agreement shall survive the consummation of the transaction herein described.
- e. This Agreement may be signed in any one or more counterparts all of which taken together shall be but one and the same Agreement. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by facsimile transmission, shall for all purposes be

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treated as if it were delivered containing an original manual signature of the party whose signature appears in the facsimile and shall be binding upon such party in the same manner as though an originally signed copy had been delivered.

f. Each of the parties acknowledges that it has been represented by independent counsel of its own choosing, or if it has not been so represented, it has been admonished to obtain independent counsel and has freely and voluntarily waived and relinquished the right to counsel. Each party who has not obtained independent counsel acknowledges that the failure to have independent legal counsel will not excuse such party's failure to perform under this Agreement or any agreement referred to in this Agreement.

SECTION 22. NOTICE.

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered via e-mail (an "Electronic Notice" as further defined below), personally or on the second (2nd) business day after the deposit thereof in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided. All notices, demands, requests, or approvals hereunder shall be given to the following addresses or such other addresses as the Parties may designate by written notice:

If to CITY:

City of Montebello
Attn: René Bobadilla, City Manager
1600 West Beverly Boulevard
Montebello, CA 90640
(323) 887-1200
Email: rbobadilla@montebellocity.gov

With a copy to:

City of Montebello – Department of Finance
Attn: Michael Solorza, Director of Finance
1600 West Beverly Boulevard
Montebello, CA 90640
(323) 887-1200
Email: msolorza@montebellocity.gov

If to CONTRACTOR:

Black and White Emergency Vehicles, LLC
Attn: John Patino, President
590 South Vincent Avenue
Azusa, CA 91702
Email: jp@blackandwhiteev.com

An electronic communication ("**Electronic Notice**") shall be deemed written notice for purposes of this section if sent to the electronic mail address specified above. Electronic Notice shall be deemed received at the time the party sending Electronic Notice receives verification of receipt by the receiving party. Any party receiving Electronic Notice may request and shall be entitled to receive the notice on paper, in a nonelectronic form.

SECTION 23. NON-DISCRIMINATION AND EQUAL OPPORTUNITY EMPLOYER.

In the performance of this Agreement, the CONTRACTOR shall not discriminate against any employee, subcontractor, or applicant for employment

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because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, mental condition or sexual orientation. The CONTRACTOR will take affirmative action to ensure that sub-CONTRACTOR and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

SECTION 24. CONFLICT OF INTEREST.

The CONTRACTOR covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by the CONTRACTOR under this Agreement, or which would conflict in any manner with the performance of its services hereunder. The CONTRACTOR further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, the CONTRACTOR shall avoid the appearance of having any interest that would conflict in any manner with the performance of its services pursuant to this Agreement.

The CONTRACTOR covenants not to give or receive any compensation, monetary or otherwise, to or from the ultimate vendor(s) of services to the CITY as a result of the performance of this Agreement, or the services that may be procured by the CITY as a result of the recommendations made by the CONTRACTOR. The CONTRACTOR's covenant under this section shall survive the termination of this Agreement.

SECTION 25. ENTIRE AGREEMENT.

This Agreement contains the entire understanding between the CITY and the CONTRACTOR. Any prior agreements, promises, negotiations or representations not expressly set forth herein are of no force or effect. Subsequent modifications to this Agreement shall be effective only if in writing and signed by each party. If any term, condition, or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall be valid and binding.

[SIGNATURE PAGE TO FOLLOW]

PROFESSIONAL SERVICES AGREEMENT NO. ####

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IN WITNESS WHEREOF, the parties, through their respective authorized representatives, have executed this Agreement as of the date first written above.

("CITY")

CITY OF MONTEBELLO

("CONTRACTOR")

**BLACK AND WHITE EMERGENCY
VEHICLES, LLC**

René Bobadilla, City Manager

John Patino, President

ATTEST:

Christopher Jimenez, City Clerk

APPROVED AS TO FORM:

Arnold M. Alvarez-Glasman, City Attorney

EXHIBITS:

- Exhibit A – Response to City of Azusa Quotation Request/Price Proposal
- Exhibit B – Schedule of Compensation

EXHIBIT "A"

Response to City of Azusa Quotation Request/Price Proposal

DRAFT



March 13, 2023

City of Montebello Purchasing Department,

This letter is to confirm that Black and White Emergency Vehicles, LLC is in agreement with the City of Montebello to honor the same pricing discount as the City of Arcadia's RFP awarded to us on March 2021, in which we came in the lowest bidder. Labor rates will be \$80 an hour with an hour minimum charge. Parts and materials not to exceed 35% of manufacturer's cost and does not included shipping charges. These discounts will take effect immediately and shall continue for three years from proposal date. We look forward to working with your department. Please feel free to contact us with any additional questions. Thanks for being a valuable customer.

Respectfully,
John D. Patino

A handwritten signature in black ink, appearing to read "John D. Patino". The signature is written over a horizontal line and is enclosed within a large, hand-drawn oval.

President
Black and White Emergency Vehicles, LLC

590 S. Vincent Ave. Azusa, CA 91702
Office: 626-334-6300 Fax: 626-334-6301



NOTICE INVITING BIDS
PWS – VEHICLE UPFITTING AND EQUIPMENT 2020

NOTICE IS HEREBY GIVEN that the City of Arcadia is accepting bids for vehicle upfitting supplies and services for City fleet vehicles. Bids shall be submitted in a sealed envelope and identified as Bid for "PWS-VEHICLE UPFITTING AND EQUIPMENT 2020" and shall be sent to:

City of Arcadia
Office of the City Clerk
240 W. Huntington Drive
Arcadia, CA 91007

Bids are due no later than **11:00 a.m. on Tuesday, February 25, 2020** at which time said bids shall be publicly opened.

Copies of the bid may be obtained in the Public Works Services Department of the City of Arcadia, 11800 Goldring Road, Arcadia, CA 91006. Said specifications and bid forms are hereby referred to and incorporated herein and made a part by reference and all quotations must comply therewith.

The City of Arcadia reserves the right to accept in whole or part or reject any and all proposals and to waive any informalities in the bid process, and all bids are binding for a period of sixty (60) days after the bid opening and may be retained by the City for examination and comparison, as specified in the quotation request documents.

Bidder: *Black and White
Emergency Vehicles*

CITY OF ARCADIA
QUOTATION REQUEST – NOT AN ORDER
PUBLIC WORKS SERVICES DEPARTMENT
240 WEST HUNTINGTON DRIVE – P.O. BOX 60021
ARCADIA, CALIFORNIA 91066-6021

CONSIDERATION CANNOT BE GIVEN TO
QUOTATIONS RECEIVED AFTER
11:00 AM FEBRUARY 25, 2020

FOR FURTHER
DETAILS CALL:
(626) 254-2710

**PWS-VEHICLE UPFITTING AND
EQUIPMENT 2020**

ITEM	QUANTITY	DESCRIPTION: When bidding on an "or equal" or on goods other than those specified, Bidder must give complete description.	UNIT PRICE	UNIT	AMOUNT
		Purchase Agreement for the purchase and installation of vehicle lighting & related upfitting accessories for one (1) year in accordance with all terms and conditions and in conformance with the bidder's proposal sheet submitted for PWS-VEHICLE UPFITTING AND EQUIPMENT 2020. Please see attached specifications for detailed unit requirements. Bidder's to complete and return as your bid, the attached Bid Forms no later than 11:00 a.m. Tuesday, February 25, 2020. Failure to return the attached sheets may disqualify your bid. NO OTHER FORMS WILL BE ACCEPTED. Sealed Bid Delivery Address: CITY OF ARCADIA OFFICE OF THE CITY CLERK 240 W. HUNTINGTON DRIVE ARCADIA, CA 91007 All questions regarding the bid quantities and specifications for this quotation request are to be directed to Tyler Polidori, at (626) 254-2710 or tpolidori@arcadiaca.gov.			

GENERAL CONDITIONS

PERIOD:

This agreement shall be for the period of one (1) year. In accordance with the City of Arcadia Purchasing Procedures and Policies, a new Purchase Order will be issued each year in accordance with all the TERMS and GENERAL CONDITIONS as set forth within the GENERAL CONDITIONS and in conformance with all the BIDDER'S PROPOSAL SHEETS as submitted herein.

SCOPE:

These specifications are intended to cover vehicle lighting and upfitting supplies and services for the City's Public Works Services Department. It is the City's intent to issue one (1) purchase order. The purchase order will be awarded to a primary vendor in the amount of the total bid.

BIDDER QUALIFICATIONS:

The bidder shall be an authorized franchised dealer or distributor for the brands of lighting and related accessories that they provide, and shall have been in business for a period of at least three (3) years prior to the bid opening date. They City may request that the products being ordered be original manufacturer items. The City reserves the right to inspect the bidder's facility(ies) and shall be the sole judge as to its adequacy to properly serve the City.

QUANTITIES:

It is estimated that the City of Arcadia will purchase approximately \$150,000 annually in lighting and upfitting supplies. It is understood by the bidder that the quantities given are only estimates and that the City of Arcadia may purchase an amount above or below the estimate given according to the requirements and needs of the City of Arcadia.

ORDERING METHOD:

It is the intent of the City of Arcadia to issue one (1) purchase order for a total estimated lump sum to adequately cover the costs of items/services ordered for the period of the agreement. City personnel will contact the vendor and place the order over the phone, via email, or by fax.

PRICE:

It shall be understood that the prices, terms and conditions of bids shall remain firm for the period of one (1) year from date of purchase order issued.

UNIT PRICES:

Unit prices shall include Contractor's cost to supply and install County provided equipment including: all hardware and supplies such as wires, cables, terminals, connectors, wraps, grommets, labels, sealants, shop supplies, all related costs, overhead and profit. Services shall be provided on an as needed basis. The extended total of all line items within each package shall be added to arrive at a total package cost. The cost for each individual line item shall remain firm in the event there is a requirement for the installation of individual piece equipment.

ADDITIONAL RELATED SERVICES:

Additional related services may be requested of the Contractor, to include repairs and de-installations. The fixed hourly shop rate for related services shall apply. The Contractor shall provide an estimate of the hours of labor it will take to complete the related services requested.

STOCK ITEMS:

At the time an order is placed, the vendor shall verify that the item(s) being ordered are in fact in stock and available for immediate delivery or pickup. If the item is not in stock, the vendor must notify the City at the time the order is placed that the item is not in stock. The City of Arcadia reserves the right to obtain the item elsewhere if it is unavailable at the time the order is placed.

DELIVERY REQUIREMENTS:

The City of Arcadia requires that the vendor provide the necessary services within a specified scheduled time as determined by the GENERAL SERVICES SUPERINTENDENT.

Provisions shall be made at the Vendor's place of business for the dropping off and picking up of vehicles by City Fleet Services Department personnel. Vehicles will be inspected for installation compliance before City employee leaves the premises.

COMPLETION OF WORK:

Once the vehicle is dropped off to the vendor's shop, the vendor will have thirty (30) working days to complete the installation. If more than one vehicle is delivered at a time, the vendor shall discuss his current workload with the City's Fleet Services Supervisor to determine how many vehicles can be completed within thirty (30) working days. The vendor cannot deviate from the thirty (30) working day completion time or the contract can/will be terminated. These vehicles are public safety cars and shall not be out of service due to vendor delays for more than thirty (30) working days.

PICKUPS AND WILL CALLS:

Provisions shall be made at the vendor's place of business for the filling of pickup and will call orders within two (2) hours or less from the time the order is placed. Such pickups or will calls are to be made by an authorized and properly identified representative of the City of Arcadia. A bill of lading or delivery receipt, completed as described above, shall accompany all pickup and/or will call orders.

GUARANTEES AND WARRANTIES:

All parts, supplies and materials supplied to the city by the vendor shall carry the manufacturer's full guarantee and/or warranty and shall include any and all other guarantees and/or warranties normally offered by the vendor to his/her customers. In all cases of guarantee and/or warranty claims, the vendor shall handle all guarantee and/or warranty claims in an expeditious manner.

BIDDING A SUBSTITUTE OR ADDITIONAL MANUFACTURER:

The terms "brand" and "manufacturer" shall be used interchangeably and shall mean a class of goods identified as the product of a single firm or manufacturer. Bids are requested for those manufacturers as listed in these specifications. The City shall be the sole judge in determining the acceptability of brands offered and price equivalents.

MISCELLANEOUS ENTITLEMENTS:

The city shall be entitled to any and all other services as normally offered by the vendor (and/or manufacturer's through the vendor) to his other customers and at the same cost as the vendor would normally charge his other customers (except where specifically addressed elsewhere in these specifications). Examples of such services would be, but not limited to, daily deliveries, will calls, special orders, night deliveries, etc.

TAX REGISTRATION:

Successful bidder will be required to have a valid City of Arcadia Business Tax Registration.

AWARD OF CONTRACT:

The City of Arcadia intends on awarding this contract for the period of one (1) year with the option to renew on a year-by-year basis thereafter for a maximum of three (3) years. The City will evaluate each bid submitted and one (1) purchase order will be issued based upon the lowest responsible bid.

Upon award of a contract, the successful vendor will be required to provide the City with a minimum of one (1) of the most current catalogs available for all product lines covered by the contract, and, throughout the course of the contract, the vendor shall continue to keep all covered product line catalogs current. The updating of such catalogs is to be done at no additional costs to the City.

RENEWAL OF AGREEMENT:

With respect to extending this agreement, after the first year any subsequent payments and/or purchase orders which will be required hereunder in any subsequent fiscal year shall be contingent upon Arcadia City Council appropriation of funds sufficient for such purpose. This agreement is for a one (1) year period with the option of renewing on a year-by-year basis for a maximum of three (3) years.

TERMINATION OF AGREEMENT:

This agreement may be terminated, with or without cause, at any time by the City of Arcadia or Vendor after giving thirty (30) days written notice to the vendor or City of Arcadia.

EXTENSION OF CONTRACT TO OTHER PUBLIC AGENCIES:

The price, terms and conditions of this bid may be extended to other governmental agencies at the mutual agreement of both the agency and the bidding contractor. All requirements of the specifications, purchase orders, invoices, and payments with other agencies would be handled directly with the successful bidder. The City of Arcadia does not warrant any additional use of the contract by such agencies. The bidder's response as requested on the Bidder's Proposal Sheet will in no way affect the City of Arcadia's consideration of this bid.

BILLING REQUIREMENTS:

Electronic billing is a preferred method of invoicing but is not a mandatory requirement. All invoices must reflect the Purchase Order Number issued.

INQUIRIES:

All inquiries will be directed to the Public Works Services Department, General Services Superintendent, Tyler Polidori, (626) 254-2710 or tpolidori@arcadiaca.gov. Inquiries must be received no later than Tuesday, February 18, 2020.

TERMS:

The City of Arcadia respects terms of net 30 only.

ALTERNATE SOURCE:

The City of Arcadia reserves the right to secure specified lighting and upfitting supplies from alternate sources in the event a request can not be filled in a timely manner to be determined by a City of Arcadia representative.

BIDDERS RESPONSIBILITY TO THIS SPECIFICATION

It is the responsibility of each bidder to carefully examine these specifications and the bid documents and become familiar with the requirements set forth herein. In addition, it is the responsibility of each bidder to submit all necessary information concerning their product to the City of Arcadia. Failure to do so could result in your bid being declared as non-responsive.

INSTRUCTIONS TO BIDDERS

UNLESS OTHERWISE INDICATED, ITEMIZED NET PRICES SHALL BE F.O.B. DELIVERED ON CITY PREMISES OR JOBSITE TO BE SPECIFIED ON THE PURCHASE ORDER BUT WILL BE WITHIN CITY OF ARCADIA CITY LIMITS.

Municipalities are EXEMPT from Federal Excise Taxes and prices quoted are to EXCLUDE Federal taxes. EXEMPTION CERTIFICATES will be furnished upon request.

Unless otherwise indicated, prices will be considered to EXCLUDE STATE AND CITY SALES OR USE TAX, which is payable by the City. In the event, unit prices and the total amount stated by the bidder for an item are not in agreement, then the unit price alone will be considered as representing the bidder's intention, and the total will be corrected to conform thereto.

The Internal Revenue code requires us to issue Form 1099 for certain payments made to Payees other than Corporation. For each failure to furnish a TAXPAYER IDENTIFICATION NUMBER COULD RESULT IN A \$50.00 PENALTY BEING ASSESSED by IRS. In addition, we will be required to withhold 20 percent from payments subject to 1099 Reporting, if you fail to furnish us your IDENTIFICATION NUMBER.

The City Reserves the right to reject any or all quotations, to waive any technicalities and informalities, and to accept or reject all or any part of this quotation at prices shown.

Unless otherwise indicated, prices quoted herein are considered FIRM and shall remain open and not be withdrawn for a period of sixty (60) days after the due date.

ALL EQUIPMENT AND/OR MATERIAL REFERRED TO IN THIS QUOTATION SHALL IN ALL RESPECTS BE IN FULL COMPLIANCE WITH ALL CAL/OSHA SAFETY AND HEALTH ORDERS.

Any bidder wishing to bid recycled material is encouraged to do so as an option to this bid.

When bidding "or approved equal" items, bidder must state complete make, model or product number of alternate being bid. Bidder must also submit with the bid complete descriptive literature on item(s) being bid. Failure to identify product or submit literature with your bid may disqualify your bid.

All businesses doing work in the City of Arcadia should verify with the License Office if they are required to be registered for and pay the Arcadia Business Tax.

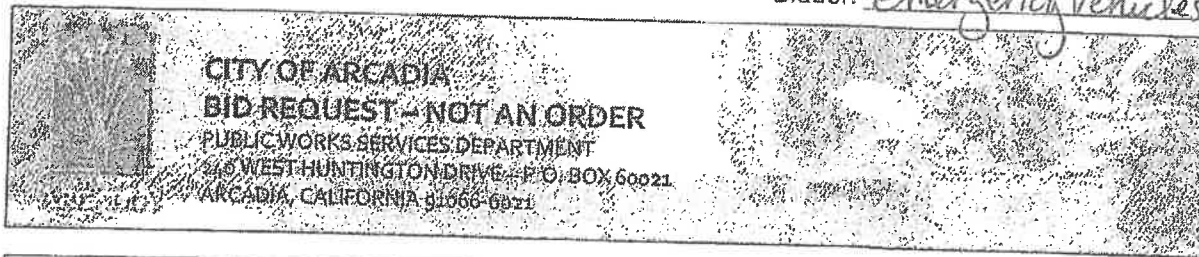
Successful bidder shall be required to furnish Certificate of Insurance and Endorsement naming the City of Arcadia, its officers, officials, employees and agents as additional insured on all installation quotations. If insurance is required, it will be stipulated on the quotation request form or in the detailed specifications and a copy of the City's insurance requirements will be attached to the quotation request.

Failure to provide all information on this bid form or on any attachments to this bid may result in disqualification of the bid.

On construction quotes, Contractor shall verify that all materials used on the site are free of asbestos containing materials and any materials specified that do contain asbestos will be brought to the attention of the City representative for review and selection of a substitute product.

This request for bid, when returned to the City as an offer for material and/or services will constitute the full agreement between the City and Vendor if a purchase order is awarded. Any changes to the attached documents for proposal must be made at the time the bid is submitted. Any changes and/or amendments to this agreement presented after the successful vendor receives a purchase order will not be accepted. Unless the City includes a stipulation for a separate agreement to be executed, the City will not execute any other agreement in conjunction with this quotation request or the purchase order.

Black and White
Bidder: Emergency Vehicles



CONSIDERATION CANNOT BE GIVEN TO BIDS RECEIVED AFTER 11:00 AM FEBRUARY 25, 2020	FOR FURTHER DETAILS CALL: (626) 254-2710	PWS-VEHICLE UPFITTING AND EQUIPMENT 2020
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- State Brand and/or manufacturer for each item. The manufacturer's name must be given. All products that meet the minimum specifications will be considered, with final determination of acceptable product to be made by City Staff.
- If you cannot provide an item, please mark "not available" or "N/A". Please do not leave any items blank.
- Verify your bid before submission. In the event of an extension error, the unit price shall prevail.

BID SCHEDULE A

Material Costs - Ford Explorer Patrol:

ITEM	DESCRIPTION	BRAND/ MANUFACTURER	QTY	UNIT PRICE	TOTAL
1.	(2747ACC) 47" 2700CC BYO lightbar configuration #C40209	Code 3	1	1850.00	1850.00
2.	(Z3SP-1) Z3S MATRIX SIREN	Code 3	1	625.00	625.00
3.	(3450) Banshee Amplifier Siren System	Code 3	1	282.66	282.66
4.	(C3100X) C3100 Series Siren Speaker	Code 3	2	155.00	310.00
5.	(MR6MC-RW) Multi-color red/white LED light	Code 3	2	78.30	156.60
6.	(MR6MC-BW) Multi-color blue/white LED light	Code 3	2	78.30	156.60
7.	(HDLGTBKT-PIU) MR6 Light Bracket	Code 3	1	25.35	25.35
8.	(FSM-BKT-PIU) M180 Bracket	Code 3	1	30.65	30.65
9.	(M180SMC-RB) M180 Combination light	Code 3	2	108.00	216.00
10.	(BSM-BKT-PIU) M180 Bracket	Code 3	1	25.50	25.50
11.	(5342-2L91) 2-Light LR Series Push Bumper (Code 3 MR6)	Go Rhino Public Safety	1	368.03	368.03
12.	(950-PIU) Plug-in Headlight Flasher	Code 3	1	80.96	80.96

ITEM	DESCRIPTION	BRAND/ MANUFACTURER	QTY	UNIT PRICE	TOTAL
13.	(DK0100ITU12) Door Panel TPO Black Polymer	SETINA	1	193.88	193.88
14.	(WK0595ITU12) Window Barrier Poly	SETINA	1	178.90	178.90
15.	(1K0574ITU12SCASS) #6VS SPT Coated Poly Partition	SETINA	1	780.42	780.42
16.	(QK0491ITU12) TPO Floor Pan	SETINA	1	164.18	164.18
17.	(PP9640) V/Drain for Floor Pan	V/Drain	2	38.20	38.20
18.	(QK0496ITU12) #12 Coated Poly Partition W/TPO Seat	SETINA	1	967.15	967.15
19.	(225-2373) Single Drawer Box 36"W x 28 1/2"D x 15 1/2"H, includes 2" Lip	B&B Enterprises	1	1176.00	1176.00
20.	(HWLFE13) Siren Amplifier with One Speaker, Includes Mounting Bracket	Whelen	1	543.75	543.75
21.	(CM-SDMT-SA-LED) Console Side Swing Arm Docking Station Mount	Troy	1	274.05	274.05
22.	(CP-UV-CARGO-MNT) Police Interceptor UV lift-up cargo platform	Troy	1	330.37	330.37
23.	(AC-UV-TRAY-H) Cargo Mount Attachment Electronics Tray	Troy	1	185.25	185.25
24.	(CC-UV-L-18) Police Interceptor Utility Specific 18" Console	Troy	1	369.97	369.97
25.	(AC-INBHG), Internal two-piece dual beverage holder	Troy	1	42.35	42.35
26.	(AC-TB-ARMMNT-LP) Console mounted height adjustable low profile swivel arm rest	Troy	1	132.30	132.30
27.	(SC-6) Generation 2 Universal gun lock with #2 key	Santa Cruz Gunlocks	2	123.35	247.50
28.	(W6BR) Wildcat Hide-a-Blast W600 Vertical flange mount, 8ft Blue/Red	Code 3	2	79.98	159.96
29.	(CITEZPIU-RABA-MTC) Citadel EZ Mount PIU, Multi-color, RA, BA, Controller	Code 3	1	997.50	997.50
30.	(ULTTC-RBA) Mega Thin Tri-color 18 LED exterior light, surface mount, red/blue/amber	Code 3	2	95.70	191.40
31.	(MB8U), NMO Antenna RG58U Coax Solid Center Wire, 3/4" hole	Laird Technologies	5	12.50	62.50
32.	(36951) 152-182 Mhz 1/4 Wave Antenna Black	Laird Technologies	1	9.85	9.85
33.	(74344) 450-470 Mhz 1/4 Wave Antenna Black	Laird Technologies	1	9.72	9.72
34.	(RPT-3000-1C) Connector, Reverse gender & reverse threaded SMA Male	RF Industries	2	5.96	11.92
35.	(NMO150/450C) Dual Band Antenna, 50-154 1.6 dB/450-460 3.5 dB	Pulse Larsen	2	43.25	86.50

ITEM	DESCRIPTION	BRAND/ MANUFACTURER	QTY	UNIT PRICE	TOTAL
36.	(GPSU15M) GPS Active Antenna Black NMO mount 3-5V	Laird Technologies	1	70.98	70.98
37.	(MMSU-1) Magnetic Mic single unit	Magnetic Mic	3	32.00	96.00
38.	(CW0400) 400 series compartment light, 5.4" LED 12/24V	Code 3	1	29.99	29.99
39.	Ignition Interlock System, 27 Circuits w/modular Smart Start timer, L3 bracket for Ford Utility, w/20 ft. output wires	Smart Start	1	625.00	625.00

Installation Labor Costs – Ford Explorer Patrol:

ITEM	DESCRIPTION	HOURS	HOURLY RATE	TOTAL
1.	Installation of all items 1-39 listed above into a Ford Explorer Police Interceptor Unit. Installation to include the following owner provided items: UHF/VHF two-way radio, laptop mount, and 2 gun racks	40	80.00	3,200.00

MATERIALS & INSTALLATION LABOR COST FOR (1) FORD EXPLORER \$ 15,341.14

SALES TAX (10.25%) \$ 1,457.41

TOTAL \$ 16,798.55

TOTAL MATERIALS & INSTALLATION LABOR COST FOR (7) FORD EXPLORERS \$ 117,589.85 (A)
* (total above x 7)

BID SCHEDULE – B

Material Costs – Utility Bed Pickup Truck:

ITEM	DESCRIPTION	BRAND/ MANUFACTURER	QTY	UNIT PRICE	TOTAL
1.	(NASL847), 8-LED amber NarrowStik 47" with Controller	Code 3	1	999.85	999.85
2.	(CW2451), 9-LED Worklight, square swivel 12-24V Flood	Code 3	4	108.34	433.36
3.	(MR6-A), surface mount amber LED	Code 3	2	67.50	135.00
4.	(ULT6-A), 6 LED Mega Thin Surface Mount, 12-24V, Amber	Code 3	2	81.87	163.74
5.	(CC-WBOS-20), Wide body console w/open storage	Troy	1	520.70	520.70
6.	(AC-INBHG), Internal two-piece dual beverage holder	Troy	1	42.35	42.35
7.	(AC-TB-ARMMNT-LP), Console mounted height adjustable low-profile swivel arm	Troy	1	144.85	144.85
8.	(MRCB-150), DC 150-amp manual reset circuit breaker	Eaton Bussman	1	33.59	33.59

9.	(MB8U), NMO Antenna RG58U Coax Solid Center Wire, 3/4" hole	Laird Technologies	1	12.50	12.50
10.	Headache Rack: White powder coated finish -- must accommodate mini light bar, Narrowstik, work lights, and antenna	Miscellaneous	1	450.00	450.00
11.	(BS5025), 6 position fuse block w/ground buss & cover	Blue Sea Systems	1	29.95	29.95
12.	4-pin trailer plug and bracket	Miscellaneous	1	42.50	42.50
13.	(6001), TOP H.A.T. high-reliability 250-amp battery timer	Copeland	1	119.65	119.65
14.	(C3100U), 100w Speaker w/Universal Mounting Bracket	Code 3	1	155.00	155.00

Installation Labor Costs - Pickup Truck with Utility Bed

ITEM	DESCRIPTION	HOURS	HOURLY RATE	TOTAL
1.	Installation of items 1-14 listed above into a full-size utility bed pickup truck. (Installation to include center console, custom headache rack with Narrowstik and controller, amber LED lights mounted front and rear, external speaker, 4 LED work lights, heavy duty battery timer w/all accessories for dual batteries, and the following owner provided items: mini lightbar, two-way radio, and secondary battery.)	20	80.00	1,600.00

MATERIALS & INSTALLATION LABOR COST FOR (1) UTILITY PICKUP \$ 4883.04

SALES TAX (10.25%) \$ 311.89

TOTAL \$ 5,194.93

TOTAL MATERIALS & INSTALLATION LABOR COST FOR (8) UTILITY PICKUPS \$ 41,559.44 (B)

* (total above x 8)

BID SCHEDULE -C

ITEM	DESCRIPTION	HOURS	HOURLY RATE	TOTAL
1.	Fixed Installation Labor Hourly Shop Rate	100	80.00	8,000.00

TOTAL LABOR & MATERIAL COSTS FOR ALL SCHEDULES A, B, and C \$ 167,149.29 (A + B + C)

one hundred sixty seven thousand, one hundred forty nine and 29/100 —
(Dollar amount in written form)

TOTAL BID AMOUNT

\$ 167,149.29

one hundred sixty seven thousand, one hundred forty nine and 29/100 —
(Dollar amount in written form)

Black and White

Bidder: Emergency Vehicles

ADDITIONAL COMMENTS

IN THE EVENT OF AN EMERGENCY SITUATION DOES VENDOR WISH TO HAVE THEIR NUMBER
ADDED TO THE CITY OF ARCADIA EMERGENCY CONTACT LIST?

☒ YES
☐ NO

IF YES IS SELECTED PLEASE PROVIDE TWO PHONE NUMBERS THAT VENDOR CAN REACHED AT 24
HOURS A DAY.

PRIMARY NUMBER:

(626) 334-6300

CONTACT PERSON:

John Patino

ALTERNANTE NUMBER:

(626) 862-6500 (cell#)

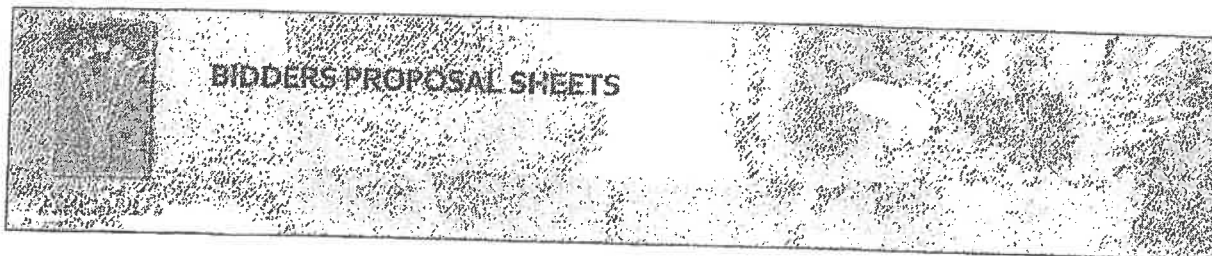
CONTACT PERSON:

John Patino

PLEASE PROVIDE ANY ADDITIONAL COSTS THAT MAY BE ASSOCIATED WITH THESE SERVICES.

NOTE:

THE SELECTION OF 'YES' OR 'NO' WILL IN NO WAY HAVE A DETERMINING AFFECT AS TO THE
AWARD OF THIS BID.



A. Address from which the City will be serviced:

Black and White Emergency Vehicles, LLC
COMPANY NAME

John Patino
NAME OF CONTACT PERSON

590 S. Vincent Ave
STREET ADDRESS

CA 91702
STATE ZIP

Armsa
CITY

B. We Black and White hereby agree to furnish lighting and electrical supplies for the period of
one (1) year beginning on the date of contract execution.

C. The City May exercise its option to renew this agreement as stipulated under the General Conditions.
MAY OR MAY NOT

D. Invoice terms of 8 % 8 (minimum of 20 days required). Unless otherwise
stated NET 30 days shall apply.

E. Please indicate if this bid will be extended to other public agencies:

YES X NO

BIDDER'S NAME:

Black and White Emergency Vehicles, LLC

AUTHORIZED SIGNATURE:

PRINTED NAME:

John Patino

TITLE:

President

ADDRESS:

590 S. Vincent Ave

Armsa
CITY

CA
STATE

91702
ZIP

626, 334-6300
TELEPHONE NUMBER

626, 334-6301
FAX NUMBER

jp@blackandwhiteev.com
EMAIL

TAXPAYER I.D. NUMBER:

47-4786871



590 South Vincent Avenue
Azusa, CA 91702

Quote

Date	Estimate #
2/18/2020	1624

Name / Address
City Of Arcadia 250 W. Huntington Dr Arcadia, CA 91066

Ship To
City Of Arcadia 250 W. Huntington Dr Arcadia, CA 91066

Customer	Terms
Bid Schedule A	Net 30

Item	Description	Qty	Rate	Total
2747ACC	Code 3 47" 2700CC BYO Model Lightbar Config # C40209	1	1,850.00	1,850.00T
Z3SP-1	Z3 Siren W/Serial Interface Push Button	1	625.00	625.00T
3450	Banshee Siren	1	282.66	282.66T
C3100U	100w Speaker w/ Universal Mounting Bracket	2	155.00	310.00T
MR6MC-RW	Code 3 MR6 Multi Color Red/White	2	78.30	156.60T
MR6MC-BW	Code 3 MR6 Multi Color LED Blue/White	2	78.30	156.60T
HDLNBKT-PIU	MR6 Headliner Bracket for Ford PI Utility, 2 MR6	1	25.35	25.35T
FSM-BKT-PIU	Front Side Mirror Mounting Bracket for 2012-16 Ford Utility. Fits MR6 or M-180	1	30.65	30.65T
M180SMC-RB	Code 3 M180 Intersection/Takedown/Ground Light Red/Blue	2	108.00	216.00T
BSM-BKT-PIU	Below Side Mirror Mounting Bracket for 2012-2016 Ford PI Utility. Fits MR6 or M180	1	25.50	25.50T
5342-2L91	Go Rhino 2-Light Ready Push Bumper Code 3 MR6 , 2016 Ford Utility	1	368.03	368.03T
950-PIU	Code 3 Plug N Play Headlight Flasher For Ford Utility	1	80.96	80.96T
DK0100ITU12	Setina Door Panels Ford Utility	1	193.88	193.88T
WK0595ITU12	WINDOW VS BARRIER POLY 12-15 INTERCEPTOR UTILITY	1	178.90	178.90T
1K0574ITU12SCASS	#6VS SPT COATED POLY PARTITION 12-15 INTERCEPTOR UTILITY W/SCA	1	780.42	780.42T
QK0491ITU12	Setina Floor Pan	1	164.18	164.18T
PP9640	V DRAIN FOR FLOOR PLAN	2	38.20	76.40T
QK0496ITU12	#12 COATED POLY PARTITION W/TPO SEAT 12-15 INTERCEPTOR UTILITY	1	967.15	967.15T

Quotes are subject to change and are Valid for 30 Days

Subtotal

Sales Tax (9.5%)

Total

Signature

590 S. Vincent Ave, Azusa, CA 91702
Office (626) 334-6300 Fax (626) 344-6301
JP@BLACKANDWHITEEV.COM WWW.BLACKANDWHITEEV.COM



590 South Vincent Avenue
Azusa, CA 91702

Quote

Date	Estimate #
2/18/2020	1624

Name / Address
City Of Arcadia 250 W. Huntington Dr Arcadia, CA 91066

Ship To
City Of Arcadia 250 W. Huntington Dr Arcadia, CA 91066

Customer				Terms
Bid Schedule A				Net 30
Item	Description	Qty	Rate	Total
225-2373	Single Drawer Box for a 2013-2015 Ford Interceptor SUV, 36" Wide X 28" 1/2 Deep X 15 1/2" Tall, Includes 2" Lip	1	1,176.00	1,176.00T
HOWLER13	Howler Low Frequency Tone Siren for 2013 Ford Utility Police Interceptor	1	543.75	543.75T
CM-SDMT-SA-LED	Troy Side-Mounted Slide-Arm Computer Mount For Havis/Ledco & Kodiak Docks	1	274.05	274.05T
CP-UV-CARGO-MNT	Ford UV Tilt Up Cargo Mount	1	330.37	330.37T
AC-UV-TRAY-H	Troy Equipment Tray for Hinged Platform	1	185.25	185.25T
CC-UV-L-18	Troy 18" Ford Utility Console	1	369.97	369.97T
AC-INBHG	Troy 4" Internal Dual Cup Holder	1	42.35	42.35T
AC-TB-ARM-MNT-LP	Rotating Arm Rest, Bolts to Back of Console w/5"x8" Foam Pad LOW PROFILE	1	132.30	132.30T
SC-6	Gen. 2 Universal Gun Lock #2 Key	2	123.75	247.50T
W6BR	Wildcat Hide-a-Blast W600 Vertical Flange Mount, 9ft Blue/Red	2	79.98	159.96T
CITEZPIU-RABA-MTC	Citadel EZ Mount, PIU, Multi Color, RA, BA, Controller	1	997.50	997.50T
ULTTC-RBA	18 LED, Mega Thin Tricolor LED, Surface Mount, Red/Blue/Amber	2	95.70	191.40T
MB8U	3/4" Hole NMO Antenna Coax RG58U	5	12.50	62.50T
35951	152-162 Mhz 1/4 Wave Antenna Black, Laird Technologies	1	9.85	9.85T
74344	450-470 Mhz 1/4 Wave Antenna Black, Laird Technologies	1	9.72	9.72T
RPT3000-C	SMA Male 50 Ohm Gold/Teflon Connector RG58	2	5.96	11.92T
NMO150/450/800	150-165/450-470/806-940 MHz	2	43.25	86.50T
GPSU15M	2.14dBi Tri-Band Antenna, 100W GPS Active Antenna Laird Black	1	70.98	70.98T
Quotes are subject to change and are Valid for 30 Days		Subtotal		
		Sales Tax (9.5%)		
Signature		Total		

590 S. Vincent Ave, Azusa, CA 91702
Office (626) 334-6300 Fax (626) 344-6301
JP@BLACKANDWHITEEV.COM WWW.BLACKANDWHITEEV.COM



590 South Vincent Avenue
Azusa, CA 91702

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Date	Estimate #
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Bid Schedule A				Net 30
Item	Description	Qty	Rate	Total
MMSU-1	Magnetic Mic Single Unit	3	32.00	96.00T
CW0400	5.4" Interior LED Compartment Light 12/24V	1	29.99	29.99T
Ch27.1.20/L3	27 Circuits W/ Modular Smart Start Timer and L3 bracket for Ford Utility with 20ft long Output Wires.	1	625.00	625.00T
FULL BUILD	Installation of all Emergency Equipment into Police Vehicle	40	80.00	3,200.00T
Quotes are subject to change and are Valid for 30 Days			Subtotal	\$15,341.14
			Sales Tax (9.5%)	\$1,457.41
			Total	\$16,798.55

Signature _____

590 S. Vincent Ave, Azusa, CA 91702
Office (626) 334-6300 Fax (626) 344-6301
JP@BLACKANDWHITEEV.COM WWW.BLACKANDWHITEEV.COM



590 South Vincent Avenue
Azusa, CA 91702

Quote

Date	Estimate #
2/18/2020	1625

Name / Address
City Of Arcadia 250 W. Huntington Dr Arcadia, CA 91066

Ship To
City Of Arcadia 250 W. Huntington Dr Arcadia, CA 91066

Customer				Terms
Bid Schedule B				Net 30
Item	Description	Qty	Rate	Total
NASL847	Eight LED X Amber NarrowStik 47.38" with Controller	1	999.85	999.85T
CW2451	9 LED Worklight, Square Swivel 12-24V Flood	4	108.34	433.36T
MR6-A	Code 3 Surface Mount Amber LED	2	67.50	135.00T
ULT6-A	6-LED, Mega Thin Surface Mount, 12-24V, Amber	2	81.87	163.74T
CC-WBOS-20	Universal Wide Body Console With Open Storage 8" Slope/12" Level	1	520.70	520.70T
AC-INBHG	Troy 4" Internal Dual Cup Holder	1	42.35	42.35T
AC-TB-ARM-MNT-LP	Rotating Arm Rest, Bolts to Back of Console w/5"x8" Foam Pad LOW PROFILE	1	144.85	144.85T
MRCB-150	High Amp Manual Reset Breaker, 150 Amp	1	33.59	33.59T
MB8U	3/4" Hole NMO Antenna Coax RG58U	1	12.50	12.50T
CUSTFAB	Headache Rack Powder Coated	1	450.00	450.00T
8025B	Screw Terminal Fuse Block 6 Circuit W/Cover and Negative Bus and Blown Fuse Indicator	1	29.95	29.95T
Misc	4 Pin Trailer Plug and Bracket	1	42.50	42.50T
6001-3001B	New Top Hat Timers	1	119.65	119.65T
C3100U	100w Speaker w/ Universal Mounting Bracket	1	155.00	155.00T
Shop Labor	Installation of LED lighting, console and headache rack with customer provided mini lightbar, Two-Way radio, and secondary battery.	20	80.00	1,600.00
Quotes are subject to change and are Valid for 30 Days			Subtotal	\$4,883.04
			Sales Tax (9.5%)	\$311.89
Signature _____			Total	\$5,194.93

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JP@BLACKANDWHITEEV.COM WWW.BLACKANDWHITEEV.COM



590 South Vincent Avenue
Azusa, CA 91702

Quote

Date	Estimate #
2/18/2020	1629

Name / Address
City Of Arcadia 250 W. Huntington Dr Arcadia, CA 91066

Ship To
City Of Arcadia 250 W. Huntington Dr Arcadia, CA 91066

Customer				Terms
Bid Schedule C				Nct 30
Item	Description	Qty	Rate	Total
Shop Labor	Shop Labor Hourly Rate	100	80.00	8,000.00
Quotes are subject to change and are Valid for 30 Days				
Subtotal				\$8,000.00
Sales Tax (9.5%)				\$0.00
Total				\$8,000.00

Signature _____

590 S. Vincent Ave, Azusa, CA 91702
Office (626) 334-6300 Fax (626) 344-6301
JP@BLACKANDWHITEEV.COM WWW.BLACKANDWHITEEV.COM

EXHIBIT "B"

Schedule of Compensation

Year 1 (April 1, 2023 – June 30, 2023)	\$50,000
Year 2 (July 1, 2023 – June 30, 2024)	\$200,000
Year 3 (July 1, 2024 – June 30, 2025)	\$200,000
Year 4 (July 1, 2025 – June 30, 2026)(Optional)	\$200,000
Year 5 (July 1, 2026 – June 30, 2027)(Optional)	\$200,000

Contingency – The City Manager has the option to add up \$50,000 annually, if needed.

DRAFT



ITEM # 18

**CITY OF MONTEBELLO
CITY COUNCIL AGENDA STAFF REPORT**

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, City Manager

BY: Micah Herd, Senior Management Analyst

SUBJECT: APPROVAL OF AGREEMENT NO. 4086 WITH PRECISION MATERIAL MANAGEMENT, LLC FOR ASSET INVENTORY AND VALUATION SERVICES

DATE: April 10, 2023

RECOMMENDATION(S):

It is recommended that the City Council:

1. Approve Agreement No. 4086 with Precision Material Management, LLC for Asset Inventory and Valuation Services; and
2. Take such additional, related action that may be desirable.

FISCAL IMPACT:

Through a competitive Request for Proposals (RFP) process (Attachment A), Precision Material Management, LLC (Precision) was selected to provide asset inventory and valuation services. The "Background" section provides detail on the RFP process and scoring. The attached professional services agreement (Attachment B) has a term of three (3) years. If approved, the total amount of this agreement shall not exceed \$75,809 over the initial three (3) year term. This total includes a ten (10) percent contingency for related services.

The following table provides an annual breakdown of the cost:

Year	Cost
Year 1 (April 2023 – March 2024)	\$31,909
Year 2 (April 2024 – March 2025)	\$21,800
Year 3 (April 2025 – March 2026)	\$21,800

The complete cost breakdown is in Exhibit B – Schedule of Compensation of the agreement. Sufficient funds for services associated with this agreement are available in the current fiscal year budget (Finance and Transit Departments), as procurement of this service was anticipated as part of the Fiscal Year 2022-23 budget development. Funds will be included and budgeted annually through Fiscal Year 2025-26.

BACKGROUND/DISCUSSION:

On June 22, 2022, City Council authorized staff to issue a RFP to hire a consultant to conduct a full asset inventory. The primary objectives of this project are: 1) reviewing existing equipment lists to ensure accuracy; 2) ensure all city-owned equipment is tagged correctly under existing policy guidelines; 3) locate any equipment that is not included on the existing equipment list and update it as necessary; and 4) receive input on and update policy guidelines associated with asset tracking as necessary.

The City utilizes an asset inventory tracking system that uses the asset tracking module in New World Systems (i.e., the City's financial system) and spreadsheets. The existing system has been an effective tool for meeting the City's needs; however, conducting an independent, comprehensive inventory would improve the current system and better position the City as it acquires more assets to handle increased service demand. The work to be performed by Precision would be a physical inventory and asset tagging of all City assets: buses, Fire apparatus, Public Works equipment and vehicles, Police vehicles, sign-boards, trailers, generators, etc. To staff's knowledge, such an inventory has not been conducted previously.

The prior staff report further explained that while the work mentioned above could be conducted internally, it is believed that doing so would require significant time to complete and would not be in the City's best interest to assign a group of Staff this task as collateral duties to conduct as time allows. An independent third-party firm conducting the assessment will yield impartial results and would serve the most benefit, with the ultimate goal being a full and accurate count of all City assets.

On November 21, 2022, the Department of Finance issued RFP 23 - 1 for Asset Inventory and Valuation Services. This RFP closed on January 24, 2023 (originally, the RFP was scheduled to close on January 12, 2023, but an extension was issued via an Addendum). According to the available data in the City's PlanetBids Portal, 36 firms were initially notified, 15 registered as prospective bidders, and three (3) firms submitted questions regarding the RFP. Before the closing date/time, the City received responses from the following firms listed in alphabetical order:

Consultant Name	Location
Attain Partners	McLean, VA
CBIZ Valuation Group	Irvine, CA
HCA Asset Management	Bradenton, FL
Precision Material Management	Sante Fe Springs, CA
Records Consultants, Inc.	San Antonio, TX

After receiving the responses, the Department of Finance established an evaluation committee to review each reply and provide feedback. After reviewing the responses and conducting interviews with three (3) top-rated consultants, Precision was selected. Precision demonstrated the most experience with local municipal agencies and the best understanding of the City's needs.

ENVIRONMENTAL:

N/A

ANALYSIS:

N/A

SUMMARY:

Staff is seeking the assistance of a consultant to provide asset inventory and valuation services. This work will help ensure that all assets valued at \$5,000 or more are accurately accounted for and appropriately depreciated. For this reason, an RFP was released. After reviewing the responses to the RFP, it is recommended that City Council authorize awarding an agreement to Precision Material Management to provide the necessary services.

ATTACHMENT(S)

1. Attachment A - Agreement No. 4086 with Precision Material Management

NEXT STEPS:

N/A

CITY OF MONTEBELLO

**PROFESSIONAL SERVICES AGREEMENT NO. 4086
WITH PRECISION MATERIAL MANAGEMENT, LLC**

THIS PROFESSIONAL SERVICES AGREEMENT ("Agreement") is made and entered into on April 10, **2023** ("Effective Date"), by and between the CITY OF MONTEBELLO, a California municipal corporation (the "CITY") and PRECISION MATERIAL MANAGEMENT, LLC (the "CONSULTANT"). The CITY and the CONSULTANT are sometimes referred to herein individual as the "Party," and jointly as the "Parties."

RECITALS

WHEREAS, the CITY desires asset physical inventory and valuation services; and

WHEREAS, the CONSULTANT represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

NOW THEREFORE, in consideration of performance by the Parties of the covenants and conditions herein contained, the Parties hereto agree as follows:

SECTION 1. INCORPORATION OF RECITALS AND OTHER CONTRACT DOCUMENTS

a. The above-referenced Recitals constitute a material part hereof and shall hereby be incorporated by reference. Moreover, this Agreement consists of the following documents. In order of precedence, all of which are incorporated herein and made part of this Agreement, as though fully set forth herein:

1. This Agreement and its Exhibits, including any and all addenda or supplemental agreements.
2. RFP No. 23 - 1
3. Proposal referenced and Best Final Offer received by the successful proposer.
4. All other documents, including but not limited to all applicable bonds, insurance certificates, permits, notices, schedules, forms, certifications, and affidavits.

b. These documents shall be collectively referred to herein as the "Contract Documents." In the event of a conflict among the Contract Documents, the order of precedence list above shall apply.

SECTION 2. SERVICES / COMPENSATION.

a. All terms, conditions, requirements, and provisions of the Request for Proposals for Audit Services in the City of Montebello (issue date November 21, 2022) ("Request for Proposals"), as such is set forth fully in **Exhibit "A"** hereto, are hereby incorporated fully herein by this reference and shall be binding on the Parties. To the extent of a conflict between the terms of this Agreement and that set forth in any exhibits or attachments hereto, the terms of this Agreement shall

govern.

b. The CONSULTANT shall provide to the CITY all labor, equipment, materials and incidental necessary to conduct a community risk assessment as set forth fully in the Request for Proposals, as such is set forth fully in **Exhibit "A"** hereto and incorporated fully herein by this reference (hereinafter "Professional Services").

c. The CONSULTANT shall be compensated for performance of the Professional Services as set forth in the Schedule of Compensation attached hereto as **Exhibit "B"** and incorporated fully herein by this reference ("Compensation"). The CONSULTANT shall provide an itemized billing statement to the CITY each month for Professional Services performed. The CONSULTANT shall not incur fees or costs which exceed the Compensation without the prior written consent of the CITY.

SECTION 3. TERM.

a. This Agreement shall commence upon issuance of a written "Notice to Proceed" (as further defined below) by the CITY and shall expire on March 31, 2026, unless terminated earlier as hereinafter provided.

b. Notice to Proceed. Any work or service contemplated under this Agreement shall not commence until the CITY has issued a written Notice to Proceed issued by CITY's applicable, department head.

SECTION 4. PERFORMANCE.

a. The CONSULTANT shall at all times, faithfully, competently, and to the best of its ability, experience, and talent, perform all tasks described herein.

b. The CONSULTANT shall employ, at a minimum, generally accepted standards and practices utilized by companies engaged in providing similar services, as are required of Consultant hereunder, in meeting its obligations under this Agreement.

c. The CONSULTANT shall be knowledgeable of and subject to all CITY ordinances, rules and regulations, standard operating procedures, and the supervisory chain of command.

d. The CONSULTANT shall have the right to retain, subject to the CITY's approval, additional individuals, consultants or subconsultants to assist in the completion of services as herein defined. Compensation for additional individuals, consultants or subconsultants shall be the sole and exclusive responsibility of the CONSULTANT.

e. The CONSULTANT shall retain all original reports, field and office notes, correspondence, calculations, maps, and other documents specifically related to the services provided by the CONSULTANT pursuant to this Agreement, other than documents which are exempt from disclosure pursuant to the attorney-client privilege or any other law. Said documents shall be made available for inspection by the CITY upon request.

SECTION 5. WORK PRODUCT.

a. The CONSULTANT hereby agrees that all work product produced pursuant to this Agreement, and provided to the CITY during and upon completion of this Agreement, shall be the property of the CITY, and ownership of said work product shall be retained by the CITY. The CONSULTANT may take and retain copies of such written products as desired, but no such written products shall be the subject of a copyright application by the CONSULTANT.

b. All data, documents, discussion, or other information developed or received by the CONSULTANT or provided for performance of this Agreement are deemed confidential and shall not be disclosed by the CONSULTANT without prior written consent by the CITY. The CITY shall grant such consent if disclosure is legally required. All such written products shall be returned to the CITY upon the termination or expiration of this Agreement. The CONSULTANT agrees that the covenants contained in this Section shall survive the expiration or termination of this Agreement.

SECTION 6. EXTRA SERVICES.

No extra services over and above the Compensation shall be rendered by the CONSULTANT under this Agreement unless such extra services first shall have been duly authorized in writing by the CITY's City Manager (the "City Manager").

SECTION 7. CITY SUPERVISION.

The City Manager shall have the right of general supervision of all work performed by the CONSULTANT and shall be the CITY's agent with respect to obtaining the CONSULTANT's compliance hereunder. No payment for services rendered under this Agreement shall be made without the prior approval of the City Manager.

SECTION 8. TERMINATION.

In the event that either Party hereto fails or refuses to perform any of the provisions of this Agreement at the time and in the manner required, the non-defaulting party shall give the defaulting party written notice of the default, the nature of the default, and of the steps necessary to cure the default.

a. Termination for Cause. In the event that any of the provisions of the Agreement are violated by either party, the non-defaulting Party may terminate the Agreement by serving written notice upon the other Party, listing the violation(s) and its intent to terminate such Agreement unless within ten (10) days after the serving of such notice, such violation shall cease or be rectified, the contract shall upon the expiration of an additional thirty (30) days cease and terminate. Violations by the CONSULTANT which cannot be corrected within ten (10) days, said contract shall at the option of the CITY cease and terminate upon the giving of like notice. In the event of any such termination for default by the CONSULTANT, the CITY may take over the work and prosecute the same to completion by contract or otherwise for the account and at the expense of the CONSULTANT. The CONSULTANT and his sureties shall be liable to the CITY for any excess cost occasioned in the event of any such termination. This change shall not be construed to prevent the termination, for other causes authorized by law or other provisions of this contract. In the event of a termination for cause, the CONSULTANT shall only be entitled to

the Compensation for those Professional Services satisfactory performed on or before the effective date of termination.

b. Termination for Convenience. The CITY shall have the option, at its sole discretion and without cause, to terminate this Agreement in whole, or in part, by giving ten (30) business days' written notice to the CONSULTANT. Upon the termination of this Agreement as provided herein, the CITY shall provide to the CONSULTANT the part of Compensation which would otherwise be payable to the CONSULTANT for services the CONSULTANT had completed as of the date of termination, less the amount of all previous payment with respect to the Compensation. Further, upon such a termination for convenience by the CITY, the Parties agree that the CONSULTANT shall be reimbursed for any "non-refundable" costs that the CONSULTANT has incurred for its services under this Agreement, provided that: (1) such "non-refundable" costs were incurred by the CONSULTANT prior to the date of termination, and (2) that the CONSULTANT provides the CITY with adequate proof that the CONSULTANT incurred the costs, and is unable to seek a refund for such costs. Such "non-refundable" costs may include, but are not limited to, travel reservations incurred by the CONSULTANT for its performance of services under this Agreement. The CONSULTANT agrees to cease all work under this Agreement on or before the effective date of any notice of termination.

SECTION 9. EMPLOYMENT OF CITY EMPLOYEES.

No regular employee of the CITY shall be employed by the CONSULTANT during the term of this Agreement.

SECTION 10. NON-LIABILITY OF CITY OFFICIALS AND EMPLOYEES.

No official or employee of the CITY shall be personally liable to the CONSULTANT in the event of any default or breach by the CITY, or for any amount which may become due to the CONSULTANT.

SECTION 11. INDEPENDENT CONSULTANT.

a. The CONSULTANT is and shall, at all times, remain as to the CITY a wholly independent consultant. Neither the CITY nor any of its elected officials, officers, employees, or agents shall have control over the conduct of the CONSULTANT except as expressly set forth in this Agreement. The CONSULTANT shall not at any time or in any manner represent that he or she is in any manner an elected official, officer, employee, or agent of the CITY. No employee benefits shall be available to the CONSULTANT in connection with the performance of this Agreement. Except as provided in this Agreement, the CITY shall not pay salary, wages, or other compensation to the CONSULTANT for performance hereunder for the CITY, the CITY shall not be liable for compensation to the CONSULTANT, the CONSULTANT's employees or the CONSULTANT's subconsultants for injury or sickness arising out of performing services hereunder.

b. The parties further acknowledge and agree that nothing in this Agreement shall create or be construed to create a partnership, joint venture, employment relationship or any other relationship except as set forth in this Agreement.

c. The CITY shall not deduct from the Compensation paid to the

CONSULTANT any sums required for Social Security, withholding taxes, FICA, state disability insurance or any other federal, state or local tax or charge which may or may not be in effect or hereinafter enacted or required as a charge or withholding on the compensation paid to the CONSULTANT. The CITY shall have no responsibility to provide the CONSULTANT, its employees or subconsultants with workers' compensation insurance or any other insurance.

SECTION 12. CalPERS ANNUITANTS AND ELIGIBILITY INDEMNITY.

a. If the CONSULTANT is a California Public Employees' Retirement System ("CalPERS") annuitant, the CONSULTANT must provide the City with written notification of such fact a minimum of 14 calendar days prior to commencement of services under this Agreement. Failure to provide such notification may result in termination of the Agreement, and any penalties or other costs relating thereto shall be borne by the CONSULTANT. If this Agreement remains in place, the CONSULTANT shall execute any amendment(s) to this Agreement requested by the City in order to comply with all laws and regulations applicable to CalPERS annuitants.

b. In the event that the CONSULTANT or any employee, agent, or subconsultant of the CONSULTANT providing services under this Agreement claims or is determined by a court of competent jurisdiction or CalPERS to be eligible for enrollment in CalPERS as an employee of the CITY, the CONSULTANT shall indemnify, defend, and hold harmless the CITY for the payment of any employee and/or employer contributions for CalPERS benefits on behalf of the CONSULTANT or its employees, agents, or subconsultants, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of the CITY.

c. Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, the CONSULTANT and any of its employees, agents, and subconsultants providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by the CITY, including but not limited to eligibility to enroll in PERS as an employee of the CITY and entitlement to any contribution to be paid by the CITY for employer contribution and/or employee contributions for PERS benefits.

SECTION 13. LEGAL RESPONSIBILITIES.

The CONSULTANT shall at all times observe and comply with all applicable laws, ordinances, codes, and regulations of the federal, state, and local governments including, but not limited to the Montebello Municipal Code. The CITY, and its appointed or elected officers, employees, or agents, shall not be liable at law or in equity occasioned by failure of the CONSULTANT to comply with this section.

SECTION 14. INDEMNIFICATION.

The CONSULTANT agrees to, and shall defend, indemnify, protect and hold harmless, the CITY, its elected and appointed boards, officers, officials, employees, agents and volunteers from and against any and all claims, demands, lawsuits, defense costs, civil, penalties, expenses, causes of action, and judgments at law or in equity, or liability of any kind or nature which the CITY, its elected and appointed

boards, officers, officials, employees, agents and volunteers may sustain or incur or which may be imposed upon them for injuries or deaths of persons, or damage to property arising out of the CONSULTANT's negligent or wrongful act, or omission under the terms of this Agreement, except only liability arising out of the sole negligence of the CITY.

SECTION 15. INSURANCE COVERAGE.

a. During the term of this Agreement, the CONSULTANT shall carry, maintain, and keep in full force and effect insurance against claims for death or injuries to persons or damages to property that may arise from or in connection with CONSULTANT's performance of this Agreement. Such insurance shall be of the types and in the amounts as set forth below:

- **Commercial General Liability (CGL):** Insurance Services Office Form CG 00 01 covering CGL on an "occurrence" basis for bodily injury and property damage, including products-completed operations, personal injury, and advertising injury, with limits no less than \$1,000,000 per occurrence. If a general aggregate limit applies, the limit shall be twice the required occurrence limit.
- **Automobile Liability Insurance:** Insurance Services Office Form Number CA 0001 covering, Code 1 (any auto), or if CONSULTANT has no owned autos, Code 8 (hired) and 9 (non-owned), with limit no less than \$1,000,000 per accident for bodily injury and property damage.
- **Worker's Compensation** Insurance as required by the laws of 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.
- **Professional Liability** Insurance appropriate to the CONSULTANT'S profession, with limit no less than \$1,000,000 per occurrence or claim, \$2,000,000 aggregate.

b. 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.

c. The CONTRACTOR shall require each of its subconsultants, if any, to maintain insurance coverage that meets all of the requirements of this Agreement.

d. The policy or policies required by this Agreement shall be issued by an insurer admitted in the State of California and with a current rating of at least A:VII in the latest edition of Best's Insurance Guide.

e. Each insurance policy required above shall state that coverage shall not be canceled, except after thirty (30) days' prior written notice (ten [10] days for non-payment) has been given to the CITY. The CONSULTANT agrees that if it does not keep the aforesaid insurance in full force and effect the CITY may either (i) immediately terminate this Agreement for Cause; or (ii) take out the necessary insurance and pay, at the CONSULTANT's expense, the premium thereon.

f. **Evidence of Insurance prior to commencement.** The Contractor shall provide to the CITY Certificate(s) of Insurance evidencing such coverage together with copies of the required policy endorsements no later than five (5) business days prior to commencement of service and at least fifteen (15) business days prior to the expiration of any policy. Unreasonable failure to provide such evidence may be cause for termination of the Agreement as provided herein or delay the services' commencement date. The evidence of insurance shall be U.S. mail or email to:

City of Montebello
Attn: Risk Manager
1600 West Beverly Boulevard
Montebello, CA 90640
Email: gskibar@cityofmontebello.com

Coverage shall not be suspended, voided, cancelled, reduced in coverage or in limits, non-renewed, or materially changed for any reason, without thirty (30) days prior written notice thereof given by the insurer to the CITY by U.S. mail, or by personal delivery, except for nonpayment of premiums, in which case ten (10) days prior notice shall be provided.

g. **Evidence of Insurance during the entire term of the Agreement.** At all times during the term of this Agreement, the CONSULTANT shall maintain on file with the CITY's Risk Manager a certificate or certificates of insurance showing that the aforesaid policies are in effect in the required amounts and naming the CITY as an additional insured. The CONSULTANT shall, prior to commencement of work under this Agreement, file with the CITY's Risk Manager such certificate(s).

h. The CONSULTANT shall provide proof that policies of insurance required herein expiring during the term of this Agreement have been renewed or replaced with other policies providing at least the same coverage. Such proof will be furnished at least two (2) weeks prior to the expiration of the coverages.

i. The general liability and automobile policies of insurance required by this Agreement shall contain an endorsement naming the CITY, its officers, employees, agents and volunteers as additional insureds. All of the policies required under this Agreement shall contain an endorsement providing that the policies cannot be canceled or reduced except on thirty days' prior written notice to the CITY. The CONSULTANT agrees to require its insurer to modify the certificates of insurance to delete any exculpatory wording stating that failure of the insurer to mail written notice of cancellation imposes no obligation, and to delete the word "endeavor" with regard to any notice provisions.

j. The insurance provided by the CONSULTANT shall be primary to any coverage available to the CITY. Any insurance or self-insurance maintained by the CITY, its officers, employees, agents, or volunteers, shall be in excess of CONSULTANT's insurance and shall not contribute with it.

k. All insurance coverage provided pursuant to this Agreement shall not prohibit the CONSULTANT, and CONSULTANT's employees, agents or subconsultants, from waiving the right of subrogation prior to a loss. The CONSULTANT hereby waives all rights of subrogation against the CITY.

l. Any deductibles or self-insured retentions must be declared to and approved by the CITY. At the option of the CITY, the CONSULTANT shall either reduce or eliminate the deductibles or self-insured retentions with respect to the CITY, or the CONSULTANT shall procure a bond guaranteeing payment of losses and expenses.

m. Procurement of insurance by the CONSULTANT shall not be construed as a limitation of the CONSULTANT'S liability or as full performance of CONSULTANT'S duties to indemnify, hold harmless and defend under the indemnity covenants of this Agreement.

SECTION 16. SUBCONTRACT, ASSIGNMENT OR DELEGATION.

The CONSULTANT shall not subcontract, delegate, or assign its duties or rights hereunder, either in whole or in part, without the prior written consent of the CITY. Any proposed subcontract, delegation, or assignment shall provide a description of the services to be covered, identification of the proposed sub-consultant, delegee, or assignee, and an explanation of why and how the same was selected, including the degree of competition involved.

Any subcontract, delegation or assignment shall be made in the name of the CONSULTANT and shall not bind or purport to bind the CITY and shall not release the CONSULTANT from any obligations under this Agreement including, but not limited to, the duty to properly supervise and coordinate the work of employees, assignees, delegees or sub-consultants. No such subcontract, delegation or assignment shall result in any increase in the amount of total compensation payable to the CONSULTANT under the Agreement.

SECTION 17. NO WAIVER.

Waiver by any party hereto of any term, condition or covenant of this Agreement shall not constitute the waiver of any other term, condition, or covenant hereof.

SECTION 18. DISPUTE RESOLUTION; GOVERNING LAW.

Disputes regarding the interpretation or application of any provision(s) of this Agreement shall, to the extent reasonably feasible, be resolved through good faith negotiations between the Parties. If any action at law or in equity is brought to enforce this Agreement or because of alleged dispute, breach, default or misrepresentation in connection with the provisions of this Agreement, the prevailing party in such action shall be entitled to reasonable attorney's fees, expert fees, costs and necessary disbursements incurred in that action or proceeding, in addition to such other relief as may be sought and awarded. The venue for any litigation shall be County of Los Angeles, California. The Parties agree that the covenants contained in this Section shall survive the expiration or termination of this Agreement.

SECTION 19. ATTORNEY'S FEES AND COSTS.

If litigation is reasonably required to enforce or interpret the provisions of this Agreement, the prevailing party in such litigation shall be entitled to an award of reasonable attorney's fees and costs in addition to any other relief to which it may

be entitled.

SECTION 20. WARRANTIES.

Each of the parties represents and warrants to one another as follows:

- a. It has received independent legal advice from its attorneys with respect to the advisability of entering into and executing this Agreement;
- b. In executing this Agreement, it has carefully read this Agreement, knows the contents thereof, and has relied solely on the statements expressly set forth herein and has placed no reliance whatsoever on any statement, representation, or promise of any other party, or any other person or entity, not expressly set forth herein, nor upon the failure of any other party or any other person or entity to make any statement, representation or disclosure of any matter whatsoever; and
- c. It is agreed that each party has the full right and authority to enter into this Agreement, and that the person executing this Agreement on behalf of either party has the full right and authority to fully commit and bind such party to the provisions of this Agreement.

SECTION 21. MISCELLANEOUS.

- a. The descriptive paragraph headings of this Agreement are included for purposes of convenience only and shall not control or affect the construction of interpretation of any of its provisions.
- b. Whenever the context hereof shall so require, the singular shall include the plural, the male gender shall include the female gender, and the neuter and vice versa.
- c. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof and this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had never been contained herein.
- d. The representations and warranties made by the parties to this Agreement shall survive the consummation of the transaction herein described.
- e. This Agreement may be signed in any one or more counterparts all of which taken together shall be but one and the same Agreement. Any signed copy of this Agreement or of any other document or agreement referred to herein, or copy or counterpart thereof, delivered by facsimile transmission, shall for all purposes be treated as if it were delivered containing an original manual signature of the party whose signature appears in the facsimile and shall be binding upon such party in the same manner as though an originally signed copy had been delivered.
- f. Each of the parties acknowledges that it has been represented by independent counsel of its own choosing, or if it has not been so represented, it has been admonished to obtain independent counsel and has freely and voluntarily waived and relinquished the right to counsel. Each party who has not obtained independent counsel acknowledges that the failure to have

independent legal counsel will not excuse such party's failure to perform under this Agreement or any agreement referred to in this Agreement.

SECTION 22. NOTICE.

All notices, demands, requests or approvals to be given under this Agreement shall be given in writing and conclusively shall be deemed served when delivered via e-mail (an "Electronic Notice" as further defined below), personally or on the second (2nd) business day after the deposit thereof in the United States mail, postage prepaid, registered or certified, addressed as hereinafter provided. All notices, demands, requests, or approvals hereunder shall be given to the following addresses or such other addresses as the Parties may designate by written notice:

If to CITY:

City of Montebello
Attn: René Bobadilla, City Manager
1600 West Beverly Boulevard
Montebello, CA 90640
(323) 887-1200
Email: rbobadilla@cityofmontebello.com

With a copy to:

City of Montebello – Finance Department
Attn: Michael Solorza, Director
1600 West Beverly Boulevard
Montebello, CA 90640
(323) 887-1200
Email: msolorza@cityofmontebello.com

If to Consultant:

Precision Material Management, LLC
Attn: Jason Johnson, President
PO Box 4749
Cerritos, CA 90703
(626) 327-6348
Email: jason@precisionmaterial.net

An electronic communication ("**Electronic Notice**") shall be deemed written notice for purposes of this section if sent to the electronic mail address specified above. Electronic Notice shall be deemed received at the time the party sending Electronic Notice receives verification of receipt by the receiving party. Any party receiving Electronic Notice may request and shall be entitled to receive the notice on paper, in a nonelectronic form.

SECTION 23. NON-DISCRIMINATION AND EQUAL OPPORTUNITY EMPLOYER.

In the performance of this Agreement, the CONSULTANT shall not discriminate against any employee, sub-consultant, or applicant for employment because of race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, mental condition or sexual orientation. The CONSULTANT will take affirmative action to ensure that sub-consultant and applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, religion, sex, marital status, national origin, ancestry, age, physical or mental handicap, medical condition or sexual orientation.

SECTION 24. CONFLICT OF INTEREST.

The CONSULTANT covenants that it presently has no interest and shall not acquire any interest, direct or indirect, which may be affected by the services to be performed by the CONSULTANT under this Agreement, or which would conflict in any manner with the performance of its services hereunder. The CONSULTANT further covenants that, in performance of this Agreement, no person having any such interest shall be employed by it. Furthermore, the CONSULTANT shall avoid the appearance of having any interest that would conflict in any manner with the performance of its services pursuant to this Agreement.

The CONSULTANT covenants not to give or receive any compensation, monetary or otherwise, to or from the ultimate vendor(s) of services to the CITY as a result of the performance of this Agreement, or the services that may be procured by the CITY as a result of the recommendations made by the CONSULTANT. The CONSULTANT's covenant under this section shall survive the termination of this Agreement.

SECTION 25. ENTIRE AGREEMENT.

This Agreement contains the entire understanding between the CITY and the CONSULTANT. Any prior agreements, promises, negotiations or representations not expressly set forth herein are of no force or effect. Subsequent modifications to this Agreement shall be effective only if in writing and signed by each party. If any term, condition, or covenant of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall be valid and binding.

[SIGNATURE PAGE TO FOLLOW]

PROFESSIONAL SERVICES AGREEMENT NO. _____

Page 12 of 12

IN WITNESS WHEREOF, the parties, through their respective authorized representatives, have executed this Agreement as of the date first written above.

("CITY")

("CONSULTANT")

CITY OF MONTEBELLO

Precision Material Management, LLC

René Bobadilla, City Manager

Jason Johnson, President

ATTEST:

Christopher Jimenez, City Clerk

APPROVED AS TO FORM:

Arnold M. Alvarez-Glasman, City Attorney

EXHIBITS:

- Exhibit A – Response to RFP 23 – 1 Dated January 23, 2023
- Exhibit B – Schedule of Compensation
- Exhibit C – Live Scan Fingerprinting Requirement

EXHIBIT "A"

Response to RFP 23 - 1 Dated January 23, 2023

DRAFT



RFP No. 23-1: Asset Physical Inventory and Valuation

January 23, 2023

Precision Material Management, LLC

6131 Orangethorpe Ave, 170

Buena Park, CA 90620

www.precisionmaterial.net

(800) 340-0128

8(A) Disadvantaged Business Enterprise - Small Business Administration

(SBA) SB/DVBE Small Disadvantaged Business



01/23/2023

City of Montebello - Finance Department
1600 West Beverly Blvd.
Montebello, CA 90640

ATTN: MICHAEL SOLORZA - DIRECTOR

RFP No. 23-1: Asset Physical Inventory and Valuation

Mr. Solorza:

We are extremely excited for the opportunity to demonstrate our expertise in Asset and Control policies, physical inventory inspection and performing inventory counts. Precision Material Management (PMM) has successfully completed identical projects at all levels of government contracting. Our current active contracts include:

- Department of Defense – Annual physical inventory at 56 military bases throughout the country
- State of California – Department of Water Resources – Annual inventory services at 12 locations
- State of Colorado – Inventory management policy and SOP development
- County of San Diego – Bi-annual and annual fixed asset inventory services at 5 locations
- County of Alameda - Inventory management policy and SOP development
- County of Salt Lake, UT - Annual inventory services at 2 locations
- City of Los Angeles – Information Technology, Bi-annual inventory services at 20 locations
- Long Beach Transit - Annual inventory services at 2 locations

We hope to leverage our past success and exceed your expectations for this project. Our leadership team, which includes myself (President), Joey Tosta (Vice President) and our top inventory personnel will dedicate all necessary resources to this project. We guarantee our service will be completed with the highest levels of professionalism, accuracy and timeliness.

Thanks for your consideration,

A handwritten signature in blue ink, appearing to read 'J. Johnson', with a stylized flourish at the end.

Jason Johnson – President



A. PAST EXPERIENCE & EXPERTISE

Precision Material Management (PMM) sets the standard for inventory management consulting, services and software. We specialize in all aspects of supply chain, warehouse management and technical solutions to help government agencies optimize their time and cost expenditures. PMM is unique for its ability to combine advanced technology with time proven best practices acquired through our success within multiple industries.

1) Current Related Projects:

- US Dept. of Defense – Annual physical inventory at 56 military bases
- State of California Dept. of Water Resources – Annual inventory at 12 locations
- State of Colorado, Public Health Dept. – Inventory Management Consulting
- County of San Diego, Public Health Dept. - Annual fixed asset inventory at 5 locations
- County of Alameda, Public Health Dept. – Inventory Management Consulting
- County of Salt Lake (UT), Public Works - Annual inventory services at 2 locations
- City of Los Angeles, Information Technology - Bi-annual inventory services at 20 locations
- Long Beach Transit - Annual inventory services at 2 locations
- City of Beverly Hills, Public Works – Annual Inventory Services

2) Project Descriptions:

Client Name:	United States Department of Defense
Services:	Annual Inventory Count (on military establishments)
Contract Dates:	2017 - present
Project Manager:	Jason Johnson
Project Details:	Provide annual inventory counts (using EZTRAK software and barcode technology). PMM is 1 of 3 approved contractors to compete for 235 annual inventory counts at military bases located throughout the USA and abroad. PMM wins and successfully completes >70 locations per year on average. Inventory value: approx. \$1.5M per location

Client Name	County of Salt Lake (UT), Public Works
Services:	Materials Management Consulting, Software and Services
Contract Dates:	2021 - present
Project Manager:	Jason Johnson, Joseph Tosta
Project Details:	Prepare County to perform annual inventory of materials and supplies on hand. Ensure materials and supplies are well organized or tagged. Setup best practice methods for future tracking inventory.

Client Name	City of Irvine (Public Works)
Services:	Materials Management Consulting, Software and Services
Contract Dates:	2017 - present
Project Manager:	Joey Tosta
Project Details:	Develop city-wide storage and logistics plan, perform warehouse services, perform courier services throughout city, provide EZTRAK inventory control software. Perform annual inventory counts. Inventory value: approx. \$3M

Client Name:	County of San Diego (Public Health Department)
Services:	Materials Management Consulting, Software and Services
Contract Dates:	2018 - present
Project Manager:	Timothy Cochran
Project Details:	Provide warehouse storage, warehouse services, inventory control software, receive and ship orders. Perform annual inventory counts. Provide 24/7/365 emergency response services (warehouse and delivery services). Inventory value: approx. \$5M

Client Name:	City of Beverly Hills (Public Works)
Services:	Materials Management Consulting, Inventory Services
Contract Dates:	2019 - present
Project Manager:	Joey Tosta
Project Details:	Provide materials management consulting, including: storage optimization, approved materials list, vendor selection, stock levels, tagging and labeling, disposal procedures, surplus control, and software implementation. Perform annual inventory counts. Inventory value: approx. \$2M

3) References

- a) Portia Mina - Procurement Manager, City of Irvine
email: pmina@cityofirvine.org | telephone: 949-724-6181
- b) Wilfredo Solis – Procurement Manager, PBF Energy
email: Wilfredo.Solis@pbfenergy.com | telephone: 310-212-4576
- c) Rob Sills, MBA, PHPR Branch Chief Director, Medical Operations Center, County of San Diego
email: Robert.Sills@sdcounty.ca.gov | telephone: 619-695-6539

B. PROJECT LEADERSHIP

1) Key Personnel (Project Team)

At Precision, we are dedicated to working in new ways to constantly make operations leaner, smarter, and more effective. This means developing new software, technology, and systems when

necessary to make those results possible. The same is true of our teams: we scale up and scale down to suit the unique needs of each project, training and evaluating each team resource using the same values that set Precision apart.



Jason Johnson (Contract Administrator)

- Experience: 15 years as Procurement Manager for Fortune 500 Companies ExxonMobil, Phillips66 and Vulcan Materials
- Education: Business Administration – Cal Poly Pomona
- Certifications: Supply Chain Professional, OSHA 10, OSHA 30, HAZWOPER
- Recent Inventory Projects: Department of Defense, State of CA, ExxonMobil, Phillips66, PBF Energy



Joey Tosta (Senior Project Manager)

- Experience: 20 years in Warehouse Operations
- Experience: 24 years in Inventory Management
- Education: Political Science – CSU Santa Barbara
- Certifications: Project Management Professional (PMP), OSHA 10
- Recent Projects: City of Irvine, City of Los Angeles, City of Beverly Hills.



Timothy Cochran (Project Manager)

- Military Experience: Retired Military Veteran (Chief Warrant Officer 3)
- Military Experience: Program Manager & Director US Marine Corps
- Education: Management in Art - American Public University
- Certifications: Six Sigma - Green Belt, OSHA 10
- Recent Inventory Projects: Department of Defense, County of San Diego, City of Los Angeles, Long Beach Transit



Danielle Grijalva (Project Administrator)

- Experience: 15 years of Project Administration
- Education: Bachelor's Degree in Business Administration
- Certifications: OSHA 10, OSHA 30

C. WORK PLAN

1) Project Understanding

The purpose of this project is to conduct Asset Physical Inventory and Valuation services the City in order to help it maintain accurate and complete asset records to properly report information in financial reports issued to external reporting agencies and the public.

In addition to conducting inventory, PMM will complete the physical inventory reconciliation to the general ledger and New World Systems Assets database and present findings to the City's Finance Department.

2) Project Work Scope and Approach

a. Project Kickoff Meeting

- City and PMM to perform site visit
- City to provide current asset and control policies for PMM review
- City and PMM to book inventory dates and finalize project schedule
- PMM to present Asset Tag design options for approval
- City and PMM to exchange contact information

b. Pre-Inventory Prep

- PMM to setup City module in EZTRAK and customize barcode software
- PMM to perform job walks to place signage and barcode stickers
- City to notify City personnel of inventory dates
- City to provide PMM with access to all inventory locations

c. Inventory Count

- PMM personnel to conduct a physical inspection and inventory count of all assets
- PMM leadership to perform Quality Assurance of no less than 20% of assets

d. Post Inventory

- PMM to complete the physical inventory reconciliation to the general ledger and New World Systems Assets database
- City to Provide PMM with access to New World Systems Database. If the database is hosted locally, City to provide PMM with access to computers and basic instructions to complete reconciliation.
- PMM to present findings to the City's Finance Department

e. Project Deliverables

- Provide the assets inventory data on a flash or cloud drive
- Prepare a final report summarizing work completed and any findings

Task	WK 1	WK 2	WK 3	WK 4	WK 5	WK 6
Kick-Off Meeting						
Pre-Inventory Prep						
Inventory Count						
Post Inventory						
Project Deliverables						

3) EZTRAK Inventory Software

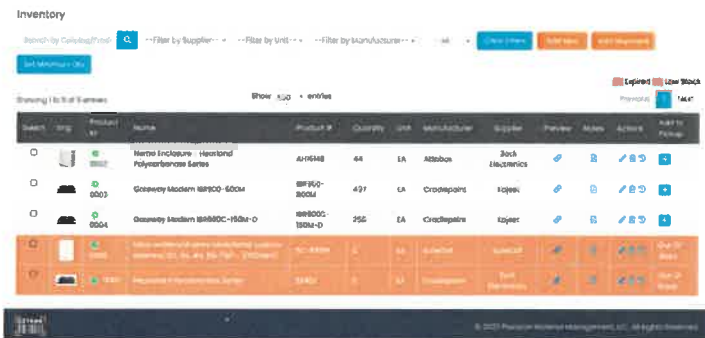
For this project PMM will employ our proprietary web based EZTRAK® inventory management software and barcode technology. Our software creates a seamless, intuitive, effortless experience for clients. Customers have 24/7/365 real time access to a client portal to view inventory information, photos, asset tags, valuation and data collected. EZTRAK® eliminates paper forms, complex spreadsheet and segregated software systems.

EZTRAK Screenshots:



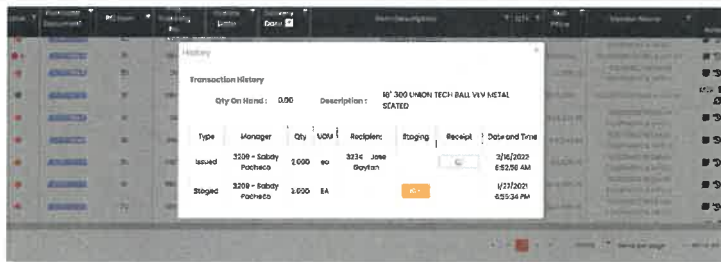
Private Homepage

- Web Based
- Private URL and custom branding
- 508 compliant
- 99.9% system availability
- Technical support Monday through Friday 7:00 a.m. to 6:00 p.m. MST.



Inventory Page

- View inventory details
- Search, filter, sort by multiple categories
- Export data to Excel
- Location based inventory with GPS tracking option
- Upload product photos, files, URL and user notes
- Add notes for each asset (includes username, timestamp and running log)



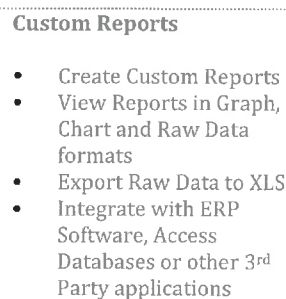
Inventory Item Detail:

- Show inventory details and history, including location and assessment of asset from past inventories
- Track entire chain of custody from A-Z including all transactions with responsible user and timestamp
- Mark assets for disposal and set notification alerts
- Re-Print Asset Tags





- Create asset condition ratings for PMM surveyors to rate assets during assessment



Confirmation Email Notifications

Receive notifications and make updates from your email, without logging into the system.

2) Breakdown of Hours

Role	Kickoff	Prep	Inventory	Post	Deliverables
Contract Admin	8	16	20	8	8
Project Manager	8	16	40	16	24
Project Administrator	8	16	40	16	24
Inventory Clerks (3)	0	0	240	120	0
Totals:	24	48	340	160	56

3) Breakdown of Cost

Role	Kickoff	Prep	Inventory	Post	Deliverables
Contract Admin	\$ 576.00	\$ 1,152.00	\$ 1,440.00	\$ 576.00	\$ 576.00
Project Manager	\$ 428.48	\$ 856.96	\$ 2,142.40	\$ 856.96	\$ 1,285.44
Project Administrator	\$ 346.08	\$ 692.16	\$ 1,730.40	\$ 692.16	\$ 1,038.24
Inventory Clerks (4)	\$ -	\$ -	\$ 6,720.00	\$ 3,360.00	\$ -
Totals:	\$ 1,350.56	\$ 2,701.12	\$ 12,032.80	\$ 5,485.12	\$ 2,899.68

Total Fixed Cost: \$ 24,462.00

Optional Cost: \$5,000.00 EZTRAK customer portal with one-year subscription

EXHIBIT "B"

Schedule of Compensation

	Year 1	Year 2	Year 3
	April 1, 2023 - March 31, 2024	April 1, 2024 - March 31, 2025	April 1, 2025 - March 31, 2026
Inventory/Valuation Services	\$24,462.00	\$19,818.00	\$19,818.00
EZTRAK Software	\$5,000.00		
Contingency (10%)*	\$2,446.20	\$1,981.80	\$1,981.80
Total	\$31,908.20	\$21,799.80	\$21,799.80
Total Compensation	\$75,507.80		

*Contingency is 10% of the
Inventory/Valuation Services

DRAFT

EXHIBIT "C"

Live Scan Fingerprinting Requirements

Prior to commencing services, the CONSULTANT may be required to successfully pass a Department of Justice fingerprinting background check ("Live Scan") performed by a certified fingerprinting service provider or at the City of Montebello Police Department. The CONSULTANT shall be responsible for obtaining the Live Scan for its staff and shall bear the cost thereof. The agency completing the fingerprints must provide the City of Montebello Human Resources with the background check results and subsequent records for review. The CONSULTANT must obtain a "Temporary Consultant's Badge" issued by the City of Montebello Human Resources prior to performing work.

DRAFT



ITEM # 19

**CITY OF MONTEBELLO
CITY COUNCIL AGENDA STAFF REPORT**

TO: Honorable Mayor and City Council Members

FROM: René Bobadilla, P.E., City Manager

BY: Micah Herd, Senior Management Analyst
Michael Solorza, Director of Finance

SUBJECT: APPROVAL OF BLANKET PURCHASE ORDERS WITH TYLER TECHNOLOGIES, INC. FOR THE ON-GOING USE OF SOFTWARE AND SUPPORT SERVICES

DATE: April 10, 2023

RECOMMENDATION(S):

It is recommended that the City Council:

1. Authorize software solutions and services by Tyler Technologies, Inc. (Tyler) in an amount not-to-exceed \$1,084,238 for the next three (3) years (Fiscal Years 2023-24 through 2025-26), and
2. Take such additional, related action that may be desirable.

FISCAL IMPACT:

The recommended action formalizes the current expenditures related to the various Tyler Technologies' software products utilized by all Departments, with the majority of software expenses related to Police, Public Works, Finance and Public Affairs Departments' operations. The total amount shall not exceed \$1,084,238 from Fiscal Year 2023-24 through 2025-26. A breakdown of the projected costs by software component can be found in Attachment A. Departments will generate and issue purchase orders as needed to process invoices based on the availability of funds within the budget. The various software license amounts have been and will continue to be included in each annual department budget. As part of the continuing efforts to improve and formalize the City's procurement practices -- as required by various State audits -- this action is being presented for City Council approval in order to promote transparency and adhere to Municipal Code requirements.

BACKGROUND/DISCUSSION:

Tyler is a United States-based software provider primarily serving the public sector. Over the past decade, the City has implemented several of its software solutions to assist with providing services to the community. In general, the solutions offered by Tyler align with the local operating principles of maintaining the City's financial health by using resources that improve the efficient and effective delivery of services.

The following is a list of the primary Tyler software solutions and services in use locally:

Enterprise Resources Planning (ERP) License and Support – The ERP System is a software solution that helps organize, automate, and manage several core operations on a single platform. Using this software, staff efficiently coordinate data flow between business processes. The City's ERP has been in use since 2013. All departments use the system to manage accounting, budgeting, accounts payable, accounts receivable, cashiering, asset management, contract management, payroll, and human resources activities. The ERP system is utilized to prepare various reports required to present financial data -- quarterly budget updates, budget preparation, treasurer reports, etc. Basic, daily operations such as accounts payable and payroll are conducted using Tyler New World Systems, and as such the ERP system serves as a bedrock and essential software for all City operations.

Annual Comprehensive Financial Report (ACFR) – The ACFR is a set of financial statements for a municipal entity that comply with the accounting requirements established by the Governmental Accounting Standards Board (GASB). The solution offered by Tyler allows the information/data required to generate this report to be available in an easy-to-extract format, which makes publication of this required document more efficient.

Computer-Aided Dispatch (CAD)/Records Management System (RMS) License, Support, and Interfaces – The Police Department utilizes the CAD system to log, prioritize, and track calls for service. Using this system, police personnel can effectively and efficiently receive and transmit information regarding calls for service and document actions for historical purposes. RMS works in conjunction with the CAD system as the software used to generate, retain, and view records pertaining to law enforcement operations. This is another essential piece of software that ensures the public safety of our community. Recent upgrades to the software make it easier to use and provide enhanced connectivity to other local and State public safety agencies.

My CivicApp – My Civic is a comprehensive, customizable platform designed to promote civic engagement within the community. Through a single, public-facing app -- My Montebello -- residents and business owners can access various services, resources, and information, as well as report potholes, graffiti, bulky items and log other concerns. Staff can create analytic reports to improve services and direct funding to respond to the high request submissions.

General Support/Training Services – City staff occasionally encounter issues that are not covered by Tyler's standard support services. Examples include integration/configuration with new software solutions, troubleshooting local

CITY COUNCIL AGENDA REPORT - MEETING OF APRIL 10, 2023

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software/hardware, or general support/troubleshooting. In addition, departments occasionally coordinate training facilitated by Tyler to ensure staff are using the solutions correctly or to the maximum capacity.

As the creator/manufacture of the software solutions used locally, Tyler is the only vendor capable of fully providing licensing and support services necessary to ensure the solutions function correctly. In addition, staff has received hundreds of hours of training in the various software products, and the solutions have been integrated into multiple City operations, such as public safety, payroll, accounts payable and required financial reporting. As a result, this service is a sole source and exempt from the competitive bidding process under Montebello Municipal Code Section 3.20.050 - Conformance with Bidding Procedures, which states:

Purchases of supplies and equipment for city use shall be made and accomplished in conformity with Section 3.20.080 or Section 3.20.090 except:

When the supplies and equipment needed can be obtained from one source only.

A sole source declaration has been included with this report as Attachment B.

The total cost for the ten different software solutions provided by Tyler over the next three years is projected to be \$1,084,238. Annual not-to-exceed totals are summarized below:

<i>Year 1</i>	\$377,547
<i>Year 2</i>	\$345,495
<i>Year 3</i>	\$361,196
<i>Total</i>	\$1,084,238

Please see Attachment A for a detailed breakdown of the projected cost for each solution and service.

ENVIRONMENTAL:

N/A

ANALYSIS:

N/A

SUMMARY:

Since 2013, the City has used several software solutions offered by Tyler to administer various functions across all departments. The ten (10) different software solutions are integrated into daily City operations, and are most heavily utilized by the Police, Public Works, Finance and Public Affairs Department. The City must maintain annual licensing,

CITY COUNCIL AGENDA REPORT - MEETING OF APRIL 10, 2023

Page 4 of 4

support, and general services with Tyler to keep these solutions operating correctly. City Council is requested to approve the use of up \$1,084,238 to issue purchase orders for recurring licensing and support services from Tyler for the next three (3) fiscal years (FY 2023-24 - FY 2025-26).

ATTACHMENT(S)

1. Attachment A - Three (3) Year Projected Cost for Tyler
2. Attachment B - Sole Source Declaration - Tyler

NEXT STEPS:

N/A

ATTACHMENT A

Tyler Product	Department(s)	Exp. Last 2 yrs		Estimated exp. for next 3 years		
		2021-2022	2022-23	Year 1 2023-24	Year 2 2024-25	Year 3 2025-26
ERP License & Support	City-Wide	\$ 81,853	\$ 85,946	\$ 90,243	\$ 94,755	\$ 99,493
ACFR Builder	Finance	\$ 2,599	\$ 2,865	\$ 3,008	\$ 3,159	\$ 3,317
CAD/RMS License & Support	Police	\$ 156,842	\$ 161,916	\$ 170,011	\$ 178,512	\$ 187,438
LACRIS (One-Time Exp.) (CAD Interface)	Police	\$ -	\$ -	\$ 2,701	\$ -	\$ -
LERMS (CAD Interface)	Police	\$ -	\$ -	\$ 12,481	\$ 1,361	\$ 1,429
CAD Export (CAD Interface)	Police	\$ -	\$ -	\$ 16,880	\$ 3,024	\$ 3,175
Crossroads (One-Time Exp.)(CAD Interface)	Police	\$ -	\$ -	\$ 16,880	\$ -	\$ -
MyCivic	Admin - Public Affairs	\$ 16,538	\$ -	\$ 17,364	\$ 18,233	\$ 19,144
General Support/Training Servcies	City-Wide	\$ 72,360	\$ 13,471	\$ 30,000	\$ 30,000	\$ 30,000
Contingency (5%)		\$ -	\$ -	\$ 17,978	\$ 16,452	\$ 17,200
Total		\$ 330,191	\$ 264,197	\$ 377,547	\$ 345,495	\$ 361,195
		Total	\$ 594,388	Total \$ 1,084,238		

Notes

-General Support/Training category includes CAD/RMS upgrades, conference registration/Training services for all departments, Training services for Finance, etc.

-For FY 2022-23, PD has some incoming invoices for current/prior year projects. This is not included in the total.



SOLE SOURCE DECLARATION

I, THE UNDERSIGNED, DO HEREBY CERTIFY to the best of my knowledge, after analyzing pertinent information available to us at this time, the item(s)/service(s) listed below can only be furnished by the following vendor due to the following justification(s):

Item/Service	New World Systems – ERP Solutions/Applications
Vendor	Tyler Technologies (Vendor No. 1188)
Address	PO Box 203556
City, State	Dallas, TX

Justification: *Refer to Back Page of this Form for Accepted Justification and Indicate the Exception Claimed Below, Provide Additional Information as Needed*

Tyler Technologies is the manufacturer of New World Systems. New World Solutions is the ERP solution that has been in place at the City since 2013. Tyler is the only service provider that is capable of fully supporting and licensing the solution.

I declare under penalty of perjury that the foregoing is true and correct.

	03.15.2023
Michael Solorza, Director, Department of Finance	Date



ITEM # 20

**PAYMENT OF BILLS: ADOPT RESOLUTION NO. 23-24 APPROVING THE CITY
WARRANT REGISTER OF DEMANDS DATED APRIL 10, 2023**

RESOLUTION NO. 23-24
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEBELLO
APPROVING AND ALLOWING CERTAIN CLAIMS AND DEMANDS

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MONTEBELLO
HEREBY RESOLVES, FINDS, AND DECLARES AS FOLLOWS:

SECTION 1. That the reference is hereby made to that certain Register of Audited Demand No.1549, consisting of 16 pages, and including:

Warrant No.

General: Check No. 599266 through 599505
ACH No. 3750 through 3923
Successor Agency: Check No. 1501 through 1501
ACH No. 13 through 13

On file in the office of the City Clerk, the same having been audited and approved by the Assistant Director of Finance as required by law.

SECTION 2. That the said City Council having examined each such demand does hereby approve and direct the payment of same, as set forth in said Register, except the following Warrant No.

SECTION 3. That the City Clerk shall certify to the passage and adoption of this Resolution and that the same shall be in full force and effect.

APPROVED AND ADOPTED this 10th day of April 2023.

David N. Torres, Mayor

ATTEST:

APPROVED AS TO FORM:

Christopher Jimenez, City Clerk

Arnold M. Alvarez-Glasman, City Attorney

RESOLUTION NO. 23-24

Page 2 of 2

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES)
CITY OF MONTEBELLO) SS:

I, Christopher Jimenez, City Clerk of the City of Montebello, County of Los Angeles, State of California, hereby certify that the foregoing Resolution No. 23-24 was passed and adopted by the City Council of the City of Montebello, signed by the Mayor and attested by the City Clerk at a regular meeting of said Council held on the 10th day of April 2023 and that said Resolution was adopted by the following vote, to-wit:

AYES:

NOES:

ABSTAIN:

ABSENT:

The undersigned, City Clerk of the City of Montebello, does hereby attest and certify that the foregoing Resolution is a true, full, and correct copy of a resolution duly adopted at a meeting of said City which was duly convened and held on the date stated thereon, and that said document has not been amended, modified, repealed or rescinded since its date of adoption and is in full force and effect as of the date hereof.

DATE: _____

Christopher Jimenez, City Clerk

- Exhibit A – Warrant Register



City of Montebello
Register of Demands No.1549
From Payment Date 03/03/23 - To Payment Date 03/30/23

WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
General Account					
3750	03/09/2023	\$33,000.00	CONTRACT SERVICES	3559	789 INC
3751	03/09/2023	\$2,250.00	ADVERTISING/PRINTING SERVICES	1293	923 MEDIA GROUP INC
3752	03/09/2023	\$4,433.98	ADVERTISING/PRINTING SERVICES	2689	ACRO PRINTING INC
3753	03/09/2023	\$1,460.81	MACHINERY & EQUIPMENTS	20350	ALLSTAR FIRE EQUIPMENT INC
3754	03/09/2023	\$10,723.69	SUPPLIES	2586	AMAZON CAPITAL SERVICES INC
3755	03/09/2023	\$347,804.50	CONTRACT SERVICES	3944	AMERICAN LANDSCAPE, INC.
3756	03/09/2023	\$6,238.83	CONTRACT SERVICES	3130	BLAIS & ASSOCIATES LLC
3757	03/09/2023	\$37,909.73	NOTES PAYABLE	19120	CENTRAL BASIN MUNICIPAL WATER DISTRICT
3758	03/09/2023	\$2,372.88	CONTRACT SERVICES	2889	COMLOCK SECURITY GROUP INC
3759	03/09/2023	\$24,720.00	CONTRACT SERVICES	3025	COMPLETE LANDSCAPE CARE INC
3760	03/09/2023	\$3,738.58	UNIFORM EXPENSE	3560	ENTENMANN-ROVIN CO
3761	03/09/2023	\$2,060.00	CDBG-CV	3169	FOOTHOLD TECHNOLOGY INC
3762	03/09/2023	\$102.40	TRAVEL & MEETINGS	3950	IBANEZ, MARIA
3763	03/09/2023	\$2,629.78	COPIER REPAIR/SERVICES	2793	IBE DIGITAL
3764	03/09/2023	\$448,970.00	CONTRACT SERVICES	3905	LOS ANGELES ENGINEERING, INC.
3765	03/09/2023	\$13,933.90	CONTRACT SERVICES	3301	MATER MONTEBELLO LTD PARTNERSHIP
3766	03/09/2023	\$5,440.00	CONTRACT SERVICES	19040	MUNICIPAL CONTRACT ADMINISTRATORS INC
3767	03/09/2023	\$7,500.00	CONTRACT SERVICES	2205	MGT OF AMERICA
3768	03/09/2023	\$877.00	CONTRACT SERVICES	54240	PDQ ENTERPRISES INC
3769	03/09/2023	\$1,026.00	CONTRACT SERVICES	2925	R-DOORS INC
3770	03/09/2023	\$49,881.80	CONTRACT SERVICES	3191	RL CONTROLS LLC
3771	03/09/2023	\$3,998.84	UNIFORM EXPENSE	2594	THE SAUCE CREATIVE SERVICES CORP
3772	03/09/2023	\$220.97	SUPPLIES	2686	THE SHERWIN-WILLIAMS CO
3773	03/09/2023	\$120.34	SUPPLIES	31270	STARBOARD TACK SUPPLY INC
3774	03/09/2023	\$240.18	CONTRACT SERVICES	57140	UNDERGROUND SERVICE ALERT OF SOUTHERN CA
3775	03/16/2023	\$97,994.80	CONTRACT SERVICES	3411	AIM CONSULTING SERVICES



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3776	03/16/2023	\$3,180.14	UNIFORM EXPENSE	20350	ALLSTAR FIRE EQUIPMENT INC
3777	03/16/2023	\$71,773.15	CONTRACT SERVICES	16120	ALVAREZ-GLASMAN & COLVIN
3778	03/16/2023	\$6,998.93	VEHICLE MAINTENANCE/EXPENSES	2586	AMAZON CAPITAL SERVICES INC
3779	03/16/2023	\$8,872.55	VEHICLE MAINTENANCE/EXPENSES	47980	AMERICAN MOVING PARTS
3780	03/16/2023	\$400.00	CONTRACT SERVICES	2365	LETICIA TORRES
3781	03/16/2023	\$13,201.22	CONTRACT SERVICES	3016	ANTARES GOLF LLC
3782	03/16/2023	\$1,476.48	CONTRACT SERVICES	1237	AZTECA LANDSCAPE
3783	03/16/2023	\$30.00	CARPOOL INCENTIVE	3809	SAMANTHA CHENELIA
3784	03/16/2023	\$99.23	SUPPLIES	10000	CLEAN SWEEP SUPPLY CO INC
3785	03/16/2023	\$1,121.06	CONTRACT SERVICES	2889	COMLOCK SECURITY GROUP INC
3786	03/16/2023	\$851.58	CONTRACT SERVICES	3982	EVERNORTH CARE SOLUTIONS, INC.
3787	03/16/2023	\$6,333.10	LEASE PAYMENT	74920	EXECUTIVE CAR LEASING COMPANY
3788	03/16/2023	\$40.00	CARPOOL INCENTIVE	2572	MARLENE GIL
3789	03/16/2023	\$40.00	CARPOOL INCENTIVE	3706	ALEX GILLMAN
3790	03/16/2023	\$40.00	CARPOOL INCENTIVE	3123	NEIRA YESSIE GRANADOS
3791	03/16/2023	\$92.64	VEHICLE MAINTENANCE/EXPENSES	22560	H & H AUTO PARTS WHOLESALE
3792	03/16/2023	\$40.00	CARPOOL INCENTIVE	3196	MICAH HERD
3793	03/16/2023	\$40.00	CARPOOL INCENTIVE	4280	NADINE HERNANDEZ
3794	03/16/2023	\$247.07	VEHICLE MAINTENANCE/EXPENSES	29680	INLAND KENWORTH INC
3795	03/16/2023	\$10,175.96	CONTRACT SERVICES	3490	INTER-CON SECUIRTY SYSTEMS INC
3796	03/16/2023	\$6,587.68	CONTRACT SERVICES	2152	JOHNSON CONTROLS INC
3797	03/16/2023	\$202.00	EDUCATION REIMBURSEMENT	2704	JACQUELINE LEON
3798	03/16/2023	\$955.44	SUPPLIES	26670	LIFE-ASSIST INC
3799	03/16/2023	\$30.00	CARPOOL INCENTIVE	3810	ALEXIS LUCERO
3800	03/16/2023	\$9,095.00	CONTRACT SERVICES	19040	MUNICIPAL CONTRACT ADMINISTRATORS INC
3801	03/16/2023	\$970.00	CONTRACT SERVICES	26880	SEBASTIAN WATERWORKS INC
3802	03/16/2023	\$84,964.07	CONTRACT SERVICES	35250	NATIONWIDE ENVIRONMENTAL SERVICES



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3803	03/16/2023	\$71.00	CONTRACT SERVICES	3028	ONWARD ENGINEERING
3804	03/16/2023	\$40.00	CARPOOL INCENTIVE	138	BRIANNON PADILLA
3805	03/16/2023	\$40.00	CARPOOL INCENTIVE	59960	JO ANN PANOSIAN
3806	03/16/2023	\$601.00	CONTRACT SERVICES	3147	PMC PLUMBING INC
3807	03/16/2023	\$40.00	CARPOOL INCENTIVE	3712	MATTHEW ROBERT RAMOS
3808	03/16/2023	\$9.89	SUPPLIES	1120	BLUETRITON BRANDS INC
3809	03/16/2023	\$1,462.57	UNIFORM EXPENSE	2594	THE SAUCE CREATIVE SERVICES CORP
3810	03/16/2023	\$40.00	CARPOOL INCENTIVE	69960	NICOLE I SAUCEDO
3811	03/16/2023	\$40.00	CARPOOL INCENTIVE	2985	KEVIN SAYCOCIE
3812	03/16/2023	\$40.00	CARPOOL INCENTIVE	24280	MARTIN SOLANO
3813	03/16/2023	\$40.00	CARPOOL INCENTIVE	3001	MICHAEL SOLORZA
3814	03/16/2023	\$216.62	SUPPLIES	31270	STARBOARD TACK SUPPLY INC
3815	03/16/2023	\$227.27	TRAVEL & MEETINGS	3247	WENDY TAING
3816	03/16/2023	\$40.00	CARPOOL INCENTIVE	3053	MICHAEL TELLES
3817	03/16/2023	\$7,000.00	CONTRACT SERVICES	3433	VECTIS DC LLC
3818	03/16/2023	\$291.00	CONTRACT SERVICES	3140	WEX HEALTH INC
3819	03/16/2023	\$236.69	ADVERTISING/PRINTING SERVICES	3163	BANK OF AMERICA
3820	03/16/2023	\$14.99	DUES & SUBSCRIPTIONS	3163	BANK OF AMERICA
3821	03/16/2023	\$14.99	DUES & SUBSCRIPTIONS	3163	BANK OF AMERICA
3822	03/16/2023	\$269.26	SUPPLIES	3163	BANK OF AMERICA
3823	03/16/2023	\$5,554.05	TRAVEL & MEETINGS	3163	BANK OF AMERICA
3824	03/16/2023	\$2,648.25	SUPPLIES	3163	BANK OF AMERICA
3825	03/16/2023	\$3,119.55	SUPPLIES	3163	BANK OF AMERICA
3826	03/16/2023	\$652.84	TRAVEL & MEETINGS	3163	BANK OF AMERICA
3827	03/16/2023	\$2,337.00	DUES & SUBSCRIPTIONS	3163	BANK OF AMERICA
3828	03/16/2023	\$2,862.46	MACHINERY & EQUIPMENTS	3163	BANK OF AMERICA
3829	03/16/2023	\$4,418.23	TRAVEL & MEETINGS	3163	BANK OF AMERICA



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3830	03/16/2023	\$7,730.00	SUPPLIES	3163	BANK OF AMERICA
3831	03/16/2023	\$79.34	SUPPLIES	3163	BANK OF AMERICA
3832	03/16/2023	\$190.12	SUPPLIES	3163	BANK OF AMERICA
3833	03/16/2023	\$6,054.82	SUPPLIES	3163	BANK OF AMERICA
3834	03/16/2023	\$2,241.44	TRAVEL & MEETINGS	3163	BANK OF AMERICA
3835	03/16/2023	\$3,157.97	SUPPLIES	3163	BANK OF AMERICA
3836	03/16/2023	\$2,252.39	TRAVEL & MEETINGS	3163	BANK OF AMERICA
3837	03/16/2023	\$7,044.90	ADVERTISING/PRINTING SERVICES	3163	BANK OF AMERICA
3838	03/16/2023	\$2,773.22	SUPPLIES	3163	BANK OF AMERICA
3839	03/16/2023	\$153.32	SUPPLIES	3163	BANK OF AMERICA
3840	03/16/2023	\$60.35	SUPPLIES	3163	BANK OF AMERICA
3841	03/16/2023	\$185.99	SUPPLIES	3163	BANK OF AMERICA
3842	03/16/2023	\$19.80	SUPPLIES	3163	BANK OF AMERICA
3843	03/16/2023	\$202.17	SUPPLIES	3163	BANK OF AMERICA
3844	03/16/2023	\$159.79	SUPPLIES	3163	BANK OF AMERICA
3845	03/16/2023	\$477.07	SUPPLIES	3163	BANK OF AMERICA
3846	03/16/2023	\$161.48	SUPPLIES	3163	BANK OF AMERICA
3847	03/16/2023	\$296.84	SUPPLIES	3163	BANK OF AMERICA
3848	03/16/2023	\$166.44	SUPPLIES	3163	BANK OF AMERICA
3849	03/16/2023	\$463,154.07	RETIREMENT	17	CAL PERS
3850	03/23/2023	\$930,134.56	BUILDING IMPROVEMENTS	3981	ALLIANCE BUILDING SOLUTIONS, INC.
3851	03/23/2023	\$920.74	SUPPLIES	2586	AMAZON CAPITAL SERVICES INC
3852	03/23/2023	\$45,030.94	CONTRACT SERVICES	3016	ANTARES GOLF LLC
3853	03/23/2023	\$564.49	CONTRACT SERVICES	2889	COMLOCK SECURITY GROUP INC
3854	03/23/2023	\$1,171.41	SUPPLIES	70920	DECALS BY DESIGN INC
3855	03/23/2023	\$25,302.45	TRANSIT CHARGES FOR SERVICES	75950	FIESTA TAXI COOPERATIVE INC
3856	03/23/2023	\$34.00	CONTRACT SERVICES	23660	DAIOHS USA



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3857	03/23/2023	\$2,078.38	SUPPLIES	1612	JCL TRAFFIC SERVICES
3858	03/23/2023	\$32.06	SUPPLIES	2811	LIGHT BULB DEPOT 38 LLC
3859	03/23/2023	\$137,580.09	CONTRACT SERVICES	2954	MANHOLE ADJUSTING INC
3860	03/23/2023	\$12,102.00	CONTRACT SERVICES	4008	MITSUBISHI ELECTRIC POWER PRODUCTS INC
3861	03/23/2023	\$1,524.93	VEHICLE MAINTENANCE/EXPENSES	1385	MUNCIE RECLAMATION AND SUPPLY COMPANY
3862	03/23/2023	\$640.00	CONTRACT SERVICES	19250	N/S CORPORATION
3863	03/23/2023	\$1,334,066.76	VEHICLE PURCHASES	24690	NEW FLYER AMERICA (USA) INC
3864	03/23/2023	\$154.58	TRAVEL & MEETINGS	33900	ELIZABETH ORTEGA
3865	03/23/2023	\$114.02	SUPPLIES	1120	BLUETRITON BRANDS INC
3866	03/23/2023	\$99,713.06	FUEL INVENTORY	1059	AMBER RESOURCES LLC
3867	03/23/2023	\$441.74	SUPPLIES	2686	THE SHERWIN-WILLIAMS CO
3868	03/23/2023	\$72,537.96	CONTRACT SERVICES	3439	SPORTFIVE GOLF LLC
3869	03/23/2023	\$278.91	SUPPLIES	31270	STARBOARD TACK SUPPLY INC
3870	03/23/2023	\$57.88	SUPPLIES	3088	WAXIES ENTERPRISES LLC
3871	03/23/2023	\$1,383.65	CONTRACT SERVICES	1657	OSCAR ZAVALAS
3872	03/23/2023	\$2,474.69	SUPPLIES	3163	BANK OF AMERICA
3873	03/23/2023	\$1,627.34	SUPPLIES	3163	BANK OF AMERICA
3874	03/23/2023	\$132.24	SUPPLIES	3163	BANK OF AMERICA
3875	03/23/2023	\$3,525.68	MACHINERY & EQUIPMENTS	3163	BANK OF AMERICA
3876	03/23/2023	\$116.34	SUPPLIES	3163	BANK OF AMERICA
3877	03/23/2023	\$306.00	SUPPLIES	3163	BANK OF AMERICA
3878	03/23/2023	\$1,516.02	MACHINERY & EQUIPMENTS	3163	BANK OF AMERICA
3879	03/23/2023	\$1,338.98	SUPPLIES	3163	BANK OF AMERICA
3880	03/23/2023	\$82.87	FUEL	3163	BANK OF AMERICA
3881	03/23/2023	\$1,794.24	VEHICLE MAINTENANCE/EXPENSES	3163	BANK OF AMERICA
3882	03/23/2023	\$77.56	SUPPLIES	3163	BANK OF AMERICA
3883	03/23/2023	\$142.38	FUEL	3163	BANK OF AMERICA



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3884	03/23/2023	\$175.74	FUEL	3163	BANK OF AMERICA
3885	03/23/2023	\$708.41	SUPPLIES	3163	BANK OF AMERICA
3886	03/23/2023	\$87.32	CONTRACT SERVICES	3163	BANK OF AMERICA
3887	03/23/2023	\$331.19	FUEL	3163	BANK OF AMERICA
3888	03/23/2023	\$69.69	FUEL	3163	BANK OF AMERICA
3889	03/23/2023	\$20.00	SUPPLIES	3163	BANK OF AMERICA
3890	03/23/2023	\$838.89	SUPPLIES	3163	BANK OF AMERICA
3891	03/23/2023	\$3,772.41	SUPPLIES	3163	BANK OF AMERICA
3892	03/23/2023	\$4,922.49	CONTRACT SERVICES	3163	BANK OF AMERICA
3893	03/23/2023	\$2,757.40	SUPPLIES	3163	BANK OF AMERICA
3894	03/23/2023	\$27.90	MAIL/ POSTAL EXPENSE	3163	BANK OF AMERICA
3895	03/23/2023	\$84.55	MAIL/ POSTAL EXPENSE	3163	BANK OF AMERICA
3896	03/23/2023	\$115.00	MAIL/ POSTAL EXPENSE	3163	BANK OF AMERICA
3897	03/23/2023	\$225.35	TRAVEL & MEETINGS	3163	BANK OF AMERICA
3898	03/23/2023	\$1,655.82	SUPPLIES	3163	BANK OF AMERICA
3899	03/23/2023	\$2,352.55	DUES & SUBSCRIPTIONS	3163	BANK OF AMERICA
3900	03/23/2023	\$1,475.62	SUPPLIES	3163	BANK OF AMERICA
3901	03/23/2023	\$6,405.21	SUPPLIES	3163	BANK OF AMERICA
3902	03/30/2023	\$39,774.35	VEHICLE PURCHASES	1700	72 HOUR LLC
3903	03/30/2023	\$525.87	MACHINERY & EQUIPMENTS	20350	ALLSTAR FIRE EQUIPMENT INC
3904	03/30/2023	\$6,619.13	SUPPLIES	2586	AMAZON CAPITAL SERVICES INC
3905	03/30/2023	\$608,660.25	CONTRACT SERVICES	3944	AMERICAN LANDSCAPE, INC.
3906	03/30/2023	\$217.19	SUPPLIES	62880	AMERICAN MARKER
3907	03/30/2023	\$13,403.25	CONTRACT SERVICES	3016	ANTARES GOLF LLC
3908	03/30/2023	\$295.28	SUPPLIES	35980	SAEED RADMEHR
3909	03/30/2023	\$8,895.50	NOTES PAYABLE	19120	CENTRAL BASIN MUNICIPAL WATER DISTRICT
3910	03/30/2023	\$1,134.09	SUPPLIES	10000	CLEAN SWEEP SUPPLY CO INC



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3911	03/30/2023	\$6,145.03	SUPPLIES	43860	MYERS & SONS HI-WAY SAFETY INC
3912	03/30/2023	\$2,643.48	COPIER REPAIR/SERVICES	2793	IBE DIGITAL
3913	03/30/2023	\$5,639.00	SUPPLIES	26670	LIFE-ASSIST INC
3914	03/30/2023	\$145,587.00	CONTRACT SERVICES	3905	LOS ANGELES ENGINEERING, INC.
3915	03/30/2023	\$370.00	CONTRACT SERVICES	26880	SEBASTIAN WATERWORKS INC
3916	03/30/2023	\$45,366.30	CONTRACT SERVICES	35250	NATIONWIDE ENVIRONMENTAL SERVICES
3917	03/30/2023	\$39,636.00	CONTRACT SERVICES	42180	PCAM LLC
3918	03/30/2023	\$325.00	CONTRACT SERVICES	3147	PMC PLUMBING INC
3919	03/30/2023	\$290.00	CONTRACT SERVICES	3285	DIANA E RAMIREZ
3920	03/30/2023	\$635.86	SUPPLIES	2594	THE SAUCE CREATIVE SERVICES CORP
3921	03/30/2023	\$9,927.33	FUEL INVENTORY	1059	AMBER RESOURCES LLC
3922	03/30/2023	\$793.35	SUPPLIES	31270	STARBOARD TACK SUPPLY INC
3923	03/30/2023	\$2,900.00	IMPROVEMENTS OTHER THAN BUILDING	3021	WEST & ASSOCIATES ENGINEERING INC
ACH TOTAL		\$5,511,203.24			
599266	03/09/2023	\$68.37	MACHINERY & EQUIPMENTS	3179	ADOBE INC
599267	03/09/2023	\$240,231.16	IMPROVEMENTS OTHER THAN BUILDING	199	ALL AMERICAN ASPHALT
599268	03/09/2023	\$1,487.50	CONTRACT SERVICES	3488	ASPIRE RX INC
599269	03/09/2023	\$592.92	UTILITY SERVICES	39550	AT&T
599270	03/09/2023	\$4,100.00	CONTRACT SERVICES	3868	ATLANTIC STRATEGIES, LLC
599271	03/09/2023	\$104,761.49	CONTRACT SERVICES	2589	AXON ENTERPRISE INC
599272	03/09/2023	\$23,630.00	CONTRACT SERVICES	3953	BANNER BANK
599273	03/09/2023	\$2,094.75	CONTRACT SERVICES	3121	C & O MFG
599274	03/09/2023	\$384.00	CONTRACT SERVICES	58240	STATE OF CALIFORNIA-DEPARTMENT OF JUSTICE
599275	03/09/2023	\$1,202.09	UTILITY SERVICES	47580	CALIFORNIA WATER SERVICE COMPANY
599276	03/09/2023	\$500.00	VEHICLE MAINTENANCE/EXPENSES	45170	MONTEBELLO AUTO GROUP LLC
599277	03/09/2023	\$4,579.93	VEHICLE MAINTENANCE/EXPENSES	950	CUMMINS INC



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599278	03/09/2023	\$700.00	CONTRACT SERVICES	2759	D F POLYGRAPH
599279	03/09/2023	\$300.00	CONTRACT SERVICES	3934	EVERYTABLE PBC
599280	03/09/2023	\$61.14	MAIL/ POSTAL EXPENSE	22400	FEDERAL EXPRESS CORPORATION
599281	03/09/2023	\$2,262.11	VEHICLE MAINTENANCE/EXPENSES	29160	FORD OF MONTEBELLO
599282	03/09/2023	\$323.06	SUPPLIES	55650	GALLS LLC
599283	03/09/2023	\$117.00	CONTRACT SERVICES	28730	GARFIELD CAR WASH
599284	03/09/2023	\$121.21	VEHICLE MAINTENANCE/EXPENSES	455	GOLDEN STATE FASTENERS & SUPPLY INC
599285	03/09/2023	\$30.32	SUPPLIES	3807	VICTOR GONZALEZ
599286	03/09/2023	\$6,649.45	VEHICLE MAINTENANCE/EXPENSES	30190	IB AUTO PARTS INC
599287	03/09/2023	\$751.00	SUPPLIES	3109	HOSPITAL ASSOC OF SOUTHERN CALIFORNIA
599288	03/09/2023	\$493.01	CONTRACT SERVICES	2852	ICE STAR REFRIGERATION LLC
599289	03/09/2023	\$649.42	CONTRACT SERVICES	1357	IRON MOUNTAIN INC
599290	03/09/2023	\$175.00	CONTRACT SERVICES	993	IVA SOLUTIONS INC
599291	03/09/2023	\$2,400.00	CONTRACT SERVICES	3480	JEFFREY ALAN TRAVIS
599292	03/09/2023	\$900.00	TRAINING	3998	RAMONA LANGER
599293	03/09/2023	\$500.00	CONTRACT SERVICES	26920	LEAGUE OF CALIFORNIA CITIES
599294	03/09/2023	\$361,987.20	CONTRACT SERVICES	4810	LA COUNTY DEPT OF PUBLIC WORKS
599295	03/09/2023	\$500.00	DUES & SUBSCRIPTIONS	56630	LACPCA
599296	03/09/2023	\$0.00	VOID/REISSUE	4002	MANTECA POLICE EXPLORERS
599297	03/09/2023	\$20,758.69	CONTRACT SERVICES	3489	MARK THOMAS & COMPANY INC
599298	03/09/2023	\$8,660.12	UTILITY SERVICES	4760	MONTEBELLO LAND & WATER CO
599299	03/09/2023	\$990.04	VEHICLE MAINTENANCE/EXPENSES	54300	SHAK ENTERPRISES INC
599300	03/09/2023	\$3,241.41	CONTRACT SERVICES	3225	NELSON NYGAARD CONSULTING ASSOC INC
599301	03/09/2023	\$2,300.31	SUPPLIES	15620	OFFICE DEPOT INC
599302	03/09/2023	\$43,565.56	CONTRACT SERVICES	3526	PATH
599303	03/09/2023	\$46.56	UTILITY SERVICES	100	PICO WATER DISTRICT
599304	03/09/2023	\$2,524.57	CONTRACT SERVICES	59760	POWER PLUS INTERNATIONAL INC



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599305	03/09/2023	\$800.00	TRAINING	979	PRADO FAMILY SHOOTING RANGE
599306	03/09/2023	\$1,826.63	UNIFORM EXPENSE	56260	PRUDENTIAL OVERALL SUPPLY
599307	03/09/2023	\$175.00	TRAINING	51460	RIO HONDO COMMUNITY COLLEGE
599308	03/09/2023	\$60.00	PARKS AND RECREATION	4001	RICKY RODRIGUEZ
599309	03/09/2023	\$285.00	TRAINING	43150	SAN BERNARDINO COUNTY SHERIFFS DEPARTMENT
599310	03/09/2023	\$35.00	TRAVEL & MEETINGS	34990	SAN GABRIEL VALLEY CITY MANAGERS ASSOC
599311	03/09/2023	\$4,236.28	UTILITY SERVICES	51430	SOUTH MONTEBELLO IRRIGATION DISTRICT
599312	03/09/2023	\$41,061.19	UTILITY SERVICES	45630	SOUTHERN CALIFORNIA EDISON
599313	03/09/2023	\$53,388.04	FUEL INVENTORY	40520	SOUTHERN CALIFORNIA GAS CO
599314	03/09/2023	\$22,229.94	FRINGE BENEFITS	25850	STANDARD INSURANCE COMPANY
599315	03/09/2023	\$485.54	CONTRACT SERVICES	1963	SUEZ WTS SERVICES USA INC
599316	03/09/2023	\$2,932.65	SUPPLIES	2573	TELEFLEX LLC
599317	03/09/2023	\$99,997.18	MACHINERY & EQUIPMENTS	3440	TOTAL ONLINE PROTECTION LLC
599318	03/09/2023	\$425.00	CONTRACT SERVICES	3647	TIM KARL TRAEGER
599319	03/09/2023	\$3,514.47	CONTRACT SERVICES	20070	UC REGENTS
599320	03/09/2023	\$8,059.60	CONTRACT SERVICES	3406	UNIVERSAL PROTECTION SERVICES LP
599321	03/09/2023	\$4,927.23	UTILITY SERVICES	23610	VERIZON WIRELESS
599322	03/09/2023	\$191.63	SUPPLIES	9470	W W GRAINGER INC
599323	03/09/2023	\$4,500.00	CONTRACT SERVICES	3323	WASHINGTON CONSULTING GROUP LLC
599324	03/09/2023	\$1,185.41	SUPPLIES	67320	WINZER
599325	03/09/2023	\$60.00	PARKS AND RECREATION	3954	FLORES SILVIA
599326	03/09/2023	\$40.00	CARPOOL INCENTIVE	3893	MICHAEL FRANCO LOPEZ
599327	03/09/2023	\$1,025.00	TRAINING	4002	MANTECA POLICE EXPLORERS
599328	03/09/2023	\$440.59	MISCELLANEOUS EXPENSE	43760	ALFRED MARTINEZ
599329	03/09/2023	\$120.00	PARKS AND RECREATION	3535	HECTOR RAMIREZ
599330	03/16/2023	\$16,527.06	VEHICLE MAINTENANCE/EXPENSES	3333	A & A FLEET PAINTING INC
599331	03/16/2023	\$2,466.00	CONTRACT SERVICES	3824	AAA RENTS AND EVENTS INC



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599332	03/16/2023	\$59.03	UTILITY SERVICES	1732	AT&T CORP
599333	03/16/2023	\$1,500.00	EDUCATION REIMBURSEMENT	4006	JESUS ALCARAZ
599334	03/16/2023	\$1,500.00	CONTRACT SERVICES	17010	ARROYO BACKGROUND INVESTIGATIONS LLC
599335	03/16/2023	\$2,464.39	UTILITY SERVICES	39550	AT&T
599336	03/16/2023	\$4.77	UTILITY SERVICES	39550	AT&T
599337	03/16/2023	\$3,520.43	CONTRACT SERVICES	16710	ATKINSON ANDELSON LOYA RUUD & ROMO
599338	03/16/2023	\$181.47	TRAVEL & MEETINGS	3980	RICHARD BOUT
599339	03/16/2023	\$95.00	GENERAL GOVERNMENT	4007	DEBBIE CALDERON
599340	03/16/2023	\$362.00	CONTRACT SERVICES	58240	STATE OF CALIFORNIA-DEPARTMENT OF JUSTICE
599341	03/16/2023	\$6,080.39	UTILITY SERVICES	47580	CALIFORNIA WATER SERVICE COMPANY
599342	03/16/2023	\$1,092.56	UTILITY SERVICES	55830	CHARTER COMMUNICATIONS
599343	03/16/2023	\$5,556.87	UTILITY SERVICES	55830	CHARTER COMMUNICATIONS
599344	03/16/2023	\$4,302.76	VEHICLE MAINTENANCE/EXPENSES	45170	MONTEBELLO AUTO GROUP LLC
599345	03/16/2023	\$384.52	CONTRACT SERVICES	36870	CINTAS CORPORATION NO 3
599346	03/16/2023	\$60.00	CONTRACT SERVICES	3204	COASTAL OCCUPATIONAL MEDICAL GROUP
599347	03/16/2023	\$2,837.90	VEHICLE MAINTENANCE/EXPENSES	950	CUMMINS INC
599348	03/16/2023	\$352.56	CONTRACT SERVICES	3334	EAGLE PORTABLES SANITATION LLC
599349	03/16/2023	\$901.35	VEHICLE MAINTENANCE/EXPENSES	29160	FORD OF MONTEBELLO
599350	03/16/2023	\$15,712.63	DUES & SUBSCRIPTIONS	1447	GATEWAY WATER MANAGEMENT AUTHORITY
599351	03/16/2023	\$127.31	CONTRACT SERVICES	1650	GOLDEN STATE ELEVATOR SERVICE INC
599352	03/16/2023	\$693.01	VEHICLE MAINTENANCE/EXPENSES	455	GOLDEN STATE FASTENERS & SUPPLY INC
599353	03/16/2023	\$273.83	CONTRACT SERVICES	33460	GOODYEAR TIRE & RUBBER COMPANY
599354	03/16/2023	\$739.50	VEHICLE MAINTENANCE/EXPENSES	30190	IB AUTO PARTS INC
599355	03/16/2023	\$341.37	CONTRACT SERVICES	3036	HERITAGE-CRYSTAL CLEAN LLC
599356	03/16/2023	\$159.00	EDUCATION REIMBURSEMENT	3528	ESTEFANIA HERNANDEZ
599357	03/16/2023	\$897.00	EDUCATION REIMBURSEMENT	3547	ZACHARY HUMBER
599358	03/16/2023	\$1,689.00	CONTRACT SERVICES	3235	ION SECURITY SYSTEMS



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599359	03/16/2023	\$991.00	CONTRACT SERVICES	3978	ISLAS TIRES INC.
599360	03/16/2023	\$694.32	TRAVEL & MEETINGS	2317	ANGIE JIMENEZ
599361	03/16/2023	\$287.42	TRAVEL & MEETINGS	3122	ADRIANNA KENDRICKS
599362	03/16/2023	\$300.00	DUES & SUBSCRIPTIONS	56630	LACPCA
599363	03/16/2023	\$4,067.74	CONTRACT SERVICES	3380	MICHAEL T BLEAZARD
599364	03/16/2023	\$1,984.50	VEHICLE MAINTENANCE/EXPENSES	7110	MOHAWK MFG & SUPPLY CO
599365	03/16/2023	\$1,172.50	CONTRACT SERVICES	1073	MONJARAS & WISMAYER GROUP INC
599366	03/16/2023	\$40.00	CARPOOL INCENTIVE	3657	STACEY MORALES
599367	03/16/2023	\$4,887.46	VEHICLE MAINTENANCE/EXPENSES	2480	SOCAL AUTO & TRUCK PARTS INC
599368	03/16/2023	\$480.00	CONTRACT SERVICES	4009	ANTONIO NAVARRO-GONZALEZ
599369	03/16/2023	\$2,395.00	CONTRACT SERVICES	4010	NESHAMA 456 LLC
599370	03/16/2023	\$2,395.00	CONTRACT SERVICES	4010	NESHAMA 456 LLC
599371	03/16/2023	\$3,514.41	SUPPLIES	15620	OFFICE DEPOT INC
599372	03/16/2023	\$4,574.50	CONTRACT SERVICES	3896	ROBERT J ORTIZ
599373	03/16/2023	\$38.07	SUPPLIES	47480	FRANCISCO J OSORIO
599374	03/16/2023	\$40.00	CARPOOL INCENTIVE	65330	WENDY PEREZ
599375	03/16/2023	\$179.42	UNIFORM EXPENSE	56260	PRUDENTIAL OVERALL SUPPLY
599376	03/16/2023	\$175.76	SUPPLIES	503	QUADIENT INC
599377	03/16/2023	\$7,270.59	CONTRACT SERVICES	3943	R&S OVERHEAD DOORS OF COMMERCE, INC.
599378	03/16/2023	\$3,615.32	CONTRACT SERVICES	1645	RJN INVESTIGATIONS INC
599379	03/16/2023	\$40.00	CARPOOL INCENTIVE	3584	BRENDA RODRIGUEZ
599380	03/16/2023	\$145.63	VEHICLE MAINTENANCE/EXPENSES	3095	RUSH TRUCK CENTERS OF CALIFORNIA INC
599381	03/16/2023	\$1,240.60	CONTRACT SERVICES	673	SILVER & WRIGHT LLP
599382	03/16/2023	\$112,155.38	UTILITY SERVICES	45630	SOUTHERN CALIFORNIA EDISON
599383	03/16/2023	\$10,092.87	CONTRACT SERVICES	13580	TENNANT SALES AND SERVICE CO
599384	03/16/2023	\$339.40	VEHICLE MAINTENANCE/EXPENSES	60710	THE AFTERMARKET PARTS COMPANY LLC
599385	03/16/2023	\$192.61	DUES & SUBSCRIPTIONS	41430	THOMSON REUTERS - WEST



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599386	03/16/2023	\$2,498.27	UTILITY SERVICES	72570	US TELEPACIFIC CORP
599387	03/16/2023	\$370,097.22	CONTRACT SERVICES	1639	TRANSTECH ENGINEERS INC
599388	03/16/2023	\$27,009.66	CONTRACT SERVICES	3187	TRISTAR RISK MANAGEMENT
599389	03/16/2023	\$1,398.00	TRAINING	2699	KIM TUNRER
599390	03/16/2023	\$4,650.95	SUPPLIES	45120	ULINE INC
599391	03/16/2023	\$4,629.37	CONTRACT SERVICES	37	US SECURITY ASSOCIATES INC
599392	03/16/2023	\$1,844.96	UTILITY SERVICES	23610	VERIZON WIRELESS
599393	03/16/2023	\$385.26	SUPPLIES	9470	W W GRAINGER INC
599394	03/16/2023	\$1,311.98	VEHICLE MAINTENANCE/EXPENSES	25860	WAYNE HARMEIER INC
599395	03/16/2023	\$3,690.00	CONTRACT SERVICES	40860	WEST COAST ARBORISTS INC
599396	03/23/2023	\$3,951.75	SUPPLIES	1670	ADAMSON POLICE PRODUCTS
599397	03/23/2023	\$13,721.52	AFLAC OTHER	55860	AFLAC
599398	03/23/2023	\$6,392.00	DUES & SUBSCRIPTIONS	48790	AREA E CIVIL DEFENSE & DISASTER BOARD
599399	03/23/2023	\$30.00	PARKS AND RECREATION	4011	VIRDIANA ARZOLA
599400	03/23/2023	\$352.43	UTILITY SERVICES	39550	AT&T
599401	03/23/2023	\$4,971.26	UTILITY SERVICES	39550	AT&T
599402	03/23/2023	\$2,387.69	UTILITY SERVICES	38380	AT&T
599403	03/23/2023	\$587.55	SALES TAX LIABILITY	74990	AUTOZONE INC
599404	03/23/2023	\$200.00	CONTRACT SERVICES	2769	KATALINA BELTRAN
599405	03/23/2023	\$324.00	CONTRACT SERVICES	58240	STATE OF CALIFORNIA-DEPARTMENT OF JUSTICE
599406	03/23/2023	\$169.76	UTILITY SERVICES	47580	CALIFORNIA WATER SERVICE COMPANY
599407	03/23/2023	\$349.52	CONTRACT SERVICES	36870	CINTAS CORPORATION NO 3
599408	03/23/2023	\$155.23	TRAVEL & MEETINGS	4021	MICHELE COOK
599409	03/23/2023	\$4,503.17	ADVERTISING/PRINTING SERVICES	1354	DAILY JOURNAL CORPORATION
599410	03/23/2023	\$43,238.94	OTHER GROUP INSURANCE PAYABLE	4110	DELTA DENTAL OF CALIFORNIA
599411	03/23/2023	\$858.50	ADVERTISING/PRINTING SERVICES	3492	DP TRADING
599412	03/23/2023	\$227.39	SALES TAX LIABILITY	1894	ECONOMY RENTAL INC



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599413	03/23/2023	\$200.00	TRAINING	3746	PAUL ESPINOSA
599414	03/23/2023	\$55.00	GENERAL GOVERNMENT	4012	BLANCA ESPINOZA
599415	03/23/2023	\$2,670.73	VEHICLE MAINTENANCE/EXPENSES	29160	FORD OF MONTEBELLO
599416	03/23/2023	\$2,925.00	CONTRACT SERVICES	1595	FROG ENVIRONMENTAL INC
599417	03/23/2023	\$74.15	CONTRACT SERVICES	506	SPX CORPORATION
599418	03/23/2023	\$3,107.15	VEHICLE MAINTENANCE/EXPENSES	33720	GILLIG LLC
599419	03/23/2023	\$61.50	MAIL/ POSTAL EXPENSE	3167	GLS US
599420	03/23/2023	\$19,366.48	CONTRACT SERVICES	33460	GOODYEAR TIRE & RUBBER COMPANY
599421	03/23/2023	\$250.00	GENERAL GOVERNMENT	4013	ELBA GRANADOS
599422	03/23/2023	\$450.00	TRAINING	4018	LYDIE GUTFELD
599423	03/23/2023	\$418.73	VEHICLE MAINTENANCE/EXPENSES	30190	IB AUTO PARTS INC
599424	03/23/2023	\$18,720.00	CONTRACT SERVICES	3909	INSIGHT PRACTICE PARTNERS
599425	03/23/2023	\$43,596.50	CONTRACT SERVICES	2539	JL GROUP LLC
599426	03/23/2023	\$2,280.00	MACHINERY & EQUIPMENTS	3733	KEY CODE MEDIA, INC.
599427	03/23/2023	\$2,700.00	CONTRACT SERVICES	4000	LOS ANGELES COMMUNITY GARDEN COUNCIL
599428	03/23/2023	\$454.61	CONTRACT SERVICES	37280	LOS ANGELES COUNTY SHERIFF'S DEPARTMENT
599429	03/23/2023	\$599.00	ADVERTISING/PRINTING SERVICES	3915	LOWELL EDWARD KUM SOON SUE
599430	03/23/2023	\$13,050.74	CONTRACT SERVICES	34750	MBN SERVICES INC
599431	03/23/2023	\$1,805.88	VEHICLE MAINTENANCE/EXPENSES	2480	SOCAL AUTO & TRUCK PARTS INC
599432	03/23/2023	\$975.00	CONTRACT SERVICES	26370	NAVARROS TOWING SERVICE
599433	03/23/2023	\$207.51	SUPPLIES	15620	OFFICE DEPOT INC
599434	03/23/2023	\$250.00	GENERAL GOVERNMENT	4019	SARAH PADILLA
599435	03/23/2023	\$20.77	UTILITY SERVICES	36610	CITY OF PICO RIVERA
599436	03/23/2023	\$565.96	UNIFORM EXPENSE	56260	PRUDENTIAL OVERALL SUPPLY
599437	03/23/2023	\$440.00	CONTRACT SERVICES	42750	PSYCHOLOGICAL CONSULTING ASSOC., INC.
599438	03/23/2023	\$12,500.00	CONTRACT SERVICES	3613	PYRO SPECTACULARS INC
599439	03/23/2023	\$4,203.84	GOLF	43510	QUIET CANNON MONTEBELLO INC



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599440	03/23/2023	\$270.00	GENERAL GOVERNMENT	4015	NICKY RAMIREZ
599441	03/23/2023	\$1,189.50	TRAINING	51460	RIO HONDO COMMUNITY COLLEGE
599442	03/23/2023	\$100.00	TRAVEL & MEETINGS	3849	GARY T ROBINSON
599443	03/23/2023	\$119.07	VEHICLE MAINTENANCE/EXPENSES	716	SOUTH BAY FORD INC
599444	03/23/2023	\$9,210.62	UTILITY SERVICES	45630	SOUTHERN CALIFORNIA EDISON
599445	03/23/2023	\$19,319.64	UTILITY SERVICES	40520	SOUTHERN CALIFORNIA GAS CO
599446	03/23/2023	\$445.00	DUES & SUBSCRIPTIONS	4160	SOUTHERN CALIFORNIA MUNICIPAL ATHLETIC FED
599447	03/23/2023	\$198.00	CONTRACT SERVICES	9270	TANK SPECIALIST OF CALIFORNIA
599448	03/23/2023	\$3,107.31	VEHICLE MAINTENANCE/EXPENSES	60710	THE AFTERMARKET PARTS COMPANY LLC
599449	03/23/2023	\$2,764.44	CONTRACT SERVICES	3479	THERMA LLC
599450	03/23/2023	\$122.84	SALES TAX LIABILITY	3110	TOMAS ALVARADO
599451	03/23/2023	\$2,868.72	UTILITY SERVICES	72570	US TELEPACIFIC CORP
599452	03/23/2023	\$19,583.33	CONTRACT SERVICES	3187	TRISTAR RISK MANAGEMENT
599453	03/23/2023	\$2,865.12	PREPAID EXPENSES	1188	TYLER TECHNOLOGIES INC
599454	03/23/2023	\$687.63	SUPPLIES	45120	ULINE INC
599455	03/23/2023	\$28,582.96	CONTRACT SERVICES	3406	UNIVERSAL PROTECTION SERVICES LP
599456	03/23/2023	\$8,302.29	CONTRACT SERVICES	37	US SECURITY ASSOCIATES INC
599457	03/23/2023	\$939.25	VEHICLE MAINTENANCE/EXPENSES	2701	VARGAS DIESEL INC
599458	03/23/2023	\$1,148.90	UTILITY SERVICES	23610	VERIZON WIRELESS
599459	03/23/2023	\$16,998.72	OTHER GROUP INSURANCE PAYABLE	58990	VISION SERVICE PLAN
599460	03/23/2023	\$803.72	VEHICLE MAINTENANCE/EXPENSES	25860	WAYNE HARMEIER INC
599461	03/23/2023	\$17,195.00	CONTRACT SERVICES	40860	WEST COAST ARBORISTS INC
599462	03/23/2023	\$72.77	SUPPLIES	33390	WHITTIER FERTILIZER COMPANY
599463	03/23/2023	\$111.10	TRAINING	54160	MONIQUE DELLIBOVI
599464	03/23/2023	\$95.00	GENERAL GOVERNMENT	3911	RICARDO ZEPEDA
599465	03/30/2023	\$250.00	GENERAL GOVERNMENT	3948	GUSTAVO PEREZ DIAZ
599466	03/30/2023	\$3,416.00	ADVERTISING/PRINTING SERVICES	3824	AAA RENTS AND EVENTS INC



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WARRANT #	DATE	AMOUNT	ACCOUNT DESCRIPTION	VENDOR #	VENDOR NAME
599467	03/30/2023	\$6,570.47	UTILITY SERVICES	39550	AT&T
599468	03/30/2023	\$58.95	UTILITY SERVICES	39550	AT&T
599469	03/30/2023	\$1,260.00	VEHICLE MAINTENANCE/EXPENSES	278	ATLAS RADIATOR INC
599470	03/30/2023	\$7,663.00	CONTRACT SERVICES	3953	BANNER BANK
599471	03/30/2023	\$2,535.75	ADVERTISING/PRINTING SERVICES	4014	NIKO BEGAKIS
599472	03/30/2023	\$1,140.00	TRANSIT MISCELLANEOUS REVENUE	4004	CALI ROSE PARTY DESIGN LLC
599473	03/30/2023	\$459.60	VEHICLE MAINTENANCE/EXPENSES	45170	MONTEBELLO AUTO GROUP LLC
599474	03/30/2023	\$891.34	CONTRACT SERVICES	36870	CINTAS CORPORATION NO 3
599475	03/30/2023	\$2,190.03	SUPPLIES	2455	HASA, INC.
599476	03/30/2023	\$18,665.97	CONTRACT SERVICES	3210	CT&T CONCRETE PAVING INC
599477	03/30/2023	\$3,240.00	CONTRACT SERVICES	2019	DEWEY SERVICES INC
599478	03/30/2023	\$1,885.12	MACHINERY & EQUIPMENTS	36880	EBERHARD EQUIPMENT
599479	03/30/2023	\$150.00	DUES & SUBSCRIPTIONS	70230	FOOTHILL FIRE CHIEFS ASSOCIATION
599480	03/30/2023	\$1,107.30	VEHICLE MAINTENANCE/EXPENSES	29160	FORD OF MONTEBELLO
599481	03/30/2023	\$250.00	GENERAL GOVERNMENT	4022	VALERIE FREGOSO
599482	03/30/2023	\$600.00	CONTRACT SERVICES	3873	CARYN GARCIA
599483	03/30/2023	\$246,002.48	CONTRACT SERVICES	13750	CITY OF GLENDALE
599484	03/30/2023	\$860.00	ADVERTISING/PRINTING SERVICES	4005	NELLY HERNANDEZ
599485	03/30/2023	\$25,771.85	CONTRACT SERVICES	4810	LA COUNTY DEPT OF PUBLIC WORKS
599486	03/30/2023	\$4,824.06	CONTRACT SERVICES	3489	MARK THOMAS & COMPANY INC
599487	03/30/2023	\$1,556.42	SUPPLIES	3608	MARTIN MARIETTA MATERIALS INC
599488	03/30/2023	\$153.50	TRAINING	4023	DENISE MONTANEZ
599489	03/30/2023	\$16,897.72	MACHINERY & EQUIPMENTS	450	MUNICIPAL EMERGENCY SERVICES INC
599490	03/30/2023	\$898.91	SUPPLIES	15620	OFFICE DEPOT INC
599491	03/30/2023	\$7,017.80	CONTRACT SERVICES	3526	PATH
599492	03/30/2023	\$599.00	CONTRACT SERVICES	3055	CHARLES R ONEAL
599493	03/30/2023	\$213.35	UNIFORM EXPENSE	56260	PRUDENTIAL OVERALL SUPPLY



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599494	03/30/2023	\$275.00	CONTRACT SERVICES	42750	PSYCHOLOGICAL CONSULTING ASSOC., INC.
599495	03/30/2023	\$3,440.87	UTILITY SERVICES	14730	SAN GABRIEL VALLEY WATER CO
599496	03/30/2023	\$8,000.00	CONTRACT SERVICES	3583	SHOCKWAVE ELECTRIC INC
599497	03/30/2023	\$33,701.09	UTILITY SERVICES	45630	SOUTHERN CALIFORNIA EDISON
599498	03/30/2023	\$781.19	UTILITY SERVICES	40520	SOUTHERN CALIFORNIA GAS CO
599499	03/30/2023	\$858.39	FRINGE BENEFITS	1990	STANDARD INSURANCE COMPANY
599500	03/30/2023	\$810.55	CONTRACT SERVICES	3397	STERICYCLE INC
599501	03/30/2023	\$5,882.00	CONTRACT SERVICES	170	SUPERIOR PAVEMENT MARKINGS INC
599502	03/30/2023	\$8,345.16	UTILITY SERVICES	526	T-MOBILE USA INC
599503	03/30/2023	\$49,276.20	CONTRACT SERVICES	3850	VARIABLE SPEED SOLUTIONS, INC.
599504	03/30/2023	\$469.72	UTILITY SERVICES	23610	VERIZON WIRELESS
599505	03/30/2023	\$3,270.40	OTHER GROUP INSURANCE PAYABLE	58990	VISION SERVICE PLAN
CHECK TOTAL		\$2,572,057.03			
Successor Agency SA					
13	03/16/2023	\$864.90	CONTRACT SERVICES	16120	ALVAREZ-GLASMAN & COLVIN
SA ACH TOTAL		\$864.90			
1501	03/16/2023	\$2,255.00	CONTRACT SERVICES	15180	STEARNS CONRAD AND SCHMIDT CONSULTING ENG
SA CHECK TOTAL		\$2,255.00			
GRAND TOTAL		\$8,086,380.17			



ITEM # 21

**APPROVAL OF MINUTES: JANUARY 30, 2023 SPECIAL CITY COUNCIL MEETING
AND FEBRUARY 2, 2023 SPECIAL CITY COUNCIL MEETING**



**CITY OF MONTEBELLO
SPECIAL CITY COUNCIL MEETING AGENDA**

MINUTES

MONDAY, JANUARY 30, 2023 AT 6:00 PM

**CITY HALL COUNCIL CHAMBERS
1600 WEST BEVERLY BOULEVARD
MONTEBELLO, CALIFORNIA**

OPENING CEREMONIES

CALL TO ORDER

Mayor Torres called the meeting to order at 6:04 p.m.

ROLL CALL

Members present were Mayor Pro Tem Peralta, Councilmember Melendez, Councilmember Tamayo, and Mayor Torres and two at-large seats remain vacant. Councilmember Jimenez arrived at 6:26 p.m. City Clerk Jimenez was also present. City Treasurer Matanga arrived at 6:09 p.m.

City Attorney Arnold Alvarez-Glasman, Assistant City Manager Arlene Salazar, Senior Deputy City Clerk Alicia Fernandez, Deputy City Clerk Kimberly Guillen, and all Department Directors were present.

PUBLIC COMMENTS ON AGENDA ITEMS ONLY (30 MINUTES)

At this time, the general public may **only** address the City Council during this Special Meeting on items which have been described in the notice of this Special meeting in accordance with Government Code Section 54954.3(a). Please be aware that the maximum time allotted for members of the public to speak on shall not exceed three (3) minutes per person. State Law prohibits the City Council from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

The City Clerk's Office acknowledged five (5) speaker cards and one (1) written public comment(s) submitted to the City's public comment email address. Said speaker cards and comments are on file at the City Clerk's office.

REGULAR SESSION – IMMEDIATELY FOLLOWING CLOSED SESSION

CORRECTIONS TO THE AGENDA CITY MANAGER

None.

STAFF COMMUNICATIONS ON ITEMS OF COMMUNITY INTEREST

None.

Mayor Torres proceeded with the Consent Calendar and moved the Closed Session to the end.

CONSENT CALENDAR

All matters listed under the Consent Calendar are considered to be routine. Any items a Councilmember wishes to discuss should be designated at this time. All other items may be approved in a single motion. Such approval will also waive the reading of any ordinance.

Mayor Torres pulled Item No. 5. Mayor Pro Tem Peralta motioned, seconded by Councilmember Melendez, that Item No's. 4 and 6, be approved; the motion passed unanimously; Councilmember Jimenez was absent.

4. **ADOPT RESOLUTION NO. 23-06 FOR THE PERMANENT LOCAL HOUSING ALLOCATION (PLHA) PROGRAM FORMULA FUNDING PLAN**

RECOMMENDATION: It is recommended that the City Council:

1. Adopt Resolution No. 23-06 for the Permanent Local Housing Allocation (PLHA) Program Formula Funding Plan to collect the City's \$1,900,548 five-year allocation; and
2. Take such additional, related action that may be desirable.

Motioned by Mayor Pro Tem Peralta, seconded by Councilmember Melendez; the motion was approved unanimously; Councilmember Jimenez was absent.

5. **AUTHORIZATION TO ISSUE A REQUEST FOR PROPOSALS (RFP NO. 23-7) FOR CHARTER BUS SERVICES**

RECOMMENDATION: It is recommended that the City Council:

1. Authorize staff to issue a Request for Proposals (RFP No. 23-7) for charter bus services for the Recreation and Community Services Department; and
2. Take such additional, related action that may be desirable.

Mayor Torres requested an amendment to the Request for Proposals to change or remove the provision that the vendor has the ability to designate any material confidential. The recommended language is that the City Attorney has the ability to designate material that is confidential. He believes that the provision limits the public's ability to view the full proposal.

Mayor Torres motioned, seconded by Mayor Pro Tem Peralta, that the item be approved with recommendations. The motion passed unanimously; Councilmember Jimenez was absent.

6. **PAYMENT OF BILLS: ADOPT RESOLUTION NO. 23-05 APPROVING THE CITY WARRANT REGISTER OF DEMANDS DATED JANUARY 25,2023.**

RECOMMENDATION: It is recommended that the City Council:

1. Adopt Resolution No. 23-05 approving the Warrant Register dated January 25,2023.

Motioned by Mayor Pro Tem Peralta, seconded by Councilmember Melendez; the motion was approved unanimously; Councilmember Jimenez was absent.

CLOSED SESSION - 6:00 P.M.

The City Attorney shall provide a briefing on the items listed for Closed Session as follows:

Mayor Torres recessed the meeting into Closed Session at 6:20 p.m. to consider the following Closed Session items:

1. **CONFERENCE WITH LABOR NEGOTIATORS**

Government Code Section 54957.6

Agency Negotiators: Arlene Salazar, Nicholas Razo

Employee Groups: SMART-TD

2. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Government Section Code 54956.9 (d)(1)
Neighborhood Elections Now, et al. v. City of Montebello
Los Angeles Superior Court Case No. 23STCV01567

3. PUBLIC EMPLOYEE PERFORMANCE EVALUATION

Government Code Section 54957 (b)(1)
Title: City Manager

CLOSED SESSION REPORT

Mayor Torres reconvened the meeting at 6:20 p.m.

All five members were present to discuss all Closed Session items. City Attorney Arnold Alvarez-Glasman provided the following report to City Council: a briefing was provided on Item No. 1, no action taken and nothing to report; City Council briefly discussed Item No. 2, no action taken and nothing to report; and City Council briefly discussed Item No. 3 but no action was taken; nothing further to report.

ADJOURNMENT

The City of Montebello will adjourn to the next **Regular Meeting on February 8, 2023, at 5:00 p.m.** which can be live streamed at <https://www.montebelloca.gov> (Click on Live Stream).

Date and Posted: January 26, 2023, at 5:30 p.m.

I, Alicia Fernandez, Sr. Deputy City Clerk for the City of Montebello hereby certify that a copy of this agenda has been posted on or before **Sunday, January 29, 2023, at 6:00 p.m.**



Alicia Fernandez, Sr. Deputy City Clerk

Mayor Pro Tem Peralta motioned, seconded by Councilmember Jimenez to adjourn the meeting at 8:46 p.m.

THE MINUTES OF JANUARY 30, 2023, ARE HEREBY APPROVED AND ADOPTED ON THIS 10TH DAY OF APRIL 2023.

To the City Council of Montebello.

We, the concerned citizens, people, public, residents, tax payers & voters trust that you, as our representatives, will do what we request and require: as soon as possible do what is necessary to keep most of the Golf Course as GREEN OPEN SPACE. This will promote public health, help fill the need for more parks and be a place for outdoor recreation which will provide contact with nature and relief from urbanization, enhance the quality of life and retention of property values of those who live near it, make the city more attractive and preserve an historically significant site in compliance with the stipulation made in the deed by the family which donated the land to the city for use in perpetuity as a PUBLIC GOLF COURSE.

We are eager, willing and able to work with you to achieve these goals as soon as possible!

Respectfully submitted,

Name--- Alexandra Briseno
Address--- 847 N. Vail Ave Montebello, Ca 90640

Date --- 25 June 2023

Phone #--- 323 819 9044 email alexandrabriseno68@gmail.com

Name--- Ramiro Sandoval
Address--- 1245 So Bluff Rd Montebello Ca 90640

Date -- 25 June 2023

Phone #--- 323 7724-4840 email-- ramiro.sandoval37@hotmail.com

Name--- Patricia Salazar
Address--- 505 Allis Drive, Montebello, CA

Date - 25 June 2023

Phone #--- Email-- patricia.pds@yahoo.com

Name--- Arlene Andrade
Address--- 901 S. Bluff Rd. Montebello CA 90640

Date - 01/25/2023

Phone #--- 323 810 8125 email--

Name--- Lili Gregor
Address--- 1001 Hibiscus St.

Date-- 1/25/23 Montebello 90640

Phone #--- Email--



SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment:

Closed Session ☐

Non-Agenda Item ☐

AGENDA ITEM NO. _____

Meeting Date: _____

Time Received: _____

Date Received: _____

SPEAKER'S FULL NAME:

Will Cervera

PHONE: _____
(Optional)

ADDRESS: _____
(Optional)

ORGANIZATION REPRESENTED: None

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** closed session

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ Language: _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐



SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment:

Closed Session ☒

Non-Agenda Item ☐

AGENDA ITEM NO. 2

Meeting Date: 1/30

Time Received: 5:31 pm

Date Received: 1/30

SPEAKER'S FULL NAME:

Kimberly Cobos-Cawthorne

PHONE: —

(Optional)

ADDRESS:

ON FILE

(Optional)

ORGANIZATION REPRESENTED: _____

Opposed ☐

In Support ☐

Neutral ☐

TOPIC: _____

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed:

No ☐

Yes ☐

Language: _____

Received by Staff CS

Received Via: Email ☐

Phone ☐

In Person ☒

CITY OF MONTEBELLO

Request No. 63



SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment:

Closed Session ☒

Non-Agenda Item ☐

AGENDA ITEM NO. 243

Meeting Date: _____

Time Received: _____

Date Received: _____

SPEAKER'S FULL NAME:

Frank Hickles

PHONE: _____

(Optional)

ADDRESS: _____

ORGANIZATION REPRESENTED:

MATCH 90640 (Optional)

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** _____

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ Language: _____

Received by Staff CT

Received Via: Email ☐

Phone ☐

In Person ☒

1/30/2024

Good evening

Linda Nicklas address, on file, I am directing this question to the City Attorney. Would you tell me where on last meeting's agenda James and Kimberly Cawthorne, Anna Jurado and myself were listed? You allowed two vicious emails to use the Council meeting as their platform to attack residents. I know you read and allowed those to be read, yet the man that complained about Torres stalking him you did not read.

The current legal troubles the city is facing could have been avoided had you given the legal advice your Million-dollar contract pays your law firm to provide. Ironical Torres always went around saying if he had the three votes, he would Fire you. But I can bet a deal was made you cover everything illegal he's causing, and you keep your contract. Such as putting on the Agenda the City Manager's evaluation, when he is on Workers Compensation, which is a violation of his rights. That is a waste of time you had the Deputy City Clerk spend time doing for nothing, other than Torres' fat ego.

I am not a coward like the two phonies that wrote those emails, when I wanted to voice my opinions, I come up and speak in person. At the last meeting four speakers were allowed to voice their opinions, yet both Torres and City Attorney stopped us, denying our First Amendment rights given to other speakers.

Thanks to you Torres, residents are so disgusted by your disrespect, I've had residents calling to join

Montebello Activist to Clean House 90640.

Yes, MATCH90640 is back, and we've contacted the ACLU and other agencies for assistance in correcting the illegal denial of our first Amendment rights and attacks towards residents, by this Council of 3. Videos don't lie and links have been sent and let me tell you people were appalled this is being allowed at City Council meetings.

This is the fifth week in a row you've called for meeting and next week is city council meeting again proving your inconsideration for staff and residents.

In closing remember Al Copone did not go to prison because of being a mobster he went because he didn't pay his taxes, Follow the money.

4

CITY OF MONTEBELLO

Request No.



SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment:

Closed Session ☒

Non-Agenda Item ☐

AGENDA ITEM NO. _____

Meeting Date:

1/30/23

Time Received: _____

Date Received: _____

SPEAKER'S FULL NAME:

Manuel Franco

PHONE:

213 716 3059
(Optional)

ADDRESS:

120 Balanda Drive

(Optional)

ORGANIZATION REPRESENTED:

Personal

Opposed ☐

In Support ☐

Neutral ☐

TOPIC: _____

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed:

No ☒

Yes ☐

Language: _____

Received by Staff _____

Received Via:

Email ☐

Phone ☐

In Person ☐



SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment:Closed Session ☒Non-Agenda Item ☐**AGENDA ITEM NO.** _____**Meeting Date:** 1-30-2023**Time Received:** 6:07**Date Received:** _____**SPEAKER'S FULL NAME:** Edward Francis**PHONE:** _____

(Optional)

ADDRESS: _____

(Optional)

ORGANIZATION REPRESENTED: _____Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** _____**NOTES:** _____**ACCOMMODATIONS:** _____**Translation Needed:** No ☐ Yes ☐ Language: _____**Received by Staff** _____ **Received Via:** Email ☐ Phone ☐ In Person ☒



CITY OF MONTEBELLO SPECIAL CITY COUNCIL MEETING AGENDA

MINUTES

THURSDAY, FEBRUARY 2, 2023 AT 6:00 PM

**CITY HALL COUNCIL CHAMBERS
1600 WEST BEVERLY BOULEVARD
MONTEBELLO, CALIFORNIA**

**TELECONFERENCE LOCATION FOR COUNCILMEMBER MELENDEZ:
HILTON SANTA BARBARA BEACHFRONT RESORT
LOBBY AREA
633 E. CABRILLO BOULEVARD
SANTA BARBARA, CA 93103**

OPENING CEREMONIES

CALL TO ORDER

Mayor Torres called the meeting to order at 6:01 p.m.

ROLL CALL

Members present were Mayor Torres, Mayor Pro Tem Peralta, and Councilmember Tamayo; Councilmember Melendez joined the meeting via teleconference and was not within the City boundaries. At this time, the two at-large seats remained vacant; Councilmember Jimenez and City Treasurer Matanga were absent. City Clerk Jimenez was also present for this meeting. Prior to the start of the meeting, the Senior Deputy City Clerk asked for clarification on whether holding the meeting would be a violation of the Brown Act as Government Code 54953 states that the majority of the Council has to participate in person within the City boundaries. City Attorney Alvarez-Glasman stated that three members constitute a quorum.

City Attorney Arnold Alvarez-Glasman, Assistant City Manager Arlene Salazar, Senior Deputy City Clerk Alicia Fernandez, Deputy City Clerk Kimberly Guillen were present.

PUBLIC COMMENTS ON AGENDA ITEMS ONLY (30 MINUTES)

At this time, the general public may ***only*** address the City Council during this Special Meeting on items which have been described in the notice of this Special meeting in accordance with Government Code Section 54954.3(a). Please be aware that the maximum time allotted for members of the public to speak on shall not exceed three (3) minutes per person. State Law prohibits the City Council from taking action or entertaining extended discussion on a topic not listed on the agenda. Please show courtesy to others and direct all of your comments to the Mayor.

The City Clerk's Office acknowledged four (4) members of the public wishing to address the City Council. Speakers were provided three minutes to address the City Council and said speaker cards are on file at the City Clerk's office.

The City Clerk's Office acknowledged two (2) written public comments submitted to the City's public comment email address; said comments are on file at the City Clerk's office.

REGULAR SESSION

REGULAR BUSINESS

- 1. INTRODUCTION AND FIRST READING AND WAIVE FULL READING OF AN ORDINANCE AMENDING SECTION 2.08.050 OF THE MONTEBELLO MUNICIPAL CODE TO REPEAL THE PROVISION ESTABLISHING A TEMPORARY SEVEN MEMBER CITY COUNCIL TO CAUSE THE CITY COUNCIL TO REMAIN A FIVE MEMBER BODY**

RECOMMENDATION: It is recommended that the City Council introduce and conduct a first reading and waive full reading of an Ordinance repealing that portion of the Montebello Municipal Code section 2.08.050(G) that established a temporary 7-member City Council to cause the City Council to remain a 5-member body.

Mayor Torres explained why he called the special meeting.

Councilmember Tamayo motioned to approve the item, seconded by Mayor Pro Tem Peralta; the motion was approved unanimously by four councilmembers present.

ADJOURNMENT

The City of Montebello will adjourn to the next **Regular Meeting on February 8, 2023, at 5:00 p.m.** which can be live-streamed at <https://www.montebellocal.gov> (Click on Live Stream).

Date and Posted: February 1, 2023, at 5:00 p.m.

I, Alicia Fernandez, Sr. Deputy City Clerk for the City of Montebello hereby certify that a copy of this agenda has been posted on or before **Sunday, February 1, 2023, at 5:00 p.m.**



Alicia Fernandez, Sr. Deputy City Clerk

Mayor Pro Tem Peralta motioned, seconded by Councilmember Tamayo to adjourn the meeting at 6:24 p.m.

THE MINUTES OF FEBRUARY 2, 2023 ARE HEREBY APPROVED AND ADOPTED ON THIS 10TH DAY OF APRIL 2023.

2/2/23 PUBLIC COMMENTS

Rodarte, Alejandro

From: Miguel Bautista <mb0435034@gmail.com>
Sent: Thursday, February 2, 2023 3:13 PM
To: Comment, ccpublic; Jimenez, Christopher
Subject: [External Email] Special meeting

Hello Council;

I do not understand what the emergency of a Special second meeting is in one week. Could this issue not wait 6 days? Or is it because of the people behind the scenes that gave money to you Mayor Torres and Pro Tem Peralta for Pot dispensaries? You are by far the worst Mayor in our city's history and people are already asking when can they do a Recall against you.

Once those employee lawsuits are filed my bet is the crooked Attorney Glassman will want to settle out of court so it doesn't go public. Your attack and mistreatment of employees are a disgrace, and those morons supporting will realize you're a phony.

Go ahead and email me to meet, I would love to tell you this to your face, unfortunately, many of us residents have jobs, unlike you to be there in person.

Sincerely,
Miguel Bautista

PLEASE DO NOT CLICK ON UNKNOWN LINKS. Contact Montebello IT Division if you are unsure.

VIA EMAIL

February 2, 2023

David Torres - Mayor
Scarlet Peralta – Mayor Pro Tem
Angie Jimenez – City Council Member
Salavador Melendez – City Council Member
Georgina Tamayo – City Council Member
Christopher Jimenez – City Clerk
Arnold Alvarez-Glassman – City Attorney
City of Montebello

Re: Quorum Necessary to Fill Perceived Council Vacancies

I was asked by some of you to address whether, assuming the Montebello City Council has seven seats, three members of the Montebello council can appoint two new members to vacancies outside the presence of the other two current members. **The simple answer is no. A quorum is required to appoint councilmembers to fill vacancies in nearly all circumstances, just as it is required to take nearly any action, and a quorum of a seven-seat council is four members.**

The decision in *Price v. Tennant Community Services District* (1987) 194 Cal.App.3d 493 is directly on point. In *Price*, the court considered whether a quorum (in that case three members of a five-seat board) was required to appoint new members to fill vacancies. The court determined that a quorum was required, and thus reversed the decision of the trial court.

As explained in *Price*, a quorum is a majority of the total size of a board. In order for there to be any vacancies at all on the Montebello City Council, there must be at least seven seats on the council (a point that is itself dubious). If there are seven seats, a quorum is at least four members. Without four members, non-ministerial acts cannot be performed by a seven-member city council. Of course, if the Montebello council is five seats, then there is no need or ability to appoint anyone because there are no vacancies.

While a creative advocate – not an evenhanded judge – looking to justify

appointments by less than a quorum of a city council, might point to *Nesbitt v. Boltz* (1939) 13 Cal.2d 677, that case does not support that position. As the court in *Price* explained, the *Nesbitt* decision addressed a very narrow unique situation – the peculiar statutory scheme of recall elections that existed at that time (but has since been replaced). Where, unlike in *Nesbitt*, the Government Code (or another statute) requires a quorum for action by a governing board, the *Nesbitt* decision is inapplicable. The Government Code requires a quorum for city council action, just like it required a quorum for a community services district to take action in *Price*. (See Gov't Code 36810).

Attempting to act without a quorum of four members present, would only serve to invite costly and inevitable litigation.

I hope this is helpful in aiding you to navigate the uncertainty created by a poorly crafted ordinance. If I can be of further assistance, or you would like to discuss this matter, please feel free to call me at 310-457-0970.

Very truly yours,

Kevin Shenkman

Kevin I. Shenkman



SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment:

Closed Session ☐

Non-Agenda Item ☐

AGENDA ITEM NO. 1

Meeting Date: _____

Time Received: _____

Date Received: _____

SPEAKER'S FULL NAME: Will Cervera

PHONE: _____
(Optional)

ADDRESS: _____
(Optional)

ORGANIZATION REPRESENTED: _____

Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** _____

NOTES: _____

ACCOMMODATIONS: _____

Translation Needed: No ☐ Yes ☐ **Language:** _____

Received by Staff _____ **Received Via:** Email ☐ Phone ☐ In Person ☐



SPEAKER CARD

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Type of Comment:Closed Session ☐Non-Agenda Item ☐**AGENDA ITEM NO.** _____**Meeting Date:** _____**Time Received:** _____**Date Received:** _____**SPEAKER'S FULL NAME:**Anda Morales**PHONE:** _____

(Optional)

ADDRESS:MATCH 90640

(Optional)

ORGANIZATION REPRESENTED: _____Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** _____**NOTES:** _____**ACCOMMODATIONS:** _____**Translation Needed:** No ☐ Yes ☐ Language: _____**Received by Staff** _____ **Received Via:** Email ☐ Phone ☐ In Person ☐



SPEAKER CARD

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Type of Comment:Closed Session ☐Non-Agenda Item ☐**AGENDA ITEM NO.** _____**Meeting Date:**1/2/23**Time Received:****Date Received:****SPEAKER'S FULL NAME:**Tila Gregorian**PHONE:**

(Optional)

ADDRESS:on file

(Optional)

ORGANIZATION REPRESENTED:Opposed ☐ In Support ☐ Neutral ☐ **TOPIC:** _____**NOTES:****ACCOMMODATIONS:**Translation Needed: No ☐ Yes ☐ Language: _____**Received by Staff** _____**Received Via:** Email ☐ Phone ☐ In Person ☐



SPEAKER CARD

Please Note: Address and phone number are optional and not required to speak.

Public Comment/Speaker Card must be submitted to City Clerk's Office prior to 5:00 p.m. for live meetings or in accordance with Assembly Bill 361 for video/audio meetings.

Type of Comment:Closed Session ☐Non-Agenda Item ☐**AGENDA ITEM NO.** _____**Meeting Date:**2/2/23**Time Received:**5:58**Date Received:**2/2/23**SPEAKER'S FULL NAME:**Scott Roberts**PHONE:** _____

(Optional)

ADDRESS: _____

(Optional)

ORGANIZATION REPRESENTED: _____Opposed ☐In Support ☐Neutral ☐**TOPIC:** _____**NOTES:** _____**ACCOMMODATIONS:** _____**Translation Needed:**No ☐Yes ☐

Language: _____

Received by Staff _____**Received Via:** Email ☐Phone ☐In Person ☐



City Council Forecasted Agenda Calendar - April

APRIL 26TH

Item #	Description	Session	Department	Presenter
	HUD Annual Action Plan	Public Hearing	Planning	Joseph Palombi
	Police Management Association Labor Agreement	Regular Business	HR	Nick R.
	Dog Park Proposal/Direction	Consent	Public Works	James Enriquez
	Award Agreement No. XXXX for Charter Bus Services	Consent	Parks & Rec	David Sosnowski
	Special Needs Programs/Direction	Consent	Parks & Rec	David Sosnowski
	Request City Council to approve a resolution against the Taxpayer Protection and Government Accountability Act (AG-210042A1)	Consent	Finance	Michael Solorza
	Zen City Renewal	Consent	Public Affairs	Michael Chee
	Local Hazard Mitigation Plan RFP Proposal	Consent	Fire	Chief Pelaez/Angelica Palmeros
	Minutes	Consent	Administration	ACM Salazar
	Reso No. ____ Warrant Register	Consent	Finance	Michael Solorza