# CITY COUNCIL OF MONTEREY PARK
# THE CITY COUNCIL ACTING ON BEHALF OF THE SUCCESSOR AGENCY OF THE FORMER REDEVELOPMENT AGENCY, THE HOUSING AUTHORITY, THE MONTEREY PARK FINANCING AUTHORITY AND THE MONTEREY PARK GEOLOGIC HAZARD ABATEMENT DISTRICT
# AGENDA

## REGULAR CITY COUNCIL MEETING

**MONTEREY PARK CITY HALL COUNCIL CHAMBERS**
**320 W. NEWMARK AVENUE, MONTEREY PARK, CA 91754**

**Wednesday**
**May 3, 2023**
**6:30 p.m.**

**MISSION STATEMENT**
The mission of the City of Monterey Park is to provide excellent services to enhance the quality of life for our entire community.

## GENERAL INFORMATION

Documents related to an Agenda item are available to the public in the City Clerk's Office located at 320 West Newmark Avenue, Monterey Park, CA 91754, during normal business hours and the City's website at http://www.montereypark.ca.gov/AgendaCenter/City-Council-17.

The public may watch the meeting live on the city's cable channel MPKTV (AT&T U-verse, channel 99 or Charter Communications, channel 182) or by visiting the city's website at http://www.montereypark.ca.gov/133/City-Council-Meeting-Videos.

## PUBLIC PARTICIPATION

You may speak up to 5 minutes on Agenda item. You may combine up to 2 minutes of time with another person's speaking. No person may speak more than a total of 10 minutes. The Mayor and City Council may change the amount of time allowed for speakers. Written Communication will be accepted up to 24 hours before the meeting via email to mpclerk@montereypark.ca.gov.

Per the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please call City Hall at (626) 307-1359 for reasonable accommodation at least 24 hours before a meeting. Council Chambers are wheelchair accessible.

| | |
|---|---|
| **CALL TO ORDER** | **Mayor** |
| **FLAG SALUTE** | **The Monterey Park Fire Explorers** |
| **ROLL CALL** | **Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Yvonne Yiu** |

**AGENDA ADDITIONS, DELETIONS, CHANGES AND ADOPTIONS**

## PUBLIC COMMUNICATIONS:

While all comments are welcome, the Brown Act does not allow the City Council to take action on any item not on the agenda. The Council may briefly respond to comments after Public Communications is closed. Persons may, in addition to any other matter within the City Council's subject-matter jurisdiction, comment on Agenda Items at this time. If you provide public comment on a specific Agenda item at this time, however, you cannot later provide comments at the time the Agenda Item is considered.

## STAFF COMMUNICATIONS:

- Library Services
- Police Department
- Recreation and Community Services

## [1.] PRESENTATION

### 1-A. MONTEREY PARK COMMUNITY HEALING FUND UPDATE

## [2.] OLD BUSINESS – None.

## [3.] CONSENT CALENDAR ITEM NOS. 3A-3K

All items under the Consent Calendar are considered by the City Council to be routine and will be enacted by one motion. Specific items may be removed from the Consent Calendar at the request of any member of the City Council for separate consideration.

### 3-A. MINUTES

It is recommended that the City Council consider:

(1) Approving the minutes from the special and regular meetings of April 5, 2023, special meetings of April 8, 2023 and April 10, 2023; and

(2) Taking such additional, related, action that may be desirable.

### 3-B. 2021-2022 ANNUAL COMPREHENSIVE FINANCIAL REPORT

It is recommended that the City Council consider:

(1) Receiving and filing the City's 2021-2022 Annual Comprehensive Financial Report (ACFR); and

(2) Taking such additional, related, action that may be desirable.

### 3-C. AUTHORIZING THE MAYOR TO SIGN A LETTER ON BEHALF OF THE CITY SUPPORTING ASSEMBLY BILLS 1406 (MCCARTY) AND 1420 (BERMAN)

It is recommended that the City Council consider:

(1) Authorizing the Mayor to sign a letter on the City's behalf supporting Assembly Bill (AB) 1406 (McCarty) and AB 1420 (Berman); and

(2) Taking such additional, related, action that may be desirable.

## 3-D. LAND ACKNOWLEDGMENT STATEMENT

It is recommended that the City Council consider:

(1) Approving and adopting a Land Acknowledgment statement; and

(2) Taking such additional, related, action that may be desirable.

## 3-E. NATIONAL CORRECTIONAL OFFICERS WEEK RESOLUTION

It is recommended that the City Council consider:

(1) Adopting a Resolution declaring the week of May 7-13, 2023, to be National Correctional Officers Week in the City of Monterey Park; and

(2) Taking such additional, related, action that may be desirable.

## 3-F. NATIONAL POLICE WEEK RESOLUTION

It is recommended that the City Council consider:

(1) Adopting a Resolution declaring the week of May 15-21, 2023, to be National Police Week in the City of Monterey Park; and

(2) Taking such additional, related, action that may be desirable.

## 3-G. PUBLIC WORKS WEEK AND LOGO RESOLUTION

It is recommended that the City Council consider:

(1) Adopting a Resolution declaring the week of May 21 through 27, 2023 as Public Works Week in Monterey Park;

(2) Adopting a Resolution adopting a Public Works logo to be used by the Public Works Department for official purposes; and

(3) Taking such additional, related, action that may be desirable.

## 3-H. TREE MEMORIAL PROGRAM RECOMMENDATION FOR FRED SORNOSO

It is recommended that the City Council consider:

(1) Authorizing the City Manager to take actions needed to honor former Mayor Pro Tem Fred Sornoso with a memorial tree; and

(2) Taking such additional, related, action that may be desirable.

## 3-I. WAIVE FURTHER READING AND ADOPT AN ORDINANCE AMENDING TITLE 13, CHAPTER 12 OF THE MONTEREY PARK MUNICIPAL CODE ("MPMC") IN ITS ENTIRETY TO REGULATE ENCROACHMENTS WITHIN THE PUBLIC RIGHT-OF-WAY

It is recommended that the City Council consider:

(1) Waiving the second reading and adopting the proposed ordinance; and

(2) Taking such additional, related, action that may be desirable.

## 3-J. CALIFORNIA ENERGY COMMISSION *CALIFORNIA AUTOMATED PERMIT PROCESSING* (CALAPP) PROGRAM GRANT

It is recommended that the City Council consider:

(1) Adopting a resolution retroactively authorizing the City Manager, or designee, to apply for, receive, and appropriate grant funds for the California Energy Commission's *California Automated Permit Processing* (CalAPP) Program Grant; and

(2) Taking such additional, related, action that may be desirable.

## 3-K. HSIP CYCLE 9 GARFIELD AVENUE TRAFFIC SIGNAL IMPROVEMENTS PROJECT – AWARD OF CONTRACT

It is recommended that the City Council consider:

(1) Authorizing the City Manager to execute a public works contract, in a form approved by the City Attorney, with PTM General Engineering Services, Inc. of Riverside in the contract amount of $428,028 for the HSIP Cycle 9 Garfield Avenue Traffic Signal Improvements, Specification No. 2022-016;

(2) Authorizing the Director of Public Works to approve change orders and contingency up to $37,572, or 9% of the contract amount; and

(3) Taking such additional, related, action that may be desirable.

CEQA (California Environmental Quality Act):

The proposed project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations §15301 as a Class 1 categorical exemption (Existing Facilities). The project results in minor alterations to existing public facilities involving no significant expansion of the existing use. The Project is not anticipated to have any significant impacts with regards to traffic, noise, air quality or water quality.

## [4.] PUBLIC HEARING – None.

## [5.] NEW BUSINESS

## 5-A. REAPPOINTMENT TO THE LIBRARY BOARD OF TRUSTEES

It is recommended that the City Council consider:

(1) Whether to reappoint one incumbent Library Board Trustee for a second term;

(2) Taking such additional, related, action that may be desirable.

## [6.] CITY COMMUNICATIONS (CITY COUNCIL)

### 6-A. A RESOLUTION DECLARING MAY 6, 2023 THE DAY OF INCLUSION OF THE 141ST ANNIVERSARY OF THE PASSAGE OF THE CHINESE EXCLUSION ACT AND RECOGNIZING AND HONORING THE MONTH OF MAY 2023 AS ASIAN AMERICAN AND PACIFIC ISLANDER HERITAGE MONTH (REQUESTED BY COUNCIL MEMBER LO)

It is recommended that the City Council consider:

(1) Adopting a resolution declaring May 6, 2023 the Day of Inclusion of the 141st anniversary of the passage of the Chinese Exclusion Act and recognizing and honoring the month of May 2023 as Asian American and Pacific Islander Heritage Month; and

(2) Taking such additional, related, action that may be desirable.

### 6-B. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK DECLARING MAY 18, 2023 AS NATIONAL ASIAN AMERICAN AND PACIFIC ISLANDER DAY AGAINST BULLYING AND HATE (REQUESTED BY MAYOR PRO TEM WONG)

It is recommended that the City Council consider:

(1) Adopting a resolution declaring May 18, 2023 as National Asian American and Pacific Islander Day Against Bullying and Hate; and

(2) Taking such additional, related, action that may be desirable.

## [7.] FUTURE AGENDA ITEMS

## [8.] CLOSED SESSION (IF REQUIRED; CITY ATTORNEY TO ANNOUNCE)

## ADJOURN

# City Council Staff Report

**DATE:** May 3, 2023
**AGENDA ITEM NO:** Consent Calendar - 3A

**TO:** The Honorable Mayor and City Council
**FROM:** Maychelle Yee, City Clerk
**SUBJECT:** Minutes

## RECOMMENDATION:

It is recommended that the City Council consider:

1. Approving the minutes from the special and regular meetings of April 5, 2023, special meetings of April 8, 2023 and April 10, 2023; and
2. Taking such additional, related, action that may be desirable.

## EXECUTIVE SUMMARY:
None.

## BACKGROUND:
None.

## FISCAL IMPACT:
None.

Respectfully submitted,

Maychelle Yee
City Clerk

Prepared by:

Helena Cho
Assistant Deputy City Clerk

Approved By:

Ron Bow
City Manager

## ATTACHMENT(S):
1. Draft Minutes

# ATTACHMENT 1
Draft Minutes

# MINUTES
# MONTEREY PARK CITY COUNCIL
# FINANCING AUTHORITY (MPFA)
# HOUSING AUTHORITY (MPHA)
# GEOLOGIC HAZARD ABATEMENT DISTRICT (GHAD)
# SUCCESSOR AGENCY (SA)
# SPECIAL MEETING
# APRIL 5, 2023

The City Council, the Financing Authority (MPFA), the Housing Authority (MPHA), the Geologic Hazard Abatement District (GHAD), and the Successor Agency (SA) of the City of Monterey Park held a Special Meeting of the Council in Room 266, Second Floor of City Hall located at 320 West Newmark Avenue in the City of Monterey Park, Tuesday, April 5, 2023 at 5:30 p.m.

**CALL TO ORDER:**
Mayor Sanchez called the meeting to order at 5:30 p.m.

**ROLL CALL:**
Mayor Sanchez called the roll:

| | |
|---|---|
| Council Members Present: | Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Yvonne Yiu |
| Council Members Absent: | None |

**ALSO PRESENT:** City Attorney Karl Berger, City Manager Ron Bow, Assistant City Manager Inez Alvarez, and Director of Finance Martha Garcia

**ORAL AND WRITTEN COMMUNICATIONS:** None.

**1. CLOSED SESSION**
The City Council adjourned to Closed Session at 5:30 p.m.

**2-A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS - GOVERNMENT CODE§ 54956.8: two items**

| | |
|---|---|
| Properties: | 601 Potrero Grande Drive, AIN 5265-025-058; and 2100 Saturn Street, AIN 5265-026-055 |
| City Negotiators: | Ron Bow, City Manager<br>Karl H. Berger, City Attorney<br>Inez Alvarez, Assistant City Manager<br>Martha Garcia, Management Services Director |

| | |
|---|---|
| Negotiating Party: | 601 Potrero Grande Drive - BHE 601 Potrero Grande LLC/ BH Properties, LLC<br>2100 Saturn Street - BHE 601 Potrero Grande LLC/ BH Properties, LLC |
| Under Negotiation: | Lease terms, purchase price, and terms of payment |

**1-B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS - GOVERNMENT CODE§ 54956.8: two items**

FACTS AND CIRCUMSTANCES: Occurrences relating to January 21, 2023 Mass Casualty Incident.

**RECONVENE & ADJOURNMENT**

The City Council reconvened from Closed Session with all Council Members present. The meeting was adjourned at 6:29 p.m.

**Action Taken:** No reportable action taken.

_____
Maychelle Yee
City Clerk

# MINUTES
# MONTEREY PARK CITY COUNCIL
# FINANCING AUTHORITY (MPFA)
# HOUSING AUTHORITY (MPHA)
# GEOLOGIC HAZARD ABATEMENT DISTRICT (GHAD)
# SUCCESSOR AGENCY (SA)
# REGULAR MEETING
# APRIL 5, 2023

The City Council, the Financing Authority (MPFA), the Housing Authority (MPHA), the Geologic Hazard Abatement District (GHAD), and the Successor Agency (SA) of the City of Monterey Park held a Regular Meeting of the Council in the Council Chamber, located at 320 West Newmark Avenue in the City of Monterey Park, Wednesday, April 5, 2023 at 6:30 p.m.

**CALL TO ORDER:**
Mayor Sanchez called the meeting to order at 6:35 p.m.

**FLAG SALUTE:**
The Monterey Park Fire Explorers

**ROLL CALL:**
City Clerk Maychelle Yee called the roll:

| | |
|---|---|
| Council Members Present: | Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Yvonne Yiu |
| Council Members Absent: | None |

**ALSO PRESENT:** City Attorney Karl Berger, City Manager Ron Bow, City Treasurer Amy Lee, Assistant City Manager Inez Alvarez, City Librarian Diana Garcia, Director of Public Works Shawn Igoe, Director of Finance Martha Garcia, Fire Chief Matthew Hallock, Director of Human Resources and Risk Management Christine Tomikawa, Interim Director of Community Development Jessica Serrano, Police Captain Gustavo Jimenez, Finance Manager Laura Borjon, Economic Development Manager Joseph Torres, Senior Planner Beth Chow, Principal Management Analyst Xochitl Tipan, Recreation Supervisor Orlando Muro, Assistant Deputy City Clerk Helena Cho

**VIRTUALLY PRESENT:** Housing Element Consultant Steve Sizemore

**AGENDA ADDITIONS, DELETIONS, CHANGES AND ADOPTIONS**
City Attorney Berger announced that there was a supplemental staff report for Agenda Item No. 3G provided to the City Council and public.

## PUBLIC COMMUNICATIONS

- Justin Birrell, Daniel Park, and Justin Chang, Monterey Park Fire Fighters, spoke about the Fire Fighter's Association, Local 1014's recent BBQ fundraising event held on March 25th at Barnes Park. The event was held to raise money for the Monterey Park Community Healing Fund and raised a total of $5,684.74. The Firefighters thanked the community and sponsors for a successful event. Firefighter Birrell invited the community to their Fire Service Day open house event on May 20th at Fire Station 61.

- Silvano Mendias, Southwest Mountain States Regional Council of Carpenters, Local 213, spoke about tax fraud and mentioned that on April 10th - 18th they will be joining the United Brotherhood of Carpenters in taking part in the National Tax Fraud Days of Action, a week-long series of events to raise awareness about construction industry tax fraud.

- Amy Lee gave her time to Maychelle Yee.

- Maychelle Yee, a resident, provided her viewpoint on the city's "My Commitment to a Healthy Work Environment" form.

## STAFF COMMUNICATIONS

- Recreation and Community Services: Recreation Supervisor Muro thanked everyone for a successful St. Patrick's Day event at Langley Senior Center, Electric Park event, and Easter Egg Hunt. He reminded the community of the upcoming Cherry Blossom event on April 15-16, 2023.

- Community Development: Interim Director of Community Development Serrano provided an update on the state approved Housing Element and new online Building Division services.

- Economic Development: Economic Development Manager Torres provided information on Southern California Edison (SCE) restaurant program.

- Library: City Librarian Garcia provided updates on the various events at the library: Play Days Read and Ride program, Free Legal Assistance Clinic, Drop-in Counseling & Services, PTSD Awareness Health Seminar, extension of the 2023 Volunteer Income Tax Assistance Clinic, Dia de los Ninos Day, and National Library Week.

- Public Works: Principal Management Analyst Tipan provided information on the new Passio GO App for live Spirit Bus information and the city's Annual Spring Cleaning Event on April 8th. Director of Public Works Igoe provided information on on-going projects and status update on the state's current drought conditions.

## 1. PRESENTATION

Matters listed under presentation are informational content and for discussion only.

### 1-A. SAN GABRIEL VALLEY REGIONAL HOUSING TRUST OVERVIEW

Brielle Salazar, Regional Housing Trust Manager provided a PowerPoint presentation on the history of the formation of the San Gabriel Valley Regional Housing Trust, accomplishments, and how to become a member.

By consensus, the City Council requested staff to bring back this item for Council consideration in possibly joining the San Gabriel Valley Regional Housing Trust.

### 1-B. CITY MANAGER UPDATE ON SB 710

City Manager Bow provided an overview on the status of Senate Bill (SB) 710. By consensus, the City Council directed the City Manager to draft letters in opposition to the bill.

## 2. OLD BUSINESS

### 2-A. SUPPORT FOR AB 28

On March 15, 2023, the City Council requested that support of AB 28 be placed on a future City Council agenda. Attached for reference is AB 28. The summary of AB 28 may be expressed in the entirety of its text: “It is the intent of the Legislature to enact legislation that would enact a tax to fund measures to protect against gun violence on firearms and ammunition purchased.” Unless otherwise directed, the City will add AB 28 to the list of gun-related legislation being endorsed by the City of Monterey Park.

**Discussion:** City Council requested staff to provide a progress report on legislative bills that the council has either voiced support and/or opposition towards. The City Council also requested that information regarding legislative bills be available via social media for the community.

**Action Taken:** The City Council received and filed this report and directed the City Manager and City Attorney to express the City Council’s support of AB 28 with the California Legislature.

**Motion:** Moved by Mayor Pro Tem Wong and seconded by Council Member Yiu, motion carried by the following vote:

| | | |
|---|---|---|
| Ayes: | Council Members: | Lo, Yiu, Ngo, Wong, Sanchez |
| Noes: | Council Members: | None |
| Absent: | Council Members: | None |
| Abstain: | Council Members: | None |

**2-B. EXTENDING A LOCAL EMERGENCY FOR THE GOODVIEWS ABATEMENT PROJECT ("GAP"); APPROVING COLOR SCHEME FOR RETAINING WALL**

On December 21, 2022, the City Council adopted Resolution No. 2022-R101 that extended the GAP local emergency until March 1, 2023; on March 1, 2023, the City Council – by minute order – further extended the GAP emergency until May 1, 2023.

Since March 1st, the City (and the State) continued to experience multiple "atmospheric river" storms that caused additional delay to completion of the GAP. The engineer's estimate for completion is now mid-May.

Part of the "wrap-up" for the GAP is selecting a color scheme for the retaining wall. The 1688 West Garvey Specific Plan – approved by the City Council in 2021 – allowed for three types of wall finishes (see attached Exhibit "A" to the staff report). The GAP utilized "Wall Finish Option 1" as part of the bid package. The question is whether the City Council prefers the stained look or the unstained look.

**Discussion:** City Attorney Berger provided a PowerPoint presentation on the status of the GAP project and requested the City Council to select the color scheme of the retaining wall.

**Action Taken:** The City Council extended the local emergency for the GAP pursuant to Section 3 of Resolution No. 2022-R101 (adopted December 21, 2022) to June 1, 2023 and selected a color scheme of unstained look for the new retaining wall constructed as part of the GAP.

**Motion:** Moved by Mayor Pro Tem Wong and seconded by Council Member Ngo, motion carried by the following vote:

| | | |
|---|---|---|
| Ayes: | Council Members: | Lo, Yiu, Ngo, Wong, Sanchez |
| Noes: | Council Members: | None |
| Absent: | Council Members: | None |
| Abstain: | Council Members: | None |

**3. <u>CONSENT CALENDAR ITEMS NOS. 3A-3K</u>**

All items under the Consent Calendar are considered by the City Council to be routine and will be enacted by one motion. Specific items may be removed from the Consent Calendar at the request of any member of the City Council for separate consideration.

**Action Taken:** The City Council approved and adopted Agenda Item Nos. 3A, 3B, 3C, 3F, 3H, 3J, and 3K on consent calendar, excluding item No. 3D, 3E, 3G and 3I which were pulled for discussion, separate motion, reading resolutions and ordinances by the title only and waiving further reading thereof.

**Motion:** Moved by Council Member Ngo and seconded by Mayor Pro Tem Wong, motion carried by the following vote:

| | | |
|---|---|---|
| Ayes: | Council Members: | Lo, Yiu, Ngo, Wong, Sanchez |
| Noes: | Council Members: | None |
| Absent: | Council Members: | None |
| Abstain: | Council Members: | None |

## 3-A. MINUTES

Approving the minutes from the special and regular meetings of March 1, 2023, the special meeting of March 8, 2023, and the regular meeting of March 15, 2023.

**Action Taken:** The City Council approved the minutes from the special and regular meetings of March 1, 2023, the special meeting of March 8, 2023, and the regular meeting of March 15, 2023 on Consent Calendar.

## 3-B. REPORT ON LOCAL EMERGENCIES PURSUANT TO GOVERNMENT CODE § 8630; RATIFICATION OF ACTIONS TAKEN BY THE DIRECTOR OF EMERGENCY SERVICES; EXTENSION OF WINTER STORMS AND LOCAL SHOOTING EMERGENCIES

On January 8, 2023 (as ratified by Resolution No. 2023-R5, adopted January 18, 2023) and, separately, on January 31, 2023 (Resolution No. 2023-R7), the City declared local emergencies. The first local emergency was in response to the 2023 Winter Storms that continue to stretch the City's resources; the second was in response to the Mass Casualty Incident resulting in the death of 11 people on January 21, 2023 (collectively, the "2023 Emergencies").

The City Manager, acting in his capacity as the Emergency Services Director, undertook various actions to prioritize the use of public resources to manage the 2023 Emergencies. Among other things, public safety and public works personnel were mobilized in response to visits by the President and Vice-President of the United States; the Governor of California; and multiple, additional, dignitaries.

This report is submitted to the City Council in compliance with Government Code § 8630. It also requests that the City Council ratify several actions taken by the City Manager in accordance with his emergency powers under the 2023 Emergencies and that the 2023 Emergencies by extended to May 1, 2023.

**Action Taken:** The City Council received and filed the report pursuant to Government Code § 8630 and ratified certain actions taken by the Director of Emergency Services including, without limitation, extending the effective date for issuing building permits for the Rykadan 005, LLC project (aka "Celadon") pursuant to Development Agreement (DA-21-XX) on Consent Calendar.

**3-C. RENEWAL OF THE ASSESSMENT DISTRICT FOR FISCAL YEAR 2023-24 AND SCHEDULE A PUBLIC HEARING PURSUANT TO STREETS AND HIGHWAYS CODE §§ 22500, ET SEQ.**

In 1993 the City formed a citywide benefit assessment district to finance the operation and maintenance of public street lighting and landscaping. The district was renewed each of the past 30 years and must be renewed for 2023-24 in order for the City to continue collecting assessments. To begin the district renewal, staff recommends a public hearing be held on June 7, 2023. Scheduling the public hearing is a required process and it does not automatically renew the district. The district renewal will follow the City Council's action at the conclusion of the June 7th public hearing.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):
The proposed action is exempt from review under the California Environmental Quality Act (Cal. Pub. Res. Code §§ 21000, *et seq*.; "CEQA") and CEQA Guidelines (Cal. Code Regs. tit. 14, §§ 15000, *et seq*.) because it establishes, modifies, structures, restructures, and approves rates and charges for meeting operating expenses; purchasing supplies, equipment, and materials; meeting financial requirements; and obtaining funds for capital projects needed to maintain service within existing service areas. The proposed action, therefore, is categorically exempt from further CEQA review under CEQA Guidelines § 15273.

**Action Taken:** The City Council adopted Resolution No. 2023-R22 declaring the City Council's intent to levy and collect assessments for Fiscal Year 2023-24 in Citywide Maintenance District No. 93-1 pursuant to Streets and Highways Code §§ 22500, *et seq*. and setting a time and place for a public hearing on Consent Calendar.

**Resolution No. 2023-R22**
RESOLUTION DECLARING THE CITY COUNCIL'S INTENT TO LEVY AND COLLECT ASSESSMENTS FOR FISCAL YEAR 2023-2024 IN CITYWIDE MAINTENANCE DISTRICT NO. 93-1 PURSUANT TO STREETS AND HIGHWAYS CODE § 22587 AND SETTING A TIME AND PLACE FOR A PUBLIC HEARING

## 3-D. SUMMARY REPORT OF THE CLASSIFICATION AND COMPENSATION STUDY

In June 2022, Ralph Andersen & Associates was retained to conduct a City-wide Classification and Compensation study to evaluate the City's job descriptions, salary, and benefits compared to other public sector agencies of comparable size and services. This report is a summary of the compensation portion of the Classification and Compensation study. As the labor market continues to be competitive to attach and retain qualified candidates and employees, the compensation study provides useful information to assist the City.

**Discussion:** Director of Human Resources and Risk Management Tomikawa along with Doug Johnson, Vice President, Ralph Anderson & Associates, provided a presentation on the classification and compensation study. The City Council directed staff to review and make adjustments to the part-time salary and bring back for City Council's consideration at an appropriate time.

**Action Taken:** The City Council received and filed this report.

**Motion:** Moved by Council Member Yiu and seconded by Council Member Ngo, motion carried by the following vote:

| | | |
|---|---|---|
| Ayes: | Council Members: | Lo, Yiu, Ngo, Wong, Sanchez |
| Noes: | Council Members: | None |
| Absent: | Council Members: | None |
| Abstain: | Council Members: | None |

## 3-E. NATIONAL PUBLIC SAFETY TELECOMMUNICATORS WEEK RESOLUTION

The Monterey Park Police Department is celebrating the week of April 09-15, 2023, as National Public Safety Telecommunicators Week. This week, sponsored by the Association of Public-Safety Communications Officials (APCO) International and celebrated annually, honors the thousands of men and women who respond to emergency calls, dispatch emergency professionals and equipment, and render life-saving assistance to the citizens of the United States. We are enlisting your support in the form of a resolution to honor these men and women in our area for the work that they do every day to protect the residents of Monterey Park.

**Action Taken:** The City Council adopted Resolution No. 2023-R23 declaring the week of April 9 through 15, 2023 to be National Public Safety Telecommunicators Week in the City of Monterey Park.

**Motion:** Moved by Mayor Pro Tem Wong and seconded by Council Member Ngo, motion carried by the following vote:

| | | |
|---|---|---|
| Ayes: | Council Members: | Lo, Yiu, Ngo, Wong, Sanchez |
| Noes: | Council Members: | None |
| Absent: | Council Members: | None |
| Abstain: | Council Members: | None |

**Resolution No. 2023-R23**
A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK DECLARING APRIL 09-15 2023, NATIONAL PUBLIC SAFETY TELECOMMUNICATIONS WEEK IN MONTEREY PARK

## 3-F. CALIFORNIA STATE LIBRARY PARKS PASS GRANT FISCAL YEAR 2022-2023

The Library was notified of a $32,596.00 award from the California State Library. The grant funds will be utilized to provide trips to California State Parks and other programming encouraging residents to explore the outdoors.

**Action Taken:** The City Council accepted grant funds from the California State Library in the amount of $32,596.00 for State Parks programming at the Library and authorized an allocation of $32,596.00 in grant funding to the FY 22-23 budget on Consent Calendar.

## 3-G. 2020 STATE HOMELAND SECURITY GRANT PROGRAM – COST SAVINGS

The City of Monterey Park Fire Department (Fire Department) was notified of an approved modification for an increase of $64,360 for the 2020 State Homeland Security Grant Program (SHSP 2020 Grant). As per Resolution No. 11740 adopted by the City Council on May 6, 2015, staff is reporting to the City Council the type of money obtained and the project details.

The Fire Department completed two projects during the SHSP 2020 Grant cycle. The First project was the purchase of $30,000 of equipment. The second project was the oversight of a Regional Training Intelligence (RTG) position for the entire Los Angeles County region. This position is a Homeland Security funded position with Monterey Park Fire Department providing contract oversight. The original contract was approved by the City Council on April 6, 2022. The initial contract amount was not to exceed $146,720 with a term ending in May 2023. Staff seeks to increase the amount of the contract, with an amount not to exceed $211,080 to incorporate a cost savings from the SHSP 2020 Grant of $64,360.

**Recommendation:** It is recommended that the City Council consider: (1) Authorizing the City Manager to execute an agreement amendment with CounterRisk Inc., in a form approved by the City Attorney, to CounterRisk Inc. for amount of $64,360; and (2) Taking such additional, related, action that may be desirable.

**SUPPLEMENTAL STAFF REPORT REGARDING ITEM 3-G, 2020 STATE HOMELAND SECURITY GRANT PROGRAM – COST SAVINGS**

As per Resolution No. 11740 adopted by the City Council on May 6, 2015, Section 2.B, "Acquisitions authorized by this resolution must be completely paid for using grant funds from SHSGP or UASI only. The use of general fund monies is not authorized by this resolution unless the call for projects is within sixty days before the end of a grant performance period and the City will be 100% reimbursed by SHSGP or UASI." The performance period end date for the 2020 State Homeland Security Grant Program is May 31, 2023. Staff seeks permission to allocate $64,360 from Fiscal Year 2022-23 Budget funds for the project.

**Action Taken:** The City Council authorized the City Manager to execute an agreement amendment with CounterRisk Inc., in a form approved by the City Attorney, to CounterRisk Inc. for amount of $64,360 and allocated $64,360 from Fiscal Year 2022-23 Budget funds for this project.

**Motion:** Moved by Mayor Pro Tem Wong and seconded by Mayor Sanchez, motion carried by the following vote:

| | | |
|---|---|---|
| Ayes: | Council Members: | Lo, Yiu, Ngo, Wong, Sanchez |
| Noes: | Council Members: | None |
| Absent: | Council Members: | None |
| Abstain: | Council Members: | None |

**3-H. ACCEPTANCE OF SGVMWD GRANT FOR CALSENSE SYSTEMS**

The San Gabriel Valley Municipal Water District (SGVMWD) is awarding the city $50,000 grant funding for Calsense Smart Irrigation Control Systems. Staff requests the City Council accept the grant funds and allocate the $50,000 in grant funds to the FY 2022-2023 budget.

**Action Taken:** The City Council (1) accepted grant funding in the amount of $50,000 from the San Gabriel Valley Municipal Water District (SGVMWD) for Calsense Irrigation Control Systems for City Hall and Barnes Park; (2) authorized the City Manager to execute the Grant Agreement, in a form approved by the City Attorney, with SGVMWD for this grant program; and (3) authorized the Finance Department to allocate $50,000 in grant funding to the FY2022-2023 budget on Consent Calendar.

## 3-I. LICENSE AGREEMENT WITH THE SALVATION ARMY FOR USE OF SPACE AT THE CITY'S COMMUNITY CLEAN-UP EVENTS

The City hosts community clean-up events throughout the year to provide the community an opportunity to dispose of unwanted bulky items and electronic waste through Athens Services. Items collected may include usable items such as furniture, rugs, clothing, appliances, and small electronic devices. To increase waste diversion and promote the reuse of items, staff recommends partnering with local organizations such as the Salvation Army to collect reusable items at the City's events. Allowing the Salvation Army to participate in the clean-up events would further the City's sustainability efforts to divert waste and encourage the community to increase their reuse and recycling practices. Athens Services would continue its current diversion efforts by collecting items and sorting recyclable material before sending the remaining waste to the landfill.

It is recommended that City Council authorize the City Manager to execute a license agreement to document the usage of space at the City's clean-up events. The license agreement would allow the Salvation Army to have designated space at the City's clean-up event to collect and haul unwanted items with their own resources, helping divert waste from entering landfills.

**Action Taken:** The City Council authorized the City Manager, or designee, to execute a license agreement, in a form approved by the City Attorney with the Salvation Army to utilize space within the City's Community Clean-up events to collect unwanted items from the public.

**Motion:** Moved by Council Member Lo and seconded by Mayor Pro Tem Wong, motion carried by the following vote:

| | | |
|---|---|---|
| Ayes: | Council Members: | Lo, Yiu, Ngo, Wong, Sanchez |
| Noes: | Council Members: | None |
| Absent: | Council Members: | None |
| Abstain: | Council Members: | None |

## 3-J. PIPE SUPPLY PURCHASE FOR PHASE III WATER MAIN REPLACEMENT PROJECT – AWARD OF CONTRACT TO PPI AMERICA INC.

The Monterey Park Municipal Code ("MPMC") allows purchases to occur without bidding "[w]hen the supply can be obtained from only one vendor or there are circumstances demonstrating only one vendor is best qualified to provide the supplies" (MPMC § 3.20.050(2)). Here, the Public Works Director seeks authority to purchase unique potable water piping from PPI America, Inc. for the City's Phase III Water Main Replacement Project. Two sizes of piping are desirable: 8" and 12" pipes. PPI America, Inc.'s patented water pipes are superior to other pipeline on the market and the vendor is offering a significant discount to the City – as compared to other distributors – because, in part, of overstock supplies. While

the City always intended to purchase these materials separately, i.e., independently of the Water Main Replacement Project which was bid in accordance with the Public Contracts Code, by-passing the bidding requirements to purchase these supplies is in the public interest.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):
The Project is Categorically Exempt as a Class 1 (Existing Facilities) project (CEQA Guidelines § 15301). Additional environmental review is not required because the Project is a minor alteration to an existing public facility.

**Action Taken:** The City Council authorized the City Manager to execute a contract, in a form approved by the City Attorney, with PPI America Inc. in an amount not to exceed $165,000 for pipe supplies for the Phase III Water Main Replacement Project on Consent Calendar.

## 3-K. 2023 SLURRY SEAL AT VARIOUS LOCATIONS – AWARD OF CONTRACT

Per Resolution 2022-R32, the Public Works Director solicited bids for Capital Improvement Project No. 96030. The Bid opening was held on March 16, 2023. Staff completed review of bids and recommends that the contract be awarded to Onyx Paving Company, Inc., the lowest responsible bidder, in the amount of $727,000 plus 15% contingency.

CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):
Since the proposed work is a minor alteration to an existing public facility, this project is Class 1 Categorically Exempt pursuant to the California Environmental Quality Act (CEQA).

**Action Taken:** The City Council (1) authorized the City Manager to execute a public works contract, in a form approved by the City Attorney, with Onyx Paving Company Inc. of Anaheim, CA in the contract amount of $727,000 for the 2023 Slurry Seal at Various Locations; (2) authorized the Director of Public Works to approve change orders and contingency up to $109,050, or 15% of the contract amount; and (3) appropriated $486,646 from Street Bond Fund 621 to FY 22-23 for Project No. 96030 on Consent Calendar.

## 4. PUBLIC HEARING

**4-A. A PUBLIC HEARING TO CONSIDER THE FOLLOWING: 1) ZONING CODE AMENDMENT (ZCA-22-02) TO ADOPT THE MARKET PLACE SPECIFIC PLAN (SP-22-01); 2) ZONE CHANGE (ZA-22-01) TO RE-ZONE PROPERTIES FROM THE REGIONAL SPECIALTY CENTER (R-S) ZONE WITH THE PLANNED DEVELOPMENT OVERLAY (P-D) ZONE TO THE MARKET PLACE SPECIFIC PLAN (MPSP) ZONE; AND 3) DEVELOPMENT AGREEMENT (DA-22-01) TO AMEND IN ITS ENTIRETY A DEVELOPMENT AGREEMENT BETWEEN MONTEREY PARK RETAIL PARTNERS, LLC AND THE CITY OF MONTEREY PARK FOR PROPERTIES COLLECTIVELY OPERATING AS THE MONTEREY PARK MARKET PLACE, LOCATED AT 2300 GREENWOOD AVENUE AND 2000-5500 MARKET PLACE DRIVE, ALSO IDENTIFIED BY ASSESSOR'S PARCEL NUMBERS 5275-003-024, 025, 027, 029, 030, 031, 037, AND 038.**

The Monterey Park Market Place development was originally approved through a Precise Plan (PP-12-01) that was intended to redevelop a brownfield site to help stimulate the local economy and create jobs while preserving the environment and public safety of the area. Since the creation and implementation of PP-12-01, Phase 1 is complete, but Phases 2 and 3 remains unbuilt. Phase 2 includes the wrap-around road south of the Leachate Treatment Plant (LTP) and Thermal Destruction Facility (TDF), and Phase 3 is the built-out of the area west of the LTP/TDF. In recent years, market forces changed the way in which consumers conduct business: a decreased need for traditional brick-and-mortar stores and an increased demand for last mile facilities, warehouses, and auto dealerships emerged since the beginning of the COVID-19 pandemic. The applicant seeks to create flexibility to allow for land uses that help address the changing landscape of the commercial/service sector by providing a framework through the proposed Market Place Specific Plan ("MPSP") to allow for such uses. No immediate construction or development is proposed at this time.

The Project includes the adoption of the MPSP to address the eventual build-out of the Market Place; it supersedes the existing Precise Plan. The Specific Plan will be identified within the Monterey Park Municipal Code ("MPMC") and the entire Market Place Project site will be re-zoned from the Regional Specialty Center with Planned Development Overlay, to the MPSP. Further, the amended and restated Development agreement between the City and the Applicant will help ensure that the eventual build-out of the Market Place will provide a public benefit to the community.

<u>CEQA (CALIFORNIA ENVIRONMENTAL QUALITY ACT):</u>
The Project is consistent with the Supplemental Environmental Impact Report ("SEIR") and Statement of Overriding Considerations certified (and adopted) by the City Council on December 19, 2012 via Resolution No. 11548 (State Clearinghouse No. 1999051058). None of the elements set forth in Public

Resources Code § 21166 or CEQA Guidelines § 15162 exists. Accordingly, no subsequent or supplemental Environmental Impact Report, Mitigated Negative Declaration or Addendum is required to be prepared before adopting the Project. The Notice of Consistency is attached as Exhibit "B" to the draft Ordinances. Implementation of mitigation measures identified in the SEIR will be monitored as called for in the Mitigation Monitoring and Reporting Program adopted on December 19, 2012.

**Discussion:** Senior Planner Chow and Interim Director of Community Development Serrano presented a PowerPoint presentation on the project.

**Action Taken:** Mayor Pro Tem Wong recused himself and left the dais due to a potential conflict of interest as his employer, Southern California Edison, owns property adjacent to the project site. The City Council (1) opened the public hearing at 9:14 p.m. taking testimonial and documentary evidence and (2) after closing the public hearing at 9:30 p.m. with no registered speakers and considering the evidence submitted during that public hearing: (a) introduced and waived first reading of an Ordinance implementing a Zone Change (ZA-22-01) from the Regional Specialty Center (R-S) zone with the Planned Development Overlay (P-D) zone to the Market Place Specific Plan ("MPSP") zone (Exhibit B, to the draft ordinance); (b) introduced and waived first reading of an Ordinance approving a Development Agreement (DA-22-01) for the subject property (Exhibit C, to the draft ordinance).

**Motion:** Moved by Council Member Ngo and seconded by Council Member Lo, motion carried by the following vote:

| | | |
|---|---|---|
| Ayes: | Council Members: | Lo, Yiu, Ngo, Sanchez |
| Noes: | Council Members: | None |
| Absent: | Council Members: | Wong |
| Abstain: | Council Members: | None |

**Ordinance 1st Reading:**
AN ORDINANCE AMENDING THE ZONING MAP (ZA-22-01) TO CHANGE THE ZONING FROM REGIONAL SPECIALTY CENTER (R-S) ZONE WITH THE PLANNED DEVELOPMENT OVERLAND (P-D) TO THE MARKET PLACE SPECIFIC PLAN (MPSP) TO ALLOW CONSTRUCTION OF THE FINAL PHASE OF THE MARKET PLACE DEVELOPMENT

**Ordinance 1st Reading:**
AN ORDINANCE APPROVING AN AMENDED AND RESTATED DEVELOPMENT AGREEMENT BETWEEN THE CITY OF MONTEREY PARK AND MONTEREY PARK RETAIL PARTNERS, LLC TO FACILITATE THE DEVELOPMENT OF THE MONTEREY PARK MARKET PLACE

## 5. NEW BUSINESS

## 5-A. RECEIVE AND FILE STAFF REPORT SUMMARIZING THE PRESIDENT OF THE UNITED STATES VISIT TO MONTEREY PARK

On January 21, 2023, 11 people were murdered, and nine were injured as the result of a shooting spree. This tragedy is unprecedented in the City's history and will affect our community for many years in the future.

In response to the tragedy, on Wednesday, January 25, 2023, the Vice President of the United States, Kamala D. Harris, traveled to Monterey Park to visit the site, laid flowers to honor the victims of the shooting, visited with victim's families, and met with first responders and local elected officials.

On Tuesday, March 14, 2023, the President of the United States, Joseph R. Biden, Jr. (POTUS), traveled to Monterey Park to visit with the victim's families, hosted a press conference regarding firearm legislation, and met with first responders and local elected officials.

In preparation for the POTUS' visit, City staff worked diligently to create an incident action plan. It took various actions to ensure the community's safety during this historic visit.

Staff recommends City Council consider receiving and filing this report documenting the preparation and response taken.

**Discussion:** Council Member Lo stated for the record that he does not have any legal conflict of interest pertaining to this item but did disclose that he currently works for the California State Assembly.

**Action Taken:** The City Council received and filed this staff report summarizing the President of the United States visit to Monterey Park.

**Motion:** Moved by Mayor Pro Tem Wong and seconded by Council Member Ngo, motion carried by the following vote:

| | | |
|---|---|---|
| Ayes: | Council Members: | Lo, Yiu, Ngo, Wong, Sanchez |
| Noes: | Council Members: | None |
| Absent: | Council Members: | None |
| Abstain: | Council Members: | None |

## 6. CITY COMMUNICATIONS (CITY COUNCIL)

Council Member Lo stated his attendance at the following events on March 18th: Monterey Park Women's Leadership Panel at the Bruggemeyer Library, Electric Park at Barnes Park, and Boy Scout Troop 329's Eagle Scout ceremony. The following weekend Council Member Lo announced his participation in Assembly Member Mike Fong's community clean-up event. He also mentioned that he attended the Monterey Park Fire Fighters BBQ fundraising event, local Optimist's Club's Oratorical Contest, and the Open House for the San Gabriel Valley Economic Partnership.

Council Member Yiu spoke about possible bond buyback and investments options as a future agenda item.

Council Member Ngo said he attended the following events: Electric Park at Barnes Park, Boy Scout Troop 329's Eagle Scout ceremony, cleaned-up event at Garvey Ranch Park, Women's Asian Pacific Islander (API) support dinner in Rosemead, Pickleball taco event, Novel-Tea at the Bruggemeyer Library, and St. Patrick's Day dance at Langley Senior Center.

Mayor Pro Tem Wong stated he also attended many of the events that the other Council Members attended. He mentioned that he attended a joint Monterey Park and Alhambra Chamber of Commerce's breakfast at the Courtyard Marriott in Monterey Park, a transit study hosted by the San Gabriel Valley Council of Governments (SGVCOG) focusing on public transit in the southern part of the San Gabriel Valley, and took a tour of the city's Public Works Department.

Mayor Sanchez said he attended the Monterey Park Women's Leadership Panel, Electric Park, Spring Egg Hunt, and the California Academic Decathlon event with his team of students from Alhambra High School.

## 6-A. REQUEST FOR FUTURE AGENDA ITEM REGARDING GUN VIOLENCE RESTRAINING ORDERS ("GVRO") AND POTENTIAL ACTIONS FOR REDUCING WEAPONS WITHIN THE CITY'S JURISDICTION

After the mass shooting in January, the City Council took a number of actions to make a difference in reducing the incidents of gun violence within the Monterey Park community. Among other things, the City Council adopted Resolution No. 2023-R15 on March 1, 2023 (see attached) which directs the City Manager and City Attorney to draft an ordinance for the City Council's consideration and provide a report on what more might be done to reduce gun violence.

We should do more. Attached for the City Council's review is information regarding GVROs and how one may obtain them. We should find out if the City can do anything to help inform the public about this resource and, if so, how.

Additionally, we should ask for a report regarding whether the City can step up efforts to legally remove weapons from the community. Since 2018, only 13 weapons were either accepted or removed (by California law) by the Police Department from individuals identified as having potential mental health issues. Is there something more that can be done? And how much would that cost?

Please join me in providing this direction to the City Manager and City Attorney.

**Action Taken:** The City Council received and filed this report and directed the City Manager and City Attorney to propose potential actions on a future meeting agenda regarding what the City can do to increase public awareness regarding GVROs and/or take action to reduce the number of guns within the City's jurisdiction.

**Motion:** Moved by Mayor Sanchez and seconded by Mayor Pro Tem Wong and by consensus provided direction for staff to explore potential GVROs that can be instituted by the city and bring back a report for City Council's consideration

**7. FUTURE AGENDA ITEMS**

Mayor Pro Tem Wong requested preliminary research on a city vacancy tax for commercial properties.

Mayor Sanchez requested an update on the Monterey Park Community Healing Fund.

Council Member Yiu requested staff to bring back an item for Council consideration on the possibility of bond buyback and investments options.

**8. CLOSED SESSION (IF REQUIRED; CITY ATTORNEY TO ANNOUNCE)**
None.

**ADJOURNMENT**
There being no further business for consideration, the meeting was adjourned at 10:27 p.m.

_____
Maychelle Yee
City Clerk

# MINUTES
# MONTEREY PARK CITY COUNCIL
# FINANCING AUTHORITY (MPFA)
# HOUSING AUTHORITY (MPHA)
# GEOLOGIC HAZARD ABATEMENT DISTRICT (GHAD)
# SUCCESSOR AGENCY (SA)
# SPECIAL MEETING
# APRIL 8, 2023

The City Council, the Financing Authority (MPFA), the Housing Authority (MPHA), the Geologic Hazard Abatement District (GHAD), and the Successor Agency (SA) of the City of Monterey Park held a Special Meeting of the Council in the Boardroom of the Courtyard Marriott, 555 N. Atlantic Boulevard in the City of Monterey Park on Saturday, April 8, 2023 at 8:30 a.m.

**CALL TO ORDER:**
Mayor Sanchez called the meeting to order at 8:30 a.m.

**ROLL CALL:**
Deputy City Clerk Cindy Trang called the roll:

| | |
|---|---|
| Council Members Present: | Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Yvonne Yiu |
| Council Members Absent: | None |

**ALSO PRESENT:** City Manager Ron Bow, City Attorney Karl Berger, Assistant City Manager Inez Alvarez, City Librarian Diana Garcia, Public Works Director Shawn Igoe, Finance Director Martha Garcia, Fire Chief Matthew Hallock, Police Chief Scott Weise, Director of Human Resources and Risk Management Christine Tomikawa, Recreation and Community Services Director Robert Aguirre, Interim Community Development Director Jessica Serrano, Secretary to the City Manager Diana Wong

**PUBLIC COMMUNICATIONS** – None.

## NEW BUSINESS

### 1. STRATEGIC PLANNING WORKSHOP

This is a City Council workshop to prioritize the City's legislative and project agenda. It is anticipated that the workshop will not result in the City Council taking any particular action. Instead, City Councilmembers and key staff members will be reviewing the City Council's previous strategic plan; updating it; and providing direction to the City Manager. Topics may include, without limitation, infrastructure improvements; revenue enhancement; land use challenges; sustainability efforts; redevelopment; community engagement and outreach; and municipal property needs assessment. Any direction provided by the City Council will appear on future meeting agendas. The anticipated outline of the workshop will follow this general order:

- Overview
- Benefits of Good Government
- Governing Body/Team Effectiveness
- Strategies for Creating a More Collaborative Governing Body
- Refresher on the Council-Manager Form of Government
- Review Accomplishments for 2022, Explore Plans for remainder of 2023 and into 2024
- Hot Topics
- Strategic Plan
- Next Steps

**RECESSED AND RECONVENED**
The City Council recessed at 10:00 a.m. and reconvened with all council members present at 10:15 a.m.

**DISCUSSION:** City Consultant, Patrick Ibarra of the Mejorando Group, facilitated a strategic workshop for the City Council to discuss ideas and suggestions towards the future vision of the City. The City Council ensued in discussions regarding Benefits of Good Government; Governing Body/Team Effectiveness; Strategies for Creating a More Collaborative Governing Body; Refresher on the Council-Manager form of government; Review Accomplishments for 2022 and Explore Plans for remainder of 2023 and into 2024; Hot Topics including discussion on Community: coordinating response on next steps, mental health services, homelessness, safety; Economic Development: Downtown Master Plan, parking structures, Atlantic Square, redevelopment; Outreach: public engagement; Infrastructure: condition of city streets; Environmental: sustainability; Housing: affordability housing; Amenities: parking improvements, repair swimming pool; Strategic Plan and Next Steps to include periodic updates and inclusion in future council reports. City Manager Bow announced the appointment of Jessica Serrano as the new Community Development Director.

**RECESSED AND RECONVENED**
The City Council recessed at 11:50 a.m. and reconvened with all council members present at 12:20 p.m.

**Action Taken:** No reportable action taken.

**ADJOURNMENT**
There being no further business for consideration, the meeting was adjourned at 2:46 p.m.

_____
Maychelle Yee
City Clerk

# MINUTES
# MONTEREY PARK CITY COUNCIL
# FINANCING AUTHORITY (MPFA)
# HOUSING AUTHORITY (MPHA)
# GEOLOGIC HAZARD ABATEMENT DISTRICT (GHAD)
# SUCCESSOR AGENCY (SA)
# SPECIAL MEETING
# APRIL 10, 2023

The City Council, the Financing Authority (MPFA), the Housing Authority (MPHA), the Geologic Hazard Abatement District (GHAD), and the Successor Agency (SA) of the City of Monterey Park held a Special Meeting of the Council in Room 266, Second Floor of City Hall located at 320 West Newmark Avenue in the City of Monterey Park, Monday, April 10, 2023 at 5:30 p.m.

**CALL TO ORDER:**
Mayor Sanchez called the meeting to order at 5:32 p.m.

**ROLL CALL:**
Deputy City Clerk Cindy Trang called the roll:

| | |
|---|---|
| Council Members Present: | Henry Lo, Vinh Ngo, Jose Sanchez, Thomas Wong, Yvonne Yiu |
| Council Members Absent: | None |

**ALSO PRESENT:** City Manager Ron Bow, Assistant City Manager Inez Alvarez, Director of Finance Martha Garcia, Director of Human Resources and Risk Management Christine Tomikawa

**VIRTUALLY PRESENT:** Assistant City Attorney Tim Campen, Steve Berliner of Liebert Cassidy & Whitmore (City's special counsel for labor matters)

**PUBLIC COMMUNICATIONS:** None.

## 1. OPEN SESSION

## 1-A. APPOINTMENT OF REAL PROPERTY NEGOTIATORS

**Action Taken:** The City Council appointed the City Manager, Assistant City Manager, Director of Finance, and City Attorney as the real property negotiators for Closed Session Item No. 2-B.

**Motion:** Moved by Mayo Pro Tem Wong and seconded by Council Member Yiu otion carried by the following vote:

| | | |
|---|---|---|
| Ayes: | Council Members: | Lo, Yiu, Ngo, Wong, Sanchez |
| Noes: | Council Members: | None |
| Absent: | Council Members: | None |
| Abstain: | Council Members: | None |

**1-B. CONSIDERATION AND POSSIBLE ACTION TO AUTHORIZE THE CITY MANAGER OR DESIGNEE TO ENTER INTO NATIONAL OPIOID SETTLEMENTS WITH TEVA, ALLERGAN, CVS, WALGREENS, AND WALMART**

On July 21, 2021, a $26 billion offer to settle was made by opioid manufacturer Janssen Pharmaceuticals (parent company of Johnson & Johnson) and the “big three" distributors (McKesson, AmerisourceBergen, and Cardinal Health) (“the Distributors") to resolve their liabilities in over 3,000 opioid crisis-related lawsuits nationwide. The City is participating in these settlement agreements and receives payments from the State each year that are derived from Janssen and the Distributors.

In late 2022, agreements were announced with three pharmacy chains (CVS, Walgreens, and Walmart) and two additional manufacturers (Allergan and Teva). In January 2023, each of those pharmacy chains and manufacturers confirmed that a sufficient number of states had agreed to the settlements to move forward. As with the 2021 National Settlements, cities that want to participate in the 2022 National Settlements now will have the opportunity to “opt in.” The greater the level of subdivision participation, the more funds will ultimately be paid out. The City must opt-in by April 18, 2023, or it will be precluded from participation.

Under both the 2021 and 2022 National Settlements, at least 85% of the funds going directly to participating cities must be used for abatement of the opioid epidemic, with the overwhelming bulk of the proceeds restricted to funding future abatement efforts by state and local governments.

**Action Taken:** The City Council adopted Resolution No. 2023-R24 authorizing the City Manager, or designee, to enter into National Opioid Settlements with Teva, Allergan, CVS, Walgreens, and Walmart.

**Motion:** Moved by Council Member Ngo and seconded by Council Member Yiu motion carried by the following vote:

| | | |
|---|---|---|
| Ayes: | Council Members: | Lo, Yiu, Ngo, Wong, Sanchez |
| Noes: | Council Members: | None |
| Absent: | Council Members: | None |
| Abstain: | Council Members: | None |

**Resolution No. 2023-R24**
A RESOLUTION AUTHORIZING THE CITY MANAGER, OR DESIGNEE, TO ENTER INTO NATIONAL OPIOID SETTLEMENTS WITH TEVA, ALLERGAN, CVS, WALGREENS, AND WALMART

**2. CLOSED SESSION**
The City Council adjourned to Closed Session at 5:40 p.m.

**2-A. CONFERENCE WITH LABOR NEGOTIATORS, PURSUANT TO CALIFORNIA GOVERNMENT CODE § 54957.6**

| | |
|---|---|
| City Negotiators: | Steve Berliner and Christine Tomikawa |
| Employee Organizations: | Confidential Employees' Association, Firefighters' Association, Mid-Management Association, Police Captains' Association, Police Officers' Association, Police Officers' Mid-Management Association, Professional Chief Officers' Association, and Service Employees International Union, Local 721 |

**2-B. CONFERENCE WITH REAL PROPERTY NEGOTIATORS - GOVERNMENT CODE § 54956.8: 1 item**

| | |
|---|---|
| Property: | 3500 W. Ramona Blvd. and 3700 W. Ramona Blvd.; AIN 5237-001-902 |
| City Negotiators: | Ron Bow, City Manager<br>Karl H. Berger, City Attorney<br>Inez Alvarez, Assistant City Manager<br>Martha Garcia, Director of Finance |
| Negotiating Parties: | John Tallichet, President (Specialty Restaurants Corporation) |
| Under Negotiation: | Lease |

**2-C. CONFERENCE WITH LABOR NEGOTIATORS, PURSUANT TO CALIFORNIA GOVERNMENT CODE § 54957.6**

| | |
|---|---|
| City Negotiators: | Ron Bow, City Manager and Karl H. Berger, City Attorney |
| Employee Organization: | Executive Management Team - Assistant City Manager, City Librarian, Director of Community Development, Director of Human Resources & Risk Management, Director of Finance, Director of Public Works, Director of Recreation & Community Services, Fire Chief, and Police Chief |

**2-D. CONFERENCE LEGAL COUNSEL, EXISTING LITIGATION - GOVERNMENT CODE *SECTION 54956.9(d) - Number of Cases: 1***

*Mary Pat Dodson v. City of Monterey Park* (filed November 12, 2021) LASC Case No. 21STCV41669

**RECONVENE & ADJOURNMENT**

The City Council reconvened from Closed Session with all Council Members present. The meeting was adjourned at 8:12 p.m.

**Action Taken:** No reportable action taken.

_____

Maychelle Yee
City Clerk

# City Council Staff Report

**DATE:** May 3, 2023
**AGENDA ITEM NO:** Consent Calendar - 3B

**TO:** The Honorable Mayor and City Council
**FROM:** Martha Garcia, Director of Finance
**SUBJECT:** 2021-2022 Annual Comprehensive Financial Report

**RECOMMENDATION:**
It is recommended that the City Council consider:

1. Receiving and filing the City's 2021-2022 Annual Comprehensive Financial Report (ACFR); and
2. Taking such additional, related, action that may be desirable.

**EXECUTIVE SUMMARY:**
The City's auditor, CliftonLarsonAllen LLP (CLA), an independent auditor and one of the nation's leading CPA firms, completed the audit of the City's annual financial statements for the fiscal year ending June 30, 2022. The audited financial statements are incorporated into an ACFR.

This is the 7th year, CLA audited the City's financial records. The auditor issued an unmodified ("clean") opinion on the City's financial statements. An unmodified opinion indicates that the financial data of the City is fairly presented in accordance with accounting principles generally accepted in the United States of America (or "GAAP") and the standards applicable to the financial audits contained in Government Audit Standards, issued by the Comptroller General of the United States. These standards require that the auditors plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement and accurately reflects the City's financial position. Additionally, the auditors' report does not indicate any negative findings, internal control deficiencies or instances of noncompliance with applicable laws and regulations.

**BACKGROUND:**
ACFR includes the financial information for all funds of the City. The Introductory Section of the report includes a table of contents, the organization chart, a transmittal letter, and financial awards. The Financial Section contains the independent auditor's report, the management discussion and analysis (MD&A), the financial statements, notes to the financial statements, and supplementary information. The Statistical Section provides trend financial and demographic data, which is useful for assessing the City's financial condition. Users of the ACFR should read the financial statements in conjunction with the transmittal letter, MD&A, notes, and supplementary information to gain a full understanding of the City's financial activities.

The City's ACFR was prepared according to the Governmental Accounting Standard Board (GSAB) Statement, and the government-wide financial statements provide information about the City's overall financial status with the addition of long-term perspective. The focus is on the City, as a whole organization, providing a comprehensive presentation of the City's financial

information from a commercial (private) business point of view. Full accrual accounting and information for capital assets (including infrastructure) and long-term obligations are required as part of the financial statements. The City's ACFR is submitted to the Government Financial Officer's Association of the United States and Canada (GFOA) for consideration of Award of the Certificate of Achievement for Excellence in Financial Reporting. To receive the award, a government must publish an efficiently organized report that satisfies both GAAP and applicable laws and regulations. The City has received this award for 33 consecutive years and staff has again submitted the 2021-2022 ACFR for award consideration.

On June 30, 2022, the City's net position totaled $44.3 million in the Statement of Net Position, reflecting total assets and deferred outflow of resources for $311.9 million, and liabilities and deferred inflow of resources for $267.6 million. Net position serves as an indicator of a government's financial position over time. The City's financial results displayed a positive financial position.

On June 30, 2022, The City's governmental funds reported combined fund balances of $94.3 million, which is an increase of $38.4 million from $55.9 million on June 30, 2021. The increase is related to the receipt of the $17 million in American Rescue Plan Act funds and the issuance of $20 million in Sales Tax Revenue (Street) Bonds. The remaining increase of $1.4 million is related to ongoing operational revenues and expenditures.

Among all governmental funds, the General Fund is a major governmental fund and the most important fund of the City. General Fund's balance has decreased by $6.2 million from $35.1 million on June 30, 2021 to $28.9 million as of June 30, 2022.

General Fund revenues have increased $3.7 million from $45.4 million on June 30, 2021, to $49.1 million on June 30, 2022. The increase was primarily due to a strong performance of property tax and sales tax. General Fund expenses and other financing sources/(uses) increased $6.6 million from $45.8 million on June 30, 2021, to $52.4 million on June 30, 2022. The increase is attributed to the increased cost for services and supplies and the Goodviews Abatement Project.

The following table details the General Fund balances breakdown:

| GF Fund Balances as of June 30, 2022 | | |
|---|---|---|
| Non-spendable: | | |
| *Advances to Other Funds* | $ | 82,310 |
| ***Total Non-spendable:*** | **$** | **82,310** |
| Committed: | | |
| *Catastrophic Event* | $ | 4,840,000 |
| *Working Capital* | | 3,000,000 |
| *Economic Development (2002 Bonds Proceeds)* | | 1,886,927 |
| **Total Committed** | **$** | **9,726,927** |
| Assigned: | | |
| *Carryover POs and Capital Improvements* | $ | 19,156,028 |
| **Total Assigned** | **$** | **19,156,028** |
| Total Unassigned | | |
| ***Total GF Fund Balances*** | ***$*** | ***28,965,265*** |

The $28.9 million fund balance of the General Fund as of June 30, 2022, is comprised of $82,310 non-spendable, $9.7 million committed, and $19.1 million assigned.

**FISCAL IMPACT:**
There is no fiscal impact associated with this action.

Respectfully submitted by:

Martha Garcia
Director of Finance

Prepared by:

Laura Borjon
Finance Manager

Approved by:

Ron Bow
City Manager

Reviewed by:

Karl H. Berger
City Attorney

**ATTACHMENT:**

1. 2021-2022 Annual Comprehensive Financial Report

# ATTACHMENT 1
## 2021-2022 Annual Comprehensive Financial Report

# City of Monterey Park
## *California*

## Annual Comprehensive Financial Report
### Year Ended June 30, 2022












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# City of Monterey Park, California

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year ended June 30, 2022

**Prepared by the Management Services Department**

**Martha Garcia**
**Director of Management Services**

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CITY OF MONTEREY PARK
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022

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# MONTEREY PARK CITY OFFICIALS

## *CITY COUNCIL*

**Henry Lo, Mayor**
**Vacant, Mayor Pro Tem**

| | | |
|---|---|---|
| **Yvonne Yiu**<br>**Council Member** | **Hans Liang**<br>**Council Member** | **Peter Chan**<br>**Council Member** |

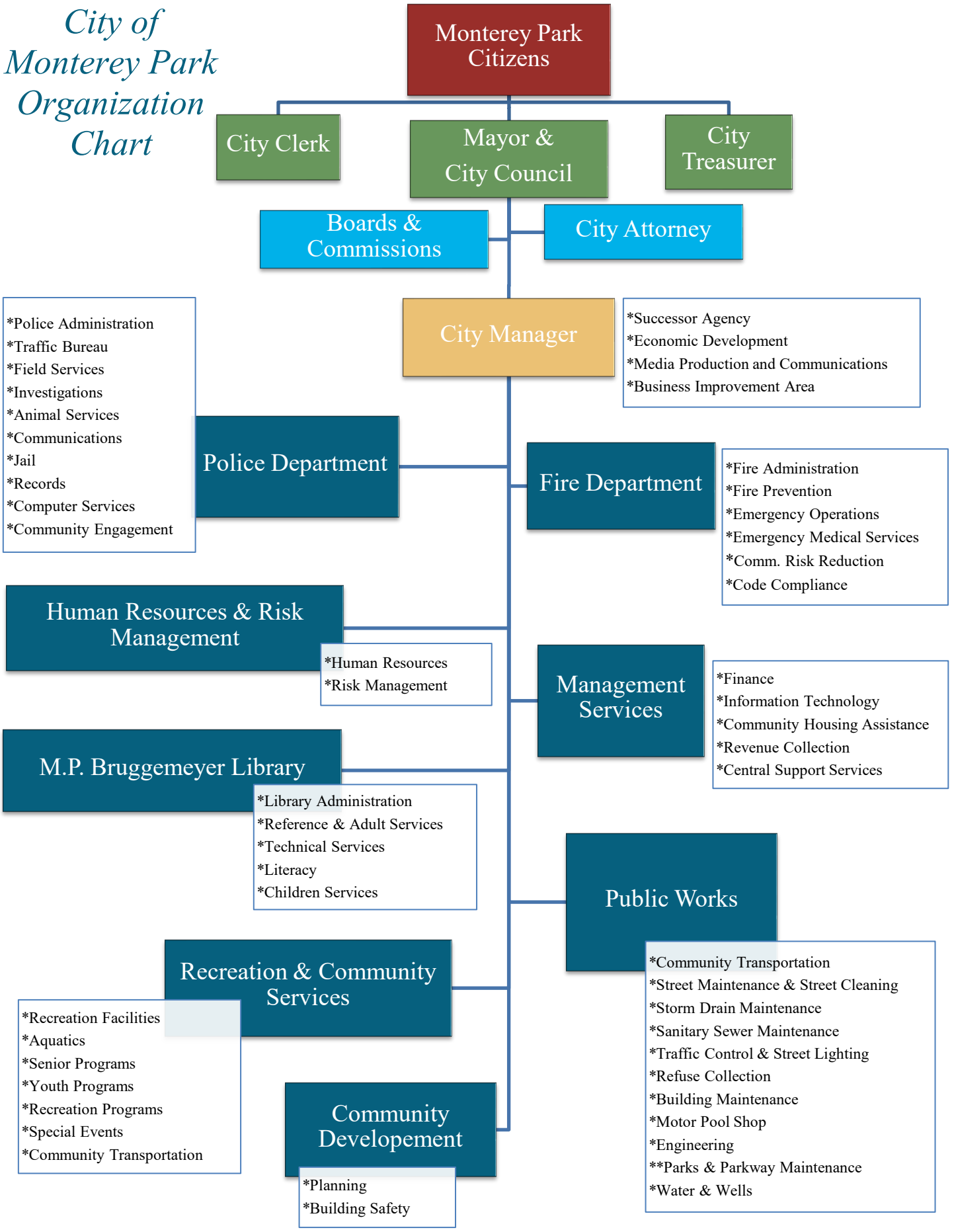
## *ELECTED OFFICIALS*

**Vincent D. Chang, City Clerk**
**Joseph Leon, City Treasurer**

## *EXECUTIVE TEAM*

**Ron Bow……City Manager**
**Inez Alvarez……Assistant City Manager**
**Karl H. Berger……City Attorney**
**Kelly Gordon……Police Chief**
**Matt Hallock……Fire Chief**
**Martha Garcia……Director of Management Services**
**Christine Tomikawa……Director of Human Resources/Risk Management**
**Anthony Antich……Interim Director of Public Works**
**Steve Sizemore……Interim Director of Community Development**
**Robert Aguirre……Director of Recreation/Community Services**
**Diana Garcia……City Librarian**

# *City of Monterey Park Organization Chart*



# CITY OF MONTEREY PARK

*320 West Newmark Avenue • Monterey Park • California 91754-2896*
www.montereypark.ca.gov



**City Council**
Henry Lo
Vinh Ngo
Jose Sanchez
Thomas Wong
Yvonne Yiu

**City Clerk**
Maychelle Yee

**City Treasurer**
Amy Lee


April 18, 2023

To the Honorable Mayor, Members of the City Council and the Citizens of the City of Monterey Park, California State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP), as promulgated by the Government Accounting Standards Board (GASB) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. The City obtained approval from the Government Finance Officers Association (GFOA) to publish at eight months of close of fiscal year due to staff turnover and shortages. Therefore, we hereby submit, for your information and review, the Annual Comprehensive Financial Report for the City of Monterey Park, California, for the fiscal year ended June 30, 2022.

This report consists of management's representations concerning the finances of the City of Monterey Park. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established an internal control system that is designed to protect City assets and to ensure that the accounting records provide a reliable basis for the preparation of the financial statements. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements will be free of any material misstatements. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by CliftonLarsonAllen LLP, a public accounting firm fully licensed and qualified to perform audits of the State and local governments within the State of California. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Monterey Park for the fiscal year ending June 30, 2022, fairly state the City's financial position. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Monterey Park's 2021-22 financial statements are fairly presented in conformity with generally accepted accounting principles (GAAP). The independent auditors' report is presented as the first component of the financial section of this report.

**Single Audit**

Being a recipient of federal funds, the City is required to undergo an audit in accordance with the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133. Information relating to the single audit, which includes the federal assistance operations as well as the non-federal assistance operations, such as the City's financial statements, internal controls, and compliance with legal requirements involving the administration of Federal awards, will be issued in a separate *Single Audit Report*.

**Management Discussion & Analysis**

A narrative introduction, overview, and analysis accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A immediately follows the independent auditor's report in the financial section of the CAFR.

**Profile of the City of Monterey Park**

The City of Monterey Park was incorporated in 1916 as a general law city. The name of "Monterey Park" was taken from old government maps that described the oak-covered inclines that made up the area as Monterey Hills. The City operates under the council-manager form of municipal government. The City Council, which consists of five members, is elected by five districts, one representing each of the five districts, and each serves a term of four years. The City Clerk and the City Treasurer are also elected by the citizens. The City Ordinance 2096 imposes term limits, no more than two consecutive terms, on all elected officials. The City Council appoints the City Manager, who has the responsibilities of overseeing City services and operations. In addition to governing the City, the City Council serves as the governing board of the Public Financing Authority and the Housing Authority. The financial information of these component units has been included with the City. Please see Note 1 to Financial Statements for discussion of the component units.

Monterey Park is a full-service City, offering its residents a wide range of municipal services, including public safety, highways and streets, sanitation, water and sewer services, development and public infrastructure improvements, culture and leisure programming, and general government functions. The City strives to provide high-quality public services that emphasize organizational efficiency, infrastructure investment, and economic development. In 2017, the City was listed as one of the top three best places to live in America by the Money Magazine.

**Local Economic Condition**

Monterey Park is located six miles east of Los Angeles at the western gateway to the San Gabriel Valley. It encompasses an area of 7.73 square miles with a population of approximately 61,000. Monterey Park is primarily a residential community, with 78% of its land zoned for single and multiple family housing. In 2022, the median sales price of detached single-family homes in Monterey Park is $908,000. This median sales price is 8.4% above the 2021 median sales price of $838,000. Because of its desirable location, house values in Monterey Park are expected to remain strong.

Over the last few months, slight inflation improvements materialized in various industries, however real change has yet to take hold. Many remain nervous about the economy sliding into a recession. Nevertheless, customer spending remains strong. Experts vary on whether a recession will occur and to what extent. Unemployment rates remain a key indicator of whether this adverse economic situation will occur. From a sales tax perspective, the forecast does reflect a slowdown in taxable merchandise spending as the higher cost of utilities, food and other necessities limit dollars available for discretionary and non-essential items.

Through the Federal American Rescue Plan (ARPA), the City was allocated $15 million for COVID- 19 pandemic recovery efforts. The first lump sum was received in June 2021 and the second (final) lump sum was received in June 2022. The City uses ARPA funds towards governmental services including rehiring part-time and full-time staff to its pre- pandemic levels, investing in public safety and cyber security.

**Financial Overview and Policies**

In FY 2021-22, the City implemented Governmental Accounting Standards Board (GASB) 87, the objective of this Statement is 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 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 a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The City continues the reporting requirement per GASB Statement No. 68 and 71, for pension liabilities. The City also continues the reporting for GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, for other postemployment benefits liabilities on the face of the *Statement of Net Position*. Excluding all postemployment benefits (pensions and OPEB) liabilities, the City's end of year financial condition for 2021-22 displayed a positive operating position due to the City's conservative financial planning and management.

As the City's development projects continue to expand and move forward that will generate a large number of new jobs and tax revenues for the City.

The annual budget serves as the foundation for the City's financial planning and control. The City starts its budget process in January. The budget development is based on the City's three-year citywide goals:

- Create a cleaner and more attractive City
- Enhance community and neighborhood development
- Ensure quality customer service
- Focus on Redevelopment
- Improve and develop the City's infrastructure
- Improve services through the effective use of technology

- ❖ Practice sound fiscal management
- ❖ Live within our means while investing in the future
- ❖ Invest in the City's employees through development and recognition

These goals serve as the guidelines to identify community priorities and effectively align resources to achieve our mission. The City Manager presents the proposed budget to the City Council for review prior to the beginning of each fiscal year and the City Council holds public hearings to review and approve the proposed budget. The final adopted budget, reflecting the City Council's directions, is published no later than June 30.

Legal budgetary control for operating budgets is exercised at the department and fund level. The City is required to adopt a balanced budget for its General Fund at the beginning of the fiscal year.

Formal budgetary integration and encumbrance accounting are employed as management control devices during the year for all funds.

The 2021-22 Adopted Budget includes a conservative fiscal spending plan and reflects $28 million for infrastructure and capital improvements, specifically water, sewer, street projects and public safety equipment. The City continues improving efficiencies by aligning closely related programs to achieve long-term financial stability.

**Major Accomplishments**

The City of Monterey Park's major accomplishments during the fiscal year 2021-22, which displayed significant financial impacts, included:

- ➢ Successfully launched Monterey Park Rewards, an innovative smartphone-based shop local app created to address the struggles that local businesses face during the pandemic by rewarding residents and visitors for shopping and dining locally;

- ➢ Successfully implemented the launch of the Tyler Munis Human Capital Management system allowing integration of all core functions including payroll, human resources, revenues, procurement, and financials;

- ➢ Organized and conducted COVID-19 Economic Recovery Task Force meetings comprised of various community stakeholders and economic development partners to provide the City with recommendations for economic recovery during and post-pandemic;

- ➢ Expanded the Library's digital collection by adding access to online learning platforms for test preparation, career change, small business startup and digital skill building to provide workforce development assistance; and offered free digital access to more than 7,000 newspapers and magazines from over 120 countries in 60 different languages;

- ➢ Continued prudent, conservative management of the City's investment portfolio to maximize investment earning;

- ➢ Continued implementing the required Governmental Accounting Standards Board (GASB)

Statements, including the pension and other postemployment benefits (OPEB) liabilities on the face of the financial statements;

- Continued implementing solutions to reduce unfunded pension and other post-employment benefit (OPEB) liabilities, including (1) annual OPEB liability pre-funding practice; (2) Issued 2021 Bonds for pension obligations to reduce/control costs to minimize interruptions to essential City services and preserve City's reserves – a 20-year savings of $50 million;

- The Community Risk Reduction division completed a technology upgrade of the EOC which included new displays, new chrome book computers for EOC disaster operations and improvement of the internet network access points; and

- Installation and implementation of a trunked, encrypted radio system and transition to the ICI Regional Public Safety communications system as well as Hosted Radio Management System. The system's 11 trunked cells and 37 repeater sites blanket virtually the entire 4,500 square miles of Los Angeles County with digital radio coverage that can be accessed by all member agencies and their resources.

**Gann Spending Limitation**

Article XIIIB of the California Constitution, which was adopted in 1979 and amended in 1990 by Proposition 111, establishes a limit on government spending. The limit is calculated based on a government's 1978-79 appropriations adjusted each year by the change in California per capita income or the change in nonresidential assessed valuation combined with the change in city or county population. The City's 2021-22 appropriations limit was $99.2 million and the City's actual appropriation subject to the limit was 52% below the legal limit. Based on the past trend and projected future growth, the City believes its appropriations will continue remaining within the legal limit.

**Debt Administration**

The primary objective of the City's debt administration is to maintain its accessibility to capital market at the lowest possible cost; i.e. interest cost, without endangering its ability to finance essential services. The City uses debt financing only for capital improvements or projects that cannot be financed from current revenues. The City has been successful in obtaining financing for various infrastructure improvements, such as pension obligations, police 911 computer system, water treatment plants, and citywide smart meters/energy retrofit project.

**Cash Management**

While the City monitors its cash balance daily and invests temporarily idle funds in accordance with the Government Code and the City's Investment Policy, there is potential to further enhance our returns and cash management. The City's investment and cash management is through pooling of various City funds to maximize safe and efficient investment operations. Investment earnings are distributed based on average cash balance. The Finance staff carries out the daily investment operations. At June 30, 2022, the City's investment balances, including amounts held by fiscal agent, were $112.7 million.

The City periodically submits its Investment Policy to the Municipal Treasurers Association of United States and Canada for certification to ensure the Policy meets the criteria established by the Association's Investment Policy Certification Program. The City's Investment Policy continued being recertified for the Certificate of Excellence Award.

**Risk Management**

Monterey Park is self-insured for general liability and workers' compensation. The City has acquired excess coverage for both under a Joint Power Authority Agreement (JPA) with Public Risk Innovation Solutions, and Management (PRISM). PRISM is a member-directed risk sharing pool of public agencies committed to providing risk coverage programs and risk management services, which drive member stability, efficiency, and best practices. To finance risk management, the City maintains internal service funds for general liability and workers' compensation insurances. The claims payable includes incurred-but-not-reported claims. However, the claim values consider the indemnity and expense exposures and are based on known facts at the time of evaluation. The City does not warranty the ultimate values of incurred-but-not-reported claims, which could be significantly different from the final settlement. The City actively administers various risk management programs including employee accident prevention training, claims review, and monthly safety meetings to reduce the City's exposure to loss.

**Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awards a Certificate of Achievement for Excellence in Financial Reporting. The City of Monterey Park has been awarded the Certificate of Achievement by GFOA for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This was the 33rd consecutive year the City received this award. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for the preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such a report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year. We believe the City's Fiscal Year 2021-22 ACFR will continue to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA for award consideration. In addition, the City's Budget has received awards for excellence in budgeting from both the Government Finance Officers Association of the United States and Canada (*GFOA*) and California Society of Municipal Finance Officers Association (*CSMFO*).

We would like to express our sincere appreciation to the entire Finance Department staff whose efficient and dedicated services have made this timely preparation of this report possible. We would also like to thank the Mayor and City Council for their unfailing support of excellence in financial reporting and fiscal integrity. The accomplishments and values for this community which are presented in this report are a testament to the leadership of the City Council and the dedication of all City employees.

Respectfully submitted,



Ron Bow
City Manager



Martha Garcia
Director of Finance

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Monterey Park**
**California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

GOVERNMENT FINANCE OFFICERS ASSOCIATION

# *Distinguished Budget Presentation Award*

**PRESENTED TO**

## City of Monterey Park
## California

For the Fiscal Year Beginning

**July 01, 2021**

Christopher P. Morrill

**Executive Director**

# California Society of Municipal Finance Officers

*Certificate of Award*

## *Operating Budget Excellence Award*
## *Fiscal Year 2020-2021*

*Presented to the*

## *City of Monterey Park*

For meeting the criteria established to achieve the CSMFO Excellence Award in Budgeting

***January 31, 2021***




***Marcus Pimentel***
***CSMFO President***

***Michael Manno, Chair***
***Recognition Committee***

***Dedicated Excellence in Municipal Financial Reporting***

CliftonLarsonAllen LLP
CLAconnect.com

# INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Member of the City Council
of the City of Monterey Park
Monterey Park, 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 Monterey Park, 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 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. 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.

### *Emphasis of Matter*

*Change in Accounting Principle*

As described in Note 1D to the financial statements, effective July 1, 2021, the City adopted new accounting guidance, Statement of Governmental Accounting Standards Board (GASB Statement) No. 87, *Leases*. Our opinions are not modified with respect to this matter.

CLA (CliftonLarsonAllen LLP) is an independent network member of CLA Global. See CLAglobal.com/disclaimer.

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

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

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

***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, 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 schedules of changes in net pension liability and related ratios, and the schedules of contributions - CalPERS and MMRP pension plans, the schedule of changes in net OPEB liability and related ratios and schedule of contributions - OPEB plan, and the budgetary comparison schedules for the General Fund, Special Revenue Grants Fund, Special Revenue Retirement/Pension Liability Fund, and Special Revenue Housing Fund, identified as Required Supplementary Information (RSI) in the accompanying table of contents, 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 RSI 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 RSI 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 statements and individual fund schedules (supplementary information) 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 supplementary information is 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 auditors' 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

The Honorable Mayor and
Member of the City Council
of the City of Monterey Park

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

In accordance with Government Auditing Standards, we have also issued our report dated April 18, 2023, on our consideration of the City of Monterey Park'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 of Monterey Park's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

**CliftonLarsonAllen LLP**

Irvine, California
April 18, 2023

# MANAGEMENT DISCUSSION AND ANALYSIS

## Introduction

The Management Discussion and Analysis provides a narrative introduction, analysis, and overview that will assist in understanding of the City's financial statements. This analysis should be read in conjunction with the City's financial statements as of June 30, 2022, the transmittal letter, and notes to the basic financial statements.

## Government-wide Financial Statements

The government-wide financial statements are designed to provide information of the City's financial activities in a manner similar to a private-sector company. Government-wide financial statements consist of the statement of net position and the statement of activities, which are prepared using the economic resources measurement focus and the accrual basis of accounting. These statements provide both short-term and long-term information about the City's financial position, which is helpful in assessing the City's economic condition at the end of the fiscal year.

The statement of net position presents all of the City's financial resources along with its capital assets and long-term obligations. The difference between the assets and the liabilities is reported as the net position.

The statement of activities reports the gross and net costs of various activities carried out by the City and how the City's net position changed during the fiscal year. This statement summarizes the cost of providing services by the City and includes all current year revenues and expenses.

Both government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (i.e. governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (i.e. business-type activities). The governmental activities of the City include general government, public safety, community development, culture and recreation, highways and streets, health, and debt service. The business-type activities reflect the City's water system operations, waste management activities, and sanitary sewer activities.

The government-wide financial statements include not only the City but also those legally separate entities for which the City is financially accountable. These entities include the Monterey Park Housing Authority and the Monterey Park Public Financing Authority. Financial information for these component units is reported as an integral part of the City. Please refer to Note Number 1A of the Notes to the Basic Financial Statements.

## Fund Financial Statements

A fund is a grouping of related accounts used to control resources that have been segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same 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 expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Governmental funds are accounted for using the modified accrual basis of accounting, which provides a detailed view of the City's current financial resources and the City's ability to meet its current expenditure needs. Such information may be useful in evaluating a government's near-term financing requirements.

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 government-wide activities.

The City maintains 23 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for General Fund, Special Revenue Grants Fund, Special Revenue Retirement/Pension Liability Fund, Special Revenue Housing Fund and Street Capital Projects Fund, which are reported as major funds. Information for the other 17 governmental funds is combined into a single column under Nonmajor Special Revenue Governmental Funds. Data for the nonmajor governmental funds is provided in the combining statements in this report.

The City adopts an annual appropriated budget for its governmental funds. Budgeted expenditures are controlled at the fund level. Budgetary comparison statements have been provided to demonstrate compliance with this budget. Please refer to the Notes to Required Supplementary Information.

Proprietary Funds

Proprietary funds use the accrual basis of accounting, which is the same method used by private businesses. Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail.

The City maintains two different types of proprietary funds: enterprise funds and internal service funds. The 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 for its water system, waste management activities, and sanitary sewer activities. Internal service funds are used to accumulate and allocate costs internally among the City's various functions, which include vehicle operation, workers compensation insurance, retiree medical benefits, general liability insurance, separation benefits, and technology development. Because the internal service operations benefit both governmental and business-type functions, they have been proportionally allocated and included within the governmental and business-like activities in the government-wide financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in this report.

Fiduciary Funds

Fiduciary funds are used to account for activities when the City acts as a trust or fiduciary to hold resources 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 programs.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

**Required Supplementary Information**

The required supplementary information further explains and supports the information in the financial statements. This section includes the schedules of the City's funding for its employee pension program, other post-employment benefits program, and the budgetary comparison for the General Fund, Special Revenue Grants Fund, Special Revenue Retirement/Pension Liability Fund, and the Special Revenue Housing Fund.

**Other Supplementary Information**

Other supplementary information includes combining and individual budgetary comparison schedules for Nonmajor Governmental Funds, and combining statements for Agency Funds and Internal Service Funds.

**Financial Highlights**

- Total 2021-22 net position increased by $11.9 million from 2020-21, which is the net of the $11.2 million increase in governmental activities and the $688 thousand increase in business-type activities. The $6 million decrease in governmental services was attributed to growing pension and other post-employment benefits (OPEB) costs, as well as a reduction in revenues. The $1.2 million increase in business-type activities was primarily due to steady water and refuse revenues and flat operational costs across all enterprise funds.

- As of June 30, 2022, the City's assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources by $44.4 million, of which $96 million was related to the net investment in capital assets, $55.0 million was restricted for special revenues, and a negative $106.7 million was unrestricted.

- At the 2021-22 year-end, the General Fund total fund balance was $29 million, a $6.2 million decrease from the prior year. The decrease was related to the Goodviews Abatement Project.

- The City kept the residential trash rates at the same level as 2020-21. However, the service contract cost for the trash provider was adjusted by CPI, per the contractual agreement.

- The City continued to serve as the Successor Agency for its former Redevelopment Agency, and reported the former RDA assets and liabilities in the Fiduciary Fund as a Private Purpose Trust Fund.

**Government-wide Financial Analysis**

The net position of the City is derived from the total assets and deferred outflows of resources less its liabilities and deferred inflows of resources at the end of a reporting period. It serves as an indicator of a government's financial position at a certain point in time. As of June 30, 2022, the City's combined assets (governmental and business-type activities) totaled $305.9 million, up $79.8 million from last year. The increase was primarily attributed to $20.4 million increase in cash and investments held by fiscal agent, a $50.4 million increase in net pension assets and $9 million increase in capital assets. The City's total deferred outflow of resources decreased $117.2 million, from $123.2 million to $6 million. The decrease was due to the City's pension plans. The City's liabilities totaled $222.8 million, down $88.1 million from last year. The City's total deferred inflow of resources increased $38.7 million, from $6.1 million to $44.8 million. The increase was related to the City's pension plans and the implementation of GASB 87 amounts related to leases. As a result, the City's combined net position totaled $44.4 million, up $8.8 million from last year.

Net position consists of three categories: net investment in capital assets, restricted fund balances, and an unrestricted fund balance. The largest portion of the City's net position, approximately $96 million, is the City's investment in capital assets, including land, buildings, equipment, and infrastructure net of accumulated depreciation and related debt for acquiring these capital assets. Since the capital assets are used to provide services to citizens, they are not available to fund the City's day-to-day activities.

The City's restricted net position totaled $55.0 million at June 30, 2022. These are assets subject to external restrictions, constitutional provisions, or enabling legislation that limit how these assets may be used. The restricted net position includes primarily grants, retirement/pension funds, and various nonmajor special revenue funds. The unrestricted net position is available for use by the City for any legal purpose. As of June 30, 2022, the City's total unrestricted net position was a negative $106.7 million.

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 6/30/2022 | 6/30/2021 | 6/30/2022 | 6/30/2021 | 6/30/2022 | 6/30/2021 |
| Assets: | | | | | | |
| Current | $ 106,123 | $ 84,852 | $ 31,161 | $ 35,709 | $ 137,284 | $ 120,561 |
| Non Current | | | | | | |
| Capital Assets | 66,474 | 61,796 | 47,601 | 40,589 | 114,075 | 102,385 |
| Other | 51,912 | 3,207 | 2,637 | | 54,549 | 3,207 |
| Total Assets: | 224,509 | 149,855 | 81,399 | 76,298 | 305,908 | 226,153 |
| Deferred Outflow of Resources | 5,397 | 116,613 | 592 | 6,623 | 5,989 | 123,236 |
| Liabilities: | | | | | | |
| Current | 28,156 | 24,038 | 4,957 | 4,802 | 33,113 | 28,840 |
| Long-Term | 171,054 | 259,382 | 18,626 | 22,624 | 189,680 | 282,006 |
| Total Liablilities | 199,210 | 283,420 | 23,583 | 27,426 | 222,793 | 310,846 |
| Deferred Inflow of Resources | 41,931 | 5,462 | 2,851 | 626 | 44,782 | 6,088 |
| Net Position: | | | | | | |
| Net Investment in Capital Assets | 60,290 | 53,107 | 35,741 | 32,466 | 96,031 | 85,573 |
| Restricted | 52,357 | 22,378 | 2,637 | - | 54,994 | 22,378 |
| Unrestricted | (123,882) | (97,899) | 17,179 | 22,403 | (106,703) | (75,496) |
| Total Net Position | $ (11,235) | $ (22,414) | $ 55,557 | $ 54,869 | $ 44,322 | $ 32,455 |

*Statement of Activities*
*For Fiscal Years Ended June 30, 2022 and June 30, 2021*
*(In thousands)*

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 6/30/2022 | 6/30/2021 | 6/30/2022 | 6/30/2021 | 6/30/2022 | 6/30/2021 |
| Revenues | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | $ 12,031 | $ 8,733 | $ 24,327 | $ 26,266 | $ 36,358 | $ 34,999 |
| Operating Grants & Contributions | 14,676 | 12,200 | - | - | 14,676 | 12,200 |
| Captial Grants & Contributions | - | - | 881 | 94 | 881 | 94 |
| General Revenues: | | | | | | |
| Taxes | 46,432 | 44,888 | - | - | 46,432 | 44,888 |
| Revenues from Use of Money and Property | (1,859) | 396 | 41 | 53 | (1,818) | 449 |
| Other | 1,445 | 1,339 | - | 2 | 1,445 | 1,341 |
| Total Revenues: | 72,725 | 67,556 | 25,249 | 26,415 | 97,974 | 93,971 |
| Expenses: | | | | | | |
| General Government | 4,998 | 16,863 | - | - | 4,998 | 16,863 |
| Public Safety | 32,975 | 41,432 | - | - | 32,975 | 41,432 |
| Comm. Development | 7,545 | 501 | - | - | 7,545 | 501 |
| Culture & Recreation | 7,250 | 7,368 | - | - | 7,250 | 7,368 |
| Highway & Streets | 5,301 | 6,349 | - | - | 5,301 | 6,349 |
| Health | 234 | 187 | - | - | 234 | 187 |
| Interest & Fiscal Charges | 3,717 | 1,534 | - | - | 3,717 | 1,534 |
| Water/Refuse/Sewer | - | - | 24,087 | 26,829 | 24,087 | 26,829 |
| Total Expenses: | 62,020 | 74,234 | 24,087 | 26,829 | 86,107 | 101,063 |
| Transfers | 474 | 534 | (474) | (534) | - | - |
| Changes in Net Position | 11,179 | (6,144) | 688 | (948) | 11,867 | (7,092) |
| Net Position July 1 | (22,414) | (16,270) | 54,869 | 55,817 | 32,455 | 39,547 |
| Net Position June 30 | $ (11,235) | $ (22,414) | $ 55,557 | $ 54,869 | $ 44,322 | $ 32,455 |

## Governmental Activities Financial Analysis

Overall governmental activities increased the City's net position by $11.2 million. The increase in net position was due primarily to an increase in capital asset investments.

Governmental Funds

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows and outflows during the fiscal year and balances of spendable resources at the end of the fiscal year. Such information is useful in assessing the City's financing requirements to meet the current needs. Unassigned fund balance may serve as a useful measure of the City's net resources available for appropriation.

As of June 30, 2022, the City's governmental funds reported a combined ending fund balance of $73.1 million, an increase of $17.2 million from the prior year. The fund balance categories of the governmental funds show $126,522 as nonspendable, $44.3 million as restricted, $10 million as committed, $19.2 million as assigned, and $(424,574) as unassigned. *(Please refer to Note 13 of the Notes to Basic Financial Statements for detailed breakdown.)*

There are five major funds in the governmental funds: General Fund, Special Revenue Grants Fund, Special Revenue Retirement/Pension Liability Fund, the Special Revenue Housing Fund and Street Capital Projects Fund.

*The General Fund* is the main operating fund of the City, which accounts for the majority of the police, fire, recreation, parks maintenance, public works, library, community development, and general administrative services. General Fund revenues and transfers in for 2021-22 totaled $49 million, an increase of $2.4 million from 2020-21. The increase was primarily due to the steady economic recovery and businesses resuming normal activities as the COVID-19 regulations relaxed. Total 2021-22 general fund expenditures and transfers out were $55.2 million, reflecting an decrease of $95.4 million from 2020-21. As of June 30, 2022, the total fund balance of the General Fund was $29 million, a decrease of $6.2 million from last year.

*The Special Revenue Grants Fund* reports the activities of various grants that the City received from Federal, State, and County agencies. Unspent grant funds are accumulated for expenditures in future years. Total grants received for governmental activities and transfers in for 2021-22 were $4.2 million, up $1 million from last year. Total 2021-22 grant funded expenditures and transfers out were $4.2 million, reflecting an increase of $1.9 million from 2020-21. Total fund balance of the Special Revenue Grants Fund as of June 30, 2022 was $1.2 million, an increase of $6,000 from last year.

*Special Revenue Retirement/Pension Liability Fund* accounts for revenue received from the voter-approved property tax levied to provide for employee retirement costs. Total revenues and transfers for 2021-22 were approximately $11.8 million, an increase of $0.2 million over 2020-21. Total expenditures for 2021-22 were $9.4 million, down $11.0 million from 2020-21. The decrease in expenditures was due to payoff of the Unfunded Accrued Liability (UAL). The total fund balance in the Retirement/Pension Liability Fund as of June 30, 2022 was $2.6 million, all of which is restricted for employee retirement costs.

*The Streets Capital Projects Fund* reports the bond proceeds received for street related capital projects Total bond proceeds received during the year were $21,026,121. Total 2021-22 capital related expenditures were $572,275. Total fund balance of the Streets Capital Projects Fund as of June 30, 2022 was $20.5 million.

*The Special Revenue Housing Fund* accounts for housing activities. The City assumed the responsibility of the housing assets and functions after the dissolution of the City's Redevelopment Agency. Total revenues for 2021-22 were $6,000. There were no housing expenditures for 2021-22. As of June 30, 2022, the fund balance of the Special Revenue Housing Fund was $2.5 million.

*Nonmajor Governmental Funds* account for various activities including street improvement, transportation, air quality improvement, lighting and landscaping district, public safety activity, and development impact improvements. Total revenues and transfers-in for 2021-22 were $12 million, up $3.5 million from 2020-21. Total expenditures and transfers-out for 2021-22 were $10 million, an increase of $1.6 million over 2020-21. As of June 30, 2022, the fund balance of the Nonmajor Governmental Funds totaled $17.5 million, up $0.5 million from 2020-21.

**Business-type Activities Financial Analysis**

The business-type activities reflect the City's water system, which includes water operation and water treatment, waste management activities and sanitary sewer activities.

Total 2021-22 water revenues were $14.2 million, down $1.9 million from 2020-21. The decrease in water revenues was primarily due to increased conservation measures throughout the community. Water expenses were $14 million, down $1.9 million from 2020-21. The decrease was primarily due to a reduction in administration costs, including retirement, and costs for the water production and water treatment operations in 2021-22. The net position for the Water Fund increased by 414 thosand from the previous year to $51.2 million at June 30, 2022.

Refuse Fund revenues for 2021-22 were at $6.8 million, down $0.1 million from the previous year. Operating expenditures were $6.6 million, up $0.1 million from last year. The net position for the Refuse Fund was $861,412 at June 30, 2022, an increase of $176,749 from the prior year.

Sewer Fund revenues were $3.2 million, which stayed the same as last year. Operating expenditures were $2.3 million, down $0.5 million from last year. The decrease was primarily due lower maintenance costs. The net position for the Sewer Fund increased to $10.8 million, an increase of $0.8 million from the prior year.

**General Fund Budgetary Highlights**

The originally adopted General Fund budget for this fiscal year was $47.8 million. The final amended budget of $51.7 million reflecting City Council approved amendments throughout the year.

The budget amendments included additional funds for minimum wage mandates, Police Department overtime, service costs, a classification and compensation study and addition of staff.

Overall, actual revenues in the General Fund were higher than the budgeted revenues. The increase was $1.5 million. Primarily due to relaxed COVID-19 regulations causing increased tax revenue $2.7

million higher than budgeted. Revenue from use of money and property was lower than budgeted by $3 million, licenses and permits and fines and forfeitures were also lower by $40,000 and $95,000, respectively. Actual expenses in the General Fund were under budget in all the major categories, except for public safety, community development and debt service. General government was under budget $0.5 million, and culture and recreation was under budget $1.6 million. These were due to the City's cost control measures in response to the revenue drop and unclear economic outlook due to COVID-19. Public safety however was over budget by $1.2 million, community development was over by $5.7 million, and debt service was over by $16,000. These reflected the City's commitment and reallocation of resources from non-urgent services to crucial and necessary services. Overall, actual expenditures were $3.4 million more than budgeted. Most of the capital outlay budget that was not spent will be rolled over into the 2022-23 budget.

## Capital Asset Administration

The City's capital assets, net of accumulated depreciation, for its governmental and business-type activities as of June 30, 2022, totaled $114 million, an increase of $11.6 million from prior year. The capital assets include land, buildings, improvements, machinery and equipment, parks, roads, traffic lights, and traffic signals. *(Readers desiring more detailed information on capital asset activity should refer to Note 6 of the Notes to the Basic Financial Statements.)*

***Capital Assets Net of Depreciation***
***For Fiscal Years Ended June 30, 2022 and June 30, 2021***
***(In thousands)***

| | *Governmental Activities* | | *Business-type Activities* | | *Total* | |
|---|---|---|---|---|---|---|
| | *6/30/2022* | *6/30/2021* | *6/30/2022* | *6/30/2021* | *6/30/2022* | *6/30/2021* |
| ***Land*** | *$ 8,465* | *$ 8,465* | *$ 500* | *$ 500* | *$ 8,965* | *$ 8,965* |
| ***Buildings*** | *14,231* | *14,824* | *132* | *137* | *14,363* | *14,961* |
| ***Improvements*** | *20,500* | *15,119* | *29,792* | *27,635* | *50,292* | *42,754* |
| ***Construction in Progress*** | *4,669* | *6,622* | *14,313* | *9,597* | *18,982* | *16,219* |
| ***Equipment*** | *4,593* | *6,442* | *266* | *385* | *4,859* | *6,827* |
| ***Infrastructure*** | *13,919* | *10,324* | *2,596* | *2,335* | *16,515* | *12,659* |
| ***Leased Assets*** | *98* | *-* | *3* | *-* | *101* | *-* |
| | *$ 66,474* | *$ 61,796* | *$ 47,599* | *$ 40,589* | *$ 114,076* | *$ 102,385* |

Major capital asset additions during the fiscal year included the following:

- Continued IT software and hardware upgrades for the new Enterprise Resource Planning (ERP) System implementation
- Continued General Plan updates
- Continued improvements at Fire Station 62
- Continued street improvements
- Traffic signal upgrades at Garvey/Alhambra intersection
- Various City Hall improvements

## Debt Administration

As of June 30, 2022, the City's noncurrent portion of long-term debt increased by$21.3 million from the prior year at $159.6 million to $180.9 million was due primarily to the City's 2021. *(Please refer to note number's 7 and 10 of the Notes to the Basic Financial Statements for detailed information.)*

State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of its total assessed valuation. The current debt limitation for the City is $1.21 billion.

***Long-term Debt***
***For Fiscal Years Ended June 30, 2022 and June 30, 2021***
***(In thousands)***

| | *Governmental Activities* | | *Business-type Activities* | | *Total* | |
|---|---|---|---|---|---|---|
| | *6/30/2022* | *6/30/2021* | *6/30/2022* | *6/30/2021* | *6/30/2022* | *6/30/2021* |
| *Capital Leases* | *$ 4,969* | *$ 5,669* | *$ 11,310* | *$ 7,915* | *$ 16,279* | *$ 13,584* |
| *Lease Liablility* | *96* | *145* | *3* | *4* | *99* | *149* |
| *Section 108 Loan* | *539* | *1,047* | *-* | *-* | *539* | *1,047* |
| *Pension Obligation Bonds* | *109,268* | *112,662* | *5,282* | *5,443* | *114,550* | *118,105* |
| *Sales Tax Revenue Bonds* | *17,585* | *-* | *-* | *-* | *17,585* | *-* |
| *Premium* | *3,167* | *-* | *-* | *-* | *3,167* | *-* |
| *Compensated Absences* | *5,212* | *5,027* | *224* | *737* | *5,436* | *5,764* |
| *Insurance Assessments Payable* | *818* | *981* | *-* | *-* | *818* | *981* |
| *Claims and Judgements* | *22,443* | *19,949* | *-* | *-* | *22,443* | *19,949* |
| | *$ 164,097* | *$ 145,480* | *$ 16,819* | *$ 14,099* | *$ 180,916* | *$ 159,579* |

## Economic Factors and Next Year's Budget

- The City's total assessed valuation is $8.8 billion, up 8.6%, or $560 million, from 2020-21.

- The fiscal year 2022-23 City Budget is balanced. The City is conservative in projecting future revenues. The City's spending plan follows the City Council's direction in maintaining excellent community service, enhancing organizational efficiency, and funding much needed infrastructure and capital improvements. The City will conclude labor negotiations with the remaining miscellaneous bargaining units. Any potential salary and benefit contract adjustments will be considered during the mid-year budget process.

- Over the last few months, slight inflation improvements materialized in various industries, however real change has yet to take hold. Many remain nervous about the economy sliding into a recession. Nevertheless, customer spending remains strong. Experts vary on whether a recession will occur and to what extent. Unemployment rates remain a key indicator of whether this adverse economic situation will occur. From a sales tax perspective, the forecast does reflect a slowdown in taxable merchandise spending as the higher cost of utilities, food and other necessities limit dollars available for discretionary and non-essential items.

- On the November 8, 2022, voters adopted Measure MP which authorizes a ¾ cent transactions and use (sales) tax. The measure was adopted based upon a 58.14% voter approval. This tax will begin to be collected by businesses on April 1, 2023, and is projected to generate $1.2 million in FY2022-2023.

- The Federal American Rescue Plan (ARPA) funds allocated to the City for COVID-19 pandemic recovery efforts continue to subsidize the General Fund.

- The Courtyard by Marriott transient occupancy tax (TOT) revenue is anticipated to realize at 50% higher than previously projected.

- The water, sewer, and trash rates study will be continued and new rates will be presented to the Council for approval.

**Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all interested persons and organizations. The report is published on the City's official website. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to ***City of Monterey Park, Finance Department, 320 West Newmark Avenue, Monterey Park, CA 91754.***

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**BASIC FINANCIAL STATEMENTS**

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## GOVERNMENT-WIDE FINANCIAL STATEMENTS

**CITY OF MONTEREY PARK**
**STATEMENT OF NET POSITION**
**JUNE 30, 2022**

| | Primary Government | | |
|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total |
| **ASSETS** | | | |
| Current Assets: | | | |
| Cash and Investments | $ 71,883,813 | $ 32,595,441 | $ 104,479,254 |
| Cash and Investments Held by Fiscal Agent | 20,515,699 | 286 | 20,515,985 |
| Accounts Receivable | 4,737,547 | 5,844,893 | 10,582,440 |
| Interest Receivable | (25,125) | 37,318 | 12,193 |
| Lease Receivable | 1,567,573 | - | 1,567,573 |
| Prepaid Assets | 126,522 | - | 126,522 |
| Internal Balances | 7,316,967 | (7,316,967) | - |
| Total Current Assets | 106,122,996 | 31,160,971 | 137,283,967 |
| Noncurrent Assets: | | | |
| Loans Receivable, Net | 1,935,342 | - | 1,935,342 |
| Receivable from Successor Agency | 1,033,650 | - | 1,033,650 |
| Net Pension Asset | 48,943,058 | 2,637,265 | 51,580,323 |
| Capital Assets: | | | |
| Not Being Depreciated | 13,133,814 | 14,812,722 | 27,946,536 |
| Being Depreciated, Net | 53,340,603 | 32,788,382 | 86,128,985 |
| Total Capital Assets | 66,474,417 | 47,601,104 | 114,075,521 |
| Total Noncurrent Assets | 118,386,467 | 50,238,369 | 168,624,836 |
| Total Assets | 224,509,463 | 81,399,340 | 305,908,803 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | |
| Amounts Related to Pension Plans | 3,147,603 | 173,325 | 3,320,928 |
| Amounts Related to Other Post Employment Benefits | 2,249,138 | 418,782 | 2,667,920 |
| Total Deferred Outflows of Resources | 5,396,741 | 592,107 | 5,988,848 |

*See accompanying Notes to Basic Financial Statements.*

**CITY OF MONTEREY PARK**
**STATEMENT OF NET POSITION (CONTINUED)**
**JUNE 30, 2022**

| | Primary Government | | |
|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total |
| **LIABILITIES** | | | |
| Current Liabilities: | | | |
| Accounts Payable and Accrued Liabilities | $ 2,708,939 | $ 2,844,155 | $ 5,553,094 |
| Accrued Payroll | 1,230,423 | 45,902 | 1,276,325 |
| Interest Payable | 312,538 | 9,954 | 322,492 |
| Deposits and Advances | 404,872 | 772,357 | 1,177,229 |
| Unearned Revenue | 12,732,786 | - | 12,732,786 |
| Due to Other Governmental Agencies | 749,120 | - | 749,120 |
| Long-Term Liabilities - Due Within One Year | 10,017,920 | 1,284,212 | 11,302,132 |
| Total Current Liabilities | 28,156,598 | 4,956,580 | 33,113,178 |
| Noncurrent Liabilities: | | | |
| Long-Term Liabilities - Due in More than One Year | 154,078,415 | 15,534,878 | 169,613,293 |
| Net Pension Liabilities | 372,265 | - | 372,265 |
| Net OPEB Liabilities | 16,603,088 | 3,091,433 | 19,694,521 |
| Total Noncurrent Liabilities | 171,053,768 | 18,626,311 | 189,680,079 |
| Total Liabilities | 199,210,366 | 23,582,891 | 222,793,257 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Amounts Related to Pension Plans | 34,969,193 | 1,852,930 | 36,822,123 |
| Amounts Related to Other Post Employment Benefits | 5,362,845 | 998,543 | 6,361,388 |
| Amounts Related to Leases | 1,598,892 | - | 1,598,892 |
| Total Deferred Inflows of Resources | 41,930,930 | 2,851,473 | 44,782,403 |
| **NET POSITION** | | | |
| Net Investment in Capital Assets | 60,290,327 | 35,740,792 | 96,031,119 |
| Restricted for: | | | |
| Grants | 1,522,906 | - | 1,522,906 |
| Retirement/Pension | 8,899,163 | 2,637,265 | 11,536,428 |
| Housing | 3,644,884 | - | 3,644,884 |
| Public Safety | 1,640,507 | - | 1,640,507 |
| Community Development | 187,731 | - | 187,731 |
| Culture and Recreation | 908,610 | - | 908,610 |
| Highways and Streets | 35,549,208 | - | 35,549,208 |
| Debt Service | 3,556 | - | 3,556 |
| Unrestricted (Deficit) | (123,881,984) | 17,179,026 | (106,702,958) |
| Total Net Position | $ (11,235,092) | $ 55,557,083 | $ 44,321,991 |

*See accompanying Notes to Basic Financial Statements.*

**CITY OF MONTEREY PARK**
**STATEMENT OF ACTIVITIES**
**YEAR ENDED JUNE 30, 2022**

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions |
|---|---|---|---|---|
| Governmental Activities: | | | | |
| General Government | $ 4,997,877 | $ 2,369,083 | $ 75,188 | $ - |
| Public Safety | 32,974,686 | 2,792,022 | 4,080,057 | - |
| Community Development | 7,545,425 | 2,722,923 | 1,396,048 | - |
| Culture and Recreation | 7,250,027 | 485,573 | 325,520 | - |
| Highway and Streets | 5,300,500 | 3,661,000 | 8,617,228 | - |
| Health | 234,375 | - | 181,459 | - |
| Interest and Fiscal Charges | 3,716,653 | - | - | - |
| Total Governmental Activities | 62,019,543 | 12,030,601 | 14,675,500 | - |
| Business-type Activities: | | | | |
| Water Utility | 15,001,155 | 14,231,262 | - | 880,892 |
| Refuse | 6,735,166 | 6,843,084 | - | - |
| Sewer | 2,350,934 | 3,252,413 | - | - |
| Total Business-type Activities | 24,087,255 | 24,326,759 | - | 880,892 |
| Total | $ 86,106,798 | $ 36,357,360 | $ 14,675,500 | $ 880,892 |

*See accompanying Notes to Basic Financial Statements.*

# CITY OF MONTEREY PARK
# STATEMENT OF ACTIVITIES (CONTINUED)
# 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 | $ (2,553,606) | $ - | $ (2,553,606) |
| Public Safety | (26,102,607) | - | (26,102,607) |
| Community Development | (3,426,454) | - | (3,426,454) |
| Culture and Recreation | (6,438,934) | - | (6,438,934) |
| Highway and Streets | 6,977,728 | - | 6,977,728 |
| Health | (52,916) | - | (52,916) |
| Interest and Fiscal Charges | (3,716,653) | - | (3,716,653) |
| Total Governmental Activities | (35,313,442) | - | (35,313,442) |
| Business-type Activities: | | | |
| Water Utility | - | 110,999 | 110,999 |
| Refuse | - | 107,918 | 107,918 |
| Sewer | - | 901,479 | 901,479 |
| Total Business-type Activities | - | 1,120,396 | 1,120,396 |
| Total | (35,313,442) | 1,120,396 | (34,193,046) |
| **GENERAL REVENUES** | | | |
| Taxes: | | | |
| Property Taxes | 29,676,242 | - | 29,676,242 |
| Sales Taxes | 9,294,060 | - | 9,294,060 |
| Utility User Taxes | 3,278,449 | - | 3,278,449 |
| Franchise Taxes | 1,067,908 | - | 1,067,908 |
| Business License Taxes | 661,415 | - | 661,415 |
| Transient Occupancy Taxes | 2,098,921 | - | 2,098,921 |
| Other Taxes | 284,927 | - | 284,927 |
| Vehicle In-Lieu Taxes (Unrestricted, Intergovernmental) | 69,754 | - | 69,754 |
| Revenues from Use of Money and Property | (1,858,601) | 41,256 | (1,817,345) |
| Other | 1,445,282 | 4 | 1,445,286 |
| Total General Revenues | 46,018,357 | 41,260 | 46,059,617 |
| **TRANSFERS** | 474,300 | (474,300) | - |
| **CHANGE IN NET POSITION** | 11,179,215 | 687,356 | 11,866,571 |
| Net Position (Deficit) - Beginning of Year | (22,414,307) | 54,869,727 | 32,455,420 |
| **NET POSITION (DEFICIT) - END OF YEAR** | $ (11,235,092) | $ 55,557,083 | $ 44,321,991 |

*See accompanying Notes to Basic Financial Statements.*

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## FUND FINANCIAL STATEMENTS

# CITY OF MONTEREY PARK
# BALANCE SHEET – GOVERNMENTAL FUNDS
# JUNE 30, 2022

| | Major Funds | | | |
|---|---|---|---|---|
| | | Special Revenue | | |
| | General | Grants | Retirement/ Pension Liability | Housing |
| **ASSETS** | | | | |
| Cash and Investments | $ 28,812,346 | $ 13,937,500 | $ 2,254,049 | $ 1,423,613 |
| Cash and Investments Held by Fiscal Agents | 6,076 | - | 34,439 | - |
| Accounts Receivable | 3,196,118 | 317,277 | 277,296 | - |
| Interest Receivable | (45,299) | 1,711 | - | 1,399 |
| Lease Receivable | 1,567,573 | - | - | - |
| Prepaid Items | 82,310 | - | - | - |
| Due from Other Funds | 639,069 | - | - | - |
| Loans Receivable, Net | - | 749,120 | - | 1,186,222 |
| Receivable from Successor Agency | - | - | - | 1,033,650 |
| Total Assets | $ 34,258,193 | $ 15,005,608 | $ 2,565,784 | $ 3,644,884 |
| **LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES** | | | | |
| **LIABILITIES** | | | | |
| Accounts Payable and Accrued Liabilities | $ 2,121,193 | $ 214,570 | $ 9 | $ - |
| Accrued Payroll | 1,154,998 | 22,534 | - | - |
| Deposits and Advances | 404,872 | - | - | - |
| Unearned Revenue | - | 12,732,786 | - | - |
| Due to Other Funds | - | - | - | - |
| Due to Other Governmental Agencies | - | 749,120 | - | - |
| Total Liabilities | 3,681,063 | 13,719,010 | 9 | - |
| **DEFERRED INFLOW OF RESOURCES** | | | | |
| Unavailable Revenue | 12,973 | 64,056 | - | 1,186,222 |
| Related to Leases | 1,598,892 | - | - | - |
| Total Deferred Inflow of Resources | 1,611,865 | 64,056 | - | 1,186,222 |
| **FUND BALANCES** | | | | |
| Nonspendable | 82,310 | - | - | - |
| Restricted | - | 1,222,542 | 2,565,775 | 2,458,662 |
| Committed | 9,726,927 | - | - | - |
| Assigned | 19,156,028 | - | - | - |
| Unassigned | - | - | - | - |
| Total Fund Balances | 28,965,265 | 1,222,542 | 2,565,775 | 2,458,662 |
| Total Liabilities, Deferred Inflow of Resources, and Fund Balances | $ 34,258,193 | $ 15,005,608 | $ 2,565,784 | $ 3,644,884 |

*See accompanying Notes to Basic Financial Statements.*

# CITY OF MONTEREY PARK
# BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
# JUNE 30, 2022

| | Street Capital Projects Funds | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and Investments | $ - | $ 17,361,811 | $ 63,789,319 |
| Cash and Investments Held by Fiscal Agents | 20,471,006 | 3,556 | 20,515,077 |
| Accounts Receivable | - | 931,354 | 4,722,045 |
| Interest Receivable | - | 17,064 | (25,125) |
| Lease Receivable | - | - | 1,567,573 |
| Prepaid Items | - | 44,212 | 126,522 |
| Due from Other Funds | - | - | 639,069 |
| Loans Receivable, Net | - | - | 1,935,342 |
| Receivable from Successor Agency | - | - | 1,033,650 |
| Total Assets | $ 20,471,006 | $ 18,357,997 | $ 94,303,472 |
| **LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES** | | | |
| **LIABILITIES** | | | |
| Accounts Payable and Accrued Liabilities | $ 12,900 | $ 205,537 | $ 2,554,209 |
| Accrued Payroll | - | 20,399 | 1,197,931 |
| Deposits and Advances | - | - | 404,872 |
| Unearned Revenue | - | - | 12,732,786 |
| Due to Other Funds | 4,260 | 424,574 | 428,834 |
| Due to Other Governmental Agencies | - | - | 749,120 |
| Total Liabilities | 17,160 | 650,510 | 18,067,752 |
| **DEFERRED INFLOW OF RESOURCES** | | | |
| Unavailable Revenue | - | 252,083 | 1,515,334 |
| Related to Leases | - | - | 1,598,892 |
| Total Deferred Inflow of Resources | - | 252,083 | 3,114,226 |
| **FUND BALANCES** | | | |
| Nonspendable | - | 44,212 | 126,522 |
| Restricted | 20,453,846 | 17,558,957 | 44,259,782 |
| Committed | - | 276,809 | 10,003,736 |
| Assigned | - | - | 19,156,028 |
| Unassigned | - | (424,574) | (424,574) |
| Total Fund Balances | 20,453,846 | 17,455,404 | 73,121,494 |
| Total Liabilities, Deferred Inflow of Resources, and Fund Balances | $ 20,471,006 | $ 18,357,997 | $ 94,303,472 |

*See accompanying Notes to Basic Financial Statements.*

# CITY OF MONTEREY PARK
# RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION OF GOVERNMENTAL ACTIVITIES
# JUNE 30, 2022

| | |
|---|---|
| Total Fund Balance of Governmental Funds in Fund Statements | $ 73,121,494 |
| Internal service funds are used by management to charge the costs of separation benefits, workers' compensation, vehicle, technology and general liability to individual funds. The assets and liabilities of internal service funds are reported with governmental activities in the statement of net position. Total net deficit is $(13,676,720) plus the portion of net deficit allocated to business-type activities of $7,316,967. | (6,359,753) |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. (Total governmental assets of $66,474,417 less internal service funds of $3,411,213, which has already been accounted for in the reconciliation of internal service funds elimination). | 63,063,204 |
| Net pension asset is not available to pay for current period expenditures of the governmental funds and, therefore, is not reported as an asset in the governmental funds. | 48,943,058 |
| Long-term liabilities in the amount of $164,346,437, excluding net pension liabilities and net other post employment benefit (OPEB) liabilities, are not due and payable in the current period and therefore are not reported in the governmental funds, net of $24,650,792 included in reconciliation of internal service funds. | (139,295,241) |
| Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | (312,538) |
| Net pension liability is not due and payable in the current period and therefore is not reported in the governmental funds. | (372,265) |
| Pension contributions made during the year after the measurement date are reported as expenditures in governmental funds and as deferred outflow of resources in the government-wide financial statements. | 2,363,579 |
| Other deferred outflows and inflows of resources related to the net pension liability are reported only in the government-wide financial statements: | |
| Net difference between projected and actual earnings on pension plan investments | (32,366,536) |
| Difference between expected and actual experience | (1,818,633) |
| Net OPEB liability is not due and payable in the current period and therefore is not reported in the governmental funds. | (16,603,088) |
| OPEB contributions made during the year after the measurement date are reported as expenditures in governmental funds and as deferred outflow of resources in the government-wide financial statements. | 2,249,138 |
| Other deferred outflows and inflows of resources related to the net OPEB liability are reported only in the government-wide financial statements: | |
| Net difference between projected and actual earnings on OPEB plan investments | (1,220,167) |
| Difference between expected and actual experience | (3,517,316) |
| Changes in assumptions | (625,362) |
| Revenues earned but not available to pay for current expenditures for governmental funds are unavailable. | 1,515,334 |
| Net Position of Governmental Activities | $ (11,235,092) |

*See accompanying Notes to Basic Financial Statements.*

**CITY OF MONTEREY PARK**
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS**
**YEAR ENDED JUNE 30, 2022**

| | Major Funds | | | |
|---|---|---|---|---|
| | | Special Revenue | | |
| | General | Grants | Retirement/ Pension Liability | Housing |
| **REVENUES** | | | | |
| Taxes | $ 37,402,738 | $ - | $ 8,367,523 | $ - |
| Licenses and Permits | 2,153,956 | - | - | - |
| Intergovernmental Revenues | - | 4,100,308 | - | - |
| Charges for Services | 9,345,381 | - | - | - |
| Revenues from Use of Money and Property | (1,879,661) | 81,786 | 1,236 | 6,238 |
| Fines and Forfeitures | 346,514 | - | - | - |
| Other Revenue | 1,703,030 | - | 12,800 | - |
| Total Revenues | 49,071,958 | 4,182,094 | 8,381,559 | 6,238 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General Government | 7,057,405 | 809,186 | 255,690 | - |
| Public Safety | 30,587,146 | 1,060,533 | 1,916,468 | - |
| Community Development | 7,354,396 | - | 35,684 | - |
| Culture and Recreation | 4,479,305 | 813,482 | 147,585 | - |
| Highways and Streets | 859,688 | 20,523 | 10,130 | - |
| Health | - | - | - | - |
| Capital Outlay | 1,644,809 | 990,193 | - | - |
| Debt Service: | | | | |
| Debt Issuance Costs | - | - | - | - |
| Principal Retirement | 348,311 | 508,001 | 3,394,136 | - |
| Interest and Fiscal Charges | 103,061 | 19,175 | 3,625,129 | - |
| Total Expenditures | 52,434,121 | 4,221,093 | 9,384,822 | - |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | (3,362,163) | (38,999) | (1,003,263) | 6,238 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers In | - | 45,264 | 3,487,200 | - |
| Transfers Out | (2,809,664) | - | - | - |
| Issuance of Debt | - | - | - | - |
| Total Other Financing Sources (Uses) | (2,809,664) | 45,264 | 3,487,200 | - |
| **NET CHANGE IN FUND BALANCES** | (6,171,827) | 6,265 | 2,483,937 | 6,238 |
| Fund Balances, Beginning of Year | 35,137,092 | 1,216,277 | 81,838 | 2,452,424 |
| **FUND BALANCES, END OF YEAR** | $ 28,965,265 | $ 1,222,542 | $ 2,565,775 | $ 2,458,662 |

*See accompanying Notes to Basic Financial Statements.*

**CITY OF MONTEREY PARK**
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)**
**YEAR ENDED JUNE 30, 2022**

| | Street Capital Projects Funds | Nonmajor Governmental Funds | Total Governmental Funds |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ - | $ 1,086,630 | $ 46,856,891 |
| Licenses and Permits | - | - | 2,153,956 |
| Intergovernmental Revenues | - | 9,598,113 | 13,698,421 |
| Charges for Services | - | 378,499 | 9,723,880 |
| Revenues from Use of Money and Property | - | 55,428 | (1,734,973) |
| Fines and Forfeitures | - | 249,101 | 595,615 |
| Other Revenue | - | - | 1,715,830 |
| Total Revenues | - | 11,367,771 | 73,009,620 |
| **EXPENDITURES** | | | |
| Current: | | | |
| General Government | - | 5,232 | 8,127,513 |
| Public Safety | - | 240,881 | 33,805,028 |
| Community Development | - | 34,768 | 7,424,848 |
| Culture and Recreation | - | 819,763 | 6,260,135 |
| Highways and Streets | - | 3,503,417 | 4,393,758 |
| Health | - | 234,375 | 234,375 |
| Capital Outlay | 234,963 | 5,326,160 | 8,196,125 |
| Debt Service: | | | |
| Debt Issuance Costs | 337,312 | - | 337,312 |
| Principal Retirement | - | 165,000 | 4,415,448 |
| Interest and Fiscal Charges | - | 448,627 | 4,195,992 |
| Total Expenditures | 572,275 | 10,778,223 | 77,390,534 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | (572,275) | 589,548 | (4,380,914) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | 613,627 | 4,146,091 |
| Transfers Out | - | (774,327) | (3,583,991) |
| Issuance of Debt | 21,026,121 | - | 21,026,121 |
| Total Other Financing Sources (Uses) | 21,026,121 | (160,700) | 21,588,221 |
| **NET CHANGE IN FUND BALANCES** | 20,453,846 | 428,848 | 17,207,307 |
| Fund Balances, Beginning of Year | - | 17,026,556 | 55,914,187 |
| **FUND BALANCES, END OF YEAR** | $ 20,453,846 | $ 17,455,404 | $ 73,121,494 |

*See accompanying Notes to Basic Financial Statements.*

**CITY OF MONTEREY PARK**
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**
**YEAR ENDED JUNE 30, 2022**

| | |
|---|---|
| Net Change in Fund Balance - Total Governmental Funds | $ 17,207,307 |
| Amount reported for governmental activities in the statement of activities are different because: | |
| Internal service funds are used by management to charge the costs of separation benefits, workers' compensation, vehicle, technology and general liability to individual funds. The net income/(expense) of certain activities of internal service fund is reported with governmental activities. This amount excludes $(733,821) charged to the Water and Refuse Enterprise Funds. | (2,714,290) |
| Governmental funds report capital outlays as expenditures. However, in the statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense: | |
| Capitalizable capital outlay, net of internal service fund capital additions of $746,100 | 8,831,630 |
| Depreciation expense, net of internal service fund depreciation expense of $781,216 | (4,263,025) |
| Revenues that do not provide current financial resources are not recognized as revenues in the governmental funds. | 18,839 |
| Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the statement of net position. | |
| Principal paid on debt | 4,415,448 |
| Issuance of bonds - governmental activities portion | (21,026,121) |
| Amortization of premium | 109,203 |
| Changes in net pension liability and related deferred outflows and inflows of resources reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds. | 6,577,039 |
| Changes in compensated absences which are not due and payable in the governmental funds are charged to expenses in the statement of activities. | (170,932) |
| Changes in net OPEB liability and related deferred outflows and inflows of resources reported in the statement of activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds. | 1,771,123 |
| Interest on long-term liabilities are not due and payable in the current period and therefore are not reported in the governmental funds. | 422,994 |
| Change in Net Position of Governmental Activities | $ 11,179,215 |

*See accompanying Notes to Basic Financial Statements.*

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**PROPRIETARY FUND FINANCIAL STATEMENTS**

# CITY OF MONTEREY PARK
# STATEMENT OF NET POSITION – PROPRIETARY FUNDS
# JUNE 30, 2022

| | Enterprise | | | |
|---|---|---|---|---|
| | Water Utility | Refuse | Sewer | Total |
| **ASSETS** | | | | |
| Current Assets: | | | | |
| Cash and Investments | $ 22,798,566 | $ 1,220,618 | $ 8,576,257 | $ 32,595,441 |
| Cash and Investments Held by Fiscal Agent | 198 | 43 | 45 | 286 |
| Accounts Receivable | 4,664,644 | 781,890 | 398,359 | 5,844,893 |
| Interest Receivable | 27,836 | 1,124 | 8,358 | 37,318 |
| Total Current Assets | 27,491,244 | 2,003,675 | 8,983,019 | 38,477,938 |
| Noncurrent Assets: | | | | |
| Net Pension Assets | 1,843,689 | 403,335 | 390,241 | 2,637,265 |
| Nondepreciable Capital Assets | 14,812,722 | - | - | 14,812,722 |
| Depreciable Capital Assets, Net of Accumulated Depreciation | 29,575,220 | 15,558 | 3,197,604 | 32,788,382 |
| Total Noncurrent Assets | 46,231,631 | 418,893 | 3,587,845 | 50,238,369 |
| Total Assets | 73,722,875 | 2,422,568 | 12,570,864 | 88,716,307 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Amounts Related to Pension Plans | 121,170 | 26,508 | 25,647 | 173,325 |
| Amounts Related to Other Post Employment Benefit Plans | 305,414 | 50,462 | 62,906 | 418,782 |
| Total Deferred Outflows of Resources | 426,584 | 76,970 | 88,553 | 592,107 |
| **LIABILITIES** | | | | |
| Current Liabilities: | | | | |
| Accounts Payable | 2,803,996 | 32,819 | 7,340 | 2,844,155 |
| Accrued Payroll | 30,980 | 3,120 | 11,802 | 45,902 |
| Interest Payable | 6,959 | 1,556 | 1,439 | 9,954 |
| Deposits and Advances | 731,411 | - | 40,946 | 772,357 |
| Due to Other Funds | - | - | - | - |
| Insurance Assessments Payable - Due within One Year | - | - | - | - |
| Claims and Judgments Payable - Due within One Year | - | - | - | - |
| Loan Payable - Due within One Year | 1,063,725 | - | - | 1,063,725 |
| Lease Liability - Due within One Year | 779 | - | - | 779 |
| Compensated Absences Payable - Due within One Year | 5,788 | 1,581 | 15,037 | 22,406 |
| Bonds Payable - Due within One Year | 137,946 | 30,204 | 29,152 | 197,302 |
| Total Current Liabilities | 4,781,584 | 69,280 | 105,716 | 4,956,580 |
| Noncurrent Liabilities: | | | | |
| Insurance Assessments Payable - Due in More than One Year | - | - | - | - |
| Claims and Judgments Payable - Due in More than One Year | - | - | - | - |
| Loan Payable - Due in More than One Year | 10,246,310 | - | - | 10,246,310 |
| Lease Liability - Due in More than One Year | 2,109 | - | - | 2,109 |
| Compensated Absences Payable - Due within One Year | 52,090 | 14,228 | 135,333 | 201,651 |
| Bonds Payable - Due within One Year | 3,555,105 | 778,406 | 751,297 | 5,084,808 |
| Net OPEB Liabilities | 2,254,551 | 372,509 | 464,373 | 3,091,433 |
| Total Noncurrent Liabilities | 16,110,165 | 1,165,143 | 1,351,003 | 18,626,311 |
| Total Liabilities | 20,891,749 | 1,234,423 | 1,456,719 | 23,582,891 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Amounts Related to Pension Plans | 1,295,367 | 283,381 | 274,182 | 1,852,930 |
| Amounts Related to Other Post Employment Benefit Plans | 728,227 | 120,322 | 149,994 | 998,543 |
| Total Deferred Inflows of Resources | 2,023,594 | 403,703 | 424,176 | 2,851,473 |
| **NET POSITION** | | | | |
| Net Investment in Capital Assets | 32,624,413 | 15,558 | 3,100,821 | 35,740,792 |
| Restricted for Pension Benefits | 1,843,689 | 403,335 | 390,241 | 2,637,265 |
| Unrestricted | 16,766,014 | 442,519 | 7,287,460 | 24,495,993 |
| Total Net Position | $ 51,234,116 | $ 861,412 | $ 10,778,522 | $ 62,874,050 |
| Adjustment to Reflect the Consolidation of Internal Service Funds Activities to Related Enterprise Fund | (6,415,914) | (901,053) | - | (7,316,967) |
| Net Position of Business-type Activities | $ 44,818,202 | $ (39,641) | $ 10,778,522 | $ 55,557,083 |

*See accompanying Notes to Basic Financial Statements.*

# CITY OF MONTEREY PARK
# STATEMENT OF NET POSITION – PROPRIETARY FUNDS (CONTINUED)
# JUNE 30, 2022

| | Internal Service |
|---|---|
| **ASSETS** | |
| Current Assets: | |
| Cash and Investments | $ 8,094,494 |
| Cash and Investments Held by Fiscal Agent | 622 |
| Accounts Receivable | 15,502 |
| Interest Receivable | - |
| Total Current Assets | 8,110,618 |
| Noncurrent Assets: | |
| Net Pension Assets | - |
| Nondepreciable Capital Assets | 1,604,656 |
| Depreciable Capital Assets, Net of Accumulated Depreciation | 1,806,557 |
| Total Noncurrent Assets | 3,411,213 |
| Total Assets | 11,521,831 |
| **DEFERRED OUTFLOWS OF RESOURCES** | |
| Amounts Related to Pension Plans | - |
| Amounts Related to Other Post Employment Benefit Plans | - |
| Total Deferred Outflows of Resources | - |
| **LIABILITIES** | |
| Current Liabilities: | |
| Accounts Payable | 154,730 |
| Accrued Payroll | 32,492 |
| Interest Payable | - |
| Deposits and Advances | - |
| Due to Other Funds | 210,235 |
| Insurance Assessments Payable - Due within One Year | 163,514 |
| Claims and Judgments Payable - Due within One Year | 3,635,479 |
| Loan Payable - Due within One Year | 379,204 |
| Lease Liability - Due within One Year | 25,069 |
| Compensated Absences Payable - Due within One Year | 13,212 |
| Bonds Payable - Due within One Year | - |
| Total Current Liabilities | 4,613,935 |
| Noncurrent Liabilities: | |
| Insurance Assessments Payable - Due in More than One Year | 654,057 |
| Claims and Judgments Payable - Due in More than One Year | 18,807,227 |
| Loan Payable - Due in More than One Year | 1,002,198 |
| Lease Liability - Due in More than One Year | 2,229 |
| Compensated Absences Payable - Due within One Year | 118,905 |
| Bonds Payable - Due within One Year | - |
| Net OPEB Liabilities | - |
| Total Noncurrent Liabilities | 20,584,616 |
| Total Liabilities | 25,198,551 |
| **DEFERRED INFLOWS OF RESOURCES** | |
| Amounts Related to Pension Plans | - |
| Amounts Related to Other Post Employment Benefit Plans | - |
| Total Deferred Inflows of Resources | - |
| **NET POSITION** | |
| Net Investment in Capital Assets | 3,029,780 |
| Restricted for Pension Benefits | - |
| Unrestricted | (16,706,500) |
| Total Net Position | $ (13,676,720) |

*See accompanying Notes to Basic Financial Statements.*

# CITY OF MONTEREY PARK
# STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS
# YEAR ENDED JUNE 30, 2022

| | Enterprise | | | |
|---|---|---|---|---|
| | Water Utility | Refuse | Sewer | Total |
| **OPERATING REVENUES** | | | | |
| Charges for Services | $ 14,089,633 | $ 6,843,084 | $ 3,252,413 | $ 24,185,130 |
| Meter Installations | 141,629 | - | - | 141,629 |
| Other Revenue | 4 | - | - | 4 |
| Total Operating Revenues | 14,231,266 | 6,843,084 | 3,252,413 | 24,326,763 |
| **OPERATING EXPENSES** | | | | |
| Administration | 842,223 | 290,294 | - | 1,132,517 |
| Commercial - Water | 1,326,338 | - | - | 1,326,338 |
| Production - Water | 4,333,075 | - | - | 4,333,075 |
| Distribution - Water | 3,107,366 | - | - | 3,107,366 |
| Treatment Plant | 2,768,689 | - | - | 2,768,689 |
| Street Maintenance - Refuse | - | 6,561 | - | 6,561 |
| Storm Drain Maintenance - Refuse | - | 14,169 | - | 14,169 |
| Refuse Collection | - | 6,303,564 | - | 6,303,564 |
| Sanitary Sewer Maintenance | - | - | 2,118,564 | 2,118,564 |
| Depreciation | 1,652,171 | 1,427 | 209,254 | 1,862,852 |
| Salaries and Benefits | - | - | - | - |
| Materials and Supplies | - | - | - | - |
| Insurance and Claims | - | - | - | - |
| Miscellaneous | - | - | - | - |
| Total Operating Expenses | 14,029,862 | 6,616,015 | 2,327,818 | 22,973,695 |
| Operating Income (Loss) | 201,404 | 227,069 | 924,595 | 1,353,068 |
| **NONOPERATING REVENUES (EXPENSES)** | | | | |
| Interest Revenue | 9,787 | 3,291 | 28,178 | 41,256 |
| Interest Expense | (334,312) | (22,311) | (23,116) | (379,739) |
| Total Nonoperating Revenues (Expenses) | 305,560 | (19,020) | 5,062 | 291,602 |
| Net Income (Loss) Before Capital Contributions and Transfers | 506,964 | 208,049 | 929,657 | 1,644,670 |
| Capital Contributions | 250,807 | - | - | 250,807 |
| Transfers Out | (343,200) | (31,300) | (99,800) | (474,300) |
| **CHANGE IN NET POSITION** | 414,571 | 176,749 | 829,857 | 1,421,177 |
| Net Position, Beginning of Year | 50,819,545 | 684,663 | 9,948,665 | 61,452,873 |
| **NET POSITION, END OF YEAR** | $ 51,234,116 | $ 861,412 | $ 10,778,522 | $ 62,874,050 |
| Changes in Net Position | $ 414,571 | $ 176,749 | $ 829,857 | $ 1,421,177 |
| Adjustment to Reflect the Consolidation of Internal Service Fund Activities to Related Enterprise Fund | (636,981) | (96,840) | - | (733,821) |
| Changes in Net Position of Business-type Activities | $ (222,410) | $ 79,909 | $ 829,857 | $ 687,356 |

*See accompanying Notes to Basic Financial Statements.*

# CITY OF MONTEREY PARK
# STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – PROPRIETARY FUNDS (CONTINUED)
# YEAR ENDED JUNE 30, 2022

| | Internal Service |
|---|---|
| **OPERATING REVENUES** | |
| Charges for Services | $ 10,648,659 |
| Meter Installations | - |
| Other Revenue | 185,974 |
| Total Operating Revenues | 10,834,633 |
| **OPERATING EXPENSES** | |
| Administration | - |
| Commercial - Water | - |
| Production - Water | - |
| Distribution - Water | - |
| Treatment Plant | - |
| Street Maintenance - Refuse | - |
| Storm Drain Maintenance - Refuse | - |
| Refuse Collection | - |
| Sanitary Sewer Maintenance | - |
| Depreciation | 781,216 |
| Salaries and Benefits | 2,524,774 |
| Materials and Supplies | 1,754,238 |
| Insurance and Claims | 8,722,108 |
| Miscellaneous | 359,750 |
| Total Operating Expenses | 14,142,086 |
| Operating Income (Loss) | (3,307,453) |
| **NONOPERATING REVENUES (EXPENSES)** | |
| Interest Revenue | - |
| Interest Expense | (52,858) |
| Total Nonoperating Revenues (Expenses) | (52,858) |
| Net Income (Loss) Before Capital Contributions and Transfers | (3,360,311) |
| Capital Contributions | - |
| Transfers Out | (87,800) |
| **CHANGE IN NET POSITION** | (3,448,111) |
| Net Position, Beginning of Year | (10,228,609) |
| **NET POSTION, END OF YEAR** | $ (13,676,720) |

*See accompanying Notes to Basic Financial Statements.*

# CITY OF MONTEREY PARK
# STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
# YEAR ENDED JUNE 30, 2022

| | Enterprise Funds | | | |
|---|---|---|---|---|
| | Water Utility | Refuse | Sewer | Total |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Cash Receipts from Customers | $ 14,805,163 | $ 6,884,905 | $ 3,294,447 | $ 24,984,515 |
| Cash Receipts from Interfund Services Provided | - | - | - | - |
| Cash Receipts from Reimbursements and Other Operating Revenue | - | - | - | - |
| Cash Payments to Suppliers for Goods and Services | (11,059,550) | (6,589,264) | (2,043,925) | (19,692,739) |
| Cash Payments to Employees for Services | (2,226,004) | (203,953) | (695,022) | (3,124,979) |
| Cash Payments for Insurance Premiums and Self-Insurance Claims | - | - | - | - |
| Net Cash Provided (Used) by Operating Activities | 1,519,609 | 91,688 | 555,500 | 2,166,797 |
| **CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES** | | | | |
| Proceeds from Bonds Payable | - | - | - | - |
| Cash Received from Other Funds | - | - | - | - |
| Cash Paid to Other Funds | (343,200) | (31,300) | (99,800) | (474,300) |
| Net Cash Provided (Used) by Noncapital and Related Financing Activities | (343,200) | (31,300) | (99,800) | (474,300) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | |
| Acquisition and Construction of Capital Assets | (8,549,603) | - | (321,736) | (8,871,339) |
| Grant Proceeds | 630,085 | - | - | 630,085 |
| Capital Contributions | 250,807 | - | - | 250,807 |
| Proceeds from loans | 4,000,000 | - | - | 4,000,000 |
| Principal Paid on Bonds | (112,471) | (24,626) | (23,767) | (160,864) |
| Principal Paid on Loans and Lease Financing | (605,861) | - | - | (605,861) |
| Interest Paid on Debt | (338,571) | (23,211) | (24,048) | (385,830) |
| Net Cash Used by Capital and Related Financing Activities | (4,725,614) | (47,837) | (369,551) | (5,143,002) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Interest Received | 5,777 | 3,137 | 26,350 | 35,264 |
| Net Cash Provided by Investing Activities | 5,777 | 3,137 | 26,350 | 35,264 |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | (3,543,428) | 15,688 | 112,499 | (3,415,241) |
| Cash and Cash Equivalents, Beginning of Year | 26,342,192 | 1,204,973 | 8,463,803 | 36,010,968 |
| **CASH AND CASH EQUIVALENTS, END OF YEAR** | $ 22,798,764 | $ 1,220,661 | $ 8,576,302 | $ 32,595,727 |
| Cash and Investments | $ 22,798,566 | $ 1,220,618 | $ 8,576,257 | $ 32,595,441 |
| Cash and Investments with Fiscal Agent | 198 | 43 | 45 | 286 |
| Total Cash and Cash Equivalents | $ 22,798,764 | $ 1,220,661 | $ 8,576,302 | $ 32,595,727 |

*See accompanying Notes to Basic Financial Statements.*

# CITY OF MONTEREY PARK
# STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
# YEAR ENDED JUNE 30, 2022

| | Internal Service |
|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | |
| Cash Receipts from Customers | $ - |
| Cash Receipts from Interfund Services Provided | 10,633,157 |
| Cash Receipts from Reimbursements and Other Operating Revenue | 185,974 |
| Cash Payments to Suppliers for Goods and Services | (2,221,252) |
| Cash Payments to Employees for Services | (2,493,166) |
| Cash Payments for Insurance Premiums and Self-Insurance Claims | (6,370,625) |
| Net Cash Provided (Used) by Operating Activities | (265,912) |
| **CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES** | |
| Proceeds from Bonds Payable | - |
| Cash Received from Other Funds | 210,235 |
| Cash Paid to Other Funds | (87,800) |
| Net Cash Provided (Used) by Noncapital and Related Financing Activities | 122,435 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | |
| Acquisition and Construction of Capital Assets | (746,101) |
| Grant Proceeds | - |
| Capital Contributions | - |
| Proceeds from loans | - |
| Principal Paid on Bonds | - |
| Principal Paid on Loans and Lease Financing | (400,769) |
| Interest Paid on Debt | (52,858) |
| Net Cash Used by Capital and Related Financing Activities | (1,199,728) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | |
| Interest Received | - |
| Net Cash Provided by Investing Activities | - |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | (1,343,205) |
| Cash and Cash Equivalents, Beginning of Year | 9,438,321 |
| **CASH AND CASH EQUIVALENTS, END OF YEAR** | $ 8,095,116 |
| Cash and Investments | $ 8,094,494 |
| Cash and Investments with Fiscal Agent | 622 |
| Total Cash and Cash Equivalents | $ 8,095,116 |

*See accompanying Notes to Basic Financial Statements.*

# CITY OF MONTEREY PARK
# STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
# YEAR ENDED JUNE 30, 2022

| | Enterprise Funds | | | |
|---|---|---|---|---|
| | Water Utility | Refuse | Sewer | Total |
| **RECONCILIATON OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** | | | | |
| Operating Income (Loss) | $ 201,404 | $ 227,069 | $ 924,595 | $ 1,353,068 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | |
| Depreciation | 1,652,171 | 1,427 | 209,254 | 1,862,852 |
| Changes in Assets and Liabilities: | | | | |
| (Increase) Decrease in Accounts Receivable | 337,677 | 41,821 | 25,947 | 405,445 |
| (Increase) Decrease in Inventory | - | - | - | - |
| (Increase) Decrease in Deferred Outflows of Resources - Pension Plans | 4,185,902 | 915,729 | 886,002 | 5,987,633 |
| (Increase) Decrease in Deferred Outflows of Resources - OPEB Plan | 31,280 | 5,169 | 6,443 | 42,892 |
| Increase (Decrease) in Accounts Payable | 25,077 | 5,964 | (568,304) | (537,263) |
| Increase (Decrease) in Accrued Payroll | (121,046) | 369 | 2,351 | (118,326) |
| Increase (Decrease) in Deposits and Advances | 236,220 | - | 16,087 | 252,307 |
| Increase (Decrease) in Insurance Assessment Payable | - | - | - | - |
| Increase (Decrease) in Claims and Judgments Payable | - | - | - | - |
| Increase (Decrease) in Compensated Absences Payable | (342,175) | (95,079) | 43,622 | (393,632) |
| Increase (Decrease) in Net Pension Liabilities | (5,710,486) | (1,249,256) | (1,208,700) | (8,168,442) |
| Increase (Decrease) in Net OPEB Liability | (543,684) | (89,831) | (111,983) | (745,498) |
| Increase (Decrease) in Deferred Inflows of Resources - Pension Plans | 1,295,367 | 283,381 | 274,182 | 1,852,930 |
| Increase (Decrease) in Deferred Inflows of Resources - OPEB Plan | 271,902 | 44,925 | 56,004 | 372,831 |
| Total Adjustments | 1,318,205 | (135,381) | (369,095) | 813,729 |
| Net Cash Provided (Used) by Operating Activities | $ 1,519,609 | $ 91,688 | $ 555,500 | $ 2,166,797 |

*See accompanying Notes to Basic Financial Statements.*

# CITY OF MONTEREY PARK
# STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS (CONTINUED)
# YEAR ENDED JUNE 30, 2022

| | Internal Service |
|---|---|
| **RECONCILIATON OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** | |
| Operating Income (Loss) | $ (3,307,453) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided | |
| Depreciation | 781,216 |
| Changes in Assets and Liabilities: | |
| (Increase) Decrease in Accounts Receivable | (15,502) |
| (Increase) Decrease in Inventory | - |
| (Increase) Decrease in Deferred Outflows of Resources - Pension Plans | - |
| (Increase) Decrease in Deferred Outflows of Resources - OPEB Plan | - |
| Increase (Decrease) in Accounts Payable | (86,319) |
| Increase (Decrease) in Accrued Payroll | 17,599 |
| Increase (Decrease) in Deposits and Advances | - |
| Increase (Decrease) in Insurance Assessment Payable | (163,515) |
| Increase (Decrease) in Claims and Judgments Payable | 2,494,053 |
| Increase (Decrease) in Compensated Absences Payable | 14,009 |
| Increase (Decrease) in Net Pension Liabilities | - |
| Increase (Decrease) in Net OPEB Liability | - |
| Increase (Decrease) in Deferred Inflows of Resources - Pension Plans | - |
| Increase (Decrease) in Deferred Inflows of Resources - OPEB Plan | - |
| Total Adjustments | 3,041,541 |
| Net Cash Provided (Used) by Operating Activities | $ (265,912) |

*See accompanying Notes to Basic Financial Statements.*

# CITY OF MONTEREY PARK
# STATEMENT OF FIDUCIARY NET POSITION
# JUNE 30, 2022

| | Private-Purpose Trust Fund |
|---|---|
| **CURRENT ASSETS** | |
| Cash and Investments | $ 550,878 |
| Cash and Investments with Fiscal Agent | 1,926,650 |
| Total Assets | 2,477,528 |
| **CURRENT LIABILITIES** | |
| Accounts Payable | 2,250 |
| Interest Payable | 150,404 |
| Current Portion of Noncurrent Liabilities | 2,216,108 |
| Total Current Liabilities | 2,368,762 |
| **NONCURRENT LIABILITIES** | |
| Advances from City of Monterey Park | 1,033,651 |
| Bonds Payable, Net of Current Portion | 8,650,774 |
| Tax Increment Deferred Loans | 81,057,609 |
| Low/Mod Housing Deferred Loans | 1,186,222 |
| Total Noncurrent Liabilities | 91,928,256 |
| Total Liabilities | 94,297,018 |
| **NET POSITION (DEFICIT)** | |
| Net Position (Deficit) Held in Trust for Debt Service and Certain Administrative Expenses | $ (91,819,490) |

*See accompanying Notes to Basic Financial Statements.*

**CITY OF MONTEREY PARK**
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**
**YEAR ENDED JUNE 30, 2022**

| | Private-Purpose Trust Fund |
|---|---|
| **ADDITIONS** | |
| Redevelopment Property Tax Trust Fund | $ 2,903,743 |
| Investment Income | 597 |
| Total Additions | 2,904,340 |
| **DEDUCTIONS** | |
| Administration | 189,999 |
| Interest Expense and Fiscal Charges | 5,628,259 |
| Total Deductions | 5,818,258 |
| **CHANGE IN NET POSITION** | (2,913,918) |
| Net Position, Beginning of Year | (88,905,572) |
| **NET POSITION, END OF YEAR** | $ (91,819,490) |

*See accompanying Notes to Basic Financial Statements.*

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## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. Description of Reporting Entity

The City of Monterey Park, California (the City) was incorporated May 29, 1916 under the general laws of the State of California and enjoys all the rights and privileges pertaining to General Law cities. The City is governed by an elected five-member City Council. As required by generally accepted accounting principles in the United States of America, the financial statements include the financial activities of the City (the primary government), the Monterey Park Public Financing Authority, and the Monterey Park Housing Authority. These blended component units are discussed below and are included in the reporting entity because of the significance of their operational and financial relationship with the City.

**Blended Component Units**

The Monterey Park Public Financing Authority

The Monterey Park Public Financing Authority (the Financing Authority) was organized in May 1989 under a joint exercise of power agreement to provide for the financing of public capital improvements for the City and the former Redevelopment Agency of Monterey Park. The members of the City Council act as the governing board of the Financing Authority and there is a financial benefit or burden relationship between the City and the Financing Authority. The Financing Authority does not issue separate financial statements.

The Monterey Park Housing Authority

The Monterey Park Housing Authority (the Housing Authority) was established in September 1992 to provide affordable housing within the City. The members of the City Council act as the governing board of the Housing Authority and there is a financial benefit or burden relationship between the City and the Housing Authority. The Housing Authority does not issue separate financial statements.

### B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. The effect of interfund activity has been removed from these statements and eliminations have been made to minimize the double counting of internal 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.

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 instead as general revenues.

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### B. Government-Wide and Fund Financial Statements (Continued)

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and the major individual enterprise fund are reported as separate columns in the fund financial statements.

### C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The City's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

The government-wide and proprietary fund financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the "current financial resources" measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

The primary revenue sources susceptible to accrual are property taxes, sales taxes, state gas tax subventions, franchise fees, transient occupancy tax, charges for services, and interests associated with the current fiscal period and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

The *General Fund* is the general operating fund of the City. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other funds are accounted for in this fund. General operating expenses and capital improvement costs which are not paid through other funds, are paid from this fund.

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

The *Special Revenue Grants Fund* was established to account for the grants requiring segregated fund accounting. Financing is provided by federal, state and county agencies.

The *Special Revenue Retirement/Pension Liability Fund* was established to account for revenue received from voter-approved property tax levied to provide for employee retirement costs, as established pursuant to Monterey Park Municipal Code Section 2.40.060 and to account for the financial resources provided by the City in anticipation of estimated increases in retirement costs.

The *Special Revenue Housing Fund* is used to account for housing activities for the City and revenue received from housing loan repayments and rental income.

The *Capital Projects Streets Fund* is used to account for funds accumulated for street related capital projects.

The City reports the following major proprietary funds:

The *Water Utility Enterprise Fund* is used to account for operations that are financed and operated in a manner similar to private business enterprises and where the intent of the City is that the costs (expenses, including depreciation) of providing goods services to the general public on a continuing basis be financed or recovered primarily through user charges. The City accounts for its water utility in this fund.

The *Refuse Enterprise Fund* is used to account for receipts and expenditures relating to waste management activities including refuse collection, disposal and reduction.

The *Sewer Enterprise Fund* is used to account for receipts and expenses for construction and improvement to deficient sanitary mains identified in the Sewer Master Plan.

Additionally, the City reports the following fund types:

**Nonmajor Governmental Funds**

The Special Revenue Funds are used to account for proceeds of specific revenue sources that are legally restricted or otherwise designated for specific purposes.

**Proprietary Fund (Internal Service Funds)**

The *Internal Service Funds* are utilized to finance and account for activities involved in rendering services to departments within the City. Costs of services are accumulated in these funds and charged to user departments as such costs are incurred. The City maintains five internal service funds for general liability claims, workers' compensation claims, auto shop operations, separation benefits, and technology development.

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

**Fiduciary Fund**

The *Private Purpose Trust Fund* is used to account for activities of the Successor Agency to the Former Monterey Park Redevelopment Agency (the Successor Agency).

The private-purpose trust fund is reported using the accrual basis of accounting and the economic resources measurement focus.

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 and other charges paid by the government's enterprise funds to various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to members, customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility Enterprise Fund, Refuse Enterprise Fund, Sewer Enterprise Fund, and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service 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.

### D. Property Taxes

Under California law, property taxes are assessed and collected by the counties at 1% of assessed value plus other increases approved by the voters. Property taxes collected go into a pool and are then allocated to the cities based on a predetermined formula. The City accrues only those taxes which are received from the County of Los Angeles within 60 days after year-end.

| | |
|---|---|
| Lien Date: | January 1 |
| Levy Date: | June 30 |
| Due Dates: | November 1, February 1 |
| Delinquent Dates: | December 11, April 11 |

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### E. Cash and Cash Equivalents

For purposes of the statements of cash flows, the City considers cash and all highly liquid investments with original maturities of three months or less from date purchased as cash and cash equivalents. In addition, funds invested in the City's cash management pool are considered cash equivalents.

### F. Investments

Investments are reported in the accompanying financial statements at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments in external pools are valued based on the stated fair value represented by the external pool.

### G. Inventories and Prepaid Assets

Inventories held by the Internal Service Funds are recorded at cost on a first-in, first-out basis. The inventories consist primarily of repair parts, fuel and oil. The City uses the consumption method for inventory control. The treatment accorded prepaid assets in the governmental funds is the consumption method.

### H. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (roads, sidewalks, drainage systems, lighting systems, etc.), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. These assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are valued at their acquisition value. Leased assets, which include equipment, follow the same capitalization thresholds as capital assets. Leased assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of assets are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. The capitalization threshold for property, plant and equipment is $5,000 and for infrastructure assets is $200,000. Depreciation is recorded in the government-wide financial statements on a straight-line basis over the useful life of the assets.

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### H. Capital Assets (Continued)

Depreciation is charged to operations, using a straight-line method based on the following average useful lives of the assets:

| | |
|---|---|
| Equipment | 5 to 20 years |
| Buildings | 40 to 50 years |
| Improvements | 10 to 50 years |
| Water Meters | 20 years |
| Water Mains | 40 to 75 years |
| Water Hydrants | 40 years |
| Wells | 40 years |
| Other Water Equipment | 5 to 40 years |
| | |
| Infrastructure: | |
| Roadway | 25 years |
| Bridge | 40 years |
| Sewer System | 50 years |
| Streetlight | 20 years |
| Traffic Signal | 20 years |

### I. Compensated Absences

The cost of earned but unused vacation and sick leave, for which the City has a future obligation to pay, is recognized in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they become due and payable as a result of employee resignations or retirements.

### 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 (Note 10). 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.

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 five 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.

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### K. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's California Public Employees Medical and Hospital Care Act (PEMCHA) plans (OPEB Plans) and additions to/deductions from the OPEB Plans' fiduciary net position have been determined on the same basis as they are reported by PEMCHA. For this purpose, the City's OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 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 five 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.

### L. Claims and Judgments

The accrual for workers' compensation and general liability claims is based upon past experience which has been modified for current trends and information. While the ultimate amount of losses incurred through June 30, 2021 is dependent on future developments, based on information from the plan administrators, City management believes that the aggregate accrual is adequate to cover such losses, including amounts for incurred but not reported claims (Note 12).

### M. Unearned Revenue

Unearned revenues are reported in connection with resources that have been received but not yet earned.

### N. Fund Equity and Net Position

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

*Nonspendable Fund Balance* - This amount indicates the portion of fund balances which cannot be spent because they are either not in spendable form, such as prepaid items, inventories or loans receivable, or legally or contractually required to be maintained intact, such as the principal portion of an endowment.

*Restricted Fund Balance* - This amount indicates the portion of fund balances which has been restricted a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### N. Fund Equity and Net Position (Continued)

*Committed Fund Balance* - This amount indicates the portion of fund balances which can only be used for specific purposes pursuant to formal resolution or ordinance of the City Council. The City Council is considered the highest authority for the City. Adoption of a resolution by the City Council is required to commit resources or to rescind the commitment.

*Assigned Fund Balance* - This amount indicates the portion of fund balances which is constrained by the City's intent to be used for specific purpose, but is neither restricted nor committed. The City Manager is authorized by the City Council by resolution to determine and define the amount of assigned fund balances.

*Unassigned Fund Balance* - This amount indicates the portion of fund balances that do not fall into one of the above categories. 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.

When expenditures are incurred for purposes in which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balances first, and then unrestricted fund balances as they are needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order: committed, assigned, and unassigned.

Net position represents the difference between all other elements in the statement of net position and should be displayed in the following three components:

*Net Investment in Capital Assets* - This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of liabilities that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted* - This component of net position consists of restricted amounts by external creditors, grantors, contributors, or laws or regulations of other governments.

*Unrestricted* - This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When expenses are incurred for purposes in which both restricted and unrestricted components of net position are available, the City's policy is to apply the restricted component of net position assets first.

## NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### O. Use of Estimates

The preparation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

### P. Implementation of New Accounting Pronouncements

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It 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 standard, 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 a deferred inflow of resources.

## NOTE 2 CASH AND INVESTMENTS

### Cash and Investments

Cash and investments at June 30, 2022, are classified in the accompanying financial statements as follows:

| | Government-Wide | | | | |
|---|---|---|---|---|---|
| | Governmental Activities | Business-Type Activities | Total | Fiduciary Funds | Total |
| Cash and Investments | $ 71,883,813 | $ 32,595,441 | $ 104,479,254 | $ 550,878 | $ 105,030,132 |
| Cash and Investments Held by Fiscal Agent | 20,515,699 | 286 | 20,515,985 | 1,926,650 | 22,442,635 |
| Total Cash and Investments | $ 92,399,512 | $ 32,595,727 | $ 124,995,239 | $ 2,477,528 | $ 127,472,767 |

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

| | |
|---|---|
| Deposits: | |
| Cash on Hand | $ 28,550 |
| Demand Deposits with Financial Institutions | 14,517,343 |
| Time Certificates of Deposit | 250,000 |
| Total Cash | 14,795,893 |
| Investments: | |
| Negotiable Certificates of Deposit | 5,869,891 |
| Local Agency Investment Fund (LAIF) | 43,294,388 |
| Los Angeles County Treasury Pool | 41,069,964 |
| Money Market Mutual Fund | 22,442,631 |
| Total Investments | 112,676,874 |
| Total Cash and Investments | $ 127,472,767 |

## NOTE 2 CASH AND INVESTMENTS (CONTINUED)

### Cash and Investments (Continued)

The City follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal agents under the provisions of bond indentures.

Interest income earned on pooled cash and investments is allocated quarterly to the General Fund and certain designated Special Revenue Funds based on the month-end cash and investment balances. Proceeds obtained from long-term debt issuances including construction, lease payment and reserve fund balances are held by the City or by fiscal agents on behalf of the City and invested in the City's name. Interest income on proceeds of debt is credited directly to the related fund, as defined by the Bond Indenture.

Tax allocation bonds reserve balances held by fiscal agents were transferred to the Successor Agency from the Former Monterey Park Redevelopment Agency and were reported in the Fiduciary Fund.

### Deposits

At June 30, 2022, the carrying amount of the City's demand deposits was $14,517,343 and the bank balance was $18,602,055. The $4,084,712 difference represents outstanding checks, deposits in transit, and other reconciling items.

### Investments Authorized by the City's Investment Policy

Under provisions of the City's investment policy and in accordance with Section 53601 of the California Government Code, the City may invest in the types of investments listed in the table below. The table also identifies certain provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk.

| Investment Type | Maximum Maturity | Maximum Specified % of Portfolio | Minimum Quality Requirements |
|---|---|---|---|
| Local Agency Bonds | 5 years | None | None |
| U.S. Treasury Obligations | 5 years | None | None |
| State Obligations - CA and Others | 5 years | None | None |
| U.S. Agency Obligations | 5 years | None | None |
| Collateralized Bank Deposits | 5 years | None | None |
| Medium Term Notes issued by Corporations | 5 years | 30% | "A" or better ranking by nationally recognized rating service; U.S. domiciled corporations or licensed depository |
| Local Agency Investment Funds (LAIF) | N/A | None | None |

## NOTE 2 CASH AND INVESTMENTS (CONTINUED)

### Investments Authorized by the City's Investment Policy (Continued)

| Investment Type | Maximum Maturity | Maximum Specified % of Portfolio | Minimum Quality Requirements |
|---|---|---|---|
| Los Angeles County Pooled Investment Fund | None | 10% of LACPIF pool balance | None |
| Mutual Funds & Money Market Mutual Funds | N/A | 20% | Highest ranking by not less than 2 largest rating services, have an SEC registered investment advisor with 5+ years experience, assets under management >$500 million |
| Banker's Acceptance | 180 days | 40% of portfolio (no more than 30% in any once commercial bank) | None |
| Commercial Paper | 270 days | 40% of portfolio for counties, cities, and other local agencies (no more than 10% of agency's money in the commercial paper) | "A" or higher rating for issuer's debt within U.S. corporations and have assets in excess of $500 million. |
| Repurchase Agreements | Not allowable | Not allowable | Not allowable |
| Negotiable Certificates of Deposit | 5 years | 30% | None |
| Financial Futures & Financial option contracts | 5 years | None | None |
| Reverse Repurchase Agreements & Securities Lending Agreements | Not allowable | Not allowable | Not allowable |
| Mortgage Pass-Through Securities | 5 years | 20% | "A" or better ranking by nationally recognized rating service |

## NOTE 2 CASH AND INVESTMENTS (CONTINUED)

### Investments Authorized by Debt Agreements

In addition to the investment types listed above, the City may also invest appropriate funds in money market mutual funds and LAIF in accordance with bond indentures.

### 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. LAIF, LACPIF, and negotiable certificates of deposit do not have a rating provided by a nationally recognized statistical rating organization. U.S. treasury bills are not required to be rated.

### Concentration of Credit Risk

The investment policy of the City, as summarized above, contains certain limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent more than 5% of total City investments.

### Custodial 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. The City's investment policy contains the following policy requirements that would limit the exposure to custodial credit risk for deposits: The City's investment policy limits investments in Certificates of Deposit to those insured up to $250,000 by the Federal Deposit Insurance Corporation.

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the face value of the deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total deposits. The City may waive collateral requirements for deposits which are fully insured by federal depository insurance. However, the City has not waived the collateralization requirements. At June 30, 2022, City deposits were either insured by federal depository insurance or collateralized.

### 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.

## NOTE 2 CASH AND INVESTMENTS (CONTINUED)

### Disclosures Relating to Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the remaining maturity of each investment:

| | Minimum and Actual Rating | Fair Value June 30, 2022 | Maturity 12 Months or Less | Maturity 1 to 2 Years | Maturity 2 to 3 Years |
|---|---|---|---|---|---|
| Investments: | | | | | |
| Negotiable Certificates of Deposit | N/A | $ 5,869,891 | $ 5,869,891 | $ - | $ - |
| LAIF | N/A | 43,294,388 | 43,294,388 | - | - |
| Los Angeles County Treasury Pool | N/A | 41,069,964 | 41,069,964 | - | - |
| Total Treasury Investments | | 90,234,243 | 90,234,243 | - | - |
| Investments Held by Fiscal Agents: | | | | | |
| Money Market Mutual Fund | AAA | 22,442,631 | - | 1,667,917 | 20,774,714 |
| Total Investments Held by Fiscal Agents | | 22,442,631 | - | 1,667,917 | 20,774,714 |
| Total Investments | | $ 112,676,874 | $ 90,234,243 | $ 1,667,917 | $ 20,774,714 |

### Investment in State Investment Pool

The City is a voluntary participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the state of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's prorated share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

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 $43,294,388 invested in LAIF, which had invested 1.88% of the pool investment funds in Structured notes and Medium-term Asset-backed Securities.

## NOTE 2 CASH AND INVESTMENTS (CONTINUED)

### Investment in Los Angeles County Investment Pool

The City is a voluntary participant in the Los Angeles County Investment Pool pursuant to Government Code Section 53684. The cash flow needs of participants are monitored daily to ensure that sufficient liquidity is maintained to meet the needs of those participants. At the time deposits are made, the Los Angeles County Investment Pool's Treasurer may require the depositing entity to provide annual cash flow projections or an anticipated withdrawal schedule for deposits in excess of $1 million. Projections are to be performed no less than semi-annually. In accordance with Government Code Section 27136, all requests for withdrawal of funds for the purpose of investing or depositing the funds elsewhere shall be evaluated to ensure the proposed withdrawal will not adversely affect the principal deposits of the other participants. At June 30, 2022, the City had $41,069,964 invested in the Los Angeles County Investment Pool.

### Fair Value Measurements

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices of similar assets in active markets, and Level 3 inputs are significant unobservable inputs.

The fair value of the City's investments in negotiable certificates of deposit were determined using Level 2 inputs (quoted prices of similar assets in active markets). The City's other investments were not subject to the fair value hierarchy requirement.

## NOTE 3 RECEIVABLES

Receivables of the City as of June 30, 2022, were:

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Accounts Receivable: | | | |
| Property Taxes | $ 1,420,277 | $ - | $ 1,420,277 |
| Sales Taxes | 1,842,866 | - | 1,842,866 |
| Utility Taxes | 273,902 | - | 273,902 |
| Water, Sewer, and Refuse Sales | - | 5,844,893 | 5,844,893 |
| Subvention and Grants | 731,841 | - | 731,841 |
| Other | 468,661 | - | 468,661 |
| Total Accounts Receivable | $ 4,737,547 | $ 5,844,893 | $ 10,582,440 |
| Interest Receivable | $ (25,125) | $ 37,318 | $ 12,193 |
| Loans Receivable, Net: | | | |
| Residential Rehabilitation (CDBG) (Note 9) | $ 48,015 | $ - | $ 48,015 |
| SERA Program (Note 9) | 4,322 | - | 4,322 |
| Pacific Housing Loan (Note 9) | 262,045 | - | 262,045 |
| Pacific Bridge Loan (Note 9) | 434,738 | - | 434,738 |
| First-Time Homebuyers (Housing) | 51,009 | - | 51,009 |
| Critical Maintenance (Housing) | 42,771 | - | 42,771 |
| Critical Maintenance (Grants) | 898,171 | - | 898,171 |
| Abajo del Sol Loan (Grants) | 2,281,606 | - | 2,281,606 |
| LINC Community Development (Housing) | 2,477,432 | - | 2,477,432 |
| LINC Community Development (Grants) | 994,366 | - | 994,366 |
| Low/Mod Housing Deferred Loans | 1,186,222 | - | 1,186,222 |
| Subtotal | 8,680,697 | - | 8,680,697 |
| Less: Allowance for Uncollectible Loans | (6,745,355) | - | (6,745,355) |
| Total Loans Receivable, Net | $ 1,935,342 | $ - | $ 1,935,342 |
| Total Receivables | $ 6,647,764 | $ 5,882,211 | $ 12,529,975 |

Following is the detail of Loans Receivable:

A. *Residential Rehabilitation* – The City provided low interest financing for the rehabilitation of residential sites within the City through the Community Development Block Grant program. The amount of outstanding loan balance at June 30, 2022, is $48,015 and has been recorded as notes receivable in the Special Revenue Grants Fund.

B. *SERA Program* – The City participated in the State Earthquake Rehabilitation Assistance (SERA) program to assist residents with the application and loan processes for residential repairs and rehabilitation following the October 1987 Whittier-Narrows earthquake. The outstanding balance of loans placed through the program is $4,322 at June 30, 2022, and has been recorded as notes receivable in the Special Revenue Grants Fund.

## NOTE 3 RECEIVABLES (CONTINUED)

C. *Pacific Housing Loan* – On July 21, 2004, the City entered into an agreement to provide a loan to Pacific Housing Development Corporation for the purpose of construction and renovation of an affordable housing facility for persons with developmental disabilities. The loan, funded in April 2005, consists of a permanent residual receipts loan in the amount of $175,000 and a subordinated construction loan in the amount of $225,000. The subordinated construction loan has been paid off by Pacific Housing in 2008-09. Other remaining amounts bear interest at the rate of 3% per annum until paid. The loan was funded by use of Federal HOME Program funds and is reported in the Special Revenue Grants Fund. At June 30, 2022, outstanding principal and interest are $175,000 and $87,045, respectively.

D. *Pacific Bridge Loan* – In 1995, the former Redevelopment Agency entered into a thirty-year loan agreement with Pacific Bridge Housing Corporation for the purpose of construction and renovation of a disabled adult affordable housing facility. In the agreement the former Redevelopment Agency agreed to loan to Pacific Bridge Housing Corporation up to the maximum sum of $240,478 bearing interest at the rate of 3% per annum until paid. Principal and interest payments are due in annual installments commencing upon February 15 of the first full calendar year following the date of the initial occupancy of the facility and continuing annually thereafter on each successive February 15 through and including the date which is thirty (30) years after the Repayment Commencement Date. The amount of such annual installments payable by Borrower is based on the Annual Residential Receipt Installments as described in the agreement. During 1996-97, the loan was funded by the use of federal HOME Program funds, and is reported in the Special Revenue Grants Fund. At June 30, 2022, outstanding principal and interest are $240,478 and $194,260, respectively.

E. *First Time Homebuyers* – Beginning 1996-97, the City provided second mortgage loans through the First-Time Homebuyer Program to assist qualified first-time homebuyers to purchase residences. All second loans will be fixed at an interest rate of five percent (5%) and for a term of thirty (30) years. If the buyer retains the property for thirty (30) years, both principal and interest will be forgiven. The loans were transferred from the former Redevelopment Agency's Housing Capital Projects Fund to the City's Special Revenue Housing Fund on February 1, 2012 due to the dissolution of the former Redevelopment Agency. At June 30, 2022, $51,009 is the amount of outstanding loan balances, and has been reported as notes receivable with an offset of allowance for uncollectible notes in the Special Revenue Housing Fund in the fund level financial statements and in the government-wide statements.

## NOTE 3 RECEIVABLES (CONTINUED)

F. *Critical Maintenance* – Beginning in 1997-98, the City offered low interest rate loans through the Critical Maintenance Loan Program to assist low and moderate income homeowners for essential or emergency repairs. At June 30, 2022, the loans outstanding totaled $940,942. Of this amount, $42,771 is funded by the former Redevelopment Agency's Housing Capital Projects Fund and $898,171 is funded by the Federal HOME Program Grants Fund. The outstanding loan balance of $42,771 was transferred from the former Redevelopment Agency's Housing Set Aside Fund to the City's Special Revenue Housing Fund and has been reported as notes receivable with an offset of allowance for uncollectible notes in the fund level financial statements and in the government-wide statements. The outstanding loan balance of $898,171 has been reported as notes receivable with an offset of allowance for uncollectible notes in the Special Revenue Grants Fund in the fund level financial statements and in the government-wide statements.

G. *Abajo del Sol* – In 1998, the Housing Authority and the Abajo del Sol, Limited Partnership had entered into a housing development agreement. Under the agreement, the Authority provided to the Developer a $1.2 million loan bearing interest at the rate of 5.1% per annum for the construction of 60 units of affordable housing for senior citizens. On or before March 15th of each year, the Borrower shall pay lender an amount equal to the applicable percentage of the Net Cash Flow attributable to the prior calendar year. The loan is funded by the Federal HOME Program Grants Fund. At June 30, 2022, outstanding principal and interest being recorded as notes receivable are $1,187,344 and $1,094,262, respectively, in the Special Revenue Grants Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements.

H. *LINC Community Development* – In 2015, the Monterey Park Successor Housing Agency and City entered into a housing development agreement with LINC Community Development Corporation (LINC). Under the agreement, the Monterey Park Successor Housing Agency sold 5 properties to the developer in exchange for a $2,080,000 loan bearing compound interest at the rate of 2.41% per annum for 5 units of affordable rental housings. At June 30, 2022, outstanding principal and interest being recorded as notes receivable are $2,080,000 and $397,432, respectively, in the Housing Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements. The properties were purchased with former Redevelopment Agency's Housing Set Aside fund. As a result, the loan was reported in the City's Special Revenue Housing Fund and with an offset of allowance for uncollectible notes in the fund level financial statements and in the government-wide statements. As part of the development agreement, the City also sold one of the City's parking lots to the LINC for development of a 6-unit affordable rental housing. The City also used the Federal HOME Program Grants Fund to provide construction loan bearing simple interest at the rate of 3% per annum. As of June 30, 2022, $994,366 has been funded and is reported as loans receivables in the Special Revenue Grants Fund with an offset of allowance for uncollectible notes in the fund level financial statement and in the government-wide statements.

## NOTE 3 RECEIVABLES (CONTINUED)

I. *Low/Mod Housing Deferred Loans* – State law requires redevelopment agencies to set aside 20% of their tax increment revenues for low/mod housing. In 1997, the former Redevelopment Agency approved a plan to set aside future tax increment revenue in addition to the regular 20% set aside requirements. The former Redevelopment Agency was dissolved on February 1, 2012. This commitment became a liability to the Successor Agency due to the City's Special Revenue Housing Fund. A summary of the repayment plan is presented below:

| For the Years Ending June 30, | Amount |
|---|---|
| 2024 - 2029 | $ 500,000 |
| 2030 - 2034 | 450,000 |
| 2035 - 2039 | 236,222 |
| | $ 1,186,222 |

## NOTE 4 INTERFUND TRANSACTIONS

Individual interfund receivables and payables were as follows at June 30, 2022:

### Due to/from Other Funds

| Due from Other Funds | Due to Other Funds | Amount |
|---|---|---|
| General Fund | Street Capital Projects Fund | $ 4,260 |
| General Fund | Nonmajor Governmental Funds | 424,574 |
| General Fund | Internal Service Funds | 210,235 |
| | | $ 639,069 |

The interfund balances resulted from borrowing of cash for temporary purposes. All balances are expected to be reimbursed within the subsequent year.

### Transfers

| Transfers In | Transfers Out | Amount |
|---|---|---|
| Grants Special Revenue Fund | General Fund | $ 45,264 |
| Retirement/Pension Liability Special Revenue Fund | General Fund | 2,764,400 |
| Retirement/Pension Liability Special Revenue Fund | Water Utilities Enterprise Fund | 343,200 |
| Retirement/Pension Liability Special Revenue Fund | Refuse Enterprise Fund | 31,300 |
| Retirement/Pension Liability Special Revenue Fund | Sewer Enterprise Fund | 99,800 |
| Retirement/Pension Liability Special Revenue Fund | Nonmajor Governmental Funds | 160,700 |
| Retirement/Pension Liability Special Revenue Fund | Internal Service Funds | 87,800 |
| Nonmajor Governmental Funds | Nonmajor Governmental Funds | 613,627 |
| | | $ 4,146,091 |

## NOTE 4 INTERFUND TRANSACTIONS (CONTINUED)

**Transfers (Continued)**

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend. In 2021-22, transfers to the Retirement/Pension Liability Special Revenue Fund were council-approved pension and OPEB contributions. The transfer of $45,264 from the General Fund to the Special Revenues Grant Fund was to classify qualifying grant expenditures. The transfer of $613,267 Nonmajor Special Revenue Sales Tax Bond Fund from Other Nonmajor Special Revenues Funds (Measure R, Measure M and Proposition C) were to fund debt service.

## NOTE 5 RECEIVABLES FROM SUCCESSOR AGENCY

In 2009, the State passed legislation in taking away redevelopment funds from local Agencies as part of an effort to address its budget deficit. Furthermore, SB 68 was signed into law which allowed agencies to use accumulated housing funds to pay for the State required Supplemental Educational Revenue Augmentation Funds (SERAF) payments. On August 4, 2010, the former Redevelopment Agency passed two resolutions, RA 661 and 662, authorizing the Takeaway Loan to be made from the former Redevelopment Agency Capital Projects Fund (Housing Set Aside Fund) to the former Redevelopment Agency Debt Service Fund (Atlantic-Garvey and Merged Project Areas), in an amount of $1,459,258 and $1,142,640, respectively, without interest.

On May 4, 2011, the former Redevelopment Agency passed two resolutions, RA 682 and 683, authorizing additional Takeaway Loans to be made from the Redevelopment Agency Capital Projects Fund (Housing Set Aside Fund) to the Redevelopment Agency Debt Service Fund (Atlantic-Garvey and Merged Project Areas), in an amount of $300,436 and $235,249, respectively. The interest is accumulated at LAIF rate.

On February 1, 2012, $2,617,203 was transferred from the former Redevelopment Agency Debt Service Fund to the Successor Agency due to the dissolution of the former Redevelopment Agency.

The Receivable from Successor Agency balance at June 30, 2022, amounted to $1,033,650. This loan will be paid back to the Special Revenue Housing Fund according to a specific formula through the Recognized Obligation Payment Schedule distribution per the State of California Department of Finance (DOF).

## NOTE 6 CAPITAL ASSETS

At June 30, 2022, the capital assets balances for the City are as follows:

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| Capital Assets, Not Being Depreciated: | | | |
| Land | $ 8,465,051 | $ 499,975 | $ 8,965,026 |
| Construction in Progress | 4,668,763 | 14,312,747 | 18,981,510 |
| Total Capital Assets, Not Being Depreciated | 13,133,814 | 14,812,722 | 27,946,536 |
| Capital Assets, Being Depreciated: | | | |
| Buildings | 30,391,663 | 285,050 | 30,676,713 |
| Improvements | 28,501,442 | 59,388,553 | 87,889,995 |
| Equipment | 30,903,878 | 3,690,041 | 34,593,919 |
| Infrastructure | 39,271,505 | 12,043,370 | 51,314,875 |
| Leased Asset | 145,316 | 3,537 | 148,853 |
| Total Capital Assets, Being Depreciated | 129,213,804 | 75,410,551 | 204,624,355 |
| Less Accumulated Depreciation: | | | |
| Buildings | (16,160,927) | (152,811) | (16,313,738) |
| Improvements | (8,001,964) | (29,597,019) | (37,598,983) |
| Equipment | (26,310,405) | (3,460,649) | (29,771,054) |
| Infrastructure | (25,352,593) | (9,411,105) | (34,763,698) |
| Less Accumulated Amortization: | | | |
| Leased Asset | (47,312) | (585) | (47,897) |
| Total Accumulated Depreciation | (75,873,201) | (42,622,169) | (118,495,370) |
| Total Capital Assets, Being Depreciated, Net | 53,340,603 | 32,788,382 | 86,128,985 |
| Total Capital Assets, Net | $ 66,474,417 | $ 47,601,104 | $ 114,075,521 |

## NOTE 6 CAPITAL ASSETS (CONTINUED)

### Governmental Activities

A summary of changes in capital asset activity for the year ended June 30, 2022, is as follows:

| | Balance at July 1, 2021 | Additions | Deletions | Transfers | Balance at June 30, 2022 |
|---|---|---|---|---|---|
| Capital Assets, Not Being Depreciated: | | | | | |
| Land | $ 8,465,051 | $ - | $ - | $ - | $ 8,465,051 |
| Construction in Progress | 6,622,326 | 9,418,309 | - | (11,371,872) | 4,668,763 |
| Total Capital Assets, Not Being Depreciated | 15,087,377 | 9,418,309 | - | (11,371,872) | 13,133,814 |
| Capital Assets, Being Depreciated: | | | | | |
| Buildings | 30,391,663 | - | - | - | 30,391,663 |
| Improvements | 22,259,677 | 38,244 | - | 6,203,521 | 28,501,442 |
| Equipment | 30,896,545 | 121,178 | (113,845) | - | 30,903,878 |
| Infrastructures | 34,103,154 | - | - | 5,168,351 | 39,271,505 |
| Leased Assets | 145,316 | - | - | - | 145,316 |
| Total Capital Assets, Being Depreciated | 117,796,355 | 159,422 | (113,845) | 11,371,872 | 129,213,804 |
| Less Accumulated Depreciation: | | | | | |
| Buildings | (15,567,995) | (592,932) | - | - | (16,160,927) |
| Improvements | (7,140,643) | (861,321) | - | - | (8,001,964) |
| Equipment | (24,454,416) | (1,969,834) | 113,845 | - | (26,310,405) |
| Infrastructures | (23,779,752) | (1,572,841) | - | - | (25,352,593) |
| Less Accumulated Amortization: | | | | | |
| Leased Assets | - | (47,312) | - | - | (47,312) |
| Total Accumulated Depreciation | (70,942,806) | (5,044,240) | 113,845 | - | (75,873,201) |
| Total Capital Assets, Being Depreciated, Net | 46,853,549 | (4,884,818) | - | 11,371,872 | 53,340,603 |
| Total Capital Assets, Net | $ 61,940,926 | $ 4,533,491 | $ - | $ - | $ 66,474,417 |

## NOTE 6 CAPITAL ASSETS (CONTINUED)

### Business-Type Activities

A summary of changes in capital asset activity for the year ended June 30, 2022, is as follows:

| | Balance at July 1, 2021 | Additions | Deletions | Transfers | Balance at June 30, 2022 |
|---|---|---|---|---|---|
| Capital Assets, Not Being Depreciated: | | | | | |
| Land | $ 499,975 | $ - | $ - | $ - | $ 499,975 |
| Construction in Progress | 9,596,602 | 8,836,127 | - | (4,119,982) | 14,312,747 |
| Total Capital Assets, Not Being Depreciated | 10,096,577 | 8,836,127 | - | (4,119,982) | 14,812,722 |
| Capital Assets, Being Depreciated: | | | | | |
| Buildings | 285,050 | - | - | - | 285,050 |
| Improvements | 55,649,214 | 26,053 | - | 3,713,286 | 59,388,553 |
| Equipment | 3,690,041 | - | - | - | 3,690,041 |
| Infrastructures | 11,627,514 | 9,160 | - | 406,696 | 12,043,370 |
| Leased Assets | 3,537 | - | - | - | 3,537 |
| Total Capital Assets, Being Depreciated | 71,255,356 | 35,213 | - | 4,119,982 | 75,410,551 |
| Less Accumulated Depreciation: | | | | | |
| Buildings | (147,969) | (4,842) | - | - | (152,811) |
| Improvements | (28,013,864) | (1,583,155) | - | - | (29,597,019) |
| Equipment | (3,305,419) | (155,230) | - | - | (3,460,649) |
| Infrastructures | (9,292,065) | (119,040) | - | - | (9,411,105) |
| Less Accumulated Amortization: | | | | | |
| Leased Assets | - | (585) | - | - | (585) |
| Total Accumulated Depreciation | (40,759,317) | (1,862,852) | - | - | (42,622,169) |
| Total Capital Assets, Being Depreciated, Net | 30,496,039 | (1,827,639) | - | 4,119,982 | 32,788,382 |
| Total Capital Assets, Net | $ 40,592,616 | $ 7,008,488 | $ - | $ - | $ 47,601,104 |

Depreciation expense was charged to the following functions:

| | Governmental Activities | Business-Type Activities | Total |
|---|---|---|---|
| General Government | $ 199,430 | $ - | $ 199,430 |
| Public Safety | 1,907,756 | - | 1,907,756 |
| Public Safety/Shop | 359,014 | - | 359,014 |
| Community Development | 41,736 | - | 41,736 |
| Culture and Recreation | 792,229 | - | 792,229 |
| Street and Highways | 1,744,075 | - | 1,744,075 |
| Water Utility | - | 1,652,171 | 1,652,171 |
| Refuse | | 1,427 | 1,427 |
| Sewer | - | 209,254 | 209,254 |
| Total | $ 5,044,240 | $ 1,862,852 | $ 6,907,092 |

## NOTE 7 LONG-TERM LIABILITIES

Changes in long-term liabilities for the City for the year June 30, 2022, are as follows:

| Governmental Activities | Balance at June 30, 2021 | Additions | Deletions | Balance at June 30, 2022 | Due Within One Year | Due in More Than One Year |
|---|---|---|---|---|---|---|
| Direct Borrowings: | | | | | | |
| Loans | $ 5,668,732 | $ - | $ (699,521) | $ 4,969,211 | $ 727,275 | $ 4,241,936 |
| Lease Liability | 145,316 | - | (49,557) | 95,759 | 43,726 | 52,033 |
| HUD Section 108 | | | | | | |
| Loans Payable | 1,047,000 | - | (508,000) | 539,000 | 539,000 | - |
| Total Direct Borrowings | 6,861,048 | - | (1,257,078) | 5,603,970 | 1,310,001 | 4,293,969 |
| Other Debt: | | | | | | |
| 2004 Taxable Pension | | | | | | |
| Obligation Bonds | 11,770,000 | - | (425,000) | 11,345,000 | 425,000 | 10,920,000 |
| 2021 Taxable Pension | | | | | | |
| Obligation Bonds | 100,892,026 | - | (2,969,136) | 97,922,890 | 3,657,698 | 94,265,192 |
| 2022 Sales Tax Revenue Bonds | - | 17,750,000 | (165,000) | 17,585,000 | 305,000 | 17,280,000 |
| Premium | - | 3,276,121 | (109,204) | 3,166,917 | - | 3,166,917 |
| Total Other Debt | 112,662,026 | 21,026,121 | (3,668,340) | 130,019,807 | 4,387,698 | 125,632,109 |
| Other Long-term Liabilities: | | | | | | |
| Compensated Absences | 5,027,340 | 190,015 | (5,074) | 5,212,281 | 521,228 | 4,691,053 |
| Insurance Assessments | | | | | | |
| Payable (Note 12) | 981,086 | - | (163,515) | 817,571 | 163,514 | 654,057 |
| Claims and Judgments (Note 12) | 19,948,654 | 5,448,145 | (2,954,093) | 22,442,706 | 3,635,479 | 18,807,227 |
| Total Other | | | | | | |
| Long-term Liabilities | 25,957,080 | 5,638,160 | (3,122,682) | 28,472,558 | 4,320,221 | 24,152,337 |
| Total Governmental | | | | | | |
| Activities | $ 145,480,154 | $ 26,664,281 | $ (8,048,100) | $ 164,096,335 | $ 10,017,920 | $ 154,078,415 |

| Business-Type Activities | Balance at June 30, 2021 | Additions | Deletions | Balance at June 30, 2022 | Due Within One Year | Due in More Than One Year |
|---|---|---|---|---|---|---|
| Direct Borrowings: | | | | | | |
| Loans | $ 7,915,247 | $ 4,000,000 | $ (605,212) | $ 11,310,035 | $ 1,063,725 | $ 10,246,310 |
| Lease Liability | 3,537 | - | (649) | 2,888 | 779 | 2,109 |
| Total Direct Borrowings | 7,918,784 | 4,000,000 | (605,861) | 11,312,923 | 1,064,504 | 10,248,419 |
| Other Debt: | | | | | | |
| 2021 Taxable Pension | | | | | | |
| Obligation Bonds | 5,442,974 | - | (160,864) | 5,282,110 | 197,302 | 5,084,808 |
| Total Other Debt | 5,442,974 | - | (160,864) | 5,282,110 | 197,302 | 5,084,808 |
| Other Long-term Liabilities: | | | | | | |
| Compensated Absences | 736,529 | - | (512,472) | 224,057 | 22,406 | 201,651 |
| Total Other | | | | | | |
| Long-term Liabilities | 736,529 | - | (512,472) | 224,057 | 22,406 | 201,651 |
| Total Business-Type | | | | | | |
| Activities | $ 14,098,287 | $ 4,000,000 | $ (1,279,197) | $ 16,819,090 | $ 1,284,212 | $ 15,534,878 |

Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities are included as part of the above totals for governmental activities. At June 30, 2022, $132,117 in compensated absences, $27,298 in lease liability, $22,442,706 in claims and judgments, and $817,571 in insurance assessments payable, all related to internal service funds, are included as part of the totals of long-term debt for governmental activities.

## NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Typically, the General Fund has been used to liquidate the liability for compensated absences, net pension liabilities and net OPEB liability for the governmental activities. The General Liability and Workers' Compensation Internal Service Funds have been used to liquidate the liabilities for claims and judgements. The General Liability Internal Service Fund is used to liquidate the liabilities for the insurance assessments.

### Loan Obligations

Siemens Loan

On September 23, 2014, the City and Siemens Public, Inc. entered into a finance-purchase agreement for an amount of $10,511,901. The City used the monies for energy efficiency improvements throughout city parks, facilities and infrastructure. The term of the agreement is 15 years, commencing on September 23, 2014 through June 23, 2030, at an interest rate of 2.80%. Principal and interest payments are due quarterly in amounts ranging from $140,217 to $325,545 over the term of the agreement. The transactions are shared by the General Fund and the Water Utility Fund. At June 30, 2022, the outstanding balance for the agreement was $7,626,972 of which $1,144,049 is reported in governmental type activities and $6,482,923 is reported in business-type activities.

The annual debt service requirements on the agreement are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 689,167 | $ 206,361 | $ 895,528 |
| 2024 | 760,474 | 186,320 | 946,794 |
| 2025 | 836,888 | 164,229 | 1,001,117 |
| 2026 | 905,023 | 140,085 | 1,045,108 |
| 2027 | 978,435 | 113,978 | 1,092,413 |
| 2028 | 1,055,929 | 85,773 | 1,141,702 |
| 2029 | 1,138,523 | 55,345 | 1,193,868 |
| 2030 | 1,262,533 | 21,983 | 1,284,516 |
| Total | $ 7,626,972 | $ 974,074 | $ 8,601,046 |

Motorola Loan

On March 16, 2021, the City and Motorola Solutions, Inc. entered into a finance-purchase agreement for police radios, dispatch consoles and station equipment in the amount of $2,682,300. The term of the agreement is ten years through April 2, 2031, at an interest rate of 2.58%. Annual principal and interest payments of $307,745 are due April 1st of each year commencing in 2022.

## NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

### Loan Obligations (Continued)

Motorola Loan (Continued)

The annual debt service requirements on the agreement are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 244,696 | $ 63,049 | $ 307,745 |
| 2024 | 251,008 | 56,737 | 307,745 |
| 2025 | 257,485 | 50,260 | 307,745 |
| 2026 | 264,127 | 43,618 | 307,745 |
| 2027 | 270,943 | 36,802 | 307,745 |
| 2028 | 277,932 | 29,813 | 307,745 |
| 2029 | 285,104 | 22,641 | 307,745 |
| 2030 | 292,459 | 15,286 | 307,745 |
| 2031 | 300,005 | 7,740 | 307,745 |
| Total | $ 2,443,759 | $ 325,946 | $ 2,769,705 |

Fire Engine Loan

On September 28, 2018, the City and Banc of America Public Capital Corporation entered into a finance-purchase agreement for fire engine in the amount of $2,618,000. The term of the agreement is 30 years at an interest rate of 4.0702%. Principal and interest payments totaling $210,129 are due quarterly over the term of the agreement.

The annual debt service requirements on the agreement are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 379,204 | $ 41,053 | $ 420,257 |
| 2024 | 391,393 | 28,864 | 420,257 |
| 2025 | 403,974 | 16,283 | 420,257 |
| 2026 | 206,831 | 3,298 | 210,129 |
| Total | $ 1,381,402 | $ 89,498 | $ 1,470,900 |

La Loma Highland Loan

On January 1, 2001, the City and California Infrastructure and Economic Development Bank entered into a finance-purchase agreement for an amount of $2,000,000. The City used the monies for facility improvements. The term of the agreement is thirty years through August 1, 2030, at an interest rate of 4.07%. Semiannual principal and interest payments of ranging from $50,450 to $120,953 are due February 1st and August 1st of each year.

## NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

### Loan Obligations (Continued)

La Loma Highland Loan (Continued)

The annual debt service requirements on the agreement are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 77,933 | $ 32,078 | $ 110,011 |
| 2024 | 81,103 | 28,841 | 109,944 |
| 2025 | 84,405 | 25,473 | 109,878 |
| 2026 | 87,841 | 21,968 | 109,809 |
| 2027 | 91,416 | 18,320 | 109,736 |
| 2028 | 95,136 | 14,524 | 109,660 |
| 2029 | 99,008 | 10,573 | 109,581 |
| 2030 | 103,038 | 6,461 | 109,499 |
| 2031 | 107,232 | 2,182 | 109,414 |
| Total | $ 827,112 | $ 160,420 | $ 987,532 |

### Lease Liability

The City leases office equipment for various lease terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2027. This liability, amounting to $95,759 at June 30, 2022, will be paid in future years.

The annual debt service requirements on the agreements are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 43,726 | $ 401 | $ 44,127 |
| 2024 | 18,439 | 271 | 18,710 |
| 2025 | 16,311 | 169 | 16,480 |
| 2026 | 14,448 | 71 | 14,519 |
| 2027 | 2,835 | 6 | 2,841 |
| Total | $ 95,759 | $ 918 | $ 96,677 |

### HUD Section 108 Loan Program

In August 2002, the City participated in the U.S. Department of Housing and Urban Development (HUD) Section 108 Loan Guarantee Program and received note proceeds of $6,500,000. The City uses the proceeds for the development of the Market Place project. The annual debt service payments are funded through the City's Community Development Block Grant funds. On May 28, 2015, the City participated in the HUD refinancing program and refinanced the Section 108 Loan for a fixed rate note (Series 2015 A Certificates). Interest payments are made semiannually on August 1 and February 1. Principal payments are made on August 1 of each year and continue until August 2022. The outstanding balance of the HUD Section 108 Loan was $539,000 at June 30, 2022.

## NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

### HUD Section 108 Loan Program (Continued)

The annual debt service requirements on the HUD Section 108 Loan are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 539,000 | $ 6,603 | $ 545,603 |
| Total | $ 539,000 | $ 6,603 | $ 545,603 |

### 2004 Taxable Pension Obligation Bonds

On June 29, 2004, the City pursuant to an Agreement with the California Statewide Communities Development Authority, issued $17,405,000 in Taxable Pension Obligation Bonds, 2004 Series A-1. These Bonds were issued to fund the unfunded liabilities of the City's Safety Plan to the California Public Employees' Retirement System (CALPERS). The City is contractually obligated to appropriate and make payments to CALPERS arising as a result of retirement benefits accruing to members of CALPERS. The City's obligation includes, among others, the requirement to amortize the unfunded accrued actuarial liability over a multi-year period. On June 29, 2004, the City contributed $17,012,841 of the bond proceeds to CALPERS to fund a portion of the unfunded liability for the Safety Plan that provides retirement benefits to the City's sworn Police Officers and Firefighters.

Bond interest is payable semi-annually on June 1 and December 1 commencing December 1, 2004. The rate of interest varies from 4.510% to 6.076% per annum. Principal is payable in annual installments ranging from $25,000 to $1,350,000 commencing on June 1, 2009 and ending on June 1, 2034. On or before August 1st of each year, the City is required to deposit with the trustee the amount equal to the next year's debt service payment in lieu of a reserve requirement.

Optional Redemption: The bonds maturing on or before June 1, 2016 were not subject to optional redemption. The bonds maturing on June 1, 2024 and on June 1, 2034 are subject to optional redemption prior to maturity at the option of the Authority, in whole or in part on any date at a redemption price equal to the greater of (1) 100% of principal to be redeemed or (2) present value of the remaining debt service discounted at Treasury Rate plus 10.0 basis points for the 2024 Term Bonds or plus 12.5 basis points for the 2034 Term Bonds. Bonds will be selected for redemption on a pro rata basis for both the optional and mandatory sinking fund redemption.

The outstanding balance of the 2004 Taxable Pension Obligation Bonds was $11,345,000 at June 30, 2022.

## NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

### 2004 Taxable Pension Obligation Bonds (Continued)

The annual debt service requirements on the 2004 Taxable Pension Obligation Bonds are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 425,000 | $ 687,819 | $ 1,112,819 |
| 2023 | 410,000 | 662,761 | 1,072,761 |
| 2024 | 795,000 | 638,588 | 1,433,588 |
| 2025 | 845,000 | 590,283 | 1,435,283 |
| 2027 | 895,000 | 538,941 | 1,433,941 |
| 2028 - 2032 | 5,350,000 | 2,406,399 | 7,756,399 |
| 2033 - 2034 | 2,625,000 | 774,994 | 3,399,994 |
| Total | $ 11,345,000 | $ 6,299,785 | $ 17,644,785 |

### 2021 Taxable Pension Obligation Bonds

On February 16, 2021, the City issued $106,335,000 in Taxable Pension Obligation Bonds, 2021 Series A. These Bonds were issued to fund the unfunded liabilities of the City's Miscellaneous and Safety Plans to the California Public Employees' Retirement System (CALPERS). The City is contractually obligated to appropriate and make payments to CALPERS arising as a result of retirement benefits accruing to members of CALPERS. The City's obligation includes, among others, the requirement to amortize the unfunded accrued actuarial liability over a multi-year period. On February 16, 2021, the City contributed $105,545,217 ($41,146,631 to the Miscellaneous Plan and $64,398,586 to the Safety Plan) of the bond proceeds to CALPERS to fund a portion of the unfunded liability for the Miscellaneous and Safety Plans that provides retirement benefits to the City's eligible employees. This transaction and future debt service requirements on the bonds are being shared between the City's general fund and enterprise funds.

Bond interest is payable semi-annually on June 1 and December 1 commencing December 1, 2021. The rate of interest varies from 0.213% to 3.021% per annum. Principal is payable in annual installments ranging from $3,130,000 to $7,135,000 commencing on June 1, 2022 and ending on June 1, 2043. On or before August 1st of each year, the City is required to deposit with the trustee the amount sufficient to pay debt service on the bonds, the 2004 Bonds and any additional bonds and refunding obligations as may be issued on a parity basis in accordance with the Trust Agreement.

Optional Redemption: The bonds maturing on or before June 1, 2032 may be redeemed at the option of the City from any source of funds on any date on or after June 1, 2031 in whole or in part at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption, without premium. The bonds are also subject to redemption prior to June 1, 2031 at the option of the City, in whole or in part, at any time, at a redemption price equal to the greater of: (1) 100% of principal amount to be redeemed or (2) the sum, calculated by the City, of the present value of the remaining scheduled payments of principal and interest on the bonds to be redeemed discounted to the date of redemption on a semiannual basis at a Treasury Rate plus 15 basis points, plus accrued and unpaid interest on the bonds being redeemed to the date fixed for redemption.

## NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

### 2021 Taxable Pension Obligation Bonds (Continued)

The outstanding balance of the 2021 Taxable Pension Obligation Bonds was $106,335,000 at June 30, 2022, of which $99,172,992 is reported in governmental type activities and $5,032,008 is reported in business-type activities.

The annual debt service requirements on the 2021 Taxable Pension Obligation Bonds are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 3,855,000 | $ 2,369,602 | $ 6,224,602 |
| 2024 | 3,910,000 | 2,355,608 | 6,265,608 |
| 2025 | 3,575,000 | 2,331,132 | 5,906,132 |
| 2026 | 3,605,000 | 2,299,422 | 5,904,422 |
| 2027 | 3,645,000 | 2,260,235 | 5,905,235 |
| 2028 - 2032 | 19,170,000 | 10,374,338 | 29,544,338 |
| 2033 - 2037 | 25,670,000 | 8,175,495 | 33,845,495 |
| 2038 - 2042 | 32,640,000 | 4,094,814 | 36,734,814 |
| 2043 | 7,135,000 | 215,548 | 7,350,548 |
| Total | $ 103,205,000 | $ 34,476,194 | $ 137,681,194 |

## NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Changes in long-term debt for the Successor Agency for the year ended June 30, 2022, are as follows:

| Successor Agency | Balance at July 1, 2021 | Additions | Deletions | Balance at June 30, 2022 | Due Within One Year | Due in More Than One Year |
|---|---|---|---|---|---|---|
| Other Debt: | | | | | | |
| Bonds Payable: | | | | | | |
| 2013A Tax Refunding Bonds - Atlantic-Garvey Project Redevelopment Project | $ 7,140,000 | $ - | $ (1,115,000) | $ 6,025,000 | $ 1,175,000 | $ 4,850,000 |
| 2013B Tax Refunding Bonds - Merged Redevelopment Project | 4,300,000 | - | (460,000) | 3,840,000 | 480,000 | 3,360,000 |
| | 11,440,000 | - | (1,575,000) | 9,865,000 | 1,655,000 | 8,210,000 |
| Add Deferred Amounts: | | | | | | |
| Bond Premium | 534,191 | - | (93,417) | 440,774 | - | 440,774 |
| Total Bonds Payable | 11,974,191 | - | (1,668,417) | 10,305,774 | 1,655,000 | 8,650,774 |
| Advances from the City of Monterey Park (Note 5) | 1,170,993 | - | (137,342) | 1,033,651 | - | 1,033,651 |
| Total Other Debt | 13,145,184 | - | (1,805,759) | 11,339,425 | 1,655,000 | 9,684,425 |
| Direct Borrowings: | | | | | | |
| Tax Increment Deferred Loan - Atlantic/Garvey Project | 13,817,811 | 967,247 | - | 14,785,058 | - | 14,785,058 |
| Tax Increment Deferred Loan - Merged Project | 63,011,758 | 4,290,090 | (468,189) | 66,833,659 | 561,108 | 66,272,551 |
| Low/Mod Housing Deferred Loans | 1,186,222 | - | - | 1,186,222 | - | 1,186,222 |
| Total Direct Borrowings | 78,015,791 | 5,257,337 | (468,189) | 82,804,939 | 561,108 | 82,243,831 |
| Total Successor Agency | $ 91,160,975 | $ 5,257,337 | $ (2,273,948) | $ 94,144,364 | $ 2,216,108 | $ 91,928,256 |

### Tax Allocation Bonds

Tax Allocation Refunding Bond, Series 2013A (Atlantic-Garvey Redevelopment Project No. 1)

On December 1, 2013, the County of Los Angeles Redevelopment Refunding Authority assisted the Successor Agency to issue the $13,835,000 Tax Allocation Refunding Bond, Series 2013A, for the Atlantic-Garvey Redevelopment Project No. 1. These Bonds were issued to redeem the outstanding 2002 Tax Allocation Revenue Bonds. The Bonds are secured by a pledge of the tax revenues from the Project area with interest rates ranging from 3.0% to 5.0%. Interest payments are payable semiannually on September 1 and March 1. Principal payments are made on September 1 of each year and continue until the year 2026.

Optional Redemption: The Bonds maturing on or before September 1, 2024, are not subject to optional redemption prior to maturity. The Bonds maturing on and after September 1, 2024, are subject to optional redemption on any date on and after September 1, 2023, in integral multiples of $5,000, from any available source of funds, at the times, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

## NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

### Tax Allocation Bonds (Continued)

Tax Allocation Refunding Bond, Series 2013A (Atlantic-Garvey Redevelopment Project No. 1) (Continued)

The Bonds are secured by a first and prior lien on tax increment revenues, excluding any portion of revenues that are required to be deposited to the Rebate Fund. Annual principal and interest payments on the Bonds are expected to require less than 90% of net revenues. The amount of principal and interest outstanding at June 30, 2022, totaled $8,105,821. Interest paid for the current year is $354,506, and the net tax increment revenue is collected and withheld by the County of Los Angeles due to the dissolution of the former Redevelopment Agency.

The annual debt service requirements on the Tax Allocation Refunding Bond, Series 2013A (Atlantic-Garvey Redevelopment Project No. 1) are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 1,175,000 | $ 242,756 | $ 1,417,756 |
| 2024 | 1,165,000 | 184,256 | 1,349,256 |
| 2025 | 1,220,000 | 130,731 | 1,350,731 |
| 2026 | 1,210,000 | 80,619 | 1,290,619 |
| 2027 | 1,255,000 | 27,453 | 1,282,453 |
| Total | $ 6,025,000 | $ 665,815 | $ 6,690,815 |

Tax Allocation Refunding Bond, Series 2013B (Merged Redevelopment Project Area)

On December 1, 2013, the County of Los Angeles Redevelopment Refunding Authority assisted the Successor Agency to issue this $7,080,000 Tax Allocation Refunding Bond, Series 2013B, for the Merged Redevelopment Project No. 1. These Bonds were issued to redeem the outstanding 1998 Tax Allocation Revenue Bonds. The Bonds are secured by a pledge of the tax revenues from the Project area with interest rates ranging from 3.0% to 5.0%. Interest payments are payable semiannually on September 1 and March 1. Principal payments are made on September 1 of each year and continue until the year 2028.

Optional Redemption: The Bonds maturing on or before September 1, 2024, are not subject to optional redemption prior to maturity. The Bonds maturing on and after September 1, 2024, are subject to optional redemption on any date on and after September 1, 2023, in integral multiples of $5,000, from any available source of funds, at the times, at a redemption price equal to the principal amount of the Bonds to be redeemed, together with accrued interest thereon to the date fixed for redemption, without premium.

The Bonds are secured by a first and prior lien on tax increment revenues, excluding any portion of revenues that are required to be deposited to the Rebate Fund. Annual principal and interest payments on the bonds are expected to require less than 90% of net revenues. The amount of principal and interest outstanding at June 30, 2022, totaled $5,150,884. Interest paid for the current year is $212,956 and the net tax increment revenue is collected and withheld by the County of Los Angeles due to the dissolution of the former Redevelopment Agency.

## NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

### Tax Allocation Bonds (Continued)

Tax Allocation Refunding Bond, Series 2013B (Merged Redevelopment Project Area) (Continued)

The annual debt services requirement on the Tax Allocation Refunding Bond, Series 2013B (Merged Redevelopment Project Area) are as follows:

| Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 480,000 | $ 167,081 | $ 647,081 |
| 2024 | 505,000 | 142,456 | 647,456 |
| 2025 | 530,000 | 119,231 | 649,231 |
| 2026 | 545,000 | 97,050 | 642,050 |
| 2027 | 565,000 | 73,109 | 638,109 |
| 2028 - 2029 | 1,215,000 | 61,375 | 1,276,375 |
| Total | $ 3,840,000 | $ 660,302 | $ 4,500,302 |

Tax Increment Deferred Loan (Atlantic/Garvey Project)

On August 20, 1987, the former Redevelopment Agency entered into an agreement for reimbursement of tax increment funds with the County of Los Angeles (the County). In the Agreement, the County agreed to loan its portion of the tax increment revenues received from the amended area (88 Annex) to the former Redevelopment Agency at a 7% compound interest rate, beginning fiscal year 1989-90. The percentage distribution from the basic tax levy for the 88 Annex areas for the County and the former Redevelopment Agency is 43.7% and 56.3% respectively. The former Redevelopment Agency will commence repayment of this loan annually beginning with the fiscal year in which the former Redevelopment Agency's share of tax increment revenues (excluding Housing Fund contributions) from the 88 Annex areas exceeds $800,000.

The outstanding balance of the Tax Increment Deferred Loan (Atlantic/Garvey Project) was $14,785,058 at June 30, 2022.

The former Redevelopment Agency and the County Taxing Entities (the County of Los Angeles, the Los Angeles County Flood Control District, and the Los Angeles County Office of Education) entered into four agreements for reimbursement of the tax increment deferred amounts. In the Agreements, the County Taxing Entities agreed to loan their portions of the tax increment revenues received from the Southeast Project area, Freeway `99 Annex area, Central Commercial Project area, and Merged Monterey Pass Road area to the former Redevelopment Agency at specified interest rates ranging from 0% to 7%. The percentage distribution from the basic tax levy and the repayment schedule of the deferred loans are also based on a specified formula for each taxing entity.

The outstanding balance of the Tax Increment Deferred Loan (Merged Project) was $66,833,659 at June 30, 2022.

## NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

### Tax Allocation Bonds (Continued)

Low/Mod Housing Deferred Loans

State law required former redevelopment agencies to set aside 20% of their tax increment revenues for low/mod housing. In 1997, the former Redevelopment Agency approved a plan to set aside future tax increment revenue in addition to the regular 20% set aside requirements. On February 1, 2012, the commitment was transferred to the Successor Agency due to the dissolution of the former Redevelopment Agency and was approved by the DOF as a payable to the City's Special Revenue Housing Fund.

A summary of the repayment plan is presented below:

| For the Years Ending June 30, | Amount |
|---|---|
| 2024 - 2029 | $ 500,000 |
| 2030 - 2034 | 450,000 |
| 2035 - 2039 | 236,222 |
| | $ 1,186,222 |

## NOTE 8 DUE TO OTHER GOVERNMENTAL AGENCIES

In the Special Revenue Grants Fund, an amount equal to the total outstanding balance of the identified loans receivable for the CDBG Residential Rehabilitation Program in the amount of $48,015, State Earthquake Rehabilitation Assistance (SERA) Program in the amount of $4,322, the Pacific Housing Corporation loan in the amount of $262,045, and the Pacific Bridge Loan in the amount of $434,738, described in Note 3 at June 30, 2022, have been recorded as Due to Other Governmental Agencies. As these notes are repaid, the repayment proceeds must be returned to the applicable government agency.

| Description | Amount |
|---|---|
| Due to Other Governmental Agencies: | |
| CDBG Residential Rehabilitation Program | $ 48,015 |
| SERA Program | 4,322 |
| Pacific Housing Corporation Loan | 262,045 |
| Pacific Bridge Loan | 434,738 |
| Total | $ 749,120 |

## NOTE 9 PENSION PLANS

The following is a summary of pension related items for the year ended June 30, 2022.

| | Pension Liability (Asset) | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|---|
| CalPERS Miscellaneous | $ (20,078,555) | $ 1,319,591 | $ (14,107,098) |
| CalPERS Safety | (31,501,768) | 1,264,857 | (22,715,025) |
| Subtotal | (51,580,323) | 2,584,448 | (36,822,123) |
| Massachusetts Mutual Retirement Plan | 372,265 | 736,480 | - |
| Total | $ (51,208,058) | $ 3,320,928 | $ (36,822,123) |

### A. Defined Benefit Pension Plans

#### a. California Public Employees' Retirement System Plan

**General Information about the Pension Plan**

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). 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.

Benefit Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. A classic CalPERS member or PEPRA Safety member becomes eligible for Service Retirement upon attainment of age 55 with at least 5 years of credited service. PEPRA miscellaneous members become eligible for service retirement upon attainment of age 62 with at least 5 years of service. The service retirement benefit is a monthly allowance equal to the product of the benefit factor, years of service, and final compensation. The final compensation is the monthly average of the member's highest 36 or 12 consecutive months' full-time equivalent monthly pay.

Retirement benefits for classic miscellaneous employees are calculated as 2% to 2.7% of the average final 12 months compensation. Retirement benefits for PEPRA miscellaneous employees are calculated as 2% of the average final 36 months compensation. Retirement benefits for classic safety employees are calculated as 3% of the average final 12 months compensation. Retirement benefits for PEPRA safety employees are calculated as 2.7% of the average final 36 months compensation.

## NOTE 9 PENSION PLANS (CONTINUED)

### A. Defined Benefit Pension Plans (Continued)

#### a. California Public Employees' Retirement System Plan (Continued)

**General Information about the Pension Plan (Continued)**

Benefit Provided (Continued)

Participant is eligible for non-industrial disability retirement if becomes disabled and has at least 5 years of credited service. There is no special age requirement. The standard non-industrial disability retirement benefit is a monthly allowance equal to 1.8% of final compensation, multiplied by service.

Industrial disability benefits are not offered to miscellaneous employees. The City provides industrial disability retirement benefit to safety employees. The industrial disability retirement benefit is a monthly allowance equal to 50% of final compensation.

An employee's beneficiary may receive the basic death benefit if the employee dies while actively employed. The employee must be actively employed with the City to be eligible for this benefit. An employee's survivor who is eligible for any other pre-retirement death benefit may choose to receive that death benefit instead of this basic death benefit. The basic death benefit is a lump sum in the amount of the employee's accumulated contributions, where interest is currently credited at 7.15% per year, plus a lump sum in the amount of one month's salary for each completed year of current service, up to a maximum of six months' salary. For purposes of this benefit, one month's salary is defined as the member's average monthly full-time rate of compensation during the 12 months preceding death. Upon the death of a retiree, a one-time lump sum payment of $5,000 will be made to the retiree's designated survivor(s), or to the retiree's estate.

Benefit terms provide for annual cost-of-living adjustments to each employee's retirement allowance. Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis by 2%.

Employees Covered by Benefit Terms

At June 30, 2021, the measurement date, the following employees were covered by the benefit terms:

| | Plans | |
|---|---|---|
| | Miscellaneous | Safety |
| Active Employees | 192 | 120 |
| Transferred and Terminated Employees | 333 | 104 |
| Retired Employees and Beneficiaries | 341 | 251 |
| Total | 866 | 475 |

## NOTE 9 PENSION PLANS (CONTINUED)

### A. Defined Benefit Pension Plans (Continued)

#### a. California Public Employees' Retirement System Plan (Continued)

**General Information about the Pension Plan (Continued)**

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate.

The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. For the current year, employer required contributions made were $1,264,858 and $2,582,210 to the miscellaneous and safety plans, respectively. The net pension liability for governmental activities is primarily liquidated from the general fund and the net pension liability for business-type activities is liquidated from the applicable enterprise funds.

**Net Pension Liability**

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2021 using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

## NOTE 9 PENSION PLANS (CONTINUED)

### A. Defined Benefit Pension Plans (Continued)

#### a. California Public Employees' Retirement System Plan (Continued)

**Net Pension Liability (Continued)**

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)

The total pension liability in the June 30, 2020 actuarial valuations was determined using the following actuarial methods and assumptions:

| | |
|---|---|
| Actuarial Cost Method | Entry-Age Normal in accordance with the requirement of GASB Statement No. 68 |
| Actuarial Assumptions: | |
| Discount Rate | 7.15% |
| Inflation | 2.50% |
| Salary Increases | Varies by entry age and service. |
| Mortality Rate Table | The 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 Post-retirement motality 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 table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website. |
| Post Retirement Benefit Increase | Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter. |

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.

## NOTE 9 PENSION PLANS (CONTINUED)

### A. Defined Benefit Pension Plans (Continued)

#### a. California Public Employees' Retirement System Plan (Continued)

**Net Pension Liability (Continued)**

Long-term Expected Rate of Return (Continued)

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 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 table below reflects the long-term expected real rate of return by asset class.

| Asset Class (1) | Allocation | 1 - 10 (2) | 11+ (3) |
|---|---|---|---|
| Global Equity | 50.00% | 4.80% | 5.98% |
| Fixed Income | 28.00% | 1.00% | 2.62% |
| Inflation Assets | 0.00% | 77.00% | 1.81% |
| Private Equity | 8.00% | 6.30% | 7.23% |
| Real Assets | 13.00% | 3.75% | 4.93% |
| Infrastructure and Forestland | 0.00% | 0.00% | 0.00% |
| Liquidity | 1.00% | 0.00% | -0.92% |
| Total | 100.00% | | |

(1) In the System's ACFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.

(2) An expected inflation of 2.0% used for this period.

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

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-2021. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

## NOTE 9 PENSION PLANS (CONTINUED)

### A. Defined Benefit Pension Plans (Continued)

#### a. California Public Employees' Retirement System Plan (Continued)

**Net Pension Liability (Continued)**

Subsequent Events (Continued)

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

**Changes in the Net Pension Liability**

The following table shows the changes in net pension liability recognized over the measurement period.

| | 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 (Measurement Date) | $ 149,696,499 | $ 107,585,435 | $ 42,111,064 |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | 2,148,048 | - | 2,148,048 |
| Interest on the Total Pension Liability | 10,443,716 | - | 10,443,716 |
| Differences Between Expected and Actual Experience | (746,806) | - | (746,806) |
| Plan to Plan Resource Movement | - | - | - |
| Contributions from the Employer | - | 45,650,016 | (45,650,016) |
| Contributions from Employees | - | 878,774 | (878,774) |
| Net Investment Income | - | 27,613,258 | (27,613,258) |
| Benefit Payments, Including Refunds of Employee Contributions | (7,915,523) | (7,915,523) | - |
| Administrative Expenses | - | (107,471) | 107,471 |
| Net Changes During July 1, 2020 to June 30, 2021 | 3,929,435 | 66,119,054 | (62,189,619) |
| Balance at June 30, 2021 (Measurement Date) | $ 153,625,934 | $ 173,704,489 | $ (20,078,555) |

## NOTE 9 PENSION PLANS (CONTINUED)

### A. Defined Benefit Pension Plans (Continued)

#### a. California Public Employees' Retirement System Plan (Continued)

**Changes in the Net Pension Liability (Continued)**

| | Safety Plan | | |
|---|---|---|---|
| | Increase (Decrease) | | |
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (c) = (a) - (b) |
| Balance at June 30, 2020 (Measurement Date) | $ 232,391,748 | $ 166,998,365 | $ 65,393,383 |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | 3,628,780 | - | 3,628,780 |
| Interest on the Total Pension Liability | 16,292,437 | - | 16,292,437 |
| Differences Between Expected and Actual Experience | (986,638) | - | (986,638) |
| Contributions from the Employer | - | 71,158,474 | (71,158,474) |
| Contributions from Employees | - | 1,701,579 | (1,701,579) |
| Net Investment Income | - | 43,136,498 | (43,136,498) |
| Benefit Payments, Including Refunds of Employee Contributions | (10,706,492) | (10,706,492) | - |
| Administrative Expenses | - | (166,821) | 166,821 |
| Net Changes During July 1, 2020 to June 30, 2021 | 8,228,087 | 105,123,238 | (96,895,151) |
| Balance at June 30, 2021 (Measurement Date) | $ 240,619,835 | $ 272,121,603 | $ (31,501,768) |

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%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

| | Miscellaneous | Safety |
|---|---|---|
| 1% Decrease | 6.15% | 6.15% |
| Net Pension Liability | $ (550,022) | $ 544,729 |
| Current Discount Rate | 7.15% | 7.15% |
| Net Pension Liability | $ (20,078,555) | $ (31,501,768) |
| 1% Increase | 8.15% | 8.15% |
| Net Pension Liability | $ (36,251,372) | $ (57,869,373) |

## NOTE 9 PENSION PLANS (CONTINUED)

### A. Defined Benefit Pension Plans (Continued)

#### a. California Public Employees' Retirement System Plan (Continued)

**Changes in the Net Pension Liability (Continued)**

Pension Plan Fiduciary Net Position

Detailed information about the plan's fiduciary net position is available in the separately issued CalPERS financial report.

**Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

For the measurement period ended June 30, 2021, the City incurred a pension expense/(income) of $(1,230,395) and $(2,687,388) for the miscellaneous plan and safety plan, respectively.

As of measurement date of June 30, 2021, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

Miscellaneous Plan

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Contributions Made After the Measurement Date | $ 1,264,858 | $ - |
| Difference Between Expected and Actual Experience | 54,733 | (407,349) |
| Changes of Assumptions | - | - |
| Net Differences Between Projected and Actual Earnings on Pension Plan Investments | - | (13,699,749) |
| Total | $ 1,319,591 | $ (14,107,098) |

Safety Plan

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Contributions Made After the Measurement Date | $ 1,264,857 | $ - |
| Difference Between Expected and Actual Experience | - | (1,512,332) |
| Changes of Assumptions | - | - |
| Net Differences Between Projected and Actual Earnings on Pension Plan Investments | - | (21,202,693) |
| Total | $ 1,264,857 | $ (22,715,025) |

## NOTE 9 PENSION PLANS (CONTINUED)

### A. Defined Benefit Pension Plans (Continued)

#### a. California Public Employees' Retirement System Plan (Continued)

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

For the miscellaneous plan and safety plan, $1,264,858 and $2,582,210, respectively, reported as deferred outflows of resources related to pensions resulting from City's contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ending June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

| Measurement Period | Amounts | |
|---|---|---|
| Year Ending June 30, | Miscellaneous Plan | Safety Plan |
| 2022 | $ (3,762,668) | $ (6,619,967) |
| 2023 | (3,277,489) | (5,179,591) |
| 2024 | (3,299,015) | (5,118,501) |
| 2025 | (3,713,193) | (5,796,966) |
| 2026 | - | - |
| Thereafter | - | - |

Payable to the Pension Plans

At June 30, 2022, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2022.

#### b. Massachusetts Mutual Retirement Plan - Defined Benefit Plan

**General Information about the Pension Plan**

Plan Description

Certain miscellaneous employees are covered by a retirement plan through the Massachusetts Mutual Life Insurance Company (MMRP), a single-employer defined benefit pension plan. All miscellaneous employees who were employed prior to April 1, 1976 participated in the MMRP. Miscellaneous employees under the age of 55 joined CalPERS on and after April 1, 1976. However, these employees still remain vested under the MMRP and are eligible to receive retirement benefits at the time of retirement. Miscellaneous employees over the age of 55 (on or before April 1, 1976) could not participate in CalPERS and remain wholly in the MMRP.

The City does not issue a publicly available financial report for the MMRP.

## NOTE 9 PENSION PLANS (CONTINUED)

### A. Defined Benefit Pension Plans (Continued)

#### b. Massachusetts Mutual Retirement Plan - Defined Benefit Plan (Continued)

**General Information about the Pension Plan (Continued)**

Benefits Provided

The MMRP was amended in 1976 to provide equivalent retirement benefits to all miscellaneous employees, whether totally vested in CalPERS, totally vested in the MMRP or partially vested in both plans. Eligibility requirements for the MMRP are the same as those for CalPERS.

Employee Covered by Benefit Terms

MMRP is a closed plan. As of the measurement date, June 30, 2022, there are 38 individuals in the plan, all of whom are no longer employed by the City or are currently participating in PERS. The City's payroll for employees covered by the MMRP was zero for the measurement period July 1, 2021 to June 30, 2022.

Contributions

MMRP is a contributory plan deriving funds from employer contributions and earnings from investments. Employer contributions were based upon the actuarial methods and assumptions. For the current year, the City did not make contributions to the MMRP.

**Net Pension Liability**

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2022, the total pension liability was determined by rolling forward the June 30, 2021 total pension liability to June 30, 2022, based on actual benefit payments.

The total pension liability was based on the following actuarial methods and assumptions:

| | |
|---|---|
| Actuarial Cost Method | Entry Age Normal |
| Valuation Date | June 30, 2021 |
| Actuarial Assumptions: | |
| Discount Rate | 3.54% |
| Expected Long-term Rate of Return on Investment | 3.00% |
| Inflation | 2.50% |
| Mortality Rate | CalPERS 1997-2015 experience study |
| Mortality Improvement Scale | Fully generational projection with Scale MP-21 |
| Cost of Living Adjustment/PPPA | 2%; PPPA valued for each annuitant |

## NOTE 9 PENSION PLANS (CONTINUED)

### A. Defined Benefit Pension Plans (Continued)

#### b. Massachusetts Mutual Retirement Plan - Defined Benefit Plan (Continued)

**Net Pension Liability (Continued)**

Discount Rate

Plan assets currently invested in Mass Mutual general investment account. Expected long term return on assets was 4.50% for June 30, 2021 valuation and rounded to nearest 0.25%. Noninvestment expenses of $25,000 were added to actuarially determined contribution amount. Cross-over analysis showed benefit payments always fully funded by plan assets based on 4.50% discount rate.

**Changes in the Net Pension Liability**

The following table shows the changes in net pension liability recognized over the measurement period.

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Pension Liability (Asset) (c) = (a) - (b) |
| Balance at June 30, 2021 | $ 5,185,000 | $ 5,299,000 | $ (114,000) |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | - | - | - |
| Interest on the Total Pension Liability | 224,352 | - | 224,352 |
| Changes in Benefit Terms | - | - | - |
| Differences Between Expected and Actual Experience | (882,892) | - | (882,892) |
| Changes in Assumptions | 233,362 | - | 233,362 |
| Contributions from the Employer | - | - | - |
| Contributions from Employees | - | - | - |
| Net Investment Income | - | (896,110) | 896,110 |
| Benefit Payments, Including Refunds | (398,781) | (398,781) | - |
| Administrative Expense | - | (15,333) | 15,333 |
| Net Changes | (823,959) | (1,310,224) | 486,265 |
| Balance at June 30, 2022 (Measurement Date) | $ 4,361,041 | $ 3,988,776 | $ 372,265 |

## NOTE 9 PENSION PLANS (CONTINUED)

### A. Defined Benefit Pension Plans (Continued)

#### b. Massachusetts Mutual Retirement Plan - Defined Benefit Plan (Continued)

**Changes in the Net Pension Liability (Continued)**

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 3.54%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.54%) or 1 percentage point higher (4.54%) than the current rate:

| | | |
|---|---|---|
| 1% Decrease | | 2.54% |
| Net Pension Liability | $ | 729,000 |
| Current Discount Rate | | 3.54% |
| Net Pension Liability | $ | 372,265 |
| 1% Increase | | 4.54% |
| Net Pension Liability | $ | 65,709 |

**Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

For the measurement period ending June 30, 2022, the City incurred a pension expense/(income) of $441,215 for MMRP. As of measurement date of June 30, 2022, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Difference Between Expected and Actual Experience | $ - | $ - |
| Changes of Assumptions | - | - |
| Net Differences Between Projected and Actual Earnings on Pension Plan Investments | 736,480 | - |
| Total | $ 736,480 | $ - |

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

| Measurement Period Year Ending June 30, | Amount |
|---|---|
| 2023 | $ 142,870 |
| 2024 | 161,870 |
| 2025 | 206,870 |
| 2026 | 224,870 |
| 2026 | - |
| Thereafter | - |

## NOTE 9 PENSION PLANS (CONTINUED)

### A. Defined Benefit Pension Plans (Continued)

#### c. Aggregate Amount of Pension Expenses

The aggregate amount of pension income for all defined benefit pension plans for the fiscal year ended June 30, 2022 totaled $(4,358,998).

### B. Defined Contribution Pension Plan

**Monterey Park Part-Time Retirement Plan**

During the 1991-1992 fiscal year, the City established the Monterey Park Part-Time Retirement Plan, a defined contribution retirement plan, for all non benefited, part-time employees in accordance with Internal Revenue Code Section 457, to conform to Section 3121(b)(7)(F) of the Internal Revenue Code added by the Omnibus Budget Reconciliation Act of 1990. The plan is administered by Empower Inc. The plan was established by the authority of the City Council who retains the authority to amend the plan.

A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account and the returns earned on investments of the contributions.

Part-time, non benefited, nonpersable employees of the City must participate in the plan. During the year ended June 30, 2022, 109 part-time employees participated in the plan. All contributions to the plan vest immediately. An employee who leaves the City is entitled to all contributions, including contributions made by the City, and earnings applied to the individual's account through the date of separation, less legally required income tax withholding. Participants that become full-time employees and enter the CalPERS retirement plan will have the amount in their individual accounts transferred from this plan into a Section 457, Deferred Compensation Plan, subject to all the rules governing Section 457 plans, including substantial penalties for withdrawal prior to the age of normal retirement. Contribution levels into the deferred compensation plan were established by City Council resolution at 4% and 3.5% for the City and non benefited, nonpersable part-time employees, respectively. During the year, the City contributed $ 30,424 to the plan.

## NOTE 10 OTHER POST-EMPLOYMENT BENEFITS

### A. Plan Description

In addition to the pension benefits, the City provides postretirement medical insurance benefits, through an agent multiple-employer OPEB plan in accordance with contractual provisions of the various Memoranda of Understanding with the City's recognized employee organizations, to all vested employees who retire with CalPERS pension benefits immediately upon termination of employment from the City. The City has established a California Retiree Benefit Trust (CERBT), an agent-multiple employer trust which CalPERS serves as trustee. Eligible retirees and dependents may elect lifetime coverage through the City's healthcare plans. The City makes contributions towards the retiree's premium up to specified caps that vary depending on bargaining unit and whether the participant has more or less than 20 years of service. Retirees pay the portion of premium not paid by the City. In addition to the direct City paid contribution, retirees also receive pre-65 benefits that are subsidized as they are eligible to receive coverage based on blended (active and retiree) premium rates instead of normally higher retiree rates (implied subsidy). For those retirees who are eligible for Medicare, the City contributes toward Medicare supplemental insurance coverage. Upon retirement, vested full-time employees may, at their own cost, convert group life insurance coverage to individual life insurance coverage. Post-employment benefits for employees that separate for reasons other than retirement are limited to those required under the provisions of COBRA and require no contribution by the City.

Members are eligible for the following benefits:

| | General | Management | Safety |
|---|---|---|---|
| Benefit Types Provided | Medical Only | Medical Only | Medical Only |
| Duration of Benefits | Lifetime | Lifetime | Lifetime |
| Minimum Age | 50 | 50 | 50 |
| Dependent Coverage | Yes | Yes | Yes |
| Required Years of Service | 5 Years | 5 Years | 5 Years |
| City Contribution % | 100% | 100% | 100% |
| City Cap: | | | |
| Calendar Year 2020 | $340-$435 per month | $355-$1,375 | $346-$650 |
| Calendar Year 2021 | $340-$435 per month | $355-$1,375 | $346-$650 |

**Employees Covered**

As of measurement date June 30, 2021, the following current and former employees were covered by the benefit terms under the plan:

| | |
|---|---|
| Inactive Employees or Beneficiaries Currently Receiving Benefits | 238 |
| Inactive Employees or Beneficiaries Entitled to but not yet Receiving Benefits | 60 |
| Active Employees | 275 |
| | 573 |

## NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

### A. Plan Description (Continued)

**Contributions**

The contribution requirements are established and amended by the City. Employer contributions are determined through an annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

For the current year, the City's contributions to the plan included $1,000,000 to the irrevocable CERBT, an implied subsidy of $341,000, $16,000 in administrative expenses, and $1,310,920 in cash benefit payments, resulting in total contributions of $2,667,920. The contributions to the OPEB plan are generally made from the general fund.

### B. Total OPEB Liability

For the measurement period ended June 30, 2021, the City's total OPEB liability was determined in a June 30, 2021 actuarial accounting valuation. A summary of the principal assumptions and methods used to determine the net OPEB liability is shown below.

## NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

### B. Total OPEB Liability (Continued)

**Actuarial Assumptions**

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|---|---|
| Valuation Date | June 30, 2021 |
| Measurement Date | June 30, 2021 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Contribution Policy | Pre-funded through CERBT with Strategy 1 asset allocation. |
| Actuarial Assumptions: | |
| Discount Rate | 6.25% |
| General Inflation | 2.50% |
| Cap Increase | All except Executive Management, CM and Elected Officials - 0% until end of current MOU, 5% every 3 years thereafter. Executive Management, CM and Elected Officials - 5% per year. |
| Long-Term Expected Rate of Return on Assets | 6.25% |
| Medical Trend | Non-Medicare - 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076 and later years<br>Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to an ultimate rate of 3.75% in 2076 and later years<br>Medicare (Kaiser) - 4.60% for 2023, decreasing to an ultimate rate of 3.75% in 2076 and later years |
| Mortality, Retirement, Disability, Termination | CalPERS 2000-2019 experience study |
| Mortality Improvement | Mortality projected fully generational with Scale MP-2021 |

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the arithmetic real rates of return for each major asset class are summarized in the following table.

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| CERBT Strategy 1: | | |
| Global Equity | 59.00% | 4.56% |
| Fixed Income | 25.00% | 0.78% |
| TIPS | 5.00% | -0.08% |
| Commodities | 3.00% | 1.22% |
| Real Estate Investment Trusts | 8.00% | 4.06% |
| Total | 100.00% | |

## NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

### B. Total OPEB Liability (Continued)

**Discount Rate**

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that the City's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

### C. Changes in the Net OPEB Liability

The changes in the net OPEB liability are as follows:

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability (Asset) |
| Balance at June 30, 2020 (Measurement Date) | $ 33,933,863 | $ 9,490,012 | $ 24,443,851 |
| Changes in the Year: | | | |
| Service Cost | 847,594 | - | 847,594 |
| Interest on the Total OPEB Liability | 2,288,889 | - | 2,288,889 |
| Differences between Actual and Expected Experience | (2,184,649) | - | (2,184,649) |
| Changes in Assumptions | (257,475) | - | (257,475) |
| Changes in Benefit Terms | - | - | - |
| Contributions - Employer | - | 2,760,000 | (2,760,000) |
| Net Investment Income | - | 2,703,454 | (2,703,454) |
| Benefit Payments | (1,744,000) | (1,744,000) | - |
| Administrative Expenses | - | (19,765) | 19,765 |
| Administrative Expenses | - | - | - |
| Net Changes | (1,049,641) | 3,699,689 | (4,749,330) |
| Balance at June 30, 2021 (Measurement Date) | $ 32,884,222 | $ 13,189,701 | $ 19,694,521 |

**Change of Assumptions**

Discount rate was updated based on current capital market assumptions. Demographic assumptions were updated to CalPERS 2000-2019 Experience Study. Mortality improvement scale was updated to Scale MP-2021. Medical trend rate for Kaiser Senior Advantage was decreased. Participation at retirement was updated for Tier I based on current experience.

**Change of Benefit Terms**

There were no changes of benefit terms.

## NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

### C. Changes in the Net OPEB Liability (Continued)

**Subsequent Events**

CalPERS approved new CERBT asset allocations in March 2022. This is not expected to impact the expected long-term rate of return assumption for CERBT Strategy 1.

**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 1 percentage point lower or 1 percentage point higher than the current discount rate:

| | 1% Decrease (5.25%) | Discount Rate (6.25%) | 1% Increase (7.25%) |
|---|---|---|---|
| Net OPEB Liability | $ 24,167,863 | $ 19,694,521 | $ 16,026,161 |

**Sensitivity of the Total OPEB Liability to Changes in Medical 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 medical trend rates that are 1 percentage point lower:

| | 1% Decrease | Current Trend | 1% Increase |
|---|---|---|---|
| Net OPEB Liability | $ 17,834,126 | $ 19,694,521 | $ 21,702,441 |

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the year ended June 30, 2022, the City recognized OPEB expense of $567,022. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| OPEB Contributions Subsequent to Measurement Date | $ 2,667,920 | $ - |
| Differences Between Actual and Expected Experience | - | 4,172,228 |
| Changes in Assumptions | - | 741,802 |
| Differences Between Projected and Actual Earnings | - | 1,447,358 |
| Total | $ 2,667,920 | $ 6,361,388 |

## NOTE 10 OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

### C. Changes in the Net OPEB Liability (Continued)

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

$2,667,920 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the 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 expense as follows:

| Year Ending June 30, | Amount |
|---|---|
| 2023 | $ (1,869,027) |
| 2024 | (1,855,029) |
| 2025 | (1,417,441) |
| 2026 | (812,872) |
| 2027 | (407,019) |
| Thereafter | - |

**Payable to the OPEB Plan**

At June 30, 2022, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2022.

## NOTE 11 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks are handled as described below.

The City is partially self-insured for Workers' Compensation, General Liability and Automobile Liability. The City is fully self-insured for unemployment insurance claims (reimbursable account with Employment Development Department). The Workers' Compensation Internal Service Fund and the General Liability Internal Service Fund were established to account for the collection of premiums from various City departments related to the City's insurance and self-insurance programs.

The City retains the risk for the first $500,000 of each Workers' Compensation claim and is a member of the Independent Cities Risk Management Authority for coverage up to $5,000,000 per occurrence. Excess workers' compensation insurance has also been purchased up to statutory limits. The City retains the risk for the first $300,000 of each General Liability and Auto Liability claim and is a member of the Independent Cities Risk Management Authority for coverage up to $20 million per occurrence. The City also purchases commercial insurance for other risks of loss, including property loss, emergency vehicle physical damage and special events.

## NOTE 11 RISK MANAGEMENT (CONTINUED)

The Independent Cities Risk Management Authority (ICRMA) is comprised of 21 Southern California cities, and each member city has a representative on the governing board. The comprehensive general liability insurance includes monetary damages for personal liability, property damage and public officials' errors and omissions. Deposits made to the ICRMA are based on losses incurred by the insured, and rebates are possible if the losses are minimal.

On November 17, 2016, the ICRMA Board approved an assessment on the member cities to fund deficits in its Liability Program for the fiscal years ended 2004, and 2012 through 2015. The City's share of this assessment was determined to be $1,635,143 and is due and payable in equal installments of $163,514 over the next ten years. This insurance assessment liability is recorded in the General Liability Internal Service Fund. At June 30, 2022, the assessment liability balance was $817,571.

There have been no significant changes in insurance coverage as compared to last year and the City has not experienced settlements in excess of insurance coverage during the past three fiscal years. Estimates for liabilities have been accrued in the Workers' Compensation and General Liability Internal Service Funds. These funds also include an estimate for incurred but not reported claims.

At June 30, 2022, total estimated claims payable were as follows:

| Description | Amount |
|---|---|
| General Liability | $ 8,545,020 |
| Workers' Compensation | 13,897,686 |
| Total | $ 22,442,706 |

A reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior two years is as follows:

| | 2022 | 2021 | 2020 |
|---|---|---|---|
| Claims Liabilities - Beginning Balance | $ 19,948,653 | $ 18,372,816 | $ 15,651,443 |
| Incurred claims, representing the total of a provision for events of the current fiscal year and any change in the provision for events of prior fiscal years | 2,494,053 | 4541631 | 5483449 |
| Payments on claims attributable to events of both the current fiscal year and prior fiscal years | - | (2,965,794) | (2,762,076) |
| Claims Liabilities - Ending Balance | $ 22,442,706 | $ 19,948,653 | $ 18,372,816 |

## NOTE 11 RISK MANAGEMENT (CONTINUED)

The claims liabilities are reported in the Statement of Net Position in the Government-Wide Financial Statements and in the Statement of Revenues, Expenses and Changes in Net Position in the Proprietary Fund Statements in the Internal Service Funds.

## NOTE 12 OTHER REQUIRED DISCLOSURES

### Deficit Fund Balance/Net Position

At June 30, 2022, deficit fund balance was reported for the Law Enforcement/Fire/Medic DIF Special Revenue Fund (Nonmajor Fund) in the amount of $(128,279). City management intends to eliminate the deficit with future receipts and/or transfers from the General Fund.

At June 30, 2022, deficit fund balance was reported for the SB2 Planning Grant Special Revenue Fund (Nonmajor Fund) in the amount of $(252,083). City management intends to eliminate the deficit with future receipts of grant monies.

At June 30, 2022, deficit net position was reported for the General Liability Internal Service Fund in the amount of $(7,367,141). City management intends to eliminate the deficit net position of the General Liability Internal Service Fund over time by increased charges to City departments, and making transfers from excess in other internal service funds. City management believes the present cash position of this fund is adequate to meet current needs.

At June 30, 2022, deficit net position was reported for the Workers' Compensation Internal Service Fund in the amount of $(9,140,443). City management intends to eliminate the deficit net position of the Workers' Compensation Funds over time by increased charges to City departments, and making transfers from excess in other internal service funds. City management believes the present cash position of this fund is adequate to meet current needs.

At June 30, 2022, deficit net position was reported for the Successor Agency Private-Purpose Trust Fund in the amount of $(91,819,490). The deficit is expected to be eliminated with future payments from the Redevelopment Property Tax Trust Fund to the Successor Agency for its long-term debt.

### Excess of Expenditures over Appropriations

Total expenditures exceeded budgeted appropriations in the following funds:

| | Final Budget | Actual | Variance |
|---|---|---|---|
| Nonmajor Special Revenue Funds: | | | |
| Governmental Funds: | | | |
| Maintenance District 93-1 | $ 625,957 | $ 800,267 | $ (174,310) |
| Circulation DIF | - | 265,165 | (265,165) |
| SB2 - Planning Grant | 33,975 | 252,083 | (218,108) |

## NOTE 13 FUND BALANCE CLASSIFICATIONS

Fund balance classifications as of June 30, 2022, are as follows:

| | Major Funds | | | | | | |
|---|---|---|---|---|---|---|---|
| | | Special Revenue Funds | | | Stree Capital | | |
| | General | Grants | Retirement/ Pension | Housing | Projects Fund | Nonmajor Governmental | Totals |
| Nonspendable: | | | | | | | |
| Prepaid Items | $ 82,310 | $ - | $ - | $ - | $ - | $ 44,212 | $ 126,522 |
| Total Nonspendable | 82,310 | - | - | - | - | 44,212 | 126,522 |
| Restricted: | | | | | | | |
| Housing | - | - | - | 2,458,662 | - | - | 2,458,662 |
| Grants: | - | 1,222,542 | - | - | - | - | 1,222,542 |
| Highways and Streets | - | - | - | - | 20,453,846 | - | 20,453,846 |
| Public Safety | - | - | - | - | - | - | - |
| Community Development | - | - | - | - | - | - | - |
| Culture and Recreation | - | - | - | - | - | - | - |
| Retirement | - | - | 2,565,775 | - | - | - | 2,565,775 |
| OPA Proposition A | - | - | - | - | - | 4,087,857 | 4,087,857 |
| State Gas Tax | - | - | - | - | - | 1,138,161 | 1,138,161 |
| Measure W | - | - | - | - | - | 256,171 | 256,171 |
| Proposition C | - | - | - | - | - | 2,777,065 | 2,777,065 |
| Air Quality Improvement | - | - | - | - | - | 377,967 | 377,967 |
| Asset Forfeiture | - | - | - | - | - | 793,791 | 793,791 |
| Park Facilities | - | - | - | - | - | 650,990 | 650,990 |
| Business Improvement Area #1 | - | - | - | - | - | 187,731 | 187,731 |
| Maintenance District 93-1 | - | - | - | - | - | 268,160 | 268,160 |
| Public Safety Augmentation | - | - | - | - | - | 846,716 | 846,716 |
| Measure R | - | - | - | - | - | 1,543,591 | 1,543,591 |
| Circulation Development Impact | - | - | - | - | - | 123,540 | 123,540 |
| SB1-RMRA | - | - | - | - | - | 2,000,134 | 2,000,134 |
| Measure M | - | - | - | - | - | 2,503,527 | 2,503,527 |
| Debt Service | - | - | - | - | - | 3,556 | 3,556 |
| Total Restricted | - | 1,222,542 | 2,565,775 | 2,458,662 | 20,453,846 | 17,558,957 | 44,259,782 |
| Committed: | | | | | | | |
| Catastrophic Event | 4,840,000 | - | - | - | - | - | 4,840,000 |
| Working Capital | 3,000,000 | - | - | - | - | - | 3,000,000 |
| Economic Development | 1,886,927 | - | - | - | - | - | 1,886,927 |
| CERCLA Liability | - | - | - | - | - | 276,809 | 276,809 |
| Total Committed | 9,726,927 | - | - | - | - | 276,809 | 10,003,736 |
| Assigned: | | | | | | | |
| City Capital Improvements | 19,156,028 | - | - | - | - | - | 19,156,028 |
| Total Assigned | 19,156,028 | - | - | - | - | - | 19,156,028 |
| Unassigned: | | | | | | | |
| General Fund | - | - | - | - | - | - | - |
| Law Enforcement/Fire/Medic DIF | - | - | - | - | - | (172,491) | (172,491) |
| SB2 - Planning Grant | - | - | - | - | - | (252,083) | (252,083) |
| Total Unassigned | - | - | - | - | - | (424,574) | (424,574) |
| Total Fund Balances | $ 28,965,265 | $ 1,222,542 | $ 2,565,775 | $ 2,458,662 | $ 20,453,846 | $ 17,455,404 | $ 73,121,494 |

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**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

# CITY OF MONTEREY PARK
# REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
# SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
# CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) – MISCELLANEOUS PLAN
# LAST TEN MEASUREMENT PERIODS[1]
# JUNE 30, 2022

| Fiscal Year Ended | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|---|---|---|---|---|---|---|---|---|
| Measurement Period | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
| Total Pension Liability: | | | | | | | | |
| Service Cost | $ 2,148,048 | $ 2,180,399 | $ 2,265,594 | $ 2,094,764 | $ 2,228,391 | $ 2,069,087 | $ 1,980,088 | $ 1,910,429 |
| Interest | 10,443,716 | 10,151,939 | 9,748,249 | 9,247,324 | 8,924,469 | 8,653,522 | 8,290,095 | 7,992,845 |
| Changes of Benefit Terms | - | - | - | - | - | - | - | - |
| Changes of Assumptions | - | - | - | (692,460) | 7,347,650 | - | (2,040,465) | - |
| Differences Between Expected and Actual Experience | (746,806) | 602,063 | 2,073,497 | (117,357) | (1,360,108) | (944,621) | (1,849,112) | - |
| Benefit Payments, Including Refunds of Employee Contributions | (7,915,523) | (7,061,615) | (6,792,973) | (6,197,134) | (5,324,401) | (4,855,567) | (4,383,243) | (4,121,783) |
| Net Change in Total Pension Liability | 3,929,435 | 5,872,786 | 7,294,367 | 4,335,137 | 11,816,001 | 4,922,421 | 1,997,363 | 5,781,491 |
| Total Pension Liability - Beginning | 149,696,499 | 143,823,713 | 136,529,346 | 132,194,209 | 120,378,208 | 115,455,787 | 113,458,424 | 107,676,933 |
| Total Pension Liability - Ending (A) | $ 153,625,934 | $ 149,696,499 | $ 143,823,713 | $ 136,529,346 | $ 132,194,209 | $ 120,378,208 | $ 115,455,787 | $ 113,458,424 |
| Pension Fiduciary Net Position: | | | | | | | | |
| Contributions - Employer | $ 45,650,016 | $ 4,961,827 | $ 4,364,979 | $ 4,603,513 | $ 3,511,958 | $ 3,019,357 | $ 2,466,015 | $ 2,203,100 |
| Contributions - Employee | 878,774 | 919,290 | 1,139,478 | 866,540 | 907,755 | 917,401 | 940,132 | 838,784 |
| Net Plan to Plan Resource Movement | - | - | - | (229) | - | - | - | - |
| Net Investment Income | 27,613,258 | 5,122,746 | 6,457,617 | 7,707,169 | 9,429,350 | 385,286 | 1,789,792 | 12,387,447 |
| Benefit Payments, Including Refunds of Employee Contributions | (7,915,523) | (7,061,615) | (6,792,973) | (6,197,134) | (5,324,401) | (4,855,567) | (4,383,243) | (4,121,783) |
| Other Miscellaneous Income/(Expense) | (107,471) | - | 229 | (271,552) | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | 66,119,054 | 3,942,248 | 5,169,330 | 6,708,307 | 8,524,662 | (533,523) | 812,696 | 11,307,548 |
| Plan Fiduciary Net Position - Beginning | 107,585,435 | 103,643,187 | 98,473,857 | 91,765,550 | 83,240,888 | 83,774,411 | 82,961,715 | 71,654,167 |
| Plan Fiduciary Net Position - Ending (B) | $ 173,704,489 | $ 107,585,435 | $ 103,643,187 | $ 98,473,857 | $ 91,765,550 | $ 83,240,888 | $ 83,774,411 | $ 82,961,715 |
| Plan Net Pension Liability - Ending (A) - (B) | $ (20,078,555) | $ 42,111,064 | $ 40,180,526 | $ 38,055,489 | $ 40,428,659 | $ 37,137,320 | $ 31,681,376 | $ 30,496,709 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 113.07% | 71.87% | 72.06% | 72.13% | 69.42% | 69.15% | 72.56% | 73.12% |
| Covered Payroll | $ 12,120,063 | $ 11,984,909 | $ 11,235,594 | $ 11,745,064 | $ 11,093,630 | $ 11,429,792 | $ 11,412,611 | $ 10,708,680 |
| Net Pension Liability as a Percentage of Covered Payroll | -165.66% | 351.37% | 357.62% | 324.01% | 364.43% | 324.92% | 277.60% | 284.78% |

[1] This schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: For the measurement period 2019, there were no changes. For measurement period 2018, there were no significant changes. For the measurement period 2017, the discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent. For the measurement period 2016, there were no changes. For the measurement period 2015, the discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expenses.) For measurement period 2014, amounts reported were based on the 7.5% discount rate.

# CITY OF MONTEREY PARK
# REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
# SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
# CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) – SAFETY PLAN
# LAST TEN MEASUREMENT PERIODS [1]
# JUNE 30, 2022

| Fiscal Year Ended | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|---|---|---|---|---|---|---|---|---|
| Measurement Period | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 | June 30, 2014 |
| Total Pension Liability: | | | | | | | | |
| Service Cost | $ 3,628,780 | $ 3,826,239 | $ 3,799,004 | $ 3,527,711 | $ 3,386,209 | $ 2,947,888 | $ 2,923,036 | $ 3,003,645 |
| Interest | 16,292,437 | 15,722,454 | 15,282,800 | 14,480,120 | 13,751,245 | 13,417,480 | 12,911,065 | 12,482,279 |
| Changes of Benefit Terms | - | - | - | - | - | - | - | - |
| Changes of Assumptions | - | - | - | (449,040) | 11,578,272 | - | (3,224,562) | - |
| Differences Between Expected and Actual Experience | (986,638) | (2,916,658) | 2,807,034 | 2,778,709 | (2,485,932) | (950,812) | (1,936,767) | - |
| Benefit Payments, Including Refunds of Employee Contributions | (10,706,492) | (10,276,568) | (9,782,967) | (9,665,441) | (9,022,216) | (8,465,095) | (8,086,742) | (7,798,383) |
| Net Change in Total Pension Liability | 8,228,087 | 6,355,467 | 12,105,871 | 10,672,059 | 17,207,578 | 6,949,461 | 2,586,030 | 7,687,541 |
| Total Pension Liability - Beginning | 232,391,748 | 226,036,281 | 213,930,410 | 203,258,351 | 186,050,773 | 179,101,312 | 176,515,282 | 168,827,741 |
| Total Pension Liability - Ending (A) | $ 240,619,835 | $ 232,391,748 | $ 226,036,281 | $ 213,930,410 | $ 203,258,351 | $ 186,050,773 | $ 179,101,312 | $ 176,515,282 |
| Pension Fiduciary Net Position: | | | | | | | | |
| Contributions - Employer | $ 71,158,474 | $ 6,084,397 | $ 5,484,667 | $ 4,724,661 | $ 4,231,618 | $ 3,647,109 | $ 3,220,567 | $ 2,924,318 |
| Contributions - Employee | 1,701,579 | 1,483,430 | 1,282,715 | 1,224,504 | 1,181,754 | 1,075,386 | 1,046,298 | 1,022,948 |
| Net Plan to Plan Resource Movement | - | - | - | (361) | - | - | - | - |
| Net Investment Income | 43,136,498 | 7,842,379 | 10,011,998 | 12,034,298 | 15,034,493 | 609,810 | 2,899,581 | 21,032,695 |
| Benefit Payments, Including Refunds of Employee Contributions | (10,706,492) | (10,276,568) | (9,782,967) | (9,665,441) | (9,022,216) | (8,465,095) | (8,086,742) | (7,798,383) |
| Other Miscellaneous Income/(Expense) | (166,821) | - | 361 | (434,958) | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | 105,123,238 | 5,133,638 | 6,996,774 | 7,882,703 | 11,425,649 | (3,132,790) | (920,296) | 17,181,578 |
| Plan Fiduciary Net Position - Beginning | 166,998,365 | 161,864,727 | 154,867,953 | 146,985,250 | 135,559,601 | 138,692,391 | 139,612,687 | 122,431,109 |
| Plan Fiduciary Net Position - Ending (B) | $ 272,121,603 | $ 166,998,365 | $ 161,864,727 | $ 154,867,953 | $ 146,985,250 | $ 135,559,601 | $ 138,692,391 | $ 139,612,687 |
| Plan Net Pension Liability - Ending (A) - (B) | $ (31,501,768) | $ 65,393,383 | $ 64,171,554 | $ 59,062,457 | $ 56,273,101 | $ 50,491,172 | $ 40,408,921 | $ 36,902,595 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 113.09% | 71.86% | 71.61% | 72.39% | 72.31% | 72.86% | 77.44% | 79.09% |
| Covered Payroll | $ 13,434,829 | $ 13,251,294 | $ 12,387,062 | $ 11,847,348 | $ 12,149,124 | $ 11,565,157 | $ 11,541,643 | $ 11,410,291 |
| Net Pension Liability as a Percentage of Covered Payroll | -234.48% | 493.49% | 518.05% | 498.53% | 463.19% | 436.58% | 350.11% | 323.42% |

[1] This schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: Fort the measurement period 2019, there were no changes. For measurement period 2018, there were no significant changes. For the measurement period 2017, the discount rate was changed from 7.65 percent (net of administrative expense) to 7.15 percent. For the measurement period 2016, there were no changes. For the measurement period 2015, the discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expenses.) For measurement period 2014, amounts reported were based on the 7.5% discount rate.

# CITY OF MONTEREY PARK
# REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
# SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
# MASSACHUSETTS MUTUAL RETIREMENT PLAN (MMRP)
# LAST TEN MEASUREMENT PERIODS [1]
# JUNE 30, 2022

| Fiscal Year Ended/Measurement Period Ended | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|---|---|---|---|---|---|---|---|---|
| Total Pension Liability: | | | | | | | | |
| Service Cost | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Interest | 224,352 | 232,000 | 247,000 | 263,000 | 269,000 | 287,000 | 305,004 | 321,000 |
| Changes of Benefit Terms | - | - | - | - | - | - | - | - |
| Differences Between Expected and Actual Experience | (882,892) | - | 48,000 | - | 170,000 | - | - | (53,000) |
| Changes of Assumptions | 233,562 | - | (19,000) | - | 377,000 | - | - | 76,000 |
| Benefit Payments, Including Refunds of Employee Contributions | (398,781) | (501,000) | (597,000) | (641,000) | (659,004) | (666,000) | (691,000) | (702,000) |
| Net Change in Total Pension Liability | (823,759) | (269,000) | (321,000) | (378,000) | 156,996 | (379,000) | (385,996) | (358,000) |
| Total Pension Liability - Beginning | 5,185,000 | 5,454,000 | 5,775,000 | 6,153,000 | 5,996,004 | 6,375,004 | 6,761,000 | 7,119,000 |
| Total Pension Liability - Ending (A) | $ 4,361,241 | $ 5,185,000 | $ 5,454,000 | $ 5,775,000 | $ 6,153,000 | $ 5,996,004 | $ 6,375,004 | $ 6,761,000 |
| Pension Fiduciary Net Position: | | | | | | | | |
| Contributions - Employer | $ - | $ 605,000 | $ 1,200,000 | $ 1,000,000 | $ 950,000 | $ 950,000 | $ 950,000 | $ 950,000 |
| Contributions - Employee | - | - | - | - | - | - | - | - |
| Net Investment Income | (896,110) | 323,000 | 447,000 | 269,000 | (98,000) | 53,000 | (12,000) | 57,000 |
| Benefit Payments, Including Refunds of Employee Contributions | (398,781) | (501,000) | (597,000) | (641,000) | (659,000) | (666,000) | (691,000) | (702,000) |
| Administrative Expense | (15,333) | (17,000) | (17,000) | (16,000) | (18,000) | (15,000) | (14,000) | (16,000) |
| Other | - | - | - | - | - | - | - | - |
| Net Change in Plan Fiduciary Net Position | (1,310,224) | 410,000 | 1,033,000 | 612,000 | 175,000 | 322,000 | 233,000 | 289,000 |
| Plan Fiduciary Net Position - Beginning | 5,299,000 | 4,889,000 | 3,856,000 | 3,244,000 | 3,069,000 | 2,747,000 | 2,514,000 | 2,225,000 |
| Plan Fiduciary Net Position - Ending (B) | $ 3,988,776 | $ 5,299,000 | $ 4,889,000 | $ 3,856,000 | $ 3,244,000 | $ 3,069,000 | $ 2,747,000 | $ 2,514,000 |
| Plan Net Pension Liability (Asset) - Ending (A) - (B) | $ 372,465 | $ (114,000) | $ 565,000 | $ 1,919,000 | $ 2,909,000 | $ 2,927,004 | $ 3,628,004 | $ 4,247,000 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 91.46% | 102.20% | 89.64% | 66.77% | 52.72% | 51.18% | 43.09% | 37.18% |
| Covered Payroll | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Net Pension Liability as a Percentage of Covered Payroll | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |

[1] This schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

Notes to Schedule:

Benefit Changes: None.

Changes of Assumptions: For 2020, mortality improvement scale was updated to Scale MP-18. For 2019,there were none. For 2018, the discount rate is changed from 4.75% to 4.5%, inflation from 3% to 2.75%, and mortality is based on CalPERS 1997-2015 experience study. For 2017 and 2016, there were none. For 2015, the discount rate was 4.75%; inflation 3% and mortality was per CalPERS 1997-2011 experience study.

# CITY OF MONTEREY PARK
# REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
# SCHEDULE OF CONTRIBUTIONS
# CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) – MISCELLANEOUS PLAN
# LAST TEN FISCAL YEARS[1]
# JUNE 30, 2022

| Fiscal Year Ended | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|---|---|---|---|---|---|---|---|---|
| Contractually Required Contribution (Actuarially Determined) | $ 1,264,858 | $ 4,502,361 | $ 4,199,483 | $ 3,761,279 | $ 3,320,513 | $ 3,241,958 | $ 2,779,357 | $ 2,466,015 |
| Contributions in Relation to the Actuarially Determined Contributions | (1,264,858) | (45,648,992) | (4,961,827) | (4,364,979) | (4,603,513) | (3,511,958) | (3,019,357) | (2,466,015) |
| Contribution Deficiency (Excess) | $ - | $ (41,146,631) | $ (762,344) | $ (603,700) | $ (1,283,000) | $ (270,000) | $ (240,000) | $ - |
| Covered Payroll | $ 11,554,944 | $ 12,120,063 | $ 11,984,909 | $ 11,235,594 | $ 11,745,064 | $ 11,093,630 | $ 11,429,792 | $ 11,412,611 |
| Contributions as a Percentage of Covered Payroll | 10.95% | 376.64% | 41.40% | 38.85% | 39.20% | 31.66% | 26.42% | 21.61% |
| Notes to Schedule: | | | | | | | | |
| Valuation Date | 6/30/2019 | 6/30/2018 | 6/30/2017 | 6/30/2016 | 6/30/2015 | 6/30/2014 | 6/30/2013 | 6/30/2012 |
| Methods and Assumptions Used to Determine Contribution Rates: | | | | | | | | |
| Actuarial Cost Method | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age |
| Amortization Method | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) |
| Asset Valuation Method | Market Value | Market Value | Market Value | Market Value | Market Value | Market Value | Market Value | 15 Year Smoothed Market |
| Inflation | 2.50% | 2.50% | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% |
| Salary Increases | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) |
| Investment Rate of Return | 7.15% (3) | 7.15% (3) | 7.375% (3) | 7.375% (3) | 7.50% (3) | 7.50% (3) | 7.50% (3) | 7.50% (3) |
| Retirement Age | (4) | (4) | (4) | (4) | (4) | (4) | (4) | (4) |
| Mortality | (5) | (5) | (5) | (5) | (5) | (5) | (5) | (5) |

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) Net of pension plan investment expense, including inflation

(4) 50 for all plans with the exception of 52 for Miscellaneous PEPRA 2% @ 62

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

[1] This schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

# CITY OF MONTEREY PARK
# REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
# SCHEDULE OF CONTRIBUTIONS (CONTINUED)
# CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS) – SAFETY PLAN
# LAST TEN FISCAL YEARS[1]
# JUNE 30, 2022

| Fiscal Year Ended | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|---|---|---|---|---|---|---|---|---|
| Contractually Required Contribution (Actuarially Determined) | $ 2,582,210 | $ 6,744,705 | $ 6,084,397 | $ 5,484,667 | $ 4,724,661 | $ 4,231,618 | $ 3,647,109 | $ 3,220,567 |
| Contributions in Relation to the Actuarially Determined Contributions | (2,582,210) | (71,143,291) | (6,084,397) | (5,484,667) | (4,724,661) | (4,231,618) | (3,647,109) | (3,220,567) |
| Contribution Deficiency (Excess) | $ - | $ (64,398,586) | $ - | $ - | $ - | $ - | $ - | $ - |
| Covered Payroll | $ 14,666,650 | $ 13,434,829 | $ 13,251,294 | $ 12,387,062 | $ 11,847,348 | $ 12,149,124 | $ 11,565,157 | $ 11,541,643 |
| Contributions as a Percentage of Covered Payroll | 17.61% | 529.54% | 45.92% | 44.28% | 39.88% | 34.83% | 31.54% | 27.90% |
| Notes to Schedule: | | | | | | | | |
| Valuation Date | 6/30/2019 | 6/30/2018 | 6/30/2017 | 6/30/2016 | 6/30/2015 | 6/30/2014 | 6/30/2013 | 6/30/2012 |
| Methods and Assumptions Used to Determine Contribution Rates: | | | | | | | | |
| Actuarial Cost Method | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age |
| Amortization Method | (1) | (1) | (1) | (1) | (1) | (1) | (1) | (1) |
| Asset Valuation Method | Market Value | Market Value | Market Value | Market Value | Market Value | Market Value | Market Value | 15 Year Smoothed Market |
| Inflation | 2.50% | 2.50% | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% |
| Salary Increases | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) |
| Investment Rate of Return | 7.15% (3) | 7.15% (3) | 7.375% (3) | 7.375% (3) | 7.50% (3) | 7.50% (3) | 7.50% (3) | 7.50% (3) |
| Retirement Age | (4) | (4) | (4) | (4) | (4) | (4) | (4) | (4) |
| Mortality | (5) | (5) | (5) | (5) | (5) | (5) | (5) | (5) |

(1) Level percentage of payroll, closed

(2) Depending on age, service, and type of employment

(3) Net of pension plan investment expense, including inflation

(4) 50 for all plans with the exception of 52 for Miscellaneous PEPRA 2% @ 62

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

[1] This schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

# CITY OF MONTEREY PARK
# REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
# SCHEDULE OF CONTRIBUTIONS (CONTINUED)
# MASSACHUSETTS MUTUAL RETIREMENT PLAN (MMRP) – LAST TEN FISCAL YEARS[1]
# JUNE 30, 2022

| | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
|---|---|---|---|---|---|---|---|---|
| Actuarially Determined Contribution | $ 64,000 | $ 605,000 | $ 994,000 | $ 994,000 | $ 961,000 | $ 961,000 | $ 950,000 | $ 950,000 |
| Contributions in Relation to the Actuarially Determined Contribution | - | (605,000) | (1,200,000) | (1,000,000) | (950,000) | (950,000) | (950,000) | (950,000) |
| Contribution Deficiency (Excess) | $ 64,000 | $ - | $ (206,000) | $ (6,000) | $ 11,000 | $ 11,000 | $ - | $ - |
| Covered Payroll | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Contributions as a Percentage of Covered Payroll | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| Notes to Schedule: | | | | | | | | |
| Valuation Date | 6/30/2019 | 6/30/2019 | 6/30/2017 | 6/30/2017 | 6/30/2017 | 6/30/2015 | 6/30/2015 | 6/30/2015 |
| Methods and Assumptions Used to Determine Contribution Rates: | | | | | | | | |
| Actuarial Cost Method | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age |
| Amortization Method | Level Dollar | Level Dollar | Level Dollar | Level Dollar | Level Dollar | Level Dollar | Level Dollar | Level Dollar |
| Remaining Amortization Period | (1) | (1) | (1) | (1) | (1) | (1) | | |
| Asset Valuation Method | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) |
| Noninvestment Expenses | (3) | (3) | (3) | (3) | (3) | (3) | (3) | (3) |
| Discount Rate | 4.50% | 4.50% | 4.50% | 4.50% | 4.50% | 4.75% | 4.75% | 4.75% |
| General Inflation | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% | 3.00% | 3.00% | 3.00% |
| Cost of Living Adjustment | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% | 2.00% |
| Mortality | (4) | (4) | (4) | (4) | (4) | (4) | (4) | (4) |

(1) 2.8 years (closed) fresh start of 06/30/18 UAAL for 2018/19 ADC and 4.1 years (closed) frest start of June 30, 2016 UAAL for FY 2016-17 ADC.

(2) Market value investment gains and losses spreading over 5-year rolling period. No less than 80% nor more than 120% of market value.

(3) Assumed to average $25,000 per year

(4) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

[1] This schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

# CITY OF MONTEREY PARK
# REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
# SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS
# LAST TEN MEASUREMENT PERIODS [1]
# JUNE 30, 2022

| Fiscal Year Ended | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 |
|---|---|---|---|---|---|
| Measurement Period | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 | June 30, 2017 |
| Total OPEB Liability: | | | | | |
| Service Cost | $ 847,594 | $ 822,907 | $ 1,014,890 | $ 985,000 | $ 956,000 |
| Interest | 2,288,889 | 2,199,290 | 2,418,231 | 2,307,000 | 2,204,000 |
| Changes of Benefit Terms | - | - | - | - | - |
| Differences Between Expected and Actual Experience | (2,184,649) | - | (5,065,175) | - | - |
| Changes of Assumptions | (257,475) | - | (1,135,595) | - | - |
| Benefit Payments, Including Refunds of Employee Contributions | (1,744,000) | (1,695,000) | (1,628,685) | (1,580,000) | (1,653,000) |
| Net Change in Total OPEB Liability | (1,049,641) | 1,327,197 | (4,396,334) | 1,712,000 | 1,507,000 |
| Total OPEB Liability - Beginning | 33,933,863 | 32,606,666 | 37,003,000 | 35,291,000 | 33,784,000 |
| Total OPEB Liability - Ending (A) | $ 32,884,222 | $ 33,933,863 | $ 32,606,666 | $ 37,003,000 | $ 35,291,000 |
| OPEB Fiduciary Net Position: | | | | | |
| Contributions - Employer | $ 2,760,000 | $ 2,710,000 | $ 2,694,599 | $ 2,565,000 | $ 2,703,000 |
| Contributions - Employee | - | - | - | - | - |
| Net Investment Income | 2,703,454 | 318,876 | 468,237 | 491,000 | 475,000 |
| Benefit Payments, Including Refunds of Employee Contributions | (1,744,000) | (1,695,000) | (1,628,685) | (1,580,000) | (1,653,000) |
| Administrative Expense | (19,765) | (19,470) | (17,545) | (10,000) | (2,000) |
| Net Change in Plan Fiduciary Net Position | 3,699,689 | 1,314,406 | 1,516,606 | 1,466,000 | 1,523,000 |
| Plan Fiduciary Net Position - Beginning | 9,490,012 | 8,175,606 | 6,659,000 | 5,193,000 | 3,670,000 |
| Plan Fiduciary Net Position - Ending (B) | $ 13,189,701 | $ 9,490,012 | $ 8,175,606 | $ 6,659,000 | $ 5,193,000 |
| Plan's Net OPEB Liability - Ending (A) - (B) | $ 19,694,521 | $ 24,443,851 | $ 24,431,060 | $ 30,344,000 | $ 30,098,000 |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 40.11% | 27.97% | 25.07% | 18.00% | 14.71% |
| Covered-Employee Payroll | $ 25,378,000 | $ 25,791,000 | $ 29,951,647 | $ 28,530,000 | $ 27,659,000 |
| Plan's Net OPEB Liability as a Percentage of Covered-Employee Payroll | 77.60% | 94.78% | 81.57% | 106.36% | 108.82% |

[1] This schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

Notes to Schedule:

Benefit Changes: None

Changes of Assumptions:

For measurement period ended June 30, 2019, discount rate was changed from 6.50% to 6.75%, demographic assumptions were updated to CalPERS 1997-2015 Experience Summary, mortality improvement scale was updated to Scale MP-2019, and PEMHCA Minimum Trend was updated.

# CITY OF MONTEREY PARK
# REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
# SCHEDULE OF CONTRIBUTIONS - OPEB
# LAST TEN FISCAL YEARS
# JUNE 30, 2022

| | June 30, 2022 | June 30, 2021 | June 30, 2020 | June 30, 2019 | June 30, 2018 |
|---|---|---|---|---|---|
| Actuarially Determined Contribution | $ 2,539,000 | $ 2,487,000 | $ 2,999,000 | $ 2,925,000 | $ 2,855,000 |
| Contributions in Relation to the Actuarially Determined Contribution | (2,667,920) | (2,760,000) | (2,710,000) | (2,694,599) | (2,565,000) |
| Contribution Deficiency (Excess) | $ (128,920) | $ (273,000) | $ 289,000 | $ 230,401 | $ 290,000 |
| Covered-Employee Payroll | $ 25,472,326 | $ 25,378,000 | $ 25,791,000 | $ 29,951,647 | $ 28,530,000 |
| Contributions as a Percentage of Covered-Employee Payroll | 10.47% | 10.88% | 10.51% | 9.00% | 8.99% |

Notes to Schedule:

| | | | | | |
|---|---|---|---|---|---|
| Valuation Date: | June 30, 2019 | June 30, 2019 | June 30, 2019 | June 30, 2017 | June 30, 2017 |
| Methods and Assumptions Used to Determine Contribution Rates: | | | | | |
| Actuarial Cost Method | Entry Age | Entry Age | Entry Age | Entry Age | Entry Age |
| Amortization Method | (1) | (1) | (1) | (1) | (1) |
| Asset Valuation Method | (2) | (2) | (2) | (2) | (2) |
| Discount Rate | 6.75% | 6.75% | 6.75% | 6.50% | 6.50% |
| Inflation | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% |
| Medical Trend (3): | | | | | |
| Non-Medicare | 7.25% to 4.0% | 7.25% to 4.0% | 7.25% to 4.0% | 7.5% to 4.0% | 7.5% to 4.0% |
| Medicare | 6.3% to 4.0% | 6.3% to 4.0% | 6.3% to 4.0% | 6.5% to 4.0% | 6.5% to 4.0% |
| Mortality | (4) | (4) | (4) | (4) | (4) |

(1) Level percentage of pay; 25-year amortization period
(2) Investment gains and losses spread over 5-year rolling period
(3) Rate decreasing to an ultimate rate in 2076 and later years
(4) CalPERS 1997-2011 experience study. Mortality projected fully generational with Scale MP-16.

1 This schedule is intended to show information for ten years. Additional information will be displayed as it becomes available.

# CITY OF MONTEREY PARK
# REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
# GENERAL FUND
# BUDGETARY COMPARISON SCHEDULE
# YEAR ENDED JUNE 30, 2022

| | General Fund | | | |
|---|---|---|---|---|
| | Budgeted Amounts | | | |
| | Original | Final | Actual | Variance with Final Budget |
| **REVENUES** | | | | |
| Taxes | $ 34,699,478 | $ 34,699,478 | $ 37,402,738 | $ 2,703,260 |
| Licenses and Permits | 2,194,060 | 2,194,060 | 2,153,956 | (40,104) |
| Charges for Services | 8,472,304 | 8,472,304 | 9,345,381 | 873,077 |
| Revenues from Use of Money and Property | 1,070,135 | 1,070,135 | (1,879,661) | (2,949,796) |
| Fines and Forfeitures | 441,284 | 441,284 | 346,514 | (94,770) |
| Other Revenue | 575,000 | 805,435 | 1,703,030 | 897,595 |
| Total Revenues | 47,452,261 | 47,682,696 | 49,071,958 | 1,389,262 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General Government | 7,069,518 | 7,564,975 | 7,057,405 | 507,570 |
| Public Safety | 29,012,339 | 29,425,375 | 30,587,146 | (1,161,771) |
| Community Development | 404,081 | 1,628,133 | 7,354,396 | (5,726,263) |
| Culture and Recreation | 5,916,063 | 6,079,721 | 4,479,305 | 1,600,416 |
| Highways and Streets | 855,146 | 951,763 | 859,688 | 92,075 |
| Capital Outlay | 4,072,991 | 5,650,999 | 1,644,809 | 4,006,190 |
| Debt Service: | | | | |
| Principal Retirement | 332,128 | 332,128 | 348,311 | (16,183) |
| Interest and Fiscal Charges | 102,882 | 102,882 | 103,061 | (179) |
| Total Expenditures | 47,765,148 | 51,735,976 | 52,434,121 | (698,145) |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | (312,887) | (4,053,280) | (3,362,163) | 691,117 |
| **OTHER FINANCING USES** | | | | |
| Transfers Out | (2,703,000) | (2,764,400) | (2,809,664) | (45,264) |
| **NET CHANGE IN FUND BALANCE** | $ (3,015,887) | $ (6,817,680) | (6,171,827) | $ 645,853 |
| Fund Balance, Beginning of Year | | | 35,137,092 | |
| **FUND BALANCE, END OF YEAR** | | | $ 28,965,265 | |

(1) Budgeted capital outlay does not include prior year CIP carryovers, but the actual capital outlay includes cost of work of CIP carryovers.

# CITY OF MONTEREY PARK
# REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
# SPECIAL REVENUE GRANTS FUNDS
# BUDGETARY COMPARISON SCHEDULE
# YEAR ENDED JUNE 30, 2022

| | Special Revenue Grants Fund | | | |
|---|---|---|---|---|
| | Budgeted Amounts | | | |
| | Original | Final | Actual | Variance with Final Budget |
| **REVENUES** | | | | |
| Intergovernmental Revenues | $ 1,822,969 | $ 2,178,388 | $ 4,100,308 | $ 1,921,920 |
| Revenues from Use of Money and Property | - | - | 81,786 | 81,786 |
| Total Revenues | 1,822,969 | 2,178,388 | 4,182,094 | 2,003,706 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General Government | 445,787 | 2,201,014 | 809,186 | 1,391,828 |
| Public Safety | 508,849 | 3,590,097 | 1,060,533 | 2,529,564 |
| Culture and Recreation | 74,035 | 1,452,294 | 813,482 | 638,812 |
| Highways and Streets | 22,545 | 285,706 | 20,523 | 265,183 |
| Capital Outlay | 2,276,972 | 3,744,099 | 990,193 | 2,753,906 |
| Debt Service: | | | | |
| Principal Retirement | 508,001 | 508,001 | 508,001 | - |
| Interest and Fiscal Charges | 19,175 | 19,175 | 19,175 | - |
| Total Expenditures | 3,855,364 | 11,800,386 | 4,221,093 | 7,579,293 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | (2,032,395) | (9,621,998) | (38,999) | 9,582,999 |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers In | - | - | 45,264 | 45,264 |
| Total Other Financing Sources | - | - | 45,264 | 45,264 |
| **NET CHANGE IN FUND BALANCE** | $ (2,032,395) | $ (9,621,998) | 6,265 | $ 9,628,263 |
| Fund Balance, Beginning of Year, as Restated | | | 1,216,277 | |
| **FUND BALANCE, END OF YEAR** | | | $ 1,222,542 | |

# CITY OF MONTEREY PARK
# REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
# SPECIAL REVENUE RETIREMENT/PENSION LIABILITY FUND
# BUDGETARY COMPARISON SCHEDULE
# YEAR ENDED JUNE 30, 2022

| | Special Revenue Retirement/Pension Liability | | | |
|---|---|---|---|---|
| | Budgeted Amounts | | | |
| | Original | Final | Actual | Variance with Final Budget - |
| **REVENUES** | | | | |
| Taxes | $ 7,697,240 | $ 7,697,240 | $ 8,367,523 | $ 670,283 |
| Revenues from Use of Money and Property | 21,128 | 21,128 | 1,236 | (19,892) |
| Other Revenue | 12,800 | 12,800 | 12,800 | - |
| Total Revenues | 7,731,168 | 7,731,168 | 8,381,559 | 650,391 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General Government | 993,528 | 993,528 | 255,690 | 737,838 |
| Public Safety | 2,733,312 | 2,733,312 | 1,916,468 | 816,844 |
| Community Development | 26,559 | 98,532 | 35,684 | 62,848 |
| Culture and Recreation | 246,306 | 246,306 | 147,585 | 98,721 |
| Highways and Streets | 19,747 | 19,738 | 10,130 | 9,608 |
| Debt Service: | | | | |
| Principal Retirement | 3,555,000 | 3,555,000 | 3,394,136 | 160,864 |
| Interest and Fiscal Charges | 3,782,225 | 3,782,225 | 3,625,129 | 157,096 |
| Total Expenditures | 11,356,677 | 11,428,641 | 9,384,822 | 2,043,819 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | (3,625,509) | (3,697,473) | (1,003,263) | 2,694,210 |
| **OTHER FINANCING SOURCES** | | | | |
| Transfers In | 3,687,200 | 3,687,200 | 3,487,200 | (200,000) |
| Total Other Financing Sources | 3,687,200 | 3,687,200 | 3,487,200 | (200,000) |
| **NET CHANGE IN FUND BALANCE** | $ 61,691 | $ (10,273) | 2,483,937 | $ 2,494,210 |
| Fund Balance, Beginning Of Year | | | 81,838 | |
| **FUND BALANCE, END OF YEAR** | | | $ 2,565,775 | |

# CITY OF MONTEREY PARK
# REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
# SPECIAL REVENUE HOUSING FUND
# BUDGETARY COMPARISON SCHEDULE
# YEAR ENDED JUNE 30, 2022

| | Special Revenue Housing | | | |
|---|---|---|---|---|
| | Budgeted Amounts | | | |
| | Original | Final | Actual | Variance with Final Budget |
| **REVENUES** | | | | |
| Revenues from Use of Money and Property | $ - | $ - | $ 6,238 | $ 6,238 |
| Other Revenue | 137,342 | 137,342 | - | (137,342) |
| Total Revenues | 137,342 | 137,342 | 6,238 | (131,104) |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Community Development | 60,000 | 60,000 | - | 60,000 |
| Total Expenditures | 60,000 | 60,000 | - | 60,000 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | 77,342 | 77,342 | 6,238 | (71,104) |
| **NET CHANGE IN FUND BALANCE** | $ 77,342 | $ 77,342 | 6,238 | $ (71,104) |
| Fund Balance, Beginning Of Year | | | 2,452,424 | |
| **FUND BALANCE, END OF YEAR** | | | $ 2,458,662 | |

**Budgetary Control and Accounting**

The City adheres to the following general procedure in establishing the budgetary data reflected in the financial statements:

The annual budget adopted by the City Council serves as a guideline for the operations of the City. It includes proposed expenditures and estimated revenues and is legally adopted for the General and Special Revenue Fund Types. Budgeted expenditures are controlled at the fund level. Council approval is required for an increase or decrease in total appropriations.

Budgets for the General and Special Revenue Fund Types are adopted on a basis consistent with the generally accepted accounting principles. The modified-accrual basis of accounting is employed in the preparation of the budget for these fund types.

The budget is formally integrated into the accounting system and employed as management control device during the year for all governmental funds. At fiscal year-end, unexpended and unencumbered budget appropriations lapse. Encumbrances outstanding at year-end are carried into the following year for continuing appropriation.

Under Article XIII-B of the California Constitution (The Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations, and if certain proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or refunded to the taxpayers through revised tax rate or revised fee schedules. For the fiscal year ended June 30, 2022, based on calculations by City Management, proceeds of taxes did not exceed the appropriations limit.

**SUPPLEMENTARY INFORMATION**

# CITY OF MONTEREY PARK
# NONMAJOR GOVERNMENTAL FUNDS
# SPECIAL REVENUE FUNDS

**Special Revenue Funds account for the proceeds of specific revenue sources that are restricted by law or administrative regulation for specified purposes. Special Revenue Funds include the following:**

***Proposition A Fund*** - used to account for the City's share of an additional one-half percent sales tax which was approved by the electorate in November 1980 and is collected by the County of Los Angeles to finance transportation projects such as the Monterey Park Spirit Buses and the Dial-A-Ride program.

***Gas Tax Fund*** - used to account for expenditures financed by money apportioned under the Streets and Highways Code of the State of California.

***Measure W Fund*** - used to account for the City's share of a special parcel tax based on impermeable areas within the jurisdiction of the Los Angeles County Flood Control District, approved by the electorate in November 2018 as the Safe Clean Water (SCW) Program, to fund projects and programs that improve water quality, increase stormwater and urban runoff capture and reduce stormwater and urban runoff pollution in the District.

***Proposition C Fund*** - used to account for the City's share of an additional one-half percent sales tax which was approved by the electorate in November 1990 and is collected by the County of Los Angeles to finance transit projects within the City.

***Air Quality Improvement Fund*** - used to account for the City's share of additional motor vehicle registration fees imposed by the South Coast Air Quality Management District to finance the implementation of mobile source emission reduction programs and the provisions of the California Clean Air Act.

***Asset Forfeiture Fund*** - used to account for revenues derived from monies and property seized by the Police Department in drug related incidence. These funds may only be expended on activities used to enhance drug enforcement activities.

***Parks/Library/Public Facilities DIF Fund*** - used to account for the acquisition and development of parks, library facilities space and collections, that are financed by developer fees, established pursuant to Monterey Park Municipal Code Section 66006.

***Business Improvement Area #1 Fund*** - used to account for receipts and expenditures relating to the promotion of business activities in the downtown area of the City.

***Maintenance District 93-1 Fund*** - used to account for receipts and expenditures relating to the citywide benefit assessment district for street lighting and median maintenance.

***Law Enforcement/Fire/Medic DIF Fund*** - used to account for fees collected on new commercial and residential development. These funds will be used exclusively to finance public safety service expansion.

***Public Safety Augmentation Fund*** - used to account for the City's share of the one-half percent sales tax which was approved by the electorate in November of 1993 (Proposition 172). The proceeds are earmarked exclusively for public safety purposes.

***Measure R Fund*** - used to account for the City's share of ½-cent sales tax which was approved by Los Angeles County voters in November 2008 to pay for transportation needs. The proceeds are used exclusively for streets and roads, traffic control, public transit, and bicycle and pedestrian improvements.

***Circulation DIF Fund*** - used to account for fees collected on new commercial and residential development. These funds will be used exclusively to improve street lanes, intersections, and traffic management.

***CERCLA Liability Fund*** - used to account for fees collected from the City's permitted haulers for each ton of waste that they dispose. The funds are to be only used to cover future environmental liability costs resulting from incidents falling under the Comprehensive Environmental Response Cleanup and Liability Act (CERCLA).

***SB1 - RMRA Fund*** - used to account for the City's 12-cent per gallon gas tax began on November 2017 and new vehicle registration taxes began January 2018. The funds are to address basic road maintenance, rehabilitation and critical safety needs on the local street and road system.

***Measure M Fund*** - used to account for the City's share of an additional half-cent sales tax that became effective on July 1, 2017. The funds are allocated to jurisdictions on a per capita basis. The funds are to improve transportation and ease traffic congestion.

***SB2 - Planning Grant Fund*** - used to account for the funding and technical assistance received to help the city prepare, adopt, and implement plans and process improvements that streamline housing approvals and accelerate housing production

***Sales Tax Bond Fund*** - used to account for the funds collected for debt service payment on the City's Sales Tax Bond.

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# CITY OF MONTEREY PARK
# COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
# JUNE 30, 2022

| | Special Revenue Funds | | | | |
|---|---|---|---|---|---|
| | Proposition A | Gas Tax | Measure W | Proposition C | Air Quality Improvement |
| **ASSETS** | | | | | |
| Cash and Investments | $ 3,965,010 | $ 1,093,527 | $ 255,919 | $ 2,795,737 | $ 377,846 |
| Cash and Investments held by fiscal agents | - | - | - | - | - |
| Accounts Receivable | 154,156 | 113,153 | - | - | - |
| Interest Receivable | 3,897 | 1,075 | 252 | 2,748 | 371 |
| Prepaid Items | - | - | - | - | - |
| Total Assets | $ 4,123,063 | $ 1,207,755 | $ 256,171 | $ 2,798,485 | $ 378,217 |
| **LIABILITIES AND FUND BALANCES** | | | | | |
| **LIABILITIES** | | | | | |
| Accounts Payable | $ 27,514 | $ 62,840 | $ - | $ 20,230 | $ - |
| Accrued Payroll | 7,692 | 6,754 | - | 1,190 | 250 |
| Due to Other Funds | - | - | - | - | - |
| Total Liabilities | 35,206 | 69,594 | - | 21,420 | 250 |
| **DEFERRED INFLOW OF RESOURCES** | | | | | |
| Unavailable Revenue | - | - | - | - | - |
| **FUND BALANCES (DEFICITS)** | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | 4,087,857 | 1,138,161 | 256,171 | 2,777,065 | 377,967 |
| Committed | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total Fund Balances (Deficits) | 4,087,857 | 1,138,161 | 256,171 | 2,777,065 | 377,967 |
| Total Liabilities, Deferred Inflow of Resources, and Fund Balances | $ 4,123,063 | $ 1,207,755 | $ 256,171 | $ 2,798,485 | $ 378,217 |

# CITY OF MONTEREY PARK
# COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
# JUNE 30, 2022

| | Special Revenue Funds | | | | |
|---|---|---|---|---|---|
| | Asset Forfeiture | Parks/Library/ Facilities DIF | Business Improvement Area #1 | Maintenance District 93-1 | Law Enforcement/ Fire/Medic DIF |
| **ASSETS** | | | | | |
| Cash and Investments | $ 794,921 | $ 650,351 | $ 192,162 | $ 293,363 | $ - |
| Cash and Investments held by fiscal agents | - | - | - | - | - |
| Accounts Receivable | - | - | - | 33,172 | - |
| Interest Receivable | 781 | 639 | 189 | 288 | - |
| Prepaid Items | - | - | - | - | 44,212 |
| Total Assets | $ 795,702 | $ 650,990 | $ 192,351 | $ 326,823 | $ 44,212 |
| **LIABILITIES AND FUND BALANCES** | | | | | |
| **LIABILITIES** | | | | | |
| Accounts Payable | $ 1,911 | $ - | $ 4,620 | $ 56,201 | $ - |
| Accrued Payroll | - | - | - | 2,462 | - |
| Due to Other Funds | - | - | - | - | 172,491 |
| Total Liabilities | 1,911 | - | 4,620 | 58,663 | 172,491 |
| **DEFERRED INFLOW OF RESOURCES** | | | | | |
| Unavailable Revenue | - | - | - | - | - |
| **FUND BALANCES (DEFICITS)** | | | | | |
| Nonspendable | - | - | - | - | 44,212 |
| Restricted | 793,791 | 650,990 | 187,731 | 268,160 | - |
| Committed | - | - | - | - | - |
| Unassigned | - | - | - | - | (172,491) |
| Total Fund Balances (Deficits) | 793,791 | 650,990 | 187,731 | 268,160 | (128,279) |
| Total Liabilities, Deferred Inflow of Resources, and Fund Balances | $ 795,702 | $ 650,990 | $ 192,351 | $ 326,823 | $ 44,212 |

# CITY OF MONTEREY PARK
# COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
# JUNE 30, 2022

| | Special Revenue Funds | | | | |
|---|---|---|---|---|---|
| | Public Safety Augmentation | Measure R | Circulation DIF | CERCLA Liability | SB1 - RMRA |
| **ASSETS** | | | | | |
| Cash and Investments | $ 681,045 | $ 1,576,314 | $ 123,419 | $ 275,228 | $ 1,785,900 |
| Cash and Investments held by fiscal agents | - | - | - | - | - |
| Accounts Receivable | 165,001 | - | - | 1,310 | 212,479 |
| Interest Receivable | 670 | 1,549 | 121 | 271 | 1,755 |
| Prepaid Items | - | - | - | - | - |
| Total Assets | $ 846,716 | $ 1,577,863 | $ 123,540 | $ 276,809 | $ 2,000,134 |
| **LIABILITIES AND FUND BALANCES** | | | | | |
| **LIABILITIES** | | | | | |
| Accounts Payable | $ - | $ 32,221 | $ - | $ - | $ - |
| Accrued Payroll | - | 2,051 | - | - | - |
| Due to Other Funds | - | - | - | - | - |
| Total Liabilities | - | 34,272 | - | - | - |
| **DEFERRED INFLOW OF RESOURCES** | | | | | |
| Unavailable Revenue | - | - | - | - | - |
| **FUND BALANCES (DEFICITS)** | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | 846,716 | 1,543,591 | 123,540 | - | 2,000,134 |
| Committed | - | - | - | 276,809 | - |
| Unassigned | - | - | - | - | - |
| Total Fund Balances (Deficits) | 846,716 | 1,543,591 | 123,540 | 276,809 | 2,000,134 |
| Total Liabilities, Deferred Inflow of Resources, and Fund Balances | $ 846,716 | $ 1,577,863 | $ 123,540 | $ 276,809 | $ 2,000,134 |

# CITY OF MONTEREY PARK
# COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
# JUNE 30, 2022

| | Special Revenue Funds | | Debt Service Fund | |
|---|---|---|---|---|
| | Measure M | SB2 - Planning Grant | Sales Tax Bond | Total Nonmajor Governmental Funds |
| **ASSETS** | | | | |
| Cash and Investments | $ 2,501,069 | $ - | $ - | $ 17,361,811 |
| Cash and Investments held by fiscal agents | - | - | 3,556 | 3,556 |
| Accounts Receivable | - | 252,083 | - | 931,354 |
| Interest Receivable | 2,458 | - | - | 17,064 |
| Prepaid Items | - | - | - | 44,212 |
| Total Assets | $ 2,503,527 | $ 252,083 | $ 3,556 | $ 18,357,997 |
| **LIABILITIES AND FUND BALANCES** | | | | |
| **LIABILITIES** | | | | |
| Accounts Payable | $ - | $ - | $ - | $ 205,537 |
| Accrued Payroll | - | - | - | 20,399 |
| Due to Other Funds | - | 252,083 | - | 424,574 |
| Total Liabilities | - | 252,083 | - | 650,510 |
| **DEFERRED INFLOW OF RESOURCES** | | | | |
| Unavailable Revenue | - | 252,083 | - | 252,083 |
| **FUND BALANCES (DEFICITS)** | | | | |
| Nonspendable | - | - | - | 44,212 |
| Restricted | 2,503,527 | - | 3,556 | 17,558,957 |
| Committed | - | - | - | 276,809 |
| Unassigned | - | (252,083) | - | (424,574) |
| Total Fund Balances (Deficits) | 2,503,527 | (252,083) | 3,556 | 17,455,404 |
| Total Liabilities, Deferred Inflow of Resources, and Fund Balances | $ 2,503,527 | $ 252,083 | $ 3,556 | $ 18,357,997 |

# CITY OF MONTEREY PARK
# COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
# YEAR ENDED JUNE 30, 2022

| | Special Revenue Funds | | | | |
|---|---|---|---|---|---|
| | Proposition A | Gas Tax | Measure W | Proposition C | Air Quality Improvement |
| **REVENUES** | | | | | |
| Taxes | $ - | $ - | $ - | $ - | $ - |
| Intergovernmental Revenues | 1,794,588 | 1,417,519 | 737,121 | 1,272,186 | 78,038 |
| Charges for Services | 380 | - | - | - | - |
| Revenues from Use of | | | | | |
| Money and Property | 13,671 | 3,733 | 845 | 9,608 | - |
| Fines and Forfeitures | - | - | - | - | 1,289 |
| Total Revenues | 1,808,639 | 1,421,252 | 737,966 | 1,281,794 | 79,327 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| General Government | - | - | - | 1,634 | - |
| Public Safety | 4,012 | 2,365 | - | - | - |
| Community Development | - | - | - | - | - |
| Culture and Recreation | 558,426 | - | - | - | - |
| Highways and Streets | 536,933 | 1,077,232 | 607,082 | 364,374 | 9,131 |
| Health | - | - | - | - | - |
| Capital Outlay | - | - | - | 237,690 | - |
| Debt Service: | | | | | |
| Principal Retirement | - | - | - | - | - |
| Interest and Fiscal Charges | - | - | - | - | - |
| Total Expenditures | 1,099,371 | 1,079,597 | 607,082 | 603,698 | 9,131 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | 709,268 | 341,655 | 130,884 | 678,096 | 70,196 |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Transfers In | - | - | - | - | - |
| Transfers Out | (68,000) | (57,900) | (2,900) | (147,205) | - |
| Total Other Financing Sources (Uses) | (68,000) | (57,900) | (2,900) | (147,205) | - |
| **NET CHANGES IN FUND BALANCES** | 641,268 | 283,755 | 127,984 | 530,891 | 70,196 |
| Fund Balances (Deficits), Beginning of Year | 3,446,589 | 854,406 | 128,187 | 2,246,174 | 307,771 |
| **FUND BALANCES (DEFICITS), END OF YEAR** | $ 4,087,857 | $ 1,138,161 | $ 256,171 | $ 2,777,065 | $ 377,967 |

# CITY OF MONTEREY PARK
# COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
# YEAR ENDED JUNE 30, 2022

| | Special Revenue Funds | | | | |
|---|---|---|---|---|---|
| | Asset Forfeiture | Parks/Library/ Facilities DIF | Business Improvement Area #1 | Maintenance District 93-1 | Law Enforcement/ Fire/Medic DIF |
| **REVENUES** | | | | | |
| Taxes | $ - | $ - | $ 84,040 | $ 1,002,590 | $ - |
| Intergovernmental Revenues | - | - | - | - | - |
| Charges for Services | - | 164,532 | - | - | 159,879 |
| Revenues from Use of | | | | | |
| Money and Property | 2,743 | 2,282 | 612 | - | 20 |
| Fines and Forfeitures | 243,326 | - | - | 1,000 | - |
| Total Revenues | 246,069 | 166,814 | 84,652 | 1,003,590 | 159,899 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| General Government | - | - | - | 1,921 | - |
| Public Safety | 148,705 | - | - | - | 85,799 |
| Community Development | - | - | 34,768 | - | - |
| Culture and Recreation | - | - | - | 179,684 | - |
| Highways and Streets | - | - | - | 618,662 | - |
| Health | - | - | - | - | - |
| Capital Outlay | 5,833 | 13,800 | - | - | 71,884 |
| Debt Service: | | | | | |
| Principal Retirement | - | - | - | - | - |
| Interest and Fiscal Charges | - | - | - | - | - |
| Total Expenditures | 154,538 | 13,800 | 34,768 | 800,267 | 157,683 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | 91,531 | 153,014 | 49,884 | 203,323 | 2,216 |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Transfers In | - | - | - | - | - |
| Transfers Out | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - | - |
| **NET CHANGES IN FUND BALANCES** | 91,531 | 153,014 | 49,884 | 203,323 | 2,216 |
| Fund Balances (Deficits), Beginning of Year | 702,260 | 497,976 | 137,847 | 64,837 | (130,495) |
| **FUND BALANCES (DEFICITS), END OF YEAR** | $ 793,791 | $ 650,990 | $ 187,731 | $ 268,160 | $ (128,279) |

# CITY OF MONTEREY PARK
# COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
# YEAR ENDED JUNE 30, 2022

| | Special Revenue Funds | | | | |
|---|---|---|---|---|---|
| | Public Safety Augmentation | Measure R | Circulation DIF | CERCLA Liability | SB1 - RMRA |
| **REVENUES** | | | | | |
| Taxes | $ - | $ - | $ - | $ - | $ - |
| Intergovernmental Revenues | 902,915 | 953,986 | - | 142,475 | 1,219,740 |
| Charges for Services | - | - | 53,708 | - | - |
| Revenues from Use of | | | | | |
| Money and Property | - | 4,773 | 652 | - | 5,065 |
| Fines and Forfeitures | 2,529 | - | - | 957 | - |
| Total Revenues | 905,444 | 958,759 | 54,360 | 143,432 | 1,224,805 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| General Government | - | 1,677 | - | - | - |
| Public Safety | - | - | - | - | - |
| Community Development | - | - | - | - | - |
| Culture and Recreation | - | 81,653 | - | - | - |
| Highways and Streets | - | 279,136 | - | - | - |
| Health | - | - | - | 234,375 | - |
| Capital Outlay | - | 1,103,688 | 265,165 | - | 1,886,342 |
| Debt Service: | | | | | |
| Principal Retirement | - | - | - | - | - |
| Interest and Fiscal Charges | - | - | - | - | - |
| Total Expenditures | - | 1,466,154 | 265,165 | 234,375 | 1,886,342 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | 905,444 | (507,395) | (210,805) | (90,943) | (661,537) |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Transfers In | - | - | - | - | - |
| Transfers Out | - | (258,461) | - | - | - |
| Total Other Financing Sources (Uses) | - | (258,461) | - | - | - |
| **NET CHANGES IN FUND BALANCES** | 905,444 | (765,856) | (210,805) | (90,943) | (661,537) |
| Fund Balances (Deficits), Beginning of Year | (58,728) | 2,309,447 | 334,345 | 367,752 | 2,661,671 |
| **FUND BALANCES (DEFICITS), END OF YEAR** | $ 846,716 | $ 1,543,591 | $ 123,540 | $ 276,809 | $ 2,000,134 |

# CITY OF MONTEREY PARK
# COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
# YEAR ENDED JUNE 30, 2022

| | Special Revenue Funds | | Debt Service Fund | |
|---|---|---|---|---|
| | Measure M | SB2- Planning Grant | Sales Tax Bond | Total Nonmajor Governmental Funds |
| **REVENUES** | | | | |
| Taxes | $ - | $ - | $ - | $ 1,086,630 |
| Intergovernmental Revenues | 1,079,545 | - | - | 9,598,113 |
| Charges for Services | - | - | - | 378,499 |
| Revenues from Use of Money and Property | 7,868 | - | 3,556 | 55,428 |
| Fines and Forfeitures | - | - | - | 249,101 |
| Total Revenues | 1,087,413 | - | 3,556 | 11,367,771 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General Government | - | - | - | 5,232 |
| Public Safety | - | - | - | 240,881 |
| Community Development | - | - | - | 34,768 |
| Culture and Recreation | - | - | - | 819,763 |
| Highways and Streets | 542 | 10,325 | - | 3,503,417 |
| Health | - | - | - | 234,375 |
| Capital Outlay | 1,500,000 | 241,758 | - | 5,326,160 |
| Debt Service: | | | | |
| Principal Retirement | - | - | 165,000 | 165,000 |
| Interest and Fiscal Charges | - | - | 448,627 | 448,627 |
| Total Expenditures | 1,500,542 | 252,083 | 613,627 | 10,778,223 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | (413,129) | (252,083) | (610,071) | 589,548 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers In | - | - | 613,627 | 613,627 |
| Transfers Out | (239,861) | - | - | (774,327) |
| Total Other Financing Sources (Uses) | (239,861) | - | 613,627 | (160,700) |
| **NET CHANGES IN FUND BALANCES** | (652,990) | (252,083) | 3,556 | 428,848 |
| Fund Balances (Deficits), Beginning of Year | 3,156,517 | - | - | 17,026,556 |
| **FUND BALANCES (DEFICITS), END OF YEAR** | $ 2,503,527 | $ (252,083) | $ 3,556 | $ 17,455,404 |

**CITY OF MONTEREY PARK**
**BUDGETARY COMPARISON SCHEDULE**
**SPECIAL REVENUE PROPOSITION A FUND**
**YEAR ENDED JUNE 30, 2022**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Intergovernmental Revenues | $ 1,326,492 | $ 1,794,588 | $ 468,096 |
| Charges for Services | 65,000 | 380 | (64,620) |
| Revenues from Use of Money and Property | 10,000 | 13,671 | 3,671 |
| Total Revenues | 1,401,492 | 1,808,639 | 407,147 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Safety | 28,400 | 4,012 | 24,388 |
| Culture and Recreation | 727,390 | 558,426 | 168,964 |
| Highways and Streets | 1,795,373 | 536,933 | 1,258,440 |
| Capital Outlay | 781,198 | - | 781,198 |
| Total Expenditures | 3,332,361 | 1,099,371 | 2,232,990 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | (1,930,869) | 709,268 | 2,640,137 |
| **OTHER FINANCING USES** | | | |
| Transfers Out | - | (68,000) | (68,000) |
| **NET CHANGE IN FUND BALANCE** | $ (1,930,869) | 641,268 | $ 2,572,137 |
| Fund Balance, Beginning of Year | | 3,446,589 | |
| **FUND BALANCE, END OF YEAR** | | $ 4,087,857 | |

**CITY OF MONTEREY PARK**
**BUDGETARY COMPARISON SCHEDULE**
**SPECIAL REVENUE GAS TAX FUND**
**YEAR ENDED JUNE 30, 2022**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Intergovernmental Revenues | $ 1,565,079 | $ 1,417,519 | $ (147,560) |
| Revenues from Use of Money and Property | 3,500 | 3,733 | 233 |
| Total Revenues | 1,568,579 | 1,421,252 | (147,327) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Community Development | 29,500 | 2,365 | 27,135 |
| Health | 1,352,697 | 1,077,232 | 275,465 |
| Total Expenditures | 1,382,197 | 1,079,597 | 302,600 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | 186,382 | 341,655 | 155,273 |
| **OTHER FINANCING USES** | | | |
| Transfers Out | (57,900) | (57,900) | - |
| **NET CHANGE IN FUND BALANCE** | $ 128,482 | 283,755 | $ 155,273 |
| Fund Balance, Beginning of Year | | 854,406 | |
| **FUND BALANCE, END OF YEAR** | | $ 1,138,161 | |

**CITY OF MONTEREY PARK**
**BUDGETARY COMPARISON SCHEDULE**
**SPECIAL REVENUE MEASURE W FUND**
**YEAR ENDED JUNE 30, 2022**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Intergovernmental Revenues | $ 740,000 | $ 737,121 | $ (2,879) |
| Revenues from Use of Money and Property | - | 845 | 845 |
| Total Revenues | 740,000 | 737,966 | (2,034) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Highways and Streets | 638,022 | 607,082 | 30,940 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | 101,978 | 130,884 | 28,906 |
| **OTHER FINANCING USES** | | | |
| Transfers Out | (2,900) | (2,900) | - |
| **NET CHANGE IN FUND BALANCE** | $ 99,078 | 127,984 | $ 28,906 |
| Fund Balance, Beginning of Year | | 128,187 | |
| **FUND BALANCE, END OF YEAR** | | $ 256,171 | |

**CITY OF MONTEREY PARK**
**BUDGETARY COMPARISON SCHEDULE**
**SPECIAL REVENUE PROPOSITION C FUND**
**YEAR ENDED JUNE 30, 2022**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Intergovernmental Revenues | $ 1,017,343 | $ 1,272,186 | $ 254,843 |
| Revenues from Use of Money and Property | 2,500 | 9,608 | 7,108 |
| Total Revenues | 1,019,843 | 1,281,794 | 261,951 |
| **EXPENDITURES** | | | |
| Current: | | | |
| General Government | 5,500 | 1,634 | 3,866 |
| Highways and Streets | 1,235,552 | 364,374 | 871,178 |
| Capital Outlay | 568,579 | 237,690 | 330,889 |
| Total Expenditures | 1,809,631 | 603,698 | 1,205,933 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | (789,788) | 678,096 | 1,467,884 |
| **OTHER FINANCING USES** | | | |
| Transfers Out | (13,300) | (147,205) | (133,905) |
| Total Other Financing Sources | (13,300) | (147,205) | (133,905) |
| **NET CHANGE IN FUND BALANCE** | $ (803,088) | 530,891 | $ 1,333,979 |
| Fund Balance, Beginning of Year | | 2,246,174 | |
| **FUND BALANCE, END OF YEAR** | | $ 2,777,065 | |

**CITY OF MONTEREY PARK**
**BUDGETARY COMPARISON SCHEDULE**
**SPECIAL REVENUE AIR QUALITY IMPROVEMENT FUND**
**YEAR ENDED JUNE 30, 2022**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Intergovernmental Revenues | $ 80,000 | $ 78,038 | $ (1,962) |
| Fines and Forfeitures | 500 | 1,289 | 789 |
| Total Revenues | 80,500 | 79,327 | (1,173) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Highways and Streets | 22,436 | 9,131 | 13,305 |
| **NET CHANGE IN FUND BALANCE** | $ 58,064 | 70,196 | $ 12,132 |
| Fund Balance, Beginning of Year | | 307,771 | |
| **FUND BALANCE, END OF YEAR** | | $ 377,967 | |

**CITY OF MONTEREY PARK**
**BUDGETARY COMPARISON SCHEDULE**
**SPECIAL REVENUE ASSET FORFEITURE FUND**
**YEAR ENDED JUNE 30, 2022**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Revenues from Use of Money and Property | $ - | $ 2,743 | $ 2,743 |
| Fines and Forfeitures | 80,000 | 243,326 | 163,326 |
| Total Revenues | 80,000 | 246,069 | 166,069 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Safety | 268,874 | 148,705 | 120,169 |
| Capital Outlay | 7,538 | 5,833 | 1,705 |
| Total Expenditures | 276,412 | 154,538 | 121,874 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | $ (196,412) | 91,531 | $ 287,943 |
| Fund Balance, Beginning of Year | | 702,260 | |
| **FUND BALANCE, END OF YEAR** | | $ 793,791 | |

**CITY OF MONTEREY PARK**
**BUDGETARY COMPARISON SCHEDULE**
**SPECIAL REVENUE PARKS/LIBRARY/FACILITIES DIF FUND**
**YEAR ENDED JUNE 30, 2022**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for Services | $ 164,310 | $ 164,532 | $ 222 |
| Revenues from Use of Money and Property | - | 2,282 | 2,282 |
| Total Revenues | 164,310 | 166,814 | 2,504 |
| **EXPENDITURES** | | | |
| Capital Outlay | 33,850 | 13,800 | 20,050 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | $ 130,460 | 153,014 | $ 22,554 |
| Fund Balance, Beginning of Year | | 497,976 | |
| **FUND BALANCE, END OF YEAR** | | $ 650,990 | |

**CITY OF MONTEREY PARK**
**BUDGETARY COMPARISON SCHEDULE**
**SPECIAL REVENUE BUSINESS IMPROVEMENT AREA #1 FUND**
**YEAR ENDED JUNE 30, 2022**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ 75,000 | $ 84,040 | $ 9,040 |
| Revenues from Use of Money and Property | - | 612 | 612 |
| Total Revenues | 75,000 | 84,652 | 9,652 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Community Development | 89,539 | 34,768 | 54,771 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | $ (14,539) | 49,884 | $ 64,423 |
| Fund Balance, Beginning of Year | | 137,847 | |
| **FUND BALANCE, END OF YEAR** | | $ 187,731 | |

**CITY OF MONTEREY PARK**
**BUDGETARY COMPARISON SCHEDULE**
**SPECIAL REVENUE MAINTENANCE DISTRICT 93-1 FUND**
**YEAR ENDED JUNE 30, 2022**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ 999,775 | $ 1,002,590 | $ 2,815 |
| Fines and Forfeitures | - | 1,000 | 1,000 |
| Total Revenues | 999,775 | 1,003,590 | 3,815 |
| **EXPENDITURES** | | | |
| Current: | | | |
| General Government | - | 1,921 | (1,921) |
| Culture and Recreation | 154,552 | 179,684 | (25,132) |
| Highways and Streets | 471,405 | 618,662 | (147,257) |
| Total Expenditures | 625,957 | 800,267 | (174,310) |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | $ 373,818 | 203,323 | $ (170,495) |
| Fund Balance, Beginning of Year | | 64,837 | |
| **FUND BALANCE, END OF YEAR** | | $ 268,160 | |

**CITY OF MONTEREY PARK**
**BUDGETARY COMPARISON SCHEDULE**
**SPECIAL REVENUE LAW ENFORCEMENT/FIRE/MEDIC DIF FUND**
**YEAR ENDED JUNE 30, 2022**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for Services | $ 215,000 | $ 159,879 | $ (55,121) |
| Revenues from Use of Money and Property | 500 | 20 | (480) |
| Total Revenues | 215,500 | 159,899 | (55,601) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Safety | 85,799 | 85,799 | - |
| Capital Outlay | 493,292 | 71,884 | 421,408 |
| Total Expenditures | 579,091 | 157,683 | 421,408 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | $ (363,591) | 2,216 | $ 365,807 |
| Fund Balance, Beginning of Year | | (130,495) | |
| **FUND BALANCE, END OF YEAR** | | $ (128,279) | |

**CITY OF MONTEREY PARK**
**BUDGETARY COMPARISON SCHEDULE**
**SPECIAL REVENUE PUBLIC SAFETY AUGMENTATION FUND**
**YEAR ENDED JUNE 30, 2022**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Intergovernmental Revenues | $ 780,000 | $ 902,915 | $ 122,915 |
| Fines and Forfeitures | - | 2,529 | 2,529 |
| Total Revenues | 780,000 | 905,444 | 125,444 |
| **EXPENDITURES** | | | |
| Current: | | | |
| General Government | 776,000 | - | 776,000 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | $ 4,000 | 905,444 | $ 901,444 |
| Fund Balance, Beginning of Year | | (58,728) | |
| **FUND BALANCE, END OF YEAR** | | $ 846,716 | |

**CITY OF MONTEREY PARK**
**BUDGETARY COMPARISON SCHEDULE**
**SPECIAL REVENUE MEASURE R FUND**
**YEAR ENDED JUNE 30, 2022**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Intergovernmental Revenues | $ 763,007 | $ 953,986 | $ 190,979 |
| Revenues from Use of Money and Property | 5,000 | 4,773 | (227) |
| Total Revenues | 768,007 | 958,759 | 190,752 |
| **EXPENDITURES** | | | |
| Current: | | | |
| General Government | 7,800 | 1,677 | 6,123 |
| Culture and Recreation | 97,649 | 81,653 | 15,996 |
| Highways and Streets | 437,468 | 279,136 | 158,332 |
| Capital Outlay | 4,199,726 | 1,103,688 | 3,096,038 |
| Total Expenditures | 4,742,643 | 1,466,154 | 3,276,489 |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | (3,974,636) | (507,395) | 3,467,241 |
| **OTHER FINANCING USES** | | | |
| Transfers Out | (18,600) | (258,461) | (239,861) |
| **NET CHANGE IN FUND BALANCE** | $ (3,993,236) | (765,856) | $ 3,227,380 |
| Fund Balance, Beginning of Year | | 2,309,447 | |
| **FUND BALANCE, END OF YEAR** | | $ 1,543,591 | |

**CITY OF MONTEREY PARK**
**BUDGETARY COMPARISON SCHEDULE**
**SPECIAL REVENUE CIRCULATION DIF FUND**
**YEAR ENDED JUNE 30, 2022**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Charges for Services | $ - | $ 53,708 | $ 53,708 |
| Revenues from Use of Money and Property | - | 652 | 652 |
| Total Revenues | - | 54,360 | 54,360 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Capital Outlay | - | 265,165 | (265,165) |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | $ - | (210,805) | $ (210,805) |
| Fund Balance, Beginning of Year | | 334,345 | |
| **FUND BALANCE, END OF YEAR** | | $ 123,540 | |

**CITY OF MONTEREY PARK**
**BUDGETARY COMPARISON SCHEDULE**
**SPECIAL REVENUE CERCLA LIABILITY FUND**
**YEAR ENDED JUNE 30, 2022**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Intergovernmental Revenues | $ 234,375 | $ 142,475 | $ (91,900) |
| Fines and Forfeitures | 1,000 | 957 | (43) |
| Total Revenues | 235,375 | 143,432 | (91,943) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Health | 234,375 | 234,375 | - |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | $ 1,000 | (90,943) | $ (91,943) |
| Fund Balance, Beginning of Year | | 367,752 | |
| **FUND BALANCE, END OF YEAR** | | $ 276,809 | |

**CITY OF MONTEREY PARK**
**BUDGETARY COMPARISON SCHEDULE**
**SPECIAL REVENUE SB1-RMRA FUND**
**YEAR ENDED JUNE 30, 2022**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Intergovernmental Revenues | $ 1,103,381 | $ 1,219,740 | $ 116,359 |
| Revenues from Use of Money and Property | 2,500 | 5,065 | 2,565 |
| Total Revenues | 1,105,881 | 1,224,805 | 118,924 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Capital Outlay | 1,886,342 | 1,886,342 | - |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | $ (780,461) | (661,537) | $ 118,924 |
| Fund Balance, Beginning of Year | | 2,661,671 | |
| **FUND BALANCE, END OF YEAR** | | $ 2,000,134 | |

**CITY OF MONTEREY PARK**
**BUDGETARY COMPARISON SCHEDULE**
**SPECIAL REVENUE MEASURE M FUND**
**YEAR ENDED JUNE 30, 2022**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Intergovernmental Revenues | $ 864,741 | $ 1,079,545 | $ 214,804 |
| Revenues from Use of Money and Property | 1,000 | 7,868 | 6,868 |
| Total Revenues | 865,741 | 1,087,413 | 221,672 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Highways and Streets | 12,077 | 542 | 11,535 |
| Total Expenditures | 12,077 | 1,500,542 | (1,488,465) |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | 853,664 | (413,129) | (1,266,793) |
| **OTHER FINANCING USES** | | | |
| Transfers Out | - | (239,861) | 239,861 |
| **NET CHANGE IN FUND BALANCE** | $ 853,664 | (652,990) | $ (1,026,932) |
| Fund Balance, Beginning of Year | | 3,156,517 | |
| **FUND BALANCE, END OF YEAR** | | $ 2,503,527 | |

**CITY OF MONTEREY PARK**
**BUDGETARY COMPARISON SCHEDULE**
**SPECIAL REVENUE SB2 – PLANNING GRANT FUND**
**YEAR ENDED JUNE 30, 2022**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ 310,000 | $ - | $ (310,000) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Highways and Streets | 33,975 | 10,325 | 23,650 |
| Capital Outlay | - | 241,758 | (241,758) |
| Total Expenditures | 33,975 | 252,083 | (218,108) |
| **EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES** | $ 276,025 | (252,083) | $ (528,108) |
| Fund Balance, Beginning of Year | | - | |
| **FUND BALANCE, END OF YEAR** | | $ (252,083) | |

**Water Utility Enterprise Fund accounts for the City's water system operations. The Water Utility Enterprise Fund has the following two major activities:**

***Water Operation Activity*** - used to account for financial resources for the water operation including commercial, production, distribution, and implementation of Water Master Plan.

***Water Treatment Activity*** - used to account for financial resources for the water treatment of certain chemical contaminations to meet water quality standards.

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# CITY OF MONTEREY PARK
# WATER UTILITY ENTERPRISE FUND
# COMBINING SCHEDULE OF NET POSITION
# JUNE 30, 2022

| | Water Operations Activity | Water Treatment Activity | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Current Assets: | | | |
| Cash and Investments | $ 3,245,430 | $ 19,553,136 | $ 22,798,566 |
| Cash and Investments with Fiscal Agent | 160 | 38 | 198 |
| Accounts Receivable | 3,162,287 | 1,502,357 | 4,664,644 |
| Interest Receivable | 2,910 | 24,926 | 27,836 |
| Total Current Assets | 6,410,787 | 21,080,457 | 27,491,244 |
| Noncurrent Assets: | | | |
| Net Pension Asset | 1,488,419 | 355,270 | 1,843,689 |
| Nondepreciable Capital Assets | 499,975 | 14,312,747 | 14,812,722 |
| Depreciable Capital Assets, Net of Accumulated Depreciation | 25,213,238 | 4,361,982 | 29,575,220 |
| Total Noncurrent Assets | 27,201,632 | 19,029,999 | 46,231,631 |
| Total Assets | 33,612,419 | 40,110,456 | 73,722,875 |
| **DEFERRED OUFLOWS OF RESOURCES** | | | |
| Amounts Related to Pension Plans | 97,821 | 23,349 | 121,170 |
| Amounts Related to Other Post Employment Benefit Plans | 227,158 | 78,256 | 305,414 |
| Total Deferred Outflows of Resources | 324,979 | 101,605 | 426,584 |
| **LIABILITIES** | | | |
| Current Liabilities: | | | |
| Accounts Payable | 2,761,360 | 42,636 | 2,803,996 |
| Accrued Payroll | 21,164 | 9,816 | 30,980 |
| Deposits and Advances | 464,533 | 266,878 | 731,411 |
| Interest Payable | 5,617 | 1,342 | 6,959 |
| Loan Obligations - Due Within One Year | 663,725 | 400,000 | 1,063,725 |
| Lease Liability - Due Within One Year | 779 | - | 779 |
| Compensated Absences Payable - Due Within One Year | 1,495 | 4,293 | 5,788 |
| Bonds Payable - Due Within One Year | 111,349 | 26,597 | 137,946 |
| Total Current Liabilities | 4,030,022 | 751,562 | 4,781,584 |
| Noncurrent Liabilities: | | | |
| Loan Obligation | 6,646,310 | 3,600,000 | 10,246,310 |
| Lease liability | 2,109 | - | 2,109 |
| Compensated Absences Payable | 13,449 | 38,641 | 52,090 |
| Bonds Payable | 2,869,643 | 685,462 | 3,555,105 |
| Net OPEB Liability | 1,676,866 | 577,685 | 2,254,551 |
| Total Noncurrent Liabilities | 11,208,377 | 4,901,788 | 16,110,165 |
| Total Liabilities | 15,238,399 | 5,653,350 | 20,891,749 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| Amounts Related to Pension Plans | 1,045,756 | 249,611 | 1,295,367 |
| Amounts Related to Other Post Employment Benefit Plans | 541,634 | 186,593 | 728,227 |
| Total Deferred Inflows of Resources | 1,587,390 | 436,204 | 2,023,594 |
| **NET POSITION** | | | |
| Net Investment in Capital Assets | 18,216,562 | 14,407,851 | 32,624,413 |
| Restricted for Pension Benefits | 1,488,419 | 355,270 | 1,843,689 |
| Unrestricted | (2,593,372) | 19,359,386 | 16,766,014 |
| Total Net Position | $ 17,111,609 | $ 34,122,507 | $ 51,234,116 |
| Adjustment to Reflect the Consolidation of Internal Service Funds Activities to Related Enterprise Activity | (6,415,914) | - | (6,415,914) |
| Net Position Related to Water Utility Enterprise Activities | $ 10,695,695 | $ 34,122,507 | $ 44,818,202 |

**CITY OF MONTEREY PARK**
**WATER UTILITY ENTERPRISE FUND**
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**
**YEAR ENDED JUNE 30, 2022**

| | Water Operations Activity | Water Treatment Activity | Total |
|---|---|---|---|
| **OPERATING REVENUES** | | | |
| Charges for Services | $ 9,562,642 | $ 4,526,991 | $ 14,089,633 |
| Meter Installations | 141,629 | - | 141,629 |
| Other Revenue | 4 | - | 4 |
| Total Operating Revenues | 9,704,275 | 4,526,991 | 14,231,266 |
| **OPERATING EXPENSES** | | | |
| Administration | 842,223 | - | 842,223 |
| Commercial - Water | 1,326,338 | - | 1,326,338 |
| Production - Water | 4,333,075 | - | 4,333,075 |
| Distribution - Water | 3,107,366 | - | 3,107,366 |
| Treatment Plant Operations | - | 2,768,689 | 2,768,689 |
| Depreciation | 1,251,997 | 400,174 | 1,652,171 |
| Total Operating Expenses | 10,860,999 | 3,168,863 | 14,029,862 |
| Operating Income (Loss) | (1,156,724) | 1,358,128 | 201,404 |
| **NONOPERATING REVENUES (EXPENSES)** | | | |
| Intergovernmental Grants | 50,000 | 580,085 | 630,085 |
| Interest Income | 9,787 | - | 9,787 |
| Interest Expense | (313,956) | (20,356) | (334,312) |
| Total Nonoperating Revenues (Expenses) | (254,169) | 559,729 | 305,560 |
| Net Income (Loss) Before Capital Contributions and Transfers | (1,410,893) | 1,917,857 | 506,964 |
| Capital Contributions | 250,807 | - | 250,807 |
| Transfers Out | (215,300) | (127,900) | (343,200) |
| **CHANGES IN NET POSITION** | (1,375,386) | 1,789,957 | 414,571 |
| Net Position, Beginning of Year | 18,486,995 | 32,332,550 | 50,819,545 |
| **NET POSITION, END OF YEAR** | $ 17,111,609 | $ 34,122,507 | $ 51,234,116 |
| Changes in Net Position | $ (1,375,386) | $ 1,789,957 | $ 414,571 |
| Adjustment to Reflect Consolidation of Internal Service Fund Activities to Related Enterprise Activity | (636,981) | - | (636,981) |
| Changes in Net Position Related to Water Utility Enterprise Activities | $ (2,012,367) | $ 1,789,957 | $ (222,410) |

# CITY OF MONTEREY PARK
# WATER UTILITY ENTERPRISE FUND
# COMBINING SCHEDULE OF CASH FLOWS
# YEAR ENDED JUNE 30, 2022

| | Water Operations Activity | Water Treatment Activity | Total |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Cash Receipts from Customers | $ 9,638,009 | $ 5,167,154 | $ 14,805,163 |
| Cash Payments to Suppliers for Goods and Services | (8,272,647) | (2,786,903) | (11,059,550) |
| Cash Payments to Employees for Services | (1,408,208) | (817,796) | (2,226,004) |
| Net Cash Provided (Used) by Operating Activities | (42,846) | 1,562,455 | 1,519,609 |
| **CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES** | | | |
| Cash Received from Other Funds | - | - | - |
| Cash Paid to Other Funds | (215,300) | (127,900) | (343,200) |
| Net Cash Used by Noncapital and Related Financing Activities | (215,300) | (127,900) | (343,200) |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | |
| Acquisition and Construction of Capital Assets | (3,833,458) | (4,716,145) | (8,549,603) |
| Grant Proceeds | 50,000 | 580,085 | 630,085 |
| Capital Contributions | 250,807 | - | 250,807 |
| Proceeds from loans | - | 4,000,000 | 4,000,000 |
| Principal Paid on Bonds | (90,786) | (21,685) | (112,471) |
| Principal Paid on Loans and Lease Financing | (605,861) | - | (605,861) |
| Interest Paid on Debt | (317,394) | (21,177) | (338,571) |
| Net Cash Used by Capital and Related Financing Activities | (4,546,692) | (178,922) | (4,725,614) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Interest Income | 13,197 | (7,420) | 5,777 |
| Net Cash Provided (Used) by Investing Activities | 13,197 | (7,420) | 5,777 |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | (4,791,641) | 1,248,213 | (3,543,428) |
| Cash and Cash Equivalents, Beginning Of Year | 8,037,231 | 18,304,961 | 26,342,192 |
| **CASH AND CASH EQUIVALENTS, END OF YEAR** | $ 3,245,590 | $ 19,553,174 | $ 22,798,764 |
| Cash and Investments | $ 3,245,430 | $ 19,553,136 | $ 22,798,566 |
| Cash and Investments with Fiscal Agent | 160 | 38 | 198 |
| Total Cash and Cash Equivalents | $ 3,245,590 | $ 19,553,174 | $ 22,798,764 |
| **RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** | | | |
| Operating Income (Loss) | $ (1,156,724) | $ 1,358,128 | $ 201,404 |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | |
| Depreciation | 1,251,997 | 400,174 | 1,652,171 |
| Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows: | | | |
| (Increase) Decrease in Accounts Receivable | (77,118) | 414,795 | 337,677 |
| (Increase) Decrease in Deferred Outflows of Resources - Pension Plans | 3,379,298 | 806,604 | 4,185,902 |
| (Increase) Decrease in Deferred Outflows of Resources - OPEB Plan | 23,265 | 8,015 | 31,280 |
| Increase (Decrease) in Accounts Payable | 524,865 | (499,788) | 25,077 |
| Increase (Decrease) in Accrued Payroll | 4,224 | (125,270) | (121,046) |
| Increase (Decrease) in Deposits and Advances | 10,852 | 225,368 | 236,220 |
| Increase (Decrease) in Compensated Absences Payable | (237,016) | (105,159) | (342,175) |
| Increase (Decrease) in Net Pension Liabilities | (4,610,102) | (1,100,384) | (5,710,486) |
| Increase (Decrease) in Net OPEB Liabilities | (404,376) | (139,308) | (543,684) |
| Increase (Decrease) in Deferred Inflows of Resources - Pension Plans | 1,045,756 | 249,611 | 1,295,367 |
| Increase (Decrease) in Deferred Inflows of Resources - OPEB Plan | 202,233 | 69,669 | 271,902 |
| Total Adjustments | 1,113,878 | 204,327 | 1,318,205 |
| Net Cash Provided (Used) by Operating Activities | $ (42,846) | $ 1,562,455 | $ 1,519,609 |

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**CITY OF MONTEREY PARK**
**INTERNAL SERVICE FUNDS**
**JUNE 30, 2022**

**Internal Service Funds account for the financing of goods or services provided by one department to other departments of the City, on a cost-reimbursement basis. Internal Service Funds include the following:**

***Separation Benefits Fund*** - used to account for employee separation costs (i.e., vacation, sick and holiday hours).

***General Liability Fund*** - used to account for the City's general liability insurance, including claims, legal and other expenses.

***Workers' Compensation Fund*** - used to account for the City's workers' compensation insurance costs, including claims, legal and other expenses.

***Shop Fund*** - used to account for the purchase and maintenance of all motorized equipment used by City departments.

***Technology Fund*** - used to account for the City's centralized data processing activities and future technological infrastructure improvements.

**CITY OF MONTEREY PARK**
**COMBINING SCHEDULE OF NET POSITION - INTERNAL SERVICE FUNDS**
**JUNE 30, 2022**

| | Separation Benefits | General Liability | Workers' Compensation |
|---|---|---|---|
| **ASSETS** | | | |
| Current Assets: | | | |
| Cash and Investments | $ 733,032 | $ 1,999,499 | $ 4,814,326 |
| Cash and Investments Held by Fiscal Agents | - | - | - |
| Accounts Receivables | - | 15,502 | - |
| Total Current Assets | 733,032 | 2,015,001 | 4,814,326 |
| Noncurrent Assets: | | | |
| Nondepreciable Capital Assets | - | - | - |
| Depreciable Capital Assets, Net of Accumulated Depreciation | - | - | - |
| Total Noncurrent Assets | - | - | - |
| Total Assets | 733,032 | 2,015,001 | 4,814,326 |
| **LIABILITIES** | | | |
| Current Liabilities: | | | |
| Accounts Payable | - | 420 | 34,138 |
| Accrued Payroll | 13,407 | 3,693 | 4,114 |
| Due to Other Funds | - | - | - |
| Insurance Assessment Payable - Due within One Year | - | 163,514 | - |
| Claims and Judgments Payable - Due within One Year | - | 1,279,755 | 2,355,724 |
| Loan Payable - Due within One Year | - | - | - |
| Lease Liability - Due within One Year | - | - | - |
| Compensated Absences Payable - Due within One Year | - | 1,544 | 1,883 |
| Total Current Liabilities | 13,407 | 1,448,926 | 2,395,859 |
| Noncurrent Liabilities: | | | |
| Insurance Assessment Payable - Due in More than One Year | - | 654,057 | - |
| Claims and Judgments Payable - Due in More than One Year | - | 7,265,265 | 11,541,962 |
| Loan Payable - Due in More than One Year | - | - | - |
| Lease Liability - Due in More than One Year | - | - | - |
| Compensated Absences Payable - Due in More than One Year | - | 13,894 | 16,948 |
| Total Noncurrent Liabilities | - | 7,933,216 | 11,558,910 |
| Total Liabilities | 13,407 | 9,382,142 | 13,954,769 |
| **NET POSITION** | | | |
| Net Investment in Capital Assets | - | - | - |
| Unrestricted | 719,625 | (7,367,141) | (9,140,443) |
| Total Net Position (Deficit) | $ 719,625 | $ (7,367,141) | $ (9,140,443) |

**CITY OF MONTEREY PARK**
**COMBINING SCHEDULE OF NET POSITION - INTERNAL SERVICE FUNDS (CONTINUED)**
**JUNE 30, 2022**

| | Shop | Technology | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Current Assets: | | | |
| Cash and Investments | $ 547,637 | $ - | $ 8,094,494 |
| Cash and Investments Held by Fiscal Agents | 622 | - | 622 |
| Accounts Receivables | - | - | 15,502 |
| Total Current Assets | 548,259 | - | 8,110,618 |
| Noncurrent Assets: | | | |
| Nondepreciable Capital Assets | - | 1,604,656 | 1,604,656 |
| Depreciable Capital Assets, Net of Accumulated Depreciation | 1,634,121 | 172,436 | 1,806,557 |
| Total Noncurrent Assets | 1,634,121 | 1,777,092 | 3,411,213 |
| Total Assets | 2,182,380 | 1,777,092 | 11,521,831 |
| **LIABILITIES** | | | |
| Current Liabilities: | | | |
| Accounts Payable | 91,699 | 28,473 | 154,730 |
| Accrued Payroll | 6,518 | 4,760 | 32,492 |
| Due to Other Funds | - | 210,235 | 210,235 |
| Insurance Assessment Payable - Due within One Year | - | - | 163,514 |
| Claims and Judgments Payable - Due within One Year | - | - | 3,635,479 |
| Loan Payable - Due within One Year | 379,204 | - | 379,204 |
| Lease Liability - Due within One Year | 25,069 | - | 25,069 |
| Compensated Absences Payable - Due within One Year | 6,967 | 2,818 | 13,212 |
| Total Current Liabilities | 509,457 | 246,286 | 4,613,935 |
| Noncurrent Liabilities: | | | |
| Insurance Assessment Payable - Due in More than One Year | - | - | 654,057 |
| Claims and Judgments Payable - Due in More than One Year | - | - | 18,807,227 |
| Loan Payable - Due in More than One Year | 1,002,198 | - | 1,002,198 |
| Lease Liability - Due in More than One Year | 2,229 | - | 2,229 |
| Compensated Absences Payable - Due in More than One Year | 62,704 | 25,359 | 118,905 |
| Total Noncurrent Liabilities | 1,067,131 | 25,359 | 20,584,616 |
| Total Liabilities | 1,576,588 | 271,645 | 25,198,551 |
| **NET POSITION** | | | |
| Net Investment in Capital Assets | 1,252,688 | 1,777,092 | 3,029,780 |
| Unrestricted | (646,896) | (271,645) | (16,706,500) |
| Total Net Position (Deficit) | $ 605,792 | $ 1,505,447 | $ (13,676,720) |

# CITY OF MONTEREY PARK
# COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS
# YEAR ENDED JUNE 30, 2022

| | Separation Benefits | General Liability | Workers' Compensation |
|---|---|---|---|
| **OPERATING REVENUES** | | | |
| Charges for Services | $ 986,500 | $ 4,100,367 | $ 2,899,300 |
| Other Revenue | - | - | 185,974 |
| Total Operating Revenues | 986,500 | 4,100,367 | 3,085,274 |
| **OPERATING EXPENSES** | | | |
| Salaries and Benefits | 1,562,624 | 170,930 | 104,859 |
| Materials and Supplies | - | 3,436 | - |
| Insurance and Claims | - | 5,021,871 | 3,700,237 |
| Miscellaneous | - | - | - |
| Depreciation | - | - | - |
| Total Operating Expenses | 1,562,624 | 5,196,237 | 3,805,096 |
| Operating Income (Loss) | (576,124) | (1,095,870) | (719,822) |
| **NONOPERATING INCOME** | | | |
| Interest Expense | - | - | - |
| Total Nonoperating Revenue | - | - | - |
| Net Income (Loss) Before Capital Contributions and Transfers | (576,124) | (1,095,870) | (719,822) |
| Transfers Out | - | (26,400) | - |
| **CHANGES IN NET POSITION** | (576,124) | (1,122,270) | (719,822) |
| Net Position (Deficit), Beginning of Year | 1,295,749 | (6,244,871) | (8,420,621) |
| **NET POSITION (DEFICIT), END OF YEAR** | $ 719,625 | $ (7,367,141) | $ (9,140,443) |

**CITY OF MONTEREY PARK**
**COMBINING SCHEDULE OF REVENUES, EXPENSES, AND**
**CHANGES IN NET POSITION - INTERNAL SERVICE FUNDS (CONTINUED)**
**YEAR ENDED JUNE 30, 2022**

| | Shop | Technology | Total |
|---|---|---|---|
| **OPERATING REVENUES** | | | |
| Charges for Services | $ 2,166,341 | $ 496,151 | $ 10,648,659 |
| Other Revenue | - | - | 185,974 |
| Total Operating Revenues | 2,166,341 | 496,151 | 10,834,633 |
| **OPERATING EXPENSES** | | | |
| Salaries and Benefits | 411,756 | 274,605 | 2,524,774 |
| Materials and Supplies | 1,750,802 | - | 1,754,238 |
| Insurance and Claims | - | - | 8,722,108 |
| Miscellaneous | 69,271 | 290,479 | 359,750 |
| Depreciation | 772,625 | 8,591 | 781,216 |
| Total Operating Expenses | 3,004,454 | 573,675 | 14,142,086 |
| Operating Income (Loss) | (838,113) | (77,524) | (3,307,453) |
| **NONOPERATING INCOME** | | | |
| Interest Expense | (52,858) | - | (52,858) |
| Total Nonoperating Revenue | (52,858) | - | (52,858) |
| Net Income (Loss) Before Capital Contributions and Transfers | (890,971) | (77,524) | (3,360,311) |
| Transfers Out | (47,300) | (14,100) | (87,800) |
| **CHANGES IN NET POSITION** | (938,271) | (91,624) | (3,448,111) |
| Net Position (Deficit), Beginning of Year | 1,544,063 | 1,597,071 | (10,228,609) |
| **NET POSITION (DEFICIT), END OF YEAR** | $ 605,792 | $ 1,505,447 | $(13,676,720) |

# CITY OF MONTEREY PARK
# COMBINING SCHEDULE OF CASH FLOWS - INTERNAL SERVICE FUNDS
# YEAR ENDED JUNE 30, 2022

| | Separation Benefits | General Liability | Workers' Compensation |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Cash Receipts from Interfund Services Provided | $ 986,500 | $ 4,084,865 | $ 2,899,300 |
| Cash Receipts from Reimbursements and Other Operating Revenues | - | - | 185,974 |
| Cash Payments to Suppliers for Goods and Services | - | (5,981) | - |
| Cash Payments to Employees for Services | (1,556,647) | (171,053) | (100,670) |
| Cash Payments for Insurance Premiums and Self-Insurance Claims | - | (3,882,423) | (2,488,202) |
| Net Cash Provided (Used) by Operating Activities | (570,147) | 25,408 | 496,402 |
| **CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES** | | | |
| Cash Received from Other Funds | - | - | - |
| Cash Paid to Other Funds | - | (26,400) | - |
| Net Cash Provided (Used) by Noncapital and Related Financing Activities | - | (26,400) | - |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | |
| Acquisition and Construction of Capital Assets | - | - | - |
| Principal Paid on Lease Financing | - | - | - |
| Interest Paid on Lease Financing | - | - | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | - | - | - |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | (570,147) | (992) | 496,402 |
| Cash And Cash Equivalents, Beginning Of Year | 1,303,179 | 2,000,491 | 4,317,924 |
| **CASH AND CASH EQUIVALENTS, END OF YEAR** | $ 733,032 | $ 1,999,499 | $ 4,814,326 |
| **RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** | | | |
| Operating Loss | $ (576,124) | $ (1,095,870) | $ (719,822) |
| Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities: | | | |
| Depreciation | - | - | - |
| Changes in Assets and Liabilities: | | | |
| (Increase) Decrease in Accounts Receivable | - | (15,502) | - |
| Increase (Decrease) in Accounts Payable | - | (2,545) | 20,945 |
| Increase (Decrease) in Accrued Payroll | 5,977 | 2,490 | 3,409 |
| Increase (Decrease) in Insurance Assessment Payable | - | (163,515) | - |
| Increase (Decrease) in Claims and Judgments Payable | - | 1,302,963 | 1,191,090 |
| Increase (Decrease) in Compensated Absences Payable | - | (2,613) | 780 |
| Total Adjustments | 5,977 | 1,121,278 | 1,216,224 |
| Net Cash Provided (Used) by Operating Activities | $ (570,147) | $ 25,408 | $ 496,402 |

# CITY OF MONTEREY PARK
## COMBINING SCHEDULE OF CASH FLOWS - INTERNAL SERVICE FUNDS (CONTINUED)
## YEAR ENDED JUNE 30, 2022

| | Shop | Technology | Totals |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Cash Receipts from Interfund Services Provided | $ 2,166,341 | $ 496,151 | $ 10,633,157 |
| Cash Receipts from Reimbursements and Other Operating Revenues | - | - | 185,974 |
| Cash Payments to Suppliers for Goods and Services | (1,786,308) | (428,963) | (2,221,252) |
| Cash Payments to Employees for Services | (414,576) | (250,220) | (2,493,166) |
| Cash Payments for Insurance Premiums and Self-Insurance Claims | - | - | (6,370,625) |
| Net Cash Provided (Used) by Operating Activities | (34,543) | (183,032) | (265,912) |
| **CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES** | | | |
| Cash Received from Other Funds | - | 210,235 | 210,235 |
| Cash Paid to Other Funds | (47,300) | (14,100) | (87,800) |
| Net Cash Provided (Used) by Noncapital and Related Financing Activities | (47,300) | 196,135 | 122,435 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | |
| Acquisition and Construction of Capital Assets | - | (746,101) | (746,101) |
| Principal payments on loans and lease obligations | (400,769) | - | (400,769) |
| Interest Paid on Lease Financing | (52,858) | - | (52,858) |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (453,627) | (746,101) | (1,199,728) |
| **NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** | (535,470) | (732,998) | (1,343,205) |
| Cash And Cash Equivalents, Beginning Of Year | 1,083,729 | 732,998 | 9,438,321 |
| **CASH AND CASH EQUIVALENTS, END OF YEAR** | $ 548,259 | $ - | $ 8,095,116 |
| **RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES** | | | |
| Operating Loss | $ (838,113) | $ (77,524) | $ (3,307,453) |
| Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities: | | | |
| Depreciation | 772,625 | 8,591 | 781,216 |
| Changes in Assets and Liabilities: | | | |
| (Increase) Decrease in Accounts Receivable | - | - | (15,502) |
| Increase (Decrease) in Accounts Payable | 33,765 | (138,484) | (86,319) |
| Increase (Decrease) in Accrued Payroll | 2,254 | 3,469 | 17,599 |
| Increase (Decrease) in Insurance Assessment Payable | - | - | (163,515) |
| Increase (Decrease) in Claims and Judgments Payable | - | - | 2,494,053 |
| Increase (Decrease) in Compensated Absences Payable | (5,074) | 20,916 | 14,009 |
| Total Adjustments | 803,570 | (105,508) | 3,041,541 |
| Net Cash Provided (Used) by Operating Activities | $ (34,543) | $ (183,032) | $ (265,912) |

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## STATISTICAL SECTION
## (UNAUDITED)

This part of the City of Monterey Park'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.


| Index | Page |
|---|---|

**Financial Trends Information** - These schedules contain trend information to help the reader to understand how the City's financial performance and well-being have changed over time.

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**Revenue Capacity Information -** These schedules contain trend information to help the reader understand the City's property tax.

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**Operating Information** - These schedules contain service and infrastructure data to help the reader understanding how the information in the City's financial report relates to the services the City provides and the activities it performs.

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**CITY OF MONTEREY PARK**
**NET POSITION BY COMPONENTS**
**LAST TEN FISCAL YEARS**
**(ACCRUAL BASIS OF ACCOUNTING)**

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
| **Governmental Activities:** | | | | | |
| Net investment in capital assets | $ 50,018,559 | $ 50,805,697 | $ 46,057,423 | $ 47,995,442 | $ 49,245,097 |
| Restricted | 20,629,264 | 18,330,529 | 20,198,282 | 22,221,698 | 20,689,401 |
| Unrestricted | 9,341,223 | 11,318,896 | (79,297,776) | (68,990,541) | (63,742,375) |
| Total governmental activities net position | $ 79,989,046 | $ 80,455,122 | $ (13,042,071) | $ 1,226,599 | $ 6,192,123 |
| **Business-Type Activities:** | | | | | |
| Net investment in capital assets | $ 20,381,489 | $ 20,020,776 | $ 15,083,212 | $ 23,132,584 | $ 27,583,180 |
| Restricted | - | - | - | 514,518 | - |
| Unrestricted | 25,700,563 | 26,197,066 | 24,186,095 | 18,629,778 | 19,078,479 |
| Total business-type activities net position | $ 46,082,052 | $ 46,217,842 | $ 39,269,307 | $ 42,276,880 | $ 46,661,659 |
| **Primary Government:** | | | | | |
| Net investment in capital assets | $ 70,400,048 | $ 70,826,473 | $ 61,140,635 | $ 71,128,006 | $ 76,828,277 |
| Restricted | 20,629,264 | 18,330,529 | 20,198,282 | 22,736,216 | 20,689,401 |
| Unrestricted | 35,041,786 | 37,515,962 | (55,111,681) | (50,360,763) | (44,663,896) |
| Total primary government net position | $ 126,071,098 | $ 126,672,964 | $ 26,227,236 | $ 43,503,459 | $ 52,853,782 |

Source: City of Monterey Park Management Services Department

**CITY OF MONTEREY PARK**
**NET POSITION BY COMPONENTS**
**LAST TEN FISCAL YEARS**
**(ACCRUAL BASIS OF ACCOUNTING)**

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| **Governmental Activities:** | | | | | |
| Net investment in capital assets | $ 51,940,625 | $ 54,422,220 | $ 50,393,059 | $ 53,107,029 | $ 60,290,327 |
| Restricted | 22,583,024 | 28,308,812 | 28,524,906 | 22,377,681 | 52,356,565 |
| Unrestricted | (85,102,541) | (94,444,814) | (99,160,818) | (97,899,017) | (123,881,984) |
| Total governmental activities net position | $ (10,578,892) | $ (11,713,782) | $ (20,242,853) | $ (22,414,307) | $ (11,235,092) |
| **Business-Type Activities:** | | | | | |
| Net investment in capital assets | $ 32,224,486 | $ 32,343,708 | $ 31,922,658 | $ 32,466,443 | $ 35,740,792 |
| Restricted | - | - | - | - | 2,637,265 |
| Unrestricted | 18,182,441 | 22,623,485 | 23,894,813 | 22,403,284 | 17,179,026 |
| Total business-type activities net position | $ 50,406,927 | $ 54,967,193 | $ 55,817,471 | $ 54,869,727 | $ 55,557,083 |
| **Primary Government:** | | | | | |
| Net investment in capital assets | $ 84,165,111 | $ 86,765,928 | $ 82,315,717 | $ 85,573,472 | $ 96,031,119 |
| Restricted | 22,583,024 | 28,308,812 | 28,524,906 | 22,377,681 | 54,993,830 |
| Unrestricted | (66,920,100) | (71,821,329) | (75,266,005) | (75,495,733) | (106,702,958) |
| Total primary government net position | $ 39,828,035 | $ 43,253,411 | $ 35,574,618 | $ 32,455,420 | $ 44,321,991 |

Source: City of Monterey Park Management Services Department

**CITY OF MONTEREY PARK**
**CHANGES IN NET POSITON**
**LAST TEN FISCAL YEARS**
**(ACCRUAL BASIS OF ACCOUNTING)**

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | 2012/2013 | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 |
| **Expenses:** | | | | | |
| Governmental activities: | | | | | |
| General government | $ 6,522,107 | $ 4,050,482 | $ 4,610,081 | $ 3,771,179 | $ 4,935,827 |
| Public safety | 26,233,074 | 27,352,152 | 26,907,556 | 27,479,974 | 30,527,993 |
| Community development | 8,521,044 | 2,343,881 | 7,049,958 | 2,456,567 | 2,368,605 |
| Culture and recreation | 5,909,468 | 6,277,461 | 8,665,230 | 7,151,089 | 7,383,391 |
| Highway and streets | 5,380,336 | 6,434,924 | 5,512,170 | 6,223,450 | 5,555,218 |
| Health | 119,999 | 120,000 | 488,697 | 116,629 | 250,000 |
| Interest and fiscal charges | 1,275,063 | 1,207,716 | 1,269,034 | 990,315 | 993,823 |
| Total governmental activities expenses | 53,961,091 | 47,786,616 | 54,502,726 | 48,189,203 | 52,014,857 |
| Business-type activities: | | | | | |
| Water | 10,706,980 | 11,775,078 | 12,906,852 | 11,962,698 | 13,197,497 |
| Refuse | 6,040,457 | 6,985,344 | 6,657,089 | 7,562,168 | 7,648,908 |
| Sewer | 238,551 | 221,078 | 522,245 | 1,117,677 | 1,332,184 |
| Total business-type activities expenses | 16,985,988 | 18,981,500 | 20,086,186 | 20,642,543 | 22,178,589 |
| Total primary government expenses | 70,947,079 | 66,768,116 | 74,588,912 | 68,831,746 | 74,193,446 |
| **Program revenues:** | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| General government | 909,328 | 907,537 | 1,005,102 | 1,157,100 | 1,216,968 |
| Public safety | 3,037,155 | 3,076,644 | 2,956,084 | 3,766,713 | 2,665,634 |
| Community development | 1,541,110 | 1,442,835 | 2,023,271 | 2,607,075 | 3,660,518 |
| Culture and recreation | 738,884 | 690,289 | 1,320,369 | 1,289,483 | 1,327,230 |
| Highway and Streets | 451,744 | 400,382 | 1,462,323 | 1,403,282 | 1,688,010 |
| Health | | | | | |
| Operating grants and contributions | 5,258,202 | 1,516,481 | 7,963,721 | 7,953,884 | 6,928,332 |
| Capital grants and contributions | 1,988,468 | 627,628 | 557,625 | 502,276 | 1,134,757 |
| Total government activities program revenues | 13,924,891 | 8,661,796 | 17,288,495 | 18,779,813 | 18,621,449 |
| Business-type activities: | | | | | |
| Charges for services: | | | | | |
| Water | 13,302,811 | 10,747,045 | 11,452,592 | 12,323,342 | 13,439,676 |
| Refuse | 5,832,841 | 6,028,436 | 6,371,405 | 6,954,603 | 7,124,768 |
| Sewer | 273,556 | 287,548 | 1,714,098 | 2,673,585 | 2,843,412 |
| Operating grants and contributions | | | | | |
| Capital grants and contributions | 41,834 | 169,783 | 98,776 | 97,507 | 1,916,453 |
| Total business-type activities revenues | 19,451,042 | 17,232,812 | 19,636,871 | 22,049,037 | 25,324,309 |
| Total primary government revenues | $ 33,375,933 | $ 25,894,608 | $ 36,925,366 | $ 40,828,850 | $ 43,945,758 |

Source: City of Monterey Park Management Services Department

**CITY OF MONTEREY PARK**
**CHANGES IN NET POSITON**
**LAST TEN FISCAL YEARS**
**(ACCRUAL BASIS OF ACCOUNTING)**

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | 2017/2018 | 2018/2019 | 2019/2020 | 2020/2021 | 2021/2022 |
| **Expenses:** | | | | | |
| Governmental activities: | | | | | |
| General government | $ 13,276,893 | $ 8,675,180 | $ 7,024,897 | $ 16,862,932 | $ 4,997,877 |
| Public safety | 35,442,619 | 41,058,210 | 46,448,518 | 41,432,208 | 32,974,686 |
| Community development | 2,536,781 | 2,555,488 | 385,629 | 500,831 | 7,545,425 |
| Culture and recreation | 8,037,936 | 8,394,326 | 8,194,387 | 7,367,933 | 7,250,027 |
| Highway and streets | 5,856,197 | 6,778,639 | 7,592,489 | 6,349,422 | 5,300,500 |
| Health | 160,000 | 150,000 | 137,500 | 187,500 | 234,375 |
| Interest and fiscal charges | 940,605 | 931,970 | 923,137 | 1,533,531 | 3,716,653 |
| Total governmental activities expenses | 66,251,032 | 68,543,813 | 70,706,557 | 74,234,357 | 62,019,543 |
| Business-type activities: | | | | | |
| Water | 11,978,551 | 15,975,908 | 16,130,638 | 16,900,021 | 15,001,155 |
| Refuse | 6,364,504 | 6,782,261 | 6,643,796 | 7,102,416 | 6,735,166 |
| Sewer | 2,120,013 | 1,925,498 | 2,066,260 | 2,826,252 | 2,350,934 |
| Total business-type activities expenses | 20,463,068 | 24,683,667 | 24,840,693 | 26,828,689 | 24,087,255 |
| Total primary government expenses | 86,714,100 | 93,227,480 | 95,547,250 | 101,063,046 | 86,106,798 |
| **Program revenues:** | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| General government | 1,290,795 | 1,951,847 | 1,418,515 | 1,430,819 | 2,369,083 |
| Public safety | 4,239,502 | 3,263,720 | 3,123,842 | 2,765,703 | 2,792,022 |
| Community development | 3,364,687 | 2,828,385 | 1,591,515 | 1,894,660 | 2,722,923 |
| Culture and recreation | 1,956,845 | 1,012,436 | 747,940 | 230,570 | 485,573 |
| Highway and Streets | 1,382,500 | 1,341,088 | 1,523,872 | 2,410,818 | 3,661,000 |
| Health | | | | | |
| Operating grants and contributions | 8,281,863 | 12,119,613 | 9,349,191 | 12,199,854 | 14,675,500 |
| Capital grants and contributions | 159,994 | 1,209,222 | 279,624 | - | - |
| Total government activities program revenues | 20,676,186 | 23,726,311 | 18,034,499 | 20,932,424 | 26,706,101 |
| Business-type activities: | | | | | |
| Charges for services: | | | | | |
| Water | 14,213,398 | 15,251,324 | 13,791,440 | 16,087,723 | 14,231,262 |
| Refuse | 6,760,312 | 6,674,188 | 6,722,940 | 6,905,547 | 6,843,084 |
| Sewer | 3,164,108 | 3,546,475 | 3,158,607 | 3,273,154 | 3,252,413 |
| Operating grants and contributions | | | | | |
| Capital grants and contributions | 2,341,781 | 1,362,136 | 149,262 | 93,503 | 880,892 |
| Total business-type activities revenues | 26,479,599 | 26,834,123 | 23,822,249 | 26,359,927 | 25,207,651 |
| Total primary government revenues | $ 47,155,785 | $ 50,560,434 | $ 41,856,748 | $ 47,292,351 | $ 51,913,752 |

Source: City of Monterey Park Management Services Department

**CITY OF MONTEREY PARK**
**CHANGES IN NET POSITON**
**LAST TEN FISCAL YEARS**
**(ACCRUAL BASIS OF ACCOUNTING)**

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | 2012/2013 | 2013/2014 | 2014/2015 | 2015/2016 | 2016/2017 |
| **Net (expense)/revenue:** | | | | | |
| Governmental activities: | $ (40,036,200) | $ (39,124,820) | $ (37,214,231) | $ (29,409,390) | $ (33,393,408) |
| Business-type activities: | 2,465,054 | (1,748,688) | (449,315) | 1,406,494 | 3,145,720 |
| Total primary government revenues | $ (37,571,146) | $ (40,873,508) | $ (37,663,546) | $ (28,002,896) | $ (30,247,688) |
| **General revenues and other** | | | | | |
| **Changes in net position:** | | | | | |
| Governmental activities: | | | | | |
| Taxes: | | | | | |
| Property Taxes | $ 24,066,354 | $ 19,794,165 | $ 22,600,233 | $ 22,235,616 | $ 23,154,960 |
| Sales Taxes | 5,437,244 | 4,942,821 | 5,245,208 | 6,427,211 | 6,517,491 |
| Vehicle In-lieu Taxes | 33,334 | 27,588 | 26,649 | 25,041 | 27,482 |
| Utility User Taxes | 3,041,163 | 3,202,264 | 3,257,450 | 3,212,890 | 3,212,912 |
| Franchise Taxes | 942,736 | 970,212 | 1,028,025 | 992,615 | 938,802 |
| Business License Taxes | 941,005 | 974,816 | 1,340,197 | 1,052,086 | 1,244,295 |
| Transient Occupancy Taxes | 957,024 | 1,049,070 | 1,158,767 | 1,248,578 | 1,261,777 |
| Other Taxes | 2,760,446 | 7,282,605 | 346,203 | 285,845 | 269,734 |
| Revenues from use of money and property | 827,781 | 872,174 | 929,648 | 1,155,649 | 701,151 |
| Other | 499,923 | 731,679 | 1,153,382 | 1,403,883 | 1,030,348 |
| Gain/(Loss) on sale of property | 14,408 | | | | |
| Transfers | | 18,000 | | | |
| Total general revenues and transfers | 39,521,418 | 39,865,394 | 37,085,762 | 38,039,414 | 38,358,952 |
| Extraordinary item | | | | 5,638,626 | |
| Business-type activities: | | | | | |
| Revenues from use of money and property | | | | | 105 |
| Other | 3,230,138 | 1,897,638 | 2,192 | 1,601,079 | 1,238,954 |
| Gain/(Loss) on sale of property | 4,042 | 4,840 | 1,258,626 | | |
| Transfers | | (18,000) | 18,485 | | |
| Total business-type activities | 3,234,180 | 1,884,478 | 1,279,303 | 1,601,079 | 1,239,059 |
| Total primary government | 42,755,598 | 41,749,872 | 38,365,065 | 39,640,493 | 39,598,011 |
| Changes in net position | | | | | |
| Governmental activities | (514,782) | 740,574 | (128,469) | 14,268,650 | 4,965,544 |
| Business-type activities | 5,699,234 | 135,790 | 829,988 | 3,007,573 | 4,384,779 |
| Total primary government | $ 5,184,452 | $ 876,364 | $ 701,519 | $ 17,276,223 | $ 9,350,323 |

Source: City of Monterey Park Management Services Department

**CITY OF MONTEREY PARK**
**CHANGES IN NET POSITON**
**LAST TEN FISCAL YEARS**
**(ACCRUAL BASIS OF ACCOUNTING)**

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | **2017/2018** | **2018/2019** | **2019/2020** | **2020/2021** | **2021/2022** |
| **Net (expense)/revenue:** | | | | | |
| Governmental activities: | $ (45,574,846) | $ (44,817,502) | $ (52,672,058) | $ (53,301,933) | $ (35,313,442) |
| Business-type activities: | 6,016,531 | 2,150,457 | (1,018,444) | (468,762) | 1,120,396 |
| Total primary government revenues | $ (39,558,315) | $ (42,667,046) | $ (53,690,502) | $ (53,770,695) | $ (34,193,046) |
| **General revenues and other** | | | | | |
| **Changes in net position:** | | | | | |
| Governmental activities: | | | | | |
| Taxes: | | | | | |
| Property Taxes | $ 24,306,944 | $ 25,904,561 | $ 27,133,836 | $ 29,942,243 | $ 29,676,242 |
| Sales Taxes | 5,341,854 | 7,156,102 | 6,923,739 | 9,063,297 | 9,294,060 |
| Vehicle In-lieu Taxes | 32,428 | 29,876 | 48,934 | 44,545 | 69,754 |
| Utility User Taxes | 2,964,825 | 3,107,983 | 2,846,105 | 2,931,943 | 3,278,449 |
| Franchise Taxes | 966,346 | 973,084 | 982,837 | 1,011,131 | 1,067,908 |
| Business License Taxes | 1,146,838 | 1,140,840 | 985,158 | 721,601 | 661,415 |
| Transient Occupancy Taxes | 1,163,775 | 1,064,049 | 847,272 | 953,200 | 2,098,921 |
| Other Taxes | 585,106 | 158,828 | 171,413 | 220,485 | 284,927 |
| Revenues from use of money and property | 1,689,011 | 2,413,637 | 2,096,340 | 395,918 | (1,858,601) |
| Other | 1,736,642 | 1,733,652 | 1,565,830 | 1,339,319 | 1,445,282 |
| Gain/(Loss) on sale of property | | | | | |
| Transfers | | | 541,523 | 533,787 | 474,300 |
| Total general revenues and transfers | 39,933,769 | 43,682,612 | 44,142,987 | 47,157,469 | 46,492,657 |
| Extraordinary item | | | | | |
| Business-type activities: | | | | | |
| Revenues from use of money and property | | | 562,859 | 53,395 | 41,256 |
| Other | 1,053,244 | 2,409,810 | 2,260,426 | 1,410 | 4 |
| Gain/(Loss) on sale of property Transfers | | | (541,523) | (533,787) | (474,300) |
| Total business-type activities | 1,053,244 | 2,409,810 | 2,281,762 | (478,982) | (433,040) |
| Total primary government | 40,987,013 | 46,092,422 | 46,424,749 | 46,678,487 | 46,059,617 |
| Changes in net position | | | | | |
| Governmental activities | (5,641,077) | (1,134,890) | (8,529,071) | (6,144,464) | 11,179,215 |
| Business-type activities | 7,069,775 | 4,560,267 | 1,263,318 | (947,744) | 687,356 |
| Total primary government | $ 1,428,698 | $ 3,425,377 | $ (7,265,753) | $ (7,092,208) | $ 11,866,571 |

Source: City of Monterey Park Management Services Department

**CITY OF MONTEREY PARK**
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**
**LAST TEN FISCAL YEARS**
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | **2012/13** | **2013/14** | **2014/15** | **2015/16** | **2016/17** |
| **Revenues:** | | | | | |
| Taxes | $ 41,087,434 | $ 38,059,146 | $ 41,748,001 | $ 41,158,303 | $ 37,078,002 |
| Licenses and permits | 967,662 | 848,949 | 775,135 | 2,428,895 | 2,913,671 |
| Intergovernmental revenues | 4,693,489 | 2,035,035 | 3,072,957 | 3,203,752 | 6,664,547 |
| Charges for services | 4,981,641 | 4,922,983 | 5,521,035 | 6,110,829 | 6,721,667 |
| Revenues from use of money & property | 822,143 | 943,369 | 919,998 | 1,207,629 | 694,820 |
| Fines and forfeitures | 822,779 | 931,718 | 1,043,704 | 1,295,647 | 605,957 |
| Other | 1,374,275 | 767,790 | 1,180,868 | 1,414,172 | 1,074,799 |
| **Total revenues** | 54,749,423 | 48,508,990 | 54,261,698 | 56,819,227 | 55,753,463 |
| **Expenditures** | | | | | |
| Current: | | | | | |
| General government | 4,454,906 | 3,859,127 | 4,609,650 | 5,744,019 | 5,844,104 |
| Public safety | 25,080,613 | 25,647,992 | 27,076,488 | 28,396,653 | 29,258,673 |
| Community development | 7,808,273 | 2,345,099 | 3,015,194 | 2,261,895 | 2,392,374 |
| Culture and recreation | 5,677,937 | 5,587,721 | 6,738,804 | 6,464,589 | 6,634,294 |
| Highways and streets | 4,362,120 | 5,672,512 | 4,938,939 | 5,103,275 | 4,780,221 |
| Health | 119,999 | 120,000 | 488,697 | | 250,000 |
| Capital outlay | 5,928,361 | 2,957,442 | 4,855,050 | 4,594,721 | 3,415,464 |
| Debt service: | | | | | |
| Debt Issuance Costs | - | - | - | - | - |
| Principal | 1,204,215 | 1,229,166 | 1,255,802 | 1,291,263 | 1,370,156 |
| Interest and fiscal charges | 1,270,840 | 1,217,331 | 1,279,276 | 1,058,676 | 995,948 |
| **Total expenditures** | 55,907,264 | 48,636,390 | 54,257,900 | 54,915,091 | 54,941,234 |
| Excess (deficiency) of revenues over (under) expenditures | (1,157,841) | (127,400) | 3,798 | 1,904,136 | 812,229 |
| **Other financing sources (uses):** | | | | | |
| Transfers in | 9,466 | 943,350 | 1,380,000 | 2,327,332 | 2,246,686 |
| Transfers out | (9,466) | (903,905) | (1,380,000) | (2,577,332) | (2,746,686) |
| Capital Lease | | | | | |
| (Loss) on sale of property | - | - | - | - | - |
| Proceeds from sale of property | 14,408 | 16,750 | 562,114 | - | - |
| Proceeds from tax increment deferred | - | - | - | - | - |
| Proceeds from section 108 loan | - | - | - | - | - |
| Issue of long term debt | - | - | 1,576,783 | - | - |
| **Total other financing Sources (uses)** | 14,408 | 56,195 | 2,138,897 | (250,000) | (500,000) |
| **Net change in fund balances before Extraordinary Item** | $ (1,143,433) | $ (71,205) | $ 2,142,695 | $ 1,654,136 | $ 312,229 |
| Extraordinary Items | - | - | - | 5,638,626 | - |
| Net change in fund balances | $ (1,143,433) | $ (71,205) | $ 2,142,695 | $ 7,292,762 | $ 312,229 |
| Debt services as a percentage of noncapital expenditures [2] | 4.95% | 5.36% | 5.13% | 4.67% | 4.59% |

Notes:
(1) Starting 2010-11, Refuse and Sewer funds were classified as Enterprise Fund.
(2) The ratio of total debt service to noncapital expenditures is calculated as total debt service expenditures (principal and interest) / total noncapital expenditures (the difference between total expenditures and capitalized capital outlay expenditures).

Source: City of Monterey Park Management Services Department

**CITY OF MONTEREY PARK**
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**
**LAST TEN FISCAL YEARS**
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | **2017/18** | **2018/19** | **2019/20** | **2020/21** | **2021/22** |
| **Revenues:** | | | | | |
| Taxes | $ 36,662,530 | $ 39,864,511 | $ 40,160,022 | $ 45,232,837 | $ 46,856,891 |
| Licenses and permits | 2,729,412 | 3,038,847 | 1,837,426 | 1,849,831 | 2,153,956 |
| Intergovernmental revenues | 8,945,319 | 11,577,229 | 9,385,537 | 11,430,832 | 13,698,421 |
| Charges for services | 8,417,372 | 7,161,652 | 6,057,607 | 6,458,077 | 9,723,880 |
| Revenues from use of money & property | 1,727,784 | 2,701,145 | 2,329,927 | 518,793 | (1,734,973) |
| Fines and forfeitures | 680,133 | 1,623,039 | 587,059 | 446,741 | 595,615 |
| Other | 1,756,785 | 1,741,046 | 1,566,488 | 1,622,030 | 1,715,830 |
| **Total revenues** | 60,919,335 | 67,707,469 | 61,924,066 | 67,559,141 | 73,009,620 |
| **Expenditures** | | | | | |
| Current: | | | | | |
| General government | 7,146,292 | 6,136,588 | 6,898,124 | 115,631,413 | 8,127,513 |
| Public safety | 30,235,225 | 34,708,110 | 35,762,037 | 37,642,012 | 33,805,028 |
| Community development | 2,497,952 | 2,563,517 | 316,097 | 430,627 | 7,424,848 |
| Culture and recreation | 6,981,663 | 7,383,682 | 7,034,788 | 6,618,326 | 6,260,135 |
| Highways and streets | 4,812,085 | 5,347,037 | 6,627,295 | 5,621,649 | 4,393,758 |
| Health | 160,000 | 150,000 | 137,500 | 187,500 | 234,375 |
| Capital outlay | 4,413,196 | 2,927,407 | 3,111,577 | 9,655,402 | 8,196,125 |
| Debt service: | | | | | |
| Debt Issuance Costs | - | - | - | - | 337,312 |
| Principal | 1,416,257 | 1,079,149 | 1,115,754 | 1,154,028 | 4,415,448 |
| Interest and fiscal charges | 944,666 | 895,018 | 853,417 | 809,641 | 4,195,992 |
| **Total expenditures** | 58,607,336 | 61,190,508 | 61,856,589 | 177,750,598 | 77,390,534 |
| Excess (deficiency) of revenues over (under) expenditures | 2,311,999 | 6,516,961 | 67,477 | (110,191,457) | (4,380,914) |
| **Other financing sources (uses):** | | | | | |
| Transfers in | 2,225,885 | 3,003,264 | 4,319,658 | 4,488,195 | 4,146,091 |
| Transfers out | (2,725,885) | (3,003,264) | (3,706,035) | (4,929,208) | (3,583,991) |
| Capital Lease | - | - | - | 2,682,300 | - |
| (Loss) on sale of property | - | - | - | - | - |
| Proceeds from sale of property | - | - | - | - | - |
| Proceeds from tax increment deferred | - | - | - | - | - |
| Proceeds from section 108 loan | - | - | - | - | - |
| Issue of long term debt | - | - | - | 100,892,026 | 21,026,121 |
| **Total other financing Sources (uses)** | (500,000) | - | 613,623 | 103,133,313 | 21,588,221 |
| **Net change in fund balances before Extraordinary Item** | $ 1,811,999 | $ 6,516,961 | $ 681,100 | $ (7,058,144) | $ 17,207,307 |
| Extraordinary Items | - | - | - | - | - |
| Net change in fund balances | $ 1,811,999 | $ 6,516,961 | $ 681,100 | $ (7,058,144) | $ 17,207,307 |
| Debt services as a percentage of noncapital expenditures [2] | 4.36% | 3.39% | 3.35% | 1.17% | 12.93% |

Notes:
(1) Starting 2010-11, Refuse and Sewer funds were classified as Enterprise Fund.
(2) The ratio of total debt service to noncapital expenditures is calculated as total debt service expenditures (principal and interest) / total noncapital expenditures (the difference between total expenditures and capitalized capital outlay expenditures).

Source: City of Monterey Park Management Services Department

**CITY OF MONTEREY PARK**
**FUND BALANCES OF 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 | $ - | $ - | $ 741,556 | $ 741,556 | $ 816,495 |
| Restricted | - | - | - | 78,799 | - |
| Committed | 7,173,519 | 7,173,519 | 7,173,519 | 10,979,027 | 10,826,927 |
| Assigned | 9,653,901 | 9,321,463 | 10,095,120 | 12,052,503 | 14,414,724 |
| Unassigned | 3,554,425 | 3,554,425 | 3,556,499 | 4,554,426 | 4,144,661 |
| Total general fund | $ 20,381,845 | $ 20,049,407 | $ 21,566,694 | $ 28,406,311 | $ 30,202,807 |
| **All other governmental funds:** | | | | | |
| Nonspendable | $ 1,989,686 | $ 1,989,686 | $ 1,921,015 | $ - | $ - |
| Restricted | 18,684,533 | 17,449,555 | 19,872,630 | 21,597,574 | 21,426,308 |
| Committed | | 1,496,211 | 699,188 | 584,570 | 472,919 |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | (931,973) | (168,139) | (1,369,489) |
| Total all other governmental funds | $ 20,674,219 | $ 20,935,452 | $ 21,560,860 | $ 22,014,005 | $ 20,529,738 |
| **Total for Governmental Funds:** | $ 41,056,064 | $ 40,984,859 | $ 43,127,554 | $ 50,420,316 | $ 50,732,545 |

Source: City of Monterey Park Management Services Department

**CITY OF MONTEREY PARK**
**FUND BALANCES OF GOVERNMENTAL FUNDS**
**LAST TEN FISCAL YEARS**
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | **2017/18** | **2018/19** | **2019/20** | **2020/21** | **2021/22** |
| Nonspendable | $ 74,939 | $ 75,778 | $ 78,802 | $ 72,590 | $ 82,310 |
| Restricted | - | - | - | | |
| Committed | 10,826,927 | 7,226,927 | 7,226,927 | 9,226,927 | 9,726,927 |
| Assigned | 15,064,826 | 20,147,039 | 19,365,589 | 21,418,237 | 19,156,028 |
| Unassigned | 3,994,828 | 5,105,667 | 5,838,129 | 4,419,338 | - |
| | $ 29,961,520 | $ 32,555,411 | $ 32,509,447 | $ 35,137,092 | $ 28,965,265 |
| Nonspendable | $ - | $ - | $ - | $ - | $ 44,212 |
| Restricted | 22,145,598 | 26,088,353 | 26,887,421 | 20,468,071 | 44,259,782 |
| Committed | 437,426 | 417,741 | 418,383 | 367,752 | 276,809 |
| Assigned | - | - | - | - | |
| Unassigned | - | - | (72,645) | (58,728) | (424,574) |
| | $ 22,583,024 | $ 26,506,094 | $ 27,233,159 | $ 20,777,095 | $ 44,156,229 |
| **Total for Governmental Funds:** | $ 52,544,544 | $ 59,061,505 | $ 59,742,606 | $ 55,914,187 | $ 73,121,494 |

Source: City of Monterey Park Management Services Department

**CITY OF MONTEREY PARK**
**Assessed Value of Taxable Property [1]**
**Last Ten Fiscal Years**
**(In Thousands)**

| Fiscal Year | Residential Property | Commercial Property | Industrial Property | Other Property | Tax-Exempt Property[2] | Total Taxable Assessed Value | Total Direct Tax Rate[3] [4] |
|---|---|---|---|---|---|---|---|
| **2012/13** | 4,392,899,226 | 1,016,937,428 | 146,514,412 | 265,303,532 | 33,633,996 | 5,821,654,598 | 0.40086 |
| **2013/14** | 4,589,336,142 | 1,037,976,948 | 156,760,121 | 268,842,451 | 33,537,437 | 6,052,915,662 | 0.24388 |
| **2014/15** | 4,819,968,671 | 1,058,583,010 | 160,416,355 | 276,605,994 | 29,479,877 | 6,315,574,030 | 0.24412 |
| **2015/16** | 5,057,044,107 | 1,093,431,570 | 164,909,195 | 276,512,462 | 29,538,778 | 6,591,897,334 | 0.24437 |
| **2016/17** | 5,307,806,812 | 1,140,647,311 | 173,217,543 | 312,397,210 | 28,011,283 | 6,934,068,876 | 0.24460 |
| **2017/18** | 5,602,078,820 | 1,173,225,228 | 186,112,221 | 308,114,143 | 27,269,372 | 7,269,530,412 | 0.24384 |
| **2018/19** | 5,900,997,427 | 1,246,669,672 | 202,037,631 | 301,345,786 | 27,122,190 | 7,651,050,516 | 0.24490 |
| **2019/20** | 6,154,110,366 | 1,385,210,969 | 214,058,031 | 335,807,643 | 27,122,190 | 8,089,187,009 | 0.24507 |
| **2020/21** | 6,452,593,484 | 1,442,805,214 | 225,355,790 | 362,258,108 | 27,122,190 | 8,483,012,596 | 0.24526 |
| **2021/22** | 6,696,922,280 | 1,485,031,636 | 236,761,070 | 352,907,188 | 27,122,190 | 8,771,622,174 | 0.24540 |

Notes:

(1) In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only re-assessed as a result of new construction activity or at the time that it is sold to a new owner. At that point, the property is reassessed based on the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

(2) Exempt values are not included in total.

(3) Total direct rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

(4) Retirement tax at 0.091170 per $100 of Assessed Valuation.

Sources: 1. County of Los Angeles Department of Auditor-Controller
2. HDL Coren & Cone

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**CITY OF MONTEREY PARK**
**Direct and Overlapping Property Tax Rates**
**Last Ten Fiscal Years**
**(Rate per $100 of taxable value)**

| Agency | Fiscal Year 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|---|---|---|---|---|---|
| **Basic Levy** [1] | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 |
| City Direct Rates: | | | | | |
| Monterey Park - Pension Obligation Bonds | 0.09117 | 0.09117 | 0.09117 | 0.09117 | 0.09117 |
| **Total Direct Rates** | **1.09117** | **1.09117** | **1.09117** | **1.09117** | **1.09117** |
| Overlapping Rates: | | | | | |
| Alhambra Unified School District | 0.06228 | 0.04906 | 0.04985 | 0.04926 | 0.03615 |
| Garvey School District | 0.06037 | 0.05978 | 0.05947 | 0.05874 | 0.06067 |
| Garvey-Alhambra | 0.03327 | 0.04914 | 0.04522 | 0.04538 | 0.05303 |
| Los Angeles Community College District | 0.04875 | 0.04454 | 0.04017 | 0.03575 | 0.03596 |
| Los Angeles Unified School District | 0.17561 | 0.14644 | 0.14688 | 0.12971 | 0.13110 |
| Metropolitan Water District | 0.01800 | 0.01800 | 0.01800 | 0.01800 | 0.02300 |
| Montebello Unified School District | 0.09630 | 0.09457 | 0.08750 | 0.08715 | 0.14705 |
| Monterey Park GO Debt | 0.09117 | 0.09117 | 0.09117 | 0.09117 | 0.09117 |
| **Total Overlapping Rates** | **0.58575** | **0.55270** | **0.53826** | **0.51516** | **0.57813** |
| **Total Direct & Overlapping [2] Tax Rates** | **1.67692** | **1.64387** | **1.62943** | **1.60633** | **1.66930** |
| **City's Share of 1% Levy Per Prop 13 [3]** | 0.15778 | 0.15778 | 0.15778 | 0.15778 | 0.15778 |
| **General Obligation Debt Rate** | 0.09117 | 0.09117 | 0.09117 | 0.09117 | 0.09117 |
| **Redevelopment Rate [4]** | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| **Total Direct Rate [5]** | 0.40086 | 0.24388 | 0.24412 | 0.24437 | 0.24460 |

Notes:

(1) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

(2) Overlapping rates are those of local and county governments that apply to property owners within the city. Not all overlapping rates apply to all City property owners.

(3) City's share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figure.

(4) Redevelopment rate is based on the largest RDA tax rate area and only includes rates(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

(5) Total direct rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information and excludes revenue derived from aircraft. Beginning in 2013/14 the total direct rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resloved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

(6) Because basic and debt rates vary by tax rate area, individual rates cannot be summed.

Source: County of Los Angeles Tax Assessor and HDL Coren & Cone.

**CITY OF MONTEREY PARK**
**Direct and Overlapping Property Tax Rates**
**Last Ten Fiscal Years**
**(Rate per $100 of taxable value)**

| Agency | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
|---|---|---|---|---|---|
| **Basic Levy** [1] | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 |
| City Direct Rates: | | | | | |
| Monterey Park - Pension Obligation Bonds | 0.09117 | 0.09117 | 0.09117 | 0.09117 | 0.09117 |
| **Total Direct Rates** | **1.09117** | **1.09117** | **1.09117** | **1.09117** | **1.09117** |
| Overlapping Rates: | | | | | |
| Alhambra Unified School District | 0.05786 | 0.05404 | 0.04501 | 0.04509 | 0.04405 |
| Garvey School District | 0.08332 | 0.08705 | 0.08623 | 0.08425 | 0.08837 |
| Garvey-Alhambra | 0.09319 | 0.08800 | 0.07055 | 0.07360 | 0.05726 |
| Los Angeles Community College District | 0.04599 | 0.04621 | 0.02717 | 0.04016 | 0.04376 |
| Los Angeles Unified School District | 0.12219 | 0.12323 | 0.12552 | 0.13993 | 0.11323 |
| Metropolitan Water District | 0.03000 | 0.03000 | 0.03000 | 0.03000 | 0.03000 |
| Montebello Unified School District | 0.13514 | 0.13921 | 0.09306 | 0.09706 | 0.09031 |
| Monterey Park GO Debt | 0.09117 | 0.09117 | 0.09117 | 0.09117 | 0.09117 |
| **Total Overlapping Rates** | **0.65886** | **0.65891** | **0.56871** | **0.60126** | **0.55815** |
| **Total Direct & Overlapping [2] Tax Rates** | **1.75003** | **1.75008** | **1.65988** | **1.69243** | **1.64932** |
| **City's Share of 1% Levy Per Prop 13 [3]** | 0.15778 | 0.15778 | 0.15778 | 0.15778 | 0.15778 |
| **General Obligation Debt Rate** | 0.09117 | 0.09117 | 0.09117 | 0.09117 | 0.09117 |
| **Redevelopment Rate [4]** | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| **Total Direct Rate [5]** | 0.24384 | 0.24490 | 0.24507 | 0.24526 | 0.24540 |

Notes:

(1) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter

(2) Overlapping rates are those of local and county governments that apply to property owners within the city. Not all overlapping rates apply to all City property owners.

(3) City's share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figure.

(4) Redevelopment rate is based on the largest RDA tax rate area and only includes rates(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year

(5) Total Direct rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information and excludes revenue derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resloved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

(6) Because basic and debt rates vary by tax rate area, individual rates c

Source: County of Los Angeles Tax Assessor and HDL Coren & Cone.

**CITY OF MONTEREY PARK**
**Principal Property Taxpayers**
**(Current Year and Nine Years Ago)**

| Union Bank<br>Taxpayers | 2021/22<br>Taxable Assessed Valuation | 2021/22<br>Percent of Total City Taxable Assessed Valuation |
|---|---|---|
| Atlantic Times Square LLC | $ 151,453,625 | 1.73% |
| Monterey Park Retail Partners LLC | 123,617,754 | 1.41% |
| Omninet LACC LLC ET AL | 86,848,359 | 0.99% |
| Ethan Capital LLC | 68,995,456 | 0.79% |
| Union Bank | 60,030,983 | 0.68% |
| Garfield Calmed Investment LP | 55,957,539 | 0.64% |
| Atlantic Square LLC | 50,933,459 | 0.58% |
| BRE California Saturn LLC | 40,995,962 | 0.47% |
| Emerald Hills LLC | 36,024,497 | 0.41% |
| Real Estate Investors 1984 1 ET AL | 30,828,274 | 0.35% |
| | $ 705,685,908 | 8.06% |
| Total City Assessed Value | $ 8,771,622,174 | |

Sources: 1. HDL Coren & Cone
2. County of Los Angeles Department of Auditor-Controller

**CITY OF MONTEREY PARK**
**Principal Property Taxpayers**
**(Current Year and Nine Years Ago)**

| Garfield Calmed Investment LP<br>**Taxpayers** | **2012/13**<br>**Taxable Assessed Valuation** | **Percent of Total City Taxable Assessed Valuation** |
|---|---|---|
| Atlantic Times Square II LLC | $ 150,700,710 | 2.59% |
| Los Angeles Corporate Center LLC | 72,976,714 | 1.25% |
| Union Bank | 62,902,370 | 1.08% |
| Garfield Calmed Investment LP | 53,604,100 | 0.92% |
| 1977 Saturn LLC | 46,900,000 | 0.81% |
| GMS Five LLC | 43,892,940 | 0.75% |
| MPM Partners LLC | 25,934,687 | 0.45% |
| Care 1st Health Plan | 25,366,372 | 0.44% |
| Emerald Hills LLC | 24,027,602 | 0.41% |
| Real Estate Investors 1984 1 ET AL | 22,000,000 | 0.38% |
| | $ 528,305,495 | 9.07% |
| Total City Assessed Value | $ 5,821,654,598 | |

Sources: 1. HDL Coren & Cone
2. County of Los Angeles Department of Auditor-Controller

**CITY OF MONTEREY PARK**
**Property Tax Levies and Collections**
**Last Ten Fiscal Years**

| | Original Levy | | | 1% - CY PER BOOK | | | |
|---|---|---|---|---|---|---|---|
| | Taxes Levied for the Fiscal Year | | | Collected within the Fiscal Year of Levy | | | |
| Fiscal Year | 1% | D.S. | Amount | 1% | D.S. | Amount | Percentage of Levy |
| **2012/13** | 7,286,613 | 5,305,437 | 12,592,050 [2] | 6,986,871 | 4,290,564 | 11,277,435 | 89.56% |
| **2013/14** | 7,634,155 | 4,523,042 | 12,157,197 | 7,425,568 | 4,437,271 | 11,862,839 | 97.58% |
| **2014/15** | 8,065,770 | 4,540,488 | 12,606,259 | 7,796,253 | 4,443,105 | 12,239,358 | 97.09% |
| **2015/16** | 8,455,052 | 4,956,680 | 13,411,732 | 8,163,466 | 4,837,739 | 13,001,205 | 96.94% |
| **2016/17** | 8,824,332 | 5,182,017 | 14,006,349 | 8,497,606 | 5,046,043 | 13,543,649 | 96.70% |
| **2017/18** | 9,279,439 | 5,447,199 | 14,726,639 | 8,918,736 | 5,290,647 | 14,209,382 | 96.49% |
| **2018/19** | 9,729,981 | 5,745,652 | 15,475,634 | 9,348,499 | 5,629,544 | 14,978,043 | 96.78% |
| **2019/20** | 10,218,301 | 5,990,008 | 16,208,309 | 9,742,395 | 5,844,063 | 15,586,458 | 96.16% |
| **2020/21** | 10,722,859 | 6,244,037 | 16,966,896 | 10,230,502 | 6,088,919 | 16,319,421 | 96.18% |
| **2021/22** | 10,954,338 | 6,470,729 | 17,425,067 | 10,109,659 | 6,194,802 | 16,304,462 | 93.57% |

Note: The amounts presented are the City's property tax including secured and unsecured, but excluding interest and penalties.

(1) This percentage may exceed 100% due to information provided by Tax Assessor may not clearly identify the year collected.

(2) Amount included pension override voter approved portion generated from the former redevelopment project areas.

Source: City of Monterey Park Management Services Department
County of Los Angeles Tax Assessor

**CITY OF MONTEREY PARK**
**Property Tax Levies and Collections**
**Last Ten Fiscal Years**

| | 1% - PY PER BOOK | | | | | | |
|---|---|---|---|---|---|---|---|
| | Collections in Subsequent Years | | | Total Collections to Date | | | |
| Fiscal Year | 1% | D.S. | Amount | 1% | D.S. | Amount | Percentage of Levy [1] |
| **2012/13** | 196,955 | 50,990 | 247,945 | 7,183,826 | 4,341,554 | 11,525,380 | 92% |
| **2013/14** | 273,471 | 95,500 | 368,971 | 7,699,039 | 4,532,770 | 12,231,809 | 101% |
| **2014/15** | 143,686 | 77,728 | 221,414 | 7,939,938 | 4,520,833 | 12,460,772 | 99% |
| **2015/16** | 196,898 | 120,616 | 317,514 | 8,360,364 | 4,958,355 | 13,318,719 | 99% |
| **2016/17** | 265,175 | 110,404 | 375,579 | 8,762,781 | 5,156,448 | 13,919,228 | 99% |
| **2017/18** | 109,223 | 150,134 | 259,357 | 9,027,959 | 5,440,781 | 14,468,740 | 98% |
| **2018/19** | 196,298 | 130,331 | 326,629 | 9,544,797 | 5,759,875 | 15,304,672 | 99% |
| **2019/20** | 456,762 | 107,931 | 564,692 | 10,199,157 | 5,951,993 | 16,151,150 | 100% |
| **2020/21** | 285,221 | 126,640 | 411,860 | 10,515,722 | 6,215,559 | 16,731,281 | 99% |
| **2021/22** | 357,825 | 139,127 | 496,952 | 10,467,484 | 6,333,929 | 16,801,414 | 96% |

Note: The amounts presented are the City's property tax including secured and unsecured, but excluding interest and penalties.

(1) This percentage may exceed 100% due to information provided by Tax Assessor may not clearly identify the year collected.

(2) Amount included pension override voter approved portion generated from the former redevelopment project areas.

Source: City of Monterey Park Management Services Department
County of Los Angeles Tax Assessor

**CITY OF MONTEREY PARK**
**Ratios of Outstanding Debt by Type**
**Last Ten Fiscal Years**
**(In Thousands)**

| | Governmental Activities | | | | | |
|---|---|---|---|---|---|---|
| **Fiscal Year** | **Pension Obligation Bonds** | **Street Bonds** | **HUD Section 108 Loans** | **Library Special Tax Revenue Note** | **Capital Lease Obligation** | **Total Governmental Activities** |
| **2012/13** | 15,365 | | 4,189 | 1,729 | 1,106 | 22,389 |
| **2013/14** | 14,890 | | 3,873 | 1,409 | 988 | 21,160 |
| **2014/15** | 14,425 | | 3,538 | 1,077 | 2,442 | 21,482 |
| **2015/16** | 13,970 | | 3,182 | 731 | 2,307 | 20,190 |
| **2016/17** | 13,520 | | 2,804 | 373 | 2,123 | 18,820 |
| **2017/18** | 13,075 | | 2,403 | - | 1,926 | 17,404 |
| **2018/19** | 12,635 | | 1,977 | - | 4,162 | 18,774 |
| **2019/20** | 12,200 | | 1,526 | - | 3,587 | 17,313 |
| **2020/21** | 112,662 | | 1,047 | - | 5,669 | 119,378 |
| **2021/22** | 109,518 | 17,585 | 539 | - | 4,969 | 132,611 |

Notes:

(1) Percentage of Personal Income was based on data from Los Angeles County State of California Employment Department.

(2) Debt per capita data was based on the number of population within the City of Monterey Park.

Source: City of Monterey Park Management Services Department

**CITY OF MONTEREY PARK**
**Ratios of Outstanding Debt by Type**
**Last Ten Fiscal Years**
**(In Thousands)**

| Fiscal Year | Business-Type Activity: Capital Lease Obligation | Pension Obligation Bonds | Total Primary Government | [1] Percentage of Personal Income | Population | [2] Debt Per Capita |
|---|---|---|---|---|---|---|
| **2012/13** | 4,966 | | 27,355 | 0.01% | 61,445 | 445 |
| **2013/14** | 4,392 | | 25,552 | 0.01% | 61,777 | 414 |
| **2014/15** | 12,747 | | 34,229 | 0.01% | 61,805 | 554 |
| **2015/16** | 12,127 | | 32,317 | 0.01% | 61,346 | 527 |
| **2016/17** | 10,567 | | 29,387 | 0.00% | 61,606 | 477 |
| **2017/18** | 9,809 | | 27,213 | 1.08% [3] | 62,240 | 437 |
| **2018/19** | 9,167 | | 27,941 | 1.10% | 61,828 | 452 |
| **2019/20** | 8,466 | | 25,779 | 0.92% | 60,734 | 424 |
| **2020/21** | 7,915 | 5,443 | 132,736 | 4.42% | 60,380 | 2,198 |
| **2021/22** | 7,310 | 5,032 | 144,953 | N/A | 60,207 | 2,408 |

Notes:

(1) Percentage of Personal Income was based on data from Los Angeles County State of California Employment Department.

(2) Debt per capita data was based on the number of population within the City of Monterey Park.

(3) Start from FY17/18, personal income data for California

Source: City of Monterey Park Management Services Department

**CITY OF MONTEREY PARK**
**Ratio of General Bonded Debt Outstanding**
**Last Ten Fiscal Years**
**(In Thousands, except Per Capita)**

| Fiscal Year | Pension Obligation Bonds [1] | Actual Taxable Value of Property | Percent of Actual Taxable Value of Property [2] | Population | Net Bonded Debt Per Capita |
|---|---|---|---|---|---|
| **2012/13** | 15,365 | 5,821,655 | 0.26% | 61,445 | 250 |
| **2013/14** | 14,890 | 6,052,916 | 0.25% | 61,777 | 241 |
| **2014/15** | 14,425 | 6,315,574 | 0.23% | 61,805 | 233 |
| **2015/16** | 13,970 | 6,591,897 | 0.21% | 61,346 | 228 |
| **2016/17** | 13,520 | 6,934,069 | 0.19% | 61,606 | 219 |
| **2017/18** | 13,075 | 7,269,530 | 0.18% | 62,240 | 210 |
| **2018/19** | 12,635 | 7,651,050 | 0.17% | 61,828 | 204 |
| **2019/20** | 12,200 | 8,089,187 | 0.15% | 60,734 | 201 |
| **2020/21** | 118,105 | 8,483,013 | 1.39% | 60,380 | 1,956 |
| **2021/22** | 114,550 | 8,771,622 | 1.31% | 60,207 | 1,903 |

Note:

(1) The City has Pension Obligation bonds and does not have any other General Obligation Bonds.

(2) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

Source: City of Monterey Park Management Services Department

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**CITY OF MONTEREY PARK**
**Direct and Overlapping Debt**
**As of June 30, 2022**

| | Gross Bonded Debt Balance | Percent Applicable To City | Net Bonded Debt |
|---|---|---|---|
| **Overlapping Debt** | | | |
| METROPOLITAN WATER DISTRICT | 9,835,780 | 0.030 | 2,997 |
| GARVEY SD DS 2000 SERIES B | 4,745,300 | 29.509 | 1,400,297 |
| GARVEY SD DS 2004 SERIES 2006 | 6,377,081 | 29.509 | 1,881,821 |
| GARVEY SD DS 2004 SERIES C | 8,030,320 | 29.509 | 2,369,677 |
| GARVEY SD DS 2011 REFUND BONDS | 1,840,000 | 29.509 | 542,968 |
| GARVEY SD DS 2014 REF BONDS | 1,370,000 | 29.509 | 404,275 |
| GARVEY SD DS 2016 SERIES A | 8,700,000 | 29.509 | 2,567,294 |
| GARVEY SD DS 2016 SERIES B | 9,015,000 | 29.509 | 2,660,248 |
| GARVEY SD DS 2016 SERIES C | 8,740,000 | 29.509 | 2,579,098 |
| LA CCD DS 2003 TAXABLE SERIES 2004B | 2,115,000 | 0.877 | 18,545 |
| LA CCD DS 2001 TAXABLE SERIES 2004A | 31,555,000 | 0.877 | 276,681 |
| LA CCD DS 2008, 2009 TAXABLE SER B | 75,000,000 | 0.877 | 657,617 |
| LA CCD DS 2008, 2010 TAX SERIES D | 125,000,000 | 0.877 | 1,096,029 |
| LA CCD DS 2008, 2010 TAX SER E (BABS) | 900,000,000 | 0.877 | 7,891,405 |
| LA CCD DS 2013 | 13,000,000 | 0.877 | 113,987 |
| LA CCD DS 2013 REF BONDS | 8,380,000 | 0.877 | 73,478 |
| LA CCD DS 2008 SERIES G | 30,765,000 | 0.877 | 269,755 |
| LA CCD DS 2015 REF SERIES A | 144,260,000 | 0.877 | 1,264,905 |
| LA CCD DS 2015 REF SERIES B | 14,965,000 | 0.877 | 131,217 |
| LA CCD DS 2015 REF SERIES C | 178,565,000 | 0.877 | 1,565,699 |
| LA CCD DS 2008 SERIES I | 184,220,000 | 0.877 | 1,615,283 |
| LA CCD DS 2008 SERIES J | 173,020,000 | 0.877 | 1,517,079 |
| LA CCD DS 2016 REF BONDS | 239,880,000 | 0.877 | 2,103,323 |
| LA CCD DS 2020 REF BONDS | 1,750,350,000 | 0.877 | 15,347,468 |
| LA CCD DS 2016 SERIES C | 275,440,000 | 0.877 | 2,415,121 |
| LOS ANGELES UNIF DS 2002 SERIES E (BABS) | 200,000,000 | 0.033 | 66,222 |
| LOS ANGELES UNIF DS 2005 SERIES H | 207,560,000 | 0.033 | 68,725 |
| LOS ANGELES UNIF MEASURE R SERIES KRY BABS | 363,005,000 | 0.033 | 120,195 |
| LOS ANGELES UNIF MEASURE Y 2009 SERIES KRY BABS | 806,795,000 | 0.033 | 267,138 |
| LOS ANGELES UNIF MEASURE R 2010 SERIES RY BABS | 477,630,000 | 0.033 | 158,148 |
| LOS ANGELES UNIF MEASURE Y 2010 SERIES RY BABS | 772,955,000 | 0.033 | 255,934 |
| LOS ANGELES UNIF DS 2005 2010 SERIES J-1 QSCBS | 115,480,000 | 0.033 | 38,237 |
| LOS ANGELES UNIF DS 2005 2010 SERIES J-2 QSCBS | 60,710,000 | 0.033 | 20,102 |
| LOS ANGELES UNIF DS 2012 REFUNDING BOND SERIES A | 27,435,000 | 0.033 | 9,084 |
| LOS ANGELES UNIF DS 2014 REF BOND SERIES A | 17,090,000 | 0.033 | 5,659 |
| LOS ANGELES UNIF DS 2014 REF BOND SERIES B | 20,480,000 | 0.033 | 6,781 |
| LOS ANGELES UNIF DS 2014 REF BOND SERIES C | 100,155,000 | 0.033 | 33,162 |
| LOS ANGELES UNIF DS 2014 REF BOND SERIES D | 713,850,000 | 0.033 | 236,363 |
| **Sub-Total Overlapping Debt** | | | **$ 52,052,017** |

2021/22 Assessed Valuation: $6,966,990,847 After Deducting $1,804,631,327 Incremental Value.

| Debt to Assessed Valuation Ratios: | | |
|---|---|---|
| | Direct Debt | 0.00% |
| | Overlapping debt | 1.63% |
| | Total debt | 1.63% |

Notes:

(1) This fund is a portion of a larger agency, and is responsible for debt in areas outside the city.

(2) This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation, unless provided by the city.

(3) Overlapping governments are those that coincide, al least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Source: HDL Coren & Cone

**CITY OF MONTEREY PARK**
**Direct and Overlapping Debt**
**As of June 30, 2022**

| | Gross Bonded Debt Balance | Percent Applicable To City | Net Bonded Debt |
|---|---|---|---|
| **Overlapping Debt (Continued)** | | | |
| LOS ANGELES UNIF DS 2015 REF BONDS SERIES A | 95,430,000 | 0.033 | 31,598 |
| LOS ANGELES UNIF DS 2008 SERIES A 2016 | 164,550,000 | 0.033 | 54,484 |
| LOS ANGELES UNIF DS 2016 REF BONDS SERIES A | 359,570,000 | 0.033 | 119,057 |
| LOS ANGELES UNIF DS 2016 REF BONDS SERIES B | 238,230,000 | 0.033 | 78,880 |
| LOS ANGELES UNIF DS 2017 REF BONDS SER A PROP BB | 498,240,000 | 0.033 | 164,973 |
| LOS ANGELES UNIF DS 2017 REF BONDS SER A MEAS K | 109,935,000 | 0.033 | 36,401 |
| LOS ANGELES UNIF DS 2005 SERIES M 1 2018 | 921,240,000 | 0.033 | 305,032 |
| LOS ANGELES UNIF DS 2008 SERIES B 1 2018 | 108,220,000 | 0.033 | 35,833 |
| LOS ANGELES UNIF DS 2019 REF 2002 SER D MEAS K | 1,007,820,000 | 0.033 | 333,700 |
| LOS ANGELES UNIF DS 2019 REF 2004 SER I MEAS R | 135,105,000 | 0.033 | 44,735 |
| LOS ANGELES UNIF DS 2019 REF 2005 SER F MEAS Y | 299,825,000 | 0.033 | 99,275 |
| LOS ANGELES UNIF MEASURE R 2020 SERIES RYQ | 81,115,000 | 0.033 | 26,858 |
| LOS ANGELES UNIF MEASURE Y 2020 SERIES RYQ | 29,955,000 | 0.033 | 9,918 |
| LOS ANGELES UNIF MEASURE Q 2020 SERIES RYQ | 151,450,000 | 0.033 | 50,147 |
| LOS ANGELES UNIF DS MEASURE Q SER C 2020 | 603,245,000 | 0.033 | 199,741 |
| LOS ANGELES UNIF 2020 REF A MEAS K | 108,865,000 | 0.033 | 36,046 |
| LOS ANGELES UNIF 2020 REF A MEAS R | 108,375,000 | 0.033 | 35,884 |
| LOS ANGELES UNIF 2020 REF A MEAS Y | 74,215,000 | 0.033 | 24,573 |
| LOS ANGELES UNIF 2021 REF A PROP BB | 893,005,000 | 0.033 | 295,683 |
| LOS ANGELES UNIF 2021 REF A MEAS Q | 673,280,000 | 0.033 | 222,930 |
| MONTEBELLO USD DS 1998 SERIES 1998 | 1,352,514 | 9.145 | 123,681 |
| MONTEBELLO USD DS 1998 SERIES 1999 | 1,659,946 | 9.145 | 151,795 |
| MONTEBELLO USD DS 1998 SERIES 2001 | 2,156,550 | 9.145 | 197,207 |
| MONTEBELLO USD DS 1998 SERIES 2004 | 4,509,982 | 9.145 | 412,417 |
| MONTEBELLO USD DS 1998 SERIES 2002 | 3,683,332 | 9.145 | 336,824 |
| MONTEBELLO USD DS REF 2004 SERIES 2013A | 13,815,000 | 9.145 | 1,263,319 |
| MONTEBELLO USD DS REF BOND SERIES 2015 | 25,065,000 | 9.145 | 2,292,080 |
| MONTEBELLO USD DS REF BONDS 2016 SERIES A | 12,200,000 | 9.145 | 1,115,634 |
| MONTEBELLO USD DS 2016 SERIES A | 91,520,000 | 9.145 | 8,369,087 |
| ALHAMBRA USD DS 1999 SERIES A | 4,809,938 | 32.888 | 1,581,879 |
| ALHAMBRA USD DS 2005 REF BONDS | 4,565,000 | 32.888 | 1,501,325 |
| ALHAMBRA USD DS 2008 SERIES B-1 QSCB | 10,324,708 | 32.888 | 3,395,562 |
| ALHAMBRA USD-GARVEY DS 2012 REF SERIES A | 49,119,695 | 32.888 | 16,154,353 |
| ALHAMBRA USD DS 2012 REF SERIES B | 3,380,000 | 32.888 | 1,111,605 |
| ALHAMBRA USD-GARVEY DS 2016 REF SERIES A | 9,290,000 | 32.888 | 3,055,270 |
| ALHAMBRA USD DS 2016 REF BOND SERIES B | 20,025,000 | 32.888 | 6,585,768 |
| ALHAMBRA USD DS 2016 SERIES A | 21,230,000 | 32.888 | 6,982,065 |
| ALHAMBRA USD-GARVEY DS 2016 SERIES A | 13,615,000 | 32.888 | 4,477,664 |
| **Sub-Total Overlapping Debt** | | | **$ 61,313,283** |
| **Total Overlapping Debt** | | | **$ 113,365,300** |
| Direct Debt: | | | |
| Pension Obligation Bonds | 109,517,995 | 100% | 109,517,995 |
| HUD Section 108 Loan | 539,000 | 100% | 539,000 |
| Capital Lease Obligation | 12,279,243 | 100% | 12,279,243 |
| **Total Direct Debt** | | | **$ 122,336,238** |
| **Total Direct and Overlapping Debt** | | | **$ 235,701,538** |

Source: HDL Coren & Cone

**CITY OF MONTEREY PARK**
**Legal Debt Margin Information**
**Last Ten Fiscal Years**
**(In Thousands)**

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | **2012/13** | **2013/14** | **2014/15** | **2015/16** | **2016/17** |
| Assessed valuation | 5,821,655 | 6,052,916 | 6,315,574 | 6,591,897 | 6,934,068 |
| Debt limit percentage | 15% | 15% | 15% | 15% | 15% |
| Debt limit | 873,248 | 907,937 | 947,336 | 988,785 | 1,040,110 |
| Total net debt applicable to limit: | | | | | |
| Pension obligation bonds | 15,365 | 14,890 | 14,425 | 13,970 | 13,520 |
| Legal debt margin | $ 857,883 | $ 893,047 | $ 932,911 | $ 974,815 | $ 1,026,590 |
| Total debt applicable to the limit as a percentage of debt limit | 1.76% | 1.64% | 1.52% | 1.41% | 1.30% |

Note: In accordance with California Government Code Section 43605, exceed 15 percent of total assessed valuation.

Sources: 1. City of Monterey Park Management Services Department
2. County of Los Angeles Department of Auditor-Controller

**CITY OF MONTEREY PARK**
**Legal Debt Margin Information**
**Last Ten Fiscal Years**
**(In Thousands)**

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | **2017/18** | **2018/19** | **2019/20** | **2020/21** | **2021/22** |
| Assessed valuation | 7,269,530 | 7,651,050 | 8,089,187 | 8,483,013 | 8,771,622 |
| Debt limit percentage | 15% | 15% | 15% | 15% | 15% |
| Debt limit | 1,090,430 | 1,147,657 | 1,213,378 | 1,272,452 | 1,315,743 |
| Total net debt applicable to limit: | | | | | |
| Pension obligation bonds | 13,075 | 12,635 | 12,200 | 118,105 | 114,550 |
| Legal debt margin | $ 1,077,355 | $ 1,135,022 | $ 1,201,178 | $ 1,154,347 | $ 1,201,193 |
| Total debt applicable to the limit as a percentage of debt limit | 1.20% | 1.10% | 1.01% | 9.28% | 8.71% |

Note: In accordance with California Government Code Section 43605, exceed 15 percent of total assessed valuation.

Sources: 1. City of Monterey Park Management Services Department
2. County of Los Angeles Department of Auditor-Controller

**CITY OF MONTEREY PARK**
**Demographic and Economic Statistics**
**Last Ten Fiscal Years**

| Fiscal Year | Population | Personal Income | Per Capita Personal Income | Unemployment Rate |
|---|---|---|---|---|
| **2012/13** | 61,445 | 466,098,988 | 46,530 | 7.0% |
| **2013/14** | 61,777 | 499,767,889 | 49,400 | 6.5% |
| **2014/15** | 61,805 | 544,324,900 | 53,521 | 5.2% |
| **2015/16** | 61,346 | 563,907,868 | 55,624 | 5.2% |
| **2016/17** | 61,606 | 593,741,110 | 58,419 | 4.5% |
| **2017/18** [1] | 62,240 | 2,514,503 | 63,720 | 3.9% |
| **2018/19** | 61,828 | 2,544,235 | 64,513 | 4.1% |
| **2019/20** | 60,734 | 2,790,524 | 70,647 | 9.6% |
| **2020/21** | 60,380 | 3,006,184 | 76,614 | 13.3% |
| **2021/22** | 60,207 | N/A | N/A | 5.4% |

Note: (1) Start from FY17/18, personal income and Per capita personal income are the data shown for California from Bureau of Economic Analysis.

Sources:
1. Bureau of Economic Analysis
2. State of California Employment Development Department
3. State of California, Department of Finance

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**CITY OF MONTEREY PARK**
**Principal Employers**
**(Current Year and Nine Years Ago)**

| Employers | 2021/22 Number of Employees | 2021/22 Percentage of Total Employment [1] |
|---|---|---|
| GARFIELD MEDICAL CENTER | 1,063 | 0.023% |
| SOUTHERN CALIFORNIA GAS COMPANY | 430 | 0.009% |
| COSTCO WHOLESALE #1318 | 425 | 0.009% |
| MONTEREY PARK HOSPITAL | 334 | 0.007% |
| HOME DEPOT #2304 | 251 | 0.006% |
| RALPHS GROCERY CO (2 LOCATIONS) | 199 | 0.004% |
| REMITCO L L C | 170 | 0.004% |
| CARMICHAEL INTERNATIONAL SERVICE | 141 | 0.003% |
| BEHAVIOR RESPITE IN ACTION INC | 121 | 0.003% |
| CAMINO REAL CHEVROLET | 112 | 0.002% |
| MONTEREY PARK CONVALESCENT HOSPITAL INC | 110 | 0.002% |
| HERITAGE MANOR HEALTHCARE | 110 | 0.002% |
| LA COLONIAL TORTILLA PRODUCTS INC | 86 | 0.002% |
| GREAT WALL SUPERMARKET | 78 | 0.002% |
| 99 RANCH MARKET | 64 | 0.001% |

Note:
(1) Percentage of total employment is calculated based on Los Angeles County's total employment annual force of 4,548,900 in 2021 and 4,365,700 in 2012.

Sources: 1. City of Monterey Park Management Services Department
2. State of California Employment Development Department

**CITY OF MONTEREY PARK**
**Principal Employers**
**(Current Year and Nine Years Ago)**

| Employers | 2012/13 Number of Employees | 2012/13 Percentage of Total Employment [1] |
|---|---|---|
| GARFIELD MEDICAL CENTER | 984 | 0.023% |
| CITY OF MONTEREY PARK | 393 | 0.009% |
| MONTEREY PARK HOSPITAL | 362 | 0.008% |
| SOUTHERN CALIFORNIA GAS COMPANY | 419 | 0.010% |
| SYNERMED INC | 315 | 0.007% |
| CARE 1ST HEALTH PLAN (2 LOCATIONS) | 303 | 0.007% |
| RALPH'S GROCERY CO (2 LOCATIONS) | 165 | 0.004% |
| REMITCO L L C | 181 | 0.004% |
| CHINESE DAILY NEWS | 142 | 0.003% |
| SOUTHERN CALIFORNIA EDISION CO. | 143 | 0.003% |
| CAMINO REAL CHEVROLET | 100 | 0.002% |
| 24 HOURS FITNESS | 134 | 0.003% |
| MONTEREY PARK CONVALESCENT | 92 | 0.002% |
| HERITAGE MANOR HEALTHCARE | 90 | 0.002% |
| 99 RANCH MARKET | 74 | 0.002% |

Note:
(1) Percentage of total employment is calculated based on Los Angeles County's total employment annual force of 4,548,900 in 2021 and 4,365,700 in 2012.

Sources: 1. City of Monterey Park Management Services Department
2. State of California Employment Development Department

**CITY OF MONTEREY PARK**
**City Employees by Function**
**Last Ten Fiscal Years**

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Function** | **12-13** | **13-14** | **14-15** | **15-16** | **16-17** | **17-18** | **18-19** | **19-20** | **20-21** | **21-22** |
| General Government | 32 | 32 | 31 | 32 | 33 | 33 | 35 | 38 | 45 | 52 |
| Public Safety | | | | | | | | | | |
| Police | 114 | 114 | 114 | 116 | 119 | 119 | 122 | 122 | 110 | 113 |
| Fire | 58 | 58 | 58 | 58 | 59 | 61 | 61 | 66 | 62 | 63 |
| Public Works | 70 | 70 | 71 | 71 | 71 | 71 | 71 | 80 | 63 | 64 |
| Culture and Recreation | | | | | | | | | | |
| Library | 25 | 25 | 26 | 26 | 26 | 26 | 26 | 25 | 18 | 18 |
| Recreation/Community Services | 36 | 36 | 37 | 37 | 37 | 37 | 37 | 36 | 15 | 15 |
| Community/Economic Development [1] | 13 | 13 | 14 | 14 | 15 | 17 | 17 | 0 | 0 | 0 |
| **Total** | **348** | **347** | **350** | **352** | **359** | **364** | **368** | **367** | **313** | **325** |

Note: Numbers represent Full-Time-Equivalent positions.

(1) Starting from FY2019-20, personnel and functions from Community/Economic Development are distributed to Fire and Public Works departments. In FY2019-20, code Enforcement Division is under the supervision of Fire Deparetment and Planning and Building Divisions are under the supervision of Public Works Department.

Source: City of Monterey Park Annual Budget

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**CITY OF MONTEREY PARK**
**Operating Indicators by Function**
**Last Ten Fiscal Years**

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | **2012/13** | **2013/14** | **2014/15** | **2015/16** | **2016/17** |
| **Police:** | | | | | |
| Number of service calls | 51,130 | 51,735 | 54,568 | 54,183 | 53,646 |
| Response time priority I (emergency) (minutes/seconds) | 3:55 | 4:28 | 3:56 | 4:49 | 4:46 |
| **Fire:** | | | | | |
| Number of emergency calls | 4,565 | 4,538 | 4,605 | 4,985 | 5,047 |
| Inspections | 2,385 | 2,955 | 2,424 | 5,139 | 3,523 |
| **Public works:** | | | | | |
| Street resurfacing (miles) | 14.68 | 0.48 | 0.16 | 2.12 | 2.71 |
| **Parks and recreation:** | | | | | |
| Hours of recreation classes | 540 | 640 | 640 | 650 | 600 |
| Number of facility rentals / Number of hours of facility rentals [1] | 145 | 167 | 165 | 175 | 1,197 |
| **Water:** | | | | | |
| Meters changed and upgrades [2] | 739 | 329 | 10,994 | 98 | 112 |
| Water turn-ons and turn-offs | 2,856 | 2,412 | 2,412 | 2,682 | 2,440 |
| Average daily consumption (thousand of gallons) | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 |

Note:
(1) Start FY 2016/17, number of hours of facility rentals are being used.
(2) Start FY 2017/18, total meters installed to field-testable and/or field-repairable standards was being omitted.

Sources: 1. City of Monterey Park Annual Budget
2. City of Monterey Park Management Services Department
3. City of Monterey Park Engineering Division

**CITY OF MONTEREY PARK**
**Operating Indicators by Function**
**Last Ten Fiscal Years**

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | **2017/18** | **2018/19** | **2019/20** | **2020/21** | **2021/22** |
| **Police:** | | | | | |
| Number of service calls | 54,696 | 53,534 | 50,153 | 49,154 | 46,977 |
| Response time priority I (emergency) (minutes/seconds) | 4:22 | 4:02 | 3:59 | 3:32 | 3:27 |
| **Fire:** | | | | | |
| Number of emergency calls | 5,121 | 4,355 | 4,251 | 4,979 | 5,266 |
| Inspections | 3,523 | 2,922 | 3,200 | 2,356 | 1,776 |
| **Public works:** | | | | | |
| Street resurfacing (miles) | 2.80 | 0 | 2.79 | 0 | 9.39 |
| **Parks and recreation:** | | | | | |
| Hours of recreation classes | 922 | 960 | 640 | 350 | 1,150 |
| Number of facility rentals / Number of hours of facility rentals [1] | 1,230 | 2,816 | 640 | 0 | 121 |
| **Water:** | | | | | |
| Meters changed and upgrades [2] | 8 | 5 | 7 | 2 | 5 |
| Water turn-ons and turn-offs | 2,440 | 2,080 | 3,471 | 1,078 | 2,000 |
| Average daily consumption (thousand of gallons) | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 |

Note:
(1) Start FY 2016/17, number of hours of facility rentals are being used.
(2) Start FY 2017/18, total meters installed to field-testable and/or field-repairable standards was being omitted.

Sources: 1. City of Monterey Park Annual Budget
2. City of Monterey Park Management Services Department
3. City of Monterey Park Engineering Division

**CITY OF MONTEREY PARK**
**Capital Assets Statistics by Function**
**Last Ten Fiscal Years**

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | **2012/13** | **2013/14** | **2014/15** | **2015/16** | **2016/17** |
| **Police:** | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 |
| **Fire:** | | | | | |
| Fire stations | 3 | 3 | 3 | 3 | 3 |
| **Public works:** | | | | | |
| Streets (miles) | 119 | 119 | 119 | 119 | 119 |
| Streetlights | 3,359 | 3,359 | 3,359 | 3,359 | 3,359 |
| Traffic signals | 75 | 75 | 75 | 75 | 75 |
| **Parks and recreation:** | | | | | |
| Parks | 14 | 14 | 14 | 14 | 14 |
| Community centers | | | | | |
| **Water:** | | | | | |
| Water mains (miles) | 134 | 134 | 134 | 134 | 134 |
| Maximum Actual Daily Pumped (thousands of gallons) | 12,810 | 11,510 | 9,680 | 7,200 | 6,800 |
| **Wastewater:** | | | | | |
| Sanitary sewers (miles) | 126 | 126 | 126 | 126 | 126 |
| Storm sewers (miles) | 12.43 | 12.43 | 12.43 | 12.43 | 12.43 |

Sources: 1. City of Monterey Park Annual Budget
2. City of Monterey Park Water Division

**CITY OF MONTEREY PARK**
**Capital Assets Statistics by Function**
**Last Ten Fiscal Years**

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | **2017/18** | **2018/19** | **2019/20** | **2020/21** | **2021/22** |
| **Police:** | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 |
| **Fire:** | | | | | |
| Fire stations | 3 | 3 | 3 | 3 | 3 |
| **Public works:** | | | | | |
| Streets (miles) | 119 | 119 | 119 | 119 | 119 |
| Streetlights | 3,359 | 3,359 | 3,359 | 3359 | 3359 |
| Traffic signals | 75 | 75 | 75 | 75 | 75 |
| **Parks and recreation:** | | | | | |
| Parks | 14 | 14 | 14 | 14 | 14 |
| Community centers | | | | | |
| **Water:** | | | | | |
| Water mains (miles) | 134 | 134 | 134 | 134 | 134 |
| Maximum Actual Daily Pumped (thousands of gallons) | 7,000 | 6,700 | 6,700 | 6,800 | 6,300 |
| **Wastewater:** | | | | | |
| Sanitary sewers (miles) | 126 | 126 | 126 | 126 | 126 |
| Storm sewers (miles) | 12.43 | 12.43 | 12.43 | 12.43 | 12.43 |

Sources: 1. City of Monterey Park Annual Budget
2. City of Monterey Park Water Division

**CITY OF MONTEREY PARK**
**Water Sold by Type of Customer**
**Last Ten Fiscal Years**
**(in millions of gallons)**

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | **2012/13** | **2013/14** | **2014/15** | **2015/16** | **2016/17** |
| Type of Customers: | | | | | |
| Residential | 2,825.1 | 1,956.0 | 1,965.9 | 1,564.2 | 1,555.6 |
| Commercial | 893.6 | 671.8 | 709.0 | 594.0 | 618.0 |
| Institutional | 163.0 | 11.1 | - | 4.4 | 6.0 |
| Government | 88.0 | 13.6 | 10.6 | 37.3 | 45.7 |
| Total | 3,969.7 | 2,652.5 | 2,685.5 | 2,199.9 | 2,225.3 |

Source: City of Monterey Park Management Services Department

**CITY OF MONTEREY PARK**
**Water Sold by Type of Customer**
**Last Ten Fiscal Years**
**(in millions of gallons)**

| | Fiscal Year | | | | |
|---|---|---|---|---|---|
| | **2017/18** | **2018/19** | **2019/20** | **2020/21** | **2021/22** |
| Type of Customers: | | | | | |
| Residential | 1,571.6 | 1,524.5 | 1,557.1 | 1,734.8 | 1,552.1 |
| Commercial | 610.0 | 579.5 | 530.4 | 507.0 | 507.8 |
| Institutional | 6.0 | 5.1 | 5.3 | 5.9 | 5.8 |
| Government | 98.5 | 48.8 | 48.8 | 67.6 | 56.5 |
| Total | 2,286.1 | 2,157.9 | 2,141.6 | 2,315.3 | 2,122.2 |

Source: City of Monterey Park Management Services Department

**CITY OF MONTEREYPARK**
**Water Rates**
**Last Ten Fiscal Years**

| Fiscal Year | Monthly Base Rate | Rate per 1,000 Gallons |
|---|---|---|
| **2012/13** | 12.63 | 2.21 |
| **2013/14** | 12.63 | 2.21 |
| **2014/15** | 14.50 | 2.39 |
| **2015/16** | 15.95 | 2.49 |
| **2016/17** | 17.55 | 2.89 |
| **2017/18** | 19.30 | 3.02 |
| **2018/19** | 21.25 | 3.15 |
| **2019/20** | 19.20 | 3.01 |
| **2020/21** | 19.20 | 3.01 |
| **2021/22** | 19.20 | 3.01 |

Note: Rates are based on 5/8" meter and 3/4 meters (the City is standardizing to 3/4 meters), which is the standard household meter size.

Source: City of Monterey Park Management Services Department

**CITY OF MONTEREY PARK**
**Top Ten Water Customers**
**(Current Year and Four Years Ago)**

| Water Customer | 2021/22 Water Charges | 2021/22 Percent of Total Water Revenues | 2017/2018 Water Charges | 2017/2018 Percent of Total Water Revenues |
|---|---|---|---|---|
| Garfield Medical Ctr | $ 126,776 | 1.24% | $ 65,207 | 0.87% |
| Garfield Estates | 118,656 | 1.16% | 112,088 | 1.50% |
| Mp 3600 Llc | 108,501 | 1.06% | 97,697 | 1.31% |
| Continental Homes | 103,667 | 1.01% | 78,117 | 1.04% |
| Atlantic Times Square II, LLC | 88,626 | 0.87% | 142,245 | 1.90% |
| Atlantic Times Square II, LLC | 83,973 | 0.82% | 99,224 | 1.33% |
| Moon Valley Nursery Of Ca, Inc | 74,945 | 0.73% | 66,175 | 0.88% |
| Aespace America Inc | 69,237 | 0.68% | 101,555 | 1.36% |
| Ethan Capital Llc | 64,738 | 0.63% | - | 0.00% |
| Mtry Pk Intrcm Hosp | 48,844 | 0.48% | 38,597 | 0.52% |
| | $ 887,963 | 8.68% | $ 800,905 | 10.71% |

Source: City of Monterey Park Management Services Department

# City Council Staff Report

**DATE:** May 3, 2023

**AGENDA ITEM NO:** Consent Calendar - 3C

**TO:** The Honorable Mayor and City Council

**FROM:** Ron Bow, City Manager

**SUBJECT:** Authorizing the Mayor to sign a letter on behalf of the City supporting Assembly Bills 1406 (McCarty) and 1420 (Berman);

**RECOMMENDATION:**

It is recommended that the City Council consider:

1. Authorizing the Mayor to sign a letter on the City's behalf supporting Assembly Bill (AB) 1406 (McCarty) and AB 1420 (Berman); and
2. Taking such additional, related, action that may be desirable.

**EXECUTIVE SUMMARY:**

On January 21, 2023, the City of Monterey Park experienced a Mass Casualty Incident (MCI) where 20 people were shot. Eleven of those community members died. As our community struggles with the challenge of working through this tragedy, fellow citizens and residents in California and the rest of the country continue to be confronted with substantially similar MCIs.

**BACKGROUND:**

The circumstances of Monterey Park's January 21st MCI are well-documented. It is not necessary to get into specifics other than to state that 11 of our friends, neighbors, and family-members were killed and another nine were physically injured. The number of other affected community members is difficult to count.

State legislation continues to be proposed to help reduce the likelihood that other communities will suffer the same fate as Monterey Park and numerous other communities across the United States. While the City Council cannot prevent what has already happened, it can consider trying to prevent future MCIs by supporting pending firearm legislation. There are two Assembly Bills (Fact Sheets are attached) for City Council consideration:

**AB 1406** - explicitly permits the California Department of Justice (CA DOJ) to notify a firearm dealer to delay a firearm transfer to the buyer up to 30 days after the dealer's original submission when an extraordinary event or declared state of emergency has prevented the CA DOJ from obtaining or reviewing the records during the 10-day waiting period.

**AB 1420** - will ensure that the Department of Justice (DOJ) has the authority to inspect and write citations for any violations related to the governing of the sale, transfer, and storage of firearms.

**FISCAL IMPACT:**
There is no significant fiscal impact associated with authorizing the Mayor to sign a letter of support. An exact impact is difficult to quantify but will require, for example, staff time to draft and send a letter supporting the proposed legislation.

Respectfully submitted by:

Ron Bow, City Manager

Karl H. Berger, City Attorney

**ATTACHMENTS:**
1. AB 1406 (McCarty) Fact Sheet
2. AB 1420 (Berman) Fact Sheet

# ATTACHMENT 1
# AB 1406 (McCarty) Fact Sheet

KEVIN McCARTY
CA State Assemblymember

**6th Assembly District, Sacramento County**

# AB 1406 – Firearm Extraordinary Events Delays

## SUMMARY

AB 1406 explicitly permits the California Department of Justice (CA DOJ) to notify a firearm dealer to delay a firearm transfer to the buyer up to 30 days after the dealer's original submission when an extraordinary event or declared state of emergency has prevented the CA DOJ from obtaining or reviewing the records during the 10-day waiting period.

## BACKGROUND

Firearms dealers must delay transferring a purchased firearm for ten days after a sale. This ten-day waiting period serves as a "cooling off" period and provides sufficient time for CA DOJ to conduct a background check under normal circumstances. Existing law allows CA DOJ to notify the dealer to delay firearm delivery up to 30 days under three circumstances: 1) if the purchaser was arrested or charged with a crime that would prohibit them from possessing a firearm and CA DOJ is unable to ascertain whether the person was convicted of that offense; 2) if the person has been placed in a mental health facility for treatment and CA DOJ is unable to determine within 10 days whether the diagnosis would prohibit the person from possessing a gun; or 3) the person is ineligible based on the one-handgun-every-30-days limitation. (Pen. Code § 28220(f).)

In early 2020, following declarations of a state emergency due to the COVID-19 pandemic, firearms sales in California approximately doubled. Facing complications from court and government office shut downs, staffing issues, social distancing, and increased sales, CA DOJ could not conduct all background checks within the ten-day waiting period. Still required by state law to perform background checks, CA DOJ performed hundreds of thousands of checks as quickly as it could, though many being performed several days after the mandatory, ten-day waiting period elapsed.

Recently, in *Campos v. Becerra*, a trial court held that CA DOJ violated section 28220 when it delayed firearm transfers after the ten-day waiting period due to the challenges caused by the COVID-19 pandemic. None of the three statutory reasons to delay in the existing law apply to emergency situations where extraordinary events have prevented CA DOJ from obtaining or checking records within ten days. Since none of the three statutory reasons explicitly apply, the court held that existing law required CA DOJ to allow firearms transfers to proceed at the end of the 10-day waiting period. CA DOJ has appealed this ruling. If the Court of Appeal affirms the ruling, CA DOJ would be required to allow firearms to be transferred after 10 days—even if a state of emergency has prevented CA DOJ from performing a background check on the purchaser.

## THIS BILL

AB 1406 includes an active state of emergency as a justified reason to delay delivery of a firearm up to 30 days, where the delay is required for CA DOJ to perform a background check. An active state of emergency would be limited to extraordinary events, including those emergencies listed in Government Code section 8558, which are beyond control of CA DOJ, including pandemics, floods, acts of war or terrorism, and other civil unrest or natural disasters that result in states of emergencies.

AB 1406 would ensure that in an emergency situation, CA DOJ would have sufficient time to conduct background checks and would not be required to permit dealers to transfer firearms to unvetted and potentially dangerous purchasers who may be prohibited from purchasing a firearm. This will ensure firearms are in the hands of safe and law abiding owners.

AB 1406 is a common sense, good government proposal, granting flexibility to CA DOJ when prevented from doing its job during a state of

emergency while preserving the rights of potential firearm owners to acquire firearms within a reasonable time.

**SUPPORT**

California Department of Justice (DOJ)

**FOR MORE INFORMATION**

Office of Assemblymember Kevin McCarty
Garrett Jensen
(503) 806-1108
Garrett.Jensen@asm.ca.gov

California Dept. of Justice
Candice Chung
(916) 210-6031
Candice.Chung@doj.ca.gov

# ATTACHMENT 2
# AB 1420 (Berman) Fact Sheet

# AB 1420 (Berman)
## Firearm General Inspection Authority

## SUMMARY

AB 1420 will ensure that the Department of Justice (DOJ) has the authority to inspect and write citations for any violations related to the governing of the sale, transfer, and storage of firearms.

## BACKGROUND

California has one of the strongest firearm laws in the country and these laws save lives. In 2021, Giffords Law Center showed that California had a 37 percent lower gun death rate than the national average. [1] Having strong firearm laws is important, but it is equally important to ensure the laws are being sufficiently enforced.

Currently, the Bureau of Firearms (BOF) under the DOJ lacks adequate inspection authority on many of California's strong firearm laws. There are only a handful of statutes that allow for BOF inspection and even fewer statutes that allow for any sort of civil fines to be issued. Under existing law, the DOJ is authorized to conduct inspections of firearm dealers to ensure compliance with the statutes listed in Penal Code section 16575. This section was adopted in 2010 as part of the Deadly Weapons Recodification Act, therefore, the DOJ is currently authorized to inspect licensed firearm dealers to ensure compliance with only those pre-2010 statutes.

However, since 2010, additional requirements on firearm dealers have been added throughout the title, but have not been added to the list in Section 16575. Additionally, AB 2362 authored by Assembymember Muratsuchi in 2020 allowed the DOJ to assess a civil fine for violations of a much smaller list, Penal Code Sections 26800 through 26915. (Penal Code section 26800.)

Therefore, there is no mechanism to ensure enforcement of many of our existing firearm laws. This problem is evident as the DOJ's compliance units report that when they do inspections, they see other violations but cannot do anything about it because it is beyond the scope of their authority.

## THIS BILL

AB 1420 will broaden the DOJ's inspection authority and allow the DOJ to impose civil fines for any violations related to the sale, transfer, and storage of firearms. It will ensure that the laws the Legislature has created since 2010 are under the DOJ's authority to inspect and write citations.

Specifically, this bill amends Penal Code Section 26720 to allow the DOJ to conduct inspections on firearm dealers at least every three years to ensure compliance with the requirements in Title 4 of Part 6 of the Penal Code, which includes all laws relating to the governing of the sale, transfer, and storage of firearms. Additionally, it also allows the DOJ to assess a civil fine against a licensee in an amount not to exceed $3000 for any violation of Title 4 of Part 6 of the Penal Code if the dealer fails to correct a noted violation or in cases where the dealer acted

[1] https://giffords.org/lawcenter/resources/scorecard/?scorecard=CA

knowingly or with gross negligence. Lastly, it requires that a firearm purchaser's email address is collected, which will allow for more efficient processing of background checks.

AB 1420 will ensure the DOJ has the authority and tools to adequately enforce any violations relating to the governing of the sale, transfer, and storage of firearms. California firearm laws are strong and remedying any violations can save lives.

## SUPPORT

California Department of Justice

## OPPOSITION

None on File

## FOR MORE INFORMATION

Allie Umemoto
Office of Assemblymember Marc Berman
(916) 319-2023 ◆ (916) 319-2123 (fax)
allie.umemoto@asm.ca.gov

# City Council Staff Report

**DATE:** May 3, 2023

**AGENDA ITEM NO:** Consent Calendar - 3D

**TO:** The Honorable Mayor and City Council

**FROM:** Inez Alvarez, Assistant City Manager

**SUBJECT:** Land Acknowledgment Statement

## RECOMMENDATION:

It is recommended that the City Council consider:

1. Approving and adopting a Land Acknowledgment statement; and
2. Taking such additional, related, action that may be desirable.

## EXECUTIVE SUMMARY:

A Land Acknowledgment is a statement that recognizes and respects Indigenous Peoples as traditional stewards of lands, expresses gratitude and appreciation to those groups, and honors the Indigenous people who have lived and worked on the land for centuries. Land Acknowledgments are a common practice in both Australia and Canada and are increasingly being adopted by city, county, and state governments in the United States.

Staff met with representatives from the Gabrieleño/Tongva San Gabriel Band of Mission Indians to learn more about their recommendations for Land Acknowledgment language and practices. Based on our discussions, staff proposes the following Land Acknowledgment statement which has been reviewed and approved by the Gabrieleño/Tongva San Gabriel Band of Mission Indians:

> *We would like to acknowledge that the land we inhabit today was once known as Tovangaar, the home of the Gabrieleño-Tongva people. We show our respect to the Gabrieleño-Tongva people, as well as all Indigenous people, past, present, and future, and honor their labor as original caretakers of this land. We commit to uplifting the Gabrieleño-Tongva people, invite you to acknowledge the history, and join us in caring for this land.*

## BACKGROUND:

The Gabrieleño/Tongva San Gabriel Band of Mission Indians, or the Gabrieleño-Tongva is the historical tribe within the County of Los Angeles. The Gabrieleño/Tongva occupied the entire Los Angeles Basin, portions of Orange County, and the four southern Channel islands of Santa Catalina, San Nicholas, San Clemente and Santa Barbara, and from the mountains to the sea.

The Gabrieleño/Tongva San Gabriel Band of Mission Indians received official recognition from the State of California in 1994. The group has cultural and historic sites

located throughout the County with a Tribal Headquarters near the San Gabriel Mission. Tribal members work to build and inspire traditional values and ethics for future generations while preserving the foundations of American Indian culture. In addition, tribal members aim to educate surrounding communities about the history of the Gabrieleño/Tongva Tribe of the past, present and future.

**FISCAL IMPACT:**
None.

Respectfully submitted by:

Inez Alvarez
Assistant City Manager

Prepared by:

Diana Garcia
City Librarian

Approved by:

Ron Bow
City Manager

Reviewed by:

Karl H. Berger
City Attorney

# City Council Staff Report

**DATE:** May 3, 2023

**AGENDA ITEM NO:** Consent Calendar - 3E

**TO:** The Honorable Mayor and City Council

**FROM:** Scott Wiese, Chief of Police

**SUBJECT:** National Correctional Officers Week Resolution

## RECOMMENDATION:

It is recommended that the City Council consider:

1. Adopting a Resolution Declaring the week of May 7-13, 2023, to be National Correctional Officers Week in the City of Monterey Park;
   and
2. Taking such additional, related, action that may be desirable.

## EXECUTIVE SUMMARY:

The Monterey Park Police Department is celebrating the week of May 7-13, 2023, as National Correctional Officers Week. In 1984, President Ronald Regan announced the first week in May as National Correctional Officers Week, and it has been celebrated annually ever since. It honors the thousands of men and women responsible for managing those brought into custody by law enforcement and awaiting trial. These individuals face difficult and often dangerous work environments and play a vital role in the criminal justice system. We are enlisting your support in the form of a resolution to honor these men and women in our area for their work every day to protect the residents of Monterey Park.

## BACKGROUND:

Historically, the Police Department recognizes and celebrates the hard work of these dedicated professionals. We are confident you will stand behind the commitment and devotion these men and women provide to ensure the safety of Monterey Park residents.

Respectfully submitted by:

Scott Wiese
Chief of Police

Prepared by:

Paul Yniguez
Lieutenant

Approved by:

Ron Bow
City Manager

**ATTACHMENT:**

1. Resolution

# ATTACHMENT 1

## Resolution for National Correctional Officer Week

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK DECLARING MAY 7-13, 2023, NATIONAL CORRECTIONAL OFFICERS WEEK IN MONTEREY PARK**

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

A. The Monterey Park Police Department is celebrating the week of May 7-13, 2023, as National Correctional Officers Week. In 1984, President Ronald Regan announced the first week in May as National Correctional Officers Week.

B. It has been celebrated annually and honors the thousands of men and women responsible for managing those brought into custody by law enforcement. These individuals are responsible for the custody, safety, and well-being of inmates awaiting trial.

C. Law enforcement agencies throughout the State depend upon Correctional Officers and Jailers to provide them with vital services.

D. These individuals face difficult and often dangerous work environments and play a vital role in the criminal justice system.

E. The City of Monterey Park recognizes and celebrates the hard work of these dedicated professionals and declares May 7-13, 2023, as National Correctional Officers Week in Monterey Park. We stand behind the commitment and devotion these men and women provide to ensure the safety of Monterey Park residents.

SECTION 2: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 3: *Recordation*. The Mayor, or presiding officer, is authorized to sign this Resolution signifying its adoption by the City Council of the City of Monterey Park, and the City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 4: *Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this _____ day of _____, 2023.

_____
Jose Sanchez, Mayor
Monterey Park, California

Attest:

_____
Maychelle Yee, City Clerk
Monterey Park, California

# City Council Staff Report

**DATE:** May 3, 2023

**AGENDA ITEM NO:** Consent Calendar - 3F

**TO:** The Honorable Mayor and City Council

**FROM:** Scott Wiese, Chief of Police

**SUBJECT:** National Police Week Resolution

## RECOMMENDATION:

It is recommended that the City Council consider:

1. Adopting a Resolution Declaring the week of May 15-21, 2023, to be National Police Week in the City of Monterey Park;

   and

2. Taking such additional, related, action that may be desirable.

## EXECUTIVE SUMMARY:

The Monterey Park Police Department is celebrating the week of May 15-21, 2023, as National Police Week. In 1962, President John F. Kennedy proclaimed May 15th as National Peace Officers Memorial Day and the calendar week in which May 15th falls, as National Police Week. National Police Week pays special recognition to those law enforcement officers who have lost their lives in the line of duty for the safety and protection of others and is a collaborative effort of many organizations dedicated to honoring America's law enforcement community. We are enlisting your support in the form of a resolution to honor these men and women in our area for the work that they do every day to protect the residents of Monterey Park.

## BACKGROUND:

Historically, the Police Department recognizes and celebrates the hard work of these dedicated professionals. We are confident you will stand behind the commitment and devotion these men and women provide to ensure the safety and security of Monterey Park residents.

Respectfully submitted by:

Scott Wiese
Chief of Police

Prepared by:

Bill Cuevas
Captain

Approved by:

Ron Bow
City Manager

**ATTACHMENT:**

1. Resolution

# ATTACHMENT 1
## Resolution for National Police Week

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK DECLARING MAY 15-21, 2023, NATIONAL POLICE WEEK IN MONTEREY PARK**

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

A. The Monterey Park Police Department is celebrating the week of May 15-21, 2023, as National Police Week. In 1962, President John F. Kennedy proclaimed May 15th as National Peace Officers Memorial Day and the calendar week in which May 15th falls, as National Police Week. National Police Week pays special recognition to those law enforcement officers who have lost their lives in the line of duty for the safety and protection of others and is a collaborative effort of many organizations dedicated to honoring America's law enforcement community.

B. Law enforcement officers swear an oath to uphold the public trust even though, through the performance of the duties of a law enforcement officer, the officers may become targets of senseless acts of violence.

C. The safety of our community is dependent upon the dedication and commitment of our police officers.

D. Law enforcement officers are charged with pursuing justice for all individuals; and performing their jobs fidelity to the constitutional and civil rights of the public the officers serve.

E. Law enforcement officers have bravely continued to meet the call of duty to ensure the safety of the neighborhoods and communities they serve at the risk of their own personal safety.

F. Historically, the Police Department recognizes and celebrates the hard work of these dedicated professionals. We are confident you will stand behind the commitment and devotion these men and women provide to ensure the safety and security of Monterey Park residents.

SECTION 2: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 3: *Recordation*. The Mayor, or presiding officer, is authorized to sign this Resolution signifying its adoption by the City Council of the City of Monterey Park, and the City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 4: *Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this _____ day of _____, 2023.

_____
Jose Sanchez, Mayor
Monterey Park, California

Attest:

_____
Maychelle Yee, City Clerk
Monterey Park, California

# City Council Staff Report

**DATE:** May 3, 2023

**AGENDA ITEM NO:** Consent Calendar - 3G

**TO:** The Honorable Mayor and City Council

**FROM:** Shawn Igoe, Director of Public Works

**SUBJECT:** Public Works Week & Logo Resolutions

## RECOMMENDATION:

It is recommended that the City Council consider:

1. Adopting a Resolution declaring the week of May 21 through 27, 2023 as Public Works Week in Monterey Park;
2. Adopting a Resolution adopting a Public Works logo to be used by the Public Works Department for official purposes; and
3. Taking such additional, related, action that may be desirable.

## EXECUTIVE SUMMARY:

The City is celebrating the week of May 21-27, 2023, as Public Works Week in Monterey Park. This week marks the 63rd annual National Public Works Week sponsored by the American Public Works Association, which recognizes Public Works professionals. The 2023 National Public Works Week theme is “Connecting the World through Public Works”, highlighting the way public works professionals connect us physically, through infrastructure, and inspirationally, through service to their communities, whether as first responders, or daily workers carrying out their duties with pride.

## BACKGROUND:

The City of Monterey Park recognizes and celebrates the hard work, commitment and contribution Public Works professionals provide to the community of Monterey Park. This year, the City is hosting a Public Works Open House on Thursday, May 25, 2023 from 11:00 am to 1:30 pm at the City Yard located on 751 South Alhambra Avenue. The "Connecting to the World through Public Works" theme focuses on how Public works connectors help keep communities, like Monterey Park, strong by providing an infrastructure of services in transportation, water, wastewater, and stormwater treatment, public buildings and spaces, parks and grounds, emergency management and first response, solid waste, and right-of-way management. Public works is the thread that connects us all, with dedicated team members that strive to improve the quality of life for the Monterey Park residents they serve, leading to healthier, happier communities.

In recognizing the Public Works department as an integral unit within the City’s organization, it is recommend that an official Public Works logo be adopted to be used for department promotional purposes. The proposed Public Works logo has been utilized for

several years in Monterey Park as a symbol of what Public Works represents, identifying the various disciplines within the Department. These disciplines include Engineering, Maintenance, Parks and Water. Each symbol within the logo is specific to the discipline they represent and embody the importance and professionalism of Public Works as a whole.

Although the logo has been used for several years, it has not been formally adopted by the City Council for use. Approval of this logo would allow Public Works to use the logo for promotional purposes such as publications, brochures, flyers, banners, work attire and more.

**FISCAL IMPACT:**
None.

Respectfully submitted by:

Shawn Igoe
Director of Public Works

Approved by:

Ron Bow
City Manager

**ATTACHMENT:**
1. Resolution – Public Works Week
2. Resolution – Public Works Department Logo

# ATTACHMENT 1
## Resolution – Public Works Week

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK DECLARING MAY 21-27, 2023 AS PUBLIC WORKS WEEK IN MONTEREY PARK**

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

A. Public works professionals focus on infrastructure, facilities, emergency management, and services that are of vital importance to sustainable and resilient communities and the public health, high quality of life, and well-being of the people of Monterey Park and,

B. These infrastructures, facilities, and services could not be provided without the dedicated efforts of public works professionals, who are federally mandated first responders, and the engineers, managers, and employees at all levels of government and the private sector, who are responsible for rebuilding, improving, and protecting our nation's transportation, water supply, water treatment and solid waste systems, public buildings, and other structures and facilities essential for our citizens; and,

C. It is in the public interest for the citizens, civic leaders, and children in Monterey Park to gain knowledge and maintain ongoing interest and understanding of the importance of public works first responders and public works programs in their respective communities; and,

D. The City of Monterey Park hereby designates the week May 21–27, 2023, as National Public Works Week recognizing its public works professionals, engineers, managers, and employees and the substantial contributions they make to protecting our national health, safety, and quality of life.

SECTION 2: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 3: *Recordation*. The Mayor, or presiding officer, is authorized to sign this Resolution signifying its adoption by the City Council of the City of Monterey Park and the City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 4: *Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 3rd day of May, 2023.

_____
Jose Sanchez, Mayor

Attest:

_____
Maychelle Yee, City Clerk

# ATTACHMENT 2
## Resolution – Public Works Logo

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK FORMALLY ADOPTING A PUBLIC WORKS DEPARTMENT LOGO**

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

A. The City of Monterey Park has an official City Seal;

B. The existing Public Works logo has been used in recent years, but an official department logo has not been adopted by the governing body; and

C. The City Council wishes to formally adopt a logo to ensure that branding and messaging of the City of Monterey Park Public Works Department are consistent and of high quality.

NOW, THEREFORE, BE IT RESOLVED that the City Council approves and adopts the official Public Works Logo per the artwork attached hereto as Exhibit A.

SECTION 2: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 3: *Recordation*. The Mayor, or presiding officer, is authorized to sign this Resolution signifying its adoption by the City Council of the City of Monterey Park and the City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 4: *Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 3rd day of May, 2023.

_____
Jose Sanchez, Mayor

Attest:

_____
Maychelle Yee, City Clerk

EXHIBIT A

COLOR LOGO:




BLACK AND WHITE LOGO:



# City Council Staff Report

**DATE:** May 3, 2023

**AGENDA ITEM NO:** Consent Calendar - 3H

**TO:** The Honorable Mayor and City Council

**FROM:** Robert Aguirre, Director of Recreation & Community Services

**SUBJECT:** Tree Memorial Program Recommendation for Fred Sornoso

## RECOMMENDATION:

It is recommended that the City Council consider:

1. Authorizing the City Manager to take actions needed to honor former Mayor pro tem Fred Sornoso with a memorial tree; and
2. Taking such additional, related action that may be desirable.

## EXECUTIVE SUMMARY:

At the April 29th City Council meeting, the City Council nominated former Mayor pro tem Fred Sornoso for the Tree Memorial Recognition Program for his dedication and service to the community. Tree Memorial honorees are nominated based on the criteria established in Resolution Nos. 10485 and 11484 (Attachment 1).

If approved by City Council, Mr. Fred Sornoso will be honored with a Tree Memorial for his service and positive impact on the Monterey Park community.

## BACKGROUND:

Mr. Fred Sornoso was a Monterey Park resident for many years and contributed countless hours of dedicated service to the community. Fred was known for his fierce devotion to helping others and looking out for his Monterey Park neighbors. He promoted community collaboration and fostered friendship and goodwill. Fred was also known for his kindness and great sense of humor. The support of his neighbors was made apparent when Fred was elected to represent District 3 on the Monterey Park City Council. Mr. Sornoso was sworn into office as a Monterey Park City Councilmember on April 1, 2020. Resolution No. 2022-R26 (Attachment 2) is attached as a reference of Fred's outstanding public service to the Monterey Park community.

During this time on City Council, Fred showcased his love for baseball and the Los Angeles Dodgers by spearheading the annual MPK Night at Dodger Stadium. Fred also helped to establish the annual Jr. MLB Homerun Derby and numerous Community Clean up events. Due to his health, Mr. Sornoso relinquished his seat as Mayor pro tem, on April 14, 2022, the 2022 season home opener at Dodger Stadium.

Fred Sornoso was born on August 15, 1955, and passed away on July 8, 2022.

**FISCAL IMPACT:**

The Tree Memorial plaque and ceremony cost approximately $300, and funding is included in the FY 22-23 adopted budget in the Community Participation Division fund, account no. 1016508-5242.

Respectfully submitted by:

Robert Aguirre
Director of Recreation & Community Services

Approved by:

Ron Bow
City Manager

Reviewed by:

Karl H. Berger
City Attorney

**ATTACHMENTS:**

A. Resolutions 10485 and 11484
B. Resolution No. 2022-R26

# ATTACHMENT 1
Resolutions 10485 and 11484

RESOLUTION NO. 10485

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK, CALIFORNIA TO ESTABLISH A TREE MEMORIAL NOMINATION AND AWARD

WHEREAS, the City of Monterey Park would like to acknowledge important and distinguished members of the City, by recognizing them with the dedication of a tree in their honor; and,

WHEREAS, on August 18, 1999 the City Council of Monterey Park directed staff to form a Committee, consisting of 2 members of the Recreation and Parks Commission and 2 members from the Historical Heritage Commission, to establish guidelines regarding an individual being considered for a Tree Memorial; and,

WHEREAS, members of the above mentioned Commissions have met and have submitted their recommendations to the City; and,

WHEREAS, City has incorporated these recommendations into a nomination process and award to honor such individuals; and,

WHEREAS, each February a committee of 3 members of the Historical Heritage Commission and 2 members of the Recreation and Parks Commission will be assembled as a Nomination Committee to accept applications for nominations; and,

WHEREAS, the Nomination Committee, will review nominations for an honor based on the submission of proper documentation and requirements, and, follow guidelines as set forth by the Tree Memorial Committee, and subsequent alternatives as recommended by staff; and,

WHEREAS, the Nomination Committee will make their recommendations to the City Council in April, with a dedication ceremony to be held in May, close to the anniversary of the City's Incorporation.

NOW, THEREFORE, BE IT RESOLVED that the City of Monterey Park hereby adopts the establishment of the Tree Memorial Nomination and Award, and designates staff to authorize a nomination committee as specified above to accept, review and nominate distinguished individuals as indicated in the following sections.

SECTION 1

MEMORIAL PLAQUE / TREE

Plaques to be consistent with plaques that are existing in front of City Hall. Trees that are to be purchased will be of similar type as existing. Cost for the plaques will be charged to the person or group who nominates the individual ($500.00) City Council may waive fees at its discretion.

SECTION II

QUALIFICATIONS

The consideration for selection must include a substantial history of Community Service. For Example:

A. Individual should have been a long term resident (10 years or more) in the City of Monterey Park, and should have provided a service benefit to the entire Community, in one or more of the following ways:

1. Served on a City elected or appointed position for at least two terms or 5 years, whichever is greater;

2. Voluntarily served the City as an officer, or board member of, one or more City recognized Service Clubs, volunteer community based organizations or other City service and charitable service organizations, which provide a direct service to Monterey Park residents;

3. A long term community business leader who has served the Community through his/her financial or voluntary efforts to one or more service and charitable service organization or non profit organization in the City of Monterey Park for a period of no less than 10 years.

4. An individual, resident or non resident, who has made a significant or cumulative and positive impact on the Community.

B. The term "served" means that the individual must demonstrate an active role in providing a benefit to the Monterey Park Community, in addition to service to City service and charitable service organizations.

C. Special consideration without regard to the above mentioned qualifications, should be given to an individual, resident or non resident, who has deceased while performing service to our community.

SECTION III

NOMINATION PROCESS

A. Nominations to be submitted, accepted and considered only one time per year. No limit as to the number of years nominated. No limits imposed on the nomination committee as to how many individuals are recommended each year.

B. Interested parties will be required to fill out an application which will require detailed justification for consideration, provide a picture and other suitable materials deemed necessary. In order to further determine merit, and to add significance to the prestige of the memorial, any individual whose name is put forth should be supported by at least three letters of reference by community members indicating the contribution made and significance, in their opinion.

C. A nomination committee consisting of 5 members from the two Commissions, 3 Historical Heritage and 2 Recreation and Parks, shall be assigned to review the application and consider the qualifications.

D. The time period for nominations are in February, with a selection and ceremony to be held in May, close to the anniversary of the City's incorporation.

PASSED AND APPROVED AND ADOPTED this 15th day of March, 2000.

Rita Valenzuela, Mayor
City of Monterey Park
California

ATTEST:

David M. Barron, City Clerk
City of Monterey Park,
California

State of California )
County of Los Angeles ) ss.
City of Monterey Park )

I, David Barron, City Clerk of the City of Monterey Park, California, do hereby certify that the foregoing Resolution No.10485Was duly and regularly adopted by the City Council of the City of Monterey Park at a meeting held on the15 day of March , 2000, by the following vote:

| | | |
|---|---|---|
| AYES: | COUNCILMEMBERS: | CHU, BALDERRAMA, ALONSO, VENTI, VALENZUELA |
| NAES: | COUNCILMEMBERS: | NONE |
| ABSENT: | COUNCILMEMBERS: | NONE |
| ABSTAIN: | COUNCILMEMBERS: | NONE |

Dated this 15th day of March , 2000.

David M. Barron, City Clerk
City of Monterey Park
California

**RESOLUTION NO. 11484**

**A RESOLUTION AMENDING RESOLUTION NO. 10485 REGULATING THE PROCEDURES FOR NOMINATIONS AND ERECTING TREE MEMORIALS.**

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

A. In 2000, the Monterey Park City Council adopted a resolution to honor community members whose contributions have made a significant impact on the City of Monterey Park by establishing a Tree Memorial Program, and

B. The City Council believes the display of the these trees and plaques enhances City facilities and inspires citizens to contribute to their community; and

C. It is in the public interest for persons recognized with a Tree Memorial to be so honored without the need for paying a fee.

SECTION 2: *Amendments*. Resolution No. 10485 is amended as follows:

A. Section 1 is amended in its entirety to read as follows: "Plaques to be consistent with plaques that are existing in front of City Hall. Similar existing trees at Garvey Ranch Park will be used."

B. Subsection A of Section 3 is amended in its entirety to read as follows: "Nominations may be submitted, accepted, and considered only once per year. There is no limit to the number of years in which a person may be nominated. Only three nominations will be recommended to the City Council per year. A person may only receive this honor once."

SECTION 3: *City Manager Authorization*. The city manager is authorized to promulgate administrative policies and procedures to implement and facilitate the directives set forth in this Resolution.

SECTION 4: This Resolution will become effective immediately upon adoption and will remain effective unless superseded or repealed.

PASSED AND ADOPTED this 2nd day of May, 2012.

David Lau, Mayor
Monterey Park, California

ATTEST:

David Barron, CMC, City Clerk
Monterey Park, California

APPROVED AS TO FORM:
MARK D. HENSLEY, City Attorney

By: _____
Karl H. Berger,
Deputy City Attorney

STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES ) SS
CITY OF MONTEREY PARK )

I, DAVID M. BARRON, CMC, City Clerk of the City of Monterey Park, California, do hereby certify that the foregoing Resolution No.11484 was duly and regularly adopted by the City Council of the City of Monterey Park at a meeting held on the 2nd day of May, 2012, by the following vote:

| | |
|---|---|
| Ayes: | Council Members: Chu, Wong, Real Sebastian, Ing, Lau |
| Naes: | Council Members: None |
| Absent: | Council Members: None |
| Abstain: | Council Members: None |

Dated this 2nd day of May 2012.

David Barron, CMC, City Clerk
Monterey Park, California

# ATTACHMENT 2
Resolution No. 2022-R26

**RESOLUTION NO. 2022-R26**

**A TRIBUTE RESOLUTION OF HEARTFELT APPRECIATION BY THE CITY COUNCIL OF MONTEREY PARK HONORING FRED SORNOSO FOR HIS OUTSTANDING PUBLIC SERVICE AS MAYOR PRO TEM AND COUNCIL MEMBER REPRESENTING DISTRICT NO. 3**

**WHEREAS**, Fred Sornoso was elected to the City of Monterey Park City Council on March 3, 2020, representing District No. 3. He served until April 14, 2022, providing the City of Monterey Park with exceptional public service during his tenure.

**WHEREAS**, Fred Sornoso championed many accomplishments to improve the quality of life for all community members, including reestablishing community clean-up events to keep Monterey Park a desirable place to live, work and play.

**WHEREAS,** Fred Sornoso encouraged residents to report issues such as graffiti and abandoned shopping carts to improve the aesthetics of Monterey Park.

**WHEREAS,** Fred Sornoso supported family excursions to the Los Angeles Dodgers games to promote community engagement and established the MLB Junior Home Run Derby for youth to participate in a free and friendly baseball competition.

**WHEREAS,** Fred Sornoso supported wellness programs and the purchase of fitness equipment to provide accessible opportunities for community members to stay healthy and active.

**WHEREAS,** Fred Sornoso volunteered for local organizations exhibiting community spirit and civic engagement.

**WHEREAS,** Fred Sornoso supported the historical preservation for future generations to learn about the rich culture and history of the Monterey Park community.

**WHEREAS,** Fred Sornoso fostered friendship, goodwill, and being a good neighbor to promote cooperation and community collaboration.

**WHEREAS,** Fred Sornoso embodied irrepressible good humor, kindness, energy, and graciousness, which enriched the lives of those fortunate enough to know and work with him.

**WHEREAS,** Fred Sornoso served as a City Council member during the COVID-19 Pandemic, undertaking unprecedented action to protect and preserve the public health and safety of the Monterey Park community.

**WHEREAS,** Fred Sornoso's unwavering commitment, willingness, and ability to understand and respond to the people of Monterey Park have worked in collaboration, making a substantial contribution to the betterment of the City of Monterey Park.

***NOW, THEREFORE, BE IT RESOLVED*** that the City Council of Monterey Park commends the outstanding public service of Fred Sornoso and gratefully records its appreciation and the appreciation of the citizens of this community for the meritorious service rendered. We wish him the best in the future.

*Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

*Recordation*. The Mayor, or presiding officer, is authorized to sign this Resolution signifying its adoption by the City Council of the City of Monterey Park, and the City Clerk, or her duly appointed deputy, may attest thereto.

*Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 20th day of April 2022.

Henry Lo, Mayor

Attest:

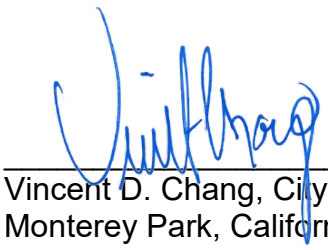
Vincent Chang, City Clerk

STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES ) §
CITY OF MONTEREY PARK )

I, Vincent D. Chang, City Clerk of the City of Monterey Park, California, do hereby certify that the foregoing Resolution No. 2022-R26 was duly adopted and passed at a regular meeting of the Monterey Park City Council on the 20th day of April, 2022 by the following vote:

| | |
|---|---|
| Ayes: | Council Members: Yiu, Chan, Liang, Lo |
| Noes: | Council Members: None |
| Abstain: | Council Members: None |
| Absent: | Council Members: None |

Dated this 20th day of April, 2022.



Vincent D. Chang, City Clerk
Monterey Park, California

# City Council Staff Report

**DATE:** May 3, 2023

**AGENDA ITEM NO:** Consent Calendar - 3I

**TO:** The Honorable Mayor and City Council

**FROM:** Shawn Igoe, Director of Public Works

**SUBJECT:** Waive Further Reading and Adopt an Ordinance amending Title 13, Chapter 12 of the Monterey Park Municipal Code ("MPMC") in its entirety to regulate encroachments within the Public Right-of-Way

## RECOMMENDATION:

It is recommended that the City Council consider:

1. Waiving the second reading and adopting the proposed ordinance; and
2. Taking such additional, related, action that may be desirable.

## EXECUTIVE SUMMARY:

The Ordinance was introduced and received first reading at the April 19, 2023 City Council meeting. The original staff report (from April 19, 2023) is attached for reference. Second reading and adoption of this Ordinance is recommended. If adopted, the Ordinance will take effect in 30 days.

Respectfully prepared & submitted by:

Shawn Igoe
Director of Public Works

Approved by:

Ron Bow
City Manager

Reviewed by:

Justin A. Tamayo
Deputy City Attorney

## ATTACHMENTS:

1. Draft Ordinance
2. April 19, 2023 Staff Report (without attachments)

# ATTACHMENT 1
Draft Ordinance

**ORDINANCE NO. _____**

**AN ORDINANCE AMENDING TITLE 13, CHAPTER 12 OF THE MONTEREY PARK MUNICIPAL CODE TO REPEAL AND REPLACE PROVISIONS AND PROCEDURES GOVERNING ENCROACHMENTS INTO PUBLIC STREETS, EASEMENTS, AND RIGHT OF WAYS**

The City Council of the City of Monterey Park does ordain as follows:

**SECTION 1:** ***Findings***. The City Council finds and declares that:

A. Government Code § 38775 permits the City to regulate and prohibit encroachments into and obstructions on public property and may provide for the removal of any prohibited encroachments;

B. Government Code § 38771 permits general law cities to identify public nuisances by ordinance;

C. The regulations in Chapter 13.12 of the Monterey Park Municipal Code ("MPMC") are substantially unchanged from the 1980s and do not reflect modern policies and procedures;

D. It is in the public interest for the City to take appropriate actions to protect citizens and their property from conditions that threaten public health, safety, and welfare by adopting modern policies and procedures concerning encroachments into the public right-of-ways; and

E. The City reviewed this Ordinance pursuant to the California Environmental Quality Act (Public Resources Code §§ 21000, *et seq*., "CEQA") and the regulations promulgated thereunder (14 Cal. Code of Regulations §§15000, *et seq*., the "CEQA Guidelines"). CEQA and the CEQA Guidelines are collectively referred to as "CEQA Regulations."

**SECTION 2:** Chapter 13.12 of the Monterey Park Municipal Code ("MPMC") entitled "Encroachments and Obstructions" is amended in its entirety to read as follows:

**"Chapter 13.12**

**ENCROACHMENT IN PUBLIC STREETS, EASEMENTS AND RIGHT-OF-WAYS**

**13.12.010. Purpose.**

This chapter is adopted for the purpose of regulating excavations and encroachments on, over, or under public rights-of-ways or public service easements.

**13.12.020. Definitions.**

Unless the contrary is stated or clearly appears from the context, the following definitions will govern the construction of the words and phrases used in this chapter:

A. "Administrator" means the public works director, or designee.

B. "Encroachment" means any construction work performed within public rights-of-ways or public service easements; any work other than construction work performed within a public right-of-way or public service easement that obstructs, or interferes with the use of, the public right-of-way or public service easement; and any structure or object that is placed or installed within a public right-of-way or within a public service easement in a manner that obstructs or otherwise interferes with the use of the public right-of-way or public service easement.

C. "Excavation" means removal of any concrete, asphalt, road, earth, or other, similar, surface materials covering a public right-of-way or public service easement.

D. "Public Right-of-Way" means any city street, sidewalk, pedestrian path, bike path or any other "public way," as defined by Streets and Highways Code § 18609.

E. "Public Service Easement" means any public sewer easement, public storm drain easement, public utility easement or other "public service easement," as defined in Streets and Highways Code § 8306.

**13.12.030. Permit Required.**

A. Permit Required. Unless otherwise provided by applicable law, it is unlawful for any person to make any encroachment or excavation in any public right-of-way or service easement, without first obtaining a permit issued pursuant to this chapter.

B. A permit is not valid until the administrator receives the applicant's written acceptance in accordance with this chapter.

C. During City business hours, persons must immediately notify the Administrator of emergency encroachment work for all repairs performed on existing infrastructure. Should emergency repair work commence during other than normal City business hours, the person must notify the Administrator of work performed by 9:00 am on the following business day. An encroachment permit application must be submitted to the Administrator within three business days.

**13.12.040. Planting Vegetation.**

It is unlawful for any person to place or plant, or cause to be placed or planted, any tree, shrub or bush in any public right-of-way or public service easement without obtaining a permit pursuant to this chapter. In addition to all other conditions of this chapter, a permit planting trees will specify the place for planting, the distance apart, the kind of trees and such other matters specified by the administrator.

**13.12.050. Street Damage by Moving Vehicles.**

Except as otherwise provided in this chapter, it is unlawful for any person to drive, drag, propel or move, or cause to be moved upon any public right-of-way or public service easement, any plow, harrow or cutting or scratching instrument or any heavy vehicle or machine liable to break the surface of, or do injury to the public right-of-way or public service easement.

**13.12.060. Excavation in Recently Resurfaced Public Streets.**

A. Except as otherwise allowed by this chapter, public streets that were resurfaced with an emulsified asphalt “slurry” or asphalt “cape seal” within the previous two years or improved with asphalt/concrete within the previous five years of the proposed excavation may not be excavated for utilities or for other reasons.

B. A permit may be issued to allow a permittee to encroach within a public street to install utility facilities, or for other purposes, if such work can be accomplished by boring under the public street section or by other trenchless technologies. Alternative methods for such work including, without limitation, relocating utility facilities to areas other than the public street (for example, under public sidewalks and/or parkways) will be considered and determined not to be feasible before a permit may be issued pursuant to this chapter. Any additional costs for, without limitation, relocating utility facilities outside of the public street or boring under the public street must be borne by the permittee.

C. Excavation of a public street may be allowed by permit under only the most unusual circumstances if the Administrator determines that relocation or boring is not feasible. Under such circumstances, the Administrator will require a permittee to meet the city’s construction standards for excavating in recently resurfaced streets, pay all costs associated with such excavation, and provide such additional security to ensure the integrity of the recently resurfaced public street as may be reasonable required by the Administrator.

**13.12.070. Exceptions to Permit Requirements.**

A permit is not required for the following encroachments or excavations:

A. United States mailboxes;

B. Poles and facilities of public utilities lawfully using the public streets of the city;

C. Portable and usual garbage and rubbish receptacles when conforming to and placed in accordance with the rules and regulations of the City;

D. Work required by a valid public works contract between the city and a contractor;

E. An encroachment made pursuant to a subdivision improvement agreement between the city and a developer;

F. Encroachments or excavations related to filming activities where the person possesses a filming permit issued pursuant to this code;

G. Encroachments or excavations authorized by a permit issued pursuant to this code for parades, athletic events, or public assemblies;

H. An encroachment made by adjoining property owner for installing concrete flat work in a parkway between a public street and sidewalk or for the purpose of installing concrete flat work behind a public sidewalk, provided the concrete flat work does not consist of more than 25-percent hardscape within each parkway area, and has otherwise been approved by the city;

I. An encroachment made by a city officer or employee acting within the course or scope of such officer's or employee's duties or employment; and

J. An encroachment made by the owner or lessee of property adjoining a public right-of-way within the central commercial zoning district for a sidewalk café pursuant to a license or permit issued pursuant to this code authorizing the use of the right-of-way for such a purpose.

**13.12.080. Administration.**

The administrator will administer this chapter, including, without limitation, acting on all applications for a permit required by this chapter, and undertaking any of the enforcement actions allowed by this chapter.

**13.12.090. General Application Requirements For Permits.**

Applications for a permit required by this chapter must be filed with the administrator, will be in a form and contain the information prescribed by the administrator and be accompanied by a permit fee in an amount established by city council resolution.

**13.12.100. Applicant Qualifications.**

Where an application is filed for a permit required by this chapter which would authorize construction or excavation work within a public right-of-way or public service easement, the applicant must establish to the satisfaction of the administrator:

A. That the applicant possesses a valid contractor's license issued pursuant to Business and Professions Code § 7000, et seq. to perform the kind of work within the public right-of-way or public service easement to be authorized by the permit; or

B. The applicant owns the property adjoining that portion of the public right-of-way or public service easement in which the work to be authorized by the permit will be performed, that such work will consist entirely of repairs to sidewalks, curbs, gutters or driveway, and/or the installation of landscaping within the parkway strips adjoining such public right-of-way, and that the work will be performed either entirely by the applicant or by the applicant in conjunction with unpaid assistants.

**13.12.110. Plans and Specifications.**

Where an applicant seeks a permit for construction or excavation work within a public right-of-way or public service easement, the application must include plans and specifications indicating the location, nature, and extent of the work to be performed within the public right-of-way or public service easement and establish that such work will conform to the city's design criteria and improvement standards and/or any other applicable laws and regulations.

**13.12.120. Action on Permit Applications - Approval.**

If an application is complete and there are no grounds for denial, the administrator must approve the application and issue a permit subject to all of the conditions provided for in this chapter upon the applicant providing proof of insurance and paying the permit fee.

**13.12.130. Action on Permit Applications - Denial of Application.**

A. Grounds for Denial. The administrator must deny an application for a permit required by this chapter if the administrator determines that:

1. The encroachment or excavation proposed by the application is for the construction or installation of improvements or facilities within a public right-of-way or public service easement than are not an authorized use of a public right-of-way or public service easement;

2. The encroachment or excavation, if implemented in the proposed manner, would unreasonably interfere with use of public or private property adjacent to or contiguous with the public right-of-way or public service easement in which an encroachment or excavation is planned; or

3. The encroachment or excavation, if implemented in the proposed manner, would threaten public health, safety, or welfare.

B. Notice of Denial. When the administrator denies an application, the administrator must promptly serve notice on the applicant. That notice will state the reasons for denial and set forth the applicant's right to apply for administrative review and appeal in the manner provided by this chapter.

**13.12.140. Traffic Control Plan.**

As an additional condition for an encroachment permit, the permittee must undertake and carry out the encroachment or excavation authorized by such permit in accordance with the provisions of the California Manual of Traffic Controls for Construction and Maintenance Work Zones as published by the California Department of Transportation and/or any additions or modifications adopted by the city.

**13.12.150. Insurance; Surety Bond or Other Security.**

A. Unless otherwise provided, no encroachment permit may be issued unless and until an applicant obtains comprehensive general liability insurance policy that complies with the city's insurance requirements as established by city council resolution.

B. Security Requirements. Except as provided by this chapter, a permit cannot be issued pursuant to this chapter unless and until the permittee obtains and provides the city a surety bond or other security guaranteeing permittee's performance of all duties and obligations under such permit including, in particular, the duty and obligation to restore the construction or work site to the same condition as it was before the work, or such modified condition as approved by the administrator.

C. Amount of Security. The surety bond or other security obtained and provided by a permittee must be in the penalty amount of at least $10,000

except when the administrator determines that the proposed work is extensive and would result in costs substantially exceeding $10,000 to remedy any breach of the permit requirements. Under such circumstances, the surety bond or other security must be in a penalty amount which the administrator determines is necessary to fully insure the city's exposure to all such costs.

D. Form of Security. The permittee's surety bond must be in a form approved by the city attorney and be conditioned upon the duties and obligations contained in the permit and set forth in this chapter. In lieu of a surety bond, a permittee may obtain and provide to the city a cash deposit, certificate of deposit naming the city as the payee thereof or such other kind of security acceptable to the city's risk manager, provided such alternate security is accompanied by an agreement, in a form approved by the city attorney, stating that the security is being pledged to guarantee performance of the permittee's duties and obligations under the permit issued to permittee pursuant to this chapter.

E. Where a permit is issued pursuant to this chapter to a property owner adjoining the portion of the public right-of-way or public service easement in which the work is to be performed, the administrator may waive the surety bond or other security requirements of this chapter.

**13.12.160. Performance of Construction or Excavation Work.**

As a further condition of a permit required by this chapter, all permittees including, without limitation, persons with a franchise issued in accordance with applicable law, must design, undertake and complete such work in the following manner:

A. All public improvements constructed or installed within a public right-of-way pursuant to such permit must be designed, constructed and installed in accordance with the city's design criteria and improvement standards.

B. Upon commencing work authorized by a permit, the work will be prosecuted with due diligence in a manner that does not unnecessarily obstruct or interfere with a public street, public utilities or other facilities located within a public right-of-way or public service easement. This provision will be strictly construed.

C. Warning lights. It is the duty of any person making any excavation in any public right-of-way or service easement, to place and maintain during the period between sunset of any day and sunrise of the succeeding day, suitable and adequate lights to warn users of the street of the obstructions or excavations until such excavation is entirely refilled.

D. Location of pipes. It is unlawful for any person to lay any gas or water service pipe, or main pipe, or private sewer or any drain or other conduit in any street or other public place in the city at a distance of less than two feet below the surface of such public place.

E. In accordance with Government Code § 4216.2, including any successor statute thereto, persons excavating in the public right-of-way will comply with the requirements of the Underground Service Alert ("USA") regarding notification of excavation and marking subsurface facilities. Such person will provide USA with the permit number or other information that may be necessary to properly identify the proposed excavation. All markings must be removed within 24 hours after work is completed.

F. All excavation permittees are required to furnish compaction reports on all backfill if required by the city engineer.

G. Upon completing approved work, the public right-of-way or public services easement in which such work was performed must be restored to the same condition as before the work occurred or such modified condition as expressly approved by the administrator. All surplus soils or waste materials removed from the public right-of-way or public service easement must be deposited or disposed of in a manner that complies with applicable federal, state, and city laws and regulations.

H. At the conclusion of construction or excavation work authorized by such permit, the permittee must file with the administrator such "as-built" plans and specifications as may be required by the administrator depicting any new improvements or facilities or any modifications to existing improvements or facilities which were constructed or installed in the public right-of-way or public service easement pursuant to such permit.

**13.12.170. Special Conditions.**

When acting on a permit required by this chapter, the administrator may add permit conditions to address any special requirements which the administrator determines are necessary to ensure that the proposed encroachment or excavation is accomplished in a manner that protects the safety of persons or property and does not unreasonably interfere with the use by the city or general public of any public right-of-way or public service easement and/or any public or private property adjoining or in the neighborhood of the public right-of-way or public service easement in which the encroachment or excavation is to be made.

**13.12.180. Obstruction of Street; Refilling; Cost.**

A. Refilling. All refilling of any excavation will be made by the administrator. If

the street or place where such excavation is made is graveled, macadamized or has a cement concrete pavement, such pavement will be replaced by the administrator, all costs to be borne by the person, firm, or corporation making the excavation.

B. Determination of cost. The decision of the administrator as to the cost of any work done or repairs made by the City under the provisions of this chapter are final and conclusive as to such cost.

**13.12.190. Stop Notice.**

A. Whenever the administrator or any law enforcement officer determines that an encroachment or excavation made pursuant to a permit issued by this chapter threatens public safety, unreasonably interferes with the use of such public right-of-way or public service easement or any property adjoining and in the neighborhood thereof, or damages or threatens to damage other facilities located within the public right-of-way or public service easement in a manner not authorized by the permit, the administrator may order such work immediately suspended and, if appropriate, stopped in accordance with this chapter. The administrator or any law enforcement officer may immediately suspend work by a permittee either verbally or in writing if there is an imminent threat to public health, safety or welfare resulting from a permittee's work. Thereafter, the administrator must comply with this chapter as to stopping work.

B. If stopping the work is, in the administrator's sole determination, appropriate, the administrator will cause a written notice of the order to be served on the permittee and on any person known to the administrator to be working pursuant to the permit if such person is someone other than the permittee. In addition to setting forth the order of the administrator to stop work, such notice will contain a brief description of the reasons why such work is being ordered stopped and the action, if any, which may be taken in order that the work may be resumed; will contain a statement of the right of the permittee to apply for administrative review of the order and to appeal the order in the manner provided by this chapter, and advise the person upon whom the notice is served that unless authorized by the administrator, any further work performed pursuant to such permit may subject such person to criminal charges.

C. The administrator will also cause a written notice of the order to be posted in a conspicuous place within the public right-of-way or public service easement in which such work is being performed. In addition to setting forth the order of the administrator to stop work, such notice will state that it is a misdemeanor for such person to perform any further work without authorization of the administrator or to remove or deface the posted notice of such order.

D. It is unlawful for any person served with a notice of the administrator to stop work undertaken or carried out pursuant to a permit issued in the manner provided by this chapter to cause or permit such work to be performed.

**13.12.200. Permit Revocation.**

A. Whenever the administrator determines that a permittee violated the terms and conditions of the permit or that the permit was issued based on an application or plans and specifications which contained a material misrepresentation of fact, the administrator may revoke the permit in accordance with this chapter.

B. To commence revoking a permit, the administrator will cause written notice of such order to be served on the permittee. In addition to notice regarding the revocation, the notice will contain a brief description of the reasons why the permit is being revoked and will contain a statement that the permittee has the right to apply for administrative review of the order and to appeal the order as provided by this chapter.

C. A permittee served with a notice of revocation will promptly terminate the encroachment or excavation and restore the public right-of-way or public service easement in which such encroachment or excavation was undertaken or carried out to the same condition as before the work commenced.

**13.12.210. Removal and Restoration Work.**

A. Where the administrator determines that an encroachment or excavation was made in a public right-of-way or public service easement without a permit, in violation or contrary to the terms and conditions of a permit or order issued pursuant to this chapter, or in any manner that endangers the safety of persons or property, the administrator may remove such encroachment, refill such excavation and/or restore such public right-of-way or public service easement to the same or substantially the same condition as it was before such work, all at the permittee's or responsible person's cost, after serving any notice required by this chapter.

B. Upon determining to restore a public right-of-way or public service easement, the administrator will cause written notice of such determination to be served on the permittee or other responsible person. In addition to setting forth the administrator's decision to perform such work, the notice will include the reasons for restoration and state that the work will be performed at permittee's cost. Unless the work is needed protect public health, safety, or property, the notice will also allow the

permittee to immediately undertake restoration work at the permittee's sole cost and expense, provided the work is completed by the permittee within a reasonable time as determined by the administrator and set forth in the notice.

C. Unless the permittee or other responsible person accomplishes the restoration work themselves, any permittee or other responsible person who caused the condition that requires restoration work will, upon the restoration work being complete, be liable to the city for the full cost thereof. In addition, where a surety bond or other security was provided to the city as a condition of a permit authorizing construction or excavation work within a public right-of-way or public service easement, such surety or other security will be liable to the city for the cost of such work to the full amount of the surety bond or other security.

**13.12.220. Right of Administrative Review.**

A. Except as otherwise provided, an applicant may request administrative review of the administrator's decision pursuant to this Chapter.

B. Except as otherwise provided, a request for review must be commenced within five days from the date on which written notice of the administrator's decision is served on the applicant/permittee.

C. If a request is untimely, the administrator may, nevertheless, extend the time for commencing such review for good cause shown.

D. A request for administrative review will be on a form provided by the administrator and contain the following information:

1. The name, address and telephone number of the person making the request;

2. A description of the decision, determination or order which is the subject of the review, and the date such decision, determination or order was made or issued;

3. A brief description of all grounds for making the request; and

4. Such other information as may be required by the administrator.

E. Upon request for administrative review being filed, the administrator will promptly provide a copy of the notice to the city manager.

F. Upon receiving a request for review from the administrator, the city manager will review the request and, within 10 business days of receiving

the request notice, provide the appellant with a written notification that:

1. The administrator's decision is affirmed;

2. The administrator's decision is modified;

3. The administrator's decision is reversed and a permit is issued or issued without special conditions.

G. The city manager may, but is not required to, conduct a hearing at a time and place mutually agreeable to the parties. If the parties cannot agree on the time or place, then it will be held the next business day at 4:00 P.M. at the city manager's office.

H. In addition to other provisions of this chapter, any notification to the requestor must set forth any modifications of the administrator's decision.

I. The city manager's decision is final. An applicant does not have any right to appeal that decision to the city council."

**SECTION 3:** ***Environmental Assessment.*** This Ordinance was reviewed pursuant to CEQA. Adopting this Ordinance is exempt from further environmental review because it establishes rules and procedures for operation of existing facilities; minor temporary use of land; minor alterations in land use; new construction of small structures; and minor structures accessory to existing commercial facilities. The Ordinance, therefore, is categorically exempt from further CEQA review under CEQA Guidelines §§ 15301; 15303, 15304(e); 15305; and 15311. Further, the adopting the ordinance is also exempt from review under CEQA pursuant to CEQA Guidelines § 15061(b)(3) because the ordinance is for general policies and procedure-making. It can be seen with certainty that there is no possibility that the Ordinance may have a significant effect on the environment. Individual projects utilizing these regulations will each be separately subject to an environmental assessment. Finally, this Ordinance is exempt from further review pursuant to CEQA Guidelines § 15269(a) because the protection of public and private property is necessary to maintain service essential to the public, health and welfare.

**SECTION 4:** ***Construction***. This Ordinance must be broadly construed to achieve the purposes stated in this Ordinance. It is the City Council's intent that the provisions of this Ordinance be interpreted or implemented by the City and others in a manner that facilitates the purposes set forth in this Ordinance.

**SECTION 5:** ***Enforceability***. Repeal of any provision of the MPMC does not affect any penalty, forfeiture, or liability incurred before, or preclude prosecution and imposition of penalties for any violation occurring before this Ordinance's effective date. Any such repealed part will remain in full force and effect for sustaining action or prosecuting violations occurring before the effective date of this Ordinance.

**SECTION 6:** ***Validity of Previous Code Sections***. If this entire Ordinance or its application is deemed invalid by a court of competent jurisdiction, any repeal or amendment of the MPMC or other city ordinance by this Ordinance will be rendered void and cause such previous MPMC provision or other the city ordinance to remain in full force and effect for all purposes.

**SECTION 7:** ***Reliance on Record*****.** Each and every one of the findings and determinations in this Ordinance are based on the competent and substantial evidence, both oral and written, contained in the entire record relating to the project. The findings and determinations constitute the independent findings and determinations of the City Council in all respects and are fully and completely supported by substantial evidence in the record as a whole.

**SECTION 8:** ***Limitations***. The City Council's analysis and evaluation of the project is based on the best information currently available. It is inevitable that in evaluating a project that absolute and perfect knowledge of all possible aspects of the project will not exist. One of the major limitations on analysis of the project is the City Council's lack of knowledge of future events. In all instances, best efforts have been made to form accurate assumptions. Somewhat related to this are limitations on the City's ability to solve what are in effect regional, state, and National problems and issues. The City must work within the political framework within which it exists and with the limitations inherent in that framework.

**SECTION 9:** ***Summaries of Information.*** All summaries of information in the findings, which precede this section, are based on the substantial evidence in the record. The absence of any particular fact from any such summary is not an indication that a particular finding is not based in part on that fact.

**SECTION 10:** ***Severability***. If any part of this Ordinance or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not affect the effectiveness of the remaining provisions or applications and, to this end, the provisions of this Ordinance are severable.

**SECTION 11:** ***Recording***. The City Clerk, or her duly appointed deputy, is directed to certify the passage and adoption of this Ordinance; cause it to be entered into the City of Monterey Park's book of original ordinances; make a note of the passage and adoption in the records of this meeting; and, within 15 days after the passage and adoption of this Ordinance, cause it to be published or posted in accordance with California law.

**SECTION 12:** ***Electronic Signatures***. This Ordinance may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

**SECTION 13:** ***Execution***. The Mayor, or presiding officer, is hereby authorized to affix his signature to this Ordinance signifying its adoption by the City Council of the City of Monterey Park, and the City Clerk, or duly appointed deputy, is directed to attest

thereto.

**SECTION 14:** ***Effective Date***. This Ordinance becomes effective on the 30th day following its passage and adoption.

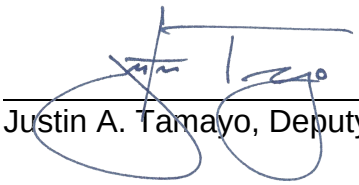
PASSED AND ADOPTED this ____ day of _____ , 2023.

_____
Jose Sanchez, Mayor

ATTEST:

_____
Maychelle Yee, City Clerk

APPROVED AS TO FORM:
KARL H. BERGER, CITY ATTORNEY



_____
Justin A. Tamayo, Deputy City Attorney

## ATTACHMENT 1

## GENERAL CONDITIONS OF APPROVAL

## ENCROACHMENT PERMIT

1. Permittee must schedule a pre-job construction meeting, at the job site, with the Administrator at least one week before the start of work.

2. Before starting work, the Permittee must notify the Administrator not less than 48 hours before the initial start of work. When work has been interrupted for more than five working days, 24-hour notification is required before restarting work.

3. All property owners and occupants affected by this project must be notified in writing at least 72 hours in advance of any work. Letters must be approved by the Administrator before distribution.

4. "No Parking" signs must restrict parking one hour before the start of the regular working hours until the end of the regular working day. Signs must be posted 72 hours in advance and must indicate day, date and time of construction and name of permittee.

5. A construction schedule, which must include the maximum length of time, must be provided by the Permittee and be approved by the Administrator before commencing work.

6. Inspection will be performed by the Administrator. Normal business hours for Public Works Inspection are 7:30 a.m. to 4:00 p.m., Monday through Thursday. Permittee will be billed at the rate established by the master fee schedule that has been adopted by the City Council at the time of inspection.

7. Unless allowed by the Permit, overnight storage of equipment or materials will not be allowed in the public right-of-way without prior approval from the Public is prohibited. If approved, equipment and material will be barricaded each night in accordance with the approved traffic plan.

8. The Permittee must obtain subgrade and form inspection and approval before ordering or pouring concrete or asphalt.

9. Sewers and other pipelines must be inspected by the Administrator and approved before backfilled and the backfill must be compacted to at least 90% relative density.

10. Permittee must notify Underground Service Alert two working days before excavating. (800) 422-4133.

11. All Asphalt Concrete ("A.C.") repairs must consists of base paved sections one inch thicker than the existing A.C. section with the same thickness base coarse.

    a. Restoration finish methods for all vertical street excavations will be done with a two inch grind and cap application not less than 10 feet from edge of gutter plate and not less than full lane width for cuts exceeding 10 feet Page from edge of gutter plate. The restoration limits parallel to curb and gutter must be no less than 10 feet in length and extend no less than one foot outside of all vertical cuts or the width required to repair damaged pavement.

    b. A.C. repairs made to streets which have been overlaid with asphalt rubber hot mix must be done with asphalt rubber hot mix.

    c. A.C. repairs within 100 feet of any major boulevard intersection must be ground and capped the full width of the boulevard at two inches in depth, one foot beyond the furthest vertical trenched edge up to the prolongation of the intersecting boulevard.

    d. All street markings must be replaced in like-kind properties.

12. Saw cut all A.C. in a straight line parallel with curb at the outermost limits of excavation. In accordance with best management practices in accordance with the current National Pollution Discharge Elimination System ("NPDES") permitting requirements, Permittee must collect and properly dispose of all residue and water from project sawing operations. Furthermore, under no circumstances may Permittee allow run-off to enter the storm drain system.

13. Any driveway apron cut during construction must be completely reconstructed in its entirety, unless otherwise approved by the Administrator. Permittee must maintain access to affected properties during construction. In the event access cannot be maintained, Permittee must contact property occupant at least 72 hours before excavation and coordinate the work.

14. The Spandrel area of all cross gutters must be completely reconstructed whenever any cut is made in it.

15. Whenever any curb and gutter crossing measures In excess of three feet in width, adjacent curb and gutter must be removed and reconstructed. All cold joints in curb and gutter must be separated by a distance of not less than 10 feet.

    a. All curb and gutter crossings must be backfilled with one sack slurry.

16. Sidewalks must be saw cut to the nearest score line and in no case must a panel be left with any side measuring less than four feet. Any concrete panel cut parallel with curb must be completely reconstructed.

17. Repair any damaged sprinklers and turf areas within 24 hours.

18. Trenches must not be left open overnight. All work must be backfilled or plated by the end of each workday.

    a. Plates utilized on Arterial roadways must be recessed, NO EXCEPTIONS.

    b. Plates must not be stored within the public ROW over night, also NO EXCEPTIONS.

19. Unless plated, temporary cuts must be compacted and graded smooth by the end of each day. A minimum of two inches temporary A.C. (cold mix) must be placed on compacted fill to bring temporary cut to final grade.

20. Traffic control must comply with the California Manual on Uniform Traffic Control Devises ("CA MUTCD"), California Temporary Traffic Control Handbook ("CATTCH"), or the Work Area Traffic Control Handbook ("WATCH").

21. Backfill may be native material when approved by the City Public Works Inspector, and shown to be no less than 95-percent compacted before placement of finished material.

    a. All compaction tests must be done by a laboratory approved by the Public Works Director, or designee. Locations must be determined by the City Public Works Inspector (90-percent compaction is required for the subgrade, 95-percent compaction is required for the base grade).

22. All construction work and traffic must be maintained on the proper side of centerline on all streets. On all residential streets Permittee - must maintain a minimum of one, 10 foot, lane in each direction at all times and must maintain two, 10 foot, lanes in each direction at all times on all major streets, unless approved by the Permit. No lane closures on arterial streets before 9:00 a.m. or after 3:30 p.m.

23. Permittee must field check all manhole locations, both for possible conflicts with existing Underground facilities and to ensure minimal impediment to vehicular traffic flow when vault is accessed.

24. Permittee is responsible for restoring any survey monuments which may have been disturbed as a result of this project. It is the responsibility of the permittee to obtain a licensed surveyor before start of work to preserve survey monuments in the work area.

25. Permittee is responsible for restoring all pavement markings and traffic striping through the entire length of the project to match existing conditions.

26. Permittee is responsible for repairs to any damaged traffic control devices, loop detectors or similar devices for the duration of work.

**CITY OF MONTEREY PARK**
**ENCROACHMENT PERMIT**

**Permit #:**

**Location:**

**Permit Issued To:** **Contact Person:**

**Expires:**

Pursuant to Monterey Park Municipal Code ("MPMC") Chapter 13.12, governing work or encroachment into public right of ways, the City of Monterey Park ("City") grants permission to the Permittee listed above, to encroach into public property at the place and time specified above. In addition to the general terms and conditions contained in the MPMC, the use is subject to the following additional limitations:

1. **DESCRIPTION**. _____

2. **UNOBSTRUCTED ACCESS**. Permittee must allow all property owners, pedestrians, and vehicles unobstructed access to businesses, residences, and public property at all times. City's representatives may right to enter upon the right-of-way upon which the Improvements are located at any time for any purpose. Permittee waives any and all claims for damages to any improvements or the business associated incurred as the result of City's use of its public property.

3. **REIMBURSEMENT FOR DAMAGES**. Permittee must reimburse City for any damages inflicted on City-owned facilities by Permittee.

4. **GENERAL CONDITIONS/SPECIAL CONDITIONS**. The General Conditions and any Special Conditions attached as Exhibit A to this Permit are incorporated by reference. Permittee must comply with all such conditions.

5. **REMOVAL OF IMPROVEMENTS**. Permittee must remove the Improvements at Permittee's expense upon 30 days written notice from City. Should Permittee fail to timely remove the Improvements on such notice, Permittee will pay any costs incurred by City in removing the Improvements.

6. **NON-TRANSFERABLE**. This Permit is not transferable or assignable. Any attempt to transfer the Permit will immediately terminate the Permit.

7. **COMPLIANCE WITH LAW.** Permittee must perform all work in accordance with City policies, standards and ordinances and obtain all applicable permits needed for construction of the Improvements.

8. **UNOBSTRUCTED AREA**. A minimum five feet (5') of unobstructed sidewalk area must be maintained for public pedestrian use.

9. **LITTER-FREE**. Permittee must keep the area of encroachment clean and free of trash, litter, and other refuse at all times.

10. **INDEMNIFICATION**. Permittee agrees to indemnify and hold City harmless from and against any claim, action, damages, costs (including, without limitation, attorney's fees), injuries, or liability, arising from Permittee's encroachment, except for such loss or damage arising from the City's sole negligence or willful misconduct. Should the City be named in any suit, or should any claim be brought against it by suit or otherwise, whether the same be groundless or not, arising out of the Permittee's encroachment, the Permittee agrees to defend the City (at the City's request and with counsel satisfactory to the City) and will indemnify the City for any judgment rendered against it or any sums paid out in settlement or otherwise. For purposes of this section, "the City" includes the City of Monterey Park elected officials, appointed officials, officers, and employees.
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11. **INSURANCE**.

A. At all times this Permit is effective, Permittee will procure and maintain commercial general liability insurance with a coverage limit of $2,000,000.

B. Commercial general liability insurance will meet or exceed the requirements of the most recent ISO-CGL Form unless City's Risk Manager determines that ISO-CGL Form No. CG 00 01 11 85 or 88 is required. The amount of insurance set forth above will be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. Liability policies will be endorsed to name City, its officials, and employees as "additional insureds" under said insurance coverage and to state that such insurance will be deemed "primary" such that any other insurance that may be carried by City will be excess thereto. Such insurance will be on an "occurrence," not a "claims made," basis and will not be cancelable or subject to reduction except upon thirty (30) days prior written notice to City.

C. Permittee will furnish to City duly authenticated Certificates of Insurance evidencing maintenance of the insurance required under this Agreement, endorsements as required herein, and such other evidence of insurance or copies of policies as may be reasonably required by City from time to time. Insurance must be placed with insurers with a current A.M. Best Company Rating equivalent to at least a Rating of "A:VII."

12. **ENFORCEMENT**. Should City determine it necessary to take legal action to enforce any of the provisions of these conditions, and such legal action is taken, the Permittee will be required to pay any and all costs of such legal action, including reasonable attorney's fees, incurred by City, even if the matter is not prosecuted to a final judgment or is amicably resolved, unless City should otherwise agree with applicant to waive said fees or any part thereof. The foregoing will not apply if the Permittee prevails on every issue in the enforcement proceeding. In such event, Permittee may not recover an amount exceeding City's own legal costs.

13. **SIGNATURE REQUIRED**. Permittee, or its representative, must sign and return this original permit to the City of Monterey Park within five business days from receiving this permit. Failure to do so will be deemed a withdrawal of the Permittee's application.

By issuing this permit, the City of Monterey Park does not assume responsibility of liability for claims, damages, or injuries, of whatever nature, which may arise from this work.

Dated this __ day of ____, 20___.

By: _____
_____

I, _____ the applicant for the encroachments described above, do hereby acknowledge that I have read the terms and conditions of this permit; that the terms and conditions are acceptable and agree to abide by, comply with, and accept full and complete responsibility therefore.

Dated this __ day of _____, 20___.

By: _____

# ATTACHMENT 2
April 19, 2023 Staff Report

# City Council Staff Report

**DATE:** April 19, 2023

**AGENDA ITEM NO:** New Business - 5A

**TO:** The Honorable Mayor and City Council

**FROM:** Shawn Igoe, Director of Public Works

**SUBJECT:** Consideration and possible action to introduce an Ordinance amending Title 13, Chapter 12 of the Monterey Park Municipal Code ("MPMC") in its entirety to regulate encroachments within the Public Right-of-Way

## RECOMMENDATION:

It is recommended that the City Council consider:

1. Introducing and waiving first reading of an Ordinance amending Title 13, Chapter 12 of the Monterey Park Municipal Code ("MPMC") in its entirety regulating encroachments into public streets, easements, and right of ways; and
2. Taking such additional, related, action that may be desirable.

## CEQA (California Environmental Quality Act):

This Ordinance was reviewed pursuant to CEQA. Adopting this Ordinance is exempt from further environmental review because it establishes rules and procedures for operation of existing facilities; minor temporary use of land; minor alterations in land use; new construction of small structures; and minor structures accessory to existing commercial facilities. The Ordinance, therefore, is categorically exempt from further environmental review under CEQA Guidelines §§ 15301; 15303, 15304(e); 15305; and 15311. Further, adopting the ordinance is exempt from environmental review pursuant to CEQA Guidelines § 15061(b)(3) because the ordinance is for general policies and procedure-making. It can be seen with certainty that there is no possibility that the Ordinance may have a significant effect on the environment. Individual projects utilizing these regulations will each be separately subject to an environmental assessment. Finally, this Ordinance is exempt from further environmental review pursuant to CEQA Guidelines § 15269(a) because the protection of public and private property is necessary to maintain service essential to the public, health and welfare.

## EXECUTIVE SUMMARY:

MPMC Chapter 13.12 regulates encroachments and construction within all public right of ways within the City. The regulations under this chapter were first implemented in the 1980s and are stale in comparison to industry standards. The proposed ordinance updates regulations for excavations and encroachments on, over, and under public rights-of-ways and public service easements.

**BACKGROUND:**
Government Code Section 38775 permits the City to regulate and prohibit encroachments into and obstructions on public property. An encroachment includes, without limitation, the following:

- Any construction work performed within public rights-of-ways or public service easements;
- Any work other than construction work performed within a public right-of-way or public service easement that obstructs, or interferes with the use of, the public right-of-way or public service easement; and
- Any structure or object that is placed or installed within a public right-of-way or within a public service easement in a manner that obstructs or otherwise interferes with the use of the public right-of-way or public service easement.

The proposed ordinance repeals and replaces current provisions and procedures under MPMC Chapter 13.12 and provides new permit requirements, including, exceptions to permits, procedures for permit application process, permit insurance requirements, guidelines for excavation in recently resurfaced public streets, requirements for traffic control plans and procedures for administrative review of permit decisions. The Ordinance also includes an encroachment permit application form and general conditions of approval applicable to all encroachments in the City.

**FISCAL IMPACT:**
None.

Respectfully prepared & submitted by:

Shawn Igoe
Director of Public Works

Approved by:

Ron Bow
City Manager

Reviewed by:

Justin A. Tamayo
Deputy City Attorney

**ATTACHMENTS:**
1. Draft Ordinance

# City Council Staff Report

**DATE:** May 3, 2023

**AGENDA ITEM NO:** Consent Calendar - 3J

**TO:** The Honorable Mayor and City Council

**FROM:** Jessica Serrano, Director of Community Development

**SUBJECT:** California Energy Commission *California Automated Permit Processing* (CalAPP) Program Grant

## RECOMMENDATION:

It is recommended that the City Council consider:

1. Adopting a resolution retroactively authorizing the City Manager, or designee, to apply for, receive, and appropriate grant funds for the California Energy Commission's *California Automated Permit Processing* (CalAPP) Program Grant; and
2. Taking such additional, related, action that may be desirable.

## EXECUTIVE SUMMARY:

The California Energy Commission's CalAPP Grant Program, funded by $20 million from the California Budget Act of 2021 authorized by Senate Bill 129, is intended to help cities and counties establish an online, automated solar permitting system. The City qualifies for a $60,000 grant to reimburse the City for staff or consultant time associated with implementing the solar permitting software, among others. Expediting solar permits will help the City comply with the Solar Access Act and will advance the City's Going Green efforts towards promoting sustainability within the City.

The application deadline was May 1, 2023 and funds are awarded on a first-come, first-served basis. Staff submitted our CalAPP Program Grant application on April 19, 2023 to meet this deadline. This is a reimbursable grant that allows for reimbursements through May 1, 2027.

If adopted, the proposed resolution would retroactively authorize the City Manager, or designee, to apply for the CalAPP Program Grant, to execute the grant agreement, and to implement a budget amendment if the City is awarded funds.

## BACKGROUND:

In July 2021, $20 million from the California Budget Act of 2021, which was authorized by Senate Bill 129, was appropriated to the California Energy Commission to support a grant program to help cities and counties implement an online, automated solar permitting system.

In September 2022, the Solar Access Act was passed through Senate Bill 379, which requires that cities and counties automate the permitting process for certain solar installation projects by September 30, 2023 (for cities and counties with populations greater than 50,000). This is intended to cut down the cost and wait times for obtaining a solar permit from cities.

The U.S. Department of Energy developed a solar permitting software called SolarAPP+. This software will integrate with cities existing permitting software, is aimed at streamlining and automating applications, standardizes plans for most solar applications and provides an inspection checklist to assist with inspections.

The California Energy Commission administers the CalAPP Program Grant which is intended to assist local governments recover the cost of establishing an automated, online solar permitting system, including SolarAPP+ or a similar software. This grant can be used to reimburse staff or consultant time associated with implementing the solar permitting software, among others.

The maximum grant amount that a city can apply for is based on the latest estimated population available from the California Department of Finance (DOF). According to DOF's estimates, the City's population is 60,207 as of January 1, 2022. Cities with populations between 50,000 to 99,999 qualify for grant funding up to $60,000 on a first-come, first-served basis. The deadline to apply was May 1, 2023. Staff submitted our CalAPP Program Grant application to implement the SolarApp+ software on April 19, 2023 to meet this deadline. The City received an email on April 20, 2023 indicating that staff reviewed our application and is recommending approval by the Energy Commission.

**FISCAL IMPACT:**

The City may be granted up to $60,000 from the California Energy Commission to establish an online, automated solar permitting system. If grant funds are received, the attached resolution would allow the Finance Department to appropriate these funds.

Respectfully submitted by:

Jessica Serrano
Director of Community Development

Reviewed by:

Martha Garcia
Director of Finance

Approved by:

Ron Bow
City Manager

Reviewed by:

Karl H. Berger
City Attorney

**ATTACHMENT:**

1. Draft Resolution

# ATTACHMENT 1
## Draft Resolution

**RESOLUTION NO.**

**A RESOLUTION RETROACTIVELY AUTHORIZING THE CITY MANAGER, OR DESIGNEE, TO APPLY FOR, RECEIVE, AND APPROPRIATE GRANT FUNDS FOR THE ENERGY COMMISSION'S CALIFORNIA AUTOMATED PERMIT PROCESSING (CalAPP) PROGRAM**

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds and declares:

A. California Energy Commission's CalAPP Grant Program, funded by $20 million from the California Budget Act of 2021 authorized by Senate Bill 129, is intended to help cities and counties establish an online, automated solar permitting system which will reduce the cost and wait times for obtaining a solar permit from the City.

B. The City qualifies for a $60,000 grant to reimburse the City for staff or consultant time associated with implementing the solar permitting software, among others.

C. If awarded, the CalAPP Program Grant must be expended by May 1, 2027.

D. Expediting solar permits will help the City comply with the Solar Access Act and will advance the City's Going Green efforts towards promoting sustainability within the City.

SECTION 2: The City Council retroactively authorizes the City Manager, or designee, to execute documents to apply for, and potentially receive, up to $60,000 in grant monies from the California Energy Commission's to be used for the implementation of an online, automated solar permitting system.

SECTION 3: The City Manager, or designee, is authorized to execute any required documents to receive the grant for the purposes identified above.

SECTION 4: The City Manager, or designee, is authorized to accept and spend the grant monies identified in this Resolution for the purposes set forth above.

SECTION 5: The City Council amends or supplements the City's Budget to appropriate the monies identified by this Resolution to pay for the proposals made by the City in support of its grant application. The City Manager, or designee, is authorized to implement the purpose of this section.

SECTION 6: *Severability*. If any part of this Resolution or its application is deemed invalid by a court of competent jurisdiction, the City Council intends that such invalidity will not

affect the effectiveness of the remaining provision or application and, to this end, the provisions of this Resolution are severable.

SECTION 7: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 8: *Recordation*. The Mayor, or presiding officer, is authorized to sign this Resolution signifying its adoption by the City Council of the City of Monterey Park and the City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 9: *Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 3rd day of May, 2023.

_____
Jose Sanchez, Mayor

Attest:

_____
Maychelle Yee, City Clerk

Approved as to Form:

_____
Karl H. Berger, City Attorney

# City Council Staff Report

**DATE:** May 3, 2023

**AGENDA ITEM NO:** Consent Calendar - 3K

**TO:** The Honorable Mayor and City Council

**FROM:** Shawn Igoe, Director of Public Works

**SUBJECT:** HSIP Cycle 9 Garfield Avenue Traffic Signal Improvements Project – Award of Contract

## RECOMMENDATION:

It is recommended that the City Council consider:

1. Authorizing the City Manager to execute a public works contract, in a form approved by the City Attorney, with PTM General Engineering Services, Inc. of Riverside in the contract amount of $428,028 for the HSIP Cycle 9 Garfield Avenue Traffic Signal Improvements, Specification No. 2022-016;
2. Authorizing the Director of Public Works to approve change orders and contingency up to $37,572, or 9% of the contract amount; and
3. Taking such additional, related action that may be desirable.

## CEQA (California Environmental Quality Act):

The proposed project is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations §15301 as a Class 1 categorical exemption (Existing Facilities). The project results in minor alterations to existing public facilities involving no significant expansion of the existing use. The Project is not anticipated to have any significant impacts with regards to traffic, noise, air quality or water quality.

## EXECUTIVE SUMMARY

Per Resolution No. 2022-R32, the Public Works Director solicited bids for Capital Improvement Project No. 96028. The bid opening was held on March 23, 2023. Staff completed review of bids and recommends that the contract be awarded to PTM General Engineering Services, Inc., the lowest responsible bidder, in the amount of $428,028 plus 9% contingency.

## BACKGROUND

In August 2018, the City submitted a grant application to be considered as part of HSIP Cycle 9 Program. The application included traffic signal improvements including installation of traffic signal hardware (lenses, backplates with reflective borders, mounting) and installation of pedestrian countdown signal heads and related improvements at all signalized intersections on Garfield Avenue between south city limit and north city limit.

The City's project was one of the 221 projects selected for funding and approved by City Council on December 18, 2019. This project is funded by HSIP Cycle 9 Grant budgeted in the 2022-2023 fiscal year Capital Improvement Program as Project No. 96028.

Staff opened bids on Tuesday, March 23, 2023 and has completed the review of all bids submitted. The bids are listed in the table below:

| RANK | BIDDER | BASE BID AMOUNT |
|---|---|---|
| 1 | PTM General Engineering Services, Inc. | $428,028 |

The bid submitted by PTM General Engineering Services, Inc. is the lowest responsive bid from a responsible bidder. PTM General Engineering Services, Inc. license was verified with the California State Contractor's License Board to be current, active, and in good standing. Registration with the California Department of Industrial Relations (DIR) was verified. Staff also checked the contractor's references and received positive feedback. Additionally, PTM has previously provided services to the City.

Since there was only one bid received for this project, staff conferred with Caltrans to verify that the bid results satisfied grant requirements. Staff followed all procedures to make this a competitive bid such as project advertising, days out on bidding, and bid opening. This information was submitted to Caltrans and confirmation was received that the bid received by PTM General Engineering Services, Inc. is acceptable as competitive for HSIP Cycle 9. Accepting this bid will avoid having to re-bid and receive higher construction costs.

## FISCAL IMPACT

Funds for this project have been budgeted in Capital Improvement Project (CIP) No. 96028. There are sufficient funds for the contract amount of $428,028 and a contingency of $38,502 for a total of $466,530.

| CIP No. 96004 – PROJECT TITLE | |
|---|---|
| Base Bid | $428,028.00 |
| Contingency (9%) | $38,502.00 |
| Project/Construction Management/inspection (4.4%) | $19,164.00 |
| Total Estimated Project Cost | $485,694.00 |
| Project budget | $485,694.00 |

.

Respectfully submitted and prepared by:

Shawn Igoe
Director of Public Works

Reviewed by:

Martha Garcia
Director of Finance

Approved by:

Ron Bow
City Manager

Reviewed by:

Karl H. Berger
City Attorney

**ATTACHMENT**

1. PTM General Engineering Services, Inc. Proposal

# ATTACHMENT 1

PTM General Engineering Services, Inc Proposal

# SECTION C. BIDDERS PROPOSAL

**(Entire section C shall be submitted with the bid)**

**BIDDER'S NAME:** PTM General Engineering Services, Inc.

In accordance with the City's Notice Inviting Sealed Bids, the undersigned BIDDER, hereby proposes to furnish all materials, equipment, tools, labor, and incidentals required for the above stated project as set forth in the Plans, Specifications, and contract documents therefore, and to perform all work in the manner and time prescribed therein.

BIDDER declares that this proposal is based upon careful examination of the work site, Plans, Specifications, Instructions to Bidders, and all other contract documents. If this proposal is accepted for award, BIDDER understands that failure to enter into a contract in the manner and time prescribed will result in forfeiture to the City of Monterey Park of the guarantee accompanying this proposal.

BIDDER understands that a bid is required for the entire work. The contract will be awarded on the prices shown on the bid schedule. It is agreed that the unit and/or lump sum prices bid include all appurtenant expenses, taxes, royalties and fees. In the case of discrepancies in the amounts of bid, unit prices shall govern over extended amount, and words shall govern over figures.

If awarded the Contract, the undersigned further agrees that in the event of the BIDDER'S default in executing the required contract and filing the necessary bonds and insurance certificates within **ten working days** after the date of the City's notice of award of contract to the BIDDER, the proceeds of the guarantee accompanying this bid shall become the property of the City and this bid and the acceptance hereof may, at the City's option, be considered null and void.

**BID SCHEDULE**

To the Monterey Park's City Council, herein called the "Council".

Pursuant to and in compliance with your Notice Inviting Bids and the other documents relating thereto, the undersigned bidder, having familiarized himself with the work, and with the terms of the contract, the local conditions affecting the performance of the contract, and the cost of the work at the place where the work is done, and with the drawings and specifications and other contract documents, hereby proposes and agrees to perform, within the time stipulated, the contract, including all of its component parts, and everything required to be performed, and to provide and furnish any and all of the labor, materials, tools, expendable equipment, and all applicable taxes, utility and transportation services necessary to perform the contract and complete in a workmanlike manner, all in strict conformity with the Contract Documents on file at the office of the City Clerk of said City, per the following bid schedule:

**BID SCHEDULE**
**For Garfield Avenue Traffic Signal Improvements HSIP Cycle 9**
**Federal Project No: HSIPL-5231(018)**
**Specification No. 2022-016**

| No. | Bid Item Description | Quantity | Unit | Unit Cost | Total Cost |
|---|---|---|---|---|---|
| 1 | Mobilization | 1 | LS | $ 24248 - | $ 24248 - |
| 2 | Traffic Control | 1 | LS | $ 86000 - | $ 86000 - |
| 3 | Furnish and Install High Visibility Yellow Reflective Strip at all Existing Vehicle Signal Head Backplates | 108 | EA | $ 1350 - | $ 145800 - |
| 4 | Remove and salvage existing pedestrian signal head and mounting bracket. Furnish and install new countdown pedestrian signal head and mounting bracket per special provisions. Reuse existing signal wires. | 26 | EA | $ 1350 - | $ 35100 - |
| 5 | Remove and salvage existing 3-8" traffic signal head. Furnish and install new 3-12" traffic signal head and pole mounting bracket per special provisions. Reuse existing signal wires. | 18 | EA | $ 1960 - | $ 35280 - |
| 6 | Remove and salvage existing 3-12" traffic signal head with broken or faded backplate. Furnish and install new 3-12" traffic signal head and pole mounting bracket per special provisions. Reuse existing signal wires. | 18 | EA | $ 1960 - | $ 35280 - |
| 7 | Furnish and install SV-2-TA traffic signal mounting bracket. | 4 | EA | $ 1600 - | $ 6400 - |
| 8 | Furnish and install SV-1-T traffic signal mounting bracket. | 10 | EA | $ 1230 - | $ 12300 - |
| 9 | Furnish and install SP-2-T pedestrian signal mounting bracket. | 5 | EA | $ 1360 - | $ 6800 - |
| 10 | Furnish and install TV-3-T traffic signal mounting bracket. | 1 | EA | $ 1920 - | $ 1920 - |
| 11 | Furnish and install TV-1-T traffic signal mounting bracket. | 9 | EA | $ 1300 - | $ 11700 - |
| 12 | Furnish and install SP-1-T pedestrian signal mounting bracket. | 16 | EA | $ 1300 - | $ 20800 - |
| 13 | Furnish and install MAS traffic signal mounting bracket. | 4 | EA | $ 1200 - | $ 4800 - |
| 14 | Furnish and install TV-2-T pedestrian signal mounting bracket. | 1 | EA | $ 1600 - | $ 1600 - |
| **TOTAL BID AMOUNT IN NUMBERS** | | | | | $ 428028 - |
| **TOTAL BID AMOUNT IN WRITING:** Four Hundred Twenty Eight Thousand Twenty Eight Dlls - | | | | | |

| | |
|---|---|
| In the case of discrepancies in the amount of bid, unit prices shall govern over extended amounts, and words shall govern over figures. | |
| Full compensation for the items listed to the right as Items A, B, C, D and E are considered as inclusive in each Bid Item listed above in the Base Bid Schedule as applicable, and no additional and/or separate compensation will be allowed. | A. Mobilization / Demobilization |
| | B. Traffic Control |
| | C. NPDES, WWECP, and Best Management Practices (BMPs), Public Convenience and Safety |
| | D. Construction Staking by Land Surveyor |
| | E. Clearing and Grubbing |
| The bid prices shall include any and all costs, including labor, materials, appurtenant expenses, taxes, royalties and any and all other incidental costs to complete the project, in compliance with the Bid and Contract Documents and all applicable codes and standards. | |
| The City reserves the right to add, delete, increase or decrease the amount of any quantity shown and to delete any item from the contract and pay the contractor at the bid unit prices so long as the total amount of change does not exceed 25% (plus or minus) of the total bid amount for the entire project. If the change exceeds 25%, a change order may be negotiated to adjust unit bid prices. | |
| All other work items not specifically listed in the bid schedule, but necessary to complete the work per bid and contract documents and all applicable codes and standards are assumed to be included in the bid prices. | |
| A bid is required for the entire work, that the quantities set forth in the Bid Schedule are to calculate total bid amount, and that final compensation under the contract will be based upon the actual quantities of work satisfactorily completed. | |
| Bidder shall provide a bid amount for each bid item listed below. Failure to provide a bid for each bid item shall render the bid non-responsive | |

## DESIGNATION OF SUBCONTRACTORS

BIDDER proposes to subcontract certain portions of the work which are in excess of one-half of one percent of the bid and to procure materials and equipment from suppliers and vendors as follows:

| Subcontractor Information | Work to be Performed | Dollar Amount |
|---|---|---|
| Name:<br>Address:<br>Tel: | | $_____ |
| Name:<br>Address:<br>Tel: | | $_____ |
| Name:<br>Address:<br>Tel: | | $_____ |
| Name:<br>Address:<br>Tel: | | $_____ |
| Name:<br>Address:<br>Tel: | | $_____ |
| Name:<br>Address:<br>Tel: | | $_____ |
| Name:<br>Address:<br>Tel: | | $_____ |
| **Total Subcontract Amount (shall not exceed 49% of Total Bid Amount)** | | $ none |

## REFERENCES

References shall be for projects constructed by the bidding company; references for other projects performed by principals or other individuals of the bidding company may not be included. References shall be either minimum from 3 Public Agencies; or minimum from 2 Public Agencies plus 2 Private Entities for which BIDDER has performed similar work within the past three years.

| Reference 1 | | |
|---|---|---|
| Agency Name: CA Department of Transportation (CALTRANS)<br>Contact Name and Title: Mr. Ryan Pham, PE | Project Name and Brief Description:<br>PTM Job No. P18-39<br>CDOT 07-340604<br>ITS Detection Repair, MGS, Vegetation Control, Concrete Barrier | |
| Tel: 626.339.1601<br>E-mail: RYAN.PHAM@DOT.CA.GOV | Contract Value: $ 11,457,077.00 | Year Completed: 2022 |

| Reference 2 | | |
|---|---|---|
| Agency Name: CA Department of Transportation (CALTRANS)<br>Contact Name and Title: Mr. Dimitar Dimitrov, PE | Project Name and Brief Description:<br>PTM Job No. P19-02<br>CDOT 06-0T0104 Install Traffic Monitoring System | |
| Tel: 559.999.5733<br>E-mail: DIMITAR.DIMITROV@DOT.CA.GOV | Contract Value: $ 1,296,296.00 | Year Completed: 2021 |

| Reference 3 | | |
|---|---|---|
| Agency Name: City of La Verne<br>Contact Name and Title: Mr. Michael Lee, PE | Project Name and Brief Description:<br>PTM Job No. P20-05<br>City Contract No. 1401097<br>Durward Way& White Ave. Traffic Signal Improvements | |
| Tel: 909.532.5061<br>E-mail: MLEE@RKAGROUP.COM | Contract Value: $ 336,000.00 | Year Completed: 2021 |

| Reference 4 | | |
|---|---|---|
| Agency Name: City of Monterey Park<br>Contact Name and Title: Mr. Okan Demirci, PE | Project Name and Brief Description:<br>PTM Job No. P22-02<br>City of Monterey Park Spec No. 2021-004<br>Traffic Signal Improvement Project,HSIP Cycle 7 | |
| Tel: 714.319.6137<br>E-mail: OKAN.DEMIRCI@TRANSTECH.ORG | Contract Value: $ 1,035,500.00 | Year Completed: 2022 |

## SITE INSPECTION

The Bidder declares that he/she has carefully read and examined the plans, specifications, bid documents, and he/she has made a personal examination of the site (indicate name of the person, representing the bidder, who inspected the site and date below) and that he/she understands the exact scope of the Project without question.

Name of Person who inspected the site: Brian Mendoza, Secretary / VP

Date of Inspection: 03.23.2023

## ADDENDA ACKNOWLEDGMENT

The Bidder acknowledges receipt of the following Addenda and has included their provisions in this Proposal:

Addendum No. One Dated 3.20.23

Addendum No. _____ Dated _____

Addendum No. _____ Dated _____

Addendum No. _____ Dated _____

Addendum No. _____ Dated _____

Addendum No. _____ Dated _____

## EQUAL EMPLOYMENT OPPORTUNITY COMPLIANCE

BIDDER certifies that all previous contracts or subcontracts, all reports which may have been due under the requirements of any Agency, Site, or Federal equal employment opportunity orders have been satisfactorily filed, and that no such reports are currently outstanding.

## AFFIRMATIVE ACTION CERTIFICATION

BIDDER certifies that affirmative action has been taken to seek out and consider minority business enterprises for those portions of work to be subcontracted, and that such affirmative actions have been fully documented, that said documentation is open to inspection, and that said affirmative action will remain in effect for the life of any contract awarded hereunder. Furthermore, BIDDER certifies that affirmative action will be taken to meet all equal employment opportunity requirements of the contract documents.

## INSURANCE REQUIREMENTS

To be awarded this contract, the successful bidder shall procure and maintain the following types of insurance with coverage limits complying, at a minimum, with the limits set forth below:

| Type of Insurance | Limits |
|---|---|
| Commercial general liability: | $2,000,000 |
| Business automobile liability | $1,000,000 |
| Workers compensation | Statutory requirement. |

Commercial general liability insurance shall meet or exceed the requirements of ISO-CGL Form No. CG 00 01 11 85 or 88. The amount of insurance set forth above shall be a combined single limit per occurrence for bodily injury, personal injury, and property damage for the policy coverage. Liability policies shall be endorsed to name the City, its officials, and employees as "additional insureds" under said insurance coverage and to state that such insurance will be deemed "primary" such that any other insurance that may be carried by the City will be excess thereto. Such endorsement shall be reflected on ISO Form No. CG 20 10 11 85 or 88, or equivalent. Such insurance shall be on an "occurrence," not a "claims made," basis and will not be cancelable or subject to reduction except upon thirty (30) days prior written notice to the City.

Automobile coverage shall be written on ISO Business Auto Coverage Form CA 00 01 06 92, including symbol 1 (Any Auto).

The Contractor shall furnish to the City duly authenticated Certificates of Insurance evidencing maintenance of the insurance required under this Agreement, endorsements as required herein, and such other evidence of insurance or copies of policies as may be reasonably required by the City from time to time. Insurance shall be placed with admitted insurers with a current A.M. Best Company Rating equivalent to at least a Rating of "A:VII." Certificate(s) shall reflect that the insurer will provide thirty (30) day notice of any cancellation of coverage. The Contractor shall require its insurer to modify such certificates 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.

By signing this form, the bidder certifies that it has read, understands, and will comply with these insurance requirements if it is selected as the City's Contractor. Failure to provide this insurance will render the bidder's proposal "nonresponsive."

Bidder's Name: PTM General Engineering Services, Inc.

Authorized Signature:

Name and Title: Elizabeth H. Mendoza de McRae , President / CFO

Date: 03.23.2023

**PUBLIC CONTRACT CODE SECTION 7106**

**Noncollusion Declaration by Bidder**

The undersigned declares:

I am the President/ CFO of PTM General Engineering Services, Inc., the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Bidder's Name: PTM General Engineering Services, Inc.

Authorized Signature:

Name and Title: Elizabeth H. Mendoza de McRae, President / CFO

Date: 03.23.2023

**PUBLIC CONTRACT CODE SECTION 10162**

In conformance with the above Public Contract Code Section, the bidder hereby declares under penalty of perjury under the laws of the State of California that the bidder any officer of such bidder, or any employee of such bidder who has a proprietary interest in such bidder

**has never been** X NO **has been** _____ (**indicate YES or NO** after applicable answer)

disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or a safety regulation, and if so to explain the circumstances.

If the answer is **has been YES** explain the circumstances below:

In conformance with Labor Code § 1725.5, the bidder

**is** ✓ YES **is not** _____ (**indicate YES or NO** after applicable answer)

# 1000001433

registered with the Department of Industrial Relations. [If the answer is **is not YES**, the City requires to reject your bid as nonresponsive]

Bidder's Name: PTM General Engineering Services, Inc.

Authorized Signature: _____

Name and Title: Elizabeth H. Mendoza de McRae , President / CFO

Date: 03.23.2023

**PUBLIC CONTRACT CODE SECTION 10232**

In conformance with above Public Contract Code Section, the bidder hereby declares under penalty of perjury under the laws of the State of California that no more than one final, unappealable finding of contempt of court by a federal court

**has not been** X NO **has been**_____ (**indicate YES or NO** after applicable answer)

issued against the bidder within the immediately preceding two-year period because of the contractor's failure to comply with an order of a federal court which orders the contractor to comply with an order of the National Labor Relations Board. For purposes of this section, a finding of contempt does not include any finding which has been vacated, dismissed, or otherwise removed by the court because the contractor has complied with the order which was the basis for the finding.

Bidder's Name: PTM General Engineering Services, Inc.

Authorized Signature: _____

Name and Title: Elizabeth H. Mendoza de McRae , President / CFO

Date: 03.23.2023

**PUBLIC CONTRACT CODE SECTION 10285.1**

In conformance with above Public Contract Code Section, the bidder hereby declares under penalty of perjury under the laws of the State of California that the bidder or any partner, member, officer, director, responsible managing officer, or responsible managing employee thereof

**has never been** X NO **has been** _____ (**indicate YES or NO** after applicable answer)

convicted within the preceding three years by a court of competent jurisdiction of any charge of fraud, bribery, collusion, conspiracy, or any other act in violation of any state or federal antitrust law in connection with the bidding upon, award of, or performance of, any public works contract, as defined in Public Contract Code Section 1101, with any public entity, as defined in Public Contract Code Section 1100, including, for the purposes of this article, the Regents of the University of California or the Trustees of the California State University.

Bidder's Name: PTM General Engineering Services, Inc.

Authorized Signature: _____

Name and Title: Elizabeth H. Mendoza de McRae , President / CFO

Date: 03.23.2023

## BIDDER INFORMATION

Bidder's Name: PTM General Engineering Services, Inc.

Address: 5942 Acorn Street, Riverside, CA 92504

Form of Legal Entity: CA Corporation

If a Corporation, State of Incorporation: California

State Contractor's Class and License No.: 891265 Class A; C10 Exp. 2.28.2025

DIR Registration No.: 1000001433 Exp 6.30.2025

Contact Person Information:

Name: Elizabeth H. Mendoza de McRae Title: President / CFO

E-mail: elizabeth@ptm-eng.com Tel: 951.710.1000

The following are the names, titles, addresses, and phone numbers of all individuals, firm members, partners, joint venturers, and/or corporate officers having a principal interest in this proposal:

Elizabeth H. Mendoza de McRae , President / CFO 15525 Via Barranca St. Perris, CA 92570 cell: 951.722.5678

Brian Mendoza, Secretary / VP 11080 Kay Jay Street, Riverside, CA 92503 cell: 951.722.5755

The date(s) of any voluntary or involuntary bankruptcy judgements against any principal having an interest in this proposal are as follows:

Not Applicable

All current and prior DBA'S, alias, and/or fictitious business names for any principal having an interest in this proposal are as follows:

Freeway Electric
CSLB 684572
Brian Mendoza, Sole Owner

Jade Electric
CSLB 684573
Elizabeth H. Mendoza de McRae, Sole Owner

Freeway Electric Inc
CSLB 974817
Brian Mendoza, President / CFO
Elizabeth H. Mendoza de McRae, Vice President/ Secretary

Previous contract performance history:

Was any contract terminated previously: Not Applicable

*If the answer to the above is "yes", provide the following information:*

Contract/project name and number: Not Applicable

Date of termination: Not Applicable

Reason for termination: Not Applicable

Owner's name: Not Applicable

Owner contact person and tel. no.: Not Applicable

IN WITNESS WHEREOF, BIDDER executes and submits this proposal with the names, titles, hands, and seals of all aforementioned principals this 23 day of March, 2023.

BIDDER PTM General Engineering Services, Inc.

PTM General Engineering Services, Inc.
Elizabeth H.Mendoza de McRae
President /CFO

Subscribed and sworn to this _____ day of _____, 20__.

See Attached

NOTARY PUBLIC _____

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT** **CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )
County of LOS ANGELES )

On 3.23.23 before me, Kevin Edward Vega, Notary Public,
*Date* *Here Insert Name and Title of the Officer*

personally appeared Elizabeth H. Mendoza de McRae
*Name(s) of Signer(s)*

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
*Signature of Notary Public*

KEVIN EDWARD VEGA
Notary Public - California
Los Angeles County
Commission # 2326181
My Comm. Expires Apr 29, 2024

*Place Notary Seal Above*

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| ☐ Partner — ☐ Limited ☐ General | ☐ Partner — ☐ Limited ☐ General |
| ☐ Individual ☐ Attorney in Fact | ☐ Individual ☐ Attorney in Fact |
| ☐ Trustee ☐ Guardian or Conservator | ☐ Trustee ☐ Guardian or Conservator |
| ☐ Other: _____ | ☐ Other: _____ |
| Signer Is Representing: _____ | Signer Is Representing: _____ |

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GLS.

800-322-5555
www.gls-us.com

**Ship From**
PTM GENERAL ENGINEERING SERVICES INC.
ELIZABETH MCRAE
5942 ACORN ST
RIVERSIDE, CA 92504

**Tracking #: 559037757**

**CPS**

**Ship To**
**CITY OF MONTEREY PARK**
**ATTN: ANTHONY BENDEZU**
**320 W NEWMARK AVENUE**
**MONTEREY PARK, CA 91754**

**MONTEREY PARK**

**S91754D**

**COD:** $0.00
**Weight:** 0 lb(s)
**Reference:**
BID BOND: GARFIELD AVE T/S IMP HSIP CYCLE 9
**Delivery Instructions:**

82844189

**Signature Type:** STANDARD

**NWK CA906-FF1**

Print Date: 3/21/2023 11:43 AM

**LABEL INSTRUCTIONS:**

**Do not copy or reprint this label for additional shipments - each package must have a unique barcode.**
Step 1: Use the "Print Label" button on this page to print the shipping label on a laser or inkjet printer.
Step 2: Fold this page in half.
Step 3: Securely attach this label to your package and do not cover the barcode.

**TERMS AND CONDITIONS:**

By giving us your shipment to deliver, you agree to all of the General Logistics Systems US, Inc. (GLS) service terms & conditions including, but not limited to; limits of liability, declared value conditions, and claim procedures which are available on our website at www.gls-us.com.

## PROPOSAL GUARANTEE

## BID BOND

Bond No.: BBSU

KNOW ALL MEN BY THESE PRESENTS that PTM GERNERAL ENGINEERING SERVICES,INC., as BIDDER, AND GREAT AMERICAN INSURANCE COMPANY, as SURETY, are held and firmly bound unto the City of Monterey Park, in the penal sum of TEN PERCENT OF AMOUNT BID ($10% OF BID) dollars, lawful money of the United States, which is 10 percent of the total amount bid by BIDDER to the City of Monterey Park for the **Garfield Avenue Traffic Signal Improvements HSIP CYCLE 9, SPECIFICATIONS NO. 2022-016** ("Public Project"), for the payment of which sum, BIDDER and SURETY agree to be bound, jointly and severally, firm by these presents.

THE CONDITIONS OF THIS OBLIGATION ARE SUCH that, whereas BIDDER is about to submit a bid to the City of Monterey Park for the above stated project, if said bid is rejected, or if said bid is accepted and a contract is awarded and entered into by BIDDER in the manner and time specified, then this obligation shall be null and void, otherwise it shall remain in full force and effect in favor of the City of Monterey Park.

IN WITNESS WHEREOF the parties hereto have set their names, titles, hands, and seals this 10TH day of MARCH, 2023.

SIGNED AND SEALED this 10TH day of MARCH, 2023.

| PTM GENERAL ENGINEERING SERVICES, INC | GREAT AMERICAN INSURANCE COMPANY |
|---|---|
| PTM General Engineering Services, Inc. Elizabeth H.Mendoza de McRae President /CFO | BRITTON CHRISTIANSEN, ATTORNEY-in-FACT |
| PRINCIPAL | SURETY |

| PRINCIPAL's MAILING ADDRESS: | SURETY's MAILING ADDRESS: |
|---|---|
| 5942 ACORN STREET | 301 E. FOURTH STREET |
| RIVERSIDE, CA | CINCINNATI, OH |
| 92504 | 45202 |

NOTE: All signatures shall be acknowledged by a notary public.

# GREAT AMERICAN INSURANCE COMPANY®

Administrative Office: 301 E 4TH STREET • CINCINNATI, OHIO 45202 • 513-369-5000 • FAX 513-723-2740

The number of persons authorized by this power of attorney is not more than FOUR

No. 0 20974

## POWER OF ATTORNEY

**KNOW ALL MEN BY THESE PRESENTS:** That the GREAT AMERICAN INSURANCE COMPANY, a corporation organized and existing under and by virtue of the laws of the State of Ohio, does hereby nominate, constitute and appoint the person or persons named below, each individually if more than one is named, its true and lawful attorney-in-fact, for it and in its name, place and stead to execute on behalf of the said Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; provided that the liability of the said Company on any such bond, undertaking or contract of suretyship executed under this authority shall not exceed the limit stated below.

| Name | Address | Limit of Power |
|---|---|---|
| PHILIP E. VEGA | ALL OF | ALL |
| KEVIN VEGA | COVINA, CALIFORNIA | $100,000,000 |
| BRITTON CHRISTIANSEN | | |
| MYRNA F. SMITH | | |

This Power of Attorney revokes all previous powers issued on behalf of the attorney(s)-in-fact named above.

IN WITNESS WHEREOF the GREAT AMERICAN INSURANCE COMPANY has caused these presents to be signed and attested by its appropriate officers and its corporate seal hereunto affixed this 7TH day of FEBRUARY 2020

Attest

*Assistant Secretary*

GREAT AMERICAN INSURANCE COMPANY

*Divisional Senior Vice President*

MARK VICARIO (877-377-2405)

STATE OF OHIO, COUNTY OF HAMILTON - ss:

On this 7TH day of FEBRUARY 2020, before me personally appeared MARK VICARIO, to me known, being duly sworn, deposes and says that he resides in Cincinnati, Ohio, that he is a Divisional Senior Vice President of the Bond Division of Great American Insurance Company, the Company described in and which executed the above instrument; that he knows the seal of the said Company; that the seal affixed to the said instrument is such corporate seal; that it was so affixed by authority of his office under the By-Laws of said Company, and that he signed his name thereto by like authority.

Susan A. Kohorst
Notary Public, State of Ohio
My Commission Expires 05-18-2020

This Power of Attorney is granted by authority of the following resolutions adopted by the Board of Directors of Great American Insurance Company by unanimous written consent dated June 9, 2008.

*RESOLVED: That the Divisional President, the several Divisional Senior Vice Presidents, Divisional Vice Presidents and Divisonal Assistant Vice Presidents, or any one of them, be and hereby is authorized, from time to time, to appoint one or more Attorneys-in-Fact to execute on behalf of the Company, as surety, any and all bonds, undertakings and contracts of suretyship, or other written obligations in the nature thereof; to prescribe their respective duties and the respective limits of their authority; and to revoke any such appointment at any time.*

*RESOLVED FURTHER: That the Company seal and the signature of any of the aforesaid officers and any Secretary or Assistant Secretary of the Company may be affixed by facsimile to any power of attorney or certificate of either given for the execution of any bond, undertaking, contract of suretyship, or other written obligation in the nature thereof, such signature and seal when so used being hereby adopted by the Company as the original signature of such officer and the original seal of the Company, to be valid and binding upon the Company with the same force and effect as though manually affixed.*

## CERTIFICATION

I, STEPHEN C. BERAHA, Assistant Secretary of Great American Insurance Company, do hereby certify that the foregoing Power of Attorney and the Resolutions of the Board of Directors of June 9, 2008 have not been revoked and are now in full force and effect.

Signed and sealed this 10TH day of MARCH 2023

*Assistant Secretary*

S1029AG (07/18)

**CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT** **CIVIL CODE § 1189**

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )
County of LOS ANGELES )

On 3-21-23 before me, Kevin Edward Vega, Notary Public,
*Date* *Here Insert Name and Title of the Officer*

personally appeared Elizabeth H. Mendoza de McRae,
*Name(s) of Signer(s)*

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she/they~~ executed the same in his/~~her/their~~ authorized capacity(~~ies~~), and that by his/~~her/their~~ signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

KEVIN EDWARD VEGA
Notary Public - California
Los Angeles County
Commission # 2326181
My Comm. Expires Apr 29, 2024

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
*Signature of Notary Public*

*Place Notary Seal Above*

**OPTIONAL**

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| ☐ Corporate Officer — Title(s): _____ | ☐ Corporate Officer — Title(s): _____ |
| ☒ Partner — ☐ Limited ☐ General | ☐ Partner — ☐ Limited ☐ General |
| ☐ Individual ☐ Attorney in Fact | ☐ Individual ☐ Attorney in Fact |
| ☐ Trustee ☐ Guardian or Conservator | ☐ Trustee ☐ Guardian or Conservator |
| ☒ Other: _____ | ☐ Other: _____ |
| Signer Is Representing: _____ | Signer Is Representing: _____ |

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State of California )
County of LOS ANGELES )

On MAR 10 2023 before me, Kevin Edward Vega, Notary Public
*Date* *Here Insert Name and Title of the Officer*

personally appeared Britton Christiansen, Attorney-in-Fact
*Name(s) of Signer(s)*

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/~~are~~ subscribed to the within instrument and acknowledged to me that he/~~she~~/they executed the same in his/~~her~~/their authorized capacity(~~ies~~), and that by his/~~her~~/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

KEVIN EDWARD VEGA
Notary Public - California
Los Angeles County
Commission # 2326181
My Comm. Expires Apr 29, 2024

Signature _____
*Signature of Notary Public*

*Place Notary Seal Above*

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| ☐ Individual ☐ Attorney in Fact | ☐ Individual ☐ Attorney in Fact |
| ☐ Trustee ☐ Guardian or Conservator | ☐ Trustee ☐ Guardian or Conservator |
| ☐ Other: _____ | ☐ Other: _____ |
| Signer Is Representing: _____ | Signer Is Representing: _____ |

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## PROPOSAL GUARANTEE

## CERTIFIED CHECK or CASHIER'S CHECK

**As an Alternative to Bid Bond, Bidder can provide Certified Check or Cashier's Check as follows**

Accompanying this proposal is a certified check or a cashier's check payable to the order of the City of Monterey Park, in the amount of _____ ($ _____ ) dollars, lawful money of the United States, which is 10 percent of the total amount bid by BIDDER to the City of Monterey Park for the **Garfield Avenue Traffic Signal Improvements HSIP CYCLE 9, SPECIFICATIONS NO. 2022-016**("Public Project").

The proceeds of the same shall become the property of said City if, in case this proposal shall be accepted by said City through the City Council, the undersigned shall fail to execute a contract, with and furnish the insurance and bonds required by the City of Monterey Park within the specified time; otherwise, the same is to be returned to the undersigned as set forth in the Instructions to Bidders.

Bidder's Name: _____

Authorized Signature: _____

Name and Title: _____

Date: _____

Cert. check / cashier's check
Not Applicable
Bid Bond included in proposal.

## FEDERAL CONTRACT PROVISIONS

**FOLLOWING FEDERAL CONTRACT PROVISIONS/DOCUMENTS SHALL BE COMPLETED AND SUBMITTED AS PART OF THE BID**

***(THE BIDDER'S EXECUTION ON THE SIGNATURE PORTION OF THIS PROPOSAL SHALL ALSO CONSTITUTE AN ENDORSEMENT AND EXECUTION OF THOSE CERTIFICATIONS WHICH ARE A PART OF THIS PROPOSAL)***

1. **Required Federal-Aid Contract Language (Exhibit 12 G)**
2. **Sample Bid (Exhibit 12 H)**
3. **Construction Contract DBE Commitment (Exhibit 15 G)**
4. **DBE Information – Good Faith Effort (Exhibit 15 H)**
5. **Bidder's List of Subcontractors (DBE and Non-DBE) (Exhibit 12 B)**
6. **Subcontracting Request (Exhibit 16 B) (This form is to be submitted by the selected Contractor)**
7. **Monthly DBE Trucking Verification (Exhibit 16 Z1) (If applicable, this form is to be submitted during construction by the selected Contractor)**
8. **Final Report Utilization of Disadvantaged Business Enterprises (DBE) and First-Tier Subcontractors (Exhibit 17 F) (This form is to be submitted at the end of construction)**
9. **Disadvantaged Business Enterprises (DBE) Certification Status Change (Exhibit 17 0) (This form is to be submitted at the end of construction)**

## 1. Required Federal-Aid Contract Language (Exhibit 12-G)



### EXHIBIT 12-G: REQUIRED FEDERAL-AID CONTRACT LANGUAGE
(For Local Assistance Construction Projects)

The following language must be incorporated into all Local Assistance Federal-aid construction contracts. The following language, with minor edits, was taken from the Code of Federal Regulations.

**MAINTAIN RECORDS AND SUBMIT REPORTS DOCUMENTING YOUR PERFORMANCE UNDER THIS SECTION**

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   B. CONTRACT ASSURANCE ..... 3
   C. PROMPT PROGRESS PAYMENT ..... 3
   D. PROMPT PAYMENT OF WITHHELD FUNDS TO SUBCONTRACTORS ..... 3
   E. TERMINATION AND SUBSTITUTION OF DBE SUBCONTRACTORS ..... 4
   F. COMMITMENT AND UTILIZATION ..... 5
   G. DBE RUNNING TALLY OF ATTAINMENTS ..... 6
2. BID OPENING ..... 6
3. BID RIGGING ..... 6
4. CONTRACT AWARD ..... 6
5. CONTRACTOR LICENSE ..... 6
6. CHANGED CONDITIONS ..... 6
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## 1. DISADVANTAGED BUSINESS ENTERPRISES (DBE)

The contractor, subrecipient or subcontractor shall take necessary and reasonable steps to ensure that DBEs have opportunity to participate in the contract (49 CFR 26). To ensure equal participation of DBEs provided in 49 CFR 26.5, the Agency shows a contract goal for DBEs. The prime contractor shall make work available to DBEs and select work parts consistent with available DBE subcontractors and suppliers.

The prime contractor shall meet the DBE goal shown elsewhere in these special provisions or demonstrate that they made adequate good faith efforts to meet this goal.

It is the prime contractor's responsibility to verify that the DBE firm is certified as a DBE on the date of bid opening by using the California Unified Certification Program (CUCP) database and possesses the most specific available North American Industry Classification System (NAICS) codes and Work Code applicable to the type of work the firm will perform on the contract. Additionally, the prime contractor is responsible to document this verification by printing out the CUCP data for each DBE firm. A list of DBEs certified by the CUCP can be found at: https://dot.ca.gov/programs/civil-rights/dbe-search.

All DBE participation will count toward the California Department of Transportation's federally mandated statewide overall DBE goal.

Credit for materials or supplies the prime contractor purchases from DBEs counts towards the goal in the following manner:

- 100 percent counts if the materials or supplies are obtained from a DBE manufacturer.
- 60 percent counts if the materials or supplies are obtained from a DBE regular dealer.
- Only fees, commissions, and charges for assistance in the procurement and delivery of materials or supplies count if obtained from a DBE that is neither a manufacturer nor regular dealer. 49 CFR 26.55 defines "manufacturer" and "regular dealer."

The prime contractor receives credit towards the goal if they employ a DBE trucking company that performs a commercially useful function as defined in 49 CFR 26.55(d) as follows:

- The DBE must be responsible for the management and supervision of the entire trucking operation for which it is responsible on a particular contract, and there cannot be a contrived arrangement for the purpose of meeting DBE goals.
- The DBE must itself own and operate at least one fully licensed, insured, and operational truck used on the contract.
- The DBE receives credit for the total value of the transportation services it provides on the Contract using trucks it owns, insures, and operates using drivers it employs.
- The DBE may lease trucks from another DBE firm, including an owner-operator who is certified as a DBE. The DBE who leases trucks from another DBE receives credit for the total value of the transportation services the lessee DBE provides on the Contract.
- The DBE may also lease trucks from a non-DBE firm, including from an owner-operator. The DBE that leases trucks equipped with drivers from a non-DBE is entitled to credit for the total value of transportation services provided by non-DBE leased trucks equipped with drivers not to exceed the value of transportation services on the contract provided by DBE-owned trucks or leased trucks with DBE employee drivers. Additional participation by non-DBE owned trucks equipped with drivers receives credit only for the fee or commission it receives as a result of the lease arrangement.
- The DBE may lease trucks without drivers from a non-DBE truck leasing company. If the DBE leases trucks from a non-DBE truck leasing company and uses its own employees as drivers, it is entitled to credit for the total value of these hauling services.
- A lease must indicate that the DBE has exclusive use of and control over the truck. This does not preclude the leased truck from working for others during the term of the lease with the consent of the DBE, so long as the lease gives the DBE absolute priority for use of the leased truck. Leased trucks must display the name and identification number of the DBE.

**A. Nondiscrimination Statement**

The contractor, subrecipient or subcontractor will never exclude any person from participation in, deny any person the benefits of, or otherwise discriminate against anyone in connection with the award and performance of any contract covered by 49 CFR 26 on the basis of race, color, sex, or national origin. In administering the Local Agency components of the DBE Program Plan, the contractor, subrecipient or subcontractor will not, directly, or through contractual or other arrangements, use criteria or methods of administration that have the effect of defeating or substantially impairing accomplishment of the objectives of the DBE Program Plan with respect to individuals of a particular race, color, sex, or national origin.

**B. Contract Assurance**

Under 49 CFR 26.13(b): The contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR 26 in the award and administration of federal-aid contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

(1) Withholding monthly progress payments;

(2) Assessing sanctions;

(3) Liquidated damages; and/or

(4) Disqualifying the contractor from future bidding as non-responsible.

**C. Prompt Progress Payment**

The prime contractor or subcontractor shall pay to any subcontractor, not later than seven days after receipt of each progress payment, unless otherwise agreed to in writing, the respective amounts allowed the contractor on account of the work performed by the subcontractors, to the extent of each subcontractor's interest therein. In the event that there is a good faith dispute over all or any portion of the amount due on a progress payment from the prime contractor or subcontractor to a subcontractor, the prime contractor or subcontractor may withhold no more than 150 percent of the disputed amount. Any violation of this requirement shall constitute a cause for disciplinary action and shall subject the licensee to a penalty, payable to the subcontractor, of 2 percent of the amount due per month for every month that payment is not made.

In any action for the collection of funds wrongfully withheld, the prevailing party shall be entitled to his or her attorney's fees and costs. The sanctions authorized under this requirement shall be separate from, and in addition to, all other remedies, either civil, administrative, or criminal. This clause applies to both DBE and non-DBE subcontractors.

**D. Prompt Payment of Withheld Funds to Subcontractors**

The Agency may hold retainage from the prime contractor and shall make prompt and regular incremental acceptances of portions, as determined by the Agency, of the contract work, and pay retainage to the prime contractor based on these acceptances. The Agency shall designate one of the methods below in the contract to ensure prompt and full payment of any retainage kept by the prime contractor or subcontractor to a subcontractor. The Agency shall include either Method 1, Method 2, or Method 3 below and delete the other two.

Any violation of these provisions shall subject the violating contractor or subcontractor to the penalties, sanctions, and remedies specified in Section 7108.5 of the California Business and Professions Code and Section 10262 of the California Public Contract Code. This requirement shall not be construed to limit or impair any contractual, administrative or judicial remedies, otherwise available to the contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the contractor, deficient subcontractor performance and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

**Method 3:** The Agency shall hold retainage from the prime contractor and shall make prompt and regular incremental acceptances of portions, as determined by the Agency of the contract work and pay retainage to the prime contractor based on these acceptances. The prime contractor or subcontractor shall return all monies withheld in retention from all subcontractors within seven (7) days after receiving payment for work satisfactorily completed and accepted including incremental acceptances of portions of the contract work by the Agency. Any delay or postponement of payment may take place only for good cause and with the Agency's prior written approval. Any violation of these provisions shall subject the violating prime contractor or subcontractor to the penalties, sanctions, and other remedies specified in Section 7108.5 of the California Business and Professions Code and Section 10262 of the California Public Contract Code. This requirement shall not be construed to limit or impair any contractual, administrative or judicial remedies otherwise available to the contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the contractor; deficient subcontractor performance and/or noncompliance by a subcontractor. This clause applies to both DBE and non-DBE subcontractors.

Any violation of these provisions of Prompt Progress Payment and Prompt Payment of Withheld Funds to Subcontractors shall subject the violating prime contractor or subcontractor to the penalties, sanctions and other remedies specified therein. These requirements shall not be construed to limit or impair any contractual, administrative, or judicial remedies otherwise available to the prime contractor or subcontractor in the event of a dispute involving late payment or nonpayment by the prime contractor, deficient subcontract performance, or noncompliance by a subcontractor.

**E. Termination and Substitution of DBE Subcontractors**

The prime contractor shall utilize the specific DBEs listed to perform the work and supply the materials for which each is listed unless the contractor obtains the Agency's written consent. The prime contractor shall not terminate or substitute a listed DBE for convenience and perform the work with their own forces or obtain materials from other sources without prior written authorization from the Agency. Unless the Agency's prior written consent is provided, the contractor shall not be entitled to any payment for work or material unless it is performed or supplied by the listed DBE on the Exhibit 15-G Construction Contract DBE Commitment form, included in the Bid.

The Agency authorizes a request to use other forces or sources of materials if the bidder shows any of the following justifications:

1. Listed DBE fails or refuses to execute a written contract based on plans and specifications for the project.
2. The Local Agency stipulated that a bond is a condition of executing the subcontract and the listed DBE fails to meet the Local Agency's bond requirements.
3. Work requires a contractor's license and listed DBE does not have a valid license under Contractors License Law.
4. Listed DBE fails or refuses to perform the work or furnish the listed materials (failing or refusing to perform is not an allowable reason to remove a DBE if the failure or refusal is a result of bad faith or discrimination).
5. Listed DBE's work is unsatisfactory and not in compliance with the contract.
6. Listed DBE is ineligible to work on the project because of suspension or debarment.
7. Listed DBE becomes bankrupt or insolvent.
8. Listed DBE voluntarily withdraws with written notice from the Contract
9. Listed DBE is ineligible to receive credit for the type of work required.
10. Listed DBE owner dies or becomes disabled resulting in the inability to perform the work on the Contract.

11. The Agency determines other documented good cause.

The prime contractor shall notify the original DBE of the intent to use other forces or material sources and provide the reasons, allowing the DBE 5 days to respond to the notice and advise the prime contractor and the Agency of the reasons why the use of other forces or sources of materials should not occur.

The prime contractor's request to use other forces or material sources must include:

1. One or more of the reasons listed in the preceding paragraph.
2. Notices from the prime contractor to the DBE regarding the request.
3. Notices from the DBEs to the prime contractor regarding the request.

If the Agency authorizes the termination or substitution of a listed DBE, the prime contractor must make good faith efforts to find another DBE to substitute for the original DBE. The substitute DBE must (1) perform at least the same amount of work as the original DBE under the contract to the extent needed to meet or exceed the DBE goal, and (2) be certified as a DBE with the most specific available NAICS codes and work codes applicable to the type of work the DBE will perform on the contract at the time of the prime contractor's request for substitution. The prime contractor shall submit their documentation of good faith efforts within 7 days of their request for authorization of the substitution. The Agency may authorize a 7-day extension of this submittal period at the prime contractor's request. More guidance can be found at 49 CFR 26 app A regarding evaluation of good faith efforts to meet the DBE goal.

**F. Commitment and Utilization**

Note: In the Agency's reports of DBE participation to Caltrans, the Agency must display both commitments and attainments.

The Agency's DBE program must include a monitoring and enforcement mechanism to ensure that DBE commitments reconcile to DBE utilization.

The bidder shall submit the Exhibit 15-G Construction Contract DBE Commitment, included in the Bid book. This exhibit is the bidder's DBE commitment form. If the form is not submitted with the bid, the bidder must remove the form from the Bid book before submitting their bid.

The bidder shall complete and sign Exhibit 15-G Construction Contract DBE Commitment included in the contract documents regardless of whether DBE participation is reported. The bidder shall provide written confirmation from each DBE that the DBE is participating in the Contract. A copy of a DBE's quote serves as written confirmation. If a DBE is participating as a joint venture partner, the bidder shall submit a copy of the joint venture agreement.

If the DBE Commitment form, Exhibit 15-G, is not submitted with the bid, it must be completed and submitted by all bidders to the Agency within five (5) days of bid opening. If the bidder does not submit the DBE Commitment form within the specified time, the Agency will find the bidder's bid nonresponsive.

The prime contractor shall use each DBE subcontractor as listed on Exhibit 12-B Bidder's List of Subcontractors (DBE and Non-DBE), and Exhibit 15-G Construction Contract DBE Commitment form unless they receive authorization for a substitution.

The Agency shall request the prime contractor to:

1. Notify the Resident Engineer or Inspector of any changes to its anticipated DBE participation
2. Provide this notification before starting the affected work
3. Maintain records including:
   - Name and business address of each 1st-tier subcontractor
   - Name and business address of each DBE subcontractor, DBE vendor, and DBE trucking company, regardless of tier
   - Date of payment and total amount paid to each business (see Exhibit 9-F Monthly Disadvantaged Business Enterprise Payment)

If the prime contractor is a DBE contractor, they shall include the date of work performed by their own forces and the corresponding value of the work.

Before the 15th of each month, the prime contractor shall submit a Monthly DBE Trucking Verification (LAPM Exhibit 16-Z1) form.

If a DBE is decertified before completing its work, the DBE must notify the prime contractor in writing of the decertification date. If a business becomes a certified DBE before completing its work, the business must notify the prime contractor in writing of the certification date. The prime contractor shall submit the notifications. Upon work completion, the prime contractor shall complete a Disadvantaged Business Enterprises (DBE) Certification Status Change, Exhibit 17-O, form and submit the form within 30 days of contract acceptance.

Upon work completion, the prime contractor shall complete Exhibit 17-F Final Report – Utilization of Disadvantaged Business Enterprises (DBE), First-Tier Subcontractors and submit it within 90 days of contract acceptance. The Agency will withhold $10,000 until the form is submitted. The Agency releases the withhold upon submission of the completed form.

**G. DBE RUNNING TALLY OF ATTAINMENTS**

After submitting an invoice for reimbursement that includes a payment to a DBE, but no later than the 10th of the following month, the prime contractor/consultant shall complete and email the Exhibit 9- F: Disadvantaged Business Enterprise Running Tally of Payments to business.support.unit@dot.ca.gov with a copy to the Agency.

2. **BID OPENING** The Agency publicly opens and reads bids at the time and place shown on the Notice to Contractors.

3. **BID RIGGING** The U.S. Department of Transportation (DOT) provides a toll-free hotline to report bid rigging activities. Use the hotline to report bid rigging, bidder collusion, and other fraudulent activities. The hotline number is (800) 424-9071. The service is available 24 hours 7 days a week and is confidential and anonymous. The hotline is part of the DOT's effort to identify and investigate highway construction contract fraud and abuse and is operated under the direction of the DOT Inspector General.

4. **CONTRACT AWARD** If the Agency awards the contract, the award is made to the lowest responsible and responsive bidder.

5. **CONTRACTOR LICENSE** The Contractor must be properly licensed as a contractor from contract award through Contract acceptance (Public Contract Code §10164).

6. **CHANGED CONDITIONS**

**A. Differing Site Conditions**

1. During the progress of the work, if subsurface or latent physical conditions are encountered at the site differing materially from those indicated in the contract or if unknown physical conditions of an unusual nature, differing materially from those ordinarily encountered and generally recognized as inherent in the work provided for in the contract, are encountered at the site, the party discovering such conditions shall promptly notify the other party in writing of the specific differing conditions before the site is disturbed and before the affected work is performed.
2. Upon written notification, the engineer will investigate the conditions, and if it is determined that the conditions materially differ and cause an increase or decrease in the cost or time required for the performance of any work under the contract, an adjustment, excluding anticipated profits, will be made and the contract modified in writing accordingly. The engineer will notify the contractor of the determination whether or not an adjustment of the contract is warranted.
3. No contract adjustment which results in a benefit to the contractor will be allowed unless the contractor has provided the required written notice.
4. No contract adjustment will be allowed under this clause for any effects caused on unchanged work. [*This provision may be omitted by the Local Agency, at their option.*]

**B. Suspensions of Work Ordered by the Engineer**

1. If the performance of all or any portion of the work is suspended or delayed by the engineer in writing for an unreasonable period of time (not originally anticipated, customary, or inherent to the construction industry) and the contractor believes that additional compensation and/or contract time is due as a result of such suspension or delay, the contractor shall submit to the engineer in writing a request for adjustment within 7 calendar days of receipt of the notice to resume work. The request

shall set forth the reasons and support for such adjustment.

2. Upon receipt, the engineer will evaluate the contractor's request. If the engineer agrees that the cost and/or time required for the performance of the contract has increased as a result of such suspension and the suspension was caused by conditions beyond the control of and not the fault of the contractor, its suppliers, or subcontractors at any approved tier, and not caused by weather, the engineer will make an adjustment (excluding profit) and modify the contract in writing accordingly. The contractor will be notified of the engineer's determination whether or not an adjustment of the contract is warranted.
3. No contract adjustment will be allowed unless the contractor has submitted the request for adjustment within the time prescribed.
4. No contract adjustment will be allowed under this clause to the extent that performance would have been suspended or delayed by any other cause, or for which an adjustment is provided or excluded under any other term or condition of this contract.

**C. Significant Changes in the Character of Work**

1. The engineer reserves the right to make, in writing, at any time during the work, such changes in quantities and such alterations in the work as are necessary to satisfactorily complete the project. Such changes in quantities and alterations shall not invalidate the contract nor release the surety, and the contractor agrees to perform the work as altered.
2. If the alterations or changes in quantities significantly change the character of the work under the contract, whether such alterations or changes are in themselves significant changes to the character of the work or by affecting other work cause such other work to become significantly different in character, an adjustment, excluding anticipated profit, will be made to the contract. The basis for the adjustment shall be agreed upon prior to the performance of the work. If a basis cannot be agreed upon, then an adjustment will be made either for or against the contractor in such amount as the engineer may determine to be fair and equitable.
3. If the alterations or changes in quantities do not significantly change the character of the work to be performed under the contract, the altered work will be paid for as provided elsewhere in the contract.
4. The term "significant change" shall be construed to apply only to the following circumstances:
   - When the character of the work as altered differs materially in kind or nature from that involved or included in the original proposed construction; or
   - When a major item of work, as defined elsewhere in the contract, is increased in excess of 12 percent or decreased below 75 percent of the original contract quantity. Any allowance for an increase in quantity shall apply only to that portion in excess of 125 percent of original contract item quantity, or in case of a decrease below 75 percent, to the actual amount of work performed.

**7. BEGINNING OF WORK, TIME OF COMPLETION AND LIQUIDATED DAMAGES**

The Contractor shall begin work within 15 calendar days after the issuance of the Notice to Proceed.

This work shall be diligently prosecuted to completion before the expiration of _____ WORKING DAYS beginning on the fifteenth calendar day after the date shown on the Notice to Proceed.

120 working days from the date of issuance of "Notice to Proceed" or 40 working days from the date the materials are received (whichever occurs earlier)

The Contractor shall pay to the City/County of Monterey Park the sum of $ 1,000 per day, for each and every calendar days' delay in finishing the work in excess of the number of working days prescribed above.

## 8. BUY AMERICA

Buy America Requirements apply to steel and iron, manufactured products, and construction materials permanently incorporated into the project.

### Steel and Iron Materials

All steel and iron materials must be melted and manufactured in the United States except:

1. Foreign pig iron and processed, pelletized, and reduced iron ore may be used in the domestic production of the steel and iron materials [60 Fed Reg 15478 (03/24/1995)];
2. If the total combined cost of the materials produced outside the United States does not exceed the greater of 0.1 percent of the total contract amount or $2,500, materials produced outside the United States may be used if authorized.

Furnish steel and iron materials to be incorporated into the work with certificates of compliance and certified mill test reports. Mill test reports must indicate where the steel and iron were melted and manufactured. All melting and manufacturing processes for these materials, including an application of a coating, must occur in the United States. Coating includes all processes that protect or enhance the value of the material to which the coating is applied.

### Manufactured Products

Iron and steel used in precast concrete manufactured products must meet the requirements of the above section (Steel and Iron Materials) regardless of the amount used. Iron and steel used in other manufactured products must meet the requirements of the above section (Steel and Iron Materials) if the weight of steel and iron components constitute 90 percent or more of the total weight of the manufactured product.

### Construction Materials

Buy America requirements apply to the following construction materials that are or consist primarily of:

1. Non-ferrous metals
2. Plastic and polymer-based products (including polyvinylchloride, composite building materials, and polymers used in fiber optic cables)
3. Glass (including optic glass)
4. Lumber
5. Drywall

Where one or more of these construction materials have been combined by a manufacturer with other materials through a manufacturing process, Buy America requirements do not apply unless otherwise specified.

Furnish construction materials to be incorporated into the work with certificates of compliance with each project delivery. Manufacturer's certificate of compliance must identify where the construction material was manufactured and attest specifically to Buy America compliance.

All manufacturing processes for these materials must occur in the United States.

Buy America requirements do not apply to the following:

1. Tools and construction equipment used in performing the work
2. Temporary work that is not incorporated into the finished project

### Waivers

If Buy America waivers are granted, use the following language to include in the contract:

The following steel and iron products, manufactured products, or construction materials have received an approved Buy America waiver for this contract, and therefore, are not subject to Buy America requirements:

1. _____
2. _____

## 9. QUALITY ASSURANCE

The Local Agency uses a Quality Assurance Program (QAP) to ensure a material is produced to comply with the Contract. The Local Agency may examine the records and reports of tests the prime contractor performs if they are available at the job site. Schedule work to allow time for QAP.

## 10. PROMPT PAYMENT FROM THE AGENCY TO THE CONTRACTORS

The Agency shall make any progress payment within 30 days after receipt of an undisputed and properly submitted payment request from a contractor on a construction contract. If the Agency fails to pay promptly, the Agency shall pay interest to the contractor, which accrues at the rate of 10 percent per annum on the principal amount of a money judgment remaining unsatisfied. Upon receipt of a payment request, the Agency shall act in accordance with both of the following:

1. Each payment request shall be reviewed by the Agency as soon as practicable after receipt for the purpose of determining that it is a proper payment request.
2. Any payment request determined not to be a proper payment request suitable for payment shall be returned to the contractor as soon as practicable, but not later than seven (7) days, after receipt. A request returned pursuant to this paragraph shall be accompanied by a document setting forth in writing the reasons why the payment request is not proper.

## 11. FORM FHWA-1273 REQUIRED CONTRACT PROVISIONS FEDERAL-AID CONTRACTS

*[The following 12 pages must be physically inserted into the contract without modification. Excluding ATTACHMENT A - EMPLOYMENT AND MATERIALS PREFERENCE FOR APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM OR APPALACHIAN LOCAL ACCESS ROAD CONTRACTS]*

FHWA-1273 -- Revised July 5, 2022

## REQUIRED CONTRACT PROVISIONS FEDERAL-AID CONSTRUCTION CONTRACTS

I. General
II. Nondiscrimination
III. Non-segregated Facilities
IV. Davis-Bacon and Related Act Provisions
V. Contract Work Hours and Safety Standards Act Provisions
VI. Subletting or Assigning the Contract
VII. Safety: Accident Prevention
VIII. False Statements Concerning Highway Projects
IX. Implementation of Clean Air Act and Federal Water Pollution Control Act
X. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion
XI. Certification Regarding Use of Contract Funds for Lobbying
XII. Use of United States-Flag Vessels:

ATTACHMENTS

A. Employment and Materials Preference for Appalachian Development Highway System or Appalachian Local Access Road Contracts (included in Appalachian contracts only)

**I. GENERAL**

1. Form FHWA-1273 must be physically incorporated in each construction contract funded under title 23, United States Code, as required in 23 CFR 633.102(b) (excluding emergency contracts solely intended for debris removal). The contractor (or subcontractor) must insert this form in each subcontract and further require its inclusion in all lower tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services). 23 CFR633.102(e).

The applicable requirements of Form FHWA-1273 are incorporated by reference for work done under any purchase order, rental agreement or agreement for other services. The prime contractor shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider. 23 CFR 633.102(e).

Form FHWA-1273 must be included in all Federal-aid design-build contracts, in all subcontracts and in lower tier subcontracts (excluding subcontracts for design services, purchase orders, rental agreements and other agreements for supplies or services) in accordance with 23 CFR 633.102. The design-builder shall be responsible for compliance by any subcontractor, lower-tier subcontractor or service provider.

Contracting agencies may reference Form FHWA-1273 in solicitation-for-bids or request-for-proposals documents, however, the Form FHWA-1273 must be physically incorporated (not referenced) in all contracts, subcontracts and lower-tier subcontracts (excluding purchase orders, rental agreements and other agreements for supplies or services related to a construction contract). 23 CFR 633.102(b).

2. Subject to the applicability criteria noted in the following sections, these contract provisions shall apply to all work performed on the contract by the contractor's own organization and with the assistance of workers under the contractor's immediate superintendence and to all work performed on the contract by piecework, station work, or by subcontract. 23 CFR 633.102(d).

3. A breach of any of the stipulations contained in these Required Contract Provisions may be sufficient grounds for withholding of progress payments, withholding of final payment, termination of the contract, suspension / debarment or any other action determined to be appropriate by the contracting agency and FHWA.

4. Selection of Labor: During the performance of this contract, the contractor shall not use convict labor for any purpose within the limits of a construction project on a Federal-aid highway unless it is labor performed by convicts who are on parole, supervised release, or probation. 23 U.S.C. 114(b).The term Federal-aid highway does not include roadways functionally classified as local roads or rural minor collectors. 23 U.S.C. 101(a).

**II. NONDISCRIMINATION** (23 CFR 230.107(a); 23 CFR Part 230. Subpart A. Appendix A: EO 11246)

The provisions of this section related to 23 CFR Part 230, Subpart A, Appendix A are applicable to all Federal-aid construction contracts and to all related construction subcontracts of $10,000 or more. The provisions of 23 CFR Part 230 are not applicable to material supply, engineering, or architectural service contracts.

In addition, the contractor and all subcontractors must comply with the following policies: Executive Order 11246, 41 CFR Part 60, 29 CFR Parts 1625-1627, 23 U.S.C. 140, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), and related regulations including 49 CFR Parts 21, 26, and 27; and 23 CFR Parts 200, 230, and 633.

The contractor and all subcontractors must comply with: the requirements of the Equal Opportunity Clause in 41 CFR 60-1.4(b) and, for all construction contracts exceeding $10,000, the Standard Federal Equal Employment Opportunity Construction Contract Specifications in 41 CFR 60-4.3.

Note: The U.S. Department of Labor has exclusive authority to determine compliance with Executive Order 11246 and the policies of the Secretary of Labor including 41 CFR Part 60, and 29 CFR Parts 1625-1627. The contracting agency and the FHWA have the authority and the responsibility to ensure compliance with 23 U.S.C. 140, Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.), and related regulations including 49 CFR Parts 21, 26, and 27; and 23 CFR Parts 200, 230, and 633.

The following provision is adopted from 23 CFR Part 230, Subpart A, Appendix A, with appropriate revisions to conform to the U.S. Department of Labor (US DOL) and FHWA requirements.

**1. Equal Employment Opportunity:** Equal Employment Opportunity (EEO) requirements not to discriminate and to take affirmative action to assure equal opportunity as set forth under laws, executive orders, rules, regulations (see 28 CFR Part 35, 29 CFR Part 1630, 29 CFR Parts 1625-1627, 41 CFR Part 60 and 49 CFR Part 27) and orders of the Secretary of Labor as modified by the provisions prescribed herein, and imposed pursuant to 23 U.S.C. 140, shall constitute the EEO and specific affirmative action standards for the contractor's project activities under this contract. The provisions of the Americans with Disabilities Act of 1990 (42 U.S.C. 12101 et seq.) set forth under 28 CFR Part 35 and 29 CFR Part 1630 are incorporated by reference in this contract. In the execution of this contract, the contractor agrees to comply with the following minimum specific requirement activities of EEO:

a. The contractor will work with the contracting agency and the Federal Government to ensure that it has made every good faith effort to provide equal opportunity with respect to all of its terms and conditions of employment and in their review of activities under the contract. 23 CFR 230.409 (g)(4) & (5).

b. The contractor will accept as its operating policy the following statement:

"It is the policy of this Company to assure that applicants are employed, and that employees are treated during employment, without regard to their race, religion, sex, sexual orientation, gender identity, color, national origin, age or disability. Such action shall include: 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, pre-apprenticeship, and/or on-the-job training."

**2. EEO Officer:** The contractor will designate and make known to the contracting officers an EEO Officer who will have the responsibility for and must be capable of effectively administering and promoting an active EEO program and who must be assigned adequate authority and responsibility to do so.

**3. Dissemination of Policy:** All members of the contractor's staff who are authorized to hire, supervise, promote, and discharge employees, or who recommend such action or are substantially involved in such action, will be made fully cognizant of and will implement the contractor's EEO policy and contractual responsibilities to provide EEO in each grade and classification of employment. To ensure that the above agreement will be met, the following actions will be taken as a minimum:

a. Periodic meetings of supervisory and personnel office employees will be conducted before the start of work and then not less often than once every six months, at which time the contractor's EEO policy and its implementation will be reviewed and explained. The meetings will be conducted by the EEO Officer or other knowledgeable company official.

b. All new supervisory or personnel office employees will be given a thorough indoctrination by the EEO Officer, covering all major aspects of the contractor's EEO obligations within thirty days following their reporting for duty with the contractor.

c. All personnel who are engaged in direct recruitment for the project will be instructed by the EEO Officer in the contractor's procedures for locating and hiring minorities and women.

d. Notices and posters setting forth the contractor's EEO policy will be placed in areas readily accessible to employees, applicants for employment and potential employees.

e. The contractor's EEO policy and the procedures to implement such policy will be brought to the attention of employees by means of meetings, employee handbooks, or other appropriate means.

**4. Recruitment:** When advertising for employees, the contractor will include in all advertisements for employees the notation: "An Equal Opportunity Employer." All such advertisements will be placed in publications having a large circulation among minorities and women in the area from which the project work force would normally be derived.

a. The contractor will, unless precluded by a valid bargaining agreement, conduct systematic and direct recruitment through public and private employee referral sources likely to yield qualified minorities and women. To meet this requirement, the contractor will identify sources of potential minority group employees and establish with such identified sources procedures whereby minority and women applicants may be referred to the contractor for employment consideration.

b. In the event the contractor has a valid bargaining agreement providing for exclusive hiring hall referrals, the contractor is expected to observe the provisions of that agreement to the extent that the system meets the contractor's compliance with EEO contract provisions. Where implementation of such an agreement has the effect of discriminating against minorities or women, or obligates the contractor to do the same, such implementation violates Federal nondiscrimination provisions.

c. The contractor will encourage its present employees to refer minorities and women as applicants for employment. Information and procedures with regard to referring such applicants will be discussed with employees.

**5. Personnel Actions:** Wages, working conditions, and employee benefits shall be established and administered, and personnel actions of every type, including hiring, upgrading, promotion, transfer, demotion, layoff, and termination, shall be taken without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, age or disability. The following procedures shall be followed:

a. The contractor will conduct periodic inspections of project sites to ensure that working conditions and employee facilities do not indicate discriminatory treatment of project site personnel.

b. The contractor will periodically evaluate the spread of wages paid within each classification to determine any evidence of discriminatory wage practices.

c. The contractor will periodically review selected personnel actions in depth to determine whether there is evidence of discrimination. Where evidence is found, the contractor will promptly take corrective action. If the review indicates that the discrimination may extend beyond the actions reviewed, such corrective action shall include all affected persons.

d. The contractor will promptly investigate all complaints of alleged discrimination made to the contractor in connection with its obligations under this contract, will attempt to resolve such complaints, and will take appropriate corrective action within a reasonable time. If the investigation indicates that the discrimination may affect persons other than the complainant, such corrective action shall include such other persons. Upon completion of each investigation, the contractor will inform every complainant of all of their avenues of appeal.

**6. Training and Promotion:**

a. The contractor will assist in locating, qualifying, and increasing the skills of minorities and women who are applicants for employment or current employees. Such efforts should be aimed at developing full journey level status employees in the type of trade or job classification involved.

b. Consistent with the contractor's work force requirements and as permissible under Federal and State regulations, the contractor shall make full use of training programs (i.e., apprenticeship and on-the-job training programs for the geographical area of contract performance). In the event a special provision for training is provided under this contract, this subparagraph will be superseded as indicated in the special provision. The contracting agency may reserve training positions for persons who receive welfare assistance in accordance with 23 U.S.C. 140(a).

c. The contractor will advise employees and applicants for employment of available training programs and entrance requirements for each.

d. The contractor will periodically review the training and promotion potential of employees who are minorities and women and will encourage eligible employees to apply for such training and promotion.

**7. Unions:** If the contractor relies in whole or in part upon unions as a source of employees, the contractor will use good faith efforts to obtain the cooperation of such unions to increase opportunities for minorities and women. 23 CFR 230.409. Actions by the contractor, either directly or through a contractor's association acting as agent, will include the procedures set forth below:

a. The contractor will use good faith efforts to develop, in cooperation with the unions, joint training programs aimed toward qualifying more minorities and women for membership in the unions and increasing the skills of minorities and women so that they may qualify for higher paying employment.

b. The contractor will use good faith efforts to incorporate an EEO clause into each union agreement to the end that such union will be contractually bound to refer applicants without regard to their race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability.

c. The contractor is to obtain information as to the referral practices and policies of the labor union except that to the extent such information is within the exclusive possession of the labor union and such labor union refuses to furnish such information to the contractor, the contractor shall so certify to the contracting agency and shall set forth what efforts have been made to obtain such information.

d. In the event the union is unable to provide the contractor with a reasonable flow of referrals within the time limit set forth in the collective bargaining agreement, the contractor will, through independent recruitment efforts, fill the employment vacancies without regard to race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability; making full efforts to obtain qualified and/or qualifiable minorities and women. The failure of a union to provide sufficient referrals (even though it is obligated to provide exclusive referrals under the terms of a collective bargaining agreement) does not relieve the contractor from the requirements of this paragraph. In the event the union referral practice prevents the contractor from meeting the obligations pursuant to Executive Order 11246, as amended, and these special provisions, such contractor shall immediately notify the contracting agency.

**8. Reasonable Accommodation for Applicants / Employees with Disabilities:** The contractor must be familiar with the requirements for and comply with the Americans with Disabilities Act and all rules and regulations established thereunder. Employers must provide reasonable accommodation in all employment activities unless to do so would cause an undue hardship.

**9. Selection of Subcontractors, Procurement of Materials and Leasing of Equipment:** The contractor shall not discriminate on the grounds of race, color, religion, sex, sexual orientation, gender identity, national origin, age, or disability in the selection and retention of subcontractors, including procurement of materials and leases of equipment. The contractor shall take all necessary and reasonable steps to ensure nondiscrimination in the administration of this contract.

a. The contractor shall notify all potential subcontractors, suppliers, and lessors of their EEO obligations under this contract.

b. The contractor will use good faith efforts to ensure subcontractor compliance with their EEO obligations.

**10. Assurance Required:**

a. The requirements of 49 CFR Part 26 and the State DOT's FHWA-approved Disadvantaged Business Enterprise (DBE) program are incorporated by reference.

b. The contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR part 26 in the award and administration of DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

(1) Withholding monthly progress payments;

(2) Assessing sanctions;

(3) Liquidated damages; and/or

(4) Disqualifying the contractor from future bidding as non-responsible.

c. The Title VI and nondiscrimination provisions of U.S. DOT Order 1050.2A at Appendixes A and E are incorporated by reference. 49 CFR Part 21.

**11. Records and Reports:** The contractor shall keep such records as necessary to document compliance with the EEO requirements. Such records shall be retained for a period of three years following the date of the final payment to the contractor for all contract work and shall be available at reasonable times and places for inspection by authorized representatives of the contracting agency and the FHWA.

a. The records kept by the contractor shall document the following:

(1) The number and work hours of minority and non-minority group members and women employed in each work classification on the project;

(2) The progress and efforts being made in cooperation with unions, when applicable, to increase employment opportunities for minorities and women; and

(3) The progress and efforts being made in locating, hiring, training, qualifying, and upgrading minorities and women.

b. The contractors and subcontractors will submit an annual report to the contracting agency each July for the duration of the project indicating the number of minority, women, and non-minority group employees currently engaged in each work classification required by the contract work. This information is to be reported on Form FHWA-1391. The staffing data should represent the project work force on board in all or any part of the last payroll period preceding the end of July. If on-the-job training is being required by special provision, the contractor will be required to collect and report training data. The employment data should reflect the work force on board during all or any part of the last payroll period preceding the end of July.

**III. NONSEGREGATED FACILITIES**

This provision is applicable to all Federal-aid construction contracts and to all related construction subcontracts of more than $10,000. 41 CFR 60-1.5.

As prescribed by 41 CFR 60-1.8, the contractor must ensure that facilities provided for employees are provided in such a manner that segregation on the basis of race, color, religion, sex, sexual orientation, gender identity, or national origin cannot result. The contractor may neither require such segregated use by written or oral policies nor tolerate such use by employee custom. The contractor's obligation extends further to ensure that its employees are not assigned to perform their services at any location under the contractor's control where the facilities are segregated. The term "facilities" includes waiting rooms, work areas, restaurants and other eating areas, time clocks, restrooms, washrooms, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing provided for employees. The contractor shall provide separate or single-user restrooms and necessary dressing or sleeping areas to assure privacy between sexes.

**IV. DAVIS-BACON AND RELATED ACT PROVISIONS**

This section is applicable to all Federal-aid construction projects exceeding $2,000 and to all related subcontracts and lower-tier subcontracts (regardless of subcontract size), in accordance with 29 CFR 5.5. The requirements apply to all projects located within the right-of-way of a roadway that is functionally classified as Federal-aid highway. 23 U.S.C. 113. This excludes roadways functionally classified as local roads or rural minor collectors, which are exempt. 23 U.S.C. 101. Where applicable law requires that projects be treated as a project on a Federal-aid highway, the provisions of this subpart will apply regardless of the location of the project. Examples include: Surface Transportation Block Grant Program projects funded under 23 U.S.C. 133 [excluding recreational trails projects], the Nationally Significant Freight and Highway Projects funded under 23 U.S.C. 117, and National Highway Freight Program projects funded under 23 U.S.C. 167.

The following provisions are from the U.S. Department of Labor regulations in 29 CFR 5.5 "Contract provisions and related matters" with minor revisions to conform to the FHWA-1273 format and FHWA program requirements.

**1. Minimum wages** (29 CFR 5.5)

a. All laborers and mechanics employed or working upon the site of the work, will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics.

Contributions made or costs reasonably anticipated for bona fide fringe benefits under section 1(b)(2) of the Davis-Bacon Act on behalf of laborers or mechanics are considered wages paid to such laborers or mechanics, subject to the provisions of paragraph 1.d. of this section; also, regular contributions made or costs incurred for more than a weekly period (but not less often than quarterly) under plans, funds, or programs which cover the particular weekly period, are deemed to be constructively made or incurred during such weekly period. Such laborers and mechanics shall be paid the appropriate wage rate and fringe benefits on the wage determination for the classification of work actually performed, without regard to skill, except as provided in 29 CFR 5.5(a)(4). Laborers or mechanics performing work in more than one classification may be compensated at the rate specified for each classification for the time actually worked therein: Provided, That the employer's payroll records accurately set forth the time spent in each classification in which work is performed. The wage determination (including any additional classification and wage rates conformed under paragraph 1.b. of this section) and the Davis-Bacon poster (WH–1321) shall be posted at all times by the contractor and its subcontractors at the site of the work in a prominent and accessible place where it can be easily seen by the workers.

b. (1) The contracting officer shall require that any class of laborers or mechanics, including helpers, which is not listed in the wage determination and which is to be employed under the contract shall be classified in conformance with the wage determination. The contracting officer shall approve an additional classification and wage rate and fringe benefits therefore only when the following criteria have been met:

(i) The work to be performed by the classification requested is not performed by a classification in the wage determination; and

(ii) The classification is utilized in the area by the construction industry; and

(iii) The proposed wage rate, including any bona fide fringe benefits, bears a reasonable relationship to the wage rates contained in the wage determination.

(2) If the contractor and the laborers and mechanics to be employed in the classification (if known), or their representatives, and the contracting officer agree on the classification and wage rate (including the amount designated for fringe benefits where appropriate), a report of the action taken shall be sent by the contracting officer to the Administrator of the Wage and Hour Division, U.S. Department of Labor, Washington, DC 20210. The Administrator, or an authorized representative, will approve, modify, or disapprove every additional classification action within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(3) In the event the contractor, the laborers or mechanics to be employed in the classification or their representatives, and the contracting officer do not agree on the proposed classification and wage rate (including the amount designated for fringe benefits, where appropriate), the contracting officer shall refer the questions, including the views of all interested parties and the recommendation of the contracting officer, to the Administrator for determination. The Administrator, or an authorized representative, will issue a determination within 30 days of receipt and so advise the contracting officer or will notify the contracting officer within the 30-day period that additional time is necessary.

(4) The wage rate (including fringe benefits where appropriate) determined pursuant to paragraphs 1.b.(2) or 1.b.(3) of this section, shall be paid to all workers performing work in the classification under this contract from the first day on which work is performed in the classification.

c. Whenever the minimum wage rate prescribed in the contract for a class of laborers or mechanics includes a fringe benefit which is not expressed as an hourly rate, the contractor shall either pay the benefit as stated in the wage determination or shall pay another bona fide fringe benefit or an hourly cash equivalent thereof.

d. If the contractor does not make payments to a trustee or other third person, the contractor may consider as part of the wages of any laborer or mechanic the amount of any costs reasonably anticipated in providing bona fide fringe benefits under a plan or program, Provided, That the Secretary of Labor has found, upon the written request of the contractor, that the applicable standards of the Davis-Bacon Act have been met. The Secretary of Labor may require the contractor to set aside in a separate account assets for the meeting of obligations under the plan or program.

**2. Withholding** (29 CFR 5.5)

The contracting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor, withhold or cause to be withheld from the contractor under this contract, or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to Davis-Bacon prevailing wage requirements, which is held by the same prime contractor, so much of the accrued payments or advances as may be considered necessary to pay laborers and mechanics, including apprentices, trainees, and helpers, employed by the contractor or any subcontractor the full amount of wages required by the contract. In the event of failure to pay any laborer or mechanic, including any apprentice, trainee, or helper, employed or working on the site of the work, all or part of the wages required by the contract, the contracting agency may, after written notice to the contractor, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds until such violations have ceased.

**3. Payrolls and basic records** (29 CFR 5.5)

a. Payrolls and basic records relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29 CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any costs reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

b. (1) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the contracting agency. The payrolls submitted shall set out accurately and completely all of the information required to be maintained under 29 CFR 5.5(a)(3)(i), except that full social security numbers and home addresses shall not be included on weekly transmittals. Instead the payrolls shall only need to include an individually identifying number for each employee (e.g., the last four digits of the employee's social security number). The required weekly payroll information may be submitted in any form desired. Optional Form WH–347 is available for this purpose from the Wage and Hour Division Web site. The prime contractor is responsible for the submission of copies of payrolls by all subcontractors. Contractors and subcontractors shall maintain the full social security number and current address of each covered worker, and shall provide them upon request to the contracting agency for transmission to the State DOT, the FHWA or the Wage and Hour Division of the Department of Labor for purposes of an investigation or audit of compliance with prevailing wage requirements. It is not a violation of this section for a prime contractor to require a subcontractor to provide addresses and social security numbers to the prime contractor for its own records, without weekly submission to the contracting agency.

(2) Each payroll submitted shall be accompanied by a "Statement of Compliance," signed by the contractor or subcontractor or his or her agent who pays or supervises the payment of the persons employed under the contract and shall certify the following:

(i) That the payroll for the payroll period contains the information required to be provided under 29 CFR 5.5(a)(3)(ii), the appropriate information is being maintained under 29 CFR 5.5(a)(3)(i), and that such information is correct and complete;

(ii) That each laborer or mechanic (including each helper, apprentice, and trainee) employed on the contract during the payroll period has been paid the full weekly wages earned, without rebate, either directly or indirectly, and that no deductions have been made either directly or indirectly from the full wages earned, other than permissible deductions as set forth in 29 CFR part 3;

(iii) That each laborer or mechanic has been paid not less than the applicable wage rates and fringe benefits or cash equivalents for the classification of work performed, as specified in the applicable wage determination incorporated into the contract.

(3) The weekly submission of a properly executed certification set forth on the reverse side of Optional Form WH–347 shall satisfy the requirement for submission of the "Statement of Compliance" required by paragraph 3.b.(2) of this section.

(4) The falsification of any of the above certifications may subject the contractor or subcontractor to civil or criminal prosecution under 18 U.S.C. 1001 and 31 U.S.C. 231.

c. The contractor or subcontractor shall make the records required under paragraph 3.a. of this section available for inspection, copying, or transcription by authorized representatives of the contracting agency, the State DOT, the FHWA, or the Department of Labor, and shall permit such representatives to interview employees during working hours on the job. If the contractor or subcontractor fails to submit the required records or to make them available, the FHWA may, after written notice to the contractor, the contracting agency or the State DOT, take such action as may be necessary to cause the suspension of any further payment, advance, or guarantee of funds. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment action pursuant to 29 CFR 5.12.

**4. Apprentices and trainees** (29 CFR 5.5)

a. Apprentices (programs of the USDOL).

Apprentices will be permitted to work at less than the predetermined rate for the work they performed when they are employed pursuant to and individually registered in a bona fide apprenticeship program registered with the U.S. Department of Labor, Employment and Training Administration, Office of Apprenticeship Training, Employer and Labor Services, or with a State Apprenticeship Agency recognized by the Office, or if a person is employed in his or her first 90 days of probationary employment as an apprentice in such an apprenticeship program, who is not individually registered in the program, but who has been certified by the Office of Apprenticeship Training, Employer and Labor Services or a State Apprenticeship Agency (where appropriate) to be eligible for probationary employment as an apprentice.

The allowable ratio of apprentices to journeymen on the job site in any craft classification shall not be greater than the ratio permitted to the contractor as to the entire work force under the registered program. Any worker listed on a payroll at an apprentice wage rate, who is not registered or otherwise employed as stated above, shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any apprentice performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed. Where a contractor is performing construction on a project in a locality other than that in which its program is registered, the ratios and wage rates (expressed in percentages of the journeyman's hourly rate) specified in the contractor's or subcontractor's registered program shall be observed.

Every apprentice must be paid at not less than the rate specified in the registered program for the apprentice's level of progress, expressed as a percentage of the journeymen hourly rate specified in the applicable wage determination. Apprentices shall be paid fringe benefits in accordance with the provisions of the apprenticeship program. If the apprenticeship program does not specify fringe benefits, apprentices must be paid the full amount of fringe benefits listed on the wage determination for the applicable classification. If the Administrator determines that a different practice prevails for the applicable apprentice classification, fringes shall be paid in accordance with that determination.

In the event the Office of Apprenticeship Training, Employer and Labor Services, or a State Apprenticeship Agency recognized by the Office, withdraws approval of an apprenticeship program, the contractor will no longer be permitted to utilize apprentices at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

b. Trainees (programs of the USDOL).

Except as provided in 29 CFR 5.16, trainees will not be permitted to work at less than the predetermined rate for the work performed unless they are employed pursuant to and individually registered in a program which has received prior approval, evidenced by formal certification by the U.S. Department of Labor, Employment and Training Administration.

The ratio of trainees to journeymen on the job site shall not be greater than permitted under the plan approved by the Employment and Training Administration.

Every trainee must be paid at not less than the rate specified in the approved program for the trainee's level of progress, expressed as a percentage of the journeyman hourly rate specified in the applicable wage determination. Trainees shall be paid fringe benefits in accordance with the provisions of the trainee program. If the trainee program does not mention fringe benefits, trainees shall be paid the full amount of fringe benefits listed on the wage determination unless the Administrator of the Wage and Hour Division determines that there is an apprenticeship program associated with the corresponding journeyman wage rate on the wage determination which provides for less than full fringe benefits for apprentices. Any employee listed on the payroll at a trainee rate who is not registered and participating in a training plan approved by the Employment and Training Administration shall be paid not less than the applicable wage rate on the wage determination for the classification of work actually performed. In addition, any trainee performing work on the job site in excess of the ratio permitted under the registered program shall be paid not less than the applicable wage rate on the wage determination for the work actually performed.

In the event the Employment and Training Administration withdraws approval of a training program, the contractor will no longer be permitted to utilize trainees at less than the applicable predetermined rate for the work performed until an acceptable program is approved.

c. Equal employment opportunity. The utilization of apprentices, trainees and journeymen under this part shall be in conformity with the equal employment opportunity requirements of Executive Order 11246, as amended, and 29 CFR part 30.

d. Apprentices and Trainees (programs of the U.S. DOT).

Apprentices and trainees working under apprenticeship and skill training programs which have been certified by the Secretary of Transportation as promoting EEO in connection with Federal-aid highway construction programs are not subject to the requirements of paragraph 4 of this Section IV. 23 CFR 230.111(e)(2). The straight time hourly wage rates for apprentices and trainees under such programs will be established by the particular programs. The ratio of apprentices and trainees to journeymen shall not be greater than permitted by the terms of the particular program.

**5. Compliance with Copeland Act requirements.** The contractor shall comply with the requirements of 29 CFR part 3, which are incorporated by reference in this contract as provided in 29 CFR 5.5.

**6. Subcontracts.** The contractor or subcontractor shall insert Form FHWA-1273 in any subcontracts and also require the subcontractors to include Form FHWA-1273 in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses in 29 CFR 5.5.

**7. Contract termination: debarment.** A breach of the contract clauses in 29 CFR 5.5 may be grounds for termination of the contract, and for debarment as a contractor and a subcontractor as provided in 29 CFR 5.12.

**8. Compliance with Davis-Bacon and Related Act requirements.** All rulings and interpretations of the Davis-Bacon and Related Acts contained in 29 CFR parts 1, 3, and 5 are herein incorporated by reference in this contract as provided in 29 CFR 5.5.

**9. Disputes concerning labor standards.** As provided in 29 CFR 5.5, disputes arising out of the labor standards provisions of this contract shall not be subject to the general disputes clause of this contract. Such disputes shall be resolved in accordance with the procedures of the Department of Labor set forth in 29 CFR parts 5, 6, and 7. Disputes within the meaning of this clause include disputes between the contractor (or any of its subcontractors) and the contracting agency, the U.S. Department of Labor, or the employees or their representatives.

**10. Certification of eligibility** (29 CFR 5.5)

a. By entering into this contract, the contractor certifies that neither it (nor he or she) nor any person or firm who has an interest in the contractor's firm is a person or firm ineligible to be awarded Government contracts by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

b. No part of this contract shall be subcontracted to any person or firm ineligible for award of a Government contract by virtue of section 3(a) of the Davis-Bacon Act or 29 CFR 5.12(a)(1).

c. The penalty for making false statements is prescribed in the U.S. Criminal Code, 18 U.S.C. 1001.

## V. CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

Pursuant to 29 CFR 5.5(b), the following clauses apply to any Federal-aid construction contract in an amount in excess of $100,000 and subject to the overtime provisions of the Contract Work Hours and Safety Standards Act. These clauses shall be inserted in addition to the clauses required by 29 CFR 5.5(a) or 29 CFR 4.6. As used in this paragraph, the terms laborers and mechanics include watchmen and guards.

**1. Overtime requirements.** No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek. 29 CFR 5.5.

**2. Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in paragraph 1 of this section, the contractor and any subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph 1 of this section, in the sum currently provided in 29 CFR 5.5(b)(2)* for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph 1 of this section. 29 CFR 5.5.

* $27 as of January 23, 2019 (See 84 FR 213-01, 218) as may be adjusted annually by the Department of Labor, pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990).

**3. Withholding for unpaid wages and liquidated damages.** The FHWA or the contacting agency shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph 2 of this section. 29 CFR 5.5.

**4. Subcontracts.** The contractor or subcontractor shall insert in any subcontracts the clauses set forth in paragraphs 1 through 4 of this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs 1 through 4 of this section. 29 CFR 5.5.

**VI. SUBLETTING OR ASSIGNING THE CONTRACT**

This provision is applicable to all Federal-aid construction contracts on the National Highway System pursuant to 23 CFR 635.116.

1. The contractor shall perform with its own organization contract work amounting to not less than 30 percent (or a greater percentage if specified elsewhere in the contract) of the total original contract price, excluding any specialty items designated by the contracting agency. Specialty items may be performed by subcontract and the amount of any such specialty items performed may be deducted from the total original contract price before computing the amount of work required to be performed by the contractor's own organization (23 CFR 635.116).

a. The term "perform work with its own organization" in paragraph 1 of Section VI refers to workers employed or leased by the prime contractor, and equipment owned or rented by the prime contractor, with or without operators. Such term does not include employees or equipment of a subcontractor or lower tier subcontractor, agents of the prime contractor, or any other assignees. The term may include payments for the costs of hiring leased employees from an employee leasing firm meeting all relevant Federal and State regulatory requirements. Leased employees may only be included in this term if the prime contractor meets all of the following conditions: (based on longstanding interpretation)

(1) the prime contractor maintains control over the supervision of the day-to-day activities of the leased employees;

(2) the prime contractor remains responsible for the quality of the work of the leased employees;

(3) the prime contractor retains all power to accept or exclude individual employees from work on the project; and

(4) the prime contractor remains ultimately responsible for the payment of predetermined minimum wages, the submission of payrolls, statements of compliance and all other Federal regulatory requirements.

b. "Specialty Items" shall be construed to be limited to work that requires highly specialized knowledge, abilities, or equipment not ordinarily available in the type of contracting organizations qualified and expected to bid or propose on the contract as a whole and in general are to be limited to minor components of the overall contract. 23 CFR 635.102.

2. Pursuant to 23 CFR 635.116(a), the contract amount upon which the requirements set forth in paragraph (1) of Section VI is computed includes the cost of material and manufactured products which are to be purchased or produced by the contractor under the contract provisions.

3. Pursuant to 23 CFR 635.116(c), the contractor shall furnish (a) a competent superintendent or supervisor who is employed by the firm, has full authority to direct performance of the work in accordance with the contract requirements, and is in charge of all construction operations (regardless of who performs the work) and (b) such other of its own organizational resources (supervision, management, and engineering services) as the contracting officer determines is necessary to assure the performance of the contract.

4. No portion of the contract shall be sublet, assigned or otherwise disposed of except with the written consent of the contracting officer, or authorized representative, and such consent when given shall not be construed to relieve the contractor of any responsibility for the fulfillment of the contract. Written consent will be given only after the contracting agency has assured that each subcontract is evidenced in writing and that it contains all pertinent provisions and requirements of the prime contract. (based on long-standing interpretation of 23 CFR 635.116).

5. The 30-percent self-performance requirement of paragraph (1) is not applicable to design-build contracts; however, contracting agencies may establish their own self-performance requirements. 23 CFR 635.116(d).

**VII. SAFETY: ACCIDENT PREVENTION**

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

1. In the performance of this contract the contractor shall comply with all applicable Federal, State, and local laws governing safety, health, and sanitation (23 CFR Part 635). The contractor shall provide all safeguards, safety devices and protective equipment and take any other needed actions as it determines, or as the contracting officer may determine, to be reasonably necessary to protect the life and health of employees on the job and the safety of the public and to protect property in connection with the performance of the work covered by the contract. 23 CFR 635.108.

2. It is a condition of this contract, and shall be made a condition of each subcontract, which the contractor enters into pursuant to this contract, that the contractor and any subcontractor shall not permit any employee, in performance of the contract, to work in surroundings or under conditions which are unsanitary, hazardous or dangerous to his/her health or safety, as determined under construction safety and health standards (29 CFR Part 1926) promulgated by the Secretary of Labor, in accordance with Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704). 29 CFR 1926.10.

3. Pursuant to 29 CFR 1926.3, it is a condition of this contract that the Secretary of Labor or authorized representative thereof, shall have right of entry to any site of contract performance to inspect or investigate the matter of compliance with the construction safety and health standards and to carry out the duties of the Secretary under Section 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 3704).

**VIII. FALSE STATEMENTS CONCERNING HIGHWAY PROJECTS**

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts.

In order to assure high quality and durable construction in conformity with approved plans and specifications and a high degree of reliability on statements and representations made by engineers, contractors, suppliers, and workers on Federal-aid highway projects, it is essential that all persons concerned with the project perform their functions as carefully, thoroughly, and honestly as possible. Willful falsification, distortion, or misrepresentation with respect to any facts related to the project is a violation of Federal law. To prevent any misunderstanding regarding the seriousness of these and similar acts, Form FHWA-1022 shall be posted on each Federal-aid highway project (23 CFR Part 635) in one or more places where it is readily available to all persons concerned with the project:

18 U.S.C. 1020 reads as follows:

"Whoever, being an officer, agent, or employee of the United States, or of any State or Territory, or whoever, whether a person, association, firm, or corporation, knowingly makes any false statement, false representation, or false report as to the character, quality, quantity, or cost of the material used or to be used, or the quantity or quality of the work performed or to be performed, or the cost thereof in connection with the submission of plans, maps, specifications, contracts, or costs of construction on any highway or related project submitted for approval to the Secretary of Transportation; or

Whoever knowingly makes any false statement, false representation, false report or false claim with respect to the character, quality, quantity, or cost of any work performed or to be performed, or materials furnished or to be furnished, in connection with the construction of any highway or related project approved by the Secretary of Transportation; or

Whoever knowingly makes any false statement or false representation as to material fact in any statement, certificate, or report submitted pursuant to provisions of the Federal-aid Roads Act approved July 11, 1916, (39 Stat. 355), as amended and supplemented;

Shall be fined under this title or imprisoned not more than 5 years or both."

**IX. IMPLEMENTATION OF CLEAN AIR ACT AND FEDERAL WATER POLLUTION CONTROL ACT** (42 U.S.C. 7606; 2 CFR 200.88; EO 11738)

This provision is applicable to all Federal-aid construction contracts in excess of $150,000 and to all related subcontracts. 48 CFR 2.101; 2 CFR 200.326.

By submission of this bid/proposal or the execution of this contract or subcontract, as appropriate, the bidder, proposer, Federal-aid construction contractor, subcontractor, supplier, or vendor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal Highway Administration and the Regional Office of the Environmental Protection Agency. 2 CFR Part 200, Appendix II.

The contractor agrees to include or cause to be included the requirements of this Section in every subcontract, and further agrees to take such action as the contracting agency may direct as a means of enforcing such requirements. 2 CFR 200.326.

**X. CERTIFICATION REGARDING DEBARMENT, SUSPENSION, INELIGIBILITY AND VOLUNTARY EXCLUSION**

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, consultant contracts or any other covered transaction requiring FHWA approval or that is estimated to cost $25,000 or more – as defined in 2 CFR Parts 180 and 1200. 2 CFR 180.220 and 1200.220.

**1. Instructions for Certification – First Tier Participants:**

a. By signing and submitting this proposal, the prospective first tier participant is providing the certification set out below.

b. The inability of a person to provide the certification set out below will not necessarily result in denial of participation in this covered transaction. The prospective first tier participant shall submit an explanation of why it cannot provide the certification set out below. The certification or explanation will be considered in connection with the department or agency's determination whether to enter into this transaction. However, failure of the prospective first tier participant to furnish a certification or an explanation shall disqualify such a person from participation in this transaction. 2 CFR 180.320.

c. The certification in this clause is a material representation of fact upon which reliance was placed when the contracting agency determined to enter into this transaction. If it is later determined that the prospective participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the contracting agency may terminate this transaction for cause of default. 2 CFR 180.325.

d. The prospective first tier participant shall provide immediate written notice to the contracting agency to whom this proposal is submitted if any time the prospective first tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances. 2 CFR 180.345 and 180.350.

e. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180, Subpart I, 180.900-180.1020, and 1200. "First Tier Covered Transactions" refers to any covered transaction between a recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a recipient or subrecipient of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

f. The prospective first tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency entering into this transaction. 2 CFR 180.330.

g. The prospective first tier participant further agrees by submitting this proposal that it will include the clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions," provided by the department or contracting agency, entering into this covered transaction, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the $25,000 threshold. 2 CFR 180.220 and 180.300.

h. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. 2 CFR 180.300; 180.320, and 180.325. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. 2 CFR 180.335. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (https://www.sam.gov/). 2 CFR 180.300, 180.320, and 180.325.

i. Nothing contained in the foregoing shall be construed to require the establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of the prospective participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

j. Except for transactions authorized under paragraph (f) of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency may terminate this transaction for cause or default. 2 CFR 180.325.

* * * *

**2. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – First Tier Participants:**

a. The prospective first tier participant certifies to the best of its knowledge and belief, that it and its principals:

(1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency, 2 CFR 180.335;

(2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State, or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property, 2 CFR 180.800;

(3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph (a)(2) of this certification, 2 CFR 180.700 and 180.800; and

(4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default. 2 CFR 180.335(d).

(5) Are not a corporation that has been convicted of a felony violation under any Federal law within the two-year period preceding this proposal (USDOT Order 4200.6 implementing appropriations act requirements); and

(6) Are not a corporation with any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability (USDOT Order 4200.6 implementing appropriations act requirements).

b. Where the prospective participant is unable to certify to any of the statements in this certification, such prospective participant should attach an explanation to this proposal. 2 CFR 180.335 and 180.340.

**3. Instructions for Certification - Lower Tier Participants:**

(Applicable to all subcontracts, purchase orders, and other lower tier transactions requiring prior FHWA approval or estimated to cost $25,000 or more - 2 CFR Parts 180 and 1200). 2 CFR 180.220 and 1200.220.

a. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.

b. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department, or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

c. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous by reason of changed circumstances. 2 CFR 180.365.

d. The terms "covered transaction," "debarred," "suspended," "ineligible," "participant," "person," "principal," and "voluntarily excluded," as used in this clause, are defined in 2 CFR Parts 180, Subpart I, 180.900 – 180.1020, and 1200. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations. "First Tier Covered Transactions" refers to any covered transaction between a recipient or subrecipient of Federal funds and a participant (such as the prime or general contract). "Lower Tier Covered Transactions" refers to any covered transaction under a First Tier Covered Transaction (such as subcontracts). "First Tier Participant" refers to the participant who has entered into a covered transaction with a recipient or subrecipient of Federal funds (such as the prime or general contractor). "Lower Tier Participant" refers any participant who has entered into a covered transaction with a First Tier Participant or other Lower Tier Participants (such as subcontractors and suppliers).

e. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated. 2 CFR 1200.220 and 1200.332.

f. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions exceeding the $25,000 threshold. 2 CFR 180.220 and 1200.220.

g. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any lower tier prospective participants, each participant may, but is not required to, check the System for Award Management website (https://www.sam.gov/), which is compiled by the General Services Administration. 2 CFR 180.300, 180.320, 180.330, and 180.335.

h. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

i. Except for transactions authorized under paragraph e of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment. 2 CFR 180.325.

* * * *

**Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion–Lower Tier Participants:**

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals:

(a) is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any Federal department or agency, 2 CFR 180.355;

(b) is a corporation that has been convicted of a felony violation under any Federal law within the two-year period preceding this proposal (USDOT Order 4200.6 implementing appropriations act requirements); and

(c) is a corporation with any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability. (USDOT Order 4200.6 implementing appropriations act requirements)

2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant should attach an explanation to this proposal.

* * * *

**XI. CERTIFICATION REGARDING USE OF CONTRACT FUNDS FOR LOBBYING**

This provision is applicable to all Federal-aid construction contracts and to all related subcontracts which exceed $100,000. 49 CFR Part 20, App. A.

1. The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

a. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

b. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

2. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31 U.S.C. 1352. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

3. The prospective participant also agrees by submitting its bid or proposal that the participant shall require that the language of this certification be included in all lower tier subcontracts, which exceed $100,000 and that all such recipients shall certify and disclose accordingly.

**XII. USE OF UNITED STATES-FLAG VESSELS:**

This provision is applicable to all Federal-aid construction contracts, design-build contracts, subcontracts, lower-tier subcontracts, purchase orders, lease agreements, or any other covered transaction. 46 CFR Part 381.

This requirement applies to material or equipment that is acquired for a specific Federal-aid highway project. 46 CFR 381.7. It is not applicable to goods or materials that come into inventories independent of an FHWA funded-contract.

When oceanic shipments (or shipments across the Great Lakes) are necessary for materials or equipment acquired for a specific Federal-aid construction project, the bidder, proposer, contractor, subcontractor, or vendor agrees:

1. To utilize privately owned United States-flag commercial vessels to ship at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, material, or commodities pursuant to this contract, to the extent such vessels are available at fair and reasonable rates for United States-flag commercial vessels. 46 CFR 381.7.

2. To furnish within 20 days following the date of loading for shipments originating within the United States or within 30 working days following the date of loading for shipments originating outside the United States, a legible copy of a rated, 'on-board' commercial ocean bill-of-lading in English for each shipment of cargo described in paragraph (b)(1) of this section to both the Contracting Officer (through the prime contractor in the case of subcontractor bills-of-lading) and to the Office of Cargo and Commercial Sealift (MAR-620), Maritime Administration, Washington, DC 20590. (MARAD requires copies of the ocean carrier's (master) bills of lading, certified onboard, dated, with rates and charges. These bills of lading may contain business sensitive information and therefore may be submitted directly to MARAD by the Ocean Transportation Intermediary on behalf of the contractor). 46 CFR 381.7.

## 12. FEMALE AND MINORITY GOALS

To comply with Section II, "Nondiscrimination," of "Required Contract Provisions Federal-Aid Construction Contracts," the following are for female and minority utilization goals for Federal-aid construction contracts and subcontracts that exceed $10,000:

The nationwide goal for female utilization is 6.9 percent.

The goals for minority utilization (45 Fed Reg 65984 (10/3/1980)) are as follows:

**MINORITY UTILIZATION GOALS**

| Economic Area | | Goal (Percent) |
|---|---|---|
| 174 | Redding CA:<br>Non-SMSA (Standard Metropolitan Statistical Area) Counties:<br>CA Lassen; CA Modoc; CA Plumas; CA Shasta; CA Siskiyou; CA Tehama | 6.8 |
| 175 | Eureka, CA<br>Non-SMSA Counties:<br>CA Del Norte; CA Humboldt; CA Trinity | 6.6 |
| 176 | San Francisco-Oakland-San Jose, CA:<br>SMSA Counties:<br>7120 Salinas-Seaside-Monterey, CA<br>CA Monterey<br>7360 San Francisco-Oakland<br>CA Alameda; CA Contra Costa; CA Marin; CA San Francisco; CA San Mateo<br>7400 San Jose, CA<br>CA Santa Clara, CA<br>7485 Santa Cruz, CA<br>CA Santa Cruz<br>7500 Santa Rosa<br>CA Sonoma<br>8720 Vallejo-Fairfield-Napa, CA<br>CA Napa; CA Solano<br>Non-SMSA Counties:<br>CA Lake; CA Mendocino; CA San Benito | 28.9<br>25.6<br>19.6<br>14.9<br>9.1<br>17.1<br>23.2 |
| 177 | Sacramento, CA:<br>SMSA Counties:<br>6920 Sacramento, CA<br>CA Placer; CA Sacramento; CA<br>Yolo Non-SMSA Counties<br>CA Butte; CA Colusa; CA El Dorado; CA Glenn; CA Nevada; CA Sierra; CA Sutter; CA Yuba | 16.1<br>14.3 |
| 178 | Stockton-Modesto, CA:<br>SMSA Counties:<br>5170 Modesto, CA<br>CA Stanislaus<br>8120 Stockton, CA<br>CA San Joaquin<br>Non-SMSA Counties<br>CA Alpine; CA Amador; CA Calaveras; CA Mariposa; CA Merced; CA Tuolumne | 12.3<br>24.3<br>19.8 |
| 179 | Fresno-Bakersfield, CA<br>SMSA Counties:<br>0680 Bakersfield, CA<br>CA Kern<br>2840 Fresno, CA | 19.1<br>26.1 |

| | | |
|---|---|---|
| | CA Fresno<br>Non-SMSA Counties:<br>CA Kings; CA Madera; CA Tulare | 23.6 |
| 180 | Los Angeles, CA:<br>SMSA Counties:<br>0360 Anaheim-Santa Ana-Garden Grove, CA<br>CA Orange<br>4480 Los Angeles-Long Beach, CA<br>CA Los Angeles<br>6000 Oxnard-Simi Valley-Ventura, CA<br>CA Ventura<br>6780 Riverside-San Bernardino-Ontario, CA<br>CA Riverside; CA San Bernardino<br>7480 Santa Barbara-Santa Maria-Lompoc, CA<br>CA Santa Barbara<br>Non-SMSA Counties<br>CA Inyo; CA Mono; CA San Luis Obispo | 11.9<br>28.3<br>21.5<br>19.0<br>19.7<br>24.6 |
| 181 | San Diego, CA:<br>SMSA Counties<br>7320 San Diego, CA<br>CA San Diego<br>Non-SMSA Counties<br>CA Imperial | 16.9<br>18.2 |

For the last full week of July during which work is performed under the contract, the prime contractor and each non material-supplier subcontractor with a subcontract of $10,000 or more must complete Form FHWA PR-1391 (Appendix C to 23 CFR 230). Submit the forms by August 15.

**13. TITLE VI ASSURANCES**

The U.S. Department of Transportation Order No.1050.2A requires all federal-aid Department of Transportation contracts between an agency and a contractor to contain Appendix A and E. Appendix B only requires inclusion if the contract impacts deeds effecting or recording the transfer of real property, structures, or improvements thereon, or granting interest therein. Appendices C and D only require inclusion if the contract impacts deeds, licenses, leases, permits, or similar instruments entered into by the recipient.

**APPENDIX A**

During the performance of this Agreement, the contractor, for itself, its assignees and successors in interest (hereinafter collectively referred to as CONTRACTOR) agrees as follows:

a. Compliance with Regulations: CONTRACTOR shall comply with the regulations relative to nondiscrimination in federally assisted programs of the Department of Transportation, Title 49, Code of Federal Regulations; Part 21, as they may be amended from time to time, (hereinafter referred to as the REGULATIONS), which are herein incorporated by reference and made a part of this agreement.

b. Nondiscrimination: CONTRACTOR, with regard to the work performed by it during the AGREEMENT, shall not discriminate on the grounds of race, color, sex, national origin, religion, age, or disability in the selection and retention of sub-applicants, including procurements of materials and leases of equipment. CONTRACTOR shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices when the agreement covers a program set forth in Appendix B of the Regulations.

c. Solicitations for Sub-agreements, Including Procurements of Materials and Equipment: In all solicitations either by competitive bidding or negotiation made by CONTRACTOR for work to be performed under a Sub- agreement, including procurements of materials or leases of equipment,

each potential sub-applicant or supplier shall be notified by CONTRACTOR of the CONTRACTOR'S obligations under this Agreement and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

d. Information and Reports: CONTRACTOR shall provide all information and reports required by the Regulations, or directives issued pursuant thereto, and shall permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the recipient or FHWA to be pertinent to ascertain compliance with such Regulations or directives. Where any information required of CONTRACTOR is in the exclusive possession of another who fails or refuses to furnish this information, CONTRACTOR shall so certify to the recipient or FHWA as appropriate, and shall set forth what efforts CONTRACTOR has made to obtain the information.

e. Sanctions for Noncompliance: In the event of CONTRACTOR's noncompliance with the nondiscrimination provisions of this agreement, the recipient shall impose such agreement sanctions as it or the FHWA may determine to be appropriate, including, but not limited to:

   i. withholding of payments to CONTRACTOR under the Agreement within a reasonable period of time, not to exceed 90 days; and/or

   ii. cancellation, termination or suspension of the Agreement, in whole or in part.

f. Incorporation of Provisions: CONTRACTOR shall include the provisions of paragraphs (1) through (6) in every sub-agreement, including procurements of materials and leases of equipment, unless exempt by the Regulations, or directives issued pursuant thereto.

CONTRACTOR shall take such action with respect to any sub-agreement or procurement as the recipient or FHWA may direct as a means of enforcing such provisions including sanctions for noncompliance, provided, however, that, in the event CONTRACTOR becomes involved in, or is threatened with, litigation with a sub-applicant or supplier as a result of such direction, CONTRACTOR may request the recipient enter into such litigation to protect the interests of the State, and, in addition, CONTRACTOR may request the United States to enter into such litigation to protect the interests of the United States.

## APPENDIX B

## CLAUSES FOR DEEDS TRANSFERRING UNITED STATES PROPERTY

The following clauses will be included in deeds effecting or recording the transfer of real property, structures, or improvements thereon, or granting interest therein from the United States pursuant to the provisions of Assurance 4:

**NOW THEREFORE**, the U.S. Department of Transportation as authorized by law and upon the condition that the recipient will accept title to the lands and maintain the project constructed thereon in accordance with Title 23 U.S.C., the regulations for the administration of the preceding statute, and the policies and procedures prescribed by the FHWA of the U.S. Department of Transportation in accordance and in compliance with all requirements imposed by Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation pertaining to and effectuating the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252; 42 U.S.C. § 2000d to 2000d-4), does hereby remise, release, quitclaim and convey unto the recipient all the right, title and interest of the U.S. Department of Transportation in and to said lands described in Exhibit A attached hereto and made a part hereof.

**(HABENDUM CLAUSE)**

**TO HAVE AND TO HOLD** said lands and interests therein unto the recipient and its successors forever, subject, however, to the covenants, conditions, restrictions and reservations herein contained as follows, which will remain in effect for the period during which the real property or structures are used for a purpose for which Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits and will be binding on the recipient, its successors and assigns. The recipient, in consideration of the conveyance of said lands and interest in lands, does hereby covenant and agree as a covenant running with the land for itself, its successors and assigns, that (1) no person

will on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination with regard to any facility located wholly or in part on, over, or under such lands hereby conveyed [,] [and]* (2) that the recipient will use the lands and interests in lands and interest in lands so conveyed, in compliance with all requirements imposed by or pursuant to Title 49, Code of Federal Regulations, U.S. Department of Transportation, Subtitle A, Office of the Secretary, Part 21, Non-discrimination in Federally-assisted programs of the U.S. Department of Transportation, Effectuation of Title VI of the Civil Rights Act of 1964, and as said Regulations and Acts may be amended[, and (3) that in the event of breach of any of the above-mentioned non-discrimination conditions, the Department will have a right to enter or re-enter said lands and facilities on said lands, and that above described land and facilities will thereon revert to and vest in and become the absolute property of the U.S. Department of Transportation and its assigns as such interest existed prior to this instruction].*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary in order to make clear the purpose of Title VI.)

**APPENDIX C**

**CLAUSES FOR TRANSFER OF REAL PROPERTY ACQUIRED OR IMPROVED UNDER THE ACTIVITY, FACILITY, OR PROGRAM**

The following clauses will be included in deeds, licenses, leases, permits, or similar instruments entered into by the recipient pursuant to the provisions of Assurance 7(a):

A. The (grantee, lessee, permittee, etc. as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree [in the case of deeds and leases add "as a covenant running with the land"] that:

1. In the event facilities are constructed, maintained, or otherwise operated on the property described in this (deed, license, lease, permit, etc.) for a purpose for which a U.S. Department of Transportation activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, the (grantee, licensee, lessee, permittee, etc.) will maintain and operate such facilities and services in compliance with all requirements imposed by the Acts and Regulations (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

B. With respect to licenses, leases, permits, etc., in the event of breach of any of the above Non-discrimination covenants, the recipient will have the right to terminate the (lease, license, permit, etc.) and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the (lease, license, permit, etc.) had never been made or issued.*

C. With respect to a deed, in the event of breach of any of the above Non-discrimination covenants, the recipient will have the right to enter or re-enter the lands and facilities thereon, and the above described lands and facilities will there upon revert to and vest in and become the absolute property of the recipient and its assigns.*

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

## APPENDIX D

### CLAUSES FOR CONSTRUCTION/USE/ACCESS TO REAL PROPERTY ACQUIRED UNDER THE ACTIVITY, FACILITY OR PROGRAM

The following clauses will be included in deeds, licenses, permits, or similar instruments/agreements entered into by the recipient pursuant to the provisions of Assurance 7(b):

A. The (grantee, licensee, permittee, etc., as appropriate) for himself/herself, his/her heirs, personal representatives, successors in interest ,and assigns, as a part of the consideration hereof, does hereby covenant and agree (in the case of deeds and leases add, "as a covenant running with the land") that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishings of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits or, or otherwise be subjected to discrimination, (3) that the (grantee, licensee, lessee, permittee, etc.) will use the premises in compliance with all other requirements imposed by or pursuant to the Acts and Regulations, as amended, set forth in this Assurance.

B. With respect to (licenses, leases, permits, etc.) in the event of breach of any of the above of the above Non-discrimination covenants, the recipient will have the right to terminate the (license, permits, etc., as appropriate) and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said (license, permit, etc., as appropriate) had never been made or issued.*

C. With respect to deeds, in the event of breach of any of the above Non-discrimination covenants, the recipient will there upon revert to and vest in and become the absolute property of the recipient and its assigns.

(*Reverter clause and related language to be used only when it is determined that such a clause is necessary to make clear the purpose of Title VI.)

## APPENDIX E

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "contractor") agrees to comply with the following non-discrimination statutes and authorities, including, but not limited to:

**Pertinent Non-Discrimination Authorities**:

- Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d et seq., 78 stat. 252), prohibits discrimination on the basis of race, color, national origin); and 49 CFR Part 21.
- The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 U.S.C. § 4601), (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
- Federal-Aid Highway Act of 1973, (23 U.S.C. § 324 et seq.), prohibits discrimination on the basis of sex;
- Section 504 of the Rehabilitation Act of 1973, (29 U.S.C. § 794 et seq.), as amended, (prohibits discrimination on the basis of disability); and 49 CR Part 27;
- The Age Discrimination Act of 1975, as amended, (42 U.S.C. § 6101 et seq.), prohibits discrimination on the basis of age);
- Airport and Airway Improvement Act of 1982, (49 U.S.C. § 471, Section 47123), as amended, (prohibits discrimination based on race, creed, color, national origin, or sex);
- The Civil Rights Restoration Act of 1987, (PL 100-209), (Broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, The Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

- Titles II and III of the Americans with Disabilities Act, which prohibit discrimination of the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities (42 U.S.C. §§ 12131 – 12189) as implemented by Department of Transportation regulations 49 C.F.R. parts 37 and 38;
- The Federal Aviation Administration's Non-discrimination statute (49 U.S.C. § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
- Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, which ensures discrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations;
- Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. at 74087 to 74100);
- Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 U.S.C. 1681 et seq).

Federal Trainee Program Special Provisions
(to be used when applicable)

## 14. FEDERAL TRAINEE PROGRAM

For the Federal training program, the number of trainees or apprentices is____.

This section applies if a number of trainees or apprentices is specified in the special provisions.

As part of the prime contractor's equal opportunity affirmative action program, provide on-the-job training to develop full journeymen in the types of trades or job classifications involved.

The prime contractor has primary responsibility for meeting this training requirement.

If the prime contractor subcontracts a contract part, they shall determine how many trainees or apprentices are to be trained by the subcontractor. Include these training requirements in each subcontract.

Where feasible, 25 percent of apprentices or trainees in each occupation must be in their 1st year of apprenticeship or training.

Distribute the number of apprentices or trainees among the work classifications on the basis of the prime contractor's needs and the availability of journeymen in the various classifications within a reasonable recruitment area.

Before starting work, the prime contractor shall submit to the City/County of Montery Park / LA County :

1. Number of apprentices or trainees to be trained for each classification
2. Training program to be used
3. Training starting date for each classification

The prime contractor shall obtain the City/County of Montery Park / LA County approval for this submitted information before the prime contractor starts work. The City/County of Montery Park / LA County credits the prime contractor for each apprentice or trainee the prime contractor employs on the job who is currently enrolled or becomes enrolled in an approved program.

The primary objective of this section is to train and upgrade minorities and women toward journeyman status. The prime contractor shall make every effort to enroll minority and women apprentices or trainees, such as conducting systematic and direct recruitment through public and private sources likely to yield minority and women apprentices or trainees, to the extent they are available within a reasonable recruitment area and show that they have made the efforts. In making these efforts, the prime contractor shall not discriminate against any applicant for training.

The prime contractor shall not employ as an apprentice or trainee an employee:

1. In any classification in which the employee has successfully completed a training course leading to journeyman status or in which the employee has been employed as a journeyman
2. Who is not registered in a program approved by the US Department of Labor, Bureau of Apprenticeship and Training

The prime contractor shall ask the employee if the employee has successfully completed a training course leading to journeyman status or has been employed as a journeyman. The prime contractor's records must show the employee's answers to the questions.

In the training program, the prime contractor shall establish the minimum length and training type for each classification. The City/County of Montery Park / LA County and FHWA approves a program if one of the following is met:

1. It is calculated to:
   - Meet the equal employment opportunity responsibilities
   - Qualify the average apprentice or trainee for journeyman status in the classification involved by the end of the training period
2. It is registered with the U.S. Department of Labor, Bureau of Apprenticeship and Training, and it is administered in a way consistent with the equal employment responsibilities of Federal-aid highway construction contracts

The prime contractor shall obtain the State's approval for their training program before they start work involving the classification covered by the program.

The prime contractor shall provide training in the construction crafts, not in clerk-typist or secretarial-type positions. Training is allowed in lower level management positions such as office engineers, estimators, and timekeepers if the training is oriented toward construction applications. Training is allowed in the laborer classification if significant and meaningful training is provided and approved by the division office. Off-site training is allowed if the training is an integral part of an approved training program and does not make up a significant part of the overall training.

The City/County of Montery Park / LA County reimburses the prime contractor 80 cents per hour of trainin given an employee on thiscontract under an approved training program:

1. For on-site training
2. For off-site training if the apprentice or trainee is currently employed on a Federal-aid project and prime contractor does at least one of the following:
   a. Contribute to the cost of the training
   b. Provide the instruction to the apprentice or trainee
   c. Pay the apprentice's or trainee's wages during the off-site training period
3. If the prime contractor complies with this section.

Each apprentice or trainee must:

1. Begin training on the project as soon as feasible after the start of work involving the apprentice's or trainee's skill
2. Remain on the project as long as training opportunities exist in the apprentice's or trainee's work classification or until the apprentice or trainee has completed the training program

The prime contractor shall furnish the apprentice or trainee with a copy of the program that the prime contractor will comply with in providing the training.

## 15. PROHIBITION OF CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE EQUIPMENT AND SERVICES

In response to significant national security concerns, the agency shall check the prohibited vendor list before making any telecommunications and video surveillance purchase because recipients and subrecipients of federal funds are prohibited from obligating or expending loan or grant funds to:

- Procure or obtain;
- Extend or renew a contract to procure or obtain; or
- Enter into a contract (or extend or renew a contract) to procure or obtain equipment, services, or systems that uses covered telecommunications equipment or services as a substantial or essential component of any system, or as critical technology as part of any system.

The prohibited vendors (and their subsidiaries or affiliates) are:

- Huawei Technologies Company;
- ZTE Corporation;
- Hytera Communications Corporation;
- Hangzhou Hikvision Digital Technology Company;
- Dahua Technology Company; and
- Subsidiaries or affiliates of the above-mentioned companies.

In implementing the prohibition, the agency administering loan, grant, or subsidy programs shall prioritize available funding and technical support to assist affected businesses, institutions and organizations as is reasonably necessary for those affected entities to transition from covered communications equipment and services, to procure replacement equipment and services, and to ensure that communications service to users and customers is sustained.

The contractors should furnish telecommunications and video surveillance equipment with a certificate of compliance. The certificate must state telecommunications and video surveillance equipment was not procured or obtained from manufacturers identified in the above list.

## 2. Sample Bid (Exhibit 12-H)



### EQUAL EMPLOYMENT OPPORTUNITY CERTIFICATION

The bidder PTM General Engineering Services, Inc., proposed subcontractor _____, hereby certifies that he has ☒, has not ☐, participated in a previous contract or subcontract subject to the equal opportunity clauses, as required by Executive Orders 10925, 11114, or 11246, and that, where required, he has filed with the Joint Reporting Committee, the Director of the Office of Federal Contract Compliance, a Federal Government contracting or administering agency, or the former President's Committee on Equal Employment Opportunity, all reports due under the applicable filling requirements.

Note: The above certification is required by the Equal Employment Opportunity Regulations of the Secretary of Labor (41 CFR 60-1.7(b) (1)), and must be submitted by bidders and proposed subcontractors only in connection with contracts and subcontracts which are subject to the equal opportunity clause. Contracts and subcontracts which are exempt from the equal opportunity clause are set forth in 41 CFR 60-1.5. (Generally only contracts or subcontracts of $10,000 or under are exempt.)

Currently, Standard Form 100 (EEO-1) is the only report required by the Executive Orders or their implementing regulations.

Proposed prime contractors and subcontractors who have participated in a previous contract or subcontract subject to the Executive Orders and have not filed the required reports should note that 41 CFR 60-1.7(b) (1) prevents the award of contracts and subcontracts unless such contractor submits a report covering the delinquent period or such other period specified by the Federal Highway Administration or by the Director, Office of Federal Contract Compliance, U.S. Department of Labor.

## PUBLIC CONTRACT CODE

### PUBLIC CONTRACT CODE SECTION 10285.1 STATEMENT

In conformance with Public Contract Code Section 10285.1 (Chapter 376, Stats. 1985), the bidder hereby declares under penalty of perjury under the laws of the State of California that the bidder has ☐, has not ☒ been convicted within the preceding three years of any offenses referred to in that section, including any charge of fraud, bribery, collusion, conspiracy, or any other act in violation of any state or Federal antitrust law in connection with the bidding upon, award of, or performance of, any public works contract, as defined in Public Contract Code Section 1101, with any public entity, as defined in Public Contract Code Section 1100, including the Regents of the University of California or the Trustees of the California State University. The term "bidder" is understood to include any partner, member, officer, director, responsible managing officer, or responsible managing employee thereof, as referred to in Section 10285.1.

Note: The bidder must place a checkmark after "has" or "has not" in one of the blank spaces provided. The above Statement is part of the Proposal. Signing this Proposal on the signature portion thereof shall also constitute signature of this Statement. Bidders are cautioned that making a false certification may subject the certifier to criminal prosecution.

### PUBLIC CONTRACT CODE SECTION 10162 QUESTIONNAIRE

In conformance with Public Contract Code Section 10162, the Bidder shall complete, under penalty of perjury, the following questionnaire:

Has the bidder, any officer of the bidder, or any employee of the bidder who has a proprietary interest in the bidder, ever been disqualified, removed, or otherwise prevented from bidding on, or completing a federal, state, or local government project because of a violation of law or a safety regulation?

Yes ☐ No ☒

If the answer is yes, explain the circumstances in the following space.

## PUBLIC CONTRACT CODE 10232 STATEMENT

In conformance with Public Contract Code Section 10232, the Contractor, hereby states under penalty of perjury, that no more than one final unappealable finding of contempt of court by a federal court has been issued against the Contractor within the immediately preceding two-year period because of the Contractor's failure to comply with an order of a federal court which orders the Contractor to comply with an order of the National Labor Relations Board.

Note: The above Statement and Questionnaire are part of the Proposal. Signing this Proposal on the signature portion thereof shall also constitute signature of this Statement and Questionnaire. Bidders are cautioned that making a false certification may subject the certifier to criminal prosecution.

## Noncollusion Affidavit

(Title 23 United States Code Section 112 and
Public Contract Code Section 7106)

To the CITY / ~~COUNTY~~ of Monterey Park / L.A. County
*DEPARTMENT OF PUBLIC WORKS*

In conformance with Title 23 United States Code Section 112 and Public Contract Code 7106 the bidder declares that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid.

Note: The above Non-collusion Affidavit is part of the Proposal. Signing this Proposal on the signature portion thereof shall also constitute signature of this Non-collusion Affidavit.
Bidders are cautioned that making a false certification may subject the certifier to criminal prosecution.

## DEBARMENT AND SUSPENSION CERTIFICATION

TITLE 49, CODE OF FEDERAL REGULATIONS, PART 29

The bidder, under penalty of perjury, certifies that, except as noted below, he/she or any other person associated therewith in the capacity of owner, partner, director, officer, manager:

- is not currently under suspension, debarment, voluntary exclusion, or determination of ineligibility by any Federal agency;
- has not been suspended, debarred, voluntarily excluded or determined ineligible by any Federal agency within the past 3 years;
- does not have a proposed debarment pending; and
- has not been indicted, convicted, or had a civil judgment rendered against it by a court of competent jurisdiction in any matter involving fraud or official misconduct within the past 3 years.

If there are any exceptions to this certification, insert the exceptions in the following space.

Exceptions will not necessarily result in denial of award, but will be considered in determining bidder responsibility. For any exception noted above, indicate below to whom it applies, initiating agency, and dates of action.

Notes: Providing false information may result in criminal prosecution or administrative sanctions.
The above certification is part of the Proposal. Signing this Proposal on the signature portion thereof shall also constitute signature of this Certification.

## NONLOBBYING CERTIFICATION FOR FEDERAL-AID CONTRACTS

The prospective participant certifies, by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any Federal agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities," in conformance with its instructions.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

The prospective participant also agrees by submitting his or her bid or proposal that he or she shall require that the language of this certification be included in all lower tier subcontracts, which exceed $100,000 and that all such subrecipients shall certify and disclose accordingly.

## DISCLOSURE OF LOBBYING ACTIVITIES

COMPLETE THIS FORM TO DISCLOSE LOBBYING ACTIVITIES PURSUANT TO 31 U.S.C. 1352

**1. Type of Federal Action:** NA
- ☐ a. contract
- ☐ b. grant
- ☐ c. cooperative agreement
- ☐ d. loan
- ☐ e. loan guarantee
- ☐ f. loan insurance

**2. Status of Federal Action:** NA
- ☐ a. bid/offer/application
- ☐ b. initial award
- ☐ c. post-award

**3. Report Type:** NA
- ☐ a. initial
- ☐ b. material change

For Material Change Only:
year _____ quarter _____
date of last report _____

**4. Name and Address of Reporting Entity:** NA

☐ Prime ☐ Subawardee
Tier _____, if known

Congressional District, if known

**5. If Reporting Entity in No. 4 is Subawardee, Enter Name and Address of Prime:**

NA

Congressional District, if known

**6. Federal Department/Agency:**

NA

**7. Federal Program Name/Description:** NA

CFDA Number, if applicable _____

**8. Federal Action Number, if known:**

NA

**9. Award Amount, if known:**

NA

**10. a. Name and Address of Lobby Entity** (If individual, last name, first name, MI)

NA

**b. Individuals Performing Services** (including address if different from No. 10a) (last name, first name, MI)

(attach Continuation Sheet(s) if necessary)

**11. Amount of Payment (check all that apply):** NA

$_____ ☐ actual ☐ planned

**12. Form of Payment (check all that apply):** NA
- ☐ a. cash
- ☐ b. in-kind; specify: nature _____
  value _____

**13. Type of Payment (check all that apply):** NA
- ☐ a. retainer
- ☐ b. one-time fee
- ☐ c. commission
- ☐ d. contingent fee
- ☐ e deferred
- ☐ f. other, specify _____

**14. Brief Description of Services Performed or to be performed and Date(s) of Service, including officer(s), employee(s), or member(s) contacted, for Payment Indicated in Item 11:**

NA

(attach Continuation Sheet(s) if necessary)

**15. Continuation Sheet(s) attached:** Yes ☐ No ☒ NA

**16.** Information requested through this form is authorized by Title 31 U.S.C. Section 1352. This disclosure of lobbying reliance was placed by the tier above when his transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be reported to Congress semiannually and will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

Signature: _____

Print Name: Elizabeth H. Mendoza de McRae

Title: President / CFO

Telephone No.: 951.710.1000 Date: 3.23.2023

**Federal Use Only:**

Authorized for Local Reproduction
Standard Form - LLL

## INSTRUCTIONS FOR COMPLETION OF SF-LLL, DISCLOSURE OF LOBBYING ACTIVITIES

This disclosure form shall be completed by the reporting entity, whether subawardee or prime Federal recipient, at the initiation or receipt of covered Federal action or a material change to previous filing pursuant to title 31 U.S.C. section 1352. The filing of a form is required for such payment or agreement to make payment to lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress an officer or employee of Congress or an employee of a Member of Congress in connection with a covered Federal action. Attach a continuation sheet for additional information if the space on the form is inadequate. Complete all items that apply for both the initial filing and material change report. Refer to the implementing guidance published by the Office of Management and Budget for additional information.

1. Identify the type of covered Federal action for which lobbying activity is and/or has been secured to influence, the outcome of a covered Federal action.
2. Identify the status of the covered Federal action.
3. Identify the appropriate classification of this report. If this is a follow-up report caused by a material change to the information previously reported, enter the year and quarter in which the change occurred. Enter the date of the last, previously submitted report by this reporting entity for this covered Federal action.
4. Enter the full name, address, city, state and zip code of the reporting entity. Include Congressional District if known. Check the appropriate classification of the reporting entity that designates if it is or expects to be a prime or subaward recipient. Identify the tier of the subawardee, e.g., the first subawardee of the prime is the first tier. Subawards include but are not limited to subcontracts, subgrants and contract awards under grants.
5. If the organization filing the report in Item 4 checks "Subawardee" then enter the full name, address, city, state and zip code of the prime Federal recipient. Include Congressional District, if known.
6. Enter the name of the Federal agency making the award or loan commitment. Include at least one organization level below agency name, if known. For example, Department of Transportation, United States Coast Guard.
7. Enter the Federal program name or description for the covered Federal action (item 1). If known, enter the full Catalog of Federal Domestic Assistance (CFDA) number for grants, cooperative agreements, loans and loan commitments.
8. Enter the most appropriate Federal identifying number available for the Federal action identification in item 1 (e.g., Request for Proposal (RFP) number, Invitation for Bid (IFB) number, grant announcement number, the contract grant. or loan award number, the application/proposal control number assigned by the Federal agency). Include prefixes, e.g., "RFP-DE-90-001."
9. For a covered Federal action where there has been an award or loan commitment by the Federal agency, enter the Federal amount of the award/loan commitments for the prime entity identified in item 4 or 5.
10. (a) Enter the full name, address, city, state and zip code of the lobbying entity engaged by the reporting entity identified in item 4 to influenced the covered Federal action.
    (b) Enter the full names of the individual(s) performing services and include full address if different from 10 (a). Enter Last Name, First Name and Middle Initial (MI).
11. Enter the amount of compensation paid or reasonably expected to be paid by the reporting entity (item 4) to the lobbying entity (item 10). Indicate whether the payment has been made (actual) or will be made (planned). Check all boxes that apply. If this is a material change report, enter the cumulative amount of payment made or planned to be made.
12. Check the appropriate box. Check all boxes that apply. If payment is made through an in-kind contribution, specify the nature and value of the in-kind payment.
13. Check the appropriate box. Check all boxes that apply. If other, specify nature.
14. Provide a specific and detailed description of the services that the lobbyist has performed or will be expected to perform and the date(s) of any services rendered. Include all preparatory and related activity not just time spent in actual contact with Federal officials. Identify the Federal officer(s) or employee(s) contacted or the officer(s) employee(s) or Member(s) of Congress that were contacted.
15. Check whether or not a continuation sheet(s) is attached.
16. The certifying official shall sign and date the form, print his/her name title and telephone number.

Public reporting burden for this collection of information is estimated to average 30 minutes per response, including time for reviewing instruction, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0046), Washington, D.C. 20503.

SF-LLL-Instructions Rev 06-04-06-ENDIF0

## 3. Construction Contract DBE Commitment (Exhibit 15-G)



### Exhibit 15-G: Construction Contract DBE Commitment

1. Local Agency: City of Monterey Park 2. Contract DBE Goal: 11%
3. Project Description: Garfield Avenue Traffic Signal Improvements HSIP Cycle 9
4. Project Location: Various Signalized Intersections Along Garfield Avenue
5. Bidder's Name: PTM General Engineering Services, Inc. 6. Prime Certified DBE: ☒ 7. Bid Amount: 428028
8. Total Dollar Amount for **ALL** Subcontractors: 0 9. Total Number of **ALL** Subcontractors: 0

| 10. Bid Item Number | 11. Description of Work, Service, or Materials Supplied | 12. NAICS or Work Category Codes | 13. DBE Certification Number | 14. DBE Contact Information (Must be certified on the date bids are opened) | 15. DBE Dollar Amount |
|---|---|---|---|---|---|
| 1-14 | 100% | 238210 | 38118 | PTM General Eng. | 428028 |
| | | | | 5942 Acorn St<br>Riverside, Ca. 92509<br>951. 7225678 | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

| Local Agency to Complete this Section upon Execution of Award | | 16. TOTAL CLAIMED DBE PARTICIPATION | 428028<br>100 % |
|---|---|---|---|
| 22. Local Agency Contract Number: | | | |
| 23. Federal-Aid Project Number: | | | |
| 24. Bid Opening Date: | | | |
| 25. Contract Award Date: | | | |
| **26. Award Amount:** | | | |

Local Agency certifies that all DBE certifications are valid and information on this form is complete and accurate.

IMPORTANT: Identify all DBE firms being claimed for credit, regardless of tier. Names of the First Tier DBE Subcontractors and their respective item(s) of work listed above must be consistent, where applicable with the names and items of the work in the "Subcontractor List" submitted with your bid. Written confirmation of each listed DBE is required.

| | | | |
|---|---|---|---|
| 27. Local Agency Representative's Signature | 28. Date | 17. Preparer's Signature | 18. Date: 3.23.2023 |
| 29. Local Agency Representative's Name | 30. Phone | 19. Preparer's Name: Elizabeth H. Mendoza de McRae | 20. Phone: 951.710.1000 |
| 31. Local Agency Representative's Title | | 21. Preparer's Title: President / CFO | |

DISTRIBUTION: 1. Original – Local Agency
2. Copy – Caltrans District Local Assistance Engineer (DLAE). Failure to submit to DLAE within 30 days of contract execution may result in de-obligation of federal funds on contract.
3. Include additional copy with award package.

## INSTRUCTIONS – CONSTRUCTION CONTRACT DBE COMMITMENT

CONTRACTOR SECTION

**1. Local Agency** - Enter the name of the local agency that is administering the contract.
**2. Contract DBE Goal** - Enter the contract DBE goal percentage as it appears on the project advertisement.
**3. Project Description** - Enter the project description as it appears on the project advertisement (Bridge Rehab, Seismic Rehab, Overlay, Widening, etc).
**4. Project Location** - Enter the project location(s) as it appears on the project advertisement.
**5. Bidder's Name** - Enter the contractor's firm name.
**6. Prime Certified DBE** - Check box if prime contractor is a certified DBE.
**7. Bid Amount** - Enter the total contract bid dollar amount for the prime contractor.
**8. Total Dollar Amount for ALL Subcontractors** – Enter the total dollar amount for all subcontracted contractors. SUM = (DBEs + all Non-DBEs). Do not include the prime contractor information in this count.
**9. Total number of ALL subcontractors** – Enter the total number of all subcontracted contractors. SUM = (DBEs + all Non-DBEs). Do not include the prime contractor information in this count.
**10. Bid Item Number** - Enter bid item number for work, services, or materials supplied to be provided.
**11. Description of Work, Services, or Materials Supplied** - Enter description of work, services, or materials to be provided. Indicate all work to be performed by DBEs including work performed by the prime contractor's own forces, if the prime is a DBE. If 100% of the item is not to be performed or furnished by the DBE, describe the exact portion to be performed or furnished by the DBE. See LAPM Chapter 9 to determine how to count the participation of DBE firms.
12. NAICS or Work Category Codes - Enter NAICS or Work Category Codes from the California Unified Certification Program database.
**13. DBE Certification Number** - Enter the DBE's Certification Identification Number. All DBEs must be certified on the date bids are opened.
**14. DBE Contact Information** - Enter the name, address, and phone number of all DBE subcontracted contractors. Also, enter the prime contractor's name and phone number, if the prime is a DBE.
**15. DBE Dollar Amount** - Enter the subcontracted dollar amount of the work to be performed or service to be provided. Include the prime contractor if the prime is a DBE. See LAPM Chapter 9 for how to count full/partial participation.
**16. Total Claimed DBE Participation** - $: Enter the total dollar amounts entered in the "DBE Dollar Amount" column. %: Enter the total DBE participation claimed ("Total Claimed DBE Participation Dollars" divided by item "Bid Amount"). If the total % claimed is less than item "Contract DBE Goal," an adequately documented Good Faith Effort (GFE) is required (see Exhibit 15-H DBE Information - Good Faith Efforts of the LAPM).
**17. Preparer's Signature** - The person completing the DBE commitment form on behalf of the contractor's firm must sign their name.
**18. Date** - Enter the date the DBE commitment form is signed by the contractor's preparer.
**19. Preparer's Name** - Enter the name of the person preparing and signing the contractor's DBE commitment form.
**20. Phone** - Enter the area code and phone number of the person signing the contractor's DBE commitment form.
**21. Preparer's Title** - Enter the position/title of the person signing the contractor's DBE commitment form.

LOCAL AGENCY SECTION

**22. Local Agency Contract Number** - Enter the Local Agency contract number or identifier.
**23. Federal-Aid Project Number** - Enter the Federal-Aid Project Number(s).
**24. Bid Opening Date** - Enter the date contract bids were opened.
**25. Contract Award Date** - Enter the date the contract was executed.
**26. Award Amount** – Enter the contract award amount as stated in the executed contract.
**27. Local Agency Representative's Signature** - The person completing this section of the form for the Local Agency must sign their name to certify that the information in this and the Contractor Section of this form is complete and accurate.
**28. Date** - Enter the date the DBE commitment form is signed by the Local Agency Representative.
**29. Local Agency Representative's Name** - Enter the name of the Local Agency Representative certifying the contractor's DBE commitment form.
**30. Phone** - Enter the area code and phone number of the person signing the contractor's DBE commitment form.
**31. Local Agency Representative Title** - Enter the position/title of the Local Agency Representative certifying the contractor's DBE commitment form.

## 4. DBE Information – Good Faith Effort (Exhibit 15-H)

Local Assistance Procedures Manual — Exhibit 15-H Proposer/Contractor Good Faith Effort

### EXHIBIT 15-H: PROPOSER/CONTRACTOR GOOD FAITH EFFORTS

Cost Proposal Due Date _____ PE/CE

Federal-aid Project No(s). HSIPL-5231(018) Bid Opening Date 03.23.2023. CON

The City of Monterey Park HSIPL-5231(018) Disadvantaged Business Enterprise (DBE) goal of 13.00% for this contract. The information provided herein shows the required good faith efforts to meet or exceed the DBE contract goal.

11.00%

Proposers or bidders submit the following information to document their good faith efforts within five (5) calendar days from cost proposal due date or bid opening. Proposers and bidders are recommended to submit the following information even if the Exhibit 10-O1: Consultant Proposal DBE Commitments or Exhibit 15-G: Construction Contract DBE Commitment indicate that the proposer or bidder has met the DBE goal. This form protects the proposer's or bidder's eligibility for award of the contract if the administering agency determines that the bidder failed to meet the goal for various reasons, e.g., a DBE firm was not certified at bid opening, or the bidder made a mathematical error.

The following items are listed in the Section entitled "Submission of DBE Commitment" of the Special Provisions, **please attach additional sheets as needed:**

A. The names and dates of each publication in which a request for DBE participation for this project was placed by the bidder (please attach copies of advertisements or proofs of publication):

| Publications | Dates of Advertisement |
|---|---|
| Prime DBE Certified | |
| | |
| | |

B. The names and dates of written notices sent to certified DBEs soliciting bids for this project and the dates and methods used for following up initial solicitations to determine with certainty whether the DBEs were interested (please attach copies of solicitations, telephone records, fax confirmations, etc.):

| Names of DBEs Solicited | Date of Initial Solicitation | Follow Up Methods and Dates |
|---|---|---|
| Prime DBE Certified | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |

Page 1 of 3
May 2020

C. The items of work made available to DBE firms including those unbundled contract work items into economically feasible units to facilitate DBE participation. It is the bidder's responsibility to demonstrate that sufficient work to facilitate DBE participation in order to meet or exceed the DBE contract goal.

| Items of Work | Proposer or Bidder Normally Performs Item (Y/N) | Breakdown of Items | Amount ($) | Percentage Of Contract |
|---|---|---|---|---|
| Prime DBE Certified | | | | |
| | Pick | | | 0.00% |
| | Pick | | | 0.00% |
| | Pick | | | 0.00% |
| | Pick | | | 0.00% |

D. The names, addresses and phone numbers of rejected DBE firms, the reasons for the bidder's rejection of the DBEs, the firms selected for that work (please attach copies of quotes from the firms involved), and the price difference for each DBE if the selected firm is not a DBE:

Names, addresses and phone numbers of rejected DBEs and the reasons for the bidder's rejection of the DBEs:

Prime DBE Certified

Names, addresses and phone numbers of firms selected for the work above:

Prime DBE Certified

E. Efforts (e.g. in advertisements and solicitations) made to assist interested DBEs in obtaining information related to the plans, specifications and requirements for the work which was provided to DBEs:

Prime DBE Certified

F. Efforts (e.g. in advertisements and solicitations) made to assist interested DBEs in obtaining bonding, lines of credit or insurance, necessary equipment, supplies, materials, or related assistance or services, excluding supplies and equipment the DBE subcontractor purchases or leases from the prime contractor or its affiliate:

Prime DBE Certified

G. The names of agencies, organizations or groups contacted to provide assistance in contacting, recruiting and using DBE firms (please attach copies of requests to agencies and any responses received, i.e., lists, Internet page download, etc.):

Name of Agency/Organization Method/Date of Contact Results

Prime DBE Certified

H. Any additional data to support a demonstration of good faith efforts:

Prime DBE Certified

**5. Bidder's List of Subcontractors (DBE and Non-DBE) (Exhibit 12-B)**
**This form will be submitted by the selected contractor after determination of lowest responsive bidder and when requested by the City.**
**For the bid submittal, bidders shall complete the table on Page C-3 in Section titled "DESIGNATION OF SUBCONTRACTORS"**

Local Assistance Procedures Manual

Exhibit 12-B
Bidder's List of Subcontractors (DBE and Non-DBE)

## Exhibit 12-B: Bidder's List of Subcontractor (DBE and Non-DBE) - Part 1

As of March 1, 2015 Contractors (and sub-contractors) wishing to bid on public works contracts must be registered with the State Division of Industrial Relations and certified to bid on Public Works contracts. Please register at https://www.dir.ca.gov/Public-Works/Contractor-Registration.html. The local agency will verify registration of all contractors and subcontractors on public works projects at bid and thereafter annually to assure that yearly registration is maintained throughout the life of the project.

In accordance with Title 49, Section 26.11 of the Code of Federal Regulations, and Section 4104 of the Public Contract Code of the State of California, as amended, the following information is required fro each sub-contractor who will perform work amounting to more than one half of one percent (0.5%) of the Total Base Bid or $10,000 (whichever is greater).

Photocopy this form for additional firms.

FEDERAL PROJECT NUMBER
HSIPL-5231(018)

| Subcontractor Name & Location | Line Item & Description | Subcontract Amount | Percentage of Bid Item Subcontracted | Contractor License Number / DIR Reg Number | DBE (Y/N) | DBE Cert Number | Annual Gross Receipts | Age of Firm in years |
|---|---|---|---|---|---|---|---|---|
| NAME<br>City, State | | | | | | | < $1 million<br>< $5 million<br>< $10 million<br>< $15 million | |
| NAME<br>City, State | | | | | | | < $1 million<br>< $5 million<br>< $10 million<br>< $15 million | |
| NAME<br>City, State | | | | | | | < $1 million<br>< $5 million<br>< $10 million<br>< $15 million | |
| NAME<br>City, State | | | | | | | < $1 million<br>< $5 million<br>< $10 million<br>< $15 million | |
| NAME<br>City, State | | | | | | | < $1 million<br>< $5 million<br>< $10 million<br>< $15 million | |
| NAME<br>City, State | | | | | | | < $1 million<br>< $5 million<br>< $10 million<br>✓ < $15 million | |
| NAME<br>City, State | | | | | | | ✓ < $1 million<br>< $5 million<br>< $10 million<br>< $15 million | |
| NAME<br>City, State | | | | | | | ✓ < $1 million<br>✓ < $5 million<br>< $10 million<br>< $15 million | |
| NAME<br>City, State | | | | | | | < $1 million<br>< $5 million<br>< $10 million<br>< $15 million | |

Distribution – Original: Local Agency File; Copy: DLAE w/Award Package

## Exhibit 12-B: Bidder's List of Subcontractor (DBE and Non-DBE) - Part 2

In accordance with Title 49, Section 26 of the Code of Federal Regulations, the Bidder shall list all subcontractors who provided a quote or bid but were not selected to participate as a subcontractor on this project.

Photocopy this form for additional firms.

FEDERAL PROJECT NUMBER
HSIPL-5231(018)

| Subcontractor Name & Location | Line Item & Description | Subcontract Amount | Percentage of Bid Item Subcontracted | Contractor License Number / DIR Reg Number | DBE (Y/N) | DBE Cert Number | Annual Gross Receipts |
|---|---|---|---|---|---|---|---|
| NAME<br>City, State | | | | | | | < $1 million<br>< $5 million<br>< $10 million<br>< $15 million<br>Age of Firm in years |
| NAME<br>City, State | | | | | | | < $1 million<br>< $5 million<br>< $10 million<br>< $15 million<br>Age of Firm in years |
| NAME<br>City, State | | | | | | | < $1 million<br>< $5 million<br>< $10 million<br>< $15 million<br>Age of Firm in years |
| NAME<br>City, State | | | | | | | < $1 million<br>< $5 million<br>< $10 million<br>< $15 million<br>Age of Firm in years |
| NAME<br>City, State | | | | | | | < $1 million<br>< $5 million<br>< $10 million<br>< $15 million<br>Age of Firm in years |
| NAME<br>City, State | | | | | | | < $1 million<br>< $5 million<br>< $10 million<br>< $15 million<br>Age of Firm in years |
| NAME<br>City, State | | | | | | | < $1 million<br>< $5 million<br>< $10 million<br>< $15 million<br>Age of Firm in years |
| NAME<br>City, State | | | | | | | < $1 million<br>< $5 million<br>< $10 million<br>< $15 million<br>Age of Firm in years |
| NAME<br>City, State | | | | | | | < $1 million<br>< $5 million<br>< $10 million<br>< $15 million<br>Age of Firm in years |

Distribution – Original: Local Agency File; Copy: DLAE w/Award Package

## 6. Subcontracting Request (Exhibit 16-B)

Local Assistance Procedures Manual

Exhibit 16-B
**Subcontracting Request**

### EXHIBIT 16-B SUBCONTRACTING REQUEST

| CONTRACTOR NAME | | | | | COUNTY | ROUTE |
|---|---|---|---|---|---|---|
| PTM General Engineering Services, Inc. | | | | | | |
| BUSINESS ADDRESS | | | | | CONTRACT NUMBER | |
| 5942 Acorn Street | | | | | | |
| CITY AND STATE | | | ZIP CODE | | FEDERAL-AID PROJECT NUMBER | |
| Riverside, CA | | | 92504 | | HSIPL-5231(018) | |

| A. SUBCONTRACTOR (Name, Business Address, Phone) | B. BID ITEM NUMBER (S) | C. PERCENTAGE OF BID ITEM SUBCONTRACTED | D. SUB LISTED AT BID TIME | E. CERTIFIED DBE | F. DESCRIBE WORK WHEN LESS THAN 100% OF WORK IS SUBCONTRACTED | G. DOLLAR AMOUNT BASED ON THE BID AMOUNT |
|---|---|---|---|---|---|---|
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | |
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | |
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | |
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | |
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | |
| | | | Yes ☐ No ☐ | Yes ☐ No ☐ | | |

I certify that:

- The Standard Provisions for labor set forth in the contract apply to the subcontracted work.
- If applicable, Form FHWA- 1273 of the Special Provisions has been inserted in the subcontracts and should be incorporated in any lower-tier subcontract. Written contracts have been executed for the above noted subcontracted work.

| Contractor's Signature | Elizabeth H. Mendoza de McRae , President / CFO | Date | 03.23.2023 |
|---|---|---|---|

This section is to be completed by the resident engineer.

| | | |
|---|---|---|
| 1. Total of bid items | | $ |
| 2. Contractor must perform with own forces (line 1 X contract req. %) | | $ |
| 3. Bid items previously subcontracted (taken from previously approved 16-B) | | $ |
| 4. Bid items subcontracted (this request) | | $ |
| 5. Total bid items subcontracted (line 3 plus 4) | | $ |
| 6. Balance of work contractor to perform (line 1 minus 5) | | $ |

| Approved | |
|---|---|
| RESIDENT ENGINEER'S SIGNATURE | DATE |

Copy Distribution : Original-Contractor Copy- Resident Engineer Copy- OBEO- smallbusinessadvocate@dot.ca.gov or fax to (916) 324-1949

## INSTRUCTIONS FOR COMPLETING SUBCONTRACTING REQUEST FORM

**All first-tier subcontractors must be included on a subcontractor request.**

Before subcontracting work starts, the contractor will submit an original CEM-1201 for approval according to the Standard Specifications. After approval, the RE returns the original to the contractor and complete the remaining distribution as listed on the bottom of the form.

D. If subcontractor was listed at bid time per the Fair Practices Act, check yes, otherwise check no.
E. If subcontractor is a certified DBE contractor, check yes, otherwise check no.

F and G. When a portion of an item is subcontracted, describe the portion and show the percentage of the bid item and value.

G. When an entire item is subcontracted, show the full bid item value.

THIS FORM IS NOT TO BE USED FOR SUBSTITUTIONS OF SUBCONTRACTORS AND UDBE, DVBE OR SMALL BUSINESS ENTITIES.

State of California-Department of Transportation

## Exhibit 16-Z1 Monthly DBE Trucking Verification

| Contract No. | | | Month | | | Year | |
|---|---|---|---|---|---|---|---|
| Truck Owner | DBE Cert No. | Company Name and Address | Truck No. | California Highway Patrol CA. No. | Commission of Amount Of Amount Paid* | Date Paid | Lease Arrangement (if applicable) |
| | | | | | $ | | Lease Agreement with NON-DBE ☐ with DBE ☐ |
| | | | | | $ | | Lease Agreement with NON-DBE ☐ with DBE ☐ |
| | | | | | $ | | Lease Agreement with NON-DBE ☐ with DBE ☐ |
| | | | | | $ | | Lease Agreement with NON-DBE ☐ with DBE ☐ |
| | | | | | $ | | Lease Agreement with NON-DBE ☐ with DBE ☐ |
| | | | | | $ | | Lease Agreement with NON-DBE ☐ with DBE ☐ |
| | | | | | $ | | Lease Agreement with NON-DBE ☐ with DBE ☐ |
| | | | | | $ | | Lease Agreement with NON-DBE ☐ with DBE ☐ |
| | | | | | $ | | Lease Agreement with NON-DBE ☐ with DBE ☐ |
| | | | | Total Amount Paid | $ | | |

| Prime Contractor | Business Address | Business Phone No. |
|---|---|---|
| PTM General Engineering Services, Inc. | 5942 Acorn Street, Riverside, CA 92504 | 951.710.1000 |

*Upon Request all Lease Agreements Shall be made available, in accordance with the special Provisions

I CERTIFY THAT THE ABOVE INFORMATION IS COMPLETE AND CORRECT

| Contractor Representative Signature | Title | Date |
|---|---|---|
| Elizabeth H. Mendoza de McRae | President / CFO | 03.23.2023 |

## MONTHLY DBE TRUCKING VERIFFICATION

The top of Form CEM-2404(F) contains boxes to put in the Contract Number, the Month of the reporting period and the Year of the reporting period.
The Form CEM-2404(F) has a column to enter the name of the Truck Owner, the DBE Cert. No. (if DBE certified) and the Name and Address of the trucking company. The Form CEM-2404(F) also requires the Truck No. and the California Highway Patrol CA No.

Form CEM-2404(F) is to be submitted prior to the 15th of each month and must show the dollar amount paid to the DBE trucking company(s) for trucking work performed by DBE certified trucks and for any fees or commissions of non DBE trucks utilized each month on the project. The amount paid to each trucking company is to be entered in the column called "Commission or Amount Paid," in accordance with the Special Provisions Section 5-1.X.

Payment information is derived using the following:

1.) 100% for the trucking services provided by the DBE using trucks it owns, operates and insures.
2.) 100% for the trucking services provided by the trucks leased from other DBE firms.
3.) The fee or commission paid to non DBEs for the lease of trucks. The Prime does not receive 100% credit for these services because they are not provided by a DBE company.

The total dollar figure of this column is to be placed in the box labeled "Total Amount Paid." The column "Date Paid" requires a date that each trucking company is paid for services rendered. The next column contains information that must be completed if a lease arrangement is applicable. Located at the bottom of the form is a space to put the name of the "Prime Contractor," their "Business Address" and their "Business Phone No."

At the bottom of the form there is a space for the Contractor or designee "Contractor Representative's Signature, Title and Date" certifying that the information provided on the form is complete and correct.

## Exhibit 17-F: Final Report-Utilization of Disadvantaged Business Enterprises (DBE) and First-Tier Subcontractors

| 1. Local Agency Contract Number | 2. Federal-Aid Project Number | 3. Local Agency | 4. Contract Acceptance Date |
|---|---|---|---|
| | HSIPL-5231(018) | | |

| 5. Contractor/Consultant | 6. Business Address | 7. Final Contract Amount |
|---|---|---|
| PTM General Engineering Services, Inc. | 5942 Acorn Street, Riverside, CA 92504 | |

| 8. Contract Item Number | 9. Description of Work, Service, or Materials Supplied | 10. Company Name and Business Address | 11. DBE Certification Number | 12. Contract Payments | | 13. Date Work Completed | 14. Date of Final Payment |
|---|---|---|---|---|---|---|---|
| | | | | Non-DBE | DBE | | |
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| | | | | | | | |
| 15. ORIGINAL DBE COMMITMENT AMOUNT $ | | | 16. TOTAL | | | | |

List all first-tier subcontractors/subconsultants and DBEs regardless of tier whether or not the firms were originally listed for goal credit. If actual DBE utilization (or item of work) was different than that approved at the time of award, provide comments on an additional page. List actual amount paid to each entity. If no subcontractors/subconsultants were used on the contract, indicate on the form.

| I CERTIFY THAT THE ABOVE INFORMATION IS COMPLETE AND CORRECT | | | |
|---|---|---|---|
| 17. Contractor/Consultant Representative's Signature | 18. Contractor/Consultant Representative's Name | 19. Phone | 20. Date |
| Elizabeth H. Mendoza de McRae | President / CFO | 951.710.1000 | 03.23.2023 |
| **I CERTIFY THAT THE CONTRACTING RECORDS AND ON-SITE PERFORMANCE OF THE DBE(S) HAVE BEEN MONITORED** | | | |
| 21. Local Agency Representative's Signature | 22. Local Agency Representative's Name | 23. Phone | 24. Date |
| | | | |

DISTRIBUTION: Original – Local Agency, Copy – Caltrans District Local Assistance Engineer. Include with Final Report of Expenditures

## INSTRUCTIONS – FINAL REPORT-UTILIZATION OF DISADVANTAGED BUSINESS ENTERPRISES (DBE) AND FIRST-TIER SUBCONTRACTORS

**1. Local Agency Contract Number** - Enter the Local Agency contract number or identifier.
**2. Federal-Aid Project Number** - Enter the Federal-Aid Project Number.
**3. Local Agency** - Enter the name of the local or regional agency that is funding the contract.
**4. Contract Acceptance Date** - Enter the date the contract was accepted by the Local Agency.
**5. Contractor/Consultant** - Enter the contractor/consultant's firm name.
**6. Business Address** - Enter the contractor/consultant's business address.
**7. Final Contract Amount** - Enter the total final amount for the contract.
**8. Contract Item Number** - Enter contract item for work, services, or materials supplied provided. Not applicable for consultant contracts.
**9. Description of Work, Services, or Materials Supplied** - Enter description of work, services, or materials provided. Indicate all work to be performed by DBEs including work performed by the prime contractor/consultant's own forces, if the prime is a DBE. If 100% of the item is not to be performed or furnished by the DBE, describe the exact portion to be performed or furnished by the DBE. See LAPM Chapter 9 to determine how to count the participation of DBE firms.
**10. Company Name and Business Address** - Enter the name, address, and phone number of all subcontracted contractors/consultants. Also, enter the prime contractor/consultant's name and phone number, if the prime is a DBE.
**11. DBE Certification Number** - Enter the DBE's Certification Identification Number. Leave blank if subcontractor is not a DBE.
**12. Contract Payments** - Enter the subcontracted dollar amount of the work performed or service provided. Include the prime contractor/consultant if the prime is a DBE. If the materials or supplies are obtained from a DBE manufacturer, count 100% of the cost of the materials or supplies toward DBE goals. If the materials or supplies are purchased from a DBE regular dealer/supplier, count 60% of the cost of the materials or supplies toward DBE goals. The Non-DBE column is used to enter the dollar value of work performed by firms that are not certified DBE or for work after a DBE becomes decertified.
**13. Date Work Completed** - Enter the date the subcontractor/subconsultant's item work was completed.
**14. Date of Final Payment** - Enter the date when the prime contractor/consultant made the final payment to the subcontractor/subconsultant for the portion of work listed as being completed.
**15. Original DBE Commitment Amount** - Enter the "Total Claimed DBE Participation Dollars" from Exhibits 15-G or 10-O2 for the contract.
**16. Total** - Enter the sum of the "Contract Payments" Non-DBE and DBE columns.
**17. Contractor/Consultant Representative's Signature** - The person completing the form on behalf of the contractor/consultant's firm must sign their name.
**18. Contractor/Consultant Representative's Name** - Enter the name of the person preparing and signing the form.
**19. Phone** - Enter the area code and telephone number of the person signing the form.
**20. Date** - Enter the date the form is signed by the contractor's preparer.
**21. Local Agency Representative's Signature** - A Local Agency Representative must sign their name to certify that the contracting records and on-site performance of the DBE(s) has been monitored.
**22. Local Agency Representative's Name** - Enter the name of the Local Agency Representative signing the form.
**23. Phone** - Enter the area code and telephone number of the person signing the form.
**24. Date** - Enter the date the form is signed by the Local Agency Representative.

## EXHIBIT 17-O DISADVANTAGED BUSINESS ENTERPRISES (DBE) CERTIFICATION STATUS CHANGE

| 1. Local Agency Contract Number | 2. Federal-Aid Project Number | 3. Local Agency | 4. Contract Completion Date |
|---|---|---|---|
| | HSIPL-5231(018) | | |

| 5. Contractor/Consultant | 6. Business Address | 7. Final Contract Amount |
|---|---|---|
| PTM General Engineering Services, Inc. | 5942 Acorn Street, Riverside, CA 92504 | |

| 8. Contract Item Number | 9. DBE Contact Information | 10. DBE Certification Number | 11. Amount Paid While Certified | 12. Certification/ Decertification Date (Letter Attached) | 13. Comments |
|---|---|---|---|---|---|
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If there were no changes in the DBE certification of subcontractors/subconsultants, indicate on the form.

| I CERTIFY THAT THE ABOVE INFORMATION IS COMPLETE AND CORRECT | | | |
|---|---|---|---|
| 14. Contractor/Consultant Representative's Signature | 15. Contractor/Consultant Representative's Name | 16. Phone | 17. Date |
| PTM General Engineering Services, Inc. | Elizabeth H. Mendoza de McRae , President / CFO | 951.710.1000 | 03.23.2023 |
| **I CERTIFY THAT THE CONTRACTING RECORDS AND ON-SITE PERFORMANCE OF THE DBE(S) HAS BEEN MONITORED** | | | |
| 18. Local Agency Representative's Signature | 19. Local Agency Representative's Name | 20. Phone | 21. Date |
| | | | |

DISTRIBUTION: Original – Local Agency, Copy – Caltrans District Local Assistance Engineer. Include with Final Report of Expenditures

ADA NOTICE: For individuals with sensory disabilities, this document is available in alternate formats. For information, call (916) 445-1233, Local Assistance Procedures Manual TTY 711, or write to Records and Forms Management, 1120 N Street, MS-89, Sacramento, CA 95814.

## INSTRUCTIONS –DISADVANTAGED BUSINESS ENTERPRISES (DBE) CERTIFICATION STATUS CHANGE

**1. Local Agency Contract Number** - Enter the Local Agency contract number or identifier.
**2. Federal-Aid Project Number** - Enter the Federal-Aid Project Number.
**3. Local Agency** - Enter the name of the local or regional agency that is funding the contract.
**4. Contract Completion Date** - Enter the date the contract was completed.
**5. Contractor/Consultant** - Enter the contractor/consultant's firm name.
**6. Business Address** - Enter the contractor/consultant's business address.
**7. Final Contract Amount** - Enter the total final amount for the contract.
**8. Contract Item Number** - Enter contract item for work, services, or materials supplied provided. Not applicable for consultant contracts.
**9. DBE Contact Information** - Enter the name, address, and phone number of all DBE subcontracted contractors/consultants.
**10. DBE Certification Number** - Enter the DBE's Certification Identification Number.
**11. Amount Paid While Certified** - Enter the actual dollar value of the work performed by those subcontractors/subconsultants during the time period they are certified as a DBE.
**12. Certification/Decertification Date (Letter Attached)** - Enter either the date of the Decertification Letter sent out by the Office of Business and Economic Opportunity (OBEO) or the date of the Certification Certificate mailed out by OBEO.
**13. Comments** - If needed, provide any additional information in this section regarding any of the above certification status changes.
**14. Contractor/Consultant Representative's Signature** - The person completing the form on behalf of the contractor/consultant's firm must sign their name.
**15. Contractor/Consultant Representative's Name** - Enter the name of the person preparing and signing the form.
**16. Phone** - Enter the area code and telephone number of the person signing the form.
**17. Date** - Enter the date the form is signed by the contractor's preparer.
**18. Local Agency Representative's Signature** - A Local Agency Representative must sign their name to certify
that the contracting records and on-site performance of the DBE(s) has been monitored.
**19. Local Agency Representative's Name** - Enter the name of the Local Agency Representative signing the form.
**20. Phone** - Enter the area code and telephone number of the person signing the form.
**21. Date** - Enter the date the form is signed by the Local Agency Representative.



--END OF SECTION--

# City Council Staff Report

**DATE:** **May 3, 2023**

**AGENDA ITEM NO:** New Business - 5A

**TO:** The Honorable Mayor and City Council

**FROM:** Diana Garcia, City Librarian

**SUBJECT:** Reappointment to the Library Board of Trustees

## RECOMMENDATION:

It is recommended that the City Council consider:

1. Whether to reappoint one incumbent Library Board Trustee for a second term;
2. Taking such additional, related, action that may be desirable.

## EXECUTIVE SUMMARY:

The term for the Library Board of Trustees is three years with the possibility of reappointment for one additional consecutive three-year term.

Jennifer Tang's first term on the Library Board of Trustees will end June 30, 2023. If reappointed, she will serve through June 30, 2026.

## BACKGROUND:

The Library Board of Trustees is an administrative body established pursuant to the California Education Code and Monterey Park Municipal Code ("MPMC"). MPMC Chapter 2.80 regulates the Library Board (in addition to applicable California law). The Library Board of Trustees is responsible for administering the Monterey Park Bruggemeyer Library.

Education Code § 18910 provides that:

> "[t]he public library shall be managed by a board of library trustees, consisting of five members, to be appointed by the mayor … with the consent of the legislative body of the municipality."

This is reflected in MPMC § 2.80.020 which provides that:

> "[t]here is created and established a board of library trustees consisting of five members appointed by the mayor with the approval of the city council."

Pursuant to Education Code § 18911, the term of office for a trustee is three years. No person may serve more than two consecutive terms as a member of the board.

**FISCAL IMPACT:**
None.

Respectfully submitted by:

Diana Garcia
City Librarian

Approved by:

Ron Bow
City Manager

Reviewed by:

Karl H. Berger
City Attorney

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK DECLARING MAY 6, 2023 THE DAY OF INCLUSION OF THE 141ST ANNIVERSARY OF THE PASSAGE OF THE CHINESE EXCLUSION ACT AND RECOGNIZING AND HONORING THE MONTH OF MAY 2023 AS ASIAN AMERICAN AND PACIFIC ISLANDER HERITAGE MONTH**

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

A. On May 6, 1882, President Chester Arthur signed the Chinese Exclusion Act, the nation's first law to prohibiting immigration solely based on ethnicity.

B. The Chinese Exclusion Act, renewed in 1892 and 1902, and made permanent in 1904, prevented Chinese laborers from entering the U.S. and denied Chinese a pathway to citizenship for more than 60 years.

C. Chinese and Chinese Americans in the United States have suffered every moment, every action, every offense, and every heartbreak, as triggered and scripted by that Act.

D. The U.S. Senate in 2011 and the U.S. House of Representatives in 2012 unanimously condemned in Resolutions of the Chinese Exclusion Laws and affirmed Congress commitment to preserving the civil rights and constitutional protections for all people.

E. America is greater and more prosperous because we practice the ideals of inclusion, embracing everyone regardless of race, color, national origin, religion, or gender.

F. Asian Americans and Pacific Islanders strengthen our economy as entrepreneurs, business owners, and employees who initiate and expand opportunities for their families, communities, and country. Their languages, art, cuisine, and other cultural elements have enriched the American experience. Many have fearlessly responded to the call of duty to defend our freedom as members of our Armed Forces.

G. Approximately 21 million residents of the United States identify themselves as Asian. About 1.5 million residents of the United States identify themselves as Native Hawaiian or other Pacific Islander, making up nearly 6 percent of the total United States population.

H. Congress chose the month of May to commemorate the Asian American and Pacific Islander Heritage Month because the first Japanese immigrants arrived in the United States on May 7, 1843, and the transcontinental railroad was completed on May 10, 1869, with substantial contributions from Chinese immigrants.

I. In 1977, Congress introduced a House resolution to proclaim the first ten days of May as Asian Pacific Heritage Week, a celebration of Asians and Pacific Islanders in the United States.

J. In October 1978, President Jimmy Carter signed a joint resolution designating this as an annual Asian Pacific Heritage Week.

K. In 1990, the month of May was chosen to commemorate the immigration of the first Japanese to the United States, which was in May 1843, and to mark the anniversary of the completion of the transcontinental railroad on May 10, 1869, in which the majority of the workers who laid the tracks were Chinese immigrants.

L. In 1990, Congress voted to expand Asian Pacific Heritage from a week to a month-long celebration. In May 1992, the month of May was permanently designated as Asian Pacific Heritage Month.

M. Understanding Asian and Pacific Islander history is essential for celebrating Asian American and Pacific Islander Heritage Month.

N. Asian Americans and Pacific Islanders have endured and overcome hardship and heartache. In the earliest years, tens of thousands of Gold Rush pioneers, coal miners, transcontinental railroad builders, and farm and orchard laborers were subject to unjust working conditions, prejudice, and discrimination, yet they excelled.

O. Even in the darkness of the Exclusion Act and Japanese Internment, Asian Americans and Pacific Islanders have persevered, providing for their families and creating opportunities for their children.

P. We acknowledge these Americans for their contributions to government, industry and commerce, agriculture, science, literature, and the arts.

Q. California is one of the states with the most prominent Asian Americans and Pacific Islanders population. We acknowledge the historical and cultural contributions of the Asian Pacific Americans in the development of the State of California and our nation.

R. The diversity of these groups includes Asian Indian, Bengali, Burmese, Cambodian, Chinese, Filipino, Guamanian, Hawaiian, Hmong, Indonesian, Japanese, Korean, Lao, Malayan, Okinawan, Pakistani, Samoan, Thai, Vietnamese, and others.

SECTION 2: The City Council of Monterey Park declares the month of May 2023 as Asian American and Pacific Islander Heritage Month. The people of the United States join together each May to pay tribute to the contributions of generations of Asian Americans and Pacific Islanders that enriched the history of the United States.

SECTION 3: The City Council of Monterey Park declares May 6, 2023, the Day of Inclusion on the 141st anniversary of the passage of the Chinese Exclusion Act. We recognize the ramifications of the Chinese Exclusion Act, which caused racially discriminatory immigration measures, and honor the contributions of all Chinese Americans who have enriched our communities.

SECTION 4: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 5: *Recordation*. The Mayor, or presiding officer, is authorized to sign this Resolution signifying its adoption by the City Council of the City of Monterey Park and the City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 6: *Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this ___ day of _____, 2023.

_____
Jose Sanchez, Mayor

Attest:

_____
Maychelle Yee, City Clerk

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MONTEREY PARK DECLARING MAY 18, 2023 AS NATIONAL ASIAN AMERICAN AND PACIFIC ISLANDER DAY AGAINST BULLYING AND HATE**

BE IT RESOLVED by the Council of the City of Monterey Park as follows:

SECTION 1: The City Council finds as follows:

A. May is Asian American and Pacific Islander (AAPI) Heritage Month.

B. May 18, 2023 would have been Vincent Chin's 68th birthday. Vincent Chin was brutally murdered at the age of 27, in a 1982 hate crime and his life was cut short when two men brutally attacked him. His murder fueled a national Asian American activist movement that continues to this day.

C. There has been a rise in bullying, discrimination, and hate crimes against the Asian American and Pacific Islander (AAPI) community since the start of the COVID-19 pandemic.

D. Every day, kids of all ages suffer from being bullied in schools and online across the United States.

E. In the AAPI community, this problem is often compounded by cultural, religious, and linguistic barriers that can keep youth from seeking and receiving help. And certain AAPI groups – including South Asian, Muslim, Sikh, Micronesian, LGBTQ+, immigrant, and limited English proficient youth – are more likely to be the targets of bullying.

SECTION 2: The City Council of Monterey Park honors Asian Pacific American Heritage Month and Vincent Chin and declares May 18, 2023, as National AAPI Day Against Bullying and Hate.

SECTION 3: The City of Monterey Park joins *Act To Change* (a national nonprofit dedicated to fighting bullying for Asian American and Pacific Islander youth) in sharing one vision - a world where all youth, including AAPI youth, have the opportunity to grow up feeling proud and supported in the development of their identities and sharing of their stories. The City of Monterey Park is committed to this important issue and encourages the public to foster dialogue, share resources, and learn more about what they can do to end bullying.

SECTION 4: *Electronic Signatures*. This Resolution may be executed with electronic signatures in accordance with Government Code §16.5. Such electronic signatures will be treated in all respects as having the same effect as an original signature.

SECTION 5: *Recordation*. The Mayor, or presiding officer, is authorized to sign this Resolution signifying its adoption by the City Council of the City of Monterey Park and the

City Clerk, or her duly appointed deputy, may attest thereto.

SECTION 6: *Effective Date.* This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this ___ day of _____, 2023.

_____
Jose Sanchez, Mayor

Attest:

_____
Maychelle Yee, City Clerk