# CITY OF WEST COVINA

# CITY COUNCIL/SUCCESSOR AGENCY

JANUARY 17, 2023, 7:00 PM
REGULAR MEETING

CITY HALL COUNCIL CHAMBERS
1444 W. GARVEY AVENUE SOUTH
WEST COVINA, CALIFORNIA 91790

**Mayor Rosario Diaz**
**Mayor Pro Tem Brian Tabatabai**
**Councilman Tony Wu**
**Councilwoman Letty Lopez-Viado**
**Councilman Ollie Cantos**

***Please turn off all cell phones and other electronic devices prior to entering the Council Chambers***

***AMERICANS WITH DISABILITIES ACT***
The City complies with the Americans with Disabilities Act (ADA). If you will need special assistance at Council meetings, please call (626) 939-8433 (voice) or (626) 960-4422 (TTY) from 8 to 5 Monday through Thursday. Do call at least one day prior to the meeting date to inform us of your particular needs and to determine if accommodation is possible. For sign language interpreter services at Council meetings, please request no less than four working days prior to the meeting.

***AGENDA MATERIAL***
Agenda material is available for review at the City Clerk's Office, Room 317 in City Hall, 1444 W. Garvey Avenue South, West Covina and at www.westcovina.org. Any writings or documents regarding any item on this agenda, not exempt from public disclosure, provided to a majority of the City Council that is distributed less than 72 hours before the meeting, will be made available for public inspection in the City Clerk's Office, Room 317 of City Hall located at 1444 W. Garvey Avenue South, West Covina, during normal business hours.

***NOTICE***
The City Council will regularly convene on the first and third Tuesday of the month. The West Covina Community Development Commission, West Covina Public Financing Authority and the West Covina Community Services Foundation are agencies on which the City Council serves as members. Agendas may contain items for these boards, as necessary.

**PUBLIC COMMENTS**
**ADDRESSING THE CITY COUNCIL**
***(Per WCMC 2-48, Ordinance No. 2150)***

**Any person wishing to address the City Council on any matter listed on the agenda or on any other matter within their jurisdiction should complete a speaker card that is provided at the entrance to the Council Chambers and submit the card to the City Clerk.**

***Please identify on the speaker card whether you are speaking on an agenda item or non-agenda*. Requests to speak on agenda items will be heard prior to requests to speak on non-agenda items. All comments are limited to five (5) minutes per speaker.**

**Oral Communications may be limited to thirty (30) minutes, unless speakers addressing agenda items have not concluded.**

**Any testimony or comments regarding a matter set for a Public Hearing will be heard during the hearing.**

***RULES OF DECORUM***
Excerpts from the West Covina Municipal Code and Penal Code pertaining to the Rules of Decorum will be found at the end of agenda.

# AGENDA

# CITY OF WEST COVINA
# CITY COUNCIL/SUCCESSOR AGENCY

## TUESDAY JANUARY 17, 2023, 7:00 PM
## REGULAR MEETING

**INVOCATION**
Led by Pastor Kelly Dupee from Faith Community Church

**PLEDGE OF ALLEGIANCE**
Led by Councilman Wu

**ROLL CALL**

**REPORTING OUT FROM CLOSED SESSION**

**PRESENTATIONS**

- Certificate of Recognition Congratulating Fire Captain Hamm on his Retirement

**ORAL COMMUNICATIONS - Five (5) minutes per speaker**
*Please step forward to the podium and state your name and city of residence for the record when recognized by the Mayor.*

**CITY MANAGER'S REPORT**
*City Manager's report on current City projects.*

**CONSENT CALENDAR**
*All matters listed under CONSENT CALENDAR are considered to be routine and can be acted on by one roll call vote. There will be no separate discussion of these items unless members of the City Council/Community Development Commission request specific items to be removed from the Consent Calendar for separate discussion or action.*

**APPROVAL OF MEETING MINUTES**

**1) CONSIDERATION OF APPROVAL OF THE DECEMBER 20, 2022, CITY COUNCIL/SUCCESSOR AGENCY REGULAR SESSION MEETING MINUTES.**

It is recommended that the City Council approve the December 20, 2022 Regular Session Meeting Minutes.

**CITY MANAGER'S OFFICE**

**2) CONSIDERATION OF RESOLUTION NO. 2023-4 DETERMINING THERE IS A NEED TO CONTINUE THE LOCAL EMERGENCY**

It is recommended that the City Council adopt the following resolution:

**RESOLUTION NO. 2022-121 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, DETERMINING THE NEED TO FURTHER CONTINUE THE LOCAL EMERGENCY PROCLAIMED ON MARCH 16, 2020, AND PREVIOUSLY CONTINUED ON APRIL 7, 2020, MAY 5, 2020, JUNE 2, 2020, JUNE 23, 2020, JULY 21, 2020, AUGUST 18, 2020, SEPTEMBER 15, 2020, OCTOBER 6, 2020,**

**OCTOBER 20, 2020, NOVEMBER 17, 2020, DECEMBER 1, 2020, JANUARY 19, 2021, FEBRUARY 16, 2021, MARCH 16, 2021, APRIL 6, 2021, MAY 4, 2021, JUNE 1, 2021, JUNE 15, 2021, JULY 6, 2021, JULY 20, 2021, AUGUST 17, 2021, SEPTEMBER 7, 2021, OCTOBER 5, 2021, NOVEMBER 2, 2021, DECEMBER 7, 2021, JANUARY 4, 2022, FEBRUARY 1, 2022, MARCH 1, 2022, APRIL 5, 2022, MAY 3, 2022, JUNE 7, 2022. JULY 5, 2022, JULY 19, 2022, AUGUST 16, 2022, SEPTEMBER 20, 2022 , OCTOBER 4, 2022, NOVEMBER 15, 2022 AND DECEMBER 6, 2022**

**3) CONSIDERATION OF AN ORDINANCE AMENDING ARTICLE VIII OF CHAPTER 2 OF THE WEST COVINA MUNICIPAL CODE RELATING TO CAMPAIGN FINANCE REGULATIONS**

It is recommended that the City Council adopt the following ordinance:

**ORDINANCE NO. 2510 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, AMENDING ARTICLE VIII OF CHAPTER 2 OF THE WEST COVINA MUNICIPAL CODE RELATING TO CAMPAIGN FINANCE REGULATIONS**

**4) CONSIDERATION OF RESOLUTION NO. 2023-5 RATIFYING PROCLAMATION NO. 2023-01 PROCLAIMING THE EXISTENCE OF A LOCAL EMERGENCY RELATED TO SEVERE WINTER STORMS**

Staff recommends that the City Council adopt the following resolution:

**RESOLUTION NO. 2023-5 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, RATIFYING PROCLAMATION NO. 2023-1 PROCLAIMING THE EXISTENCE OF A LOCAL EMERGENCY RELATED TO SEVERE WINTER STORMS**

**COMMUNITY DEVELOPMENT**

**5) CONSIDERATION OF PROFESSIONAL SERVICES AGREEMENT FOR BUILDING AND SAFETY SERVICES WITH TRANSTECH ENGINEERS, INC.**

It is recommended that the City Council:

1. Award Request for Proposals No. 71-020 for Building and Safety Services to Transtech Engineers, Inc.
2. Authorize the City Manager to execute a Professional Services Agreement with Transtech Engineers, Inc. for Building and Safety services for a three-year term, commencing January 18, 2023 and ending January 17, 2026, with two optional one-year extensions contingent upon satisfactory performance, in substantially the form as attached and in such final form as approved by the City Attorney;
3. Authorize the City Manager to approve any extensions and execute amendments providing for such extensions.

**6) CONSIDERATION OF CONSTRUCTION AGREEMENT FOR THE CITYWIDE PEDESTRIAN & VEHICLE TRAFFIC SAFETY IMPROVEMENTS FY 22-23 - PROJECT NO. 23027**

It is recommended that the City Council take the following actions:

1. Award the construction agreement for the Citywide Pedestrian & Vehicle Traffic Safety Improvements (Project No. 23027) to Superior Pavement Markings, Inc. as the lowest responsible bidder;
2. Authorize the City Manager to execute an agreement with Superior Pavement Markings, Inc. for $232,916.00, in substantially the form as attached and in such final form as approved by the City Attorney;
3. Authorize 15% of the awarded contract amount as contingency allowance to be used, if

necessary, with the City Manager's approval, for unforeseen conditions;
4. Authorize the City Manager to negotiate and execute any amendments to the agreement;
5. Find that the project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15302 (Replacement or Reconstruction).

**FINANCE DEPARTMENT**

**7) CONSIDERATION OF ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AND OTHER RELATED REPORTS FOR THE YEAR ENDED JUNE 30, 2022**

It is recommended that the City Council receive and file the following letters and financial reports for the year ended June 30, 2022:

- Annual Comprehensive Financial Report;
- Government Auditing Standards Letter;
- Audit Communication Letter; and
- Community Financial Report.

**8) CONSIDERATION OF UPGRADE TO MICROWAVE SYSTEM INFRASTRUCTURE**

It is recommended that the City Council:

1. Authorize the City Manager to issue a Purchase Order in the amount of $1,017,589.00 to Microwave Networks Inc. to upgrade the City's microwave infrastructure;
2. Authorize the City Manager to execute any agreements and documents necessary to upgrade the City's microwave infrastructure, in such form as approved by the City Attorney; and
3. Authorize the City Manager to execute any amendments to the Purchase Order or any agreements entered into in connection with the upgrade of the microwave infrastructure, provided that the total cost for the upgrade does not exceed $1,100,000.00.

**9) CONSIDERATION OF A RESOLUTION AMENDING THE FY 2022-2023 BUDGET**

It is recommended that the City Council adopt the following resolution:

**RESOLUTION NO. 2023-3 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET AMENDMENT FOR THE FISCAL YEAR COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023 (MID-YEAR ADJUSTMENTS)**

**HUMAN RESOURCES/RISK MANAGEMENT**

**10) CONSIDERATION OF RESOLUTION APPOINTING THE CITY OF WEST COVINA'S PRIMARY REPRESENTATIVE AND ALTERNATE REPRESENTATIVE TO THE BIG INDEPENDENT CITIES EXCESS POOL (BICEP) BOARD OF DIRECTORS**

It is recommended that the City Council adopt the following resolution:

**RESOLUTION NO. 2023-1 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPOINTING A PRIMARY REPRESENTATIVE AND AN ALTERNATE REPRESENTATIVE TO THE BIG INDEPENDENT CITIES EXCESS POOL (BICEP) BOARD OF DIRECTORS**

**END OF CONSENT CALENDAR**

**DEPARTMENTAL REGULAR MATTERS**

## POLICE DEPARTMENT

**11) West Covina Police Department Detective Bureau Status Update**

It is recommended that the City Council receive and file this informational report.

## MAYOR/COUNCILMEMBERS REPORTS

AB 1234 Conference and Meeting Report (verbal, if any)

*(In accordance with AB 1234, Councilmembers shall make a brief report or file a written report on any meeting/event/conference attended at City expense.)*

## CITY COUNCIL REQUESTS FOR REPORTS, STUDIES OR INVESTIGATION

*(Per City of West Covina Standing Rules 4.f - Requests for reports, studies, or investigations that are not readily available must be placed on the City Council/Successor Agency agenda as items of business and must be approved by a majority of the City Council/Successor Agency Board.)*

## CITY COUNCIL COMMENTS

## ADJOURNMENT

Next Tentative City Council Meeting

| | | |
|---|---|---|
| Regular Meeting | February 7, 2023 | 7:00 PM |

## RULES OF DECORUM

*The following are excerpts from the West Covina Municipal Code:*

Sec. 2-48. Manner of addressing council; time limit; persons addressing may be sworn.

a. Each person addressing the council shall step up to the rostrum, shall give his or her name and city of residence in an audible tone of voice for the record and unless further time is granted by the council, shall limit his or her address to five (5) minutes.
b. The city council may establish a limit on the duration of oral communications.
c. All remarks shall be addressed to the council as a body and not to any member thereof. No person, other than the council and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the council, without the permission of the presiding officer. No question shall be asked of a councilmember except through the presiding officer.
d. The presiding officer may require any person to be sworn as a witness before addressing the council on any subject. Any such person who, having taken an oath that he or she will testify truthfully, willfully and contrary to such oath states as true any material matter which he knows to be false may be held to answer criminally and subject to the penalty prescribed for perjury by the provisions of the Penal Code of the state.

Sec. 2-50. Decorum--Required.

a. While the council is in session, the members shall preserve order and decorum, and a member shall neither, by conversation or otherwise, delay or disrupt the proceedings or the peace of the council nor interrupt any member while speaking or refuse to obey the orders of the council or its presiding officer, except as otherwise herein provided.
b. Members of the public shall not willfully disrupt the meeting or act in a manner that actually impairs the orderly conduct of the meeting. For the purposes of this code, “willfully disrupt” includes, but is not limited to, continuing to do any of the following after being warned by the Mayor that continuing to do so will be a violation of the law:
    a. Addressing the Mayor and City Council without first being recognized.
    b. Persisting in addressing a subject or subjects, other than that before the Mayor and City Council.
    c. Repetitiously addressing the same subject.
    d. Failing to relinquish the podium when directed to do so.
    e. From the audience, interrupting or attempting to interrupt, a speaker, the Mayor, a council member, or a staff member or shouting or attempting to shout over a speaker, the Mayor, a council member or a staff member.
    f. As a speaker, interrupting or attempting to interrupt the Mayor, a council member, or a staff member, or shouting over or attempting to shout over the Mayor, a council member, or a staff member. Nothing in this section or any rules of the council shall be construed to prohibit public criticism of the policies, procedures, programs, or services of the City or of the acts or omissions of the City Council. It shall be unlawful to violate the provisions of this Section.

If any subsection, sentence, clause, or phrase or word of this Section 2-50 is for any reason held to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this Section. The City Council hereby declares that it would have passed this section

and each subsection, sentence, clause and phrase thereof, irrespective of the fact that any one or more subsections, sentences, clauses, phrases or words had been declared invalid or unconstitutional.

**Sec. 2-52. Persons authorized to be within council area.**
No person, except city officials, their representatives and members of the news media shall be permitted within the rail in front of the council chamber without the express consent of the council.

***The following are excerpts from the Penal Code***

148(a) (1) Every Person who willfully resists, delays, or obstructs any public officer, peace officer, or an emergency medical technician, as defined in Division 2.5 (commencing with Section 1797) of the Health and Safety code, in the discharge or attempt to discharge any duty of his or her office or employment, when no other punishment is prescribed, shall be punished by a fine not exceeding one thousand dollars ($1,000), or by imprisonment in a county jail not to exceed one year, or by both that fine and imprisonment.

403 Every person who, without authority of law, willfully disturbs or breaks up any assembly or meeting that is not unlawful in its character, other than an assembly or meeting referred to in Section 303 of the Penal Code or Section 18340 of the Elections Code, is guilty of a misdemeanor.

**AGENDA ITEM NO. 1**

# AGENDA STAFF REPORT

**City of West Covina | Office of the City Manager**

**DATE:** January 17, 2023

**TO:** Mayor and City Council

**FROM:** David Carmany
City Manager

**SUBJECT: CONSIDERATION OF APPROVAL OF THE DECEMBER 20, 2022, CITY COUNCIL/SUCCESSOR AGENCY REGULAR SESSION MEETING MINUTES.**

**RECOMMENDATION:**

It is recommended that the City Council approve the December 20, 2022 Regular Session Meeting Minutes.

**BACKGROUND:**

The December 20, 2022, City Council/Successor Agency Closed Session Meeting was canceled.

**DISCUSSION:**

That the City Council adopt the attached minutes.

**Prepared by:** Lisa Sherrick; Assistant City Clerk

**Attachments**

Attachment No. 1 - 12/20/2022 Regular Session Minutes Draft

**CITY COUNCIL GOALS & OBJECTIVES:** Enhance City Image and Effectiveness

# CITY OF WEST COVINA

# CITY COUNCIL/SUCCESSOR AGENCY

DECEMBER 20, 2022, 7:00 PM
REGULAR MEETING

CITY HALL COUNCIL CHAMBERS
1444 W. GARVEY AVENUE SOUTH
WEST COVINA, CALIFORNIA 91790

**Mayor Dario Castellanos**
**Mayor Pro Tem Rosario Diaz**
**Councilwoman Letty Lopez-Viado**
**Councilmember Brian Tabatabai**
**Councilman Tony Wu**

# MINUTES

**CALL TO ORDER**
A Regular Session Meeting was called to order by Mayor Dario Castellanos on Tuesday, December 20, 2022 at 7:00 p.m., in the Council Chambers, 1444 West Garvey Avenue South, West Covina, California

**INVOCATION**
Led by Pastor Samuel Martinez from Amazing Love Ministries

**PLEDGE OF ALLEGIANCE**
Led by West Covina Police Explorer Post #499

**ROLL CALL**
Present: Council Members Tony Wu, Brian Tabatabai, Letty Lopez-Viado, Mayor Pro Tem Diaz, Mayor Castellanos.

Council Members
Absent: None

City Staff: David Carmany City Manager, Paulina Morales Assistant City Manager, Tom Duarte City Attorney, Lisa Sherrick Assistant City Clerk; other City staff presented reports and responded to questions as indicated in the minutes.

**REPORTING OUT FROM CLOSED SESSION**
None

**PRESENTATIONS**
None

**ORAL COMMUNICATIONS - Five (5) minutes per speaker**
Lloyd Johnson
Steve Bennett
Ethan Boulais
Bill Robinson
Victor Orly
Rose Lopez

**CITY MANAGER'S REPORT**
None

**CONSENT CALENDAR**
***ACTION: Motion by Councilman Wu, Second by Councilwoman Lopez 5-0 to:*** *Approve Consent Calendar Items 1-6*

**APPROVAL OF MEETING MINUTES**

1) **CONSIDERATION OF APPROVAL OF THE DECEMBER 6, 2022, CITY COUNCIL/SUCCESSOR AGENCY CLOSED SESSION MEETING MINUTES AND THE DECEMBER 6, 2022, CITY COUNCIL/SUCCESSOR AGENCY REGULAR SESSION MEETING MINUTES.**

**Carried 5-0 to:** approve the December 6, 2022, Closed Session Meeting Minutes and the December 6, 2022 Regular Session Meeting Minutes.

**CITY CLERK'S OFFICE**

2) **CERTIFYING THE OFFICIAL ELECTION RESULTS OF THE NOVEMBER 8, 2022 GENERAL MUNICIPAL ELECTION**

**Carried 5-0 to:** adopt the following resolution:

**RESOLUTION NO. 2022-120 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, RECITING THE FACT OF THE GENERAL MUNICIPAL ELECTION HELD NOVEMBER 8, 2022, DECLARING THE RESULTS AND SUCH OTHER MATTERS AS PROVIDED BY LAW**

**FINANCE DEPARTMENT**

**3) CONSIDERATION OF APPROVAL AND TRANSMITTAL OF AN ADMINISTRATIVE BUDGET AND A RECOGNIZED OBLIGATION PAYMENT SCHEDULE ("ROPS") FOR THE PERIOD OF JULY 1, 2023 THROUGH JUNE 30, 2024 FOR THE SUCCESSOR AGENCY TO THE FORMER WEST COVINA REDEVELOPMENT AGENCY**

**Carried 5-0:** that the City Council, acting as the Successor Agency to the former West Covina Redevelopment Agency, adopt the following resolution:

**RESOLUTION NO. 2022-129 – A RESOLUTION OF THE SUCCESSOR AGENCY TO THE FORMER WEST COVINA REDEVELOPMENT AGENCY APPROVING AND AUTHORIZING THE TRANSMITTAL OF AN ADMINISTRATIVE BUDGET AND A RECOGNIZED OBLIGATION PAYMENT SCHEDULE ("ROPS") FOR THE PERIOD OF JULY 1, 2023 THROUGH JUNE 30, 2024**

**4) CONSIDERATION OF INCREASE IN HOURLY RATES FOR LIMITED SERVICES PAY SCHEDULE TO REFLECT RECENT INCREASE IN STATE HOURLY MINIMUM WAGE EFFECTIVE JANUARY 1, 2023**

**Carried 5-0 to:** take the following actions:

1. Approve wage adjustments to limited-service positions to bring them into compliance with the State's minimum wage requirement as of January 1, 2023; and
2. Adopt the following Resolution:

**RESOLUTION NO. 2022-128 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADJUSTING THE HOURLY PAY RATES OF CLASSIFICATIONS WITHIN THE LIMITED SERVICES PAY SCHEDULE AND REPEALING RESOLUTION NO. 2022-09**

**HUMAN RESOURCES/RISK MANAGEMENT**

**5) CONSIDERATION OF RESOLUTION NO. 2022-113 REPEALING AND REPLACING THE SALARY SCHEDULE FOR FULL TIME CLASSIFICATIONS**

**Carried 5-0 to:** adopt the following resolution:

**RESOLUTION NO. 2022-113 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, REPEALING AND REPLACING THE SALARY SCHEDULE FOR FULL-TIME CLASSIFICATIONS OF THE CITY OF WEST COVINA**

**PUBLIC SERVICES**

**6) CONSIDERATION OF THIRD AMENDMENT TO AGREEMENT WITH WEST COAST ARBORISTS, INC. FOR CITYWIDE TREE MAINTENANCE SERVICES**

**Carried 5-0 to:** take the following actions:

1. Authorize the City Manager to execute the Third Amendment to the Maintenance Services Agreement with West Coast Arborists, Inc. allowing the four percent (4%) cost adjustment requested, in such form as approved by the City Attorney.
2. Authorize an increase the annual maximum compensation from $485,000 to $985,000 for Fiscal Year 2022-23 only.
3. Adopt the following resolution:

**RESOLUTION NO. 2022-115 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET AMENDMENT FOR THE FISCAL YEAR COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023 (TREE MAINTENANCE SERVICES)**

**END OF CONSENT CALENDAR**

**DEPARTMENTAL REGULAR MATTERS**

**CITY CLERK'S OFFICE**

**7) RECOGNITION OF OUTGOING CITY COUNCIL MEMBER AND ADMINISTRATION OF OATH OF OFFICE TO NEWLY ELECTED OFFICERS**

Take appropriate action.

**8) REORGANIZATION OF MAYOR AND MAYOR PRO TEM**

**Hearing no opposition,** the City Council reorganized in accordance with the order of mayoral succession mandated by Section 2-21 of the West Covina Municipal Code, or modify the order of mayoral succession as permitted by Section 2-21 of the West Covina Municipal Code.

**MAYOR/COUNCILMEMBERS REPORTS**

Councilman Cantos filed a report concerning all his actions leading up to his election.

**CITY COUNCIL REQUESTS FOR REPORTS, STUDIES OR INVESTIGATION**

None

**CITY COUNCIL COMMENTS**

Councilwoman Lopez-Viado wished everyone Happy Holidays and a Happy New Year.

**-This section has Intentionally been left blank-**

DRAFT

**ADJOURNMENT**

The meeting was adjourned in honor of Mr. Robert Chandler. Our deepest condolences to his family. A motion to adjourn the Regular Meeting was made by Councilwoman Lopez-Viado, and the meeting was adjourned at 9:46 p.m. The next regularly scheduled Regular City Council Meeting will be held on Tuesday January 17, 2023 at 7:00 p.m. in the Council Chambers, 1444 West Garvey Avenue South, West Covina, California.

Submitted by:

_____
Lisa Sherrick
Assistant City Clerk

_____
Rosario Diaz
Mayor

DRAFT

# AGENDA STAFF REPORT

**City of West Covina | Office of the City Manager**

**DATE:** January 17, 2023

**TO:** Mayor and City Council

**FROM:** David Carmany
City Manager

**SUBJECT: CONSIDERATION OF RESOLUTION NO. 2023-4 DETERMINING THERE IS A NEED TO CONTINUE THE LOCAL EMERGENCY**

## RECOMMENDATION:

It is recommended that the City Council adopt the following resolution:

> **RESOLUTION NO. 2022-121 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, DETERMINING THE NEED TO FURTHER CONTINUE THE LOCAL EMERGENCY PROCLAIMED ON MARCH 16, 2020, AND PREVIOUSLY CONTINUED ON APRIL 7, 2020, MAY 5, 2020, JUNE 2, 2020, JUNE 23, 2020, JULY 21, 2020, AUGUST 18, 2020, SEPTEMBER 15, 2020, OCTOBER 6, 2020, OCTOBER 20, 2020, NOVEMBER 17, 2020, DECEMBER 1, 2020, JANUARY 19, 2021, FEBRUARY 16, 2021, MARCH 16, 2021, APRIL 6, 2021, MAY 4, 2021, JUNE 1, 2021, JUNE 15, 2021, JULY 6, 2021, JULY 20, 2021, AUGUST 17, 2021, SEPTEMBER 7, 2021, OCTOBER 5, 2021, NOVEMBER 2, 2021, DECEMBER 7, 2021, JANUARY 4, 2022, FEBRUARY 1, 2022, MARCH 1, 2022, APRIL 5, 2022, MAY 3, 2022, JUNE 7, 2022. JULY 5, 2022, JULY 19, 2022, AUGUST 16, 2022, SEPTEMBER 20, 2022 , OCTOBER 4, 2022, NOVEMBER 15, 2022 AND DECEMBER 6, 2022**

## BACKGROUND:

On March 17, 2020, the City Council adopted Resolution 2020-19, ratifying Proclamation 2020-01 declaring the existence of a local emergency, which was issued by the City Manager acting in the capacity of Director of Emergency Services. The local emergency is due to the coronavirus (COVID-19) pandemic. Following adoption of the resolution, the City Council needs to review the need for continuing the local emergency at least once every thirty (30) days in accordance with Section 8-7(a)(2) of the West Covina Municipal Code (WCMC).

The City Council previously continued the local emergency on April 7, 2020, May 5, 2020, June 2, 2020, June 23, 2020, July 21, 2020, August 18, 2020, September 15, 2020, October 6, 2020, October 20, 2020, November 17, 2020, December 1, 2020, January 19, 2021, February 16, 2021, March 16, 2021, April 6, 2021, May 4, 2021, June 1, 2021, June 15, 2021, July 6, 2021, July 20, 2021, August 17, 2021, September 7, 2021, October 5, 2021, November 2, 2021, December 7, 2021, January 4, 2022, February 1, 2022, March 1, 2022, April 5, 2022, May 3, 2022, June 7, 2022, July, 5, 2022, July 19, 2022, August 16, 2022, September 20, 2022, October 18, 2022, November 15, 2022 and December 6, 2022.

**DISCUSSION:**

Since March 4, 2022 in Los Angeles County, masks have no longer been required in most indoor settings, but continue to be strongly recommended by the Los Angeles County Department of Public Health ("LA County Health Department"). Pursuant to a revised Health Officer Order issued September 22, 2022, masks are strongly recommended, but not required, on public transit and in indoor transportation hubs in Los Angeles County. Correctional facilities and detention centers, homeless shelters, emergency shelters and cooling centers are permitted to use the Centers for Disease Control and Prevention (CDC) COVID-19 Community Levels to determine the level of masking requirements within their facilities. Masks are still required for all persons, regardless of vaccination status, in all indoor healthcare settings.

On January 6, 2023, the LA County Health Department reported that Los Angeles County remains at the Medium Community Level on the CDC's COVID-19 framework.

The State of California remains in a State of Emergency. Los Angeles County's local emergency and public health emergency remain in effect.

Staff is requesting that the City Council determine there is a need to continue the local emergency.

**LEGAL REVIEW:**

The City Attorney's Office has reviewed the resolution and approved it as to form.

**OPTIONS:**

The options available to the City Council are as follows:

1. Adopt the resolution as submitted; or
2. Terminate the local emergency; or
3. Provide alternative direction.

**Prepared by:** David Carmany, City Manager

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**Attachments**

Attachment No. 1 - Resolution No. 2023-4

**CITY COUNCIL GOALS & OBJECTIVES:** Protect Public Safety
Maintain Good Intergovernmental Relations
Achieve Fiscal Sustainability and Financial Stability

**RESOLUTION NO. 2023-4**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, DETERMINING THE NEED TO FURTHER CONTINUE THE LOCAL EMERGENCY PROCLAIMED ON MARCH 16, 2020 AND PREVIOUSLY CONTINUED ON APRIL 7, 2020, MAY 5, 2020, JUNE 2, 2020, JUNE 23, 2020, JULY 21, 2020, AUGUST 18, 2020, SEPTEMBER 15, 2020, OCTOBER 6, 2020, OCTOBER 20, 2020, NOVEMBER 17, 2020, DECEMBER 1, 2020, JANUARY 19, 2021, FEBRUARY 16, 2021, MARCH 16, 2021, APRIL 6, 2021, MAY 4, 2021, JUNE 1, 2021, JUNE 15, 2021, JULY 6, 2021, JULY 20, 2021, AUGUST 17, 2021, SEPTEMBER 7, 2021, OCTOBER 5, 2021, NOVEMBER 2, 2021, DECEMBER 7, 2021, JANUARY 4, 2022, FEBRUARY 1, 2022, MARCH 1, 2022, APRIL 5, 2022, MAY 3, 2022, JUNE 7, 2022, JULY 5, 2022, JULY 19, 2022, AUGUST 16, 2022, SEPTEMBER 20, 2022, OCTOBER 18, 2022, NOVEMBER 15, 2022 AND DECEMBER 6, 2022**

**WHEREAS**, the California Emergency Services Act (Government Code section 8550 et seq.) authorizes the City Council, or an official designated by ordinance adopted by the City Council, to proclaim a local emergency when the City is threatened by conditions of disaster or extreme peril to the safety of persons and property within the City that are likely to be beyond the control of the services, personnel, equipment, and facilities of the City; and

**WHEREAS**, West Covina Municipal Code section 8-7(a)(1) empowers the City Manager, as the Director of Emergency Services, to declare the existence or threatened existence of a local emergency when the City is affected or likely to be affected by a public calamity; and

**WHEREAS**, on March 16, 2020, the City Manager declared a local emergency as authorized by Government Code section 8630(a) and West Covina Municipal Code section 8-7(a)(1) through Proclamation No. 2020-01 due to the COVID-19 pandemic; and

**WHEREAS,** on March 17, 2020, the City Council adopted Resolution No. 2020-19, ratifying the City Manager's proclamation as required by Government Code section 8630(b) and West Covina Municipal Code section 8-7(a)(1); and

**WHEREAS,** Section 8-7(a)(2) of the West Covina Municipal Code empowers the City Manager to request that the City Council review the need for continuing the local emergency at least once every 30 days until the City Council terminates the local emergency; and

**WHEREAS,** at the time the City Council ratified the proclamation, the World Health Organization (WHO) reported, as of March 15, 2020, 153,517 confirmed cases of COVID-

19 globally, 5,735 of which resulted in death. On January 6, 2023, the WHO reported a total of 657,977,736 confirmed cases globally, 6,681,433 of which resulted in death; and

**WHEREAS**, at the time the City Council ratified the proclamation, the California Department of Public Health (CDPH) reported that, as of March 15, 2020, there were 335 confirmed cases of COVID-19 in California, six (6) of which resulted in death. On January 5, 2023, CDPH reported that, as of January 3, 2023, there were a total of 10,934,798 confirmed cases in California, 98,038 of which resulted in death; and

**WHEREAS,** at the time the City Council ratified the proclamation, the Los Angeles County Department of Public Health ("LA County Health Department") reported that, as of March 15, 2020, Los Angeles County had 69 confirmed cases, including one (1) death and one (1) confirmed case at West Covina High School. On January 6, 2023, the LA County Health Department reported that, as of January 5, 2023, Los Angeles County had a total of 3,646,917 confirmed cases, 34,783 of which resulted in death; and

**WHEREAS,** as of January 5, 2023, the LA County Health Department reported a total of 38,484 confirmed cases in the City of West Covina, 396 of which resulted in death; and

**WHEREAS,** on April 7, 2020, the City Council adopted Resolution No. 2020-22, determining there was a need to continue the local emergency and confirming the written orders and regulations promulgated by the City Manager; and

**WHEREAS,** on May 5, 2020, the City Council adopted Resolution No. 2020-41, determining there was a need to continue the local emergency and confirming the written orders and regulations promulgated by the City Manager; and

**WHEREAS,** on June 2, 2020, the City Council adopted Resolution No. 2020-45, determining there was a need to continue the local emergency; and

**WHEREAS,** on June 23, 2020, the City Council adopted Resolution No. 2020-68, determining there was a need to continue the local emergency; and

**WHEREAS,** on July 21, 2020, the City Council adopted Resolution No. 2020-85, determining there was a need to continue the local emergency; and

**WHEREAS,** on August 18, 2020, the City Council adopted Resolution No. 2020-91, determining there was a need to continue the local emergency and confirming a written order promulgated by the City Manager; and

**WHEREAS,** on September 15, 2020, the City Council adopted Resolution No. 2020-96, determining there was a need to continue the local emergency; and

**WHEREAS,** on October 6, 2020, the City Council adopted Resolution No. 2020-101, determining there was a need to continue the local emergency; and

**WHEREAS,** on October 20, 2020, the City Council adopted Resolution No. 2020-105, determining there was a need to continue the local emergency and clarifying the City Manager's emergency powers; and

**WHEREAS,** on November 17, 2020, the City Council adopted Resolution No. 2020-116, determining there was a need to continue the local emergency; and

**WHEREAS,** on December 1, 2020, the City Council adopted Resolution No. 2020-118, determining there was a need to continue the local emergency and providing that, notwithstanding the requirements of West Covina Municipal Code section 8-7(a)(2), due to the City Council's meeting schedule, the next regular meeting at which the City Council would consider the need to continue the local emergency would be January 19, 2021; and

**WHEREAS,** on January 19, 2021, the City Council adopted Resolution No. 2021-01, determining there was a need to continue the local emergency; and

**WHEREAS,** on February 16, 2021, the City Council adopted Resolution No. 2021-12, determining there was a need to continue the local emergency; and

**WHEREAS,** on March 16, 2021, the City Council adopted Resolution No. 2021-17, determining there was a need to continue the local emergency; and

**WHEREAS,** on April 6, 2021, the City Council adopted Resolution No. 2021-25, determining there was a need to continue the local emergency; and

**WHEREAS,** on May 4, 2021, the City Council adopted Resolution No. 2021-49, determining there was a need to continue the local emergency; and

**WHEREAS,** on June 1, 2021, the City Council adopted Resolution No. 2021-65, determining there was a need to continue the local emergency; and

**WHEREAS,** on June 15, 2021, the City Council adopted Resolution No. 2021-72, determining there was a need to continue the local emergency; and

**WHEREAS,** on July 6, 2021, the City Council adopted Resolution No. 2021-76, determining there was a need to continue the local emergency; and

**WHEREAS,** on July 20, 2021, the City Council adopted Resolution No. 2021-86, determining there was a need to continue the local emergency; and

**WHEREAS,** on August 17, 2021, the City Council adopted Resolution No. 2021-91, determining there was a need to continue the local emergency; and

**WHEREAS,** on September 7, 2021, the City Council adopted Resolution No. 2021-92, determining there was a need to continue the local emergency; and

**WHEREAS,** on October 5, 2021, the City Council adopted Resolution No. 2021-99, determining there was a need to continue the local emergency; and

**WHEREAS,** on November 2, 2021, the City Council adopted Resolution No. 2021-101, determining there was a need to continue the local emergency; and

**WHEREAS,** on December 7, 2021, the City Council adopted Resolution No. 2021-116, determining there was a need to continue the local emergency; and

**WHEREAS,** on January 4, 2022, the City Council adopted Resolution No. 2022-07, determining there was a need to continue the local emergency; and

**WHEREAS,** on February 1, 2022, the City Council adopted Resolution No. 2022-14, determining there was a need to continue the local emergency; and

**WHEREAS,** on March 1, 2022, the City Council adopted Resolution No. 2022-21, determining there was a need to continue the local emergency; and

**WHEREAS,** on April 5, 2022, the City Council adopted Resolution No. 2022-29, determining there was a need to continue the local emergency; and

**WHEREAS,** on May 3, 2022, the City Council adopted Resolution No. 2022-38, determining there was a need to continue the local emergency; and

**WHEREAS,** on June 7, 2022, the City Council adopted Resolution No. 2022-58, determining there was a need to continue the local emergency; and

**WHEREAS,** on July 5, 2022, the City Council adopted Resolution No. 2022-79, determining there was a need to continue the local emergency; and

**WHEREAS,** on July 19, 2022, the City Council adopted Resolution No. 2022-84, determining there was a need to continue the local emergency; and

**WHEREAS,** on August 16, 2022, the City Council adopted Resolution No. 2022-87, determining there was a need to continue the local emergency; and

**WHEREAS,** on September 20, 2022, the City Council adopted Resolution No. 2022-96, determining there was a need to continue the local emergency; and

**WHEREAS,** on October 18, 2022, the City Council adopted Resolution No. 2022-102, determining there was a need to continue the local emergency; and

**WHEREAS,** on November 15, 2022, the City Council adopted Resolution No. 2022-112, determining there was a need to continue the local emergency; and

**WHEREAS,** on December 6, 2022, the City Council adopted Resolution No. 2022-121, determining there was a need to continue the local emergency; and

**WHEREAS,** since March 4, 2022 in Los Angeles County, masks have no longer been required in most indoor settings, but continue to be strongly recommended by the LA County Health Department; and

**WHEREAS,** on September 22, 2022, the LA County Health Department issued a revised Health Officer Order to closely align with the State Public Health Officer's September 20, 2022 guidance regarding masking in the following higher-risk settings: correctional facilities, homeless shelters, emergency shelters, and cooling and heating centers; and

**WHEREAS,** pursuant to the September 22, 2022 Health Officer Order, the Health Officer strongly recommends, but no longer requires, that persons continue to mask on public transit and in transportation hubs; and

**WHEREAS,** pursuant to the September 22, 2022 Health Officer Order, in the following non-healthcare indoor settings, facilities may use the CDC COVID-19 Community Levels to determine the level of masking requirements within their facility: state and local correctional facilities and detention centers, homeless shelters, emergency shelters and cooling and heating centers; and

**WHEREAS,** pursuant to the September 22, 2022 Health Officer Order, masks are still required in all indoor healthcare settings; and

**WHEREAS,** on January 6, 2023, the LA County Health Department reported that Los Angeles County remains at the Medium Community Level on the Centers for Disease Control and Prevention's (CDC) COVID-19 framework; and

**WHEREAS,** the City Manager has requested that the City Council review the need for continuing the local emergency in accordance with Section 8-7(a)(2) of the West Covina Municipal Code; and

**WHEREAS,** the City Council has reviewed the need for continuing the local emergency as required by West Covina Municipal Code section 8-7(a)(2); and

**WHEREAS**, the City Council finds that the conditions resulting from the COVID-19 emergency are still beyond the control of the services, personnel, equipment, and facilities of the City and require the combined forces of other political subdivisions to combat.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council has reviewed the need for continuing the local emergency as required by West Covina Municipal Code section 8-7(a)(2), and determines, based on the foregoing recitals, that there is a need to continue the local emergency.

**SECTION 2.** This local emergency shall continue to exist until the City Council proclaims the termination of the local emergency. The City Council shall review the need for continuing the local emergency in the manner required by law.

**SECTION 3.** Pursuant to Resolution No. 2020-105, while the local emergency remains in effect, the City Manager shall limit the exercise of the powers granted to the City Manager, as the Director of Emergency Services, during a proclaimed local emergency pursuant to Section 8-7 of the West Covina Municipal Code, to actions directly related to responding to the COVID-19 pandemic.

**SECTION 4.** The City Clerk shall certify to the passage and adoption of this resolution and enter it into the book of original resolutions.

**APPROVED AND ADOPTED** this 17th day of January, 2023.

_____
Rosario Diaz
Mayor

**APPROVED AS TO FORM**

_____
Thomas P. Duarte
City Attorney

**ATTEST**

_____
Lisa Sherrick
Assistant City Clerk

I, LISA SHERRICK, ASSISTANT CITY CLERK of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2023-4 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 17th day of January, 2023, by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Lisa Sherrick
Assistant City Clerk

# AGENDA STAFF REPORT

**City of West Covina | Office of the City Manager**

**DATE:** January 17, 2023

**TO:** Mayor and City Council

**FROM:** David Carmany
City Manager

**SUBJECT: CONSIDERATION OF AN ORDINANCE AMENDING ARTICLE VIII OF CHAPTER 2 OF THE WEST COVINA MUNICIPAL CODE RELATING TO CAMPAIGN FINANCE REGULATIONS**

## RECOMMENDATION:

It is recommended that the City Council adopt the following ordinance:

**ORDINANCE NO. 2510 - AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, AMENDING ARTICLE VIII OF CHAPTER 2 OF THE WEST COVINA MUNICIPAL CODE RELATING TO CAMPAIGN FINANCE REGULATIONS**

## BACKGROUND:

Assembly Bill No. 571 ("AB 571") amended California Government Code section 85301 to impose a default campaign contribution limit on cities and counties that do not impose campaign contribution limits, effective January 1, 2021. California Government Code section 85702.5 permits the City to, by ordinance or resolution, impose a campaign contribution limit that is different from the amount set forth in California Government Code section 85301(d).

The City of West Covina's campaign finance regulations are codified in Article VIII (Campaign Contributions) of Chapter 2 (Administration) of the West Covina Municipal Code. The City Council last updated Article VIII of Chapter 2 in 2015 through the adoption of Ordinance No. 2272.

Pursuant to Section 2-402 of Article VIII of Chapter 2, no person shall make, and no candidate shall receive from any person, any contribution to the campaign of any individual candidate for any City of West Covina elective office in excess of $500 in any calendar year. Section 2-402 provides that the amount shall be adjusted on January 1 of every odd-numbered year to reflect any increase or decrease in the Consumer Price Index for the prior year. Due to adjustments based on increases to the Consumer Price Index, the maximum contribution limit is currently $615.

Staff is presenting for the City Council's consideration proposed Ordinance No. 2510, which would increase the maximum contribution limit to $650 and make other updates to Article VIII.

On December 6, 2022, the West Covina City Council, by a 5-0 vote, introduced for first reading Ordinance No. 2510, proposing changes relating to campaign finance regulations. The City Council

proposed additional changes and those changes are reflected for the second reading Ordinance No. 2510.

**DISCUSSION:**

The proposed ordinance makes the following changes to Article VIII of Chapter 2 of the West Covina Municipal Code:

- Increases the maximum contribution limit to $650
- Provides that committees are subject to the contribution limit
- Adds a definitions section. The current provisions of Article VIII of Chapter 2 provide that the definitions set forth in the Political Reform Act apply to the provisions of Article VIII. The proposed ordinance similarly references the definitions set forth in the Political Reform Act, but also provides definitions for certain key terms, utilizing the definitions set forth in the Political Reform Act
- Renumbers and rearranges certain sections of Article VIII of Chapter 2

At introduction and first reading of the ordinance, the City Council directed staff to revise the ordinance so candidates and committees are both subject to the $650 contribution limit. At the City Council's direction, staff amended the ordinance to provide that committees are subject to the contribution limit and made other minor clarifying changes for consistency throughout the ordinance.

Staff recommends that the City Council adopt Ordinance No. 2510. The Ordinance will take effect on the 31st day following adoption, which is on or about February 18, 2023.

**LEGAL REVIEW:**

The City Attorney's Office has reviewed the ordinance and approved it as to form.

**OPTIONS:**

The City Council has the following options:
1. Approve staff's recommendation; or
2. Provide alternative direction.

**Prepared by:** David Carmany, City Manager

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**Attachments**

Attachment No. 1 - Ordinance No. 2510

**CITY COUNCIL GOALS & OBJECTIVES:** Enhance City Image and Effectiveness

# ORDINANCE NO. 2510

## AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, AMENDING ARTICLE VIII OF CHAPTER 2 OF THE WEST COVINA MUNICIPAL CODE RELATING TO CAMPAIGN FINANCE REGULATIONS

**WHEREAS,** Assembly Bill No. 571 ("AB 571") amended California Government Code section 85301 to impose a default campaign contribution limit on cities and counties that do not impose campaign contribution limits, effective January 1, 2021; and

**WHEREAS,** California Government Code section 85702.5 permits the City to, by ordinance or resolution, impose a campaign contribution limit that is different from the amount set forth in California Government Code section 85301(d); and

**WHEREAS,** the City of West Covina's campaign finance regulations are codified in Article VIII (Campaign Contributions) of Chapter 2 (Administration) of the West Covina Municipal Code; and

**WHEREAS,** the City Council last updated Article VIII of Chapter 2 in 2015 through the adoption of Ordinance No. 2272; and

**WHEREAS,** pursuant to Section 2-402 of Article VIII of Chapter 2, no person shall make, and no candidate shall receive from any person, any contribution to the campaign of any individual candidate for any City of West Covina elective office in excess of $500 in any calendar year. Section 2-402 provides that the amount shall be adjusted on January 1 of every odd-numbered year to reflect any increase or decrease in the Consumer Price Index for the prior year; and

**WHEREAS,** due to adjustments based on increases to the Consumer Price Index, the maximum contribution amount is currently $615; and

**WHEREAS,** the City Council desires to update and clarify the City's campaign finance regulations, including increasing the maximum contribution amount to $650 and providing that committees are subject to such limitation; and

**WHEREAS,** the City Council finds that transparency in local elections regarding financial contributions and influence are important to promoting the election process and ensuring a fair election process for all candidates; and

**WHEREAS,** the City Council also finds that the provisions of Article VIII of Chapter 2 are necessary to combat corruption and the appearance of corruption in the City's election process; and

**WHEREAS,** all legal prerequisites prior to the adoption of this Ordinance have occurred.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, DOES ORDAIN AS FOLLOWS:**

**SECTION 1.** Recitals. The City Council finds that all of the recitals set forth herein are true and correct.

**SECTION 2.** Amendment to Article VIII of Chapter 2. Article VIII (Campaign Contributions) of Chapter 2 (Administration) of the West Covina Municipal Code is hereby amended to read as follows:

Sec. 2-400. Findings, declarations, and purpose.

In enacting this article, the city council finds and declares as follows:

(1) *Findings and declarations.*

a. Monetary contributions to political campaigns are a legitimate form of participation in the political process; however, the financial strength of certain persons, as defined herein, should not permit the exercise of a disproportionate, controlling, or corrupting influence in a local election of candidates.

b. The increasing costs of political campaigns have compelled candidates to take larger amounts of money from persons with specific financial stake in matters before the city council. This has caused a public perception that votes may be improperly influenced by monetary contributions.

c. The tendency for campaign contributions to be dominated by a small number of very large contributors undermines the integrity of the governmental process, the competitiveness of campaigns, and the public confidence in local officials and local agencies.

d. High campaign costs are also forcing officeholders to spend more time on fundraising and less time on the public's business. The constant pressure to raise contributions is distracting officeholders from urgent governmental matters.

(2) *Purpose.* The city council enacts this article to accomplish the following purposes:

a. To improve methods of financing campaigns in order to ensure the public's right-to-know, combat corruption, and the appearance of corruption, and undue influence, enable candidates to compete more equitably for public office, and promote citizen participation in the political process.

b. To prevent parties with a specific financial interest in the city's decisions from exerting undue influence over those decisions by means of large campaign contributions.

c. To allow candidates and officeholders to spend a lesser proportion of their time on fundraising and greater proportion of their time dealing with issues of importance to the city and its residents.

d. To improve the disclosure of contribution sources in reasonable and effective ways.

e. To restore public trust in governmental electoral institutions.

Sec. 2-400.1. Definitions.

The following terms as used in this article shall, unless the context already indicates otherwise, have the respective meanings set forth in this section. Terms not defined in this article

shall have the meaning ascribed to them in the Political Reform Act of 1974, California Government Code section 81000 et seq., and the regulations enacted by the California Fair Political Practices Commission.

*Candidate* has the meaning set forth in California Government Code section 82007, as amended, which defines a *candidate* as:

(1) Anyone who is listed on a ballot or is qualified to have write-in votes cast on their behalf counted by elections officials for nomination or election to any elective office.

(2) Anyone who receives a contribution, makes an expenditure, or gives their consent for another person to receive a contribution or make an expenditure, to bring about the person's nomination or election to an elective office, even if any of the following apply:

(A) The specific elective office for which the person will seek nomination or election is unknown at the time the contribution is received or the expenditure is made.

(B) The person has not announced the candidacy or filed a declaration of candidacy.

(3) An elected officer, including any elected officer who is the subject of a recall.

*Committee* has the meaning set forth in California Government Code section 82013, as amended, which defines a *committee* as any person or combination of persons who directly or indirectly does any of the following:

(1) Receives contributions totaling two thousand dollars ($2,000) or more in a calendar year.

(2) Makes independent expenditures totaling one thousand dollars ($1,000) or more in a calendar year; or

(3) Makes contributions totaling ten thousand dollars ($10,000) or more in a calendar year to or at the behest of candidates or committees.

*Contribution* has the meaning set forth in California Government Code section 82015, as amended, which defines a *contribution* as a payment, a forgiveness of a loan, a payment of a loan by a third party, or an enforceable promise to make a payment, except to the extent that full and adequate consideration is received or if it is clear from the surrounding circumstances that the payment is not made for political purposes.

*Person* has the meaning set forth in California Government Code section 82047, as amended, which defines a *person* as an individual, proprietorship, firm, partnership, joint venture, syndicate, business trust, company, corporation, limited liability company, association, committee, and any other organization or group of persons acting in concert.

Sec. 2-401. Campaign contribution reporting requirements.

Candidates, officeholders in positions of elective office in the city, and committees shall adhere to the following campaign contribution reporting requirements:

(1) Provide full disclosure of any contribution in the amount of one hundred dollars ($100.00).

(2) Provide the names and addresses of all individuals who provide any contribution in the amount of one hundred dollars ($100.00) or more.

(3) Require that all money contributions in the amount of one hundred dollars ($100.00) or more be made in the form of a written instrument containing the name of the contributor and the name of the payee and drawn from the account of the contributor or the intermediary, as defined in California Government Code section 84302.5. “Written instrument” includes, but is not limited to, check and credit card donations, but excludes money orders, traveler’s checks and cashier’s checks.

Sec. 2-402. Contributions by persons.

No person shall make, and no candidate or committee shall receive from any person, any contribution to the campaign of any candidate or any city measure in excess of six hundred fifty dollars ($650.00) in any calendar year. This amount shall automatically be adjusted on January 1 of every odd-numbered year to reflect any increase or decrease in the Consumer Price Index for the prior year utilizing the standard as established by the Bureau of Labor Statistics of the U.S. Department of Labor for all urban consumers in the Los Angeles, Riverside and Orange County areas. This adjustment shall be rounded to the nearest one dollar ($1.00). This adjustment shall also be published on the city’s website, if it exists, and posted at three (3) public places for at least ninety (90) days from its effective date.

Sec. 2-403. Independent expenditures.

(a) *Purpose.* The purpose of this section is to ensure transparency of independent expenditures so that voters in city elections are provided information on contributors, contributions and expenditures in a timely manner.

(b) *Definitions.* For purposes of this section, the following definitions shall apply:

(1) *Campaign communication* means any of the following campaign related items:

a. More than two hundred (200) substantially similar pieces of campaign literature distributed within a calendar month, including, but not limited to, mailers, flyers, facsimiles, pamphlets, door hangers, e-mails, campaign buttons ten (10) inches in diameter or larger, and bumper stickers sixty (60) square inches or larger;

b. Posters, yard or street signs, billboards, super-graphic signs and similar items;

c. Television, cable, satellite, internet and radio broadcasts;

d. Newspaper, magazine, internet website banners and similar advertisements; or

e. More than two hundred (200) substantially similar live or recorded telephone calls made within a calendar month.

(2) *City candidate* means any person who is a candidate for a city office.

(3) *City measure* means any local measure placed on the ballot by the City of West Covina, including voter sponsored initiatives, recall and referendum measures, in an election which is governed by the California Elections Code.

(4) *City office* means any office of the City of West Covina that is filled by way of a vote of the people of the City of West Covina.

(5) *Elective city officer* means any member of the West Covina City Council, or any other city office that is filled by way of a vote of the people of the City of West Covina.

(6) *Individual* means a living person contributing funds.

(7) *Independent expenditure* means an expenditure made by any person or committee in connection with a communication which expressly advocates the election or defeat of a clearly identified candidate or the qualification, passage or defeat of a clearly identified measure, or taken as a whole and in context, unambiguously urges a particular result in an election but which is not made to or at the behest of the affected candidate or committee.

(c) Reporting of independent expenditures. Disclosure of payments for independent expenditures shall be as follows:

(1) At any time, any person, including any committee, that makes or incurs independent expenditures that combine to one thousand dollars ($1,000.00) or more in support of or in opposition to any candidate for elective city office or any city measure shall report to the West Covina City Clerk's office within twenty-four (24) hours by certified mail, fax or e-mail each time this threshold is reached. The form of notification is described in subsections (c)(2) and (c)(3) of this section, and the city clerk shall post this notification on the city's website immediately upon receipt, but no later than the next business day.

(2) The notification shall consist of a declaration made under penalty of perjury and signed by the person or officer and the treasurer of the group making the expenditure, specifying the following: (i) if applicable, each candidate who was supported or opposed by the expenditure; (ii) the amount spent to support or oppose each candidate or measure; (iii) if applicable, whether the measure was supported or opposed; and, (iv) that the expenditure was not behested by the candidate or candidates who benefited from the expenditure.

(3) In addition, the notification shall include the date and amount of the payment, a description of the type of communication for which the payment was made or incurred, the name and address of the person making the payment, the name and address of the payee or committee, and a copy of the mailing or advertisement, or a copy of the script or recording of the call, transmission, or advertisement. The West Covina City Clerk shall determine the reporting form to fulfill the notification requirement.

(d) Additional requirements for campaign communications funded by independent expenditures.

(1) Campaign communications funded by an independent expenditure supporting or opposing city candidates or city measures shall include the following disclosures: "This communication was not authorized by candidate (name) for (office)" or "(name) initiative proponent/opponent."

(2) Campaign communications funded by an independent expenditure supporting or opposing city candidates or city measures shall include the names of the two (2) largest contributors within the preceding one hundred eighty (180) days from the date the communication is sent, along with the donors' city and state of residence. The disclosure required by this subsection shall be presented in a clear and conspicuous manner so as to give the reader, observer or listener adequate notice as follows:

a. For printed campaign communications that measure no more than twenty-four (24) inches by thirty-six (36) inches, all disclosure statements required by this subsection shall be printed using a typeface that is easily legible to an average reader or viewer, but is not less than ten-point type in contrasting color to the background on which it appears. For oversize printed campaign communications, all disclosure statements shall constitute at least five (5) percent of the height of the material and be printed in contrasting color.

b. For video broadcasts including television, satellite, internet, telephone and cable campaign communications, the information shall be both written and spoken either at the beginning or at the end of the communication, except that if the disclosure statement is written for at least five (5) seconds of a broadcast of thirty (30) seconds or less or ten (10) seconds of a sixty-second broadcast, a spoken disclosure statement is not required. The written disclosure statement shall be of sufficient size to be readily legible to an average viewer and air for not less than five (5) seconds.

c. For audio, telephone call or radio advertisement campaign communications, the disclosures shall be spoken in a clearly audible manner at the same speed and volume as the rest of the telephone call or radio advertisement at the beginning or end of the communication and shall last at least three (3) seconds. The requirement shall be satisfied by using the words "on behalf of" immediately followed by the name of the candidate or committee that pays for the communication.

Sec. 2-404. Definitions.

For purposes of sections 2-404.1 and 2-404.2 of this article, the following words and phrases shall have the meanings ascribed to them in this section:

*Affected party* means a party to a city contract, a subcontractor under a city contract, an applicant seeking entitlement, a contractor of applicant seeking entitlement, or a subcontractor of applicant seeking entitlement.

*Applicant* seeking entitlement means any person who has filed an application or letter seeking approval of an entitlement with the city, successor agency, or housing authority, or any person who is an owner or lessee of property on whose behalf an application or letter seeking approval of an entitlement is filed.

*Application* is pending means an application or letter which is subject to review, hearing or consideration by the council, successor agency, CDC, and/or housing authority and the application or letter seeking an entitlement has been filed and, either will be set for review, hearing or other consideration by the council, successor agency, or housing authority as a matter of right, or has been formally appealed to the council, successor agency, CDC or housing authority. The three examples set forth below are intended to provide interpretive guidance:

(1) An application for a zone change is filed. Since a zone change can only be effectuated by the council, upon filing the application it would be deemed pending before the council;

(2) An application for a conditional use permit is filed. Only at such time as the grant or denial of a conditional use permit is appealed to the council would it be pending before the council;

(3) Any application for which the council is either the sole determining body or as to which a final decision must be made by the council.

*CDC* means the West Covina Community Development Commission.

*City contract* means any agreement or contract, including any amendment or modification to an agreement or contract, with the city, successor agency, CDC or housing authority, where such contract or agreement is subject to approval by the council, successor agency, CDC, or housing authority for (a) the rendition of personal services; (b) construction and/or the furnishing of any material, supplies or equipment; (c) the sale, lease, exchange, or transfer of any land or building to or from the city, successor agency, CDC, or housing authority; or (d) a grant, loan, loan guaranty, land write down, or other similar form of financial assistance. "Contract" does not include a contract awarded pursuant to a competitive bidding process under the Public Contracts Code, a transfer or exchange of land to or from one public agency to another public agency, or the transfer of an easement, license, or right-of-way in the ordinary course of a development project.

*Contractor of applicant seeking entitlement* means a person who is, or has been promised to be, a party to a contract as an architect, design professional, engineer, or general or prime contractor with an applicant seeking entitlement, as defined herein, which contract has, or would have a total anticipated or actual value of thirty thousand dollars ($30,000.00) or more.

*Council* means the city council of the City of West Covina.

*Design professional* means a person who performs services in the nature of designing structures, buildings, interiors, landscape and/or hardscape but does not have any particular license.

*Entitlement* means permit, license, conditional use permit, variance, site plan, architectural or design review (at any stage), franchise, administrative exception, parking reduction, review of plans, development agreement, disposition and development agreement, exclusive negotiation agreement, owner participation agreement, affordable housing agreement, financial assistance for a proposed project, or any other land use entitlement which is discretionary and not ministerial in nature; provided, however, that entitlements for residential developments of five (5) units or less or additions to a single-family home, duplex, tri-plex or four-plex shall be expressly excluded.

*Housing authority* means the housing authority of the City of West Covina.

*Related persons* includes any of the following persons with respect to a party with a city contract, a subcontractor under a city contract, applicant seeking entitlement, contractor of applicant seeking entitlement, and subcontractor of applicant seeking entitlement: a member of its board of directors, its chairperson, its chief executive officer/president, its chief financial officer, its chief operating officer, any person with ownership interest of more than ten (10) percent in

such person, and/or any committee, as defined in this chapter, that is owned or controlled by such person.

*Subcontract* means a contract subordinate to another contract made between the contracting parties which includes an agreement for a subcontractor to perform all or part of certain work to be performed by an architect, design professional, engineer, general or prime contractor.

*Subcontractor* means a person who has entered into a contract for the performance of all or a portion of the work undertaken under an agreement with an architect, design professional, engineer, or general or prime contract, usually by a general or prime contractor.

*Subcontractor of applicant seeking entitlement* means a person who is, or has been promised to be, a party to a subcontract as an architect, design professional, engineer, or to perform other work with a "contractor of applicant seeking entitlement" as defined herein, which subcontract has, or would have a total anticipated or actual value of thirty thousand dollars ($30,000.00) or more.

*Successor agency* means the successor agency to the West Covina Redevelopment Agency.

Sec. 2-404.1. Campaign contributions from applicants and contractors.

(a) No person who is an applicant or proposer to be a party to a city contract, or who is a party to a city contract, as defined in section 2-403, other affected party, or related persons, shall make a contribution to an individual holding city elective office where the city contract has a total anticipated or actual value of thirty thousand dollars ($30,000.00) or more, or a combination or series of such contracts or agreements having a value of thirty thousand dollars ($30,000.00) or more.

(b) No member of the council, nor the city clerk or city treasurer shall receive a contribution from a person who is a party to a city contract, or an applicant or proposer to be a party to a city contract, as defined in section 2-403, or related persons, where the city contract has a total anticipated or actual value of thirty thousand dollars ($30,000.00) or more, or a combination or series of such contracts, having a value of thirty thousand dollars ($30,000.00) or more.

(c) No person acting as a subcontractor under a subcontract through a city contract, as defined in section 2-403, or related persons, shall make a contribution to a council member where an individual subcontract has a total anticipated or actual value of fifteen thousand dollars ($15,000.00) or more, or a combination or series of such individual subcontracts with the same subcontractor, for the same or different projects with the aggregate value of fifteen thousand dollars ($15,000.00) or more.

(d) No member of the council shall receive a contribution from a person who is party to a subcontract under a city contract, as defined in section 2-403, or related persons, where the subcontract has a total anticipated or actual value of fifteen thousand dollars ($15,000.00) or more, or a combination or series of such subcontracts having a value of fifteen thousand dollars ($15,000.00) or more.

(e) No applicant seeking entitlement, contractor of an applicant seeking entitlement or a subcontractor of an applicant seeking entitlement, or related persons, shall make a contribution to a council member while such application is pending before the council, successor agency, CDC, or housing authority and for a period of twelve (12) months after the last and final action on that entitlement by the council, successor agency, CDC or housing authority.

Sec. 2-404.2. Posting of list of contractors, subcontractors, vendors and applicants for entitlements.

City staff shall prepare a list or lists of: Applicants or proposers for city contracts in the amount of thirty thousand dollars ($30,000.00) or more; parties to city contracts in the amount of thirty thousand dollars ($30,000.00) or more; subcontractors under city contracts with anticipated or actual value of fifteen thousand dollars ($15,000.00) or more, individually or in the aggregate; applicants seeking entitlements; contractors of applicants seeking entitlements; and, subcontractors of applicants seeking entitlements, while such application is pending before the council or other legislative body of the city and for twelve (12) months thereafter. Such list or lists shall be posted on the city's website and made available to all elected officials and candidates.

Sec. 2-405. Enforcement.

(a) Any person who believes that a violation of this article has occurred may file a complaint with the city attorney. The city attorney shall investigate and shall have investigative powers as are necessary for the performance of his or her duties under this article.

(b) The city attorney, or any registered voter of the city, may bring a civil action to enjoin violations of or compel compliance with the provisions of this article.

Sec. 2-405.1. Penalties.

(a) Any person who knowingly or willfully violates any provision of this article shall be guilty of a misdemeanor, and on conviction thereof shall be punishable by a fine of not more than one thousand dollars ($1,000.00) for each violation or by imprisonment of not more than six (6) months or both such fine and imprisonment.

(b) Notwithstanding subsection (a), any person who intentionally or negligently violates any of the provisions of this article may be subject to a civil action brought by the city attorney acting as the civil prosecutor for an amount up to one thousand dollars ($1,000.00) for each violation, or three (3) times the amount not reported, or the amount received in excess of the amount allowable pursuant to this article, whichever is greater.

**SECTION 3.** Environmental Compliance. Pursuant to the provisions of the California Environmental Quality Act ("CEQA") (California Public Resources Code Sections 21000 et seq.) and State CEQA Guidelines (Sections 15000 et seq.), the City Council finds that this Ordinance is not a "project" and further, that it can be seen with certainty that there is no possibility that the Ordinance may have a significant effect on the environment, either directly or indirectly, and that therefore no environmental review under the CEQA is required, pursuant to CEQA Guidelines Section 15061(b)(3) (Common Sense Exception).

**SECTION 4.** Severability. If any section, subsection, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be invalid or unconstitutional by the decision of any court of competent jurisdiction, such decision shall not affect the validity of the remaining portions

of this Ordinance. The City Council of the City of West Covina hereby declares that it would have adopted this Ordinance and each section, subsection, sentence, clause, phrase, or portion thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses, phrases, or portions be declared invalid or unconstitutional.

**SECTION 5.** Certification. The City Clerk shall certify passage of this ordinance and shall cause the same to be published as required by law.

**SECTION 6.** Effective Date. This ordinance shall take effect and be in force thirty (30) days from and after the date of its passage.

**PASSED, APPROVED AND ADOPTED** this 17th day of January, 2023.

_____
Rosario Diaz
Mayor

**APPROVED AS TO FORM**

_____
Thomas P. Duarte
City Attorney

**ATTEST**

_____
Lisa Sherrick
Assistant City Clerk

I, LISA SHERRICK, Assistant City Clerk of the City of West Covina, California, do hereby certify that the foregoing Ordinance No. 2510 was introduced at a regular meeting of the City Council held on the 6th day of December, 2022, and adopted at a regular meeting of the City Council held on the 17th day of January, 2023, by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Lisa Sherrick
Assistant City Clerk

# AGENDA STAFF REPORT

**City of West Covina | Office of the City Manager**

**DATE:** January 17, 2023

**TO:** Mayor and City Council

**FROM:** David Carmany
City Manager

**SUBJECT: CONSIDERATION OF RESOLUTION NO. 2023-5 RATIFYING PROCLAMATION NO. 2023-01 PROCLAIMING THE EXISTENCE OF A LOCAL EMERGENCY RELATED TO SEVERE WINTER STORMS**

## RECOMMENDATION:

Staff recommends that the City Council adopt the following resolution:

**RESOLUTION NO. 2023-5 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, RATIFYING PROCLAMATION NO. 2023-1 PROCLAIMING THE EXISTENCE OF A LOCAL EMERGENCY RELATED TO SEVERE WINTER STORMS**

## BACKGROUND:

California has experienced significant winter storms since January 1, 2023.

On January 4, 2023, Governor Newsom proclaimed a state of emergency throughout California in order to support the ongoing response to the winter storms. The Governor's proclamation supports emergency relief efforts including authorizing the mobilization of the California National Guard to support disaster response, directing Caltrans to request immediate assistance through the Federal Highway Administration's Emergency Relief Program to support highway repairs and other support for local response and recovery efforts.

On January 8, 2023, Governor Newsom requested a Presidential Emergency Declaration to support ongoing storm response and recovery efforts.

On January 8, 2023, President Biden declared that an emergency exists in the State of California and ordered Federal assistance to supplement State, tribal, and local response efforts due to the emergency conditions resulting from successive and severe winter storms, flooding, and mudslides beginning on January 8, 2023, and continuing.

The President's action authorizes the Department of Homeland Security, Federal Emergency Management Agency (FEMA), to coordinate all disaster relief efforts which have the purpose of alleviating the hardship and suffering caused by the emergency on the local population, and to provide appropriate assistance for required emergency measures to save lives and to protect property and public health and safety, and to lessen or avert the threat of a catastrophe in several counties throughout

California, including Los Angeles County.

On January 10, 2023, Los Angeles County proclaimed a local emergency due to the winter storms.

The City's ability to mobilize local resources, coordinate response and seek future reimbursement by the State and Federal governments will be critical to successfully responding to damage caused by the winter storm.

**DISCUSSION:**

Government Code section 8558 defines a local emergency as “the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the territorial limits of a county, city and county, or city, caused by conditions such as air pollution, fire, flood, storm, epidemic, riot, drought, … which are or are likely to be beyond the control of the services, personnel, equipment, and facilities of that political subdivision and require the combined forces of other political subdivisions to combat.”

Pursuant to Government Code section 8630, the City Council, or an official designated by ordinance of the City Council, can proclaim the existence of a local emergency. Under West Covina Municipal Code (WCMC) section 8-7(a)(1), the City Manager, as the Director of Emergency Services, can proclaim the existence of a local emergency. Once the existence of a local emergency is proclaimed, neighboring jurisdictions and the State have the power to provide mutual aid to address the emergency conditions. Pursuant to Government Code section 8630, if proclaimed by an official designated by ordinance, the local emergency cannot remain in effect for more than seven (7) days unless it is ratified by the City Council. Further, Government Code section 8630 requires the City Council to review the need for continuing the local emergency at least every 60 days until the local emergency is terminated, and requires the City Council to proclaim the termination of the local emergency at the earliest possible date that conditions warrant. Pursuant to WCMC section 8-7(a)(2), the City Manager may request that the City Council review the need for continuing the local emergency at least once every thirty (30) days until the City Council terminates the local emergency.

As authorized by Government Code section 8630 and WCMC section 8-7(a)(2), on January 11, 2023, the Acting City Manager, as the City's Acting Director of Emergency Services, proclaimed a local emergency due to the severe winter storms that began on January 1, 2023. The City Manager is requesting that the City Council ratify the proclamation of the local emergency.

**LEGAL REVIEW:**

The City Attorney’s Office has reviewed and approved the proposed resolution as to form.

**OPTIONS:**

The City Council has the following options:

1. Approve staff's recommendation; or
2. Provide alternative direction.

**Prepared by:** David Carmany, City Manager

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**Attachments**

Attachment No. 1 - Resolution No. 2023-5

**CITY COUNCIL GOALS & OBJECTIVES:** Protect Public Safety

**ATTACHMENT NO. 1**

**RESOLUTION NO. 2023-5**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, RATIFYING PROCLAMATION NO. 2023-01 PROCLAIMING THE EXISTENCE OF A LOCAL EMERGENCY RELATED TO SEVERE WINTER STORMS**

**WHEREAS,** the California Emergency Services Act (Government Code Section 8550 et seq.), authorizes the City Council, or an official designated by ordinance of the City Council, to proclaim a local emergency when the City is threatened by conditions of disaster or extreme peril to the safety of persons and property within the City that are, or are likely to be, beyond the control of the services, personnel, equipment, and facilities of the City; and

**WHEREAS,** if the City Council is not in session, West Covina Municipal Code Section 8-7 empowers the City Manager, as the Director of Emergency Services, to proclaim the existence or threatened existence of a local emergency when the City is affected or likely to be affected by a public calamity which is, or is likely to be, beyond the control of the services, personnel, equipment, and facilities of the City, requiring the combined forces of other political subdivisions to combat; and

**WHEREAS,** since January 1, 2023, as a result of a series of atmospheric river systems, Los Angeles County, including the City of West Covina, has been impacted by high winds, substantial precipitation, and flooding; and

**WHEREAS,** the National Weather Service has forecasted that additional and continuing storms related to this series of atmospheric river systems threat Los Angeles County, including the City of West Covina; and

**WHEREAS,** conditions of disaster or extreme peril to the safety of persons and property exist due to the severe winter storms; and

**WHEREAS,** it is anticipated that such conditions are beyond the control of the services, personnel, equipment, and facilities of the City and require the combined forces of other political subdivisions to combat; and

**WHEREAS,** the City's ability to mobilize local resources, coordinate interagency response, accelerate procurement of vital supplies, use mutual aid, and allow for future reimbursement by the state and federal governments will be critical to responding to this emergency; and

**WHEREAS**, on January 11, 2023, the Acting City Manager, as the City's Acting Director of Emergency Services, proclaimed a local emergency as authorized by Government Code section 8630 and West Covina Municipal Code section 8-7(a)(1). A

true and correct copy of Proclamation No. 2023-01 is attached hereto as Exhibit "A."

**WHEREAS**, the City Council hereby finds that conditions of disaster or of extreme peril to the safety of persons and property within the City of West Covina have arisen due to the severe winter storms that started on January 1, 2023.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The Acting City Manager's proclamation of local emergency, Proclamation No. 2023-01, dated January 11, 2023, is hereby ratified.

**SECTION 2.** As contemplated in the Emergency Services Act contained in Government Code Section 8550 et seq. and Chapter 8 of the West Covina Municipal Code, a local emergency exists based on the existence of conditions of disaster or of extreme peril to the safety of persons and property caused by the severe winter storms that started on January 1, 2023, as detailed in the recitals set forth above.

**SECTION 3.** The area of the City which is endangered/imperiled is the entire City.

**SECTION 4.** During the existence of this local emergency, the powers, functions, and duties of the emergency organization of this City shall be those prescribed by State law and by ordinances, resolutions, and orders of this City, including but not limited to the City's Emergency Plan.

**SECTION 5.** This local emergency shall continue to exist until the City Council proclaims the termination of this local emergency. The City Council shall review the need for continuing the local emergency in the manner required by law.

**SECTION 6.** A copy of this resolution and the emergency proclamation be forwarded to the Director of the California Governor's Office of Emergency Services requesting that the Director find it acceptable in accordance with State law; that recovery assistance be made available under the California Disaster Assistance Act; and that the State expedite access to State and Federal resources and any other appropriate Federal disaster relief programs.

**APPROVED AND ADOPTED** this 17th day of January, 2023.

_____
Rosario Diaz
Mayor

**APPROVED AS TO FORM**

Thomas P. Duarte
City Attorney

**ATTEST**

Lisa Sherrick
Assistant City Clerk

I, LISA SHERRICK, ASSISTANT CITY CLERK of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2023-5 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 17th day of January, 2023, by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

Lisa Sherrick
Assistant City Clerk

# EXHIBIT A

# PROCLAMATION NO. 2023-01

# PROCLAMATION NO. 2023-01

## A PROCLAMATION BY THE ACTING CITY MANAGER OF THE CITY OF WEST COVINA, CALIFORNIA, ACTING AS THE ACTING DIRECTOR OF EMERGENCY SERVICES, PROCLAIMING THE EXISTENCE OF A LOCAL EMERGENCY RELATED TO SEVERE WINTER STORMS

**WHEREAS,** the California Emergency Services Act (Government Code Section 8550 et seq.), authorizes the City Council, or an official designated by ordinance of the City Council, to proclaim a local emergency when the City is threatened by conditions of disaster or extreme peril to the safety of persons and property within the City that are, or are likely to be, beyond the control of the services, personnel, equipment, and facilities of the City; and

**WHEREAS,** if the City Council is not in session, West Covina Municipal Code Section 8-7 empowers the City Manager, as the Director of Emergency Services, to proclaim the existence or threatened existence of a local emergency when the City is affected or likely to be affected by a public calamity which is, or is likely to be, beyond the control of the services, personnel, equipment, and facilities of the City, requiring the combined forces of other political subdivisions to combat; and

**WHEREAS,** since January 1, 2023, as a result of a series of atmospheric river systems, Los Angeles County, including the City of West Covina, has been impacted by high winds, substantial precipitation, and flooding; and

**WHEREAS,** the National Weather Service has forecasted that additional and continuing storms related to this series of atmospheric river systems threat Los Angeles County, including the City of West Covina; and

**WHEREAS,** conditions of disaster or extreme peril to the safety of persons and property exist due to the severe winter storms; and

**WHEREAS,** it is anticipated that such conditions are beyond the control of the services, personnel, equipment, and facilities of the City and require the combined forces of other political subdivisions to combat; and

**WHEREAS,** the City's ability to mobilize local resources, coordinate interagency response, accelerate procurement of vital supplies, use mutual aid, and allow for future reimbursement by the state and federal governments will be critical to responding to this emergency; and

**WHEREAS,** the City Manager, as the City's Director of Emergency Services, has the power to declare a local emergency pursuant to Government Code section 8630 and West Covina Municipal Code section 8-7(a)(1).

**NOW, THEREFORE, IT IS PROCLAIMED AND ORDERED** by the Acting City Manager of the City of West Covina, acting as the Acting Director of Emergency Services, as follows:

A. As contemplated in the Emergency Services Act contained in Government Code Section 8550 et seq. and Chapter 8 of the West Covina Municipal Code, a local emergency exists based on the existence of conditions of disaster or of extreme peril to the safety of persons and property caused by the severe winter storms that started on January 1, 2023, as detailed in the recitals set forth above.

B. The area of the City which is endangered/imperiled is the entire City.

C. During the existence of this local emergency, the powers, functions, and duties of the emergency organization of this City shall be those prescribed by state law and by ordinances, resolutions, and orders of this City, including but not limited to the City's Emergency Plan.

D. The City Council shall review and ratify this proclamation within seven (7) days as required by State law. The City Council shall review the need for continuing the local emergency as required by State law and the West Covina Municipal Code until it terminates the local emergency, and shall terminate the local emergency at the earliest possible date that conditions warrant.

E. A copy of this proclamation be forwarded to the Director of the California Governor's Office of Emergency Services requesting that the Director find it acceptable in accordance with State law; that recovery assistance be made available under the California Disaster Assistance Act; and that the State expedite access to State and Federal resources and any other appropriate Federal disaster relief programs.

**PROCLAIMED this 11th day of January, 2021.**

Roxanne Lerma, Acting City Manager

APPROVED AS TO FORM:

Thomas P. Duarte, City Attorney

ATTEST:

Lisa Sherrick, Assistant City Clerk

# AGENDA STAFF REPORT

**City of West Covina | Office of the City Manager**

**DATE:** January 17, 2023

**TO:** Mayor and City Council

**FROM:** David Carmany
City Manager

**SUBJECT: CONSIDERATION OF PROFESSIONAL SERVICES AGREEMENT FOR BUILDING AND SAFETY SERVICES WITH TRANSTECH ENGINEERS, INC.**

## RECOMMENDATION:

It is recommended that the City Council:

1. Award Request for Proposals No. 71-020 for Building and Safety Services to Transtech Engineers, Inc.
2. Authorize the City Manager to execute a Professional Services Agreement with Transtech Engineers, Inc. for Building and Safety services for a three-year term, commencing January 18, 2023 and ending January 17, 2026, with two optional one-year extensions contingent upon satisfactory performance, in substantially the form as attached and in such final form as approved by the City Attorney;
3. Authorize the City Manager to approve any extensions and execute amendments providing for such extensions.

## BACKGROUND:

The City contracted out building plan services starting in August 2016. In November 2018, the Chief Building Official was a contractor, and starting in August 2019, all Building and Safety services were provided through contract services. In December 2020, the entered into a Professional Services Agreement ("Agreement") with Transtech Engineers, Inc. (Transtech) for Building and Safety services for an initial one-year term.

In July 2021, the City amended the Agreement with Transtech to include landscape plan check services and increased the maximum annual compensation. Pursuant to the Agreement, the term was extended through December 31, 2022. To ensure no lapse in Building & Safety services, the City extended the Agreement through January 17, 2023.

## DISCUSSION:

A Request for Proposals for Building and Safety consultant services was posted on PlanetBids on November 3, 2022. The City received five proposals from qualified firms by the December 1, 2022 deadline.

Government Code sections 4525 through 4528 require that State and local agencies use Qualifications Based Selection (QBS) to procure services for architecture, landscape architecture, engineering,

environmental, land surveying and construction management services. The purpose of the statutes is to assure that public agencies - and therefore the public - receive design services from the best design professionals.

Proposals were reviewed by Community Development Department staff for relevant experience, qualifications of personnel, size of the firm and the cost of services. The five firms were fairly equally matched in terms of experience, qualifications, and firm size.

The table below provides a summary of the proposed fee structure by company:

| Company | Proposed Fee Structure | Average Hourly Rates* |
|---|---|---|
| 4Leaf, Inc. | 75% of Plan Review Fees | $108.33 |
| BPR Consulting Group | 62% of Plan Review Fees<br>150% Expedited Plan Review Fees<br>Inspections and permit counter charged hourly | $106.67 |
| Bureau Veritas | N/A | $117.50 |
| CSG Consultants, Inc. | 70% of Full Plan Review & Building Plan Check Fees<br>45% Plumbing Mechanical/Electrical or 70% of PME<br>45% Structural Plan Review<br>100% Expedited plan check<br>65% Permit Fees | $108.67 |
| Transtech Engineers, Inc. | $150,000 50%<br>$150,001 - $250,000 40%<br>$250,001 + $35%<br>Minimum monthly fee of $50,000<br>(Includes inspection, permit counter, plan reviews, and expedited plan check fees) | $105.33 |

**Average Hourly rates of Chief Building Official, Building Inspector, and Permit Technician*

Since all firms were fairly equal in terms of qualifications, staff recommends awarding the RFP to Transtech as they have proposed the most cost-effective fee schedule.

Transtech is proposing to keep the existing sliding scale (please see table above) comparing with other firms that differentiate fee percentage based on type of plan review services and propose higher fee percentages (50% compared to up to 75%).

In addition, Transtech has been providing excellent customer service to our residents, contractors and builders. Transtech has been a great partner, adapting their service model to adjust for the pandemic, including developing a scheduling system for Planning, Fire, Engineering and Building. The City has also undertaken the task of updating the City's permitting software, which the transition is anticipated to commence in the coming months. Transtech also works collaboratively with our other departments to ensure internal customer service. Most recently, they have worked diligently to update the City's Building Code, not only to meet the new 2023 Los Angeles County Building Code, but simplifying it to make it easier to reference.

The City's proposed new agreement with Transtech also includes landscape plan check services. In continuing to hire Transtech, West Covina will be able to continue to work with Withers & Sangren, Ltd., which has provided excellent services.

Lastly, if the City were to change Building and Safety firm, there would be additional costs for the transition, and it may delay the transition to the new permitting software.

Overall, Transtech continues to be the most well-rounded firm with the most competitive price. Transtech will continue to provide all Building and Safety services, including Chief Building Official, building plan check, inspections and permit issuance, and landscape plan check services through Withers & Sandgren. Transtech is prepared to continue services immediately.

**LEGAL REVIEW:**

The City Attorney's Office has reviewed the Professional Services Agreement and approved it as to form.

**OPTIONS:**

The City Council has the following options:

1. Approve staff's recommendation; or
2. Select another firm based on those that submitted proposals and extend the contract with Transtech for the transition period; or
3. Provide alternative direction.

**Prepared by:** Paulina Morales, Assistant City Manager

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## Fiscal Impact

**FISCAL IMPACT:**

The currently budget for building and safety contractual services is for $1,715,220 (account no. 110.71.4120.6120) which is more than adequate to fund the minimum monthly rate of $50,000 ($600,000 annually). If permit and plan check revenue increases, staff will request to increase appropriations to pay TRANSTECH accordingly. All costs are paid from building permit and plan check revenues.

Contract services for building and safety ranged from $924k to over $2.2 million over the past three fiscal years, as shown in the table below.

| Fiscal Year | 2022 | 2021 | 2020 |
|---|---|---|---|
| Total Building Revenue | 7,855,727 | 4,054,384 | 2,012,993 |
| Cost for Contract Services | 2,284,001 | 1,308,803 | 924,991 |

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## Attachments

Attachment No. 1 - Agreement with Transtech

**CITY COUNCIL GOALS & OBJECTIVES:** Protect Public Safety
Enhance City Image and Effectiveness
Achieve Fiscal Sustainability and Financial Stability
Expand Economic Development Opportunities

# CITY OF WEST COVINA
# PROFESSIONAL SERVICES AGREEMENT
# WITH
# TRANSTECH ENGINEERS, INC.
# FOR
# BUILDING & SAFETY SERVICES

THIS PROFESSIONAL SERVICES AGREEMENT is made and entered into as of January 18, 2023 ("Effective Date"), by and between the CITY OF WEST COVINA, a municipal corporation ("City"), and TRANSTECH ENGINEERS, INC., a California corporation ("Consultant").

## RECITALS

A. City proposes to utilize the services of Consultant as an independent contractor to City to provide Building and Safety Services, as more fully described herein; and

B. Consultant represents that it has that degree of specialized expertise contemplated within California Government Code Section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

C. City and Consultant desire to contract for the specific services described in Exhibit "A" and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

D. No official or employee of City has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement; and

E. Consultant responded to the City's Request for Proposals dated November 3, 2022 (RFP #71-020) incorporated via this reference as if fully set forth herein, and Consultant's response to the Request for Proposals was a material inducement to the City ultimately entering into this agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

## 1.0. SERVICES PROVIDED BY CONSULTANT

1.1. Scope of Services. Consultant shall provide the professional services described in Consultant's Proposal, attached hereto as Exhibit "A" and incorporated herein.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant's performance of this Agreement. Consultant shall keep itself informed of State and Federal laws and regulations which in any manner affect those employed by it or in any way affect

the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. City officers and employees shall not be liable at law or in equity for any claims or damages occurring as a result of failure of the Consultant to comply with this section.

1.3. Performance to Satisfaction of City. Consultant agrees to perform all the work to the reasonable satisfaction of the City. Evaluations of the work will be conducted by the City Manager or his or her designee. If the quality of work is not satisfactory, City in its discretion has the right to:

(a) Meet with Consultant to review the quality of the work and resolve the matters of concern;

(b) Require Consultant to repeat the work at no additional fee until it is satisfactory; and/or

(c) Terminate the Agreement as hereinafter set forth.

1.4. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement.

1.5. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical or mental disability, medical condition, genetic information, pregnancy, marital status, sex, gender, gender identity, gender expression, sexual orientation, or military or veteran status, except as permitted pursuant to Section 12940 of the Government Code.

1.6. Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.7. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

1.8. Public Records Act Disclosure. Consultant has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required by the California Public Records Act (California Government Code Section 6250 *et seq*.).

Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in California Government Code Section 6254.7, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the court.

## 2.0. COMPENSATION AND BILLING

2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit A. City agrees that Consultant's minimum monthly compensation shall be Fifty Thousand Dollars ($50,000.00).

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Consultant's Proposal unless the City, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable. Should the City request in writing additional services that increase the Scope of Services, an additional fee based upon the Consultant's standard hourly rates shall be paid to the Consultant for such additional services.

2.3. Method of Billing. Consultant may submit invoices to the City for approval on a progress basis, but no more often than once a month. Said invoice shall be based on the total of all Consultant's services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail the services performed, the date of performance, and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City for inspection and/or audit at mutually convenient times from the Effective Date until three (3) years after the termination or expiration of this Agreement.

## 3.0. TIME OF PERFORMANCE

3.1. Commencement and Completion of Work. Unless otherwise agreed to by the parties, the professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a party. If a delay beyond the control of the Consultant is encountered, a time extension may be mutually agreed upon in writing by the City and the Consultant. The Consultant shall present documentation satisfactory to the City to substantiate any request for a time extension.

## 4.0. TERM AND TERMINATION

4.1. Term. This Agreement shall commence on Effective Date and continue for a period of three (3) years, ending on January 17, 2026, unless previously terminated as provided herein. Thereafter, this Agreement may be extended for a maximum of two (2) successive one (1) year periods. Such extensions, if any, will be evidenced by a written amendment to this Agreement.

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing at least fifteen (15) days prior written notice to Consultant. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City. If the City suspends, terminates or abandons a portion of this Agreement such suspension, termination or abandonment shall not make void or invalidate the remainder of this Agreement.

If the Consultant defaults in the performance of any of the terms or conditions of this Agreement, it shall have ten (10) days after service upon it of written notice of such default in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled to at law, in equity, or under this Agreement.

The City also shall have the right, notwithstanding any other provisions of this Agreement, to terminate this Agreement, at its option and without prejudice to any other remedy to which it may be entitled to at law, in equity, or under this Agreement, immediately upon service of written notice of termination on the Consultant, if the latter should:

a. Be adjudged a bankrupt;

b. Become insolvent or have a receiver of its assets or property appointed because of insolvency;

c. Make a general assignment for the benefit of creditors;

d. Default in the performance of any obligation or payment of any indebtedness under this Agreement;

e. Suffer any judgment against it to remain unsatisfied or unbonded of record for thirty (30) days or longer; or

f. Institute or suffer to be instituted any procedures for reorganization or rearrangement of its affairs.

4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the effective date of the City's written notice of termination, within forty-five (45) days after the effective date of the notice of termination or the final invoice of the Consultant, whichever occurs last. Compensation for work in progress shall be prorated based on the percentage of work

completed as of the effective date of termination in accordance with the fees set forth herein.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps and reports, shall be delivered to the City within ten (10) days of the effective date of the notice of termination, at no cost to City.

## 5.0. INSURANCE

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company authorized to do business in California, with a current A.M. Best's rating of no less than A:VII, and approved by City:

(a) Broad-form commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than Two Million Dollars ($2,000,000.00) per occurrence, Four Million Dollars ($4,000.000.00) general aggregate.

(b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars ($1,000,000.00) combined single limit per accident for bodily injury and property damage.

(c) Workers' compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with a limit of no less than One Million Dollars ($1,000,000.00) per accident for bodily injury or disease. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers for losses arising from work performed by Consultant for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

By execution of this Agreement, the Consultant certifies as follows:

> I am aware of, and will comply with, Section 3700 of the Labor Code, requiring every employer to be insured against liability of Workers' Compensation or to undertake self-insurance before commencing any of the work.

The Consultant shall also comply with Section 3800 of the Labor Code by securing, paying for and maintaining in full force and effect for the duration of this Agreement, complete Workers' Compensation Insurance, and shall furnish a Certificate of Insurance to the City before execution of this Agreement by the City. The City, its officers and employees shall not be responsible for any claims in law or equity occasioned by failure of the consultant to comply with this section.

(d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars ($1,000,000.00), combined single limits, per occurrence or claim, and Two Million Dollars ($2,000,000.00) aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retroactivity date shall be prior to the start of the work set forth herein. Consultant shall obtain and maintain said E&O liability insurance during the life of this Agreement and for five (5) years after completion of the work hereunder. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of this Agreement, Consultant shall purchase "extended reporting" coverage for a minimum of five (5) years after completion of the work.

If the Consultant maintains higher limits or has broader coverage than the minimums shown above, the City requires and shall be entitled to all coverage, and to the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

5.2. Endorsements. The insurance policies are to contain, or be endorsed to contain, the following provisions:

(a) Additional Insureds: The City of West Covina and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Consultant pursuant to its contract with the City; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; automobiles owned, leased, hired, or borrowed by the Consultant.

(b) Notice of Cancelation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

(c) Primary Coverage: The Consultant's insurance coverage shall be primary insurance as respects the City of West Covina, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of West Covina shall be excess and not contributing with the insurance provided by this policy.

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

(e) Coverage Not Affected: Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of West Covina,

its officers, officials, agents, employees, and volunteers.

(f) Coverage Applies Separately: The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5.3. Deductible or Self Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. The City may require the Consultant to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

5.4. Certificates of Insurance. Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

5.5. Non-limiting. Nothing in this Section shall be construed as limiting in any way the indemnification provision contained in this Agreement.

## 6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification.

6.2. Representatives. The City Manager or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Key Personnel. It is the intent of both parties to this Agreement that Consultant shall make available the professional services of Ahmad Ansari, who shall coordinate directly with City. Any substitution of key personnel must be approved in advance in writing by City's Representative.

6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, Email or by U.S. mail. If by U.S. mail, it shall be addressed as set forth below and placed in a sealed envelope, postage prepaid, and deposited in the United States Postal Service. Such communication shall be deemed served or delivered: a) at the time of delivery if such

communication is sent by personal delivery; b) at the time of transmission if such communication is sent by Email; and c) 72 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

| IF TO CONSULTANT: | IF TO CITY: |
|---|---|
| Transtech Engineers, Inc.<br>13367 Benson Avenue<br>Chino, CA 91710<br>Tel: (949) 702-5612<br>Email: ahmad.ansari@transtech.org<br>Attn: Ahmad Ansari | City of West Covina<br>1444 West Garvey Ave. South<br>West Covina, CA 91790<br>Tel: (626) 939-8401<br>Email: pmorales@westcovina.org<br>Attn: Paulina Morales |

6.5. Attorneys' Fees. If litigation is brought by any party in connection with this Agreement against another party, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

6.6. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Los Angeles County, California.

6.7. Assignment. Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.

6.8. Indemnification and Hold Harmless.

(a) General Indemnification. Other than in the performance of design professional services, and to the fullest extent permitted by law, Consultant agrees to defend, with counsel of City's choosing, indemnify, and hold harmless the City, its elected and appointed officials, officers, agents and employees, at Consultant's sole expense, from and against any and all claims, demands, actions, suits or other legal proceedings brought against the City, its elected and appointed officials, officers, agents and employees arising out of the performance of the Consultant, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the Consultant, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Consultant, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts

liability against the City, its elected and appointed officials, officers, agents and employees based upon the work performed by the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

(b) Indemnification for Design Professional Services. To the fullest extent permitted by law, Consultant agrees to defend, with counsel of City's choosing, indemnify, and hold harmless the City, its elected and appointed officials, officers, agents and employees, at Consultant's sole expense, from and against any and all claims, demands, actions, suits or other legal proceedings brought against the City, its elected and appointed officials, officers, agents and employees arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of the Consultant, its employees, and/or authorized subcontractors, in the performance of design professional services under this Agreement by a "design professional," as such term is defined in California Civil Code section 2782.8(c). The defense obligation provided for hereunder shall apply without any advance showing of negligence, recklessness or willful misconduct of the Consultant, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, recklessness, or willful misconduct of the Consultant, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected and appointed officials, officers, agents and employees based upon such negligence, recklessness, or willful misconduct, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. In no event shall the cost to defend charged to Consultant exceed Consultant's proportionate percentage of fault. However, notwithstanding the previous sentence, in the event one or more defendants is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, Consultant shall meet and confer with other parties regarding unpaid defense costs. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

6.9. Independent Contractor. Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of City. Consultant shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation,

Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Consultant shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold City harmless from any failure of Consultant to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

6.10. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.11. Cooperation. In the event any claim or action is brought against City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require.

6.12. Ownership of Documents. All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City. Any use of such documents for other projects not contemplated by this Agreement, and any use of incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other related items as requested by City or its authorized representative, at no additional cost to the City. Consultant or Consultant's agents shall execute such documents as may be necessary from time to time to confirm City's ownership of the copyright in such documents.

6.13. Electronic Safeguards. Consultant shall identify reasonably foreseeable internal and external risks to the privacy and security of personal information that could result in the

unauthorized disclosure, misuse, alteration, destruction or other compromise of the information. Consultant shall regularly assess the sufficiency of any safeguards and information security awareness training in place to control reasonably foreseeable internal and external risks, and evaluate and adjust those safeguards in light of the assessment.

6.14. Economic Interest Statement. Consultant hereby acknowledges that pursuant to Government Code Section 87300 and the Conflict of Interest Code adopted by City, Consultant is designated in said Conflict of Interest Code and is therefore required to file an Economic Interest Statement (Form 700) with the City Clerk, for each employee providing advice under this Agreement, prior to the commencement of work, unless waived by the City Manager.

6.15. Conflict of Interest. Consultant and its officers, employees, associates and subconsultants, if any, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act of 1974 (Government Code Section 81000, *et seq*.) and Government Code Sections 1090-1092. Consultant covenants that none of Consultant's officers or principals have any interest in, or shall acquire any interest, directly or indirectly, which will conflict in any manner or degree with the performance of the services hereunder, including in any manner in violation of the Political Reform Act. Consultant further covenants that in the performance of this Agreement, no person having such interest shall be used by Consultant as an officer, employee, agent, or subconsultant. Consultant further covenants that Consultant has not contracted with nor is performing any services, directly or indirectly, with any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the City and further covenants and agrees that Consultant and/or its subconsultants shall provide no service or enter into any agreement or agreements with a/any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the City prior to the completion of the work under this Agreement.

6.16. Prohibited Employment. Consultant will not employ any regular employee of City while this Agreement is in effect.

6.17. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

6.18. Costs. Each party shall bear its own costs and fees incurred in the preparation and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.19. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.20. Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.21. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement and have had an adequate opportunity to review each and every provision of the Agreement and submit the same to counsel or other consultants for review and comment. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

6.22. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.23. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.24. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.25. Counterparts and Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and may be executed by electronic signatures. All counterparts shall be construed together and shall constitute one agreement. Delivery of an executed counterpart of this Agreement by a .pdf data file or other scanned executed counterpart by email shall be equally as effective as delivery of a manually executed counterpart of this Agreement. Each duplicate and counterpart shall be equally admissible in evidence, and each shall fully bind each party who has executed it. The parties waive all right to challenge the admissibility or authenticity of this Agreement in a court of law based solely on the absence of an original signature.

6.26. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

6.27. Taxpayer Identification Number. Consultant shall provide City with a complete Request for Taxpayer Identification Number and Certification, Form W9, as issued by the Internal Revenue Service.

[SIGNATURE PAGE FOLLOWS.]

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CITY OF WEST COVINA,
A municipal corporation

_____ Date: _____
David N. Carmany
City Manager

CONSULTANT

_____ Date: _____
Allen Cayir
President

_____ Date: _____
Sybil Cayir
Secretary

ATTEST:

_____
Lisa Sherrick
Assistant City Clerk

APPROVED AS TO FORM:

_____ Date: _____
Thomas P. Duarte
City Attorney

APPROVED AS TO INSURANCE:

_____ Date: _____
Lisa Handy
Interim Human Resources and Risk Management Director

# EXHIBIT A

# CONSULTANT'S PROPOSAL

EXHIBIT A

Submitted To
City of WEST COVINA

1444 W. Garvey Avenue SOUTH
West Covina, CA 91790
Attn.: Maria Delira, Purchasing Manager
Submittal Requirement: 4 COPIES, 1 PDF FILE

# Proposal

# BUILDING AND SAFETY SERVICES

TRANSTECH
Est. 1989

www.transtech.org
855.595.2495 (toll-free)


Submitted By
**TRANSTECH Engineers, Inc.**

Contact Person for this Proposal:
**Ayla Jefferson, CBO, CSP, Principal Building Official**
**E: ayla.jefferson@transtech.org**
**C: 909-851-5765, O: 909-595-8599, ext.123**
**Dennis Tarango, CBO, Principal Building Official**
**E: dennis.tarango@transtech.org**
**C: 909-821-7117; O: 909-595-8599, Ext. 127**

**Our proposal is submitted in the format and order specified in RFP Section "8. PROPSAL FORMAT".**


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# 1. COVER LETTER

BUILDING AND SAFETY SERVICES

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TRANSTECH
Est. 1989
www.transtech.org
855.595.2495 (toll-free)

December 1, 2022

City of WEST COVINA
1444 W. Garvey Avenue SOUTH
West Covina, CA 91790
Attn.: Maria Delira, Purchasing Manager

**Proposal, BUILDING AND SAFETY SERVICES**

In response to City's request, Transtech is pleased to submit this Proposal for the subject services.

Established in 1989, Transtech (a California Corporation) is a **multi-disciplinary engineering consulting** firm. Transtech has been **in business for over 33 years** and **provides municipal services to approximately 70 public agencies**, **including Building and Safety Services**.

In San Gabriel Valley, in addition to West Covina, we provide Building and Safety Services to several agencies, including **Alhambra, Montebello Monterey Park, Rosemead, South El Monte, South Pasadena, Temple City**. We are also **under multi-year contract with the County of Los Angeles** providing Building, Plan Check and Inspection Services.

Transtech has a large pool of well experienced staff and resources readily available to provide requested services, and respond to requests in a timely, efficient, and cost-effective manner. Our staff and resources include approximately 200, **including building officials, plan checkers, inspectors, permit technicians**, engineers, project managers, designers, plan checkers, inspectors, construction managers, traffic and transportation analysts, technicians, support personnel.

We have extensive experience working with Public Agencies in similar assignments. We are accustomed to working with governmental agencies, and have a good understanding of public agency issues, procedures, and policies. We believe our team is well qualified to perform the services requested.

- ✓ Successfully providing **similar services to many agencies** for over 33 years.
- ✓ Proven track record in **on time** and **within budget** project delivery.
- ✓ **Multi-disciplinary** engineering consulting service capabilities to provide an array of municipal services.
- ✓ Ability to **work collaboratively** with agencies, project applicants, and other stake holders, and **communicate effectively** with diverse audiences and stakeholders at public forums.
- ✓ Committed to producing a **high-quality work product and deliver a high level of customer care**.
- ✓ Commitment of **principal level management** and involvement throughout the contract duration.
- ✓ Well experienced **in-house staff readily available** to commence with the services upon City's authorization.

Transtech agrees with RFP Section 10.8 PROPOSAL VALIDITY PERIOD requirement: Pricing, terms and conditions stated in the proposer's response shall remain valid for 120 days from the date of submission of the proposal to the City.

Thank you for the opportunity to submit this proposal. Should you have any questions, or require additional information, please contact us.

Sincerely

Ayla Jefferson, CBO, CSP, Principal Building Official
E: ayla.jefferson@transtech.org
C: 909-851-5765, O: 909-595-8599, ext.123

Dennis Tarango, CBO, CSP, Principal Building Official
E: dennis.tarango@transtech.org
C: 909-821-7117, O: 909-595-8599, ext.127

# 2. PROJECT SUMMARY SECTION

BUILDING AND SAFETY SERVICES

# 2.1 Understanding of City's Request for Services

## 2.1.1 Understanding of City and Requested Services

The City of West Covina (City) is seeking proposals from qualified consulting firms that have the experiences and support capabilities to provide municipal Building and Safety Services under the Direction of the Community Development Director.

The City of West Covina is located in the San Gabriel Valley, 20 miles east of downtown Los Angeles and 15 miles north of Orange County. Incorporated as a general law city in 1923, the City operates under the council/manager form of government. The City's 16 square miles flourished with walnut groves and orange groves for many decades. The City has developed into a commercial and residential community, with a population currently estimated at about 110,200 residents.

The City offers 16 parks, four community centers, a Sports Complex, and a County-operated library. The City provides a full range of services to its citizens, including police, fire and emergency medical; construction and maintenance of streets, traffic signalization and other infrastructure; planning and building safety; and social, recreational and cultural activities and events. However, the City contracts out building and safety services, engineering, planning and business licensing. Additionally, water utilities and solid services are provided and billed externally.

Under the direction of the Community Development Director, the selected firm would assume the responsibility for the operation of the Building and Safety Division and would provide the range of expertise necessary to carry out the normal and day-to-day activities and functions of the Division. This includes, but not limited to providing professional services in all the following areas: Building Official services, development review of new projects, counter assistance, plan checking, building code compliance, and "on-call" inspection services. It is the City's intent to select one (1) firm to provide the requested services.

The City of West Covina is committed to providing the most efficient and timely customer service possible to meet the needs of the community. The selected firm will be expected to provide excellent front-line customer services to the City's patrons, responding quickly and effectively to the walk-in, telephone, and electronic inquiries from the public related to Building and Safety services. The selected firm will be expected to work closely with all City departments and divisions and ensure that the appropriate requirements of those departments and divisions are incorporated in the Building and Safety Division's operating standards and processes.

**RFP Section 12. REGISTRATION WITH THE DEPARTMENT OF INDUSTRIAL RELATIONS states the following:**
Pursuant to California Labor Code sections 1725.5 and 1771.1, no contractor or subcontractor shall be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work unless registered and qualified pursuant to California Labor Code section 1725.5.

***Following are CA DIR Number Verifications for Transtech Engineers, Inc., and its subconsultants Geo-Advantec, Inc. and Withers & Sandgren, Ltd.***

**Transtech Engineers, Inc.**

TRANSTECH ENGINEERS, INC.

Detail:

| | |
|---|---|
| Registration Number: | 1000062980 |
| Status: | Active |
| CSLB Number: | 723985 |
| Legal Entity Type: | Corporation |
| Mailing Address: | 13367 BENSON AVENUE<br>CHINO<br>CA 91710 |
| County: | San Bernardino |
| Craft: | Consultant |
| Email: | info@transtech.org |

**Subconsultant: Withers & Sandgren, Ltd.**

Withers & Sandgren, Ltd

Detail:

| | |
|---|---|
| Registration Number: | PW-LR-1000571165 |
| Status: | Active |
| CSLB Number: | |
| Legal Entity Type: | Corporation |
| Mailing Address: | 20948 Tulsa Street<br>Chatsworth<br>CA 91311 |
| County: | Los Angeles |
| Craft: | Consultant |
| Email: | lacey@withersandsandgren.com |

**Sub-Consultant: Geo-Advantec, Inc,**

GEO-ADVANTEC, INC.

Detail:

| | |
|---|---|
| Registration Number: | 1000017767 |
| Status: | Active |
| CSLB Number: | |
| Legal Entity Type: | Corporation |
| Mailing Address: | 457 WEST ALLEN AVENUE, SUITE 113<br>SAN DIMAS<br>CA 91773 |
| County: | Los Angeles |
| Craft: | Inspector/Field Soils, Material Tester |
| Email: | landerson@geoadvantec.com |

**RFP Section 10.10 EVALUATION AND SELECTION PROCESS states the following:**

All proposers should identify or affirm each of the following requirements:

(a) Have a minimum of three (3) similar projects within the last three (3) years providing the same or similar services requested in this RFP.
***Transtech affirms that it meets the above requirement.***

(b) Have no outstanding or pending complaints as determined through the Better Business Bureau or State of California Department of Consumer Affairs.
***Transtech affirms that it has no outstanding or pending complaints as determined through the Better Business Bureau or State of California Department of Consumer Affairs.***

(c) Have the administrative and fiscal capability to provide and manage the proposed services.
***Transtech affirms that it has the administrative and fiscal capability to provide and manage the proposed services.***

## 2.1.2 Transtech's Service Approach

**Transtech's unique "Customer Care" approach in delivering Building and Safety Services in an efficient, cost-effective, timely and customer friendly manner:**

- ✓ Transtech is well known in providing **Cost Effective Services** on time with a **customer friendly and responsive** approach.
- ✓ Our services are founded on the principles of **Total Quality Management** for **Total Customer Care**.
- ✓ We have a **structured approach** to execute projects in an efficient manner that makes Transtech capable of providing the City with the highest quality product. Transtech has established guidelines and policies, including written manuals on quality control, project management, and design procedures for its staff and for its contract cities. These guidelines ensure a consistent approach to the execution of assignments undertaken by our organization in compliance with City's specific procedures, standards, and requirements.
- ✓ We start by **working with the applicant early on** and during plan review to help them prepare a set of plans which have all of the required information clearly and logically presented.
- ✓ Additionally, we never hesitate to make suggestions which help eliminate complicated details, **reduce construction costs, and/or provide details which are easy to verify in the field**. Experience has taught us well that inspection time and applicant frustration can both be substantially reduced, while increasing overall compliance, by producing a better set of plans during the plan review process. And in the case of homeowners, **this policy often demonstrates early on that the City really is truly a partner in a process that can often be a source of stress and tension for many applicants, and we fully understand that.**
- ✓ This policy reduces the number of plan review rechecks required, **allows the applicant to obtain a permit much sooner**, and reduces the overall time our staff is required to spend on that particular plan.
- ✓ Transtech provides all plan check **comments on electronic files**. All plan check comments are provided on pdf format electronically, **as well as hard copies**. Plan review corrections are written clearly and are **fully detailed to explain the Code deficiency**.
- ✓ To help the applicant better understand the problem, Transtech provides as much information during plan review as possible. We believe that if the applicant has a **clear understanding of the problem**, he or she can take the necessary steps to correct the condition. This policy reduces the number of plan review rechecks required, allows the applicant to **obtain a permit much sooner**, and reduces the overall time our staff is required to spend on that particular plan. Unclear and/or cryptic corrections are never written, and all correction lists, except those written over the counter, are typed and printed on a laser printer.
- ✓ Our plan checkers **confer early on and respond to questions** from the architect, engineer, designer, applicant, etc. When requested, our plan checkers also meet with the architect, engineer, designer, applicant, etc. at our offices to answer questions or for rechecks where the plan corrections.
- ✓ Our policy is to assist the architect, engineer, designer, applicant, etc. as much as possible, which helps **eliminate complicated details, reduce construction costs, and/or provide details which are easy to verify in the field**.
- ✓ All telephone calls or e-mails received are returned within the same working day, or the following day. We take pride in our "**Same Day Response**" motto.
- ✓ **Responsiveness is an integral part** of Transtech's "customer friendly" service approach.
- ✓ We will strive to **enhance the City's image by public trust** to be the most desirable community to live, invest and conduct business.
- ✓ Customer Care means highest quality customer service. Transtech is committed to providing **"Customer Care"** to the City, City's patrons, responding quickly and effectively to the walk-in, telephone, and electronic inquiries of the public related to our services.

## 2.2 Understanding of City's Requirements for Staff Qualifications

### 2.2.1 Required Staff Qualifications

**Building Official Services:**

The selected firm shall provide a highly qualified individual to serve as the City's Building Official. The Building Official shall oversee plan checking, building and grading inspections, building code compliance, and acts as an official City representative on building related matters. Service will include but are not limited to the following:

1. Quality control review of plan checks and inspections
2. Building Code updates and adoption
3. Resolution of inquiries and complaints
4. Building Official Administration, processing of complex Building Code issues and dispute resolution
5. Maintain and update the Building and Safety counter brochures and "hand-outs"
6. Monthly reporting of Building and Safety activities and annual reporting
7. Participate in pre-development review and provide comments
8. Attendance of pre-development review meetings
9. Processing of City Council staff reports (as needed)
10. Attendance at Planning Commission and City Council meetings (as needed)

The ideal proposal would include an International Code Council (ICC) Certified Building Official who is available to be at the City part-time (10 hours minimum) and as needed, has at least 5 years of Building Official experience, is customer-service oriented, and has experience with managing multiple tasks, assignments and responsibilities. The Building Official shall also be available on an as needed basis for questions and quality control of work during the time he/she is not at City Hall.

**Inspection Services:**

The selected firm shall provide a Building Inspector, acceptable to the Community Development Director, on an as needed/on-call basis to provide Building and Safety Services. Specific responsibilities include but are not limited to the following:

1. Inspection services (residential, commercial, and other nonresidential projects) for building code, accessibility, grading, building, electrical, mechanical, plumbing, etc.
2. Maintain permit forms and handout materials related to permit requirements and issuance
3. Handle project inquiries and resolve complaints
4. Maintain records and files concerning construction permits and building code administration (including documents for storage and/or imaging)

The ideal proposal would include an International Code Council (ICC) certified combination Building Inspector who is available to be at the City as needed/on-call, has at least 5 years of building inspection experience inspecting residential, commercial, and mixed-used buildings, has experience inspecting structural systems, has experience inspecting electrical systems, is customer- service oriented, and has experience with managing multiple tasks, assignments and responsibilities.

**Building Permit Technician Services:**

The selected firm shall provide a Building Permit Technician, acceptable to the Community Development Director, on an as needed/on-call basis to provide Building and Safety Services. Specific responsibilities

include but are not limited to the following:

1. Reviews permit applications, calculate fees in accordance to established fee schedule, receive permit application/plans for plan check processing, and issue permits
2. Handle project inquiries and resolve complaints
3. Maintain records and files concerning construction permits and building code administration (including documents for storage and/or imaging)

The ideal proposal would include a Building Permit Technician who has at least 2 years of permit issuance experience in a municipal government department and responsible clerical experience Plan Check Services

**Plan Check Services:**

The selected firm shall provide qualified plan check professionals on as needed basis. The selected firm shall provide such personnel based on the volume of work and the City's expected plan check turn- around times as described in Section E below.

1. Plan checking includes American with Disabilities Act (ADA) accessibility, grading, erosion control, building, mechanical, electrical, plumbing work, and Fire, etc.
2. Plan check monitoring, permit issuance for grading, building electrical, mechanical, plumbing, and fire etc.
3. Handle project inquiries and resolve complaints

The ideal proposal would include an International Code Council (ICC) Certified California Building Plans Examiner with at least 5 years of plan check experience, committed to providing the most efficient, accurate and timely plan check services possible to meet the needs of the City, has previous City experiences, is customer- service oriented, and has experiences with successfully managing multiple tasks, requiring the application assignments, and responsibilities. The plan checker may substitute for a portion of the required time the Building Official is available at City Hall.

***Transtech has a large pool of well experienced staff with credentials and certifications and proven track record in providing building and safety services in a timely, efficient, cost-effective and customer friendly manner.***

- *Transtech staff members have extensive experience and in-depth knowledge of applicable codes and regulations. Our staff members are certified by the International Code Council (ICC).*
- *We have staff who have reached the highest possible level of code administration with the* ***Master Code Professional designation certification from the ICC****. In addition, some of our staff members are certified as Fire Plan Checkers and Inspectors, as we provide these services to some agencies.*
- *Our staff members are* ***involved in many local and national International Code Council (ICC) and California Building Officials (CALBO) committees, and in the development of local and national guidelines and codes for Building and Safety:***
  - *Chair; ICC Sustainability Membership Council*
  - *Chair; ICC LA Basin Chapter Inspection Committee*
  - *Commissioner; ICC Codes & Standards Council*
  - *Commissioner; CALBO Green Committee*
  - *Commissioner; ICC/CALBO CA Exam Committee*
  - *Commissioner; CALBO Outreach/Communications Committee*
  - *ICC Los Angeles Basin Chapter Board of Directors*
  - *ICC Building Officials Membership Governing Council*
  - *ICC Code Development Committee Vice Chair*
  - *ICC Technology/Web Advisory Group*
  - *IAS Accreditation Committee*
  - *ICC LA Chapter Accessibility Committee*
  - *Commissioner; CALBO State Licensing Boards Committee*

**Maximum Service Delivery Timeframes:**

The City has established the "Maximum Timeframes" for the delivery of Building and Safety Services. Transtech will provide adequate personnel, based on the level of development activity within any given time, to ensure that the following timeframes are met:

| Service | Timeframe for Delivery |
|---|---|
| **First Major Plan Check** (such as new single- family house, multi-family residential, commercial and other non-residential project) | 10-15 business days |
| **2nd Subsequent Plan Checks & Resubmitted Plan Checks** (simple tenant improvements for non-residential buildings) | 3-5 business days |
| **Minor Plan Check** (such as room additions of single-family house, detached accessory structures, re- roofing, wall signs, swimming pools, etc.) | 3 business days or over the counter during a designated time period each day |
| **Building Inspection** | 95% next Day Inspections |
| **Grading Plan Check** (new construction) | 10-15 business days |
| **Subsequent or Resubmitted** grading plan checks | 3-5 business days |
| **Grading Inspection** | 95% next Day Inspections |
| **Return Phone Calls** | Within 24 hours or next business day |
| **Monthly Accounting and Reporting** | Completed within the first 10 days after close of month |

***Transtech has a proven track record and a large pool of well experienced in-house staff readily available to meet the service delivery requirements:***

- *We will be responsible to ensure that all other Building and Safety duties and follow-up not specifically mentioned in the table above are performed in a timely manner. We will be responsible to ensure all personnel assigned to the City have sufficient on-going training to perform their assigned duties.*
- ***Expedited/Off-Business Hours/Weekend Services:*** *If the City receives a request from applicants for expedited plan check services, Transtech staff is able to provide additional resources to accommodate such a request. If the City requests inspection services, Transtech staff will provide additional resources to accommodate inspection requests during off business hours and weekends.*
- ***Quick Turn Around and Expedited Service:*** *Transtech will provide plan checks on a* ***quick turn-around schedule****. Transtech also provides expedited service when requested.* ***Applicant will be able to see online on real time the progress of plan check submittals.***

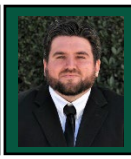
## 2.2.2 Transtech's Building and Safety Staff Qualifications

### 2.2.2.1 Organization Chart

**DENNIS TARANGO, CBO, CSP**
Principal Building & Safety Official
ICC Certified Building Official,
Plans Examiner and Inspector

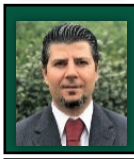
**AYLA JEFFERSON, CBO, CSP**
Principal Building & Safety Official
ICC Certified Building Official,
Plans Examiner and Inspector

**BILL DORMAN, CBO, CSP**
ICC Certified Building Official,
Plans Examiner and Inspector



**JASON ROBBINS**
ICC Certified Building Official,
Plans Examiner and Inspector

**JEFFREY KAO, PE, CBO, CASp**
ICC Certified Building Official,
Plans Examiner and Inspector



**CEM AYAN, PE**
ICC Certified Plans Examiner
and Inspector

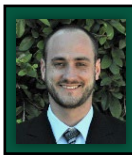
**CALVIN CHANG, PE**
ICC Certified Plans Examiner

**ROBERT HERNANDEZ**
ICC Certified Plans Examiner
and Inspector

**FRANKIE LOPEZ**
ICC Certified Building Inspector

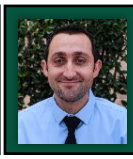
**MICHAEL ROBERTS, CBO, MCP**
ICC Certified Building Official,
Plans Examiner and Inspector

**NICHOLAS TARANGO**
ICC Certified
Building Inspector,
Permit Technician



**JEREMY REED**
ICC Certified
Building Inspector,
Permit Technician

**JONATHAN TARANGO**
ICC Certified Building Inspector,
CALGreen Inspector/Plans
Examiner, Permit Technician

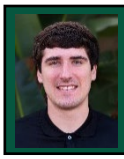


**CAN GOZUBUYUK**
ICC Certified Inspector

**STEVE RIVAS**
ICC Certified Building Inspector/
Permit Technician

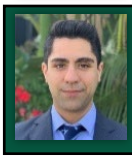
**JULIE ROBBINS**
ICC Certified
Permit Technician

**AMY CHAN**
ICC Certified
Permit Technician



**NATHAN ESTABROOK**
ICC Permit Technician

**GREGORY AHERN**
ICC Certified Inspector,
ICC Certified Fire Inspector



**JOHN TUFAN**
ICC Certified
Permit Technician CALGreen
Inspector/Plans Examiner

**RONALD L. GRIESINGER**
Fire Marshal
Fire Plan Checker

Specialty Services
Soils Report Review Support
GEO-ADVANTEC, INC.
www.geoadvantec.com

Specialty Services
Landscape Plan Review Support
WITHERS & SANDGREN, LTD
www.withersandsandgren.com

Transtech has a large pool of well experienced staff and resources readily available to provide requested services, and respond to requests in a timely, efficient, and cost-effective manner. Our staff and resources include approximately 200, **including building officials, plan checkers, inspectors, permit technician**, engineers, project managers, designers, plan checkers, inspectors, construction managers, traffic and transportation analysts, technicians, support personnel.

### 2.2.2.2 Staff General Qualifications and Licenses

**Licenses and Certificates of the Firm and Staff Members in Diversified Fields:**
*Transtech staff members have extensive experience and in-depth knowledge of applicable codes and regulations. Our staff members are certified by the International Code Council (ICC). We have staff who have reached the highest possible level of code administration with the* ***Master Code Professional designation certification from the ICC****. In addition, some of our staff members are certified as Fire Plan Checkers and Inspectors, as we provide these services to some agencies.*

**Following are various ICC certifications held by various staff members:**

***Building Official Certifications:***
- ✓ *Certified Master Code Professional*
- ✓ *Building Code Official*
- ✓ *Building Official*
- ✓ *Certified Sustainability Professional*

***Plan Check Certifications:***
- ✓ *Residential Building Plans Examiner*
- ✓ *Commercial Building Plans Examiner*
- ✓ *California Building Plans Examiner*
- ✓ *Certified Sustainability Professional*
- ✓ *CalGreen Plans Examiner*
- ✓ *Accessibility Plans Examiner*
- ✓ *Commercial Energy Conservation Plans Examiner*
- ✓ *Residential Plans Examiner*
- ✓ *Mechanical Plans Examiner*
- ✓ *Plumbing Plans Examiner*
- ✓ *Electrical Plans Examiner*

***State of California Safety Assessment Program:***
- ✓ *CalOES SAP Evaluator*

***Inspection Certifications:***
- ✓ *Combination Inspector*
- ✓ *Commercial Building Inspector*
- ✓ *Residential Building Inspector*
- ✓ *Accessibility Inspector*
- ✓ *Commercial Energy Conservation Inspector*
- ✓ *Electrical Inspector*
- ✓ *Commercial Electrical Inspector*
- ✓ *Residential Electrical Inspector*
- ✓ *Residential Energy Conservation Inspector*
- ✓ *Residential Building Inspector*
- ✓ *Residential Mechanical Inspector*
- ✓ *Mechanical Inspector*
- ✓ *Commercial Mechanical Inspector*
- ✓ *Plumbing Inspector*
- ✓ *CalGreen Inspector*
- ✓ *Building Inspector CBC*
- ✓ *Building Inspector UBC*
- ✓ *Plumbing Inspector UPC*
- ✓ *California Building Inspector*
- ✓ *California Commercial Plumbing Inspector*

- ✓ *California Residential Mechanical Inspector*
- ✓ *California Residential Mechanical Inspector*

***Additional Inspection Certifications:***

- ✓ *IAPMO Plumbing, Mechanical Inspector*
- ✓ *Fire Code Inspector*
- ✓ *Fire Inspector II*
- ✓ *California UST Inspector*

***Permit Technician Certification:*** *Permit Technician*
***CACEO*** *Certified Code Enforcement Officer*
***California State Fire Marshall Certifications:***
*Certified EMT1 (AED Certification), Driver Operator 1A, Driver Operator 1B, Driver Operator, Command 1A, 1B, 2A, Firefighter 1, 2, Hazardous Materials First Responder, Instructor 1A, 1B, Investigation, 1A, Management, 1, Prevention, 1A, 1B, 1C, 1D, 2A, 3A,3B, ICS 100, 200, S-290, S-130, S-190, PC832 with Firearms. Fire control 3, S-230 S-231 S-215, Fire Safety Officer*
***FEMA:*** *IS 100, 200, 241, 242, 275, 700, 288, 800, 08-A, 1900*

- ✓ *Also, our plan check engineers, who review maps and engineering plans are licensed as professional engineer by the State of California Board for Professional Engineers, Land Surveyors, and Geologists (BPELSG).*
- ✓ *In addition, some of our staff members are certified as **Fire Plan Checkers and Inspectors**, as we provide these services to some agencies.*

**Our staff members are involved in many local and national International Code Council (ICC) and California Building Officials (CALBO) committees, and are involved in the development of local and national guidelines and codes for Building and Safety:**

- Chair; ICC Sustainability Membership Council
- Chair; ICC LA Basin Chapter Inspection Committee
- Commissioner; ICC Codes & Standards Council
- Commissioner; CALBO Green Committee
- Commissioner; ICC/CALBO CA Exam Committee
- Commissioner; CALBO Outreach/Communications Committee
- ICC Los Angeles Basin Chapter Board of Directors
- ICC Building Officials Membership Governing Council
- ICC Code Development Committee Vice Chair
- ICC Technology/Web Advisory Group
- IAS Accreditation Committee
- ICC LA Chapter Accessibility Committee
- Commissioner; CALBO State Licensing Boards Committee

### 2.2.2.3 Resumes

**AYLA JEFFERSON, CBO, CSP, Principal Building & Safety Official, ICC Certified Building Official, Plans Examiner and Inspector**

**Education**

- Rio Hondo College, CE, Bosphorous Univ, Turkey, Athanee Royal, Belgium

**Registrations/Certifications**

- ICC Certifications: Building Code Official, Certified Building Official, Certified Sustainability Professional, Accessibility Inspector, Accessibility Plans Examiner, Building Plans Examiner, California Building Plans Examiner, CalGreen Plans Examiner and Inspector, Building Inspector CBC, Building Inspector UBC, Plumbing Inspector UPC, California Commercial Plumbing Inspector, Residential Mechanical Inspector, California Residential Mechanical Inspector, Permit Technician
- IAPMO Plumbing, Mechanical Inspector

**Highlights**

Ms. Jefferson has over 25 years of experience in private and governmental sector. She has

extensive experience in managing building and safety departments of different municipalities under Transtech contracts. She has served as Building Official, Deputy Building Official, Plan Checker, Code Enforcement Official, Community Improvement Coordinator, Planning Technician, and Inspector for various municipalities.

**DENNIS TARANGO, CBO, CSP, Principal Building & Safety Official, ICC Certified Building Official, Plans Examiner and Inspector**

**Education**

- Cal Poly, Engineering
- Fresno State BA
- Rio Hondo College

**Registrations/Certifications**

- ICC Certified Building Official, Plans Examiner, Commercial Building Inspector, Building Inspector UBC, Fire Plans Examiner

**Highlights**

- ICC Sustainability Membership Council Governing Committee

Mr. Tarango has over 20 years of experience in the building and safety. He is experienced in managing building and safety departments of different municipalities. Currently he is serving as Building Official for Transtech Contract Cities. At Transtech, Mr. Tarango is responsible for the Building and Safety Division as well as business development, client relations, and management oversight. With his analytical and strategic management skills, he provides strong leadership and develops staff to enhance the Departments abilities. Prior to working for Transtech, Mr. Tarango served as Deputy Building Official, Plans Examiner, and Senior Building Inspector for various local cities including the City of Diamond Bar, City of Yorba Linda, and City of Hemet.

**JASON ROBBINS, CBO, CSP, ICC Certified Building Official, Plans Examiner, Inspector Education**

- A.A. and A.S. Degrees; Cal State LA, Computer Science (In Progress)

**Registrations/Certifications**

- ICC Certified Building Inspector, Commercial Building Inspector, Res. Combo, Building, Electrical, Mechanical, Plumbing Inspector, Permit Technician

**Highlights**

Mr. Robbins has over 6 years of experience working in governmental environments. He is assigned to various Transtech Contract Cities. He has served as Permit Technician and as Building Inspector under Transtech's contract cities, including at the City of Alhambra, City of South Pasadena, City of Temple City, City of Montebello, and City of Seal Beach. Mr. Robbins also has experience working alongside Los Angeles County Staff at City of Commerce as a Permit Technician.

**BILL DORMAN, CBO, CSP, ICC Certified Building Official, Plans Examiner, Inspector**

**Education**

- AS, Architecture - East Los Angeles College; BA, University of La Verne

**Registrations/Certifications**

- ICC Certified Building Official, Plans Examiner, Building Inspector

**Highlights**

Mr. Dorman has over 30 years of experience in Building and Safety. He serves as Building Official/Plan Checker/Inspector at various Transtech contract cities. He has extensive experience in construction codes, building and safety plan review and inspection, code interpretations, and resolving code related construction and plan review problems on a broad range of projects. Prior to joining Transtech, he has served in various capacities, including as Building Official/Code Administrator for the City of Pasadena.

**JEFFREY KAO, PE, CBO, CASp, ICC Certified Building Official, Plans Examiner and Inspector**

**Education**
- MS, BS Civil Engineering, Cal Poly

**Registrations/Certifications**
- Registered Civil Engineer; CASp
- ICC Certified Building Official, California Building Plans Examiner, CalGreen Inspector, CalGreen Plans Examiner, Mechanical Plans Examiner, Plumbing Plans Examiner, Building Inspector

**Highlights**

Mr. Kao has over 20 years of experience and has been working at Transtech as Deputy Building Official, Senior Plans Examiner, On-Site Over the Counter Plans Examiner and performed plan checks for a variety of residential and commercial projects in Cities of Alhambra, South Pasadena, and Temple City. Mr. Kao has broad knowledge of building and safety operations, including working in the capacity of Deputy Building Official and Plans Examiner. His past experience includes working as a structural engineer for 4 years at a structural design firm.

**CEM AYAN, PE, ICC Certified Plans Examiner and Inspector**

**Education**
- M.S., B.S. in Civil Engineering

**Registrations/Certifications**
- Registered Civil Engineer
- ICC Certified Plans Examiner, Inspector

**Highlights**
- Experience includes working as Structural Design Engineer.

Mr. Ayan has approximately 20 years of experience in engineering and construction. He works at various Transtech Contract Cities as Plan Checker and Deputy Building Official. His experience also includes both working for a construction company as construction engineer and for consulting firms design firms as design/field construction engineer. His field construction experience includes site start-up, site grading/paving/concrete work, excavation, backfill, vertical survey, storm & wastewater collection, shallow/deep foundation, structural work, M&E, brick work, gable/hip/flat roof, interior/exterior architectural finish, and CM/PM activities.

**CALVIN CHANG, PE, ICC Certified Plans Examiner**

**Education**
- MS, BS Civil Engineering

**Registrations/Certifications**
- Registered Civil Engineer
- ICC Certified Plans Examiner

**Highlights**
- Chinese Cantonese and Mandarin Speaker
- Extensive experience in Structural Plan Check

Mr. Chang has 30 years of experience and has been working at Transtech as Deputy Building Official, Senior Plans Examiner, On-Site Over the Counter Plans Examiner. He has performed plan checks for a variety of residential and commercial projects in Cities of Alhambra, Temple City, Huntington Park, San Manuel Indian Reservation and San Bernardino. Prior to joining Transtech, he was a Sr. Plans Examiner at the City of Burbank. Mr. Chang has extensive experience in Building Codes, code interpretations and resolving code related construction and plan check problems on a broad range of residential and commercial projects.

**ROBERT HERNANDEZ, ICC Certified Plans Examiner and Inspector**

**Education**

- Coastline College, Electrical and mech code classes; Fullerton College, Building construction cod.

**Registrations/Certifications**

- ICC Certified Plans Examiner, Inspector-Res Building, Commercial, Res Plumbing, Commercial Plumbing

**Highlights**

Mr. Hernandez has over 30 years of experience and has served as Inspector and Plan Checker. His prior experience includes working for various cities as inspector and plan checker.

**FRANKIE LOPEZ, ICC Certified Building Inspector**

**Education**

- Los Angeles Trade Technical College L.A. Ca ; A/S Degree in Inspection Technology, and A/A Degree in Offset Printing

**Registrations/Certifications**

- ICC Building Inspector, ICC Residential Building Inspector, I.C.B.O. Certified-1985-16108, CalOES SAP Evaluator

**Highlights**

Mr. Lopez has over 28 years of experience as a Building Inspector for the City of Los Angeles. His experience includes inspecting one- and two-family dwellings and inspecting foundations, electrical, heating, plumbing, framing (structural and non-structural), insulation, application of stucco, installation of roofing, and final completions on structures regarding residential homes. Mr. Lopez, in the past, has also trained inspectors, assistant inspectors on all up to date municipal code changes. Mr. Lopez has completed several roofing, rain gutter installations, water sprinklers, heating/air conditioning and ductwork repair and installation projects. Prior to joining Transtech Engineers, Mr. Lopez worked as a Part Time Building Inspector for the Cities of Diamond Bar, San Dimas, San Gabriel, San Marino, Walnut and La Verne. His experience ranged from inspection of electrical, plumbing, or other foundation related work.

**MICHAEL ROBERTS, CBO, MCP, ICC Certified Building Official, Plans Examiner and Inspector**

**Education**

- Associate of Applied Science, Building Inspection Technology – Chemeketa Community College, Salem Oregon
- Fire Code Administration, National Fire Academy – Emmitsburg, Maryland

**Registrations/Certifications**

- ICC Certified Master Code Professional, Building Code Official, Building Official, Plumbing Inspector, Combination Inspector, Commercial Building Inspector, Accessibility Plans Examiner / Inspector, Commercial Energy Conservation Plans Examiner, Commercial Energy Conservation Inspector, Electrical Inspector, Commercial Electrical Inspector, Residential Electrical Inspector, Residential Energy Conservation Inspector, Residential Building Inspector, Residential Mechanical Inspector, Residential Plans Examiner, Mechanical Inspector, Commercial Mechanical Inspector, Fire Code Inspector, Fire Inspector II
- ICBO Certified Structural Inspector, Plumbing Inspector, Mechanical Inspector, Building Plans Examiner, Fire Code Official

**Highlights**

Mr. Roberts has over 30 years of experience in municipalities, including governmental development administration. He has reached the highest possible level of code administration with the Master Code Professional designation certification from the International Code Council and has proven superior leadership abilities. He has served as Building Official, Community Development Director, Senior Plans Examiner, Plans/Residential Examiner, and Inspector for various municipalities and served as Principal Consultant. Serving as a Building

Official for many years, Mr. Roberts provided the necessary code interpretations, and coordinated with agency staff and departments, and applicants on building and safety related issues. He has vast knowledge of municipal government operations, including preparation and presentation of staff reports and resolutions to city councils, committees, and related interaction with members of the public, other city departments, and other governmental agencies.

**NICHOLAS TARANGO, ICC Certified Building Inspector, Permit Technician**

**Education**

- Fullerton College

**Registrations/Certifications**

- ICC Permit Technician, Residential Building Inspector

**Highlights**

Mr. Tarango's experience includes working as a Permit Technician at local public agencies including City of South Pasadena and City of Alhambra. As a permit technician he performs preliminary review of permit applications and plan submittals for completeness and accuracy and determines appropriate fees. In addition, he also routes plans, issues permits, and manages logs and records, and provides information to the public relating to the status of projects and permits.

**JEREMY REED, ICC Certified Building Inspector, Permit Technician**

**Education**

- Citrus College

**Registrations/Certifications**

- ICC Certified Building Inspector, Permit Tech

**Highlights**

Mr. Reed has over 5 years of experience working in governmental environments. He is assigned to various Transtech Contract Cities. Mr. Reed has served as a Permit Technician and a Building Inspector under contract cities such as City of South Pasadena, Alhambra, and Hawaiian Gardens. Some of Mr. Reeds roles as a building inspector include conducting building, electrical, mechanical, and plumbing inspections; ensuring that all proper documents are obtained prior to finalization of permits; and answering questions that contractors, developers, engineers, or homeowners may have regarding code requirements.

**JONATHAN TARANGO, ICC Certified Building Inspector, CALGreen Inspector/Plans Examiner, Permit Technician**

**Education**

- Construction Management, Fullerton College; General Education, Mount San Antonio College

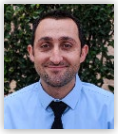
**Registrations/Certifications**

- ICC Residential Building Inspector, Residential Plumbing Inspector, & Residential Electrical Inspector

**Highlights**

Mr. Tarango has over 8 years of City government experience working in many diverse communities. His experience includes working as a Building Inspector and Permit Technician at various Transtech contract cities.

**CAN GOZUBUYUK, ICC Certified Inspector**



**Education**

- MBA, Southern States University (SSU); BS, Engineering,

**Registrations/Certifications**

- ICC Certified Residential Building Inspector, Residential Mechanical Inspector, Residential

Plumbing Inspector,

**Highlights**

Mr. Gozubuyuk has been working in Transtech's Building and Safety Department as a Building Inspector for various contract Cities. Mr. Gozubuyuk quickly gained his ICC Residential, Plumbing, and Mechanical Certifications and continuously serves as a Building Inspector for the City of South Pasadena, Seal Beach, Alhambra, Temple City. Huntington Park and many more. Some of his roles as a building inspector include conducting building, electrical, mechanical, and plumbing inspections; ensuring that all proper documents are obtained prior to finalization of permits; and answering questions that contractors, developers, engineers, or homeowners may have regarding code requirements.

**STEVE RIVAS, ICC Certified Building Inspector, Permit Technician**

**Education**

- Engineering and Construction Technology, Mount San Antonio College (In progress)

**Registrations/Certifications**

- ICC Certified Residential Building Inspector and Permit Technician

**Highlights**

Mr. Rivas' is working as a Permit Technician at the City of West Covina. Some of his major responsibilities include processing permit applications electronically and answering any questions applicants might have regarding the permit process. Mr. Rivas has a passion for knowledge. Since joining the Transtech Team, he has received his Permit Technician Certification and Residential Building Inspector Certification through ICC. He is currently training to conduct Field Inspections. Additionally, he collaborates and partners with the administrative team to accomplish responsibilities in support of Transtech' s Building and Safety Department.

**JULIE ROBBINS, ICC Certified Permit Technician**

**Education**

- B.A., Political Science, University of La Verne
- Associates in Business Administration; Paralegal Education; Political Science; General Education; SCACEO Code Enforcement Courses, Rio Hondo Community College

**Registrations/Certifications**

- ICC Certified Permit Technician
- CACEO Certified Code Enforcement Officer

**Highlights**

- Spanish Speaker

Mrs. Robbins has approximately 34 years of City Government and Building and Safety experience. Mrs. Robbins has been working in Transtech's Building and Safety department in various contract cities performing various clerical and technical duties in support of Building Inspections, Plan Checkers, and the Building Official.

**AMY CHAN, ICC Certified Permit Technician**

**Education**

- B.A., Cal State, Long Beach

**Registrations/Certifications**

- Permit Tech, CalGreen Plans Examiner, and Inspector

**Highlights**

- Chinese Cantonese Speaker

Ms. Chan has approximately 5 years of City Government and Building and Safety experience. Ms. Chan has been working in Transtech's Building and Safety department in various contract cities performing various clerical and technical duties in support of Building Inspections, Plan Checkers, and the Building Official. Prior to working for Transtech Engineers Ms. Chan worked

for the City of Arcadia as a Planning Intern. Some of her responsibilities included providing technical support to planning staff by conducting research, answering questions, and providing information to the public, preparing agendas and reports for review boards and meetings. During her time there, Ms. Chan examined various types of applications received from the city (i.e. rebuilding, modifications, etc.), wrote up conditional use, approval, and staff report letters, and working on updates regarding the general plan, zoning, and municipal codes.

**NATHAN ESTABROOK, ICC Certified Permit Technician**

**Education**

- B.S., Cal State, Fullerton

**Registrations/Certifications**

- ICC Certified Permit Technician, First Aid CPR and BLS Certified

**Highlights**

Mr. Estabrook is working as a Permit Technician at the City of West Covina. Some of his responsibilities include processing permit applications and performing technical work for permit applications. He performs clerical work that supports the operations involved with the issuance and coordination of the building inspection and permit process. He also ensures that all necessary approvals are obtained. Mr. Estabrook is constantly interacting with the general public and serves as the first point of contact for the public to answer their questions and clarifications. Before becoming a Permit Technician, Mr. Estabrook served as a Go Post Technician at the Corporate Office where he scheduled inspections, responded to emails, and reviewed plans coming into the Go Post/EPR Software.

**GREGORY AHERN, ICC Certified Inspector, ICC Certified Fire Inspector**

**Education**

- Associates of Science Degree – Public Works Construction - Citrus Community College
- FT 101: Fire Protection Organization, FT 102: Fire Prevention Technology, FT 103: Fire Protection Equipment System, FT104: Building Construction/Fire Protection, FT 105: Fire Behavior & Combustion – Hancock Community College

**Registrations/Certifications**

- ICC Certified Residential Building Inspector, ICC Certified Residential Mechanical Inspector, ICC Certified Residential Plumbing Inspector. ICC Fire Inspector I, ICC California UST Inspector Certification
- Hazardous Waste Operator and Emergency Operations Certification (HAZWOPER)
- Aboveground Petroleum Storage Tank Inspector Certification EPA (APSA)

**Highlights**

Mr. Ahern has over twenty years' experience inspecting commercial development in the City of Glendale. He has in depth experience inspecting high rise mixed use development projects, as well as industrial projects.

**JOHN TUFAN, ICC Permit Technician, CalGreen Inspector/Plans Examiner**

**Education**

- BA Public Administration
- University of Redlands MA in Management

**Registrations/Certifications**

- ICC Permit Technician

**Highlights**

Mr. Tufan has been working in Transtech's Building and Safety Department and performing various clerical and technical duties in support of Building Inspection, Plan Checkers and Building Officials. Mr. Tufan acquired his ICC Permit Technician Certification and has worked in various contract cities including City of Alhambra, South Pasadena, Placentia, Commerce,

Bell and many more. In addition to this, Mr. Tufan supports Transtech's Engineering Department in various contract cities such as West Covina, South El Monte, Banning and Big Bear.

**RONALD L. GRIESINGER, Fire Marshal, Fire Plan Checker**

**Education**

- Cabrillo College, CA
- Fire Science Technology

**Registrations/Certifications**

- California State Fire Marshall Certifications: Certified EMT1 (AED Certification), Driver Operator 1A, Driver Operator 1B, Driver Operator, Command 1A, 1B, 2A, Firefighter 1, 2, Hazardous Materials First Responder, Instructor 1A, 1B, Investigation, 1A, Management, 1, Prevention, 1A, 1B, 1C, 1D, 2A, 3A,3B, ICS 100, 200, S-290, S-130, S-190, PC832 with Firearms. Fire control 3, S-230 S-231 S-215, Fire Safety Officer
- FEMA: IS 100, 200, 241, 242, 275, 700, 288, 800, 08-A, 1900
- ICC Certified Green Building Professional

**Highlights**

Mr. Griesinger has 24 years of experience. His prior Public Agency Experience includes: Riverside County Fire Department, CA, Fire Safety Specialist; City of Watsonville, CA, Fire Life Safety Officer; Boulder Creek Fire Protection District, CA; Firefighter / Engineer / Deputy Fire Marshal; Scotts Valley Fire Protection District, CA, Interim Deputy Fire Marshal; Fire Management Consulting.

**Subconsultants:**

- **SOILS REPORT REVIEW SUPPORT: GEO-ADVANTEC, INC. (www.geoadvantec.com)**
  Geo-Advantec, Inc. offers comprehensive services in various areas from site feasibility evaluation thought project completion for a wide range of projects and services, which include: Geotechnical Eng.; Eng. Geology; Geotechnical Earthquake Eng.; Geotechnical Instrumentation; Pavement Eng.; Forensic Geotechnical Eng.; Grading Monitoring and Field Testing; Soils & Materials Laboratory Testing; Special Inspection Services. Geo-Advantec owns a certified laboratory accredited by AMRL (ASSHTO Materials Reference Laboratory), in conformity to the requirements of the AASHTO Accreditation Program (AAP), AASHTO R-18, ASTM D3740 and ASTM E329; CCRL (Cement and Concrete Reference Laboratory); Caltrans; DSA (the Department of the State Architects); Army Corp of Engineers.
  **Transtech uses this subconsultant in several other cities, including in West Covina.**

- **LANDSCAPE PLAN REVIEW SUPPORT: WITHERS & SANDGREN, LTD. www.withersandsandgren.com)**
  Withers & Sandgren has been involved in providing varying levels of support to Community Development Departments for over twenty years. The firm has provided counter support for walk in plan reviews, been monthly Design Review Committee attendees, as well as presenters with planning staff to Planning Commissions and City Councils.
  **Transtech uses this subconsultant in several other cities, including in West Covina.**

## 2.3 Transtech's Involvement in the City

Supporting civic and community activities demonstrates Transtech's commitment to the progress, health, and well-being of the communities we serve. This is something that we take pride in as a company. In services and partnership with our client Cities, we have a proven record of active engagement in City and Community events. This includes involvement or presence at City programs or events, supporting local businesses through the chamber, youth events, hosting workshops, sports, scholarship opportunities, community service, managing homelessness challenges, public safety, crime prevention, or any other community benefit that the City wishes us to be a part of.

Our goal is not just to serve as a consultant (which is what we are best at) but to also be an active partner with our clients and further enhance the City's reputation as an ideal community to live, invest, work, and play. We are deeply committed to maintaining our partnership with our valued customers, its community, and remain open and enthusiastic to receiving input on how to best serve the City's needs today and in the future.

**Community Activities in West Covina:** Transtech is actively engaged with the City of West Covina and neighboring communities. Below is a list of some of the West Covina related community programs we are proud to be part of:

- ✓ **State of the City and School Districts Update**
- ✓ **Public Safety Awards Recognition Luncheon**
- ✓ **Adopt a Senior Donation Program**
- ✓ **2021 State of the City**
- ✓ **2022 Spring Festival**
- ✓ **2022 Anniversary Banquet**
- ✓ **2022 Easter Party**
- ✓ **Team Building Events**
- ✓ **4th of July Hero's Parade and Street Fair**
- ✓ **2022 State of the City**
- ✓ **West Covina Regional Mega Health and Wellness Fair**

**Following are some other examples of our CBE programs that we have been part of throughout the Southern California Region:**

Cal Poly Pomona's Transtech Engineers Scholarship Program

Embracing Latina Leadership Alliances (ELLAS)

High School Enlistee Recognition Ceremony Through "Our Community Salutes"

Traffic Engineering Workshop & Pedestrian School Safety Discussion

STEM Booth at the Concerts in The Park

Youth Committee Pedestrian Safety Booth

Girls Leadership & Mentoring (GLAM) Workshop at Magnolia Science Academy

STEM Workshop at The Annual Geranium Festival & Artwork

**Transtech's First Responders Appreciation Initiative:**

Giving back to the communities we serve is part of our service philosophy. In response to the global pandemic and the many challenges local businesses experienced, the Transtech Engineers team developed and implemented a unique First Responders Appreciation Initiative that collaborates with local Chambers, supports local restaurants, and appreciates our community's First Responders. The Transtech team personally picks up the meal orders and delivers them to our First Responders. So far to date, we are proud to share that Transtech's First Responders Appreciation Initiative has provided over 350 meals and beverages from 13 local restaurants in 8 cities serving 6 Police/Sheriff Stations and 13 Fire Stations.

# 3. METHODOLOGY SECTION

BUILDING AND SAFETY SERVICES

## 3.1 Service Methodology

**Plan Check Processing:**

When a plan check order is received, it is logged and reviewed by Building Staff and then assigned to applicable plan checkers. The plan check duration is monitored thru the plan check log data base, which generates messages at identified intervals to inform plan checker and supervising Sr. Staff so that they are aware of how the progress and status continuously. If any potential delay is monitored, necessary steps are taken, such as meeting with plan checker to review the schedule, workload, performance, and identify actions, including assigning additional staff, if necessary, to ensure timely completion of assignment.

**Plan Check Coordination:**

- Our plan checkers respond to questions from the architect, engineer, designer, applicant, etc. When requested, our plan checkers also meet with the architect, engineer, designer, applicant, etc. at our offices to answer questions or for rechecks.
- Our policy is to assist the architect, engineer, designer, applicant, etc. as much as possible, which helps eliminate complicated details, reduce construction costs, and/or provide details which are easy to verify in the field. This pro-active approach reduces inspection time and questions, and applicant frustration, while increasing overall compliance, by producing a better set of plans during plan review process. Especially, when the applicant is a homeowner trying to improve his/her property, this policy often demonstrates early on that the City really is here to help.

**Approach to Meeting with Applicants:**

Our staff is available to applicants by phone and through email or through virtual meeting for questions or available to meet for rechecks if necessary. Our policy is to meet with applicants virtually via TEAMS or ZOOM or when necessary, at City Hall, but we also have an available facility at our office meetings with applicants.

**Expedited/Off-Business Hours/Weekend Services:**

If the City receives a request from applicants for expedited plan check services, Transtech staff is able to provide additional resources to accommodate such a request. If the City requests inspection services, Transtech staff will provide additional resources to accommodate inspection requests during off business hours and weekends.

**Quick Turn Around and Expedited Service:**

Transtech will provide plan checks on a **quick turn-around schedule**. Transtech also provides expedited service when requested. **Applicant will be able to see online on real time the progress of plan check submittals.**

**Weekend, Holiday & Atter Work Inspection:**

Transtech is readily available and has the resources to provide weekend, holiday, and after-work hour inspections as requested by the City Manager or designee.

**Emergency Response:**

In the event of a local or regional emergency or disaster, our staff will be accessible to provide Building and Safety services as directed by the City. All of our building officials and inspectors have gone through extensive training to be **SAP Evaluator and registered with the State of California Safety Assessment Program.**

**Training Program:**

We offer any City staff, who are involved in inspection, plan check and permit issuance, an option to participate in our training program for code updates and process, as well as ICC certification training.

**Employment Opportunities for Local Residents:**

If the City selects Transtech, we will seek applicants from local residents for employment possibilities at our firm and offer training for various administrative and technical support positions.

**Other Services:**

Transtech is a full-service municipal consulting firm that currently provides a variety of different city services for public agencies. We understand that Transtech would be responsible for all correspondence related to activities of the Building and Safety Division. In addition, Transtech would respond to any complaints, perform investigations, provide problem-solving methods for unique or challenging plan check or code interpretation issues, provide report writing and policy & procedure recommendations, and attend City Council and Commission meetings as requested by the City Manager or designee.

**Electronic Plan Check:**

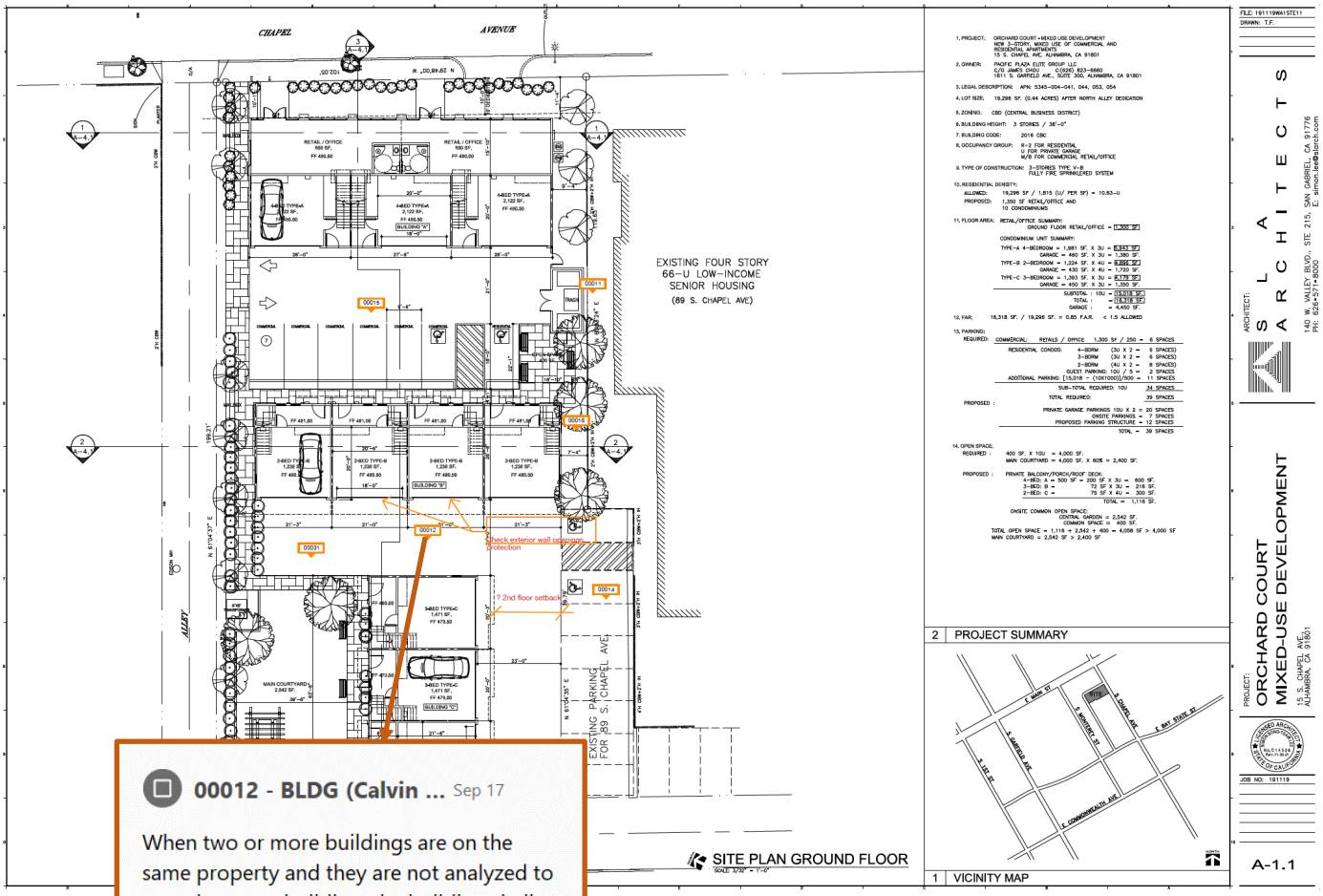
- Transtech provides Electronic Plan Check.
- Sample of one of our electronic plan check portals:
  West Covina
  https://gopost-transtech.eplansoftreview.com/#/login?portal=westcovinabldg

**Virtual Counter:**

- We offer virtual meetings with plan checkers.
- Sample of one of our virtual plan check counter appointment calendar:
  South Pasadena Virtual Plan checker
  https://outlook.office365.com/owa/calendar/TranstechEngineers@transtech.org/bookings/

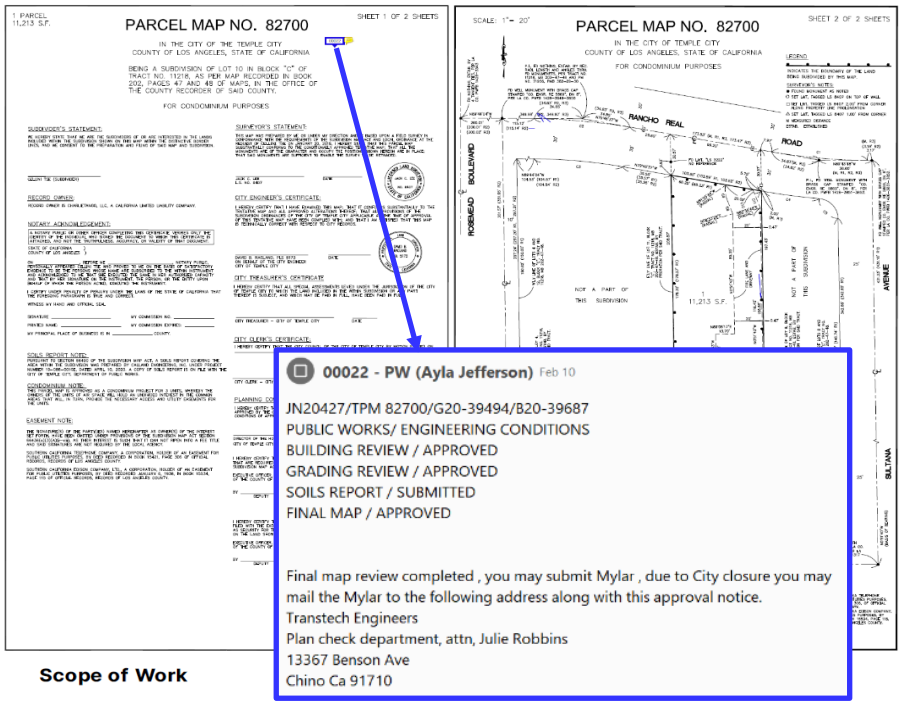
## 3.2 Sample Electronic Plan Checks

✓ Following pages include sample snap shots of various types of electronic plan checks.




**00012 - BLDG (Calvin ...** Sep 17

When two or more buildings are on the same property and they are not analyzed to comply as one building, the building shall have an assumed property line between them for determining exterior walls and openings protection. Place an imaginary line between building A and building B, and between building B and building C to determine the fire separation distance. (CBC 705.3)




**00022 - PW (Ayla Jefferson)** Feb 10

JN20427/TPM 82700/G20-39494/B20-39687
PUBLIC WORKS/ ENGINEERING CONDITIONS
BUILDING REVIEW / APPROVED
GRADING REVIEW / APPROVED
SOILS REPORT / SUBMITTED
FINAL MAP / APPROVED

Final map review completed , you may submit Mylar , due to City closure you may mail the Mylar to the following address along with this approval notice.
Transtech Engineers
Plan check department, attn, Julie Robbins
13367 Benson Ave
Chino Ca 91710

10 February 2021

## CITY OF TEMPLE CITY PUBLIC WORKS DIVISION

**TC-FM82700**
9040 Rancho Real Rd
Temple City, CA
United States

### Project Information

FM 9040 Rancho Real

+ Submittal: 3rd Submittal
+ Reference Number: JN 20427/PM 82700

**Files and Attachments**

+ PM82700-1-8-2020.pdf

**Contacts**

Xiping Yang

714-671-1050 ext. 119

ping@callandeng.com

### Scope of Work

FINAL MAP FOR 9040 RANCHO REAL ROAD 82700

### Instructions

IMPORTANT – PLEASE READ THE FOLLOWING:

1. This list of plan approval requirements is from the City Public Works only. All of the requirements on this list must be satisfied in order to obtain plan approval from the Public Works Department. Approval of these plans does not grant approval to violate any Code or any State or Federal Law. This list of approval requirements is not to be construed as a guarantee that all code violations have been identified and corrected.

2. The City is committed to assisting you obtain plan approval in the shortest time possible. Every effort was made by the reviewer to verify that these plans comply with current Code requirements. Some of the requirements identified in this list may already appear on your plans. As a means of expediting the review of your plans, the reviewer may have listed required items with the intention that you, as the person most familiar with your plans, will be able to identify where the required information can be found. You can also help reduce plan review turn-around time by providing all requested information along with your first plan resubmittal.

3. Indicate in the clear space provided to the left of each plan approval requirement where, on your plans, compliance is specified. Please indicate a specific note number, detail number and/or location within a sheet. To reduce plan approval turn-around time, please do not simply respond with a sheet number.

4. An encroachment permit shall be obtained, and fees paid for construction inspection prior to starting work. For questions contact the Public Works Department permit counter.

**Page 1 | Comment 00022**

PM82700-1-8-2020.pdf

00022

+ Ayla Jefferson
+ ayla.jefferson@transtech.org

### Administration

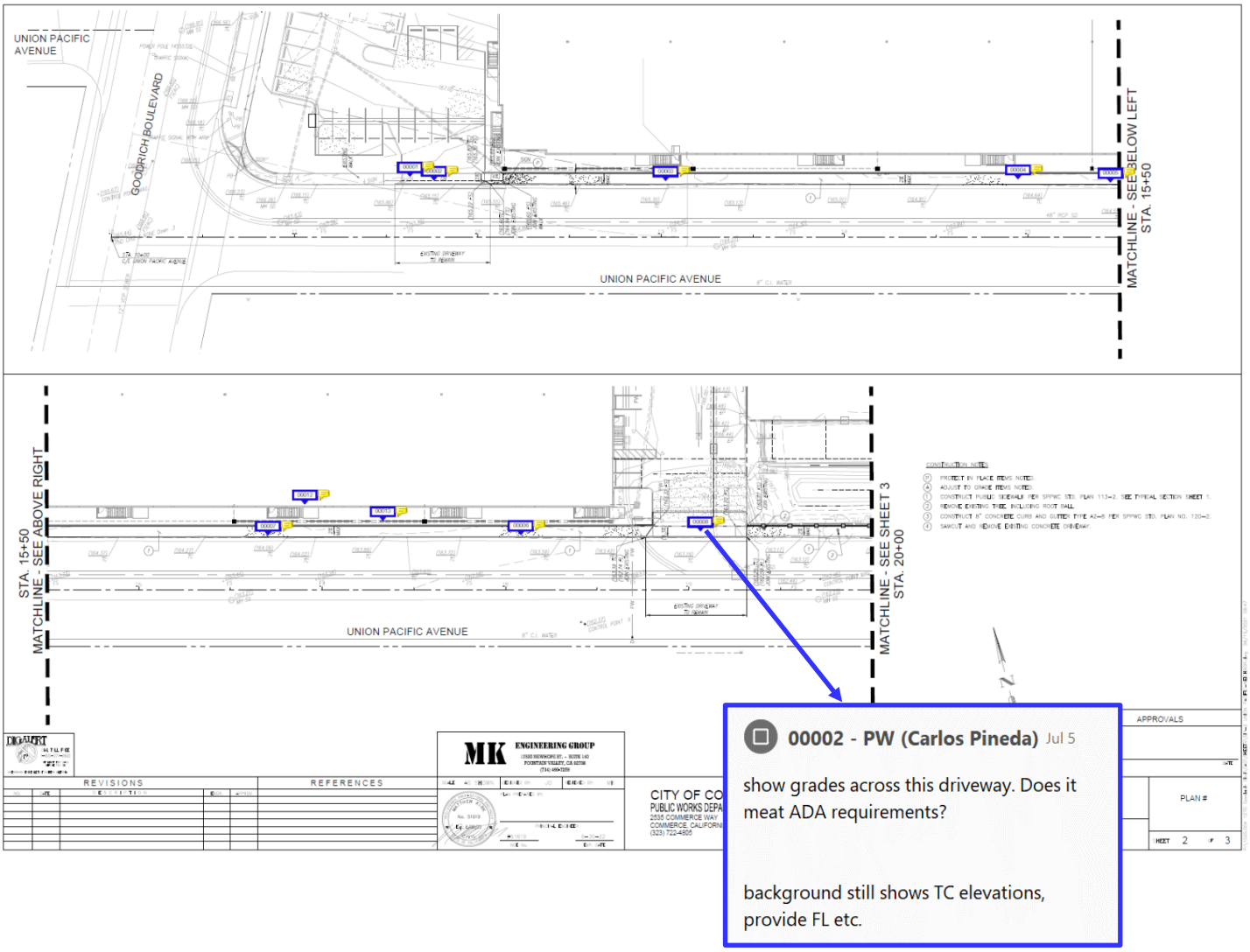
JN20427/TPM 82700/G20-39494/B20-39687
PUBLIC WORKS/ ENGINEERING CONDITIONS
BUILDING REVIEW / APPROVED
GRADING REVIEW / APPROVED
SOILS REPORT / SUBMITTED
FINAL MAP / APPROVED

Final map review completed , you may submit Mylar , due to City closure you may mail the Mylar to the following address along with this approval notice.

Transtech Engineers

Plan check department, attn, Julie Robbins

13367 Benson Ave


UNION PACIFIC AVENUE
GOODRICH BOULEVARD
UNION PACIFIC AVENUE
MATCHLINE - SEE BELOW LEFT
STA. 15+50
STA. 15+50
MATCHLINE - SEE ABOVE RIGHT
UNION PACIFIC AVENUE
MATCHLINE - SEE SHEET 3
STA. 20+00
MK ENGINEERING GROUP
REVISIONS
REFERENCES
APPROVALS
PLAN #
SHEET 2 OF 3
00002 - PW (Carlos Pineda) Jul 5
show grades across this driveway. Does it meat ADA requirements?
background still shows TC elevations, provide FL etc.

# 4. EXCLUDED OR SUBCONTRACTED SERVICES

BUILDING AND SAFETY SERVICES

**There are no excluded services. Transtech will provide all requested services.**

**Following services will be subcontracted:**

- **SOILS REPORT REVIEW SUPPORT: GEO-ADVANTEC, INC. (www.geoadvantec.com)**
  Geo-Advantec, Inc. offers comprehensive services in various areas from site feasibility evaluation thought project completion for a wide range of projects and services, which include: Geotechnical Eng.; Eng. Geology; Geotechnical Earthquake Eng.; Geotechnical Instrumentation; Pavement Eng.; Forensic Geotechnical Eng.; Grading Monitoring and Field Testing; Soils & Materials Laboratory Testing; Special Inspection Services. Geo-Advantec owns a certified laboratory accredited by AMRL (ASSHTO Materials Reference Laboratory), in conformity to the requirements of the AASHTO Accreditation Program (AAP), AASHTO R-18, ASTM D3740 and ASTM E329; CCRL (Cement and Concrete Reference Laboratory); Caltrans; DSA (the Department of the State Architects); Army Corp of Engineers.
  **Transtech uses this subconsultant in several other cities, including in West Covina.**

- **LANDSCAPE PLAN REVIEW SUPPORT: WITHERS & SANDGREN, LTD. www.withersandsandgren.com)**
  Withers & Sandgren has been involved in providing varying levels of support to Community Development Departments for over twenty years. The firm has provided counter support for walk in plan reviews, been monthly Design Review Committee attendees, as well as presenters with planning staff to Planning Commissions and City Councils.
  **Transtech uses this subconsultant in several other cities, including in West Covina.**

# 5. LIST OF SIMILAR SERVICES COMPLETED

BUILDING AND SAFETY SERVICES

## 5.1 Examples of Similar Projects

**Following are few Sample Projects Representative of Transtech's Experience in Requested Services:**

**Agency: CITY OF WEST COVINA**
**Project: Vincent Residential Development (Valuation $32 m).**
This development includes 119-unit residential homes.
**Transtech provided following services:**
- Establishing conditions of approval and coordination with the Planning Staff for the entitlement of the project.
- Building Plan Check and Inspection.
- Engineering Plan Check and Inspection.

***Transtech serves as the City's Contract Building Official, City Engineer, City Traffic Engineer.***

**Agency: CITY OF WEST COVINA**
**Project: Asteria Residential Development (Valuation $40 m).**
This development includes 158-unit residential homes.
**Transtech provided following services:**
- Establishing conditions of approval and coordination with the Planning Staff for the entitlement of the project.
- Building Plan Check and Inspection.
- Engineering Plan Check and Inspection.

***Transtech serves as the City's Contract Building Official, City Engineer, City Traffic Engineer.***

**Agency: CITY OF WEST COVINA**
**Project: Drive-Through Restaurant (Valuation $0.8 m).** This development includes a drive-through Restaurant.
**Transtech provided following services:**
- Establishing conditions of approval and coordination with the Planning Staff for the entitlement of the project.
- Building Plan Check and Inspection.
- Engineering Plan Check and Inspection.

***Transtech serves as the City's Contract Building Official, City Engineer, City Traffic Engineer.***

**Agency: CITY OF WEST COVINA**
**Project: West Cameron Residential Development (Valuation $20 m).** This development includes 84-unit residential homes.
**Transtech provided following services:**
- Establishing conditions of approval and coordination with the Planning Staff for the entitlement of the project.
- Building Plan Check and Inspection.
- Engineering Plan Check and Inspection.

***Transtech serves as the City's Contract Building Official, City Engineer, City Traffic Engineer.***

**Agency: CITY OF TEMPLE CITY**
**Project: Blossom Walk Residential Development (Valuation $6 m).** This development includes 24-unit condominiums and 4 single family homes.
**Transtech provided following services:**
- Establishing conditions of approval and coordination with the Planning Staff for the entitlement of the project.
- Building Plan Check and Inspection.
- Engineering Plan Check and Inspection.

***Transtech serves as the City's Contract Building Official, City Engineer, City Traffic Engineer.***

**Agency: CITY OF SOUTH EL MONTE**
**Project: Chico Residential Development (Valuation $15 m).** This development includes 13 buildings with 70 residential units.
**Transtech provided following services:**
- Establishing conditions of approval and coordination with the Planning Staff for the entitlement of the project.
- Building Plan Check and Inspection.
- Engineering Plan Check and Inspection.

***Transtech serves as the City's Contract Building Official, City Engineer, City Traffic Engineer.***

**Agency: CITY OF COMMERCE**
**Project: Warehouse with Office Space Development (Valuation $20 m).** This development includes one-story of warehouse with mezzanines for office use of 114,898 square feet of total floor area in a 5.65-acre lot.
**Transtech provided following services:**
- Establishing conditions of approval and coordination with the Planning Staff for the entitlement of the project.
- Building Plan Check and Inspection.
- Engineering Plan Check and Inspection.

***Transtech serves as the City's Contract Building Official, City Engineer, City Traffic Engineer.***

**Agency: CITY OF ALHAMBRA**
**Project: Main Street Collection (Valuation $23 m).** This development includes 4-story mixed-use project with 8,200 s ft retail space, 52 condos, 9 live/work units, 19 townhomes, and 6 shopkeeper units.
**Transtech provided following services:**
- Establishing conditions of approval and coordination with the Planning Staff for the entitlement of the project.
- Building Plan Check and Inspection.
- Engineering Plan Check and Inspection.

***Transtech serves as the City's Contract Building Official, City Engineer, City Traffic Engineer.***

**Agency: CITY OF WEST COVINA**
**Project: Medical Center Building (Valuation $20 m).** This project is a new Medical Office Building of approximately 55,000 sf that will operate 24/7 providing a radiation oncology department and infusion department.
**Transtech provided following services:**
- Establishing conditions of approval and coordination with the Planning Staff for the entitlement of the project.
- Building Plan Check and Inspection.
- Engineering Plan Check and Inspection.

***Transtech serves as the City's Contract Building Official, City Engineer, City Traffic Engineer.***

**Agency: SAN MANUEL BAND OF MISSION INDIANS TRIBE AND CASINO**
**Project: Casino Expansion/Development (Valuation $700 m):** This project involves Casino's expansion program, which includes casino renovation, new hotel, entertainment center, parking structure, pedestrian bridges, alignment of entry and exit roads, and various other improvements.
**Transtech provided following services:**
- Building Plan Check and Inspection.
- Fire Plan Check.

***Transtech serves as the Tribe's and Casino's (they are 2 sperate entities) Contract Building Official, Plan Checker, Inspector and Fire Marshall.***

## 5.2 Company Qualifications

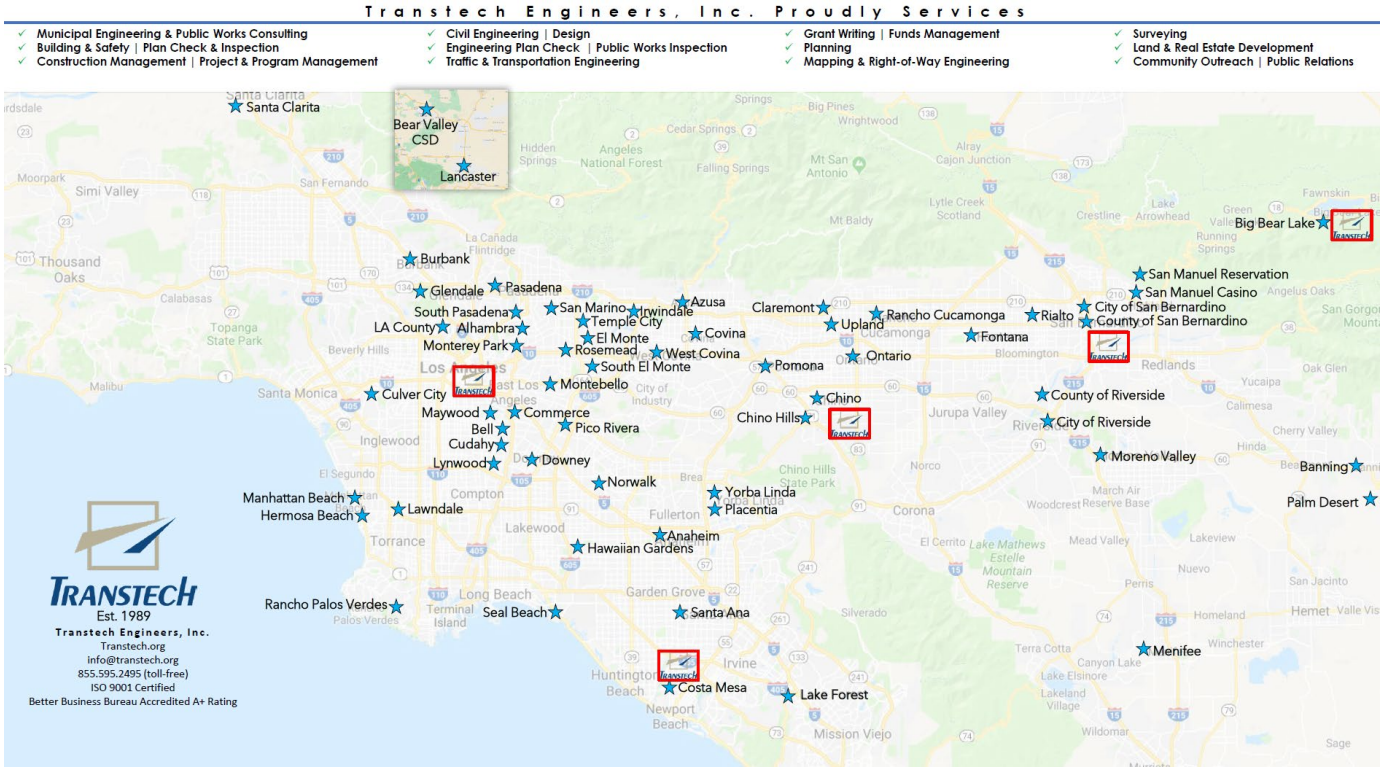
**About Transtech:**
Established in 1989, Transtech (a California Corporation) is a multi-disciplinary municipal engineering consulting firm. Transtech has been in business for 33 years and provides municipal services to approximately 70 public agencies.

**Unique Qualification:**
One of the unique qualifications of Transtech is that we serve public agencies as municipal contract service providers, including Contract City Engineer, City Traffic Engineer, Building Official, CIP Manager, Planner and in other capacities. Several of our Sr. Staff members have previously worked for Public Agencies in various capacities, such as Public Works Directors, City Engineers, City Traffic Engineers, Project Managers, Inspectors, Building Officials, Planners, and various other capacities. We are very familiar with public agency procedures, working and coordinating with various departments, preparing and presenting staff reports at City Council Meetings, Community/Public Relations, Inter-agency Coordination, Coordination with Regional Agencies, Caltrans, Counties, Water Boards, SCAG, Permitting Agencies and Utility Companies.

**Service Capabilities:**
Transtech is a multi-disciplinary municipal engineering consulting firm. Our service capabilities include:
- Building & Safety Services, Building Inspection, Plan Check Building Evaluations, City Building Official, Code Enforcement
- City Engineer, City Traffic Engineer, Development Review, Public Works Engineering, Plan Check, Inspection

- Civil Engineering,
- Staff Augmentation
- CIP Program Management
- Construction Management and Inspection
- Federally Funded Project Management
- Grant Writing
- CDBG Project Management
- Labor Compliance
- Planning Support
- Traffic and Transportation Planning and Eng
- Water Resources Engineering
- Surveying, Mapping, ALTA, Right-of-way Eng
- Emergency, Support Services

**Currently, we are providing municipal, services to approximately 70 agencies, including Building and Safety Services to several agencies:**




***City of Temple City***

- ✓ **City Engineering Services:** City Eng, Traffic Eng, Development/Public Works Plan Check, Map and Plan Check, Permit Inspection, Design, CIP and Construction Management, PW Insp, Fed Proj Management
- ✓ **Building & Safety Services:** Building Official, Plan Review, Inspection, Permit Technician

***City of Commerce***

- ✓ **City Engineering Services:** City Eng, Traffic Eng, Development/Public Works Plan Check, Map and Plan Check, Permit Inspection, Design, CIP and Construction Management, PW Insp, Fed Proj Management
- ✓ **Building & Safety Services:** Building Official, Plan Review, Inspection, Permit Tech

***City of Big Bear Lake***

***City of Alhambra***

- ✓ **City Engineering Services:** City Eng, Traffic Eng, Development/Public Works Plan Check, Map and Plan Check, Permit Inspection, Design, CIP and Construction Management, PW Insp, Fed Proj Management
- ✓ **Building & Safety Services:** Building Official, Plan Review, Inspection, Permit Technician

***City of South El Monte***

- ✓ **City Engineering Services:** City Eng, Traffic Eng, Development/Public Works Plan Check, Map and Plan Check, Permit Inspection, Design, CIP and Construction Management, PW Insp, Fed Proj Management
- ✓ **Building & Safety Services:** Building Official, Plan Review, As-needed Inspection, As-Needed Permit Technician

- ✓ **Building & Safety Services:** Building Plan Review
- ✓ **City Engineering Services:** City Eng, Traffic Eng, Development/Public Works Plan Check, Map and Plan Check, Design, CIP and Construction Management, PW PC/Insp, Fed Proj Management

***City of Maywood***

- ✓ **City Engineering Services:** City Eng, Traffic Eng, Development/Public Works Plan Check, Map and Plan Check, Permit Inspection, Design, CIP and Construction Management, PW Insp, Fed Proj Management
- ✓ **Building & Safety Services:** Building Inspection, Permit Technician

***City of Chino***

- ✓ **CIP Management Services:** Transtech is City's Contract CIP Manager for major Public Works Projects

***City of Ontario***

- ✓ **CIP Management Services:** Transtech is City's Contract CIP Manager for major Public Works Projects

***City of Monterey Park***

- ✓ **City Engineering Services:** City Eng, Traffic Eng, Development/Public Works Plan Check, Map and Plan Check, Permit Inspection, Design, CIP and Construction Management, PW Insp, Fed Proj Management
- ✓ **Building & Safety Services:** Building Official, plan check and as-needed inspection

***City of Montebello***

- ✓ **Project and Construction Management:** Project and Construction Management, Inspection
- ✓ **Building & Safety Services:** Building Official, plan check and as-needed inspection

***Bear Valley Community Services District***

- ✓ **District Engineering Services/CIP Management:** Engineering Support, Traffic Engineering, CIP Management

***City of South Pasadena***

- ✓ **Building & Safety Services:** Building Official, Plan Review, Inspection, Permit Tech

***City of Seal Beach***

- ✓ **Building & Safety Services:** Building Official, Plan Review, As-needed Inspection

***City of Azusa***

- ✓ **Building & Safety Services:** Building Official, Building Plan Review, As-needed Insp

***San Manuel Indian Reservation***

- ✓ **Building & Safety Services:** Building Official, Plan Review, Inspection

***San Manuel Casino***

- ✓ **Building & Safety Services:** Building Official, Plan

***City of West Covina***

- ✓ **City Engineering Services:** City Eng, Traffic Eng, Development/Public Works Plan Check, Map and Plan Check, Permit Inspection, Design, CIP and Construction Management, PW PC, Fed Proj Management
- ✓ **Building & Safety Services:** Building Official, Plan Review, Inspection, Permit Technician

***City of Rosemead***

- ✓ **City Engineering Services:** City Eng, Traffic Eng, Development/Public Works Plan Check, Map and Plan Check, Permit Inspection, Design, CIP and Construction Management, PW Insp, Fed Proj Management
- ✓ **Building & Safety Services:** Building Official, Plan Review, Inspection, Permit Tech

***City of Pico Rivera***

- ✓ **City Engineering and CIP Management Services:** City Engineer and CIP Management.

***City of Bell***

- ✓ **Building & Safety Services:** Building Official, Plan Review, Inspection, Permit Technician

***City of Cudahy***

- ✓ **CIP Management and Engineering Services:** Traffic Eng, Design, CIP and Construction Management, PW Insp, Fed Proj Management
- ✓ **Building & Safety Services:** Plan Review.

***City of Hawaiian Gardens***

- ✓ **Building and Safety Services:** Building Official, Plan Review, Inspection, Permit Technician

***City of Downey***

- ✓ **Building & Safety Services:** Plan Review, Inspection

***County of Riverside***

- ✓ **Building & Safety Services:** Plan Review, Inspection

***San Bernardino County Housing Authority***

- ✓ **On-call Services**: As-Needed Support

***City of San Bernardino***

- ✓ **On-call Services:** Traffic Engineering, Constr. Management

***City of El Monte***

- ✓ **On-call Services:** Engineering Support, Traffic Engineering, Construction Management, Development/Public Works Plan Check, Map and Plan Check

***County of Los Angeles***

- ✓ **Building & Safety Services:** Plan Review, Inspection

***City of Norwalk***

- ✓ **Building & Safety Services:** Plan Review

***City of San Marino***

Review, Inspection

***City of Placentia***

- ✓ **On-call PM/CM and Development/PW Plan Check:** On-call services

***City of Rialto***

- ✓ **City Traffic Engineering and PW Inspection Services:** City Traffic Engineering, PW Inspection services

***City of Culver City***

- ✓ **On-call Engineering Services:** Eng Services

***City of Santa Ana***

- ✓ **On-call Services:** Building and Safety Plan Check, Inspection, Eng and Tech Support Services

***City of Chino Hills***

- ✓ **On-call Services:** Engineering

***City of Pasadena***

- ✓ **On-call Engineering Services:** Engineering Services

***City of Rancho Palos Verdes***

- ✓ **CIP Project Management:** CIP/Fed Proj Management
- ✓ **Building & Safety Services:** Plan Review, Inspection.

***City of Lawndale***

- ✓ **PW Staffing and Project Management Services:** PW Staffing and Project Management Services

***City of Anaheim***

- ✓ **Engineering Services:** Engineering Services
- ✓ **City Traffic Engineering Services:** City Traffic Engineering

***City of Hermosa Beach***

- ✓ **Plan Check Services:** *Dev Plan Check*

***City of Banning***

- ✓ **Public Works** Plan Check: PW Plan Check and Pw Inspection

***Riverside County Economic Development Agency***

- ✓ **On-call Services:** Eng, Building Evaluations, & Surveying

***City of Lancaster***

- ✓ **On-call Services:** Plan Check, Inspection, Traffic Eng, Staff Augmentation, and Tech Support Services

***City of Palm Desert***

- ✓ **City Traffic Engineering Services:** City Traffic Engineering

***City of Irwindale***

- ✓ **On-call Services:** Constr. Management and Insp Services

***City of Lynwood***

- ✓ **On-call Services:** Engineering, CIP and Construction Management.

***City of Yorba Linda***

- ✓ **Traffic Engineering Services:** On-call Traffic Engineering

***City of Lake Forest***

- ✓ **CIP Project Management:** CIP/Fed Proj Management

**Readily Available Large Pool of Staff and Resources:**

Transtech has a large pool of well experienced staff and resources readily available to provide requested services, and respond to requests in a timely, efficient, and cost-effective manner. Our staff and resources include approximately 200, **including building officials, plan checkers, inspectors, permit technicians**, engineers, project managers, designers, plan checkers, inspectors, construction managers, traffic and transportation analysts, technicians, support personnel.

# 6. REFERENCES

BUILDING AND SAFETY SERVICES

**Following are references from few of our current Contract Cities where we provide Building and Safety Services:**

**CITY OF ALHAMBRA**

Contact: Andrew Ho, Community Development Director; T: 626-570-5041; E: andrewho@cityofalhambra.org

Services Provided: **Building & Safety Services (Building Official, Plan Check, Inspection)**; City Engineering Services; Traffic Engineering; CIP Management; Federally Funded Project Management; Engineering Design; Public Works Permit Inspections; Map Check.

**CITY OF SOUTH PASADENA**

Contact: Angelica Frausto-Lupo, Community Development Director; T: 626-403-7222;

E: afraustolupo@southpasadenaca.gov

Services Provided: **Building & Safety Services (Building Official, Plan Check, Inspection)**

**CITY OF TEMPLE CITY**

Contact: Bryan Cook, City Manager; T: 626-285-2171; E: bcook@templecity.us

Services Provided: **Building & Safety Services (Building Official, Plan Check, Inspection)**; City Engineering Services; Traffic Engineering; CIP Management; Federally Funded Project Management; Engineering Design; Public Works Permit Inspections; Map Check.

**CITY OF MONTEREY PARK**

Contact: Ron Bow, City Manager; T: 626-307-1255; E: rbow@montereypark.ca.gov

Services Provided: **Building & Safety Services (Building Official, Plan Check, Inspection)**; City Engineering Services; Traffic Engineering; CIP Management; Federally Funded Project Management; Engineering Design; Public Works Permit Inspections; Map Check.

**CITY OF SOUTH EL MONTE**

Contact: Rene Salas, Interim City Manager, T: Phone: 626-579-6540, E: rsalas@soelmonte.org

Services Provided: **Building & Safety Services (Building Official, Plan Check, Inspection)**; City Engineering Services; Traffic Engineering; CIP Management; Federally Funded Project Management; Engineering Design; Public Works Permit Inspections; Map Check.

**CITY OF WEST COVINA**

Contact: David Carmany, City Manager; T: 626-939-8401; E: dcarmany@westcovina.org

Services Provided: **Building & Safety Services (Building Official, Plan Check, Inspection)**; City Engineering Services; Traffic Engineering; CIP Management; Federally Funded Project Management; Engineering Design; Public Works Permit Inspections; Map Check.

**CITY OF COMMERCE**

Contact: Jose Jimenez, Development Services Director; T: 323-722-4805; E: jjimenez@ci.commerce.ca.us

Services Provided: **Building & Safety Services (Building Official, Plan Check, Inspection)**; City Engineering Services; Traffic Engineering; CIP Management; Federally Funded Project Management; Engineering Design; Public Works Permit Inspections; Map Check.

**CITY OF AZUSA**

Contact: Sergio Gonzalez, City Manager; T: 626-812-5239; E: sergio.gonzalez@azusaca.gov

Services Provided: **Building & Safety Services (Building Official, Plan Check, Inspection)**

**CITY OF BELL**

Contact: Manuel Acosta, Community Development Director, T: (323) 588-6211, E: macosta@cityofbell.org

Services Provided: **Building & Safety Services (Building Official, Plan Check, Inspection)**

**Please see reference letters on following pages from above references:**

City of Alhambra
Community Development Department

*Gateway to the San Gabriel Valley*

*111 South First Street Alhambra California 91801*

March 14, 2022

Subject: Transtech Engineers, Inc.
Letter of Recommendation

To Whom It May Concern:

Transtech has been providing full-service City Engineering and Building and Safety services to the City of Alhambra for nearly 30 years.

They provide excellent customer care and service not only internally to City staff but also to the public who frequently interacts with them through both their Engineering and Building and Safety Services. They continue to be an integral part of the city.

They have teams serving both our Public Works and Community Development Departments in the capacities of Building Official, Permit Technician, Building Inspector, and Building Plan Check/Review, City Engineer, City Traffic Engineer, Public Works Engineering, CIP Management, Construction Management, Grant Management, and as-needed Professional Services inclusive of planning, design, project management, construction management, and inspection.

The city has had nothing but positive experiences with their staff and we are extremely satisfied with their services over the many years. They continue to provide the highest quality work with professionalism and a high regard to customer service. Their commitment to quality and quick responsiveness sets them apart from others. I highly recommend them for their services.

Best Regards,

Andrew Ho
City of Alhambra
Director of Community Development
andrewho@cityofalhambra.org

CITY OF SOUTH PASADENA

COMMUNITY DEVELOPMENT DEPARTMENT
1414 MISSION STREET, SOUTH PASADENA, CA 91030
TEL. (626) 403-7220

March 11, 2022

Subject: Reference Letter for Transtect, Inc.

To whom it may concern:

I have the pleasure to work alongside the Transtech's Building and Safety team in my role as the Community Development Director with the City of South Pasadena. Transtech has been providing full Building and Safety Services, including Building Official, Permit Technician, Building Inspector, and Building Plan Check services to the City for over twenty years. They manage all aspects of the City's Building and Safety Division.

I can confidently say that I am extremely satisfied with Transtech's services. They provide the highest quality of services to the City and the applicants. Transtech has led the City in innovation and implementation of online and digital-based services, allowing the City to provide all building-related services electronically.

Transtech provides high quality services in an efficient and cost-effective manner. They are responsive, professional and timely on all of their assignments. The City frequently receives positive feedback from the community and applicants who interact with their staff, and the City staff continues to have a great working relationship with the team.

Their commitment to quality and quick responsiveness for any needs the City may have sets them apart from others. I highly recommend them for their services. Please do not hesitate to call (626-403-7222) or email (afraustolupo@southpasadenaca.gov) should you have any questions.

Best Regards,

Angelica Frausto-Lupo
Community Development Director

9701 Las Tunas Drive • Temple City • California 91780 • 626-285-2171

March 14, 2022

Subject: Letter of Reference, Transtech Engineers, Inc. – Municipal Services

Transtech Engineers, Inc. has continuously served the City of Temple City since 2012, providing a full array of City Engineering, Building and Safety, and Construction Management services. Throughout their tenure in Temple City, where I have served as City Manager since 2014, they have cost-effectively provided high-quality services with highly qualified professionals and expertise which has been of excellent service to Temple City.

Transtech employees and management are responsive to any issues and requests and provide expert advice to complex and day-to-day municipal concerns. The Transtech team provides the City of Temple City with a broad array of municipal services, including serving as the City Engineer, City Building Official, CIP Project Construction Manager, and City Traffic Engineer. In addition, the firm provides the City with Building Plan Check Review and, as needed, Professional Services, including planning, public works project design and compliance services, building and public works inspection services, and construction management services.

Transtech serves as a vital and critical partner to the City of Temple City in delivering excellent service to the community. For example, during the pandemic, the City continued providing building and engineering services mainly due to the partnership with the City staff and Transtech management and employees in delivering virtual building and plan check reviews and permitting services. This partnership led to a seamless transition of services during the pandemic, allowing for uninterrupted service continuity.

Based on my experience working directly with Transtech's management and staff and the feedback we receive from the Community, City Staff, and other stakeholders, we have been very satisfied with the quality of work and services provided to the City. Based on my direct experience, I would highly recommend their services. If you have any questions, please call me directly at 626-285-2171, ext—4105, or e-mail at bcook@templecity.us.

Sincerely,

Bryan Cook
City Manager

# CITY OF MONTEREY PARK

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

**City Council**
Peter Chan
Hans Liang
Henry Lo
Fred Sornoso
Yvonne Yiu

**City Clerk**
Vincent D. Chang

**City Treasurer**
Joseph Leon

March 10, 2022

Re: Letter of Recommendation – Transtech Engineers, Inc.

Transtech has been providing high-quality services to the City of Monterey Park since 2012.

Currently, Transtech is providing both Building and Safety Services and Engineering Support in the capacity of City and Traffic Engineering, Public Works Plan Check, CIP Management, Grant/Funding Management, and as-needed Professional Services inclusive of staff augmentation, planning, design, project management, construction management, and inspection.

They also serve as the Building Official, providing Building Inspection and Building Plan Check/Review services. Transtech implemented expedited review services to support the building department for reviewing development projects in the City.

Notably, they have been especially helpful in expediting the delivery of the City's CIP projects, including numerous Master Plan and ADA projects for our parks, and securing substantial funding allocations for infrastructure projects for the City.

Transtech remains customer service-oriented and professional in all its interactions with City Staff, the public, applicants, and residents. They are responsive to our and the community's needs and provide excellent services.

I am very confident in recommending their professional services. If you have any questions, feel free to contact me at (626) 307-1255 or at rbow@montereypark.ca.gov.

Thank you.

Ron Bow
City Manager

*Pride in the Past • Faith in the Future*

**CITY OF SOUTH EL MONTE**

1415 N. SANTA ANITA AVENUE
SOUTH EL MONTE, CALIFORNIA 91733
(626) 579-6540

March 15, 2022

I have worked with the Transtech Team and I can confidently recommend them for their services in both City Engineering and Building and Safety. They provide dual services to our City and since they have come on board, the Transtech team has successfully completed several projects as well as provided great service to the City and community in South El Monte. They have also been successful in securing funding for our City through various grants and they manage those federal and state funded projects.

Transtech has been providing services to the City of South El Monte since 2018. They have provided high quality services with professionalism and a strong customer service oriented approach. In their role in City Engineering and Building and Safety, Transtech serves as the City Engineer and provides Building Plan Check/Review and as needed Building Official Services, City & Traffic Engineering, Public Works Engineering, Inspection, and Permitting, CIP Management, Construction Management, and Grant Management.

Their team has continued to be highly responsive to the City's needs and provide excellent quality of staff to service the City of South El Monte. We are very satisfied with their services

I am happy to write this letter of recommendation for Transtech. I highly recommend them for their services in both City Engineering and Building and Safety. Please contact me if you have any questions.

Sincerest Regards,

Rachel Barbosa
City Manager
rbarbosa@soelmonte.org

WEST COVINA
City Manager's Office

March 7, 2022

Subject: Letter of reference: Transtech Engineers, Inc.

Transtech has been providing services to the City of West Covina since 2019. Transtech provides a full suite of City Engineering and Building & Safety services. The firm currently serves in the capacity of City Engineer, City Traffic Engineer, Public Works Engineering, Public Works Permitting and Inspection, Capital Improvement Program Management, Project and Construction Management, Design, Grant Writing & Management, providing as-needed Professional Services, Building Official, Plans Examiner, Building Inspector, and Permit Technician.

Transtech exemplifies public service. The firm has proven to be quite responsive to community needs and is a vital City partner. Since they came aboard, West Covina residents and applicants have consistently complimented us on their work on our behalf. In their roles they frequently interact with the public, residents, businesses, and community members and have always provided the highest level of customer service and project delivery.

Transtech has helped West Covina define bold new horizons of community service. During the pandemic the Transtech team continued to provide exceptional service to the City, introducing an electronic plan check portal and streamlining Building and Safety operations for more efficiency. Their leadership and continued service commitment to the City has been exceptional. Additionally, the firm has been working quite closely with my office as West Covina seeks to garner State approval and establish a municipal Health Department.

Transtech principals are directly involved. The Transtech Team provides high quality work and have principal level involvement which ensures the success of their services. The firm is cost effective in their approach and have proven themselves to be an extremely valuable asset to the City.

I am pleased to write this letter of recommendation for Transtech. I recommend the firm without reservation. If I can provide any additional information, please let me know.

Sincerely,

David Carmany
City Manager
T: (626) 939-8400
E: dcarmany@westcovina.org

1444 West Garvey Avenue • West Covina • CA 91790 • Phone (626) 939-8401 • Fax (626) 939-8406

# CITY OF COMMERCE

*Jose D. Jimenez, Director of Economic Development and Planning*
***ECONOMIC DEVELOPMENT AND PLANNING***

March 8, 2022

**Subject: Transtech Engineers, Inc. Letter of Reference – City of Commerce**

It is my pleasure to recommend and provide full support for Transtech Engineers, Inc. As Director in two different municipalities, I've had the distinct pleasure of utilizing Transtech for a variety of municipal services. Currently, we partner with Transtech Engineers, Inc. to provide Building and Safety Services, as well as City Engineering Services to the City of Commerce.

They serve in the capacity of Building Official, Permit Technician, Building Inspector, Building Plan Check/Review, City Engineer, City Traffic Engineer, Public Works Engineering, CIP Management, Construction Management, Grant Management, and as-needed Professional Services inclusive of planning, design, project management, construction management, and inspection.

Transtech has always provided the highest quality work. Their staff is professional and courteous; their work is efficient and cost effective; and they truly are a partner to the City of Commerce.

Within the two municipalities where I partnered with Transtech, their staff has always been professional and extremely responsive to the needs of the respective cities. They provide excellent customer service in all of the interactions with City Staff, the Departments, and the public.

Their leadership and continued service commitment to the City has been to the highest degree of service that one can expect.

If you have any further questions, please feel free to contact me at jjimenez@ci.commerce.ca.us, or via phone at (323) 722-4805 ext. 2389.

Sincerely,

Jose D. Jimenez
Director of Economic Development and Planning

2535 Commerce Way • Commerce, California 90040 • (323) 722-4805 • FAX (323) 888-6841

**ECONOMIC & COMMUNITY DEVELOPMENT DEPARTMENT**

March 8, 2022

Subject: Transtech Engineers, Inc. Reference Letter

To Whom It May Concern:

I have worked very closely with the Transtech Team during my time at two different agencies, including in my current capacity as the Director of Economic & Community Development in the City of Azusa.

Transtech currently provides plan check and inspection services for our Building Department and they continue to do excellent work. Our Department receives compliments from applicants relating to their approach to customer service and quality of work.

In all of my experience with the team, they have always provided the highest quality work; their staff is professional and courteous; their work is efficient and cost effective; and they always have the best interest of the City in mind. They have extensive public works, engineering, and building and safety knowledge and experience.

The Transtech team has always been professional, responsive, and flexible in meeting all of my Department's and the City's needs. The firm has proven themselves to be a great asset to the City and a reliable partner in getting projects completed.

They pride themselves on customer service and have always been responsive and respectful in their interactions with the public.

On behalf of the City, I highly recommend them as a service provider!

If you have any further questions, please feel free to contact me at the below information.

Sincerely,

Matt Marquez
Director of Economic & Community Development
T: 626-812-5236
E: mmarquez@azusaca.gov

**City of Azusa | Economic & Community Development Department**
**(626) 812-5200 | www.azusaca.gov**

CITY of BELL

March 9, 2022

To whom it may concern,

Subject: Transtech Reference Letter

Transtech Engineers, Inc. currently provides Building and Safety Services in the capacity of Building Official, Building Inspector, and Building Plan Check/Review to the City of Bell.

I have personally had the pleasure to work with Transtech in three separate agencies over the last 12 years. Transtech staff has always been professional, responsive, and flexible in meeting all of my Department's and City's needs.

The firm has proven themselves to be a great asset to the City and a reliable partner in getting projects completed. The staff have provided excellent customer services and professional quality work to the City of Bell, with a high attention to detail. As Community Development Director, I work directly with their staff and the City is very satisfied with their services. I can confidently recommend them for their services. Transtech provides high-quality professional staff and work and are efficient and cost effective

They pride themselves on customer service, their leadership and continued service commitment to the City is exemplary. I highly recommend their services.

If you have any questions, please contact me at (323) 588-6211 extension 2623 or email me at macosta@cityofbell.org.

Sincerely,

Manuel Acosta
Community Development Director

6330 Pine Avenue, Bell, California 90201 • Telephone: (323) 588-6211 • Fax: (323) 771-9473

# ATTACHMENTS – CITY REQUIRED FORMS

BUILDING AND SAFETY SERVICES

# Attachment A: Statement of Non-Collusion by Contractor

**NON-COLLUSION DECLARATION TO BE EXECUTED BY BIDDER AND SUBMITTED WITH BID**

The undersigned declares:
I am the Principal of Transtech Engineers, 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 and that this declaration is executed on 11-28-2022 [date], at Chino, CA [city, state].

Firm Transtech Engineers, Inc.

Ayla Jefferson
(Signature)

Ayla Jefferson, CBO, CSP, Principal Building Official
(Print Name & Title)

Street 13367 Benson Ave

City Chino State CA Zip 91710

## Attachment B: Subcontractor Campaign Contribution Acknowledgement Form (if applicable)

**Prime Consultant: TRANSTECH ENGINEERS, INC.**

## SUBCONTRACTOR CAMPAIGN CONTRIBUTION ACKNOWLEDGMENT FORM

Proposer [or Consultant] is required to identify any known subcontractor who will provide goods or services with an anticipated or actual value of $15,000 or more in connection with any contract which may be awarded pursuant to this Request for Proposal if the proposed contract with the Proposer [or Consultant] has an anticipated or actual value of $30,000 or more.

By my signature below, I certify that as a subcontractor I reviewed and am in compliance with West Covina Municipal Code section 2-405.1(c), in reference to campaign contributions to any individual holding City elective office, and that I will comply with Section 2-405.1(c) at all times while providing services as a subcontractor.

**CONTRACTOR**:

Company: Transtech Engineers, Inc.

By: Ayla Jefferson, CBO, CSP

Title: Principal Building Official

Date: 11-28-2022

**SUBCONTRACTOR**:

Company: _____

By: _____

Title: _____

Date: _____

**Sub-Consultant : GEO-ADVANTEC, INC.**

## SUBCONTRACTOR CAMPAIGN CONTRIBUTION ACKNOWLEDGMENT FORM

Proposer [or Consultant] is required to identify any known subcontractor who will provide goods or services with an anticipated or actual value of $15,000 or more in connection with any contract which may be awarded pursuant to this Request for Proposal if the proposed contract with the Proposer [or Consultant] has an anticipated or actual value of $30,000 or more.

By my signature below, I certify that as a subcontractor I reviewed and am in compliance with West Covina Municipal Code section 2-405.1(c), in reference to campaign contributions to any individual holding City elective office, and that I will comply with Section 2-405.1(c) at all times while providing services as a subcontractor.

**CONTRACTOR**:

Company: _____

By: _____

Title: _____

Date: _____

**SUBCONTRACTOR**:

Company: Geo-Advantec, Inc.

By: Shawn Ariannia, PhD, PE, GE

Title: Principal

Date: 11-28-2022

**Sub-Consultant: WITHERS & SANDGREN, LTD.**

## SUBCONTRACTOR CAMPAIGN CONTRIBUTION ACKNOWLEDGMENT FORM

Proposer [or Consultant] is required to identify any known subcontractor who will provide goods or services with an anticipated or actual value of $15,000 or more in connection with any contract which may be awarded pursuant to this Request for Proposal if the proposed contract with the Proposer [or Consultant] has an anticipated or actual value of $30,000 or more.

By my signature below, I certify that as a subcontractor I reviewed and am in compliance with West Covina Municipal Code section 2-405.1(c), in reference to campaign contributions to any individual holding City elective office, and that I will comply with Section 2-405.1(c) at all times while providing services as a subcontractor.

**CONTRACTOR**:

Company: _____

By: _____

Title: _____

Date: _____

**SUBCONTRACTOR**:

Company: Withers & Sandgren, Ltd.

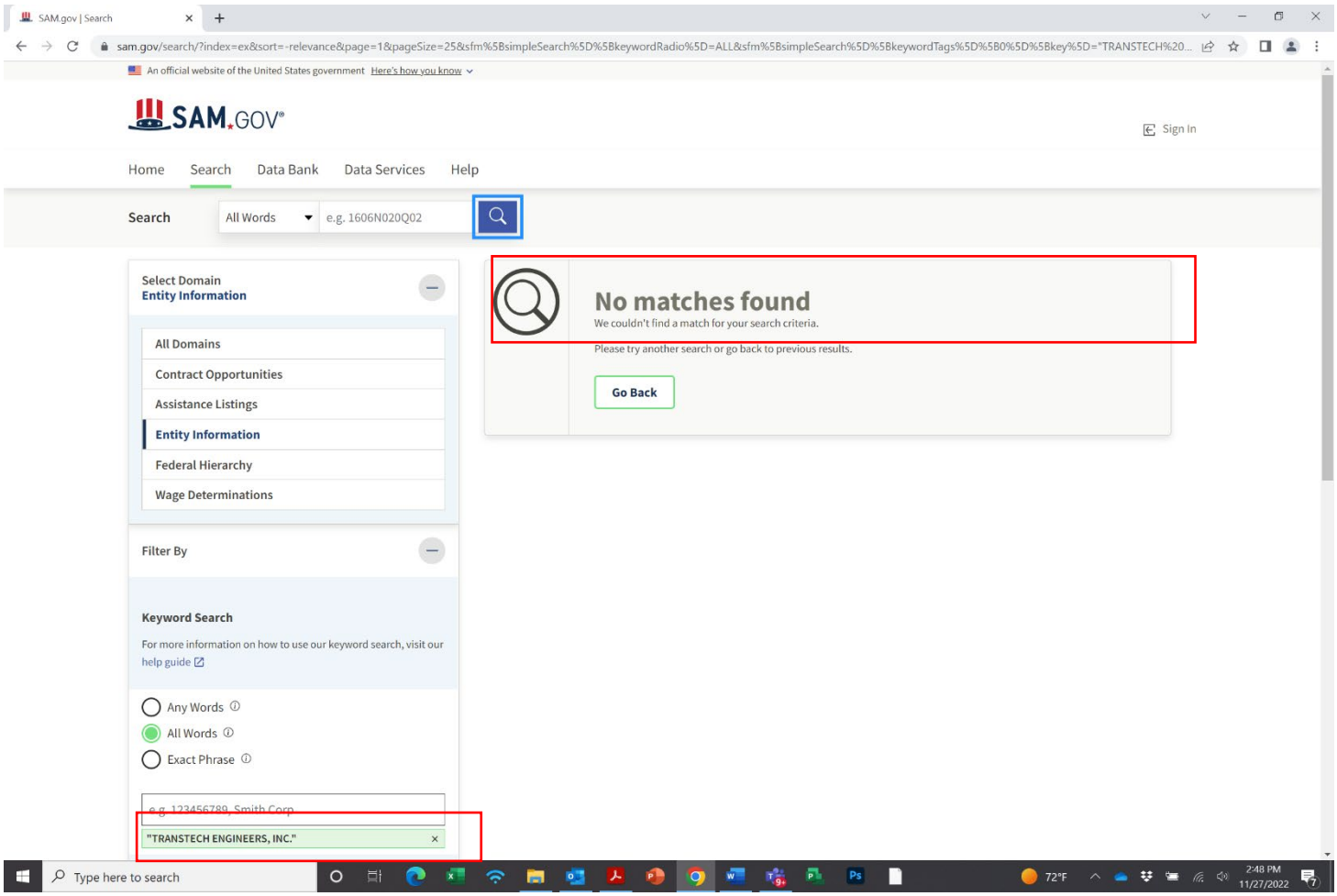
By: Lacey Withers, ASLA, CA RLA 3820 Lacey Withers

Title: Principal

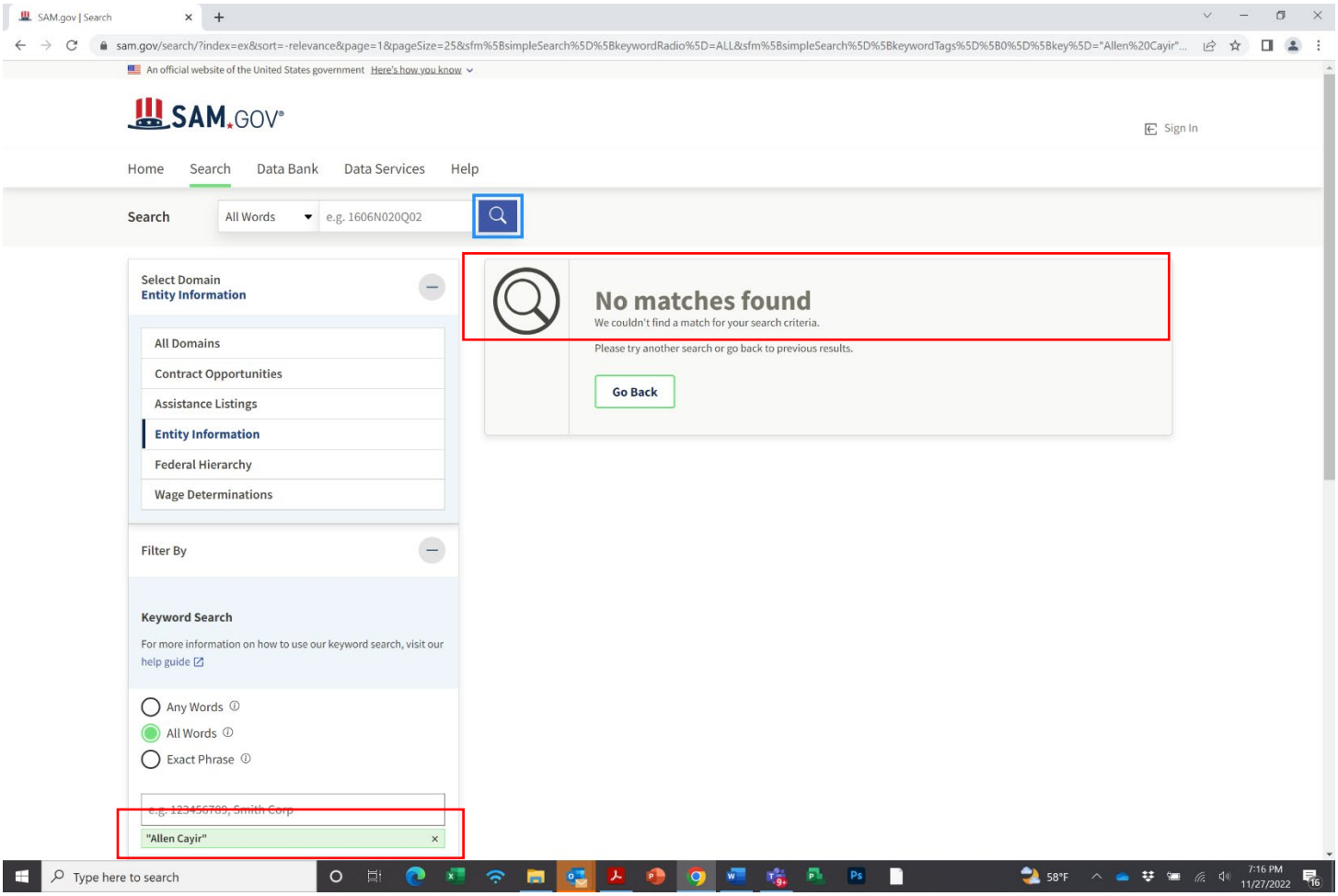
Date: 11-28-2022

# Attachment C: Sam.gov Verification

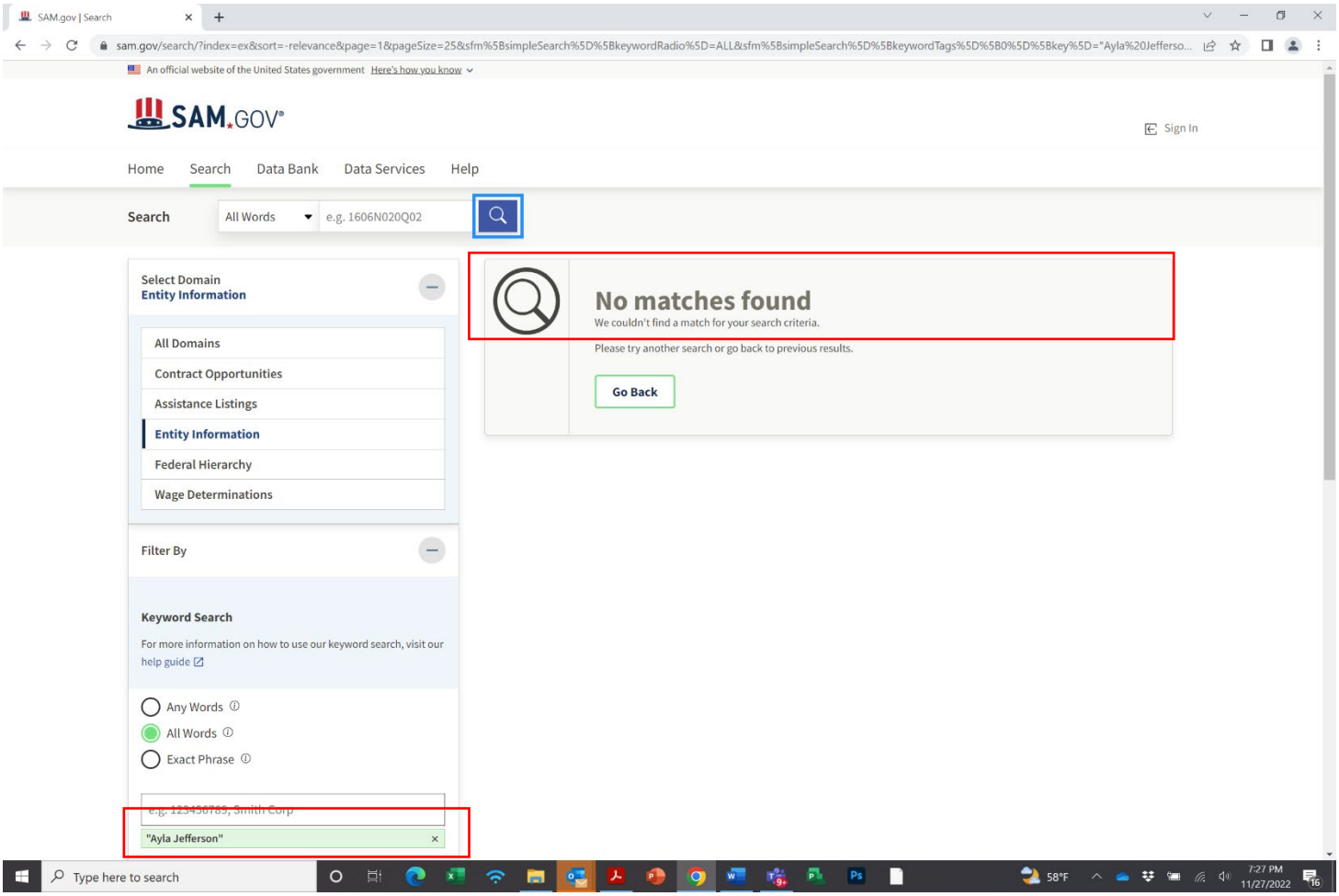
**Prime Consultant: TRANSTECH ENGINEERS, INC.**



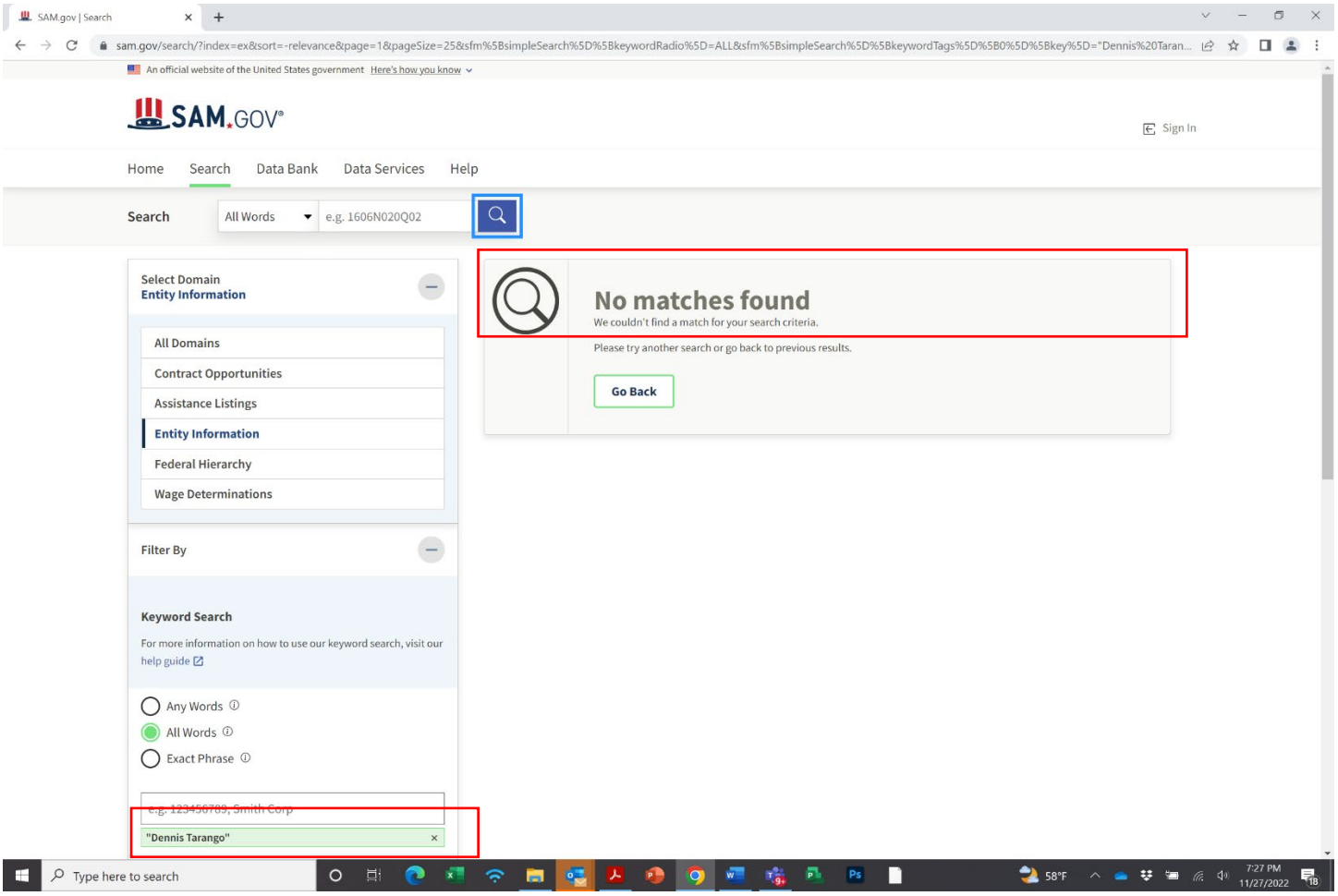
**Prime Consultant: TRANSTECH ENGINEERS, INC.**
**Principal Staff: Allen Cayir, PE**



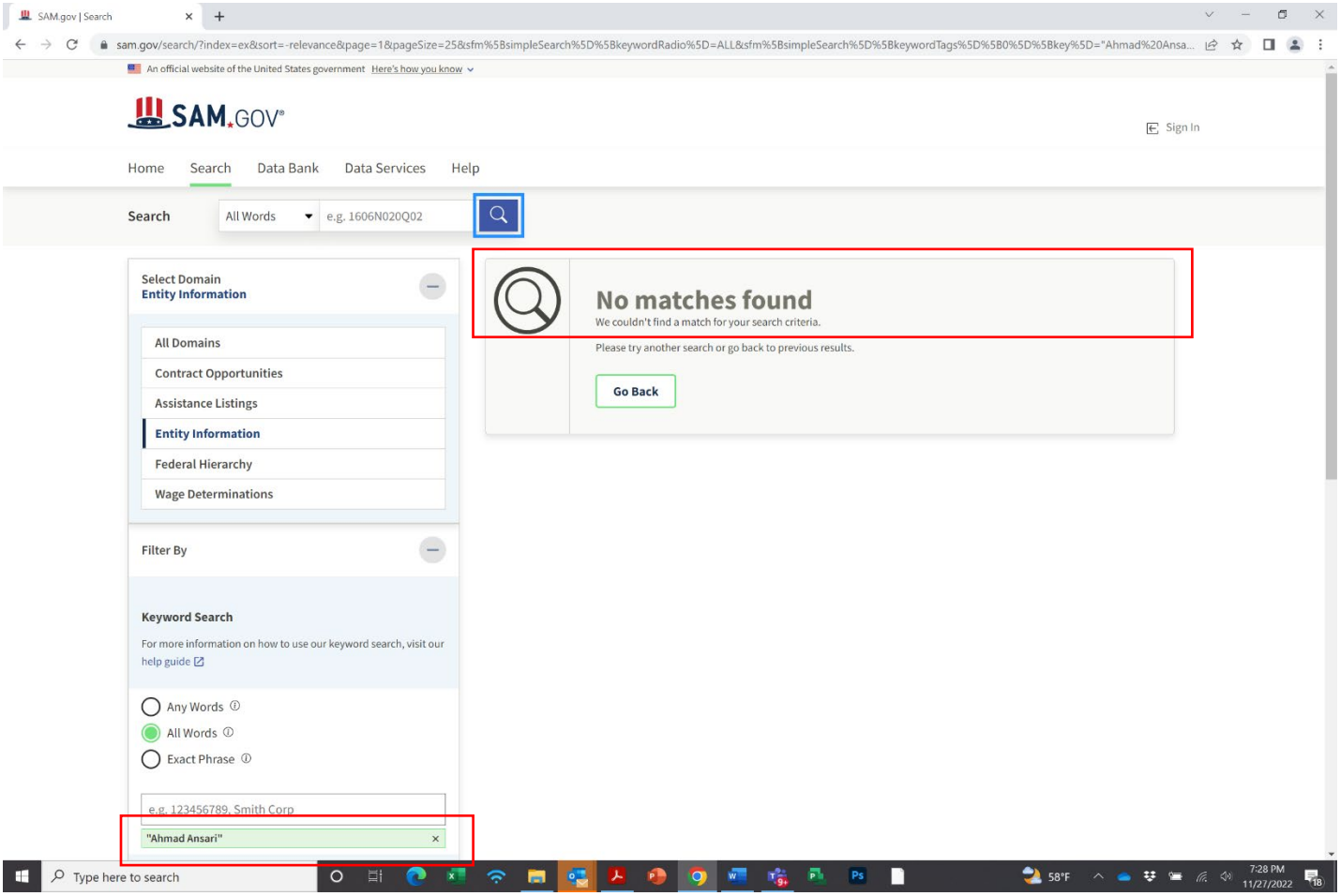
**Prime Consultant: TRANSTECH ENGINEERS, INC.**
**Principal Staff: Ayla Jefferson, CBO**



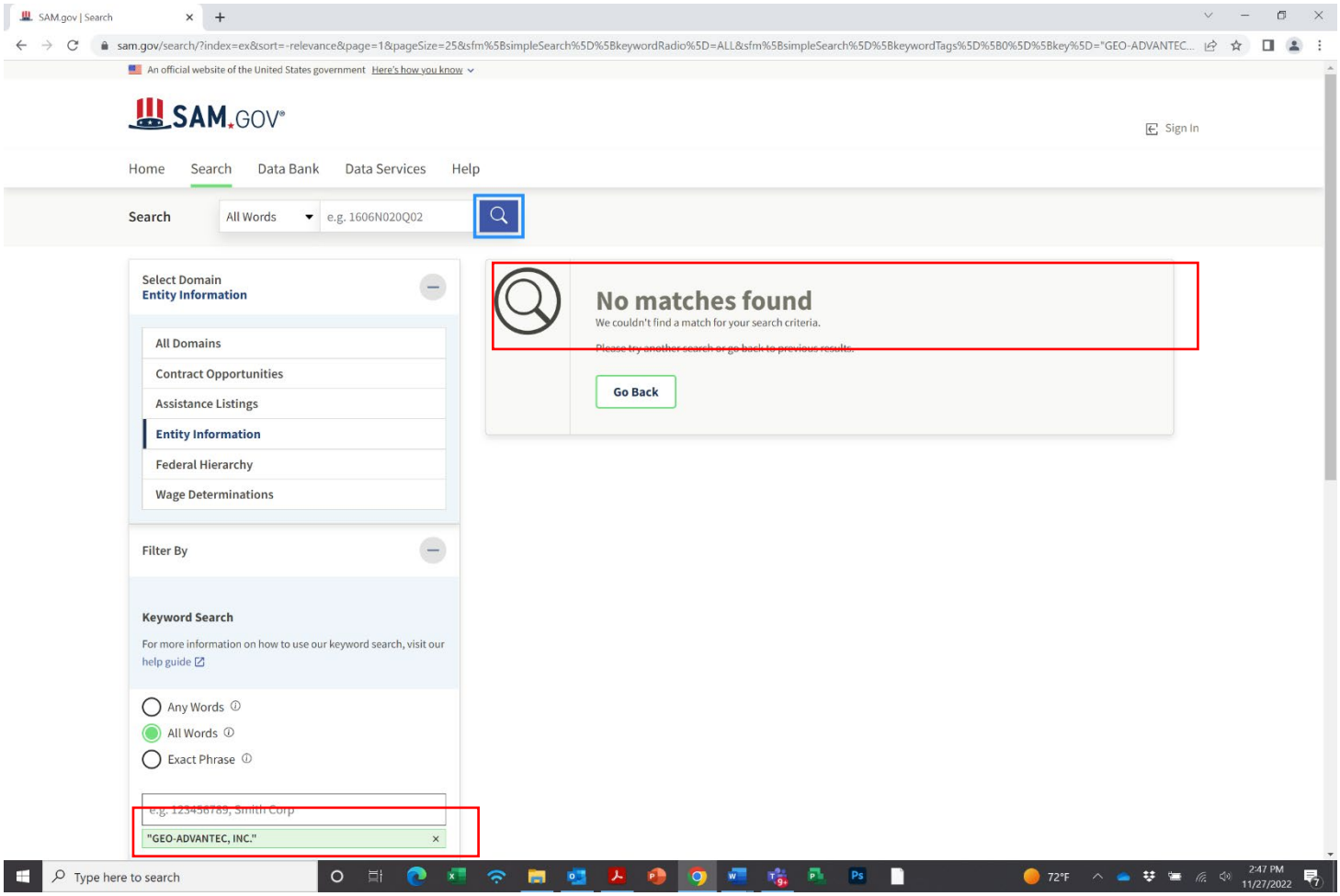
**Prime Consultant: TRANSTECH ENGINEERS, INC.**
**Principal Staff: Dennis Tarango, CBO**



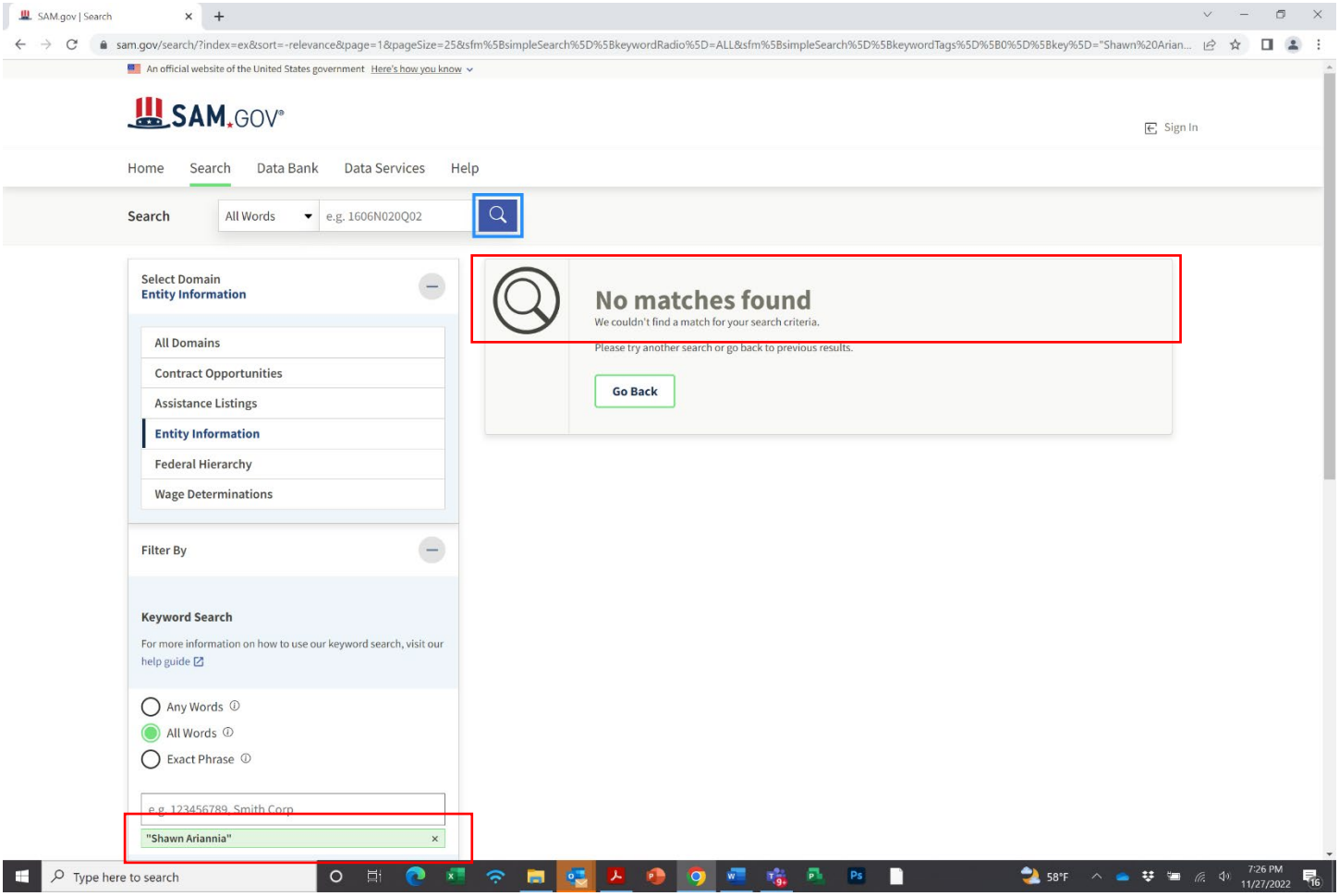
**Prime Consultant: TRANSTECH ENGINEERS, INC.**
**Principal Staff: Ahmad Ansari, PE**



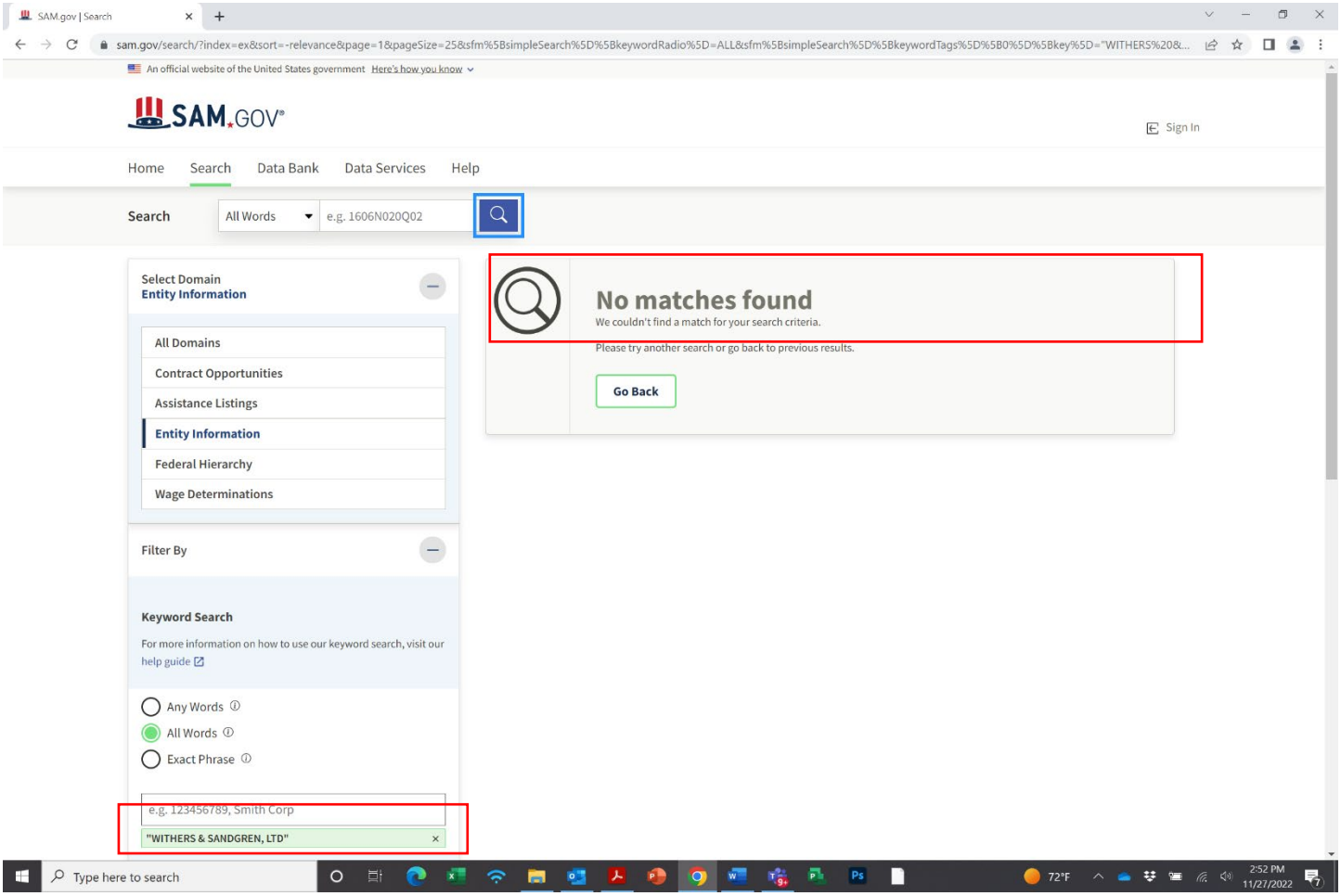
**Sub-Consultant : GEO-ADVANTEC, INC.**



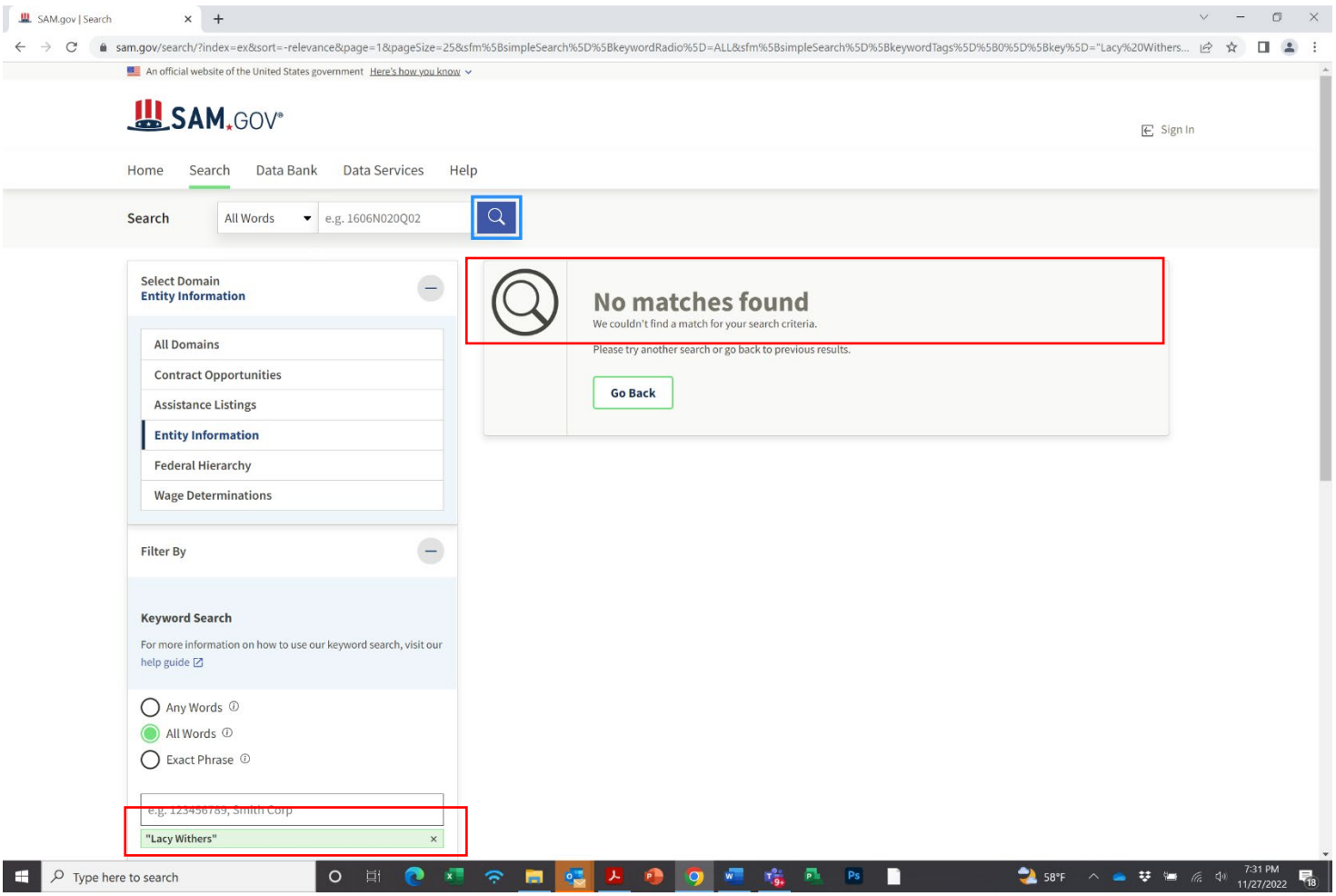
**Sub-Consultant : GEO-ADVANTEC, INC.**
**Principal Staff: Shan Ariannia, PhD, PE, GE**



**Sub-Consultant: WITHERS & SANDGREN, LTD.**



**Sub-Consultant: WITHERS & SANDGREN, LTD.**
**Principal Staff: Lacy Withers, ASLA, CA RLA**



# Attachment D: Fee Schedule

Inspection, Permit counter and Plan Review services will be provided based on the below sliding scale percentage table.

| Monthly Building Division Revenues | Fees |
|---|---|
| Up to $150,000 | 50% of the revenues |
| $150,001 to $250,000 | 40% of the revenues |
| $250,001 and above | 35% of the revenues |
| The minimum monthly fee no less than | $50,000 |
| Where fees are waived or reduced, hourly standard rates shall be applicable for the services provided. | |
| Any other services shall be per the hourly standard rates. | |

**RFP Section:**
10.16 PIGGYBACKING OPTION
The City would like to make the same pricing structures available to other government agencies. Proposers shall indicate in their proposal whether they agree to extend pricing to other agencies and for what length of time. Inclusion is not mandatory and will have no bearing on the contract award.

**Response to RFP Section**
The pricing structure, duration and terms included in our proposal for the same service and staffing level is available to other government agencies.

**TRANSTECH ENGINEERS, INC.**
**SCHEDULE OF HOURLY RATES**
**Effective through June 30, 2023**
**Rates are average, negotiable and can be modified to establish a fee for each assignment based on the specific project's scope, when such projects are identified by the City.**

| ENGINEERING | |
|---|---|
| Field Technician | $72 |
| Engineering Technician | $88 |
| Assistant CAD Drafter | $104 |
| Senior CAD Drafter | $127 |
| Associate Designer | $132 |
| Senior Designer | $143 |
| Design Project Manager | $176 |
| Assistant Engineer | $111 |
| Staff Engineer | $137 |
| Associate Civil Engineer | $137 |
| Senior Civil Engineer | $176 |
| Traffic Analyst Technician | $88 |
| Associate Traffic Analyst | $104 |
| Senior Traffic Analyst | $143 |
| Professional Transportation Planner | $165 |
| Traffic Engineer Technician | $88 |
| Associate Traffic Engineer | $137 |
| Traffic Engineer | $155 |
| Senior Traffic Engineer | $176 |
| Project Manager | $165 |
| Senior Project Manager | $176 |
| Deputy City Engineer | $155 |
| Senior City Engineer | $176 |
| Principal Engineer | $199 |

| CONSTRUCTION MANAGEMENT | |
|---|---|
| Labor Compliance Analyst | $132 |
| Funds Coordinator | $132 |
| Utility Coordinator | $148 |
| Office Engineer | $121 |
| Construction Inspector | $127 |
| Senior Construction Inspector | $143 |
| Construction Manager | $176 |
| Resident Engineer | $176 |
| **PUBLIC WORKS INSPECTION** | |
| Public Works Inspector | $127 |
| Senior Public Works Inspector | $143 |
| Supervising PW Inspector | $148 |
| **SURVEY AND MAPPING** | |
| Survey Analyst | $127 |
| Senior Survey Analyst | $132 |
| 2 Man Survey Crew | $308 |
| Survey & Mapping Specialist | $176 |
| Licensed Land Surveyor | $192 |
| **FUNDING & GRANT WRITING** | |
| Funds Analyst | $111 |
| Senior Funds Analyst | $132 |
| Graphic & Rendering Designer | $121 |
| Grant Writer | $132 |
| Funds & Grant Project Manager | $165 |

| BUILDING & SAFETY | |
|---|---|
| Permit Technician | $67 |
| Building Inspector | $93 |
| Senior Building Inspector | $104 |
| Plans Examiner/Checker | $132 |
| Plan Check Engineer/Supervisor | $143 |
| CASp Plan Checker | $155 |
| Deputy Building Official | $143 |
| Building Official | $156 |
| **PLANNING** | |
| Community Development Technician | $67 |
| Planning Technician | $67 |
| Assistant Planner | $104 |
| Associate Planner | $121 |
| Senior Planner | $132 |
| Planning Manager | $148 |
| Deputy Director | $187 |
| Director | $199 |
| **SPECIAL RATES** | |
| CITY ENGINEER/TRAFFIC ENGINEER/SR. ENGINEER | $150 |
| BUILDING OFFICIAL | $150 |

*Subcontractor services shall be a pass-through invoice with 10% surcharge.*
*The above fees will be increased each year July 1st automatically by the percentage change Los Angeles-Long Beach-Anaheim California Consumer Price Index-All Urban Consumers ("CPI-U") for the preceding twelve-month period as calculated for February by the U.S. Department of Labor Bureau of Labor Statistics and published by the United States Bureau of Labor Statistic.*

# Attachment E: Scope of Services

**ATTACHMENT E**

**Scope of Services**

A. General Responsibilities

Under the direction of the Community Development Director, the selected firm would assume the responsibility for the operation of the Building and Safety Division and would provide the range of expertise necessary to carry out the normal and day-to-day activities and functions of the Division. This includes, but not limited to providing professional services in all the following areas: Building Official services, development review of new projects, counter assistance, plan checking, building code compliance, and "on-call" inspection services. It is the City's intent to select one (1) firm to provide the requested services.

The City of West Covina is committed to providing the most efficient and timely customer service possible to meet the needs of the community. The selected firm will be expected to provide excellent front-line customer services to the City's patrons, responding quickly and effectively to the walk-in, telephone, and electronic inquiries from the public related to Building and Safety services. The selected firm will be expected to work closely with all City departments and divisions and ensure that the appropriate requirements of those departments and divisions are incorporated in the Building and Safety Division's operating standards and processes.

B. Building Official Services

The selected firm shall provide a highly qualified individual to serve as the City's Building Official. The Building Official shall oversee plan checking, building and grading inspections, building code compliance, and acts as an official City representative on building related matters. Service will include but are not limited to the following:

1. Quality control review of plan checks and inspections
2. Building Code updates and adoption
3. Resolution of inquiries and complaints
4. Building Official Administration, processing of complex Building Code issues and dispute resolution
5. Maintain and update the Building and Safety counter brochures and "hand-outs"
6. Monthly reporting of Building and Safety activities and annual reporting
7. Participate in pre-development review and provide comments

8. Attendance of pre-development review meetings
9. Processing of City Council staff reports (as needed)
10. Attendance at Planning Commission and City Council meetings (as needed)

The ideal proposal would include an International Code Council (ICC) Certified Building Official who is available to be at the City part-time (10 hours minimum) and as needed, has at least 5 years of Building Official experience, is customer-service oriented, and has experience with managing multiple tasks, assignments and responsibilities. The Building Official shall also be available on an as needed basis for questions and quality control of work during the time he/she is not at City Hall.

C. Inspection Services

The selected firm shall provide a Building Inspector, acceptable to the Community Development Director, on an as needed/on-call basis to provide Building and Safety Services. Specific responsibilities include but are not limited to the following:

1. Inspection services (residential, commercial, and other nonresidential projects) for building code, accessibility, grading, building, electrical, mechanical, plumbing, etc.
2. Maintain permit forms and handout materials related to permit requirements and issuance
3. Handle project inquiries and resolve complaints
4. Maintain records and files concerning construction permits and building code administration (including documents for storage and/or imaging)

The ideal proposal would include an International Code Council (ICC) certified combination Building Inspector who is available to be at the City as needed/on-call, has at least 5 years of building inspection experience inspecting residential, commercial, and mixed-used buildings, has experience inspecting structural systems, has experience inspecting electrical systems, is customer-service oriented, and has experience with managing multiple tasks, assignments and responsibilities.

D. Building Permit Technician Services

The selected firm shall provide a Building Permit Technician, acceptable to the

Community Development Director, on an as needed/on-call basis to provide Building and Safety Services. Specific responsibilities include but are not limited to the following:

1. Reviews permit applications, calculate fees in accordance to established fee schedule, receive permit application/plans for plan check processing, and issue permits
2. Handle project inquiries and resolve complaints
3. Maintain records and files concerning construction permits and building code administration (including documents for storage and/or imaging)

The ideal proposal would include a Building Permit Technician who has at least 2 years of permit issuance experience in a municipal government department and responsible clerical experience Plan Check Services

E. The selected firm shall provide qualified plan check professionals on as needed basis. The selected firm shall provide such personnel based on the volume of work and the City's expected plan check turn-around times as described in Section E below.

1. Plan checking includes American with Disabilities Act (ADA) accessibility, grading, erosion control, building, mechanical, electrical, plumbing work, and Fire, etc.
2. Plan check monitoring, permit issuance for grading, building electrical, mechanical, plumbing, and fire etc.
3. Handle project inquiries and resolve complaints

The ideal proposal would include an International Code Council (ICC) Certified California Building Plans Examiner with at least 5 years of plan check experience, committed to providing the most efficient, accurate and timely plan check services possible to meet the needs of the City, has previous City experiences, is customer-service oriented, and has experiences with successfully managing multiple tasks, requiring the application assignments, and responsibilities. The plan checker may substitute for a portion of the required time the Building Official is available at City Hall.

F. Maximum Service Delivery Timeframes

The City has established the "Maximum Timeframes" for the delivery of Building and Safety Services. The selected firm shall provide adequate personnel, based on the level of development

activity within any given time, to ensure that the following timeframes are met.

| Service | Timeframe for Delivery |
|---|---|
| **First Major Plan Check** (such as new single- family house, multi-family residential, commercial and other non-residential project) | 10-15 business days |
| **2nd, Subsequent Plan Checks & Resubmitted Plan Checks** (simple tenant improvements for non-residential buildings) | 3-5 business days |
| **Minor Plan Check** (such as room additions of single-family house, detached accessory structures, re-roofing, wall signs, swimming pools, etc.) | 3 business days or over the counter during a designated time period each day |
| **Building Inspection** | 95% next Day Inspections |
| **Grading Plan Check** (new construction) | 10-15 business days |
| **Subsequent or Resubmitted** grading plan checks | 3-5 business days |
| **Grading Inspection** | 95% next Day Inspections |
| **Return Phone Calls** | Within 24 hours or next business day |
| **Monthly Accounting and Reporting** | Completed within the first 10 days after close of month |

The selected firm shall be responsible to ensure that all other Building and Safety duties and follow-up not specifically mentioned in the table above are performed in a timely manner. The selected firm shall be responsible to ensure all personnel assigned to the City have sufficient on-going training to perform their assigned duties.

G. Emergency Response

In the event of a local or regional emergency or disaster, personnel provided by the selected firm shall be accessible, available, and prepared to provide Building and Safety services as directed by the City.

H. Other Services

The City may also require additional services including, landscape plan-check services.

I. Informational - Current Permitting Information

The City currently contracts with TransTech Engineers, Inc. for Building & Safety Services. The City utilizes Permits Plus for issuing building permits, however, is in the process of selecting a new permitting software system which will be finalized in December 2022. The new vendor will be required to assist with any transition to the new permitting software system. The Fire Department currently conducts their own Fire plan-checks and Fire inspections.

Permit Volume

| Permit | FY 2020 | FY 2021 | FY 2022 |
|---|---|---|---|
| Building | 1,541 | 1,801 | 806 |
| Electrical | 886 | 829 | 454 |
| Mechanical | 415 | 428 | 279 |
| Plumbing | 523 | 589 | 319 |

Please see next page for permit fees collected.

**West Covina Revenue**

| | REVENUES | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|---|---|---|---|---|---|---|---|
| 110.71.4220 | BUILDING PERMITS | 1,981,797 | 1,060,064 | 776,937 | 674,556 | 621,259 | 490,147 |
| 110.71.4221 | ELECTRICAL PERMITS | 202,108 | 163,447 | 143,233 | 124,458 | 108,723 | 62,146 |
| 110.71.4222 | PLUMBING PERMITS | 158,611 | 126,132 | 128,338 | 86,463 | 87,920 | 53,559 |
| 110.71.4251 | STREET IMPROVEMENTS | 270,349 | 60,479 | 50,265 | 8,835 | 9,242 | 2,884 |
| 110.71.4255 | WALLS (RETAINING, OVERHEIGHT) | 140,601 | 26,128 | 8,606 | 5,123 | 15,971 | 38,158 |
| 110.71.4257 | ONSITE IMPROVEMENTS | 152,603 | 301,205 | 29,597 | 61,879 | 57,030 | 15,101 |
| 110.71.4259 | GRADING | 168,102 | 89,296 | 31,455 | 24,542 | 13,868 | 6,295 |
| 110.71.4261 | CURB & GUTTER | 0 | 0 | 190 | 200 | 174 | 0 |
| 110.71.4262 | DRIVEWAY APPROACH | 18,080 | 6,531 | 4,763 | 2,553 | 2,200 | 1,819 |
| 110.71.4263 | SIDEWALK | 2,128 | 1,444 | 38,574 | 12,563 | 19,513 | 17,778 |
| 110.71.4264 | CURB DRAINS, ALL OTHER INSP. | 890 | 294 | 468 | 14,111 | 183 | 92 |
| 110.71.4265 | A.C. & P.C.C. PAVING | 16,793 | 260 | 27,654 | 14,878 | 18,174 | 20,539 |
| 110.71.4266 | EXCAVATION | 86,438 | 44,164 | 28,111 | 20,421 | 24,110 | 27,725 |
| 110.71.4267 | MISCELLANEOUS SEWER FACILITIES | 16,646 | 1,310 | 1,012 | 8,178 | 392 | 7,577 |
| 110.71.4272 | STREET OBSTRUCTION | 370,714 | 200,386 | 107,060 | 16,405 | 21,635 | 17,292 |
| 110.71.4273 | ENCROACHMENT | 396,704 | 118,733 | 45,478 | 290 | 481 | 809 |
| 110.71.4281 | SEWER MAINTENANCE | 0 | 1,242 | 1,001 | 134 | 55 | 221 |
| 110.71.4290 | OTHER LICENSES & PERMITS | 359,556 | 12,537 | 21,676 | 11,837 | 10,652 | 4,672 |
| 110.71.4326 | ADMIN CITATION-COMM ENHANCEMENT | 107,897 | 72,059 | 0 | 0 | 0 | 0 |
| 110.71.4330 | WASTE DIVERSION PLAN FORFEITURE | 0 | 0 | 26,550 | 41,150 | 87,175 | 59,700 |
| 110.71.4613 | PLAN REVIEW SURCHARGE | 352,667 | 187,903 | 79,333 | 122,885 | 150,216 | 84,908 |
| 110.71.4614 | PLAN CHECK FEES | 2,851,745 | 1,323,196 | 341,181 | 269,856 | 370,393 | 226,684 |
| 110.71.4615 | EXPEDITED PLAN CHECK | 12,789 | 8,988 | 18,206 | 14,746 | 17,023 | 42,506 |
| 110.71.4617 | AFTER HOURS PLAN CHECK | 30,950 | 27,999 | 8,853 | 0 | 0 | 0 |
| 110.71.4628 | WASTE MANAGEMENT FEES | 85,836 | 85,011 | 82,248 | 0 | 0 | 0 |
| 110.71.4647 | MISC REIMBURSEMENT | 0 | 1,496 | 0 | 194 | 5,050 | 0 |
| 110.71.4655 | ADMIN COST RECOVERY FEE | 12,438 | 5,457 | 6,588 | 11,269 | 32,446 | 27,615 |
| 110.71.4666 | PERMIT DOCUMENT RETENTION FEE | 42,754 | 31,726 | 0 | 0 | 0 | 0 |
| 110.71.4813 | SALE MAPS/PLANS/DOCUMENTS | 0 | 382 | 337 | 42 | 413 | 619 |
| 110.71.4816 | FINAL MAP | 16,532 | 96,397 | 5,000 | 7,828 | 8,610 | 780 |
| 110.71.4818 | MISCELLANEOUS | 0 | 0 | 280 | 1,073 | 86 | 1,780 |
| 110.71.4822 | CONTRACTUAL REIMBURSEMENT | 0 | 119 | 0 | 0 | 0 | 0 |
| | **TOTAL** | **7,855,727** | **4,054,384** | **2,012,993** | **1,556,469** | **1,682,994** | **1,211,405** |

# Attachment F: Sample Agreement

**ATTACHMENT F**

**SAMPLE AGREEMEMT**

**Note: City reserves the right to modify, amend and/or strike any provision of this sample agreement prior to the award of a contract.**

**CITY OF WEST COVINA**
**PROFESSIONAL SERVICES AGREEMENT**
**WITH**
**_____**
**FOR**
**_____**

THIS AGREEMENT is made and entered into this __ day of _____, 20__ ("Effective Date"), by and between the CITY OF WEST COVINA, a municipal corporation ("City"), and _____, a [the state where incorporation/organization occurred] [type of organization (corporation, limited liability company, limited partnership, etc.)] ("Consultant").

**RECITALS**

A. City proposes to utilize the services of Consultant as an independent contractor to City to _____, as more fully described herein; and

B. Consultant represents that it has that degree of specialized expertise contemplated within California Government Code Section 37103, and holds all necessary licenses to practice and perform the services herein contemplated; and

C. City and Consultant desire to contract for the specific services described in Exhibit "A" and desire to set forth their rights, duties and liabilities in connection with the services to be performed; and

D. No official or employee of City has a financial interest, within the provisions of Sections 1090-1092 of the California Government Code, in the subject matter of this Agreement; and

E. Consultant responded to the City's Request for Proposals dated _____, incorporated via this reference as if fully set forth herein, and Consultant's response to the Request for Proposals was a material inducement to the City ultimately entering into this agreement.

NOW, THEREFORE, for and in consideration of the mutual covenants and conditions contained herein, the parties hereby agree as follows:

**1.0. SERVICES PROVIDED BY CONSULTANT**

1.1. Scope of Services. Consultant shall provide the professional services described in the Scope of Services, attached hereto as Exhibit "A" and incorporated herein.

1.2. Professional Practices. All professional services to be provided by Consultant pursuant to this Agreement shall be provided by personnel experienced in their respective fields and in a manner consistent with the standards of care, diligence and skill ordinarily exercised by professional consultants in similar fields and circumstances in accordance with sound professional practices. Consultant also warrants that it is familiar with all laws that may affect its performance of this Agreement and shall advise City of any changes in any laws that may affect Consultant's performance of this Agreement. Consultant shall keep itself informed of State and



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Federal laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Consultant shall at all times observe and comply with all such laws and regulations. City officers and employees shall not be liable at law or in equity for any claims or damages occurring as a result of failure of the Consultant to comply with this section.

1.3. Performance to Satisfaction of City. Consultant agrees to perform all the work to the reasonable satisfaction of the City. Evaluations of the work will be conducted by the City Manager or his or her designee. If the quality of work is not satisfactory, City in its discretion has the right to:

(a) Meet with Consultant to review the quality of the work and resolve the matters of concern;

(b) Require Consultant to repeat the work at no additional fee until it is satisfactory; and/or

(c) Terminate the Agreement as hereinafter set forth.

1.4. Warranty. Consultant warrants that it shall perform the services required by this Agreement in compliance with all applicable Federal and California employment laws, including, but not limited to, those laws related to minimum hours and wages; occupational health and safety; fair employment and employment practices; workers' compensation; and all other Federal, State and local laws and ordinances applicable to the services required under this Agreement.

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1.5. Non-discrimination. In performing this Agreement, Consultant shall not engage in, nor permit its agents to engage in, discrimination in employment of persons because of their race, religion, color, national origin, ancestry, age, physical or mental disability, medical condition, genetic information, pregnancy, marital status, sex, gender, gender identity, gender expression, sexual orientation, or military or veteran status, except as permitted pursuant to Section 12940 of the Government Code.

1.6. Non-Exclusive Agreement. Consultant acknowledges that City may enter into agreements with other consultants for services similar to the services that are subject to this Agreement or may have its own employees perform services similar to those services contemplated by this Agreement.

1.7. Confidentiality. Employees of Consultant in the course of their duties may have access to financial, accounting, statistical, and personnel data of private individuals and employees of City. Consultant covenants that all data, documents, discussion, or other information developed or received by Consultant or provided for performance of this Agreement are deemed confidential and shall not be disclosed by Consultant without written authorization by City. City shall grant such authorization if disclosure is required by law. All City data shall be returned to City upon the termination of this Agreement. Consultant's covenant under this Section shall survive the termination of this Agreement.

1.8. Public Records Act Disclosure. Consultant has been advised and is aware that this Agreement and all reports, documents, information and data, including, but not limited to, computer tapes, discs or files furnished or prepared by Consultant, or any of its subcontractors, pursuant to this Agreement and provided to City may be subject to public disclosure as required

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by the California Public Records Act (California Government Code Section 6250 *et seq.*). Exceptions to public disclosure may be those documents or information that qualify as trade secrets, as that term is defined in California Government Code Section 6254.7, and of which Consultant informs City of such trade secret. The City will endeavor to maintain as confidential all information obtained by it that is designated as a trade secret. The City shall not, in any way, be liable or responsible for the disclosure of any trade secret including, without limitation, those records so marked if disclosure is deemed to be required by law or by order of the court.

**2.0. COMPENSATION AND BILLING**

2.1. Compensation. Consultant shall be paid in accordance with the fee schedule set forth in Exhibit "B," attached hereto and made a part of this Agreement (the "Fee Schedule"). Consultant's total compensation shall not exceed _____ Dollars ($ _____.00).

2.2. Additional Services. Consultant shall not receive compensation for any services provided outside the scope of services specified in the Consultant's Proposal unless the City, prior to Consultant performing the additional services, approves such additional services in writing. It is specifically understood that oral requests and/or approvals of such additional services or additional compensation shall be barred and are unenforceable. Should the City request in writing additional services that increase the Scope of Services, an additional fee based upon the Consultant's standard hourly rates shall be paid to the Consultant for such additional services.

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2.3. Method of Billing. Consultant may submit invoices to the City for approval on a progress basis, but no more often than once a month. Said invoice shall be based on the total of all Consultant's services which have been completed to City's sole satisfaction. City shall pay Consultant's invoice within forty-five (45) days from the date City receives said invoice. Each invoice shall describe in detail the services performed, the date of performance, and the associated time for completion. Any additional services approved and performed pursuant to this Agreement shall be designated as "Additional Services" and shall identify the number of the authorized change order, where applicable, on all invoices.

2.4. Records and Audits. Records of Consultant's services relating to this Agreement shall be maintained in accordance with generally recognized accounting principles and shall be made available to City for inspection and/or audit at mutually convenient times from the Effective Date until three (3) years after the termination or expiration of this Agreement.

**3.0. TIME OF PERFORMANCE**

3.1. Commencement and Completion of Work. Unless otherwise agreed to by the parties, the professional services to be performed pursuant to this Agreement shall commence within five (5) days from the Effective Date of this Agreement. Said services shall be performed in strict compliance with the Project Schedule approved by City as set forth in Exhibit "C," attached hereto and incorporated herein by this reference. The Project Schedule may be amended by mutual agreement of the parties. Failure to commence work in a timely manner and/or diligently pursue work to completion may be grounds for termination of this Agreement.

3.2. Excusable Delays. Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations, riots, acts of war, or any other conditions beyond the reasonable control of a

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party. If a delay beyond the control of the Consultant is encountered, a time extension may be mutually agreed upon in writing by the City and the Consultant. The Consultant shall present documentation satisfactory to the City to substantiate any request for a time extension.

**4.0. TERM AND TERMINATION**

4.1. Term. This Agreement shall commence on the Effective Date and continue for a period of _____ months, ending on _____, 20__, unless previously terminated as provided herein or as otherwise agreed to in writing by the parties. **[Optional language if extensions permitted:** Thereafter, this Agreement may be extended for a maximum of [spell out number (#) ] successive one (1) year periods. Such extensions, if any, will be evidenced by a written amendment to this Agreement.**]**

4.2. Notice of Termination. The City reserves and has the right and privilege of canceling, suspending or abandoning the execution of all or any part of the work contemplated by this Agreement, with or without cause, at any time, by providing at least fifteen (15) days prior written notice to Consultant. In the event of such termination, Consultant shall immediately stop rendering services under this Agreement unless directed otherwise by the City. If the City suspends, terminates or abandons a portion of this Agreement such suspension, termination or abandonment shall not make void or invalidate the remainder of this Agreement.

SAMPLE

If the Consultant defaults in the performance of any of the terms or conditions of this Agreement, it shall have ten (10) days after service upon it of written notice of such default in which to cure the default by rendering a satisfactory performance. In the event that the Consultant fails to cure its default within such period of time, the City shall have the right, notwithstanding any other provision of this Agreement, to terminate this Agreement without further notice and without prejudice to any other remedy to which it may be entitled to at law, in equity, or under this Agreement.

The City also shall have the right, notwithstanding any other provisions of this Agreement, to terminate this Agreement, at its option and without prejudice to any other remedy to which it may be entitled to at law, in equity, or under this Agreement, immediately upon service of written notice of termination on the Consultant, if the latter should:

a. Be adjudged a bankrupt;

b. Become insolvent or have a receiver of its assets or property appointed because of insolvency;

c. Make a general assignment for the benefit of creditors;

d. Default in the performance of any obligation or payment of any indebtedness under this Agreement;

e. Suffer any judgment against it to remain unsatisfied or unbonded of record for thirty (30) days or longer; or

f. Institute or suffer to be instituted any procedures for reorganization or rearrangement of its affairs.

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4.3. Compensation. In the event of termination, City shall pay Consultant for reasonable costs incurred and professional services satisfactorily performed up to and including the effective date of the City's written notice of termination, within forty-five (45) days after the effective date of the notice of termination or the final invoice of the Consultant, whichever occurs last. Compensation for work in progress shall be prorated based on the percentage of work completed as of the effective date of termination in accordance with the fees set forth herein.

4.4. Documents. In the event of termination of this Agreement, all documents prepared by Consultant in its performance of this Agreement including, but not limited to, finished or unfinished design, development and construction documents, data studies, drawings, maps and reports, shall be delivered to the City within ten (10) days of the effective date of the notice of termination, at no cost to City.

**5.0. INSURANCE**

5.1. Minimum Scope and Limits of Insurance. Consultant shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company authorized to do business in California, with a current A.M. Best's rating of no less than A:VII, and approved by City:

(a) Broad-form commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than Two Million Dollars ($2,000,000.00) per occurrence, Four Million Dollars ($4,000.000.00) general aggregate.

(b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars ($1,000,000.00) combined single limit per accident for bodily injury and property damage.

(c) Workers' compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with a limit of no less than One Million Dollars ($1,000,000.00) per accident for bodily injury or disease. Consultant agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers for losses arising from work performed by Consultant for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

By execution of this Agreement, the Consultant certifies as follows:

> I am aware of, and will comply with, Section 3700 of the Labor Code, requiring every employer to be insured against liability of Workers' Compensation or to undertake self-insurance before commencing any of the work.

The Consultant shall also comply with Section 3800 of the Labor Code by securing, paying for and maintaining in full force and effect for the duration



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of this Agreement, complete Workers' Compensation Insurance, and shall furnish a Certificate of Insurance to the City before execution of this Agreement by the City. The City, its officers and employees shall not be responsible for any claims in law or equity occasioned by failure of the consultant to comply with this section.

(d) Professional errors and omissions ("E&O") liability insurance with policy limits of not less than One Million Dollars ($1,000,000.00), combined single limits, per occurrence or claim, and Two Million Dollars ($2,000,000.00) aggregate. Architects' and engineers' coverage shall be endorsed to include contractual liability. If the policy is written as a "claims made" policy, the retroactivity date shall be prior to the start of the work set forth herein. Consultant shall obtain and maintain said E&O liability insurance during the life of this Agreement and for five (5) years after completion of the work hereunder. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of this Agreement, Consultant shall purchase "extended reporting" coverage for a minimum of five (5) years after completion of the work.

If the Consultant maintains higher limits or has broader coverage than the minimums shown above, the City requires and shall be entitled to all coverage, and to the higher limits maintained by the Consultant. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

5.2. Endorsements. The insurance policies are to contain, or be endorsed to contain, the following provisions:

(a) Additional Insureds: The City of West Covina and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Consultant pursuant to its contract with the City; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant; automobiles owned, leased, hired, or borrowed by the Consultant.

(b) Notice of Cancelation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

(c) Primary Coverage: The Consultant's insurance coverage shall be primary insurance as respects the City of West Covina, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of West Covina shall be excess and not contributing with the insurance provided by this policy.

(d) Waiver of Subrogation: Consultant hereby grants to City a waiver of any right to subrogation which any insurer of said Consultant may acquire against the City by virtue of the payment of any loss under such insurance. Consultant agrees to obtain any endorsement that may be necessary to affect this waiver of subrogation, but this provision applies regardless of



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whether or not the City has received a waiver of subrogation endorsement from the insurer.

(e) Coverage Not Affected: Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of West Covina, its officers, officials, agents, employees, and volunteers.

(f) Coverage Applies Separately: The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5.3. Deductible or Self Insured Retention. If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. The City may require the Consultant to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

5.4. Certificates of Insurance. Consultant shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

5.5. Non-limiting. Nothing in this Section shall be construed as limiting in any way the indemnification provision contained in this Agreement.

SAMPLE

## 6.0. GENERAL PROVISIONS

6.1. Entire Agreement. This Agreement constitutes the entire agreement between the parties with respect to any matter referenced herein and supersedes any and all other prior writings and oral negotiations. This Agreement may be modified only in writing, and signed by the parties in interest at the time of such modification.

6.2. Representatives. The City Manager or his or her designee shall be the representative of City for purposes of this Agreement and may issue all consents, approvals, directives and agreements on behalf of the City, called for by this Agreement, except as otherwise expressly provided in this Agreement.

Consultant shall designate a representative for purposes of this Agreement who shall be authorized to issue all consents, approvals, directives and agreements on behalf of Consultant called for by this Agreement, except as otherwise expressly provided in this Agreement.

6.3. Key Personnel. It is the intent of both parties to this Agreement that Consultant shall make available the professional services of _____, who shall coordinate directly with City. Any substitution of key personnel must be approved in advance in writing by City's Representative.

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6.4. Notices. Any notices, documents, correspondence or other communications concerning this Agreement or the work hereunder may be provided by personal delivery, facsimile, Email or by U.S. mail. If by U.S. mail, it shall be addressed as set forth below and placed in a sealed envelope, postage prepaid, and deposited in the United States Postal Service. Such communication shall be deemed served or delivered: a) at the time of delivery if such communication is sent by personal delivery; b) at the time of transmission if such communication is sent by facsimile or by Email; and c) 72 hours after deposit in the U.S. Mail as reflected by the official U.S. postmark if such communication is sent through regular United States mail.

| IF TO CONSULTANT: | IF TO CITY: |
|---|---|
| _____ | City of West Covina |
| _____ | 1444 West Garvey Ave. South |
| _____ | West Covina, CA 91790 |
| Tel: _____ | Tel: _____ |
| Fax: _____ | Fax: _____ |
| Email: _____ | Email: _____ |
| Attn: _____ | Attn: _____ |

***On a case by case basis it should be determined whether an attorney fee provision should be included in the contract.***

***If an attorney fee provision is to be included, use the following language:***

6.5. Attorneys' Fees. If litigation is brought by any party in connection with this Agreement against another party, the prevailing party shall be entitled to recover from the opposing party all costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in the exercise of any of its rights or remedies hereunder or the enforcement of any of the terms, conditions, or provisions hereof.

***If an attorney fee provision is not to be included, use the following language:***

6.5. Attorneys' Fees. If litigation is brought by any party in connection with this Agreement, each party shall be responsible for its own costs and expenses, including attorneys' fees.

6.6. Governing Law. This Agreement shall be governed by and construed under the laws of the State of California without giving effect to that body of laws pertaining to conflict of laws. In the event of any legal action to enforce or interpret this Agreement, the parties hereto agree that the sole and exclusive venue shall be a court of competent jurisdiction located in Los Angeles County, California.

6.7. Assignment. Consultant shall not voluntarily or by operation of law assign, transfer, sublet or encumber all or any part of Consultant's interest in this Agreement without City's prior written consent. Any attempted assignment, transfer, subletting or encumbrance shall be void and shall constitute a breach of this Agreement and cause for termination of this Agreement. Regardless of City's consent, no subletting or assignment shall release Consultant of Consultant's obligation to perform all other obligations to be performed by Consultant hereunder for the term of this Agreement.



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***If the contract is with not with "design professionals" (i.e. architects and engineers) as defined by Civil Code § 2782.8, the following indemnification provision should be used:***

6.8. Indemnification and Hold Harmless. Consultant agrees to defend, with counsel of City's choosing, indemnify, hold free and harmless the City, its elected and appointed officials, officers, agents and employees, at Consultant's sole expense, from and against any and all claims, demands, actions, suits or other legal proceedings brought against the City, its elected and appointed officials, officers, agents and employees arising out of the performance of the Consultant, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the Consultant, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Consultant, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected and appointed officials, officers, agents and employees based upon the work performed by the Consultant, its employees, and/or authorized subcontractors under this Agreement, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

SAMPLE

***If the contract is to hire "design professionals" (i.e. architects and engineers), under Civil Code § 2782.8, a city can only require indemnity for the professional's negligence, recklessness or willful misconduct. Therefore, for contracts with design professionals, the following section 6.8 should be used instead of the above section 6.8:***

6.8. Indemnification and Hold Harmless. Consultant agrees to defend, with counsel of City's choosing, indemnify, hold free and harmless the City, its elected and appointed officials, officers, agents and employees, at Consultant's sole expense, from and against any and all claims, demands, actions, suits or other legal proceedings brought against the City, its elected and appointed officials, officers, agents and employees arising out of, pertaining to, or relating to the negligence, recklessness, or willful misconduct of the Consultant, its employees, and/or authorized subcontractors, in performing this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence, recklessness or willful misconduct of the Consultant, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, recklessness, or willful misconduct of the Consultant, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected and appointed officials, officers, agents and employees based upon such negligence, recklessness, or willful misconduct, whether or not the Consultant, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Consultant shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. In no event shall the cost to defend charged to Consultant exceed Consultant's proportionate percentage of fault. However, notwithstanding the previous sentence, in the event one or more defendants is unable to pay its share of defense costs due to bankruptcy or dissolution of the business, Consultant shall meet and confer with other parties regarding

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unpaid defense costs. This provision shall supersede and replace all other indemnity provisions contained either in the City's specifications or Consultant's Proposal, which shall be of no force and effect.

6.9. Independent Contractor. Consultant is and shall be acting at all times as an independent contractor and not as an employee of City. Consultant shall have no power to incur any debt, obligation, or liability on behalf of City or otherwise act on behalf of City as an agent. Neither City nor any of its agents shall have control over the conduct of Consultant or any of Consultant's employees, except as set forth in this Agreement. Consultant shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of City. Consultant shall secure, at its sole expense, and be responsible for any and all payment of Income Tax, Social Security, State Disability Insurance Compensation, Unemployment Compensation, and other payroll deductions for Consultant and its officers, agents, and employees, and all business licenses, if any are required, in connection with the services to be performed hereunder. Consultant shall indemnify and hold City harmless from any and all taxes, assessments, penalties, and interest asserted against City by reason of the independent contractor relationship created by this Agreement. Consultant further agrees to indemnify and hold City harmless from any failure of Consultant to comply with the applicable worker's compensation laws. City shall have the right to offset against the amount of any fees due to Consultant under this Agreement any amount due to City from Consultant as a result of Consultant's failure to promptly pay to City any reimbursement or indemnification arising under this paragraph.

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6.10. PERS Eligibility Indemnification. In the event that Consultant or any employee, agent, or subcontractor of Consultant providing services under this Agreement claims or is determined by a court of competent jurisdiction or the California Public Employees Retirement System (PERS) to be eligible for enrollment in PERS as an employee of the City, Consultant shall indemnify, defend, and hold harmless City for the payment of any employee and/or employer contributions for PERS benefits on behalf of Consultant or its employees, agents, or subcontractors, as well as for the payment of any penalties and interest on such contributions, which would otherwise be the responsibility of City.

Notwithstanding any other agency, state or federal policy, rule, regulation, law or ordinance to the contrary, Consultant and any of its employees, agents, and subcontractors providing service under this Agreement shall not qualify for or become entitled to, and hereby agree to waive any claims to, any compensation, benefit, or any incident of employment by City, including but not limited to eligibility to enroll in PERS as an employee of City and entitlement to any contribution to be paid by City for employer contribution and/or employee contributions for PERS benefits.

6.11. Cooperation. In the event any claim or action is brought against City relating to Consultant's performance or services rendered under this Agreement, Consultant shall render any reasonable assistance and cooperation which City might require.

6.12. Ownership of Documents. All findings, reports, documents, information and data including, but not limited to, computer tapes or discs, files and tapes furnished or prepared by Consultant or any of its subcontractors in the course of performance of this Agreement, shall be and remain the sole property of City. Consultant agrees that any such documents or information shall not be made available to any individual or organization without the prior consent of City. Any use of such documents for other projects not contemplated by this Agreement, and any use of

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incomplete documents, shall be at the sole risk of City and without liability or legal exposure to Consultant. City shall indemnify and hold harmless Consultant from all claims, damages, losses, and expenses, including attorneys' fees, arising out of or resulting from City's use of such documents for other projects not contemplated by this Agreement or use of incomplete documents furnished by Consultant. Consultant shall deliver to City any findings, reports, documents, information, data, in any form, including but not limited to, computer tapes, discs, files audio tapes or any other related items as requested by City or its authorized representative, at no additional cost to the City. Consultant or Consultant's agents shall execute such documents as may be necessary from time to time to confirm City's ownership of the copyright in such documents.

6.13. Electronic Safeguards. Consultant shall identify reasonably foreseeable internal and external risks to the privacy and security of personal information that could result in the unauthorized disclosure, misuse, alteration, destruction or other compromise of the information. Consultant shall regularly assess the sufficiency of any safeguards and information security awareness training in place to control reasonably foreseeable internal and external risks, and evaluate and adjust those safeguards in light of the assessment.

6.14. Economic Interest Statement. Consultant hereby acknowledges that pursuant to Government Code Section 87300 and the Conflict of Interest Code adopted by City, Consultant is designated in said Conflict of Interest Code and is therefore required to file an Economic Interest Statement (Form 700) with the City Clerk, for each employee providing advice under this Agreement, prior to the commencement of work, unless waived by the City Manager.

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6.15. Conflict of Interest. Consultant and its officers, employees, associates and subconsultants, if any, will comply with all conflict of interest statutes of the State of California applicable to Consultant's services under this agreement, including, but not limited to, the Political Reform Act of 1974 (Government Code Section 81000, *et seq.*) and Government Code Sections 1090-1092. Consultant covenants that none of Consultant's officers or principals have any interest in, or shall acquire any interest, directly or indirectly, which will conflict in any manner or degree with the performance of the services hereunder, including in any manner in violation of the Political Reform Act. Consultant further covenants that in the performance of this Agreement, no person having such interest shall be used by Consultant as an officer, employee, agent, or subconsultant. Consultant further covenants that Consultant has not contracted with nor is performing any services, directly or indirectly, with any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the City and further covenants and agrees that Consultant and/or its subconsultants shall provide no service or enter into any agreement or agreements with a/any developer(s) and/or property owner(s) and/or firm(s) and/or partnership(s) owning property in the City prior to the completion of the work under this Agreement.

6.16. Prohibited Employment. Consultant will not employ any regular employee of City while this Agreement is in effect.

6.17. Order of Precedence. In the event of an inconsistency in this Agreement and any of the attached Exhibits, the terms set forth in this Agreement shall prevail. If, and to the extent this Agreement incorporates by reference any provision of any document, such provision shall be deemed a part of this Agreement. Nevertheless, if there is any conflict among the terms and conditions of this Agreement and those of any such provision or provisions so incorporated by reference, this Agreement shall govern over the document referenced.

6.18. Costs. Each party shall bear its own costs and fees incurred in the preparation

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and negotiation of this Agreement and in the performance of its obligations hereunder except as expressly provided herein.

6.19. No Third Party Beneficiary Rights. This Agreement is entered into for the sole benefit of City and Consultant and no other parties are intended to be direct or incidental beneficiaries of this Agreement and no third party shall have any right in, under or to this Agreement.

6.20. Headings. Paragraphs and subparagraph headings contained in this Agreement are included solely for convenience and are not intended to modify, explain or to be a full or accurate description of the content thereof and shall not in any way affect the meaning or interpretation of this Agreement.

6.21. Construction. The parties have participated jointly in the negotiation and drafting of this Agreement and have had an adequate opportunity to review each and every provision of the Agreement and submit the same to counsel or other consultants for review and comment. In the event an ambiguity or question of intent or interpretation arises with respect to this Agreement, this Agreement shall be construed as if drafted jointly by the parties and in accordance with its fair meaning. There shall be no presumption or burden of proof favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

SAMPLE

6.22. Amendments. Only a writing executed by the parties hereto or their respective successors and assigns may amend this Agreement.

6.23. Waiver. The delay or failure of either party at any time to require performance or compliance by the other of any of its obligations or agreements shall in no way be deemed a waiver of those rights to require such performance or compliance. No waiver of any provision of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom enforcement of a waiver is sought. The waiver of any right or remedy in respect to any occurrence or event shall not be deemed a waiver of any right or remedy in respect to any other occurrence or event, nor shall any waiver constitute a continuing waiver.

6.24. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be unenforceable in any circumstance, such determination shall not affect the validity or enforceability of the remaining terms and provisions hereof or of the offending provision in any other circumstance. Notwithstanding the foregoing, if the value of this Agreement, based upon the substantial benefit of the bargain for any party, is materially impaired, which determination made by the presiding court or arbitrator of competent jurisdiction shall be binding, then both parties agree to substitute such provision(s) through good faith negotiations.

6.25. Counterparts and Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement. Counterpart written signatures may be transmitted by facsimile, email or other electronic means and have the same legal effect as if they were original signatures.

6.26. Corporate Authority. The persons executing this Agreement on behalf of the parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said parties and that by doing so the parties hereto are formally bound to the provisions of this Agreement.

**Note: City reserves the right to modify, amend and/or strike any provision of this sample agreement prior to the award of a contract.**

6.27. Taxpayer Identification Number. Consultant shall provide City with a complete Request for Taxpayer Identification Number and Certification, Form W9, as issued by the Internal Revenue Service.

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be executed by and through their respective authorized officers, as of the date first above written.

CITY OF WEST COVINA,
A municipal corporation

_____ Date: _____
[Name]
[Mayor or City Manager]

CONSULTANT

_____ Date: _____
Signature

_____
Name and Title

***2 signatures from Consultant might be required.***

*Note: **If Consultant is a Corporation**, then two signatures are required. The first signature is to be by the chair of the board, the president or vice president. The second signature is to be by a corporate secretary, assistant secretary, chief financial officer, or any assistant treasurer. (A person can hold more than one corporate office – that person can sign the agreement twice if both capacities are identified.*
***If Consultant is a Limited Liability Company (LLC), that is managed by members**, then the first signature must be by any member, and unless required in the governing documents, no second signature is required. **If it is managed by a manager**, the first signature must be by a manager, and the second signature by a second manager (unless articles of organization state there is only one manager.*
***If Consultant is a partnership or LLP**, the first signature is by a partner (unless partnership rules state otherwise), and second signature is not required (unless partnership rules state otherwise).*

_____ Date: _____
Signature

_____
Name and Title

SAMPLE

**Note: City reserves the right to modify, amend and/or strike any provision of this sample agreement prior to the award of a contract.**

ATTEST:

_____
Lisa Sherrick
Assistant City Clerk

APPROVED AS TO FORM:

_____ Date: _____
Thomas P. Duarte
City Attorney

APPROVED AS TO INSURANCE:

_____ Date: _____
Helen Tran
Human Resources and Risk Management
Director

SAMPLE

# AGENDA STAFF REPORT

**City of West Covina | Office of the City Manager**

**DATE:** January 17, 2023

**TO:** Mayor and City Council

**FROM:** David Carmany
City Manager

**SUBJECT: CONSIDERATION OF CONSTRUCTION AGREEMENT FOR THE CITYWIDE PEDESTRIAN & VEHICLE TRAFFIC SAFETY IMPROVEMENTS FY 22-23 - PROJECT NO. 23027**

## RECOMMENDATION:

It is recommended that the City Council take the following actions:

1. Award the construction agreement for the Citywide Pedestrian & Vehicle Traffic Safety Improvements (Project No. 23027) to Superior Pavement Markings, Inc. as the lowest responsible bidder;
2. Authorize the City Manager to execute an agreement with Superior Pavement Markings, Inc. for $232,916.00, in substantially the form as attached and in such final form as approved by the City Attorney;
3. Authorize 15% of the awarded contract amount as contingency allowance to be used, if necessary, with the City Manager's approval, for unforeseen conditions;
4. Authorize the City Manager to negotiate and execute any amendments to the agreement;
5. Find that the project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15302 (Replacement or Reconstruction).

## BACKGROUND:

On June 7, 2022, the City Council approved the Traffic Committee meeting recommendations from the Traffic Committee meetings held between November 2021 and May 2022. These recommendations included various pedestrian and vehicle traffic safety improvements at various locations citywide.

This project includes all the approved Traffic Committee traffic safety recommendations at approximately 19 locations citywide. Major work components include installation of pedestrian and vehicle traffic safety improvements including signage, striping, and pavement markers at various locations Citywide and all related work.

The improvement locations include the following:

1. Greenleaf Drive curve near Brynwood Place
2. Glendora Avenue at Walnut Creek Parkway
3. Vine Avenue at Hollenbeck Avenue
4. Lark Hill Drive and Citrus Street

5. Workman Avenue between Azusa Avenue and Lark Ellen Avenue
6. Mobeck Street to Cameron Avenue
7. Segment of Casa Grande Drive between Michelle Street and Hollencrest Drive
8. Rowland Avenue Elementary School
9. Intersection at Glenview Road and Francisquito Avenue
10. Intersection of Lisa Street at Nanette Avenue
11. Workman Avenue between Azusa Avenue and Workman Avenue Elementary School
12. Willow Avenue at Alwood Street & Tamar Drive at Alwood Street
13. Merced Avenue between Azusa Avenue and Glenview Road
14. Pacific Avenue between Cameron Avenue and West Covina City Limit
15. Ridgewood Avenue between Nanette Avenue and Amar Road
16. 1838 and 1822 Cortez Street
17. Traweek Middle School, Drop Off And Pick Up
18. Jennifer Place & Eclipse Way
19. Sunset Avenue At Rowland Avenue

**DISCUSSION:**

On November 15, 2022, staff advertised the construction bid package. The following two (2) bids were received by the City at the Bid Opening held on December 14, 2022, at 1:00 pm.

| Contractor Name | Total Bid Amount |
|---|---|
| Superior Pavement Markings, Inc. | $232,916.00 |
| Sterndahl Enterprises LLC | $242,000.00 |

Staff conducted a bid analysis including checking references, California Contractor Licensing, Department of Industrial Relations registration, State and Federal debarment list review for the apparent low bidder, Superior Pavement Markings, Inc.

Lowest Responsive Bid

The lowest responsive bid was submitted by Superior Pavement Markings, Inc. in the amount of $232,916.00. Following Council's approval, the City will enter into an agreement with Superior Pavement Markings for $232,916.00 in substantially the form as attached in Attachment No. 1 and in such final form approved by the City Attorney.

Project Timeline

The project is anticipated to be completed within of 4 months from Notice to Proceed. Anticipated completion is by end of June 2023.

**LEGAL REVIEW:**

The City Attorney's Office will approve the final form of the construction agreement prior to execution.

**OPTIONS:**

The City Council has the following options:

1. Approve Staff's recommendation; or
2. Provide alternative direction.

**ENVIRONMENTAL REVIEW:**

The proposed project is a project subject to the California Environmental Quality Act (CEQA). Staff has reviewed the proposed project and has determined that it is categorically exempt from CEQA pursuant to CEQA Guidelines Section 15302(c) (Replacement or Reconstruction): Replacement or reconstruction of existing utility and/or facilities involving negligible or no expansion of capacity.

**Prepared by:** Okan Demirici PE, CIP Manager

## Fiscal Impact

**FISCAL IMPACT:**

The following is the breakdown of the total project estimate:

| | |
|---|---|
| Project Construction Budget | $232,916.00 |
| Proposed Contingency allowance (15%) | $34,937.40 |
| **Subtotal Construction Estimate** | **$267,853.40** |
| Project Management and Administration (Including Preparation of Bid Documents) | $14,000.00 |
| Construction Management and Inspection | $26,785.00 |
| **Total Project Estimate** | **$308,638.40** |

This contract was budgeted within an existing project, Citywide Pedestrian & Vehicle Safety Improvements (Project No. 22004), which has an available balance of $1,646,871. Staff proposes reallocating a portion of this balance to a new project for ease of tracking and transparency. Funding for the new project (No. 23027, Citywide Pedestrian & Vehicle Safety Improvements FY22-23) is proposed as follows:

| Project No. | Fund | Account No. | Current FY2022-23 Budget | Proposed Transfer | Amended FY2022-23 Budget |
|---|---|---|---|---|---|
| 22004 | Fund 237, SB1 - ROAD MAINT REHAB | 237.80.7005.7200 | 1,827,630 | -309,000 | 1,518,630 |
| 23027 | Fund 237, SB1 - ROAD MAINT REHAB | 237.80.7005.7200 | 0 | 309,000 | 309,000 |
| | | **Total** | **$1,827,630** | **$0** | **$1,827,630** |

Resolution No. 2022-53 authorizes appropriations to be reallocated from one activity account to another provided there is no change in the scope of service delivery level or increase in the appropriation as approved by the City Council. Since this transfer is within the same fund and is not changing the service delivery level or increasing appropriations, a resolution amending the budget is not necessary. If the contract is approved, an internal budget transfer will be processed.

## Attachments

Attachment No. 1 - Construction Services Agreement

**CITY COUNCIL GOALS & OBJECTIVES:** Protect Public Safety
Enhance City Image and Effectiveness
A Creative and Active Communuty

# CITY OF WEST COVINA
# CONSTRUCTION SERVICES AGREEMENT FOR
# PROJECT NO. 23027
# CITYWIDE PEDESTRIAN & VEHICLE TRAFFIC SAFETY IMPROVEMENTS
# FY 22-23

THIS CONSTRUCTION SERVICES AGREEMENT (herein "Agreement"), is made and entered into this 17th day of January, 2023 ("Effective Date") by and between the CITY OF WEST COVINA, a municipal corporation (herein "City"), and SUPERIOR PAVEMENT MARKINGS, INC., a California Corporation (herein "Contractor").

## RECITALS

A. City requires construction services for the Citywide Pedestrian & Vehicle Traffic Safety Improvements, Project No. 23027 ("Project"), that meet the requirements as shown in the project specifications and this Agreement.

B. Contractor has submitted a bid to perform the construction services for the Project and has represented to City that Contractor is qualified to perform said services.

C. City has determined that Contractor is the lowest responsible bidder.

D. City and Contractor desire to enter into this Agreement for the Project on the terms and conditions set forth herein.

NOW, THEREFORE, based on the foregoing Recitals and for good and valuable consideration, the receipt and sufficiency of which is acknowledged by both parties, City and Contractor hereby agree as follows:

## 1.0 SERVICES OF CONTRACTOR

**1.1 Scope of Services.** In compliance with all terms and conditions of this Agreement, the Contractor shall provide all work described in the Contract Documents, as further described herein, which services may be referred to herein as the "services" or "work". As a material inducement to the City entering into this Agreement, Contractor represents and warrants that Contractor is a provider of first class work and services and Contractor is experienced in performing the work and services contemplated herein and, in light of such status and experience, Contractor covenants that it shall follow the highest professional standards in performing the work and services required hereunder and that all materials will be of good quality and fit for the purpose intended.

**1.2 Documents Included in Contract.** The complete Agreement consists of:

(a) This Agreement;
(b) Notice to Contractors and Instructions to Bidders, Bid Documents and Contract Documents for the Project (collectively, "Bid Documents"), incorporated by this reference as if fully set forth herein;

(c) Addendum No. 1 to the Bid Documents, dated November 19, 2022, incorporated by this reference as if fully set forth herein;
(d) Addendum No. 2 to the Bid Documents, dated December 2, 2022, incorporated by this reference as if fully set forth herein;
(e) Contractor's Proposal, attached hereto as Exhibit A and incorporated herein;
(f) Certificates of Insurance, attached hereto as Exhibit B and incorporated herein;
(g) Bonds, attached hereto as Exhibit C and incorporated herein;
(h) The Standard Specifications and Standard Specifications for Public Works Construction, as detailed in Section 19-1 of the West Covina Municipal Code, incorporated by this reference as if fully set forth herein; and
(i) All exhibits and attachments to the foregoing documents.

The documents comprising the complete Agreement may be referred to in this Agreement as the "Contract Documents." In the event of an inconsistency between any of the terms in this Agreement and any of the documents referenced above, this Agreement shall govern.

**1.3 Compliance with Law.** All services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the City and any Federal, State or local governmental agency having jurisdiction in effect at the time the work is performed.

**1.4 Licenses, Permits, Fees, and Assessments.** Contractor shall obtain at its sole cost and expense such licenses, permits and approvals as may be required by law for the performance of the services required by this Agreement, including a business license from the City. Contractor shall have the sole obligation to pay for any fees, assessments and taxes, plus applicable penalties and interest, which may be imposed by law and arise from or are necessary for the Contractor's performance of the services required by this Agreement, and shall indemnify, defend and hold harmless City against any such fees, assessments, taxes penalties or interest levied, assessed or imposed against City hereunder. Contractor shall be responsible for all subcontractors' compliance with this Section.

**1.5 Familiarity with Work.** By executing this Agreement, Contractor warrants that Contractor (a) has thoroughly investigated and considered the Scope of Services to be performed, (b) has carefully considered how the services should be performed, and (c) fully understands the facilities, difficulties and restrictions attending performance of the services under this Agreement. If the services involve work upon any site, Contractor warrants that Contractor has or will investigate the site and is or will be fully acquainted with the conditions there existing, prior to commencement of services hereunder. Should the Contractor discover any latent or unknown conditions, which will materially affect the performance of the services hereunder, Contractor shall immediately inform the City of such fact and shall not proceed except at Contractor's risk until written instructions are received from the Contract Officer.

**1.6 Care of Work.** The Contractor shall adopt reasonable methods during the life of this Agreement to furnish continuous protection to the work, and the equipment, materials, papers, documents, plans, studies and/or other components thereof to prevent losses or damages, and shall be responsible for all such damages, to persons or property, until acceptance of the work by City, except such losses or damages as may be caused by City's own active negligence.

**1.7 Further Responsibilities of Parties.** Both parties agree to use reasonable care and

diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Contractor shall require all subcontractors to comply with the provisions of this Agreement.

**1.8 Additional Services.** City shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written change order is first given by the Contract Officer to the Contractor, incorporating therein any adjustment in (i) the Contract Sum, and/or (ii) the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. All change orders are subject to the requirements of West Covina Municipal Code Section 2-358. It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein. Contractor hereby acknowledges that it accepts the risk that the services to be provided pursuant to the Scope of Services may be more costly or time consuming than Contractor anticipates and that Contractor shall not be entitled to additional compensation therefor.

**1.9 Prevailing Wage Requirements.**

(a) Prevailing Wage Laws. Contractor is aware of the requirements of Chapter 1 (beginning at Section 1720 et seq.) of Part 7 of Division 2 of the California Labor Code, as well as Title 8, Section 16000 et seq. of the California Code of Regulations ("Prevailing Wage Laws"), which require the payment of prevailing wage rates and the performance of other requirements on "public works" and "maintenance" projects. This Project is a "public works" project and requires compliance with the Prevailing Wage Laws. Contractor shall defend, indemnify and hold the City, its elected officials, officers, employees and agents free and harmless from any claim or liability arising out of any failure or alleged failure to comply with the Prevailing Wage Laws.

(b) Payment of Prevailing Wages. Contractor shall pay the prevailing wage rates for all work performed under this Agreement. When any craft or classification is omitted from the general prevailing wage determinations, Contractor shall pay the wage rate of the craft or classification most closely related to the omitted classification. A copy of the general prevailing wage rate determination is on file in the Office of the City Clerk and is incorporated into this Agreement as if fully set forth herein. Contractor shall post a copy of such wage rates at all times at the project site(s).

(c) Legal Working Day. In accordance with the provisions of Labor Code Section 1810 et seq., eight (8) hours is the legal working day. Contractor and any subcontractor(s) of Contractor shall comply with the provisions of the Labor Code regarding eight (8)-hour work day and 40-hour work week requirements, and overtime, Saturday, Sunday, and holiday work. Work performed by Contractor's or any subcontractor's employees in excess of eight (8) hours per day, and 40 hours during any one week, must include compensation for all hours worked in excess of eight (8) hours per day, or 40 hours during any one week, at not less than one and one-half times the basic rate of pay. Contractor shall forfeit as a penalty to City Twenty-Five Dollars ($25.00), or any greater penalty set forth in the Labor Code, for each worker employed in the execution of the work by Contractor or by any subcontractor(s) of Contractor, for each calendar day during which such worker is required or permitted to the work more than eight (8) hours in one calendar day or more than 40 hours in any one

calendar week in violation of the Labor Code.

(d) Apprentices. Contractor shall comply with the provisions of Labor Code Section 1777.5 concerning the employment of apprentices on public works projects. Contractor shall be responsible for ensuring compliance by its subcontractors with Labor Code Section 1777.5.

(e) Payroll Records. Pursuant to Labor Code Section 1776, Contractor and any subcontractor(s) shall keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by Contractor or any subcontractor in connection with this Agreement. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, stating both of the following: (1) The information contained in the payroll record is true and correct; and (2) The employer has complied with the requirements of Sections 1771, 1881, and 1815 of the Labor Code for any work performed by his or her employees on this Project. The payroll records shall be certified and shall be available for inspection at all reasonable hours in accordance with the requirements of Labor Code Section 1776.

(f) Registration with DIR. Contractor and any subcontractor(s) of Contractor shall comply with the provisions of Labor Code Section 1771 and Labor Code Section 1725.5 requiring registration with the DIR.

## 2.0 COMPENSATION

**2.1 Contract Sum.** For the services rendered pursuant to this Agreement, the Contractor shall be compensated as specified herein, but not exceeding the maximum contract amount of Two Hundred Thirty Two Thousand Nine Hundred Sixteen Dollars ($232,916.00) (herein "Contract Sum"), except as provided in Section 1.8 (Additional Services). The Contract Sum shall include the attendance of Contractor at all project meetings reasonably deemed necessary by the City; Contractor shall not be entitled to any additional compensation for attending said meetings.

**2.2 Progress Payments.** Prior to the first day of the month, during the progress of the work, commencing on the day and month specified in the Agreement, Contractor shall submit to the Contract Officer a complete itemized statement of all labor and materials incorporated into the work during the preceding month and the portion of the Contract Sum applicable thereto. Upon approval in writing by the Contract Officer, payment shall be made within thirty (30) days. City shall pay Contractor a sum based upon ninety five percent (95%) of the Contract Sum apportionment of the labor and materials incorporated into the work under the Agreement during the month covered by said statement. The remaining five percent (5%) of the Contract Sum shall be retained as performance security as detailed in Section 2.3 (Retention of Funds).

**2.3 Retention of Funds.** Progress payments shall be made in accordance with the provisions of Section 2.2 (Progress Payments) of this Agreement. In accordance with said section, City will retain five percent (5%) of the Contract Sum apportionment from each progress payment as performance security to be paid to the Contractor within sixty (60) days after final acceptance of the work by the City Council, after Contractor furnishes City with a release of all undisputed contract amounts if required by City. If there are any claims specifically excluded by Contractor

from the operation of the release, the City may retain proceeds as authorized by Public Contract Code Section 7107 of up to 150% of the amount in dispute. City's failure to deduct or withhold shall not affect Contractor's obligations hereunder. To the extent consistent with Public Contract Code Section 22300, Contractor may request and City shall make payment of retentions earned directly to an escrow agent at the expense of Contractor, and may direct the investment of the payments into securities and Contractor shall receive the interest earned on the investments upon the same terms provided for in Public Contract Code Section 22300 for securities deposited by Contractor. Upon satisfactory completion of this Agreement, Contractor shall receive from the escrow agent all securities, interest, and payments received by the escrow agent from the City.

## 3.0 PERFORMANCE SCHEDULE

**3.1 Time of Essence.** Time is of the essence in the performance of this Agreement.

**3.2 Schedule of Performance.** Contractor shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall complete all services within sixty (60) working days. Contractor shall submit for the Contract Officer's approval its proposed Construction Schedule. Contractor shall perform the services in accordance with the approved Construction Schedule. When requested by the Contractor, extensions to the time period(s) specified in the Construction Schedule may be approved in writing by the Contract Officer.

**3.3 Force Majeure.** The time period(s) specified in the Construction Schedule for performance of the services rendered pursuant to this Agreement shall be extended to the extent caused by delays due to unforeseeable causes beyond the control and without the fault or negligence of the Contractor, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency other than the City, if the Contractor within ten (10) days of the commencement of such delay notifies the Contract Officer in writing of the causes for the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified. The Contract Officer's determination shall be final and conclusive upon the parties to this Agreement. Contractor shall not be entitled to any damages or increase in compensation due to force majeure.

**3.4 Term.** Unless earlier terminated as set forth herein, this Agreement shall continue in full force and effect until final approval and acceptance of the project by the City.

## 4.0 COORDINATION OF WORK

**4.1 Representative of Contractor.** The following principal(s) of Contractor are hereby designated as being the principal(s) and representative(s) of Contractor authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

Darren Veltz, Chief Financial Officer

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principal(s) were a substantial inducement for City to enter into this Agreement. Therefore,

the foregoing principal(s) shall be responsible during the term of this Agreement for directing all activities of Contractor and devoting sufficient time to personally supervise the services hereunder. For purposes of this Agreement, the foregoing principal(s) may not be replaced nor may their responsibilities be substantially reduced by Contractor without the express written approval of City.

**4.2 Contract Officer.** The Contract Officer shall be such person as may be designated by the City Manager or City Engineer of City. The Contractor shall keep the Contract Officer informed of Contractor's progress on the services. The Contractor shall refer any decisions which must be made by City to the Contract Officer. Unless otherwise specified herein or in the City's Municipal Code, any approval of City required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority to sign all documents on behalf of the City required by this Agreement, to the extent permitted by the City's Municipal Code.

**4.3 Prohibition Against Assignment.** The experience, knowledge, capability and reputation of Contractor, its principals and employees were a substantial inducement for the City to enter into this Agreement. Neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of City. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than twenty-five percent (25%) of the present ownership and/or control of Contractor, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall release the Contractor or any surety of Contractor of any liability hereunder without the City's express consent.

**4.4 Independent Contractor.** Neither the City nor any of its employees shall have any control over the manner, mode or means by which Contractor, its subcontractors, agents or employees, performs the services required herein, except as otherwise set forth herein. City shall have no voice in the selection, discharge, supervision or control of Contractor's employees, subcontractors, servants, representatives or agents, or in fixing their number, compensation or hours of service. Contractor shall perform all services required herein as an independent contractor of City and shall remain at all times as to City a wholly independent contractor with only such obligations as are consistent with that role. Contractor shall not at any time or in any manner represent that it or any of its subcontractors, agents or employees are agents or employees of City. City shall not in any way or for any purpose become or be deemed to be a partner of Contractor in its business or otherwise or a joint venture or a member of any joint enterprise with Contractor.

**4.5 Identity of Persons Performing Work.** Contractor represents that it employs or will employ at its own expense all personnel required for the satisfactory performance of any and all tasks and services set forth herein. Contractor represents that the tasks and services required herein will be performed by Contractor or under its direct supervision, and that all personnel engaged in such work shall be fully qualified and shall be authorized and permitted under applicable State and local law to perform such tasks and services.

**4.6 Utility Relocation.** City, and not Contractor, is responsible for removal, relocation, or protection of existing main or trunkline utilities but only to the extent such utilities were not identified in the invitation for bids or specifications. Where the specifications call for the Contractor to remove, relocate, reconstruct or protect such lines, all such work shall be deemed included in the Contract Sum.

Contractor having been presented with a reasonable basis to suspect that any previously unidentified main or trunkline may need to be removed, relocated or protected in place, Contractor shall immediately notify City and the affected utility company in writing of such belief, and the basis therefor, and Contractor shall thereafter work with the City and the utility company to coordinate such removal, relocation or protection. City shall reimburse Contractor for its reasonable costs incurred in locating and repairing damage not caused by Contractor, and removing or relocating such unidentified utility facilities, including equipment idled during such work. Contractor shall not be assessed liquidated damages for delays which meet both of the following requirements: (i) the delays occurred after Contractor gave City the written notice required by this Section; and (ii) the delays were caused by the removal, protection, or relocation of such unidentified utility facilities. Nothing herein shall be deemed to prevent the City from seeking reimbursement of any such costs from the affected utility company.

**4.7 Trenches or Excavations.** Pursuant to Public Contract Code Section 7104, if the work included in this Agreement requires excavations more than four (4) feet in depth, the following shall apply:

(a) Contractor shall promptly, and before the following conditions are disturbed, notify City, in writing, of any: (1) material that Contractor believes may be material that is hazardous waste, as defined in Section 25117 of the Health and Safety Code, that is required to be removed to a Class I, Class II, or Class III disposal site in accordance with provisions of existing law; (2) subsurface or latent physical conditions at the site different from those indicated; or (3) unknown physical conditions at the site of any unusual nature, different materially from those ordinarily encountered and generally recognized as inherent in work of the character provided for in the Agreement.

(b) City shall promptly investigate the conditions, and if it finds that the conditions do materially so differ, or do involve hazardous waste, and cause a decrease or increase in Contractor's cost of, or the time required for, performance of any part of the work, shall issue a change order per Section 1.8 (Additional Services) of this Agreement.

(c) If a dispute arises between City and Contractor whether the conditions materially differ, or involve hazardous waste, or cause a decrease or increase in Contractor's cost of, or time required for, performance of any part of the work, Contractor shall not be excused from any scheduled completion date provided for by the Agreement, but shall proceed with all work to be performed under the Agreement. Contractor shall retain any and all rights provided either by contract or by law which pertain to the resolution of disputes and protests between the contracting parties.

**4.8 Best Management Practices.** Contractor shall implement and maintain activity specific Best Management Practices (BMPs) to prevent pollutant loading from stormwater and non-stormwater discharges to receiving waters as required in Municipal NPDES Permit No. CAS004004. Contracting staff whose primary job duties are related to implementation of BMPs shall be adequately trained to effectively implement, operate, and maintain such BMPs and must be versed in factors affecting BMP effectiveness. Contractor shall certify it has received all applicable training to implement the requirements in Municipal NPDES Permit No. CAS004004 and shall provide documentation to that effect.

## 5.0 INSURANCE

**5.1 Minimum Scope and Limits of Insurance.** Contractor shall obtain, maintain, and keep in full force and effect during the life of this Agreement all of the following minimum scope of insurance coverages with an insurance company admitted to do business in California, with a current A.M. Best's rating of no less than A:VII, and approved by City:

(a) Broad-form commercial general liability, including premises-operations, products/completed operations, broad form property damage, blanket contractual liability, independent contractors, personal injury or bodily injury with a policy limit of not less than Two Million Dollars ($2,000,000.00) per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or shall be twice the required occurrence limit.

(b) Business automobile liability for owned vehicles, hired, and non-owned vehicles, with a policy limit of not less than One Million Dollars ($1,000,000.00), combined single limits per accident for bodily injury and property damage.

(c) Workers' compensation insurance as required by the State of California, with Statutory Limits, and Employer's Liability Insurance with a limit of no less than One Million Dollars ($1,000,000.00) per accident for bodily injury or disease. Contractor agrees to waive, and to obtain endorsements from its workers' compensation insurer waiving subrogation rights under its workers' compensation insurance policy against the City, its officers, agents, employees, and volunteers for losses arising from work performed by Contractor for the City and to require each of its subcontractors, if any, to do likewise under their workers' compensation insurance policies.

By execution of this Agreement, the Contractor certifies as follows:

I am aware of, and will comply with, Section 3700 of the Labor Code, requiring every employer to be insured against liability of Workers' Compensation or to undertake self-insurance before commencing any of the work.

The Contractor shall also comply with Section 3800 of the Labor Code by securing, paying for and maintaining in full force and effect for the duration of this Agreement, complete Workers' Compensation Insurance, and shall furnish a Certificate of Insurance to the City before execution of this Agreement by the City. The City, its officers and employees shall not be responsible for any claims in law or equity occasioned by failure of the Contractor to comply with this section.

(d) Builder's Risk (Course of Construction) insurance utilizing an "All Risk" (Special Perils) coverage form, with limits equal to the completed value of the Project and no coinsurance penalty provisions. The Builder's Risk coverage shall name the City as a loss payee. If the Project does not involve new or major construction, City may, in its discretion, permit an Installation Floater. If authorized, a Property Installation Floater shall be obtained that provides for the improvement, remodel, modification, alteration,

conversion, or adjustment to existing buildings, structures, processes, machinery and equipment. The Property Installation Floater shall provide property damage coverage for any building, structure, machinery, or equipment damaged, impaired, broken or destroyed during the performance of the work, including during transit, installation, and testing at the project site.

If the Contractor maintains higher limits or has broader coverage than the minimums shown above, the City requires and shall be entitled to all coverage, and to the higher limits maintained by the Contractor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the City.

**5.2 Endorsements.** The insurance policies are to contain, or be endorsed to contain, the following provisions:

(a) Additional Insureds: The City of West Covina and its elected and appointed boards, officers, officials, agents, employees, and volunteers are additional insureds with respect to: liability arising out of activities performed by or on behalf of the Contractor pursuant to its contract with the City; products and completed operations of the Contractor; premises owned, occupied or used by the Contractor; automobiles owned, leased, hired, or borrowed by the Contractor.

(b) Notice of Cancelation: Each insurance policy required above shall provide that coverage shall not be canceled, except with notice to the City.

(c) Primary Coverage: The Contractor's insurance coverage shall be primary insurance as respects the City of West Covina, its officers, officials, agents, employees, and volunteers. Any other insurance maintained by the City of West Covina shall be excess and not contributing with the insurance provided by this policy.

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

(e) Coverage Not Affected: Any failure to comply with the reporting provisions of the policies shall not affect coverage provided to the City of West Covina, its officers, officials, agents, employees, and volunteers.

(f) Coverage Applies Separately: The Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

**5.3 Deductible or Self Insured Retention.** If any of such policies provide for a deductible or self-insured retention to provide such coverage, the amount of such deductible or self-insured retention shall be approved in advance by City. The City may require the Contractor to purchase

coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration, and defense expenses within the retention. The policy language shall provide, or be endorsed to provide, that the self-insured retention may be satisfied by either the named insured or City.

**5.4 Certificates of Insurance.** Contractor shall provide to City certificates of insurance showing the insurance coverages and required endorsements described above, in a form and content approved by City, prior to performing any services under this Agreement. The City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

**5.5 Non-limiting.** Nothing in this Section shall be construed as limiting in any way the indemnification provision contained in this Agreement or the extent to which Contractor may be held responsible for payments of damages to persons or property resulting from Contractor's or its subcontractors' performance of the work covered under this Agreement.

**5.6 Subcontractors.** Contractor shall require and verify that all subcontractors maintain insurance meeting all requirements stated herein, and Contractor shall ensure that the City is listed as an additional insured on insurance required of subcontractors.

**5.7 Sufficiency of Insurers.** Insurance required by this Agreement shall be satisfactory only if issued by companies authorized to do business in California, rated with a current A.M. Best's rating of no less than A:VII unless such requirements are waived by the City's Risk Manager in writing due to unique circumstances. If the City's Risk Manager determines that the work or services to be performed under this Agreement creates an increased risk of loss to the City, the Risk Manager may increase the minimum limits of the insurance policies required by this Section by providing written notice to Contractor; provided that the Contractor may appeal such determination to the City Council of City within ten (10) days of receipt of notice from the Risk Manager.

## 6.0 BONDS

**6.1 Labor and Materials, Performance and Warranty Bonds.** Concurrently with execution of this Agreement, Contractor shall deliver to City: (1) a labor and materials bond in an amount equal to one hundred percent (100%) of the Contract Sum as security for the payment of all persons furnishing labor or materials in connection with the work, (2) a performance bond in an amount equal to one hundred percent (100%) of the Contract Sum as security for the faithful performance of this Agreement, and (3) a warranty bond in an amount equal to fifty percent (50%) of the Contract Sum to guarantee the work for a period of one (1) year following completion of the work, on the forms provided by the City. The bonds shall contain the original notarized signature of an authorized officer of the surety and affixed thereto shall be a certified and current copy of his/her power of attorney. The bonds shall be unconditional and remain in force during the entire term of the Agreement and shall be released or exonerated only if the Contractor promptly and faithfully performs all terms and conditions of this Agreement.

**6.2 Sufficiency of Sureties.** Sureties must be authorized to issue bonds in California. In addition, sureties must possess a minimum rating from A. M. Best Company of A:VII and must be listed as an acceptable surety on federal bonds by the United States Department of the Treasury,

http://www.fms.treas.gov/c570/c570.html, subject to the maximum amount shown in the listing. If co-sureties are used, their bonds must be on a joint and several basis.

**6.3 Substitution of Securities.** Pursuant to California Public Contract Code Section 22300, substitution of eligible equivalent securities for any moneys withheld to ensure performance under the Agreement for the work to be performed will be permitted at the request and expense of Contractor.

## 7.0 INDEMNIFICATION

Contractor agrees to defend (with legal counsel of City's choosing), indemnify, hold free and harmless the City, its elected and appointed officials, officers, agents and employees, at Contractor's sole expense, from and against any and all claims, demands, actions, suits or other legal proceedings brought against the City, its elected and appointed officials, officers, agents and employees arising out of the performance of the Contractor, its employees, and/or authorized subcontractors, of the work undertaken pursuant to this Agreement. The defense obligation provided for hereunder shall apply without any advance showing of negligence or wrongdoing by the Contractor, its employees, and/or authorized subcontractors, but shall be required whenever any claim, action, complaint, or suit asserts as its basis the negligence, errors, omissions or misconduct of the Contractor, its employees, and/or authorized subcontractors, and/or whenever any claim, action, complaint or suit asserts liability against the City, its elected and appointed officials, officers, agents and employees based upon the work performed by the Contractor, its employees, and/or authorized subcontractors under this Agreement, whether or not the Contractor, its employees, and/or authorized subcontractors are specifically named or otherwise asserted to be liable. Notwithstanding the foregoing, the Contractor shall not be liable for the defense or indemnification of the City for claims, actions, complaints or suits arising out of the sole active negligence or willful misconduct of the City. This provision shall supersede and replace all other indemnity provisions contained in any other document, which shall be of no force and effect.

(a) Contractor will defend any action or actions filed in connection with any of said claims or liabilities and will pay all costs and expenses, including legal costs and attorneys' fees incurred in connection therewith.

(b) Contractor will promptly pay any judgment rendered against the City, its officers, agents or employees for any such claims or liabilities arising or alleged to arise out of or in connection with Contractor's (or its agents', employees', subcontractors', or invitees') negligent performance of or failure to perform such work, operations or activities hereunder; and Contractor agrees to save and hold the City, its officers, agents, and employees harmless therefrom.

(c) If the City, its officers, agents or employees is/are made a party to any action or proceeding filed or prosecuted against Contractor for such damages or other claims arising or alleged to arise out of or in connection with the negligent performance of or failure to perform the work, operation or activities of Contractor hereunder, Contractor shall pay to the City, its officers, agents or employees, any and all costs and expenses incurred by the City, its officers, agents or employees in such action or proceeding, including but not limited to, legal costs and attorneys' fees for counsel acceptable to City.

(d) Contractor's duty to defend and indemnify as set forth herein shall include any claims,

liabilities, obligations, losses, demands, actions, penalties, suits, costs, expenses or damages or injury to persons or property arising or alleged to arise from, in connection with, as a consequence of or pursuant to any state or federal law or regulation regarding hazardous substances, including but not limited to the Federal Insecticide, Fungicide and Rodenticide Act ("FIFRA"), Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), Resource Conservation and Recovery Act of 1976 ("RCRA"), the Hazardous and Solid Waste Amendments of 1984, the Hazardous Material Transportation Act, the Toxic Substances Control Act, the Clean Air Act, the Clean Water Act, the California Hazardous Substance Account Act, the California Hazardous Waste Control Law or the Porter-Cologne Water Quality Control Act, as any of those statutes may be amended from time to time.

Contractor's indemnification obligations pursuant to this Section shall survive the termination of this Agreement. Contractor shall require the same indemnification in favor of City from all subcontractors.

## 8.0 RECORDS AND REPORTS

**8.1 Reports.** Contractor shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer may require. Contractor hereby acknowledges that the City is greatly concerned about the cost of work and services to be performed pursuant to this Agreement. For this reason, Contractor agrees that if Contractor becomes aware of any facts, circumstances, techniques, or events that may or will materially increase or decrease the cost of the work or services contemplated herein, Contractor shall promptly notify the Contract Officer of said fact, circumstance, technique or event and the estimated increased or decreased cost related thereto.

**8.2 Records.** Contractor shall keep, and require subcontractors to keep, such books and records (including but not limited to payroll records as required herein) as may be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of City, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the City shall have access to such records in the event any audit is required.

**8.3 Ownership of Documents.** All drawings, specifications, reports, records, documents and other materials prepared by Contractor, its employees, subcontractors and agents in the performance of this Agreement shall be the property of City and shall be delivered to City upon request of the Contract Officer or upon the termination of this Agreement, and Contractor shall have no claim for further employment or additional compensation as a result of the exercise by City of its full rights of ownership of the documents and materials hereunder. Contractor may retain copies of such documents for its own use. Contractor shall have an unrestricted right to use the concepts embodied therein. All subcontractors shall provide for assignment to City of any documents or materials prepared by them, and in the event Contractor fails to secure such assignment, Contractor shall indemnify City for all damages resulting therefrom.

## 9.0 ENFORCEMENT OF AGREEMENT; TERMINATION

**9.1 Governing Law.** This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California, or any other appropriate court in such county, and Contractor covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

**9.2 Notice of Default and Cure Period.** If either party fails to perform its obligations hereunder, the nondefaulting party may provide the defaulting party written notice of such default. The defaulting party shall have ten (10) days to cure the default; provided that, if the default is not reasonably susceptible to being cured within said ten (10) day period, the defaulting party shall have a reasonable time to cure the default, not to exceed a maximum of thirty (30) days, provided the defaulting party commences to cure such default within ten (10) days of service of such notice and diligently prosecutes the cure to completion; provided further that if the default is an immediate danger to the health, safety and general welfare, the defaulting party shall take such immediate action as may be necessary. Notwithstanding the foregoing, the nondefaulting party may, in its sole and absolute discretion, grant a longer cure period. Should the defaulting party fail to cure the default within the time period provided in this Section, the nondefaulting party shall have the right, in addition to any other rights the nondefaulting party may have at law or in equity, to terminate this Agreement, and/or to call upon any completion or payment bond or other security for performance thereof. Compliance with the provisions of this Section shall be a condition precedent to bringing any legal action, and such compliance shall not be a waiver of any party's right to take legal action in the event that the dispute is not cured.

**9.3 Termination for Default of Contractor.** If termination is due to the failure of the Contractor to fulfill its obligations under this Agreement, Contractor shall vacate any City owned property which Contractor is permitted to occupy hereunder and City may, upon termination, take over the work and prosecute the same to completion by contract or otherwise, and the Contractor shall be liable to the extent that the total cost for completion of the services required hereunder exceeds the compensation herein stipulated (provided that the City shall use reasonable efforts to mitigate such damages), and City may withhold any payments to the Contractor for the purpose of setoff or partial payment of the amounts owed the City as previously stated.

**9.4 Termination for Convenience.** The City may terminate this Agreement without cause for convenience of the City upon giving Contractor thirty (30) days prior written notice of termination of the Agreement. Upon receipt of the notice of termination, the Contractor shall cease all further work pursuant to the Agreement. Upon such termination by the City, the Contractor shall not be entitled to any other remedies, claims, actions, profits, or damages except as provided in this paragraph. Upon the receipt of such notice of termination, Contractor shall be entitled to the following compensation:

(a) The contract value of the work completed through and including the date of receipt of the notice of termination, less the amount of progress payments received by Contractor.

(b) Actual move-off costs including labor, rental fees, equipment transportation costs, the

costs of maintaining on-site construction office for supervising the move-off.

(c) The cost of materials custom-made for this Agreement which the Contractor cannot use in its normal course of business, and for which the City has not already paid.

(d) Any costs shall not include any markups as might otherwise be allowed by any plans or specifications which were a part of the Agreement.

The provisions of this Section shall supersede any inconsistent provisions of the Agreement or the Bid Documents. City and Contractor agree that the provisions of this Section are a substantive part of this Agreement's consideration.

**9.5 "Claims" by Contractor under Section 9204.** Notwithstanding any other provision of this Agreement to the contrary, this Agreement shall be subject to all requirements of Public Contract Code Section 9204 ("Section 9204") as it may be amended from time to time. The parties acknowledge that Section 9204 applies to certain requests by Contractor, such as certain requests for time extensions, certain requests for payments not covered by contract, and certain requests for payments of amounts disputed by City. The parties further acknowledge that Section 9204 establishes all of the following: (i) Contractor may submit a "claim" to the City, as that term is defined in Section 9204; (ii) City has an initial 45 days to review and respond to the claim to state "what portion of the claim is disputed and what portion is undisputed". If the City does not issue a written statement, the claim is deemed rejected in its entirety; (iii) Contractor must furnish reasonable documentation to support the claim; (iv) City has 60 days from its written determination to pay any undisputed amount; and (v) specified procedures apply to resolve any amounts in dispute.

**9.6 Waiver.** No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be considered a waiver of any other default concerning the same or any other provision of this Agreement.

**9.7 Rights and Remedies are Cumulative.** Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

**9.8 Legal Action.** In addition to any other rights or remedies, either party may take legal action, at law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

**9.9 Liquidated Damages.** Contractor agrees that failure to complete work within the time allowed herein will result in damages being sustained by the City. Contractor further agrees that the determination of actual damages for any delay in performance of this Agreement would be extremely

difficult or impractical to determine in the event of a breach of this Agreement. Therefore, Contractor agrees that it and its sureties shall be liable for and shall pay to the City liquidated damages in the amount of Five Hundred Dollars ($500) for each calendar day of delay in the performance of any service required hereunder. Contractor further agrees that liquidated damages may be assessed for failure to comply with the emergency call out requirements described in the Scope of Services. The City may withhold from any amounts payable on account of services performed by the Contractor any accrued liquidated damages. Contractor, on behalf of itself and its sureties, and City agree that the liquidated damages constitute a reasonable estimate of actual damages, and are not punitive.

## 10.0 CITY OFFICERS AND EMPLOYEES, NONDISCRIMINATION

**10.1 Non-liability of City Officers and Employees.** No officer or employee of the City shall be personally liable to the Contractor, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Contractor or to its successor, or for breach of any obligation of the terms of this Agreement.

**10.2 Conflict of Interest.** The Contractor warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

**10.3 Covenant Against Discrimination.** Contractor covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, gender expression, marital status, national origin, disability, pregnancy, sexual orientation or ancestry in the performance of this Agreement. To the extent required by law, Contractor shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, gender, gender expression, marital status, national origin, disability, pregnancy, sexual orientation or ancestry.

## 11.0 MISCELLANEOUS PROVISIONS

**11.1 Notice.** Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and shall be deemed to be given when served personally or deposited in the U.S. Mail, prepaid, first-class mail, return receipt requested, addressed as follows:

| | |
|---|---|
| To City: | City of West Covina<br>1444 West Garvey Avenue South<br>West Covina, CA 91790<br>Attn: City Engineer |
| To Contractor: | Superior Pavement Markings, Inc.<br>5312 Cypress Street<br>Cypress, CA 90630<br>Att: Darren Veltz |

**11.2 Interpretation.** The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of

the authorship of this Agreement or any other rule of construction which might otherwise apply.

**11.3 Integration; Amendment.** It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

**11.4 Severability.** If one or more of the words, phrases, sentences, clauses, paragraphs, or sections in this Agreement is declared unenforceable by a court of competent jurisdiction, such unenforceability shall not affect any of the remaining words, phrases, sentences, clauses, paragraphs, or sections of this Agreement which are severable. Remaining enforceable provisions shall be interpreted to carry out the intent of the parties unless an invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

**11.5 Hiring of Undocumented Aliens Prohibited.** Contractor shall not hire, employ, or allow any person to work under this Agreement unless such person is properly documented and may legally work within the United States.

**11.6 Unfair Business Practices Claims.** Consistent with Public Contract Code Section 7103.5, Contractor, on behalf of itself and all subcontractors, offers and agrees to assign to the City all rights, title, and interest in and to all causes of action they may have under Section 4 of the Clayton Act (15 U.S.C. Section 15) and under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, services or materials pursuant to this Agreement. This assignment becomes effective when the City renders final payment to the Contractor without further acknowledgment by the parties.

**11.7 Corporate Authority.** The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

**11.8 Legal Responsibilities.** The Contractor shall keep itself informed of City, State, and Federal laws, ordinances and regulations, which may in any manner affect the performance of its services pursuant to this Agreement. The Contractor shall at all times observe and comply with all such laws, ordinances and regulations. Neither the City, nor its officers, agents, assigns nor employees shall be liable at law or in equity as a result of the Contractor's failure to comply with this Section.

**11.9 Counterparts and Electronic Signatures**. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. All counterparts shall be construed together and shall constitute one agreement. Counterpart written signatures may be transmitted by facsimile, email or other electronic means and have the same legal effect as if they were original signatures.

IN WITNESS WHEREOF, the parties have entered into this Agreement as of the date first written above.

CITY OF WEST COVINA,
A municipal corporation

_____ Date: _____
David Carmany
City Manager

CONTRACTOR

_____ Date: _____
Darren Veltz
Chief Financial Officer

ATTEST:

_____
Lisa Sherrick
Assistant City Clerk

APPROVED AS TO FORM:

_____ Date: _____
Thomas P. Duarte
City Attorney

APPROVED AS TO INSURANCE:

_____ Date: _____
Helen Tran
Risk Management

# EXHIBIT A

# CONTRACTOR'S PROPOSAL

# EXHIBIT B

# CERTIFICATES OF INSURANCE

# EXHIBIT C

# BONDS

# AGENDA STAFF REPORT

**City of West Covina | Office of the City Manager**

**DATE:** January 17, 2023

**TO:** Mayor and City Council

**FROM:** David Carmany
City Manager

**SUBJECT: CONSIDERATION OF ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AND OTHER RELATED REPORTS FOR THE YEAR ENDED JUNE 30, 2022**

## RECOMMENDATION:

It is recommended that the City Council receive and file the following letters and financial reports for the year ended June 30, 2022:

- Annual Comprehensive Financial Report;
- Government Auditing Standards Letter;
- Audit Communication Letter; and
- Community Financial Report.

## BACKGROUND:

Annually, the Finance Department prepares and publishes the City's Annual Comprehensive Financial Report ("ACFR") following the completion of an independent and certified audit (Attachment No. 1). This document is an extensive report summarizing the financial activities of the City that occurred from July 1, 2021 through June 30, 2022.

Effective for the year ended June 30, 2022, the City implemented GASB 87 - Leases. The Statement requires recognition of certain lease assets for leases that previously were classified as operating leases and recognized as inflows 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 financing of the right to use an underlying asset. Otherwise, no changes were made to the report's structure or content.

The ACFR is prepared in compliance with the Governmental Accounting Standards Board (GASB) standards. Pursuant to GASB guidelines, the City's ACFR is divided into three sections: Introductory, Financial, and Statistical. The Introductory section contains a Letter of Transmittal. This letter includes a brief overview of the City, the economic outlook, operational controls and major initiatives.

The Financial section contains the independent auditors' opinion letter, Management's Discussion and Analysis (MD&A), and the Basic Financial Statements. The audit firm of Van Lant & Fankhanel LLP has issued an unmodified ("clean") opinion on the financial statements for the year ended June 30, 2022. This means that their examination, testing and audit procedures allowed them to conclude that the financial statements present fairly the financial position of the City. This is the best opinion the City can receive from its auditors.

The MD&A provides a narrative of how the financial report is presented and key highlights of some of the changes in financial position. The MD&A provides tables showing comparative information from the year ended June 30, 2021 to the year ended June 30, 2022.

The final section of the ACFR is the Statistical section. This section presents data useful in analyzing the City's financial and operational history for comparative purposes. Some of the statistics tracked include financial trends, revenue capacity, and debt capacity which are useful for evaluating the City's financial stability. Additional statistics include operating indicators.

The Annual Comprehensive Financial Report was reviewed by the Audit Committee on December 21, 2022.

**DISCUSSION:**

**Annual Comprehensive Financial Report**

The ACFR represents the City of West Covina's financial position at June 30, 2022 and includes financial statements for all of its component units.

**Government Auditing Standards Letter**

The Government Auditing Standards Letter (Attachment No. 2) notes any identified deficiencies or weaknesses in internal control over financial reporting that could lead to material misstatements in the City's financial statements as well as any other compliance findings.

*Deficiency in internal control* - exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis.

*Material weakness* - is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis.

*Significant deficiency* - is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The auditors did not identify deficiencies in internal control over financial reporting that they considered to be weaknesses.

**Audit Communication Letter**

The Audit Communication Letter (Attachment No. 3) provides certain information related to the audit of the City's financial records including the following:

- Qualitative Aspects of Accounting Practices – The letter notes that City management is responsible for the selection and use of appropriate accounting policies. The letter indicates that there have been no significant changes in accounting policies or their application during the fiscal year. The letter also noted that there were no transactions entered into by the City during Fiscal Year 2021-22 for which there was a lack of authoritative guidance, and that all significant transactions were recorded in the proper accounting periods.

- Significant Difficulties Encountered During the Audit – The letter communicates the auditors encountered no significant difficulties in dealing with management relating to the performance of the audit.

- Uncorrected and Corrected Misstatements – The letter communicates the auditors' responsibility to note all known and likely misstatements identified during the audit. The auditors noted no such misstatements that were material, either individually or in aggregate, to the financial statements

taken as a whole.

- Disagreements with Management – The auditors are required to communicate any disagreements with management related to an accounting, reporting or auditing matter, whether resolved or not, in the Audit Communication Letter. No such disagreements arose during the course of the audit for Fiscal Year 2021-22.

**Community Financial Report**
The Community Financial Report (Attachment No. 4) is an extract of information from the ACFR specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance.

**Prepared by:** Maria-Luisa Olea, Assistant Finance Director
**Additional Approval:** Stephanie Sikkema, Finance Director

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**Fiscal Impact**

**FISCAL IMPACT:**

**City Wide**
As of June 30, 2022, the City's total net position (assets plus deferred outflows of resources less liabilities and less deferred inflows of resources) was $11.2 million.

The City's total net position increased $37.6 million from the prior year. This is mostly due to a decrease in long-term debt related to the net pension liability of $196.1 million plus an increase in the net pension asset of $65.7 million. In the prior year, there was an issuance of the 2020 Lease Revenue Bonds. The decrease to debt is offset with a decrease to Deferred Outflows of Resources relating to pension and OPEB liabilities of $185.2 million. Additionally, there is an increase in capital assets of $11.7 million as the City is investing into needed upgrades to the infrastructure.

The City's total governmental funds reported combined ending fund balances of $131.3 million, an increase of $4.2 million in comparison with the prior fiscal year of $127.1 million. The increase is comprised of changes in fund balance, primarily in the non-major Park Development fund for $3.9 million. Of the $131.3 million fund balance, $3.4 million, or 2.6%, of this total is non-spendable (not available for new spending). The restricted fund balance categories of $100.7 million, or 76.7%, is spendable for restricted purposes. The assigned fund balance of $6.6 million, or 5.0%, represents amounts that are intended to be used for specific purposes, but are not formally restricted or committed. The unassigned fund balance category of $20.6 million, or 15.7%, represents the City's fund balance reserves.

**General Fund**
In the General Fund, the City ended the fiscal year with a total Fund Balance of $24.2M – a $1.3 million, or 5.2%, decrease. Of this, approximately $3.4 million is nonspendable or restricted. Nonspendable and restricted consists of prepaid expenses ($147k), Advances to Other Funds ($226k), and Land Held for Resale ($3.0M). This leaves an Unassigned fund balance of $20.8 million.

Per the City's Fund Balance Policy, the city shall maintain a minimum unassigned fund balance of at least 17% of the General Fund operating expenditures. At the end of the fiscal year, the annual excess revenue over expenditures in the City's General Fund will be automatically allocated as follows, unless the transfer is overridden by an action of City Council: 25% stays in the General Fund Balance reserves, 40% is transferred to the City's Capital Projects Fund, 10% is transferred to the Vehicle Replacement Fund, and 25% goes to pay down the City's Other Post Employment Benefit (OPEB) liability.

Based on the ending balance as of June 30, 2022, the General Fund allocation is as follows:

| | |
|---|---|
| Unassigned Fund Balance | 20,770,457 |
| Less Reserve Requirement | 13,620,751 |
| *(17% FY2022-23 Expenditures as of Q1 Amendment)* | |
| Available Fund Balance | 7,149,706 |
| 25% Reserve | 1,787,427 |
| 40% Capital Projects Fund | 2,859,883 |
| 10% Vehicle Replacement Fund | 714,971 |
| 25% OPEB Liability | 1,787,427 |

The allocation for the OPEB liability is proposed to be used to pay down the City's Public Agency Retirement System ("PARS") retirement enhancement plans which had a total pension liability of $5.8M as of June 30, 2022.

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**Attachments**

Attachment No. 1 - Annual Comprehensive Financial Report June 30, 2022

Attachment No. 2 - Government Auditing Standards June 30, 2022

Attachment No. 3 - Audit Communication Letter June 30, 2022

Attachment No. 4 - Community Financial Report

**CITY COUNCIL GOALS & OBJECTIVES:** Achieve Fiscal Sustainability and Financial Stability

Attachment No. 1

CITY OF WEST COVINA

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

YEAR ENDED JUNE 30, 2022

www.westcovina.org

# CITY OF WEST COVINA, CALIFORNIA

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended June 30, 2022

Prepared by
Finance Department

# City of West Covina
# Annual Comprehensive Financial Report
Year Ended June 30, 2022

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# INTRODUCTORY SECTION

*Finance Department*

December 22, 2022

Members of the City Council, the City Manager, and the Citizens of the City of West Covina:

It is a pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of West Covina (City) for the fiscal year ended June 30, 2022. This report consists of management's representations concerning the finances of the City. 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 of the City has established a comprehensive internal control framework that is designed to both protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. 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 Van Lant & Fankhanel, LLP, a firm of certified public accountants. The auditors have issued an unmodified opinion on these financial statements. Their report is located at the front of the financial section of this report.

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

**Profile of the Government**

The City of West Covina is located in the San Gabriel Valley, 20 miles east of downtown Los Angeles and 15 miles north of Orange County. Incorporated as a general law city in 1923, the City's 16 square miles flourished with walnut groves and orange groves for many decades. The post-World War II building boom rapidly transformed the City, which experienced a significant population increase between 1950 and 1960, from less than 5,000 to more than 50,000 citizens. Subsequent to this rapid population increase, the City has continued to grow at a steady pace with a current population in excess of 108,000.

The City's location and access to major freeways makes West Covina close to many visitor attractions and an ideal business and commercial center. The City has over 32,000 housing units and offers the amenities of a big city location with a high standard of living for its community.

Under the Council-Manager form of government, the five City Council members are elected by districts to overlapping four-year terms. The City Council selects a Mayor from one of its members each November to serve a one-year term. The City Council is responsible for, among other things, passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the City, and for appointing the heads of the various departments.

The City provides a full range of services to its citizens, including police, fire and emergency medical; construction and maintenance of streets, traffic signalization and other infrastructure; planning and building safety; and social, recreational and cultural activities and events. The City offers sixteen parks, four community centers, a Sports Complex, and a county operated library. The City is financially accountable for the Successor Agency to the former Redevelopment Agency of the City of West Covina, a financing authority, and a housing authority, which are combined within the City's financial statements. Additional information regarding all three of these legally separate entities can be found in the notes to the financial statements.

The annual budget serves as a foundation for the City's financial planning and control. The City Council holds public hearings and adopts an annual budget for all funds. The budget appropriations are prepared by fund, function, and department. The City Manager is authorized to transfer budgeted amounts within departments to assure adequate and proper standards of service. Budgetary revisions, including supplemental appropriations which increase total appropriations in individual funds must be approved by the City Council.

**Economic Outlook and Major Objectives**

From early in its history, the City of West Covina has been noted as a city of beautiful homes. Through its General Plan, the City Council strives to maintain the City's high-quality residential base and living environment. The City's identity is defined by carefully designed entry point elements, landmark areas, and open space areas.

Known as the headquarters of the East San Gabriel Valley, the City strives to maintain a prosperous business and commercial climate. Despite the current challenging financial and economic environment, West Covina derives significant economic stability from the City's three major commercial districts: Plaza West Covina, Eastland Center, and The Lakes.

In December 2020, the California State Auditor identified several risks in the City's financial condition, including a major unfunded pension liability, general fund expenditures that have exceeded revenues, and high turnover and reductions in staff in recent years. The City of West Covina continues work to secure the financial future of the City while safeguarding the delivery of great public services. This requires stewardship and a willingness to consider all alternatives in service provision.

Fiscal year 2021-22 marks two years from the economic impact of the unprecedented worldwide pandemic, COVID-19. The pandemic impacted the global economy, our public health care system, unemployment rates, rising rents, and increased inflation. Governments utilized multiple financial assistance grants and programs to help stimulate the economy and to fund the increased costs associated with managing the

pandemic. Federal and State stimulus monies were sent to Americans and also to businesses through the CARES Act approved by Congress in March 2020 for $2.2 trillion and December 2020 for $900 billion. A third stimulus package was later approved, the American Rescue Plan Act, enacted in March 2021 for $1.9 trillion. From which, the City received over $19 million.

As California started returning to normal in FY2021-22, businesses were reopening, events were being held, and the City was able welcome the community back into our facilities. As a result, the City experienced a bounce back in its major revenue drivers – sales tax and transient occupancy tax. As we move into the next fiscal year, the City is cautiously expecting the positive outlook to flatten and remain steady for the local economy.

As noted in our current fiscal year's finances, there is a General Fund balance of $24.2 Million as the ending fund balance. The City was able to secure memorandums of understanding for the nine bargaining groups and complete capital projects for the City. The City of West Covina will continue to strive to provide the highest level of service to its residents and businesses, so the community can thrive.

**Short-term and Long-term Financial Planning**

Annually, the City adopts a budget covering operating revenues and expenditures, labor usage, capital expenditures, and other sources and uses of funds. For financial planning purposes, the City conducts comprehensive citywide financial forecasting in conjunction with its revenue consultants and other sources.

During the past few years, the City has utilized a range of temporary and permanent cost reduction initiatives, economic development, and revenue generation priorities, outside grants, and the use of fiscal reserves as necessary. As a result, the City has weathered the effects of the recession and coronavirus stay-at-home orders while providing critical services to the public in areas such as public safety, facility maintenance, parks maintenance, and infrastructure improvement. On June 5, 2018, the City Council adopted a fund balance policy to maintain a minimum unassigned fund balance of 17% of the General Fund operating expenditures.

**Awards and Acknowledgements**

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the Department who assisted and contributed to the preparation of this report. These are extremely challenging times for local government in which many difficult decisions must be made. Credit also must be given to City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Stephanie Sikkema
Finance Director

# CITY OF WEST COVINA

## CITY OFFICIALS

### JUNE 30, 2022

## CITY COUNCIL

Dario Castellanos, Mayor
Rosario Diaz, Mayor Pro Tem
Letty Lopez-Viado
Brian Tabatabai
Tony Wu

## ELECTED OFFICIALS

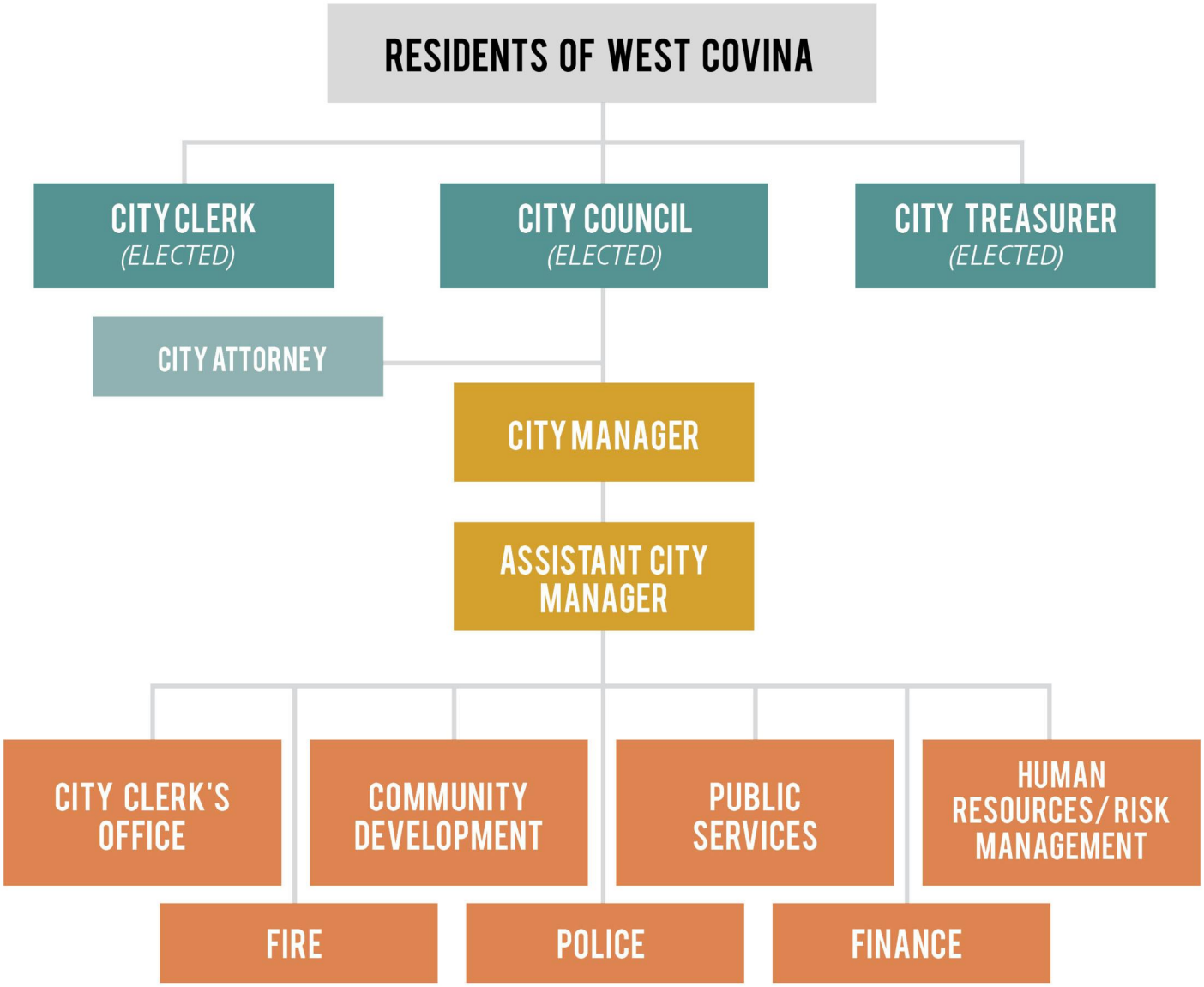
Nickolas S. Lewis, City Clerk
Colleen B. Rozatti, City Treasurer

## CITY MANAGER

David N. Carmany

## EXECUTIVE MANAGEMENT TEAM

Paulina Morales, Assistant City Manager / Community Development Director
Roxanne Lerma, Assistant City Manager / Public Services Director
Thomas P. Duarte, City Attorney
Lisa Sherrick, Assistant City Clerk
Stephanie Sikkema, Finance Director
Vincent Capelle, Fire Chief
Helen Tran, Human Resources Director
Richard Bell, Police Chief


RESIDENTS OF WEST COVINA
CITY CLERK
(ELECTED)
CITY COUNCIL
(ELECTED)
CITY TREASURER
(ELECTED)
CITY ATTORNEY
CITY MANAGER
ASSISTANT CITY MANAGER
CITY CLERK'S OFFICE
COMMUNITY DEVELOPMENT
PUBLIC SERVICES
HUMAN RESOURCES/RISK MANAGEMENT
FIRE
POLICE
FINANCE

# FINANCIAL SECTION

Van Lant & Fankhanel, LLP
Certified Public Accountants

## Independent Auditor's Report

The Honorable City Council
City of West Covina, California

### Report on the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of West Covina (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 financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of West Covina, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cashflows 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 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 Auditor's 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.

#### *Change in Accounting Principle*

As described in Note 1 to the financial statements, in 2022, the City adopted new accounting guidance, *GASB Statement No. 87, Leases*. Our opinion is not modified with respect to this matter.

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

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

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.

**Van Lant & Fankhanel, LLP**
29970 Technology Drive, Suite 105 A
Murrieta, CA 92563
909.856.6879

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

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

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

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

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying combining statements and budgetary schedules, as listed in the table of contents, 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 auditing standards generally accepted in the United States of America. In our opinion, the combining statements, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Information*

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

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

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

In accordance with *Government Auditing Standards*, we have also issued a report dated December 22, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Van Lant + Fankhanel, LLP

December 22, 2022
Murrieta, CA

# MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of the financial performance of the City of West Covina (the City) provides an overview of the City's financial activities for the fiscal year ended June 30, 2022. The information presented herein should be considered in conjunction with the transmittal letter and financial statements identified in the accompanying table of contents.

## FINANCIAL HIGHLIGHTS

- As of June 30, 2022, the City's total net position (assets plus deferred outflows of resources less liabilities and less deferred inflows of resources) was $11.2 million.

- The City's total net position increased $37.6 million from the prior year. This is mostly due to a decrease in long-term debt related to the net pension liability of $196.1 million plus an increase in the net pension asset of $65.7 million. In the prior year, there was an issuance of the 2020 Lease Revenue Bonds. The decrease to debt is offset with a decrease to Deferred Outflows of Resources relating to pension and OPEB liabilities of $185.2 million. Additionally, there is an increase in capital assets of $11.7 million as the City is investing into needed upgrades to the infrastructure.

- The City's total governmental funds reported combined ending fund balances of $131.3 million, an increase of $4.2 million in comparison with the prior fiscal year of $127.1 million. The increase is comprised of changes in fund balance, primarily in the non-major Park Development fund for $3.9 million. Of the $131.3 million fund balance, $3.4 million, or 2.6%, of this total is non-spendable (not available for new spending). The restricted fund balance categories of $100.7 million, or 76.7%, is spendable for restricted purposes. The assigned fund balance of $6.6 million, or 5.0%, represents amounts that are intended to be used for specific purposes, but are not formally restricted or committed. The unassigned fund balance category of $20.6 million, or 15.7%, represents the City's fund balance reserves.

- The City's business-type computer service enterprise activity (West Covina Service Group) had an operating gain for fiscal year (FY) 2021-22 of $196,547, compared with a $282,448 operating gain in FY 2020-21. The total net position for the computer service enterprise fund as of June 30, 2022 is 235,307. The net position in the prior year was $38,329.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The annual report consists of four parts – *management's discussion and analysis* (this section), the *basic financial statements*, *required supplementary information*, and an optional section that presents *combining statements* for non-major governmental funds and internal service funds. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the City's overall financial status.

- The remaining statements are *fund financial statements* that focus on *individual parts* of the City government, reporting the City's operations in *more detail* than the government-wide statements.

    - The *governmental funds* statements tell how *general government* services like public safety were financed in the *short-term* as well as what remains for future spending.

- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities that are operated like a business, such as the West Covina Service Group, the City's computer service enterprise.

- *Fiduciary fund* statements provide information about the fiduciary relationships – like the custodial funds of the City – in which the City acts solely as an *agent* or *trustee* for the benefit of others, to whom the resources in question belong.

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

Reporting the City as a Whole

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

These two statements report the City's net position and changes in them. The City's net position is one way to measure the City's financial health, or financial position. Over time, increases and decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the City's property tax or sales tax base and the condition of the City's roads, to assess the overall health of the City.

The Statement of Net Position and the Statement of Activities are divided into two kinds of activities:

- Governmental activities – Most of the City's basic services such as public safety, streets and roads, economic development and parks and recreation, are reported here. Sales taxes, property taxes, state subventions, and other revenues finance most of these activities.

- Business-type activities – The City charges a fee to customers to help it cover all or most of the cost of the services accounted for in these funds. These activities include the City's computer service enterprise operation.

The government-wide financial statements include the West Covina Housing Authority, the West Covina Public Financing Authority, the Parking Authority of the City of West Covina and the West Covina Community Services Foundation (component units), along with the City of West Covina (the primary government). Although legally separate, these component units are important because the City is financially accountable for them.

The activities of the Successor Agency of the former redevelopment agency can be found in the Fiduciary Fund Section of the Financial Statements in the Private Purpose Trust Fund.

Reporting the City's Most Significant Funds

The **fund financial statements** provide detailed information about the City's most significant funds – not the City as a whole. Some funds are required to be established by State law or by bond covenants. However, City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting administrative responsibilities for using certain taxes, grants, or other money (like grants received). The City's two kinds of funds – *governmental* and *proprietary* – use different accounting approaches.

- *Governmental funds* – Most of the City's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using the modified accrual accounting method, which measures cash and all other current financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. We describe the relationship or differences between *governmental activities* (reported in the Statement of Net Assets and the Statement of Activities) and *governmental funds* in reconciliations on the pages following the fund financial statements in this report.

- *Proprietary funds* – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the City's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows for proprietary funds. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the City's other programs and activities.

Reporting the City's Fiduciary Responsibilities

The City is an agent for certain assets held for, and under the control of, other organizations and individuals. All of the City's fiduciary activities are reported in separate fiduciary funds. These activities are not included in the government-wide financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2022, net position for the City was a balance of $11.2 million. Compared to the prior year, the net position of the City increased by $37.6 million.

The City's net position of $11.2 million is made up of three components: Net investment in Capital Assets, Restricted Net Position and Unrestricted Net Position. The largest portion of the City's net position, $152.9 million, reflects its net investment in capital assets (e.g., infrastructure, land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the community. As such, these assets are not available for spending. In addition, $98.3 million of the City's net position represents resources that are subject to external restrictions on how they may be used.

The remaining balance of unrestricted net position is a deficit of $240.0 million due to the unfunded pension liability (GASB 68) for which the City has issued 2020 Lease Revenue Bonds; the balance of the bonds is $200.5 million.

The table below reflects the Statement of Net Position for the fiscal year ended June 30, 2022, with the comparative data for the fiscal year ended June 30, 2021:

Table 1
Statement of Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Assets: | | | | | | |
| Current and other assets | $248,135,791 | $162,856,719 | $ 482,211 | $ 74,510 | $248,618,002 | $162,931,229 |
| Capital assets | 196,089,095 | 184,406,014 | - | - | 196,089,095 | 184,406,014 |
| Total assets | 444,224,886 | 347,262,733 | 482,211 | 74,510 | 444,707,097 | 347,337,243 |
| Deferred Outflows of Resources: | | | | | | |
| Pension related | 9,799,582 | 191,680,785 | - | - | 9,799,582 | 191,680,785 |
| OPEB related | 11,962,103 | 15,255,037 | - | - | 11,962,103 | 15,255,037 |
| | 21,761,685 | 206,935,822 | - | - | 21,761,685 | 206,935,822 |
| Liabilities: | | | | | | |
| Long-term debt outstanding | 338,752,283 | 551,727,178 | 20,015 | 18,573 | 338,772,298 | 551,745,751 |
| Other liabilities | 28,829,273 | 22,167,977 | 226,889 | 17,608 | 29,056,162 | 22,185,585 |
| Total liabilities | 367,581,556 | 573,895,155 | 246,904 | 36,181 | 367,828,460 | 573,931,336 |
| Deferred Inflows of Resources: | | | | | | |
| Pension related | 67,639,168 | 2,260,873 | - | - | 67,639,168 | 2,260,873 |
| OPEB related | 12,522,363 | 4,509,801 | - | - | 12,522,363 | 4,509,801 |
| Lease Related | 7,257,992 | - | - | - | 7,257,992 | - |
| | 87,419,523 | 6,770,674 | - | - | 87,419,523 | 6,770,674 |
| Net Position: | | | | | | |
| Net investment in capital assets | 152,889,130 | 139,507,563 | - | - | 152,889,130 | 139,507,563 |
| Restricted | 98,381,004 | 89,226,135 | - | - | 98,381,004 | 89,226,135 |
| Unrestricted | (240,284,642) | (255,200,972) | 235,307 | 38,329 | (240,049,335) | (255,162,643) |
| Total net position | $ 10,985,492 | $ (26,467,274) | $ 235,307 | $ 38,329 | $ 11,220,799 | $ (26,428,945) |

## Changes in Net Position

The City's total revenues of $127.4 million for governmental activities are $37.5 million more than the expenses of $90.0 million. The majority of the increase is a result of lower expenses, the largest being public safety for the citywide reduction to the net pension liability and OPEB liability.

A summary of the government-wide statement of activities for the year ended June 30, 2022, with the comparative data for the fiscal year ended June 30, 2021, is as follows:

Table 2
Changes in Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| **Revenues** | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | $ 15,120,436 | $ 9,186,452 | $ 916,458 | $ 758,120 | $ 16,036,894 | $ 9,944,572 |
| Operating contributions and grants | 29,598,365 | 21,764,524 | - | - | 29,598,365 | 21,764,524 |
| Capital contributions and grants | 17,666,351 | 10,621,147 | - | - | 17,666,351 | 10,621,147 |
| General revenues: | | | | | | |
| Property taxes | 31,348,677 | 30,108,110 | - | - | 31,348,677 | 30,108,110 |
| Sales taxes | 23,101,668 | 20,858,803 | - | - | 23,101,668 | 20,858,803 |
| Other taxes | 9,527,917 | 9,215,630 | - | - | 9,527,917 | 9,215,630 |
| Other general revenues | 1,044,317 | 5,743,964 | 431 | - | 1,044,748 | 5,743,964 |
| Total revenues | 127,407,731 | 107,498,630 | 916,889 | 758,120 | 128,324,620 | 108,256,750 |
| **Expenses** | | | | | | |
| General government | 3,700,172 | 18,934,548 | - | - | 3,700,172 | 18,934,548 |
| Public safety | 49,887,239 | 62,479,977 | - | - | 49,887,239 | 62,479,977 |
| Public works | 13,508,312 | 17,212,496 | - | - | 13,508,312 | 17,212,496 |
| Community services | 12,587,100 | 7,669,884 | - | - | 12,587,100 | 7,669,884 |
| Community development | 1,238,687 | 1,568,283 | - | - | 1,238,687 | 1,568,283 |
| Interest expense | 9,033,455 | 8,354,304 | - | - | 9,033,455 | 8,354,304 |
| Computer service | - | - | 719,911 | 475,672 | 719,911 | 475,672 |
| Total expenses | 89,954,965 | 116,219,492 | 719,911 | 475,672 | 90,674,876 | 116,695,164 |
| Increase (decrease) in net position | 37,452,766 | (8,720,862) | 196,978 | 282,448 | 37,649,744 | (8,438,414) |
| Beginning net position | (26,467,274) | (18,642,521) | 38,329 | (244,119) | (26,428,945) | (18,886,640) |
| Restatement of net position | | 896,109 | - | - | - | 896,109 |
| Ending net position | $ 10,985,492 | $ (26,467,274) | $ 235,307 | $ 38,329 | $ 11,220,799 | $ (26,428,945) |

Governmental Activities

Some of the more significant changes in the revenues and expenses of the City's governmental activities presented above are as follows:

- Charges for services increased by $5.9 million, primarily due to building permits and plan check review as result of an increase in construction activity for the year.

- Operating contributions and grants increased by $7.8 million, primarily due to an increase in COVID-19 Relief funds received and expended in Fiscal Year 2021-22. Due to the American Rescue Plan Act, the City has received a total of $19.6 million in funds in Fiscal Years 2020-21 and 2021-22. $9.2 million was expended and recognized as revenue in Fiscal Year 2021-22.

- Capital contributions and grants increased by $7.0 million, primarily due to developer contributions in the Park Development Funds in the amount of $4.0 million. In addition, there were several large increases in special revenue funds used for capital - Proposition A and C funds increased by $1.0 million, Gas Tax and RMRA funds increased by $0.6 million, and State Grant increased by $0.5 million.

- Property taxes, the City's largest revenue source, increased $1.2 million, or 4.1%, primarily due to an increase in the assessed valuation.

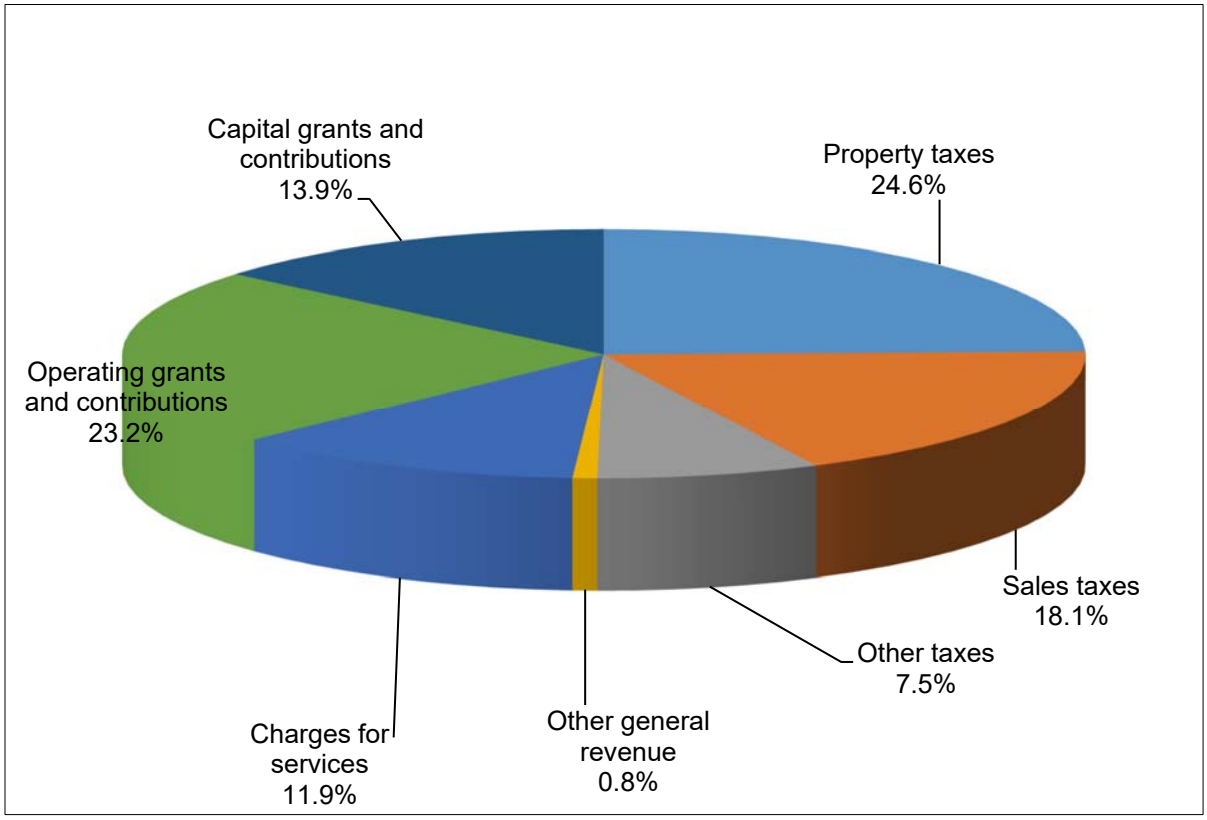
- Sales Tax increased $2.2 million, or 10.8%, reflecting the recovery from the height of the pandemic shutdown. FY 2020-21 and FY 2021-22 realized large gains in sales in the areas of autos-transportation, when compared to FY 2019-20.

- Other taxes, which consists of franchise taxes, transient occupancy taxes and other taxes, increased by $0.3 million, primarily due to a $0.4 million increase in transient occupancy taxes, as the City and the are phasing out of COVID-19 restrictions.

- Other general revenues decreased by $4.7 million, primarily due to prior year's realized proceeds from sales of $3.9 million from the sale of Sunset Field.

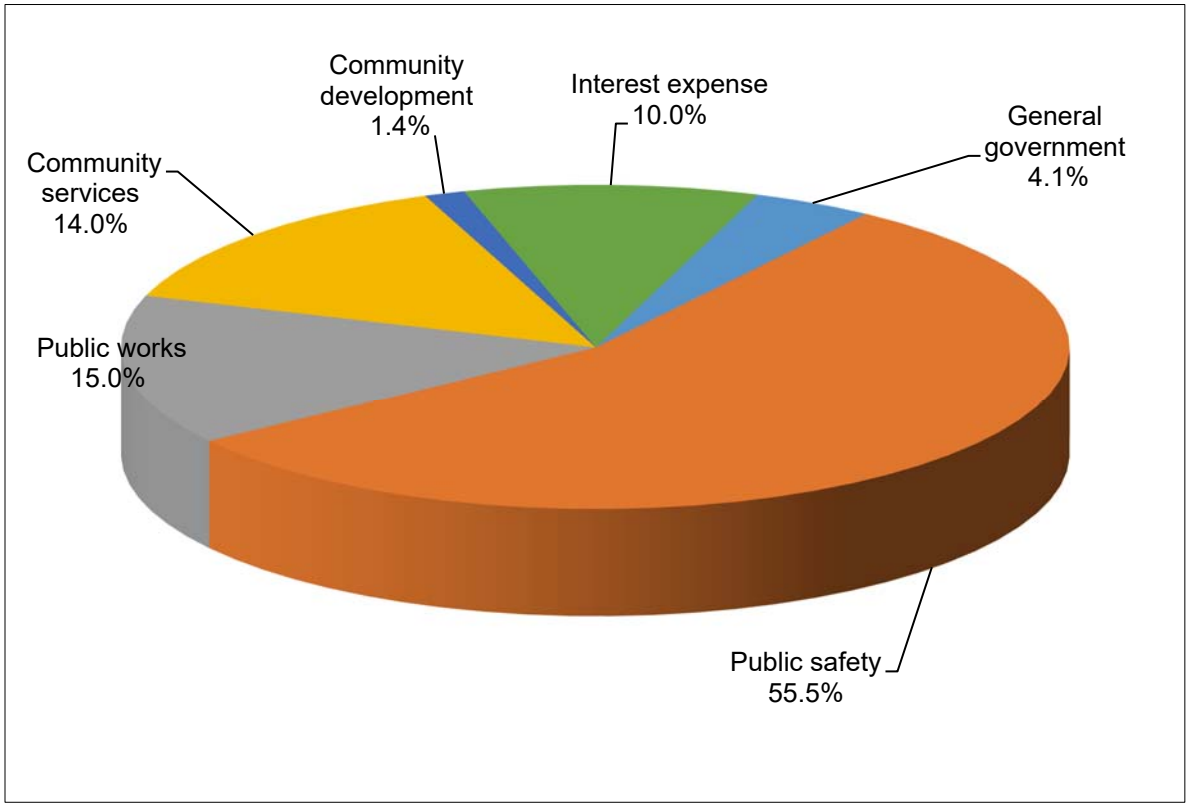
- There was an overall decrease in expenses of $26.3 million, primarily due changes in net pension liability to a reduction in spending overall to offset the negative fiscal impact from the pandemic.

Revenues by Source – Governmental Activities




The most significant revenues of the governmental activities are property taxes ($31.3 million), sales tax ($23.1 million) and other taxes ($9.5 million). Program revenues are $62.4 million of the total revenues of the governmental activities, which include charges for services ($15.1 million), operating contributions and grants ($29.6 million), and capital grants and contributions ($17.7 million).

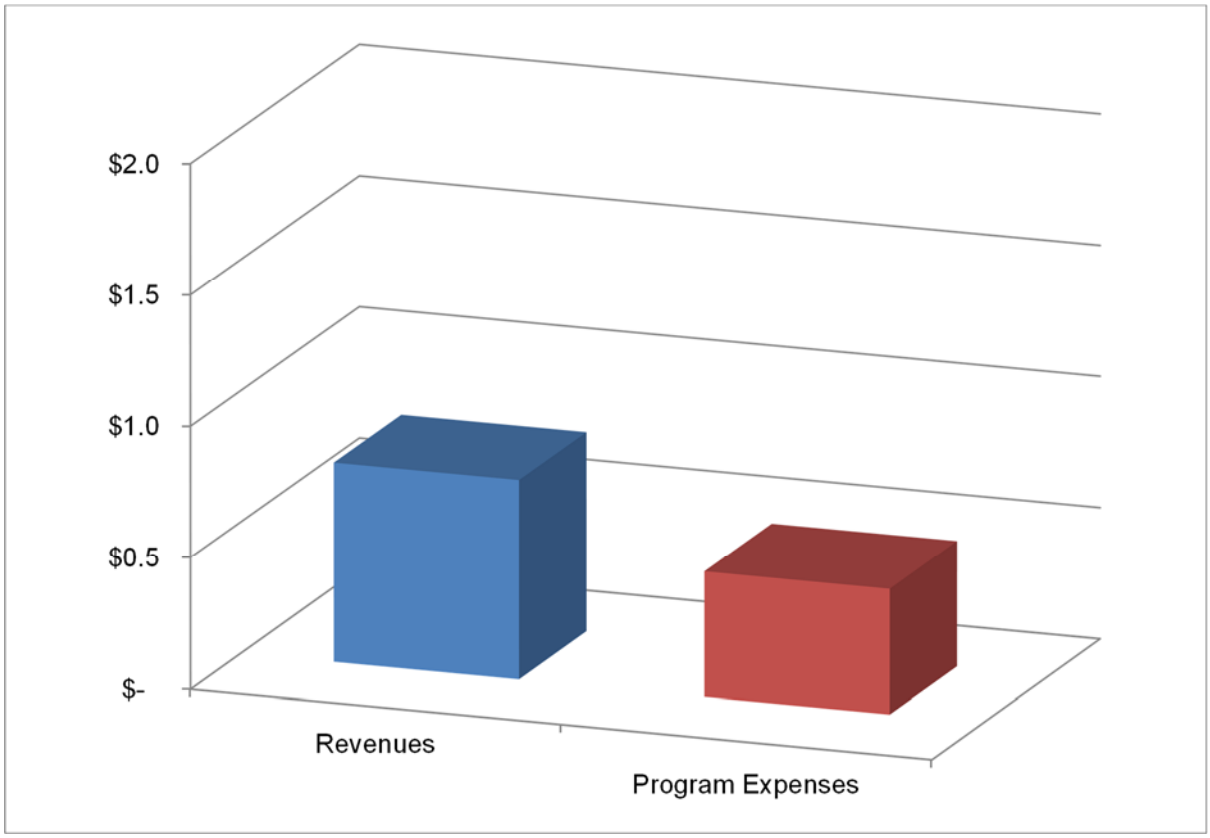
Expenses by Function – Governmental Activities




The City's expenses cover a range of services whose expenses were as follows: Public safety ($49.9 million), public works ($13.5 million), community services ($12.6 million), general government ($3.7 million), interest expense ($9.0 million) and community development ($1.2 million). These expenses include capital outlays which are now reflected in the City's capital assets.

Business-Type Activities

The business-type activity is the West Covina Service Group, which provides dispatch and records management software and services to other police departments.




The business-type activity's expenses increased by $244,239, or 51.3%, from the prior fiscal year. Charges for services and other revenues increased by $158,338, or 20.9%, in FY 2021-22 causing the increase in net position of $196,978.

## MAJOR FUNDS

As noted earlier, the City uses fund accounting to provide proper financial management of the City's resources and to demonstrate compliance with finance-related legal requirements.

Major Governmental Funds

The **General Fund** is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $20.8 million, while total fund balance was $24.2 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 33.5% of total general fund expenditures, while total fund balance represents 39.0% of that same amount. The non-spendable portion of fund balance in the amount of $3.4 million mainly consists of Land Held for Resale in the amount of $3.0 million.

Total revenues, exclusive of fund transfers in, increased $8.0 million while total operating expenditures, exclusive of fund transfers out, decreased $6.3 million. The reasons for significant changes in the revenues and expenditures of the City's General Fund from the prior year are as follows:

- Total taxes were up $4.4 million (7.4%) from the prior year. Property taxes increased by $1.2 million (4.1%) and sales tax revenues increased by $2.8 million (13.6%).

- Charges for Services were up $3.3 million (53.4%) from the prior year, primarily due to an increase in plan check fees.

- Licenses and permits were up $1.3 million (82.0%) from the prior year, primarily due to building permits.

- Investment income decreased by $1.2 million (193.2%) from the prior year due primarily to lower interest rates and change in fair value of the investments.

- Public Safety expenditures decreased by $6.9 million (12.4%) from the prior year due decrease in the Unfunded Accrued Liability by $9.5 million. The decrease in the UAL is offset by an increase in salaries and benefits by $1.8 million.

The **West Covina Housing Authority Fund** provides for low- and moderate-income activities that were previously provided by the redevelopment agency. The Authority has outstanding loans receivable of $14.4 million and is due $0.1 million from the Successor Agency for amounts borrowed by the former redevelopment agency to fund the SERAF payments and 20% of the loans made to the former redevelopment agency by the City.

The **State Gas Tax Fund** accounts for tax collected on fuel to fund maintenance and repair of the States' highways and roads. The fund finished the fiscal year with a total fund balance of $6.6 million.

The **American Rescue Plan Act (ARPA) Fund** accounts for federal monies received for COVID-19 related expenses. The City has received $19.6 million in funding and spent $9.2 million as of June 30, 2022. The fund has $10.4 million in unearned revenue.

## GENERAL FUND BUDGET

There were numerous budget amendments throughout the fiscal year to adjust budget to actuals, but the net effect to the General Fund budget was $2.1 million. Taxes in total exceeded the budget by $1,182,420, primarily from secured property taxes and sales tax received during the fiscal year. The City budgeted conservatively for these sources of revenue as it may fluctuate from year to year.

## CAPITAL ASSETS

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Land | $ 48,356,495 | $ 48,606,495 | $ - | $ - | $ 48,356,495 | $ 48,606,495 |
| Buildings and improvements | 62,884,032 | 64,401,917 | - | - | 62,884,032 | 64,401,917 |
| Equipment and vehicles | 9,592,447 | 7,935,812 | - | - | 9,592,447 | 7,935,812 |
| Infrastructure | 37,930,483 | 43,976,482 | - | - | 37,930,483 | 43,976,482 |
| Rights of way | 14,376,498 | 14,376,498 | - | - | 14,376,498 | 14,376,498 |
| Construction in progress | 22,949,140 | 5,150,186 | - | - | 22,949,140 | 5,150,186 |
| Total | $ 196,089,095 | $ 184,447,390 | $ - | $ - | $ 196,089,095 | $ 184,447,390 |

The major additions to capital assets during the year ended June 30, 2022 were as follows:

- Construction in progress had a net increase of $17.8 million. The $22.9 million currently in progress includes the following:
    - Azusa Sewer lift station upgrades ($3.1 million)
    - Play Playgrounds for 4 Parks in the City ($526,000)
    - Friendship Park improvements ($946,800)
    - Various street projects ($4.3 million)
    - Energy Efficient Project ($7.0 million)
    - Fire station repairs ($535,600)
- Completed fixed asset additions of $1.8 million included:
    - Senior Center Restroom Renovation ($310,400)
    - Street Rehabilitation ($1.1 million)
    - Shadow Oak Park Playground ($332,000)

Additional information on the City's capital assets can be found in Note 7 of this report.

## LONG-TERM DEBT

At the end of the current fiscal year, the City had debt outstanding of $338.8 million. Of this amount, $237.2 million represents outstanding bonds and $101.5 million represents other debt such as compensated absences payable, claims and judgments payable, capital lease obligations, and the net pension and OPEB liabilities. All of the outstanding bonds are lease revenue bonds secured by leases from the General Fund.

**Outstanding Bonds**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| Lease Revenue Bonds | $ 237,238,298 | $ 242,391,403 | $ - | $ - | $ 237,238,298 | $ 242,391,403 |
| Notes Payable | 7,525,925 | 8,104,843 | - | - | 7,525,925 | 8,104,843 |
| Loans Payable | 6,411,667 | 6,602,048 | - | - | 6,411,667 | 6,602,048 |
| Compensated Absences | 4,009,892 | 3,915,868 | 20,015 | 18,573 | 4,029,907 | 3,934,441 |
| Net Pension Liability | 5,797,238 | 201,901,907 | - | - | 5,797,238 | 201,901,907 |
| Total OPEB Liability | 65,096,109 | 76,070,626 | - | - | 65,096,109 | 76,070,626 |
| Claims Payable | 12,673,154 | 12,740,483 | - | - | 12,673,154 | 12,740,483 |
| Total | $ 338,752,283 | $ 551,727,178 | $ 20,015 | $ 18,573 | $ 338,772,298 | $ 551,745,751 |

Additional information on the City's long-term debt can be found in Note 8 of this report.

## CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Director, at City of West Covina, 1444 West Garvey Avenue South, West Covina, California 91790.

# BASIC FINANCIAL STATEMENTS

# City of West Covina
# Statement of Net Position
# June 30, 2022

| | Governmental Activities | Business-type Activities | Total |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and Investments | $ 121,642,874 | $ 265,569 | $ 121,908,443 |
| Cash and Investments with Fiscal Agents | 18,991,475 | - | 18,991,475 |
| Receivables: | | | |
| Accounts | 803,240 | - | 803,240 |
| Taxes | 6,280,506 | - | 6,280,506 |
| Interest | 324,189 | - | 324,189 |
| Notes and Loans | 14,432,603 | - | 14,432,603 |
| Other | 4,357,169 | - | 4,357,169 |
| Due from Other Agencies | 2,512,079 | - | 2,512,079 |
| Leases | 7,257,992 | - | 7,257,992 |
| Prepaid Items | 158,497 | 216,642 | 375,139 |
| Inventory | 73,202 | - | 73,202 |
| Advances to Successor Agency | 87,027 | - | 87,027 |
| Land Held for Resale | 3,007,802 | - | 3,007,802 |
| Restricted Cash and Investments | 2,484,403 | - | 2,484,403 |
| Net Pension Asset | 65,722,733 | - | 65,722,733 |
| Capital Assets, Not Being Depreciated | 85,682,133 | - | 85,682,133 |
| Capital Assets, Net of Accumulated Deprecation | 110,406,962 | - | 110,406,962 |
| Total Assets | 444,224,886 | 482,211 | 444,707,097 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | |
| OPEB Related Items | 11,962,103 | - | 11,962,103 |
| Pension Related Items | 9,799,582 | - | 9,799,582 |
| Total Deferred Outflows of Resources | 21,761,685 | - | 21,761,685 |
| **LIABILITIES** | | | |
| Accounts Payable | 12,001,425 | 225,111 | 12,226,536 |
| Other Accrued Liabilities | 1,764,815 | 1,778 | 1,766,593 |
| Interest Payable | 3,163,015 | - | 3,163,015 |
| Deposits Payable | 1,511,113 | - | 1,511,113 |
| Unearned Revenue | 10,388,905 | - | 10,388,905 |
| Noncurrent Liabilities: | | | |
| Total OPEB Liability | 65,096,109 | - | 65,096,109 |
| Net Pension Liability | 5,797,238 | - | 5,797,238 |
| Due Within One Year | 12,419,615 | 20,015 | 12,439,630 |
| Due in More Than One Year | 255,439,321 | - | 255,439,321 |
| Total Liabilities | 367,581,556 | 246,904 | 367,828,460 |
| **DEFERRED INFLOWS OF RESOURCES** | | | |
| OPEB Related Items | 12,522,363 | - | 12,522,363 |
| Pension Related Items | 67,639,168 | - | 67,639,168 |
| Lease Related | 7,257,992 | - | 7,257,992 |
| Total Deferred Inflows of Resources | 87,419,523 | - | 87,419,523 |
| **NET POSITION** | | | |
| Net Investment in Capital Assets | 152,889,130 | - | 152,889,130 |
| Restricted for: | | | |
| Affordable Housing | 23,445,655 | - | 23,445,655 |
| Debt Service | 19,947,463 | - | 19,947,463 |
| Pension Trust | 8,287 | - | 8,287 |
| Community Services | 1,553,101 | - | 1,553,101 |
| Public Safety | 8,289,411 | - | 8,289,411 |
| Public Works | 45,137,087 | - | 45,137,087 |
| Unrestricted | (240,284,642) | 235,307 | (240,049,335) |
| Total Net Position | $ 10,985,492 | $ 235,307 | $ 11,220,799 |

The accompanying notes are an integral part of this statement.

# City of West Covina
# 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 |
|---|---|---|---|---|
| Primary Government: | | | | |
| Governmental Activities: | | | | |
| General Government | $ 3,700,172 | $ 617,087 | $ 9,197,139 | $ 5,691 |
| Public Safety | 49,887,239 | 4,467,009 | 5,750,077 | 70,734 |
| Public Works | 13,508,312 | 8,415,913 | 10,518,443 | 9,877,761 |
| Community Services | 12,587,100 | 1,620,427 | 4,132,706 | 7,712,165 |
| Community Development | 1,238,687 | - | | |
| Interest on Long-Term Debt | 9,033,455 | - | - | - |
| Total Governmental Activities | 89,954,965 | 15,120,436 | 29,598,365 | 17,666,351 |
| Business-type Activities: | | | | |
| Computer Service | 719,911 | 916,458 | - | - |
| Total Business-type Activities | 719,911 | 916,458 | - | - |
| Total Primary Government | $ 90,674,876 | $ 16,036,894 | $ 29,598,365 | $ 17,666,351 |

General Revenues:
- Taxes:
  - Property Taxes
  - Sales Taxes
  - Franchise Taxes
  - Transient Occupancy Taxes
  - Other Taxes
- Other Revenues
- Investment Income
  - Total General Revenues and Transfers

  - Change in Net Position

Net Position - Beginning

Net Position - Ending

The accompanying notes are an integral part of this statement.

| Net (Expense) Revenue andChanges in Net Position | | |
|---|---|---|
| Governmental Activities | Business-type Activities | Total |
| $ 6,119,745 | $ - | $ 6,119,745 |
| (39,599,419) | - | (39,599,419) |
| 15,303,805 | - | 15,303,805 |
| 878,198 | - | 878,198 |
| (1,238,687) | - | (1,238,687) |
| (9,033,455) | - | (9,033,455) |
| (27,569,813) | - | (27,569,813) |
| - | 196,547 | 196,547 |
| - | 196,547 | 196,547 |
| (27,569,813) | 196,547 | (27,373,266) |
| 31,348,677 | - | 31,348,677 |
| 23,101,668 | - | 23,101,668 |
| 4,806,348 | - | 4,806,348 |
| 1,756,473 | - | 1,756,473 |
| 2,965,096 | - | 2,965,096 |
| 2,126,984 | - | 2,126,984 |
| (1,082,667) | 431 | (1,082,236) |
| 65,022,579 | 431 | 65,023,010 |
| 37,452,766 | 196,978 | 37,649,744 |
| (26,467,274) | 38,329 | (26,428,945) |
| $ 10,985,492 | $ 235,307 | $ 11,220,799 |

# City of West Covina
# Balance Sheet
# Governmental Funds
# June 30, 2022

| | | Special Revenue | | |
|---|---|---|---|---|
| | General | West Covina Housing Authority | State Gas Tax | ARPA |
| **ASSETS** | | | | |
| Cash and Investments | $ 14,248,967 | $ 8,795,019 | $ 6,820,254 | $ 10,592,891 |
| Cash and Investments with Fiscal Agent | - | - | - | - |
| Restricted Cash | 1,519,400 | 1,978 | - | - |
| Receivables, net: | | | | |
| Accounts | 710,220 | - | - | - |
| Taxes | 5,773,351 | - | - | - |
| Interest | 204,526 | 119,663 | - | - |
| Notes and Loans | - | 14,432,603 | - | - |
| Other | 3,574,581 | 35,274 | 584,243 | - |
| Due from Other Agencies | - | - | - | - |
| Leases | 7,257,992 | - | - | - |
| Due from Other Funds | 521,524 | - | - | - |
| Advances to Successor Agency | - | 87,027 | - | - |
| Avances to Other Funds | 225,826 | - | - | - |
| Prepaid Items | 146,508 | - | - | - |
| Land Held for Resale | 3,007,802 | - | - | - |
| Total Assets | $ 37,190,697 | $ 23,471,564 | $ 7,404,497 | $ 10,592,891 |
| **LIABILITIES** | | | | |
| Accounts Payable | $ 2,646,049 | $ 16,465 | $ 731,859 | $ 224,003 |
| Accrued Liabilities | 1,229,132 | 9,444 | 105,554 | - |
| Deposits Payable | 1,511,113 | - | - | - |
| Unearned Revenue | 20,017 | - | - | 10,368,888 |
| Due to Other Funds | - | - | - | - |
| Advances to Other Funds | - | - | - | - |
| Total Liabilities | 5,406,311 | 25,909 | 837,413 | 10,592,891 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Unavailable Revenue | 367,514 | - | - | - |
| Lease Related | 7,257,992 | - | - | - |
| Total Deferred Inflows of Resources | 7,625,506 | - | - | - |
| **FUND BALANCE (DEFICITS)** | | | | |
| Nonspendable | 3,380,136 | - | - | - |
| Restricted | 8,287 | 23,445,655 | 6,567,084 | - |
| Assigned | - | - | - | - |
| Unassigned | 20,770,457 | - | - | - |
| Total Fund Balances (Deficits) | 24,158,880 | 23,445,655 | 6,567,084 | - |
| Total Liabilities, Deferred Inflows and Fund Balances (Deficits) | $ 37,190,697 | $ 23,471,564 | $ 7,404,497 | $ 10,592,891 |

The accompanying notes are an integral part of this statement.

| Debt Service | | |
|---|---|---|
| Citywide Debt | Non-major Governmental Funds | Total |
| $ 941,153 | $ 64,980,614 | $ 106,378,898 |
| 18,991,475 | - | 18,991,475 |
| - | 538,208 | 2,059,586 |
| 14,835 | 78,185 | 803,240 |
| - | 507,155 | 6,280,506 |
| - | | 324,189 |
| - | | 14,432,603 |
| - | 163,071 | 4,357,169 |
| - | 2,511,029 | 2,511,029 |
| - | | 7,257,992 |
| - | - | 521,524 |
| - | - | 87,027 |
| - | - | 225,826 |
| - | 11,989 | 158,497 |
| - | - | 3,007,802 |
| $ 19,947,463 | $ 68,790,251 | $ 167,397,363 |
| $ - | $ 8,192,167 | $ 11,810,543 |
| - | 419,565 | 1,763,695 |
| - | | 1,511,113 |
| - | - | 10,388,905 |
| - | 521,524 | 521,524 |
| - | 225,826 | 225,826 |
| - | 9,359,082 | 26,221,606 |
| - | 2,210,188 | 2,577,702 |
| - | - | 7,257,992 |
| - | 2,210,188 | 9,835,694 |
| - | 11,989 | 3,392,125 |
| 19,947,463 | 50,771,880 | 100,740,369 |
| - | 6,601,977 | 6,601,977 |
| - | (164,865) | 20,605,592 |
| 19,947,463 | 57,220,981 | 131,340,063 |
| $ 19,947,463 | $ 68,790,251 | $ 167,397,363 |

# City of West Covina
## Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
## June 30, 2022

| | | |
|---|---|---|
| Fund balances of governmental funds | | $ 131,340,063 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | |
| Capital Assets | 462,266,215 | |
| Accumulated Depreciation | (266,777,126) | 195,489,089 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenues in the funds. | | 2,577,702 |
| Interest Payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liabiltiy in the funds. | | (3,163,015) |
| Long term liabilities are not due and payable in the current period and are not reported in the funds. | | |
| Bonds Payable (including premiums) | | (237,238,298) |
| Loans Payable | | (6,411,667) |
| Compensated Absences | | (3,999,710) |
| Notes Payable | | (7,525,925) |
| Net Pension Liability - PARS | | (5,797,238) |
| Total OPEB Liability | | (65,096,109) |
| Net Pension Asset related to the City's Pension Plan is not reported in the funds. | | 65,722,733 |
| Amounts for deferred inflows and deferred outflows related to the City's Net Pension Liability are not reported in the funds. | | |
| Deferred Outflows Related to Pensions | | 9,799,582 |
| Deferred Inflows Related to Pensions | | (67,639,168) |
| Deferred Outflows Related to OPEB | | 11,962,103 |
| Deferred Inflows Related to OPEB | | (12,522,363) |
| Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position. | | 3,487,713 |
| Net position of governmental activities | | $ 10,985,492 |

The accompanying notes are an integral part of this statement.

**City of West Covina**
**Statement of Revenues, Expenditures, and Changes in Fund Balances**
**Governmental Funds**
**Year Ended June 30, 2022**

| | | Special Revenue | | |
|---|---|---|---|---|
| | General | West Covina Housing Authority | State Gas Tax | ARPA |
| **REVENUES** | | | | |
| Taxes | $ 64,247,740 | $ - | $ 2,155,426 | $ - |
| Special Assessments | - | - | - | - |
| Licenses and Permits | 2,780,660 | - | - | - |
| Fines and Forfeitures | 508,463 | - | - | - |
| Investment Income | (1,858,653) | 335,320 | 16,677 | - |
| Rental Income | 1,241,134 | - | - | - |
| Revenue from Other Agencies | 2,323,396 | - | 2,488,293 | 9,197,139 |
| Charges for Services | 9,574,520 | - | 592 | - |
| Other Revenues | 2,201,315 | 20,100 | - | - |
| Total Revenues | 81,018,575 | 355,420 | 4,660,988 | 9,197,139 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General Government | 4,955,642 | - | 3,000 | - |
| Public Safety | 48,396,731 | 208,843 | - | 466,453 |
| Public Works | 6,188,867 | - | 4,355,822 | 8,724,900 |
| Community Services | 1,932,175 | | | |
| Community Development | 446,667 | 676,245 | - | - |
| Debt Service: | | | | |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total Expenditures | 61,920,082 | 885,088 | 4,358,822 | 9,191,353 |
| Excess (Deficiency) of Revenues over Expenditures | 19,098,493 | (529,668) | 302,166 | 5,786 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfer In | 5,816 | - | 567,148 | - |
| Transfer Out | (20,433,506) | (33,000) | (28,146) | (5,786) |
| Total Other Financing Sources (Uses) | (20,427,690) | (33,000) | 539,002 | (5,786) |
| Net Change in Fund Balances | (1,329,197) | (562,668) | 841,168 | - |
| Fund Balances, Beginning | 25,488,077 | 24,008,323 | 5,725,916 | - |
| Fund Balances, Ending | $ 24,158,880 | $ 23,445,655 | $ 6,567,084 | $ - |

The accompanying notes are an integral part of this statement.

| Debt Service | | |
|---|---|---|
| Citywide Debt | Non-major Governmental Funds | Total |
| $ - | $ 10,891,448 | $ 77,294,614 |
| - | 7,040,726 | 7,040,726 |
| - | - | 2,780,660 |
| - | - | 508,463 |
| 74,288 | 121,134 | (1,311,234) |
| - | 217,995 | 1,459,129 |
| 1,389,327 | 5,345,152 | 20,743,307 |
| - | 436,010 | 10,011,122 |
| - | 4,918,858 | 7,140,273 |
| 1,463,615 | 28,971,323 | 125,667,060 |
| 13,046 | 75,400 | 5,047,088 |
| - | 10,771,653 | 59,843,680 |
| - | 9,212,410 | 28,481,999 |
| | 9,153,573 | 11,085,748 |
| - | 115,775 | 1,238,687 |
| 5,869,299 | - | 5,869,299 |
| 9,063,717 | - | 9,063,717 |
| 14,946,062 | 29,328,811 | 120,630,218 |
| (13,482,447) | (357,488) | 5,036,842 |
| 13,530,530 | 5,563,633 | 19,667,127 |
| - | (9,031) | (20,509,469) |
| 13,530,530 | 5,554,602 | (842,342) |
| 48,083 | 5,197,114 | 4,194,500 |
| 19,899,380 | 52,023,867 | 127,145,563 |
| $ 19,947,463 | $ 57,220,981 | $ 131,340,063 |

# City of West Covina
## 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 balances-total governmental funds | $ 4,194,500 |
| Amounts reported for governmental activities in the Statement of Activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives as depreciation expense. | |
| Capital Expenditures | 23,557,900 |
| Depreciation Expense | (11,550,544) |
| Loss on Disposal | (250,000) |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. | 1,740,672 |
| The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, government funds report the effect of premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The effect of these differences are as follows: | |
| Principal Paid on Notes Payable | 578,918 |
| Principal Paid on Bonds Payable | 5,100,000 |
| Principal Paid on Loans Payable | 190,381 |
| Amortization of Premium on Lease Revenue Bonds | 53,105 |
| Accrued interest on bonds is not recorded in the governmental funds. This is the net change in accrued interest for the period. | (22,843) |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures: | |
| Net Change in Employee Leave Benefits | (84,042) |
| Net Change in Net Pension Liability | 196,104,669 |
| Net Change in Net Pension Asset | 65,722,733 |
| Net Change in Total OPEB Liability | 10,974,517 |
| Net Change in Deferred Outflows Pension Related Amounts | (181,881,203) |
| Net Change in Deferred Inflows Pension Related Amounts | (65,378,295) |
| Net Change in Deferred Outflows OPEB Related Amounts | (3,292,934) |
| Net Change in Deferred Inflows OPEB Related Amounts | (8,012,562) |
| Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. | (292,206) |
| Change in net position of governmental activitie | $ 37,452,766 |

The accompanying notes are an integral part of this statement.

# City of West Covina
# Statement of Net Position
# Proprietary Funds
# June 30, 2022

| | Business-type Activities | Governmental Activities |
|---|---|---|
| | Computer Service Enterprise Fund | Internal Service Funds |
| **ASSETS** | | |
| Current Assets: | | |
| Cash and Investments | $ 265,569 | $ 15,263,976 |
| Restricted Cash and Investments | - | 424,817 |
| Due from Other Agencies | - | 1,050 |
| Prepaids | 216,642 | - |
| Inventories | - | 73,202 |
| Total Current Assets | 482,211 | 15,763,045 |
| Noncurrent Assets: | | |
| Capital Assets, Net of Accumulated Depreciation | - | 600,006 |
| Total Noncurrent Assets | - | 600,006 |
| Total Assets | 482,211 | 16,363,051 |
| **LIABILITIES** | | |
| Current Liabilities: | | |
| Accounts Payable | 225,111 | 190,882 |
| Other Accrued Liabilities | 1,778 | 1,120 |
| Current Portion of Long-Term Liabilities: | | |
| Compensated Absences | 20,015 | - |
| Claims Payable | - | 3,310,764 |
| Total Current Liabilities | 246,904 | 3,502,766 |
| Noncurrent Liabilities: | | |
| Compensated Absences | - | 10,182 |
| Claims Payable | - | 9,362,390 |
| Total Noncurrent Liabilities | - | 9,372,572 |
| Total Liabilities | 246,904 | 12,875,338 |
| **NET POSITION** | | |
| Net Investment in Capital Assets | - | 600,006 |
| Unrestricted | 235,307 | 2,887,707 |
| Total Net Position | $ 235,307 | $ 3,487,713 |

The accompanying notes are an integral part of this statement.

# City of West Covina
## Statement of Revenues, Expenses, and Changes in Net Position
## Proprietary Funds
## Year Ended June 30, 2022

| | Business-type Activities | Governmental Activities |
|---|---|---|
| | Computer Service Enterprise Fund | Internal Service Funds |
| **OPERATING REVENUES** | | |
| Charges for Services | $ 916,458 | $ 5,601,858 |
| Rental Income | - | 44,398 |
| Other Revenues | - | 91,645 |
| Total Operating Revenue | 916,458 | 5,737,901 |
| **OPERATING EXPENSES** | | |
| Personnel Services | 129,638 | 87,565 |
| Cost of Sales, Services, and Operations | 590,273 | 1,442,341 |
| Depreciation | - | 219,918 |
| Insurance and Claims Paid | - | 5,142,016 |
| Total Operating Expenses | 719,911 | 6,891,840 |
| Operating Income (Loss) | 196,547 | (1,153,939) |
| **NONOPERATING REVENUES (EXPENSES)** | | |
| Investment Income | 431 | 867 |
| Gain/ (Loss) on Disposal of Capital Assets | - | 18,524 |
| Total Nonoperating Revenues (Expenses) | 431 | 19,391 |
| Income Before Contributions and Transfers | 196,978 | (1,134,548) |
| Transfers In | - | 842,342 |
| Transfers Out | - | - |
| Change in Net Position | 196,978 | (292,206) |
| Total Net Position, Beginning | 38,329 | 3,779,919 |
| Total Net Position, Ending | $ 235,307 | $ 3,487,713 |

The accompanying notes are an integral part of this statement.

# City of West Covina
# Statement of Cash Flows
# Proprietary Funds
# Year Ended June 30, 2022

| | Business-type Activities | Governmental Activities |
|---|---|---|
| | Computer Service Enterprise Fund | Internal Service Funds |
| **Cash Flows from Operating Activities** | | |
| Cash Received from Customers | $ 1,213,221 | $ - |
| Cash Received from User Departments | - | 5,837,901 |
| Cash Paid to Suppliers for Goods and Services | (596,373) | (6,592,476) |
| Cash Paid to Employees for Services | (129,457) | (78,416) |
| Net Cash from Operating Activities | 487,391 | (832,991) |
| **Cash Flows from Noncapital Financing Activities** | | |
| Cash Paid (to) from Other Funds | (222,253) | 779,890 |
| Net Cash from Noncapital Financing Activities | (222,253) | 779,890 |
| **Cash Flows from Capital and Related Financing Activities** | | |
| Acquisition and Construction of Capital Assets | - | (127,119) |
| Net Cash from Capital and Related Financing Activities | - | (127,119) |
| **Cash Flows from Investing Activities** | | |
| Interest on Investments | 431 | 867 |
| Net Cash from Investing Activities | 431 | 867 |
| **Net Increase (Decrease) in Cash and Cash Equivalents** | 265,569 | (179,353) |
| Cash and Cash Equivalents, Beginning of Year | - | 15,868,146 |
| **Cash and Cash Equivalents, End of Year** | $ 265,569 | $ 15,688,793 |
| **Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities** | | |
| Operating income (loss) | $ 196,547 | $ (1,153,939) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | |
| Depreciation | - | 219,918 |
| Other Revenues | - | - |
| (Increase) Decrease in Accounts Receivable | 296,763 | 100,000 |
| (Increase) Decrease in Due from Other Agencies | - | - |
| (Increase) Decrease in Inventory and Prepaid Items | (216,642) | (33,023) |
| Increase (Decrease) in Accounts Payable | 210,542 | 92,233 |
| Increase (Decrease) in Accrued Liabilities | (1,261) | (833) |
| Increase (Decrease) in Compensated Absences | 1,442 | 9,982 |
| Increase (Decrease) in Claims and Judgments | - | (67,329) |
| Net Cash Provided (Used) by Operating Activities | $ 487,391 | $ (832,991) |

The accompanying notes are an integral part of this statement.

# City of West Covina
# Statement of Net Position
# Fiduciary Funds
# June 30, 2022

| | Successor Agency Private-purpose Trust Fund | Pension Trust Funds |
|---|---|---|
| **ASSETS** | | |
| Cash and Investments | $ 4,982,348 | $ 390,415 |
| Cash and Investments with Fiscal Agent | 6,869,232 | |
| Restricted Cash and Investments | 3,373,500 | - |
| Receivables, Net: | | |
| Taxes | 565,223 | - |
| Interest | 120,134 | - |
| Accounts | 1,721,802 | - |
| Assessments | 4,990,000 | - |
| Due from City of West Covina | 7,525,925 | - |
| Land Held for Resale | 54,279 | |
| Total Assets | 30,202,443 | 390,415 |
| **LIABILITIES** | | |
| Accounts Payable | 1,795,038 | - |
| Accrued Liabilities | 1,027,386 | - |
| Interest Payable | 172,331 | - |
| Due to Other Governments | 198,449 | - |
| Advances from City of West Covina | 87,027 | - |
| Long-term Liabilities: | | |
| Due to County Auditor Controller | 7,525,925 | - |
| Due within One Year | 6,344,975 | - |
| Due in More than One Year | 94,171,372 | - |
| Total Liabilities | 111,322,503 | - |
| **NET POSITION** | | |
| Held in Trust for: | | |
| Successor Agency | (81,120,060) | - |
| Pension Benefits | - | 390,415 |
| | $ (81,120,060) | $ 390,415 |

The accompanying notes are an integral part of this statement.

# City of West Covina
# Statement of Changes in Net Position
# Fiduciary Funds
# Year Ended June 30, 2022

| | Successor Agency Private-purpose Trust Fund | Pension Trust Funds |
|---|---|---|
| **ADDITIONS** | | |
| Contributions: | | |
| Taxes and assessments collected for others | $ 8,829,838 | $ - |
| Employer Contributions | - | 132,374 |
| Investment Earnings: | | |
| Interest Income | 262,861 | (53,613) |
| Rental Income | 25,000 | - |
| Total Additions | 9,117,699 | 78,761 |
| **DEDUCTIONS** | | |
| Program Administration | 3,244,585 | - |
| Administrative Costs | 12,474,300 | 8,033 |
| Benefit Distributions | - | 211,777 |
| Interest and Fiscal Charges | 588,958 | - |
| Total Deductions | 16,307,843 | 219,810 |
| Change in Net Position | (7,190,144) | (141,049) |
| Net Position - Beginning of Year | (73,929,916) | 531,464 |
| Net Position - End of Year | $ (81,120,060) | $ 390,415 |

The accompanying notes are an integral part of this statement.

## 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of West Covina, California (the City) have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

### A) Financial Reporting Entity

The City was incorporated on February 23, 1923 under the general laws of the State of California. The accompanying financial statements present the City and its component units; entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

Because each component unit meets the above-mentioned criteria, included within the financial reporting entity of the City are the City of West Covina Housing Authority, the West Covina Public Financing Authority, the Parking Authority of the City of West Covina, and the West Covina Community Services Foundation, Inc.

A brief description of each component unit follows:

West Covina Housing Authority

The West Covina Housing Authority (the Housing Authority) was formed on January 17, 2012 and is responsible for the administration of providing affordable housing in the City. The Housing Authority is administered by a Board which consists of members of the City Council. The transactions of the Housing Authority are reported as a special revenue fund is a blended component unit of the City.

West Covina Public Financing Authority

The West Covina Public Financing Authority (the Authority) was created by a joint powers agreement between the City and the Community Development Commission of the City on June 1, 1990. The purpose of the Authority is to provide, through the issuance of debt, financing necessary for various capital improvements. The Authority is administered by the Board who are the members of the City Council. The Authority's sole source of income is installment sale, loan and lease payments received from the City and former Community Development Commission (the Commission) which are used to meet the debt service requirements on debt issues. The Authority is blended into the debt service fund of the City.

The Parking Authority of the City of West Covina

The Parking Authority of the City of West Covina (the Parking Authority) was formed under the provision of the government code of the State of California for the purpose of financing and constructing parking facilities for lease to the City. The City Council acts as the governing body of the Parking Authority and is able to impose its will on the Parking Authority. It is a component unit of the City, and the financial statements of the Parking Authority are included within the financial statements of the City using the blended method. The Parking Authority has been inactive since 1999.

## 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The West Covina Community Services Foundation, Inc.

The West Covina Community Services Foundation, Inc. (the Foundation) was established on July 26, 2005 as a nonprofit public benefit corporation. It was organized and operates exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The Foundation is administered by the Board of Directors who are the members of the City Council. The Foundation is blended into the special revenue funds of the City.

Since the City Council serves as the governing board for these component units, all of the City's component units are considered to be blended component units. Blended component units, although legally separate entities, are in substance, part of the City's operations and so data from these units are reported with the interfund data of the primary government. Except for the Housing Authority, these component units do not issue component unit financial statements.

Separate financial statements for the Housing Authority can be obtained from the City of West Covina, City Hall.

### B) Basis of Accounting and Measurement Focus

The basic financial statements of the City are composed of the following:

- Government-wide Financial Statements
- Fund financial statements
- Notes to financial statements

**Government-wide Financial Statements:**

Government-wide financial statements display information about the reporting government as a whole except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City. Interfund services provided and used are not eliminated in the process of consolidation.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

Government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Generally Accepted Accounting Principles.

## 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Taxes and other items not included among program revenues are reported instead as *general revenues*.

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

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar programs are recognized as revenue as soon as all eligibility requirements imposed by providers have been met.

### Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds; each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about the major funds individually and other governmental funds in the aggregate for governmental funds. Fiduciary statements represent assets held by the City in a custodial capacity for other individuals or organizations in the private purpose trust, pension trust, and custodial funds.

### Governmental Funds

In the fund financial statements, governmental funds are presented using the modified-accrual basis of accounting. Their revenues are recognized when they become measurable and available. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period.

Revenue recognition is subject to the measurable and available criteria for the governmental funds in the fund financial statements. Significant revenues subject to the criteria include taxes, licenses and permits, and intergovernmental revenues. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

## 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus. This means that only current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources”. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Revenues, expenditures, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of Generally Accepted Accounting Principles. The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Therefore, recognition of governmental fund type revenue represented by receivables is reported as deferred inflows of resources until they meet the “availability” criteria.

Sales taxes, property taxes, franchise taxes, revenue from other agencies, rental income, occupancy taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government. The availability period for all revenues is 60 days.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as other financing sources rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures rather than as a reduction of a fund liability.

### Proprietary and Fiduciary Funds

The City's enterprise and internal service funds are proprietary funds. In the fund financial statements, the proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statement of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, taxes, and investment earnings result from non-exchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the enterprise fund financial statements rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the enterprise fund financial statements rather than as another financing source. Amounts paid to reduce long-term indebtedness of the enterprise fund are reported as a reduction of the related liability rather than as an expenditure.

## 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The City's fiduciary private purpose and pension trust funds are accounted for using the economic resources measurement focus and accrual basis of accounting. The private purpose trust fund accounts for the assets held by the City for the Successor Agency to the former Community Development Commission of the City. The pension trust fund account for assets and activities of the Public Agency Retirement System Enhancement and Supplemental Retirement defined benefit pension plans. The City's fiduciary custodial accounts for assets held for the benefit of others. Because these funds are not available for use by the City, fiduciary funds are not included in the governmental-wide statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include 1) charges to 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 program revenues. Likewise, general revenues include all taxes.

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

*Fund Classifications*

The City reports the following major governmental funds:

The *General Fund* is the general operating fund of the City. This fund is used to account for all financial resources of the City, except for those required to be accounted for in another fund

The *West Covina Housing Authority Special Revenue Fund* is used to account for assets and related income received from the former Community Development Commission to be used for the administration of providing affordable housing in the City.

The *State Gas Tax Special Revenue Fund* accounts for the City's proportionate share of gas tax monies collected by the State of California and Proposition 1B monies which are used for street construction and maintenance.

The *ARPA Special Revenue Fund* accounts for the grant funds received from the American Rescue Plan Act.

The *Citywide Debt Service Fund* accounts for the payments of principal, interest, and related costs on the City long-term debt issues.

The City reports the following major proprietary fund:

The *Computer Service Enterprise Fund* is used to account for operations that are financed and operated in a manner similar to private business enterprises. The City's enterprise fund is used to account for computer services provided by the Police Department to other public agencies.

Additionally, the City reports the following fund types:

## 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The *Internal Service Funds* are used to account for vehicle and equipment maintenance and replacement, for the City's self-insurance programs, and for retirement health savings plans for qualified City employees. Departments of the City are charged for the services provided or benefits received from these funds.

Fiduciary fund financial statements consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City has two types of fiduciary funds, a custodial fund and a private-purpose trust fund. Agency funds are used to account for the assets held for distribution by the City as an agent for another entity for which the City has custodial responsibility and accounts for the flow of assets. Private-purpose trust funds account for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments (i.e. unclaimed property/escheat property). Fiduciary funds are accounted for using the accrual basis of accounting. The City reports the following fiduciary funds:

Successor Agency Private Purpose Trust Fund – accounts for assets and liabilities transferred in fiscal year 2012 from the Redevelopment Agency of the City of West Covina to the Successor Agency Trust Fund.

Pension Trust Fund – These funds are used to account for the assets and activities of the Public Agency Retirement System Retirement Enhancement and Supplemental Retirement plans.

### C) Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. *Investment income* earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balance.

For purposes of the statement of cash flows, cash equivalents are defined as short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates, and have an original maturity date of 3 months or less. Cash equivalents represent the proprietary funds' share in the cash and investment pool of the City.

### D) Inventories

Inventory is stated at average cost. Physical counts of inventory are taken on a cyclical basis during each fiscal year with perpetual records adjusted to actual at that time. The City uses the consumption method of accounting for inventory.

## 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

### E) Prepaid Items

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

### F) Notes and Loans Receivable

The accompanying financial statements report certain loans receivable for loans made to private developers, private homeowners, and other parties. Where applicable, an allowance for doubtful accounts has been recorded to reflect management's best estimate of probable losses associated with non-repayment.

### G) Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes which are received within 60 days after year end. The property tax calendar is as follows:

| Property Tax Calendar | | County Remittance Dates and Percentages | |
|---|---|---|---|
| Lien date | January 1 | December | 40% Advance |
| Levy date | July 1 | January | 10% Advance |
| Due date | November 1 and February 1 | February | Collection No. 1 |
| Delinquent dates | December 10 and April 10 | April | 35% Advance |
| | | May | Collection No. 2 |
| | | July | Collection No. 3 |

### H) Claims and Judgements

The City records a liability for litigation, judgments, and claims when it is probable that an asset has been impaired or a liability (including incurred but not reported) has been incurred prior to yearend and the probable amount of loss (net of any insurance coverage) can be reasonably estimated. This liability is recorded in the internal service fund that accounts for the City's self-insurance activities.

### I) Compensated Absences Payable

A liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City. Other amounts of unused sick leave are excluded from the liability since their payment is contingent solely upon the occurrence of a future event (illness) which is outside the control of the City and the employee.

## 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The General Fund and Computer Service Enterprise Fund typically have been used to liquidate the liability for compensated absences.

### J) Capital Assets

Capital assets greater than $5,000 and infrastructure greater than $100,000 are capitalized and recorded at cost or at an estimated fair value of the assets at the time of acquisition where complete historical records do not exist. Contributed capital assets are valued at their acquisition value at the date of the contribution. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets include public domain infrastructure assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, medians, sewer and storm drains.

Depreciation has been provided using the straight-line method over the estimated useful life of the assets in the government-wide financial statements and in the fund financial statements of the proprietary and the private-purpose trust funds. Depreciation starts the year following acquisition. For capital assets, depreciation is recorded on a straight-line basis over the useful lives of the assets. The lives used for depreciation purposes of each capital asset class generally are:

| | |
|---|---|
| **Governmental Activities** | |
| Infrastructure - pavement | 25 years |
| Infrastructure - other | 20 - 75 years |
| Buildings | 20 - 50 years |
| Improvements other than buildings | 20 - 50 years |
| Equipment and Vehicles | 5 - 25 years |
| **Business-type Activities** | |
| Equipment and Machinery | 5 - 25 years |

### K) Interest Payable

In the Government-Wide Financial Statements, interest payable on long-term debt is recognized as the liability is incurred.

In the Fund Financial Statements, proprietary fund types recognize the interest payable when the liability is incurred.

## 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

### L) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has certain items that qualify for reporting in this category: deferred outflows relating to the City's net pension and OPEB liabilities.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City reports deferred inflows for certain items under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues related to taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also reports deferred inflows relating to the net pension and OPEB liabilities.

### M) Pensions

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

Generally accepted accounting principles require that the reported results for pensions must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used for CalPERS:

| | |
|---|---|
| Valuation Date (VD) | June 30, 2020 |
| Measurement Date (MD) | June 30, 2021 |
| Measurement Period (MP) | July 1, 2020 to June 30, 2021 |

The following timeframes are used for PARS:

| | |
|---|---|
| Valuation Date (VD) | June 30, 2021 |
| Measurement Date (MD) | June 30, 2021 |
| Measurement Period (MP) | July 1, 2020 to June 30, 2021 |

## 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

### N) Other Postemployment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used: June 30, 2021 Valuation Date; June 30, 2021 Measurement Date; and July 1, 2020 through June 30, 2021 Measurement Period.

### O) Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

### P) Fund Balance

*Nonspendable Fund Balance*: These include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact, e.g., the principal of an endowment fund. Examples of "not in spendable form" include inventory, prepaid amounts, long-term notes and loans, property held for resale and other items not expected to be converted to cash. However, if the proceeds from the eventual sale or liquidation of the items would be considered restricted, committed or assigned (as defined further on) then these amounts would be included in the restricted, committed or assigned instead of the nonspendable classification. A debt service reserve fund held by a trustee is an example of fund balance in nonspendable form that is classified as restricted instead of nonspendable since the reserve is eventually liquidated to make the final debt service principal payment.

*Restricted Fund Balance*: Amounts that have externally enforceable limitations on use. The limitations on use can be imposed by creditors, grantors, or contributors as well as by constitutional provisions, enabling legislation, laws and government regulations.

*Committed Fund Balance*: Amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

*Assigned Fund Balance*: Amounts intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council (Council) has by resolution authorized the City Manager to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. Additional formal action does not normally have to be taken for the removal of an assignment.

*Unassigned Fund Balance*: These are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories, or negative balances. For all funds other than the General Fund, amounts expended in excess of resources that are restricted, committed, or assigned, negative unassigned fund balance may be necessary to report.

## 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

### Q) Fair Value Measurements

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements), as follows:

*Level 1* – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

*Level 2* – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive; inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.
-

*Level 3* – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

### R) Leases

*Lessor:* The City is a lessor for noncancellable leases of land owned by the City. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

## 1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

- The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

### S) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

## 2) CASH AND INVESTMENTS

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

| | |
|---|---|
| Statement of Net Position: | |
| Cash and Investments | $121,908,443 |
| Cash and Investments with Fiscal Agents | 18,991,475 |
| Restricted Cash and Investments | 2,484,403 |
| Statement of Fiduciary Net Position: | |
| Cash and Investments | 5,372,763 |
| Cash and Investments with Fiscal Agents | 6,869,232 |
| Restricted Cash and Investments | 3,373,500 |
| Total Cash and Investments | $158,999,816 |

Cash and investments as of June 30, 2022 consist of the following:

| | |
|---|---|
| Cash on Hand | $ 18,073 |
| Deposits with Financial Institutions | 38,858,630 |
| Investments | 120,123,113 |
| Total Cash and Investments | $158,999,816 |

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

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. This table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that addresses interest rate risk and concentrations of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City and investments in the City's retirement enhancement and supplemental retirement defined benefit pension trust funds that are in the Public Agency Retirement Plans (PARS Trust Pool), rather than the general provisions of the California Government Code or the City's investment policy.

**2) CASH AND INVESTMENTS - Continued**

| Investment Types Authorized by State Law | Authorized by Investment Policy | Maximum Maturity* | Maximum Percentage of Portfolio* | Maximum Investment in One Issuer* |
|---|---|---|---|---|
| U.S. Treasury Obligations | Yes | 5 years | None | None |
| U.S. Government Sponsored Agency Securities | Yes | 5 years | None | None |
| Municipal Securities | Yes | 5 years | 30% | 5% |
| Supranationals | Yes | 5 years | 30% | 10% |
| Medium-Term Notes | Yes | 5 years | 30% | 5% |
| Collateralized Certificate of Deposit | Yes | 5 years | 25% | 25% |
| Negotiable Certificates of Deposit | Yes | 5 years | 30% | 30% |
| Banker's Acceptance | Yes | 180 days | 40% | 30% |
| Commercial Paper | Yes | 270 days | 25% | 5% |
| Asset Backed Securities | Yes | 5 years | 20% | 20% |
| Money Market Mutual Funds | Yes | N/A | 20% | 10% |
| Repurchase Agreements | Yes | 100 days | 20% | 20% |
| County Pooled Investment Funds | Yes | N/A | None | None |
| Local Agency Investment Fund | Yes | N/A | None | $75,000,000 |

*Based on state law requirements or investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are generally authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk and concentration of credit risk.

| Investment Types Authorized by State Law | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|---|---|---|---|
| U.S. Treasury Obligations | 5 years | None | None |
| U.S. Government Sponsored Agency Securities | 5 years | None | None |
| Municipal Securities | 5 years | 30% | None |
| Supranationals | 5 years | 30% | None |
| Medium-Term Notes | 5 years | 30% | None |
| Collateralized Certificate of Deposit | 5 years | 25% | None |
| Negotiable Certificates of Deposit | 5 years | 30% | None |
| Banker's Acceptance | 180 days | None | None |
| Commercial Paper | 270 days | 25% | 5% |
| Money Market Mutual Funds | 5 years | 20% | 10% |
| Repurchase Agreements | 100 days | 20% | None |
| County Pooled Investment Funds | N/A | None | None |
| Local Agency Investment Fund | N/A | None | None |

## 2) CASH AND INVESTMENTS - Continued

Investments Authorized by Pension Trust Agreements

Investments of pension trust fund contributions held by the trustee are governed by the trust agreements. The City selected an investment strategy allowed by the trust agreements with the objective of providing current income and moderated capital appreciation. The strategic ranges for the investment strategy selected by the City are as follows:

| | |
|---|---|
| 5% | Cash |
| 45% | Fixed Income |
| 48.50% | Equities |
| 1.50% | REIT |

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 is the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

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

| | Remaining Maturity (in Months) | | | |
|---|---|---|---|---|
| Investment Type | Total | 12 Months Or Less | 13 to 24 Months | 25 to 60 Months |
| Los Angeles County Investment Pool | $ 31,739,345 | $ 31,739,345 | $ - | $ - |
| Local Agency Investment Fund | 62,124,359 | 62,124,359 | - | - |
| PARS Trust Pool | 398,702 | 398,702 | - | - |
| Held by Bond Trustees: | | | | |
| Collateralized Investment Agreement | 5,002,670 | 5,002,670 | - | - |
| Money Market Mutual Funds | 20,858,037 | 20,858,037 | - | - |
| Total | $ 120,123,113 | $ 120,123,113 | $ - | $ - |

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the City's investment policy, or debt agreements and the actual rating as of year-end by Standard and Poor's or Moody's or Fitch for each investment type:

**2) CASH AND INVESTMENTS – Continued**

| Investment Type | Amount | Minimum Legal Rating | AAA | Unrated |
|---|---|---|---|---|
| Los Angeles County Investment Pool | $ 31,739,345 | N/A | $ - | $ 31,739,345 |
| Local Agency Investment Fund | 62,124,359 | N/A | - | 62,124,359 |
| PARS Trust Pool | 398,702 | N/A | - | 398,702 |
| Held by Bond Trustees: | | | | |
| Collateralized Investment Agreement | 5,002,670 | N/A | - | 5,002,670 |
| Money Market Mutual Funds | 20,858,037 | A | 20,858,037 | - |
| Total | $ 120,123,113 | | $ 20,858,037 | $ 99,265,076 |

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There was no investments in any one issuer (other than U.S. Government Agencies, Supranationals, Money Market Funds, and external investment pools) that represent 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. All the City's deposits are either federally insured or collateralized as of June 30, 2022. Investments held by bond trustee are selected under the terms of the applicable trust agreement. The trustee acquires the investment and holds the investment on behalf of the reporting government.

Investment in County Investment Pool

The City is a voluntary participant in the Los Angeles County Investment Pool (LACIP) that is regulated by the California Government Code and the Los Angeles County Board of Supervisors under the oversight of the Los Angeles County Treasurer-Tax Collector. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amount based upon the City's pro-rata share of the fair value provided by LACIP for the entire LACIP portfolio. The balance for withdrawal is based on the accounting records maintained by LACIP, which are recorded on an amortized cost basis.

## 2) CASH AND INVESTMENTS – Continued

Fair Value of Investments

Investments (except those that may be reported at amortized cost) are measured at fair value on a recurring basis. Recurring fair value measurements, are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period. Fair value measurements are categorized based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. None of the investments held at year-end are subject to the fair value hierarchy.

## 3) INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Due to/from

Interfund receivable and payable balances at June 30, 2022 were as follows:

| | Receivable Fund |
|---|---|
| Payable Fund | General Fund |
| Non-major Governmental Funds | $ 521,524 |
| Total Fund Balances | $ 521,524 |

These interfund payables represent temporary loans to cover negative cash balances.

Advances to/from

Advances of $225,826 between the General Fund and the Auto Plaza Improvement District non-major special revenue fund are for cash advanced for the replacement of the reader board sign at the Auto Plaza.

Interfund transfers for the year ended June 30, 2022 are as follows:

| | TRANSFERS IN | | | | | |
|---|---|---|---|---|---|---|
| TRANSFERS OUT | General Fund | State Gas Tax Fund | Citywide Debt | Non-major Governmental Funds | Internal Service Funds | Total |
| General Fund | $ - | $ 567,148 | $ 13,530,530 | $ 5,493,486 | $ 842,342 | $ 20,433,506 |
| Housing Authority | - | - | - | 33,000 | - | 33,000 |
| State Gas Tax Fund | - | - | - | 28,146 | - | 28,146 |
| ARPA | 5,786 | - | - | - | - | 5,786 |
| Non-major Governmental Funds | 30 | - | - | 178,322 | - | 178,352 |
| | $ 5,816 | $ 567,148 | $ 13,530,530 | $ 5,732,954 | $ 842,342 | $ 20,678,790 |

The General Fund transferred $567,148 to the State Gas Tax Fund for an SB1 project. The General Fund transferred $13,530,530 to the Citywide Debt Service Fund for debt service payments. The General Fund transferred $5,493,487 to the Non-major Governmental Funds for various projects and operating expenditures. The General Fund transferred $842,342 to the Internal Service Fund for deficits in the self-insurance fund.

## 4) LONG-TERM RECEIVABLES FROM SUCCESSOR AGENCY

Prior to the dissolution of the Commission's redevelopment activities on February 1, 2012, the City authorized several advances to be used for completing redevelopment projects throughout the community. As a result of the dissolution, the liabilities related to these advances were transferred to the Successor Agency. See Note 18 and 19 for additional information.

In May 2010, the Commission made an advance of $6,529,308 from the Low and Moderate-Income Housing Capital Projects Fund to the Citywide Project Area Debt Service Fund to satisfy the Commission's Supplemental Educational Revenue Augmentation Fund (SERAF) obligation as required by Assembly Bill ABX4-26. The advance bears no interest. In May 2011, the Commission made an advance of $1,344,269 from the Low and Moderate-Income Housing Capital Projects Fund to the Citywide Project Area Debt Service Fund to satisfy the SERAF obligation as required by Assembly Bill ABX4-26. The advance bears no interest and must be repaid by August 1, 2022. Effective February 1, 2012, the Commission's redevelopment activities were dissolved, and the receivable side of these advances was retained by the Housing Authority.

The "Dissolution Act" (AB 1x26 as amended by AB 1484) outlines the method of repayment for the SERAF Advances by the Successor Agency. As of June 30, 2022, the SERAF Advance to the Successor Agency was $87,027.

## 5) NOTES AND LOANS RECEIVABLE

The following notes and loans receivable were outstanding as of June 30, 2022:

| | |
|---|---|
| Housing Rehabilitation | $ 353,888 |
| First Time Homebuyer Loans | 142,529 |
| Housing Preservation Program | 643,447 |
| Home Improvement Program | 663,129 |
| Lark Ellen Towers | 6,565,194 |
| Executive Lodge Apartments Limited Partnership | 6,471,219 |
| West Covina Senior Villas, LLC | 2,833,333 |
| West Covina Senior Villas II, LP | 8,513,885 |
| Other Loans | 608,196 |
| Less: Allowance for Doubtful Accounts | (12,362,217) |
| Total Governmental Funds | $ 14,432,603 |

Several housing rehabilitation loans totaling $353,888 have been made to qualified applicants using Community Development Block Grants received by the City and housing set-aside funds of the former Commission's redevelopment activities. These loans bear 5% interest and are repaid when title to the property changes. The City has included 5% of the balance in the allowance for doubtful accounts.

The Housing Authority has loans to first-time home buyers totaling $142,529. Loans are secured by second trust deeds and bear interest at 5%. Principal and interest are deferred for five years and are due monthly in years 6 through 30. The City has included 22% of the balance in the allowance for doubtful accounts.

The Housing Authority also has housing preservation loans to qualified applicants using housing set-aside funds totaling $643,447. Principal and interest are deferred for ten years; after the tenth year loans bear interest at 5%. Loans are repaid after the tenth year or when title to the property changes. The City has included 45% of the balance in the allowance for doubtful accounts.

## 5) NOTES AND LOANS RECEIVABLE - Continued

Several housing improvement loans totaling $663,129 have been made to qualified applicants. The loans are secured by second trust deeds. The City has included 5% of the balance in the allowance for doubtful accounts.

In May 1997, the Commission loaned $4,270,000 to Lark Ellen Towers. The loan was transferred to the Housing Authority from the dissolved former Commission. The loan is secured by a deed of trust. The loan accrues interest at 3% per annum and requires annual payments equal to the maximum of $35,000 or 50% of net profits earned by the project. The outstanding principal and accrued interest as of June 30, 2022 was $6,471,219.

In April 1998, the Commission loaned $5,622,300 to Executive Lodge Apartments Limited Partnership (Promenade Apartments project). The loan was transferred to the Housing Authority from the dissolved former Commission. The loan is secured by a deed of trust. The loan was amended and restated on April 1, 2017, with a principal of $6,056,621 accruing interest at 2.82% compounded annually and requires annual payments equal to 50% of “Available Cash Flow”. The outstanding principal and accrued interest as of June 30, 2022 was $6,565,194.

In May 2002, the Commission loaned $4,360,000 to West Covina Senior Villas, LLC. The loan is secured by a deed of trust. The loan does not accrue interest. The loan requires annual payments of $141,667 through May 2032 that are forgiven by the City unless the borrower defaults on the agreement. The outstanding principal as of June 30, 2022 was $2,833,333. The loan is likely to be forgiven; therefore, the City has included the entire balance in the allowance for doubtful accounts.

In May 2009, the Commission entered into an agreement with West Covina Senior Villas II, L.P. to provide $8,600,000 for the acquisition of real property in the City and construction and maintenance of an approximately 65-unit apartment complex to be rented to low income and very low income senior citizens. The loan is secured by a deed of trust. The loan does not accrue interest and is forgiven so long as the borrower does not default on the loan. The outstanding principal as of June 30, 2022 was $8,513,885. The loan is likely to be forgiven; therefore, the City has included the entire balance in the allowance for doubtful accounts.

Other notes consist of affordable housing loans of $400,000. The notes do not accrue interest and are forgiven unless the borrower sells or refinances the property. Additionally, the balance included a note of $208,196 for low income housing which accrues no interest and is forgivable if the owner maintains the low and moderate income housing status. The outstanding principal of these loans as of June 30, 2022 was $608,196. The loans are likely to be forgiven; therefore, the City has included the entire balance in the allowance for doubtful accounts.

## 6) LAND HELD FOR RESALE

Land held for resale is valued at the lower of cost or the sales price per contract with the developer. The land held for resale at June 30, 2022 was comprised of land to be used as open space or a municipal golf course in the amount of $3,007,802.

## 7) CAPITAL ASSETS

| Governmental Activities: | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Capital Assets, Not Being Depreciated: | | | | |
| Land | $ 48,606,495 | $ - | $ (250,000) | $ 48,356,495 |
| Rights of Way | 14,376,498 | - | - | 14,376,498 |
| Construction in Progress | 5,150,186 | 19,587,124 | (1,788,170) | 22,949,140 |
| Total Capital Assets, Not Being Depreciated | 68,133,179 | 19,587,124 | (2,038,170) | 85,682,133 |
| Capital Assets Being Depreciated: | | | | |
| Buildings and Improvements | 115,999,376 | 817,073 | - | 116,816,449 |
| Equipment and Vehicles | 35,486,572 | 3,884,272 | (78,870) | 39,291,974 |
| Infrastructure - Pavement | 198,409,825 | 1,145,558 | - | 199,555,383 |
| Infrastructure - Other | 24,306,803 | 16,310 | - | 24,323,113 |
| Total Capital Assets Being Depreciated | 374,202,576 | 5,863,213 | (78,870) | 379,986,919 |
| Less Accumulated Depreciation: | | | | |
| Buildings and Improvements | (51,597,459) | (2,334,958) | - | (53,932,417) |
| Equipment and Vehicles | (27,550,760) | (2,227,637) | 78,870 | (29,699,527) |
| Infrastructure - Pavement | (159,748,483) | (6,793,292) | - | (166,541,775) |
| Infrastructure - Other | (18,991,663) | (414,575) | - | (19,406,238) |
| Total Accumulated Depreciation | (257,888,365) | (11,770,462) | 78,870 | (269,579,957) |
| Net Capital Assets Being Depreciated | 116,314,211 | (5,907,249) | - | 110,406,962 |
| Governmental Activities, Capital Assets | $ 184,447,390 | $ 13,679,875 | $ (2,038,170) | $ 196,089,095 |

Depreciation expense was charged to the following functions for governmental activities in the Statement of Activities:

| | |
|---|---|
| General Government | $ 720,709 |
| Public Safety | 1,214,188 |
| Public Works | 8,334,213 |
| Community Services | 1,501,352 |
| | $ 11,770,462 |

| Business-type Activities: | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Capital Assets Being Depreciated: | | | | |
| Equipment and Vehicles | $ 1,059,120 | $ - | $ - | $ 1,059,120 |
| Less Accumulated Depreciation: | | | | |
| Equipment and Vehicles | (1,059,120) | - | - | (1,059,120) |
| Net Capital Assets Being Depreciated | - | - | - | - |
| Business-type Activities, Capital Assets | $ - | $ - | $ - | $ - |

## 8) LONG-TERM LIABILITIES

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

| | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| **Governmental Activities:** | | | | | |
| Direct Borrowing: | | | | | |
| Notes Payable | $ 8,104,843 | $ - | $ (578,918) | $ 7,525,925 | $ 578,918 |
| Loans Payable | 6,602,048 | - | (190,381) | 6,411,667 | 266,072 |
| 2006 Lease Revenue Bonds | 14,885,000 | - | (585,000) | 14,300,000 | 660,000 |
| 2018 Lease Revenue Bonds | 22,190,000 | - | (870,000) | 21,320,000 | 910,000 |
| Premium on Bonds | 1,221,403 | - | (53,105) | 1,168,298 | 53,105 |
| 2020 Lease Revenue Bonds | 204,095,000 | - | (3,645,000) | 200,450,000 | 3,925,000 |
| Compensated Absences | 3,915,868 | 2,838,834 | (2,744,810) | 4,009,892 | 2,715,756 |
| Net Pension Liability | 201,901,907 | - | (196,104,669) | 5,797,238 | - |
| Total OPEB Liability | 76,070,626 | - | (10,974,517) | 65,096,109 | - |
| Claims Payable | 12,740,483 | 3,305,329 | (3,372,658) | 12,673,154 | 3,310,764 |
| Total | $ 551,727,178 | $ 6,144,163 | $ (219,119,058) | $ 338,752,283 | $ 12,419,615 |
| **Business-type Activities:** | | | | | |
| Compensated Absences | $ 18,573 | $ 10,725 | $ (9,283) | $ 20,015 | $ 20,015 |
| Total | $ 18,573 | $ 10,725 | $ (9,283) | $ 20,015 | $ 20,015 |

The liability for compensated absences, Total OPEB, and Net Pension are generally liquidated by the General Fund and internal service funds.

### Notes Payable – Direct Borrowing

### Successor Agency Note

On December 4, 2015, the City and Successor Agency entered into a settlement agreement with the California Department of Finance (DOF) regarding the Other Funds Due Diligence Review. The agreement requires the City to repay the Successor Agency $11,578,351 for transfers that did not represent enforceable obligations. The Successor Agency will then remit these funds to the Los Angeles County Auditor-Controller for allocation to the affected taxing entities. The amount of the note must be repaid through biannual payments in the amount of $289,459 each January 15th and June 15th until the loan is repaid in full on June 15, 2035. There is no interest charged on this repayment. The outstanding balance as of June 30, 2022 was $7,525,925.

The following represents the future annual debt service requirements:

**8) LONG-TERM LIABILITIES – Continued**

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 578,918 | $ 196,993 | $ 775,911 |
| 2024 | 578,918 | 192,605 | 771,523 |
| 2025 | 578,918 | 186,786 | 765,704 |
| 2026 | 578,918 | 179,661 | 758,579 |
| 2027 | 578,918 | 172,411 | 751,329 |
| 2028 | 578,918 | 165,877 | 744,795 |
| 2029 | 578,918 | 160,205 | 739,123 |
| 2030 | 578,918 | 154,215 | 733,133 |
| 2031 | 578,918 | 135,456 | 714,374 |
| 2032 | 578,918 | 102,300 | 681,218 |
| 2033 | 578,918 | 66,600 | 645,518 |
| 2034 | 578,918 | 38,300 | 617,218 |
| 2035 | 578,909 | 7,200 | 586,109 |
| Totals | $ 7,525,925 | $ 1,758,609 | $ 9,284,534 |

**Energy Efficiency Loans Payable – Direct Borrowing**

**Solar Equipment Loan**

In May 2021, the City entered into a lease-purchase agreement for the acquisition and installation of certain energy conservation equipment and improvements (solar) with an aggregate principal borrowing of $3,386,950. The proceeds are to be used to pay for the energy efficiency and conservation improvements as specified in the agreement. The payments bear interest at 3.60% and are due and payable semi-annually on May 13th and November 13th each year, maturing on May 13, 2041. The General Fund will generally be responsible for making the debt service payments annually.

**Non-Solar Equipment Loans**

In May 2021, the City entered into a lease-purchase agreement for the acquisition and installation of certain energy conservation equipment including lighting and HVAC (non-solar) with an aggregate principal borrowing of $3,215,098. The proceeds are to be used to pay for the energy efficiency and conservation improvements as specified in the agreement. The payments bear interest at 3.05% and are due and payable semi-annually on May 13th and November 13th each year, maturing on May 13, 2036. The General Fund will generally be responsible for making the debt service payments annually. Annual debt service requirements follow:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 266,072 | $ 211,558 | $ 477,630 |
| 2024 | 257,766 | 202,994 | 460,760 |
| 2025 | 280,485 | 194,431 | 474,916 |
| 2026 | 304,402 | 185,147 | 489,549 |
| 2027 | 306,853 | 175,274 | 482,127 |
| 2028 - 2032 | 1,704,308 | 719,434 | 2,423,742 |
| 2033 - 2037 | 1,979,555 | 418,752 | 2,398,307 |
| 2038 - 2041 | 1,312,226 | 109,255 | 1,421,481 |
| Totals | 6,411,667 | 2,216,845 | 8,628,512 |

## 8) LONG-TERM LIABILITIES - Continued

### Lease Revenue Bonds

### 2006 Lease Revenue Bonds, Series A and B (Big League Dreams Project)

In September 2006, the City issued $10,710,000 of Lease Revenue Bonds, Series A and $7,295,000 of taxable Lease Revenue Bonds, Series B to provide financing for facilities and infrastructure related to the Big League Dreams sports park. The Series A bonds mature annually through June 1, 2036, in amounts ranging from $80,000 to $1,270,000, with interest rates that range from 4.0% to a maximum of 5.0% over the term of the bonds. The Series B bonds mature annually through June 1, 2036, in amounts ranging from $115,000 to $550,000, with interest rates that range from 5.39% to a maximum of 6.07% over the term of the bonds. The bonds are payable from lease payments as rental for certain public facilities. The reserve requirement was fully funded at June 30, 2022. The outstanding principal balance as of June 30, 2022 was $14,300,000.

The following represents the future annual debt service requirements:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 660,000 | $ 772,557 | $ 1,432,557 |
| 2024 | 695,000 | 736,880 | 1,431,880 |
| 2025 | 730,000 | 699,295 | 1,429,295 |
| 2026 | 770,000 | 659,802 | 1,429,802 |
| 2027 | 820,000 | 618,100 | 1,438,100 |
| 2028 | 860,000 | 573,622 | 1,433,622 |
| 2029 | 905,000 | 526,930 | 1,431,930 |
| 2030 | 950,000 | 477,775 | 1,427,775 |
| 2031 | 1,005,000 | 426,155 | 1,431,155 |
| 2032 | 1,060,000 | 371,518 | 1,431,518 |
| 2033 | 1,120,000 | 313,864 | 1,433,864 |
| 2034 | 1,180,000 | 252,942 | 1,432,942 |
| 2035 | 1,725,000 | 188,699 | 1,913,699 |
| 2036 | 1,820,000 | 96,885 | 1,916,885 |
| Totals | $14,300,000 | $ 6,715,024 | $21,015,024 |

### 2018 Lease Revenue Refunding Bonds, Series A and B

On November 20, 2018, the City issued $19,310,000 of Lease Revenue Bonds, Series A and $4,855,000 of taxable Lease Revenue Bonds, Series B to provide financing for the advance refunding of the City's 2002 Lease Revenue Bonds Series A, 2004 Lease Revenue Bonds Series A&B, and the 2013 Lease Revenue Refunding Bonds Series A. The Series A bonds mature annually through May 1, 2044, in amounts ranging from $460,000 to $125,000, with interest rates that range from 4.0% to a maximum of 5.0% over the term of the bonds. The Series B bonds mature annually through May 1, 2030, in amounts ranging from $345,000 to $500,000, with interest rates that range from 2.953% to a maximum of 4.469% over the term of the bonds. The bonds are payable from lease payments as rental for certain public facilities. The reserve requirement was fully funded as of June 30, 2022. The outstanding principal balance as of June 30, 2022 was $21,320,000.

The following represents the future annual debt service requirements:

**8) LONG-TERM LIABILITIES - Continued**

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 910,000 | $ 952,011 | $ 1,862,011 |
| 2024 | 950,000 | 910,569 | 1,860,569 |
| 2025 | 990,000 | 866,750 | 1,856,750 |
| 2026 | 1,040,000 | 820,871 | 1,860,871 |
| 2027 | 1,085,000 | 772,151 | 1,857,151 |
| 2028 - 2032 | 6,195,000 | 3,039,379 | 9,234,379 |
| 2033 - 2037 | 7,715,000 | 1,452,950 | 9,167,950 |
| 2038 - 2042 | 2,190,000 | 181,200 | 2,371,200 |
| 2043 - 2044 | 245,000 | 14,800 | 259,800 |
| Total | $ 21,320,000 | $ 9,010,681 | $ 30,330,681 |

**2020 Lease Revenue Bonds, Series A**

On July 23, 2020, the City issued $204,095,000 of Lease Revenue Bonds, Series A (taxable) to provide financing to pay the City's unfunded pension liabilities to CalPERS, to establish a reserve fund, and pay issuance costs. The Series A bonds mature annually through August 1, 2044, in amounts ranging from $3,645,000 to $16,105,000, with interest rates that range from 1.747% to a maximum of 3.892% over the term of the bonds. The bonds are payable from lease payments as rental for certain public facilities. The reserve requirement was fully funded as of June 30, 2022. The outstanding principal balance as of June 30, 2022 was $200,450,000. The following represents the future annual debt service requirements:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 3,925,000 | $ 6,981,799 | $ 10,906,799 |
| 2024 | 4,210,000 | 6,904,083 | 11,114,083 |
| 2025 | 4,525,000 | 6,813,563 | 11,338,563 |
| 2026 | 4,560,000 | 6,711,662 | 11,271,662 |
| 2027 | 4,900,000 | 6,596,630 | 11,496,630 |
| 2028 - 2032 | 30,425,000 | 30,591,422 | 61,016,422 |
| 2033 - 2037 | 42,875,000 | 24,489,702 | 67,364,702 |
| 2038 - 2042 | 59,465,000 | 14,912,142 | 74,377,142 |
| 2043 - 2045 | 45,565,000 | 2,730,919 | 48,295,919 |
| Total | $200,450,000 | $106,731,922 | $307,181,922 |

Claims Payable

Claims payable are typically paid from the City's Internal Service Self-Insurance Fund. There is no fixed payment schedule for claims liabilities.

Compensated Absences

The liability of $4,009,892 represents the governmental activities portion of total unpaid vacation and compensation time earned by employees of the City. There is no fixed payment schedule for earned but unpaid compensated absences. The General Fund typically has been used to liquidate the liability for compensated absences. The liability of $20,015 represents the business-type activity portion of total unpaid vacation and compensation time earned by employees of the City. There is no fixed payment schedule for earned but unpaid compensated absences.

## 9) SELF-INSURANCE

The City is exposed to various risks of loss related to its operation, including losses associated with errors and omissions, injuries to employees and members of the public. The City's Internal Service Self-Insurance Fund is used to account for and finance its uninsured risks of loss.

### Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

As of July 1, 2021, the City is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 123 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

The City participates in the excess workers' compensation and excess general liability programs of the Authority.

### Excess Liability Program

Liability coverage includes auto liability, employment practices liability, public officials' errors and omissions, bodily injury, personal injury, third party property damage, advertising injury, and employee benefit administration liability. The City has a retained limit of $1,000,000 per occurrence. The overall coverage limit for each member, including all layers of coverage, is $50 million per occurrence. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: https://cjpia.org/coverage/risk-sharing-pools/ .

### Excess Workers' Compensation Program

The City has a retained limit of $1,000,000 per occurrence for workers' compensation claims. The Authority's pooled retention is $1 million per occurrence with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to $1 million. Coverage from $1 million to $5 million is purchased through reinsurance policies, and Employer's Liability losses from $5 million to $10 million are pooled among members.

### Purchased Insurance

*Pollution Legal Liability Insurance*
The City of West Covina participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of West Covina. Coverage is on a claims-made basis. There is a $250,000 deductible, with a limit of $5 million per member.

*Property Insurance*
The City of West Covina participates in the All-Risk Property Protection Program. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City to the Authority. The total insured value of scheduled City property is $97,026,667. There is a $10,000 deductible per occurrence except for non-emergency vehicle insurance which has a $2,500 deductible.

**9) SELF-INSURANCE - Continued**

*Crime Insurance*
The City of West Covina participates in the Crime Insurance Program. Formerly called Blanket Fidelity Bond, this policy covers faithful performance, depositor's forgery, theft of money and securities, and computer fraud related to the transfer of money. The policy limit is $3,000,000, and the deductible is $2,500.

**Adequacy of Protection**

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2021-22.

**Claims and Judgments**

The City accounts for uninsured, material claims and judgments and associated legal and administrative costs when it is probable that the liability claim has been incurred and the amount of the loss can be reasonably estimated. Included therein are claims incurred but not reported, which consists of (a) known loss events expected to be presented as claims later, (b) unknown loss events that are expected to become claims, and (c) expected future development on claims already reported. This is based upon historical actual results that have established a reliable pattern supplemented by specific information about current matters. Small dollar claims and judgments are recorded as expenditures when paid.

The claims and judgments liability reported in the Internal Service Self-Insurance Fund is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims and judgments be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of loss can be reasonably estimated. Claims and judgments payable, including estimated claims for incurred but not reported claims, amounted to $12,673,154 as of June 30, 2022.

In the past three years, no claims for general liability or workers' compensation have exceeded the City's purchased insurance coverage.

Changes in the claims and judgments payable amounts for the past two fiscal years for the Self-Insurance Fund are as follows:

| Year Ended June 30, | Beginning of Year | Claims and Changes in Estimates | Claim Payments | End of Year |
|---|---|---|---|---|
| 2022 | $ 12,740,483 | $ 3,305,329 | $ 3,372,658 | $ 12,673,154 |
| 2021 | 13,178,903 | 1,521,315 | 1,959,735 | 12,740,483 |

## 10) NON-CITY OBLIGATION DEBT

Emanate Health, a California nonprofit public benefit corporation (Corporation), has requested that the California Statewide Communities Development Authority (CSCDA) participate in the issuance of one or more series of revenue bonds (Bonds) in an aggregate principal amount not to exceed $260,000,000, for the acquisition, construction, equipping, improvement, renovation, rehabilitation and/or remodeling of hospital, health care and related facilities (Project) to be owned and operated by the Corporation or one of its affiliates.

For each component of the Project, the issuance of the Bonds by the CSCDA must be approved by the applicable city in which the component of the Project is located before construction can begin. One component of the Project consists of the construction of two separate buildings at the Queen of the Valley Hospital campus located in West Covina.

On May 19, 2020, the City Council approved the issuance of the Bonds and Refunding Bonds by the CSCDA for the purposes of financing and/or refinancing the Project via the adoption of the resolution number 2020-26.

## 11) FUND BALANCE CLASSIFICATIONS

The City's governmental fund balances at June 30, 2022, are presented below:

| | General Fund | West Covina Housing Authority | State Gas Tax | ARPA | Citywide Debt | Other Governmental Funds | Total |
|---|---|---|---|---|---|---|---|
| Nonspendable: | | | | | | | |
| Prepaid Items | $ 146,508 | $ - | $ - | $ - | $ - | $ 11,989 | $ 158,497 |
| Advances to Successor Agency | - | - | - | - | - | - | - |
| Advances to Other Funds | 225,826 | - | - | - | - | - | 225,826 |
| Land Held for Resale | 3,007,802 | - | - | - | - | - | 3,007,802 |
| Restricted for: | | | | | | | |
| Affordable Housing | - | 23,445,655 | - | - | - | - | 23,445,655 |
| Debt Service | - | - | - | - | 19,947,463 | - | 19,947,463 |
| Pension Trust | 8,287 | - | - | - | . | - | 8,287 |
| Community Services | - | - | - | - | - | 1,541,112 | 1,541,112 |
| Public Safety | - | - | - | - | - | 8,289,411 | 8,289,411 |
| Public Works | - | - | 6,567,084 | - | - | 40,941,357 | 47,508,441 |
| Assigned: | | | | | | | |
| Capital Improvement | - | - | - | - | - | 6,601,977 | 6,601,977 |
| Unassigned | 20,770,457 | - | - | - | - | (164,865) | 20,605,592 |
| Total Fund Balances | $ 24,158,880 | $ 23,445,655 | $ 6,567,084 | $ - | $ 19,947,463 | $ 57,220,981 | $ 131,340,063 |

## 12) DEFICIT FUND BALANCES

The following funds reported deficits in fund balances/net position as of June 30, 2022:

| Non-Major Special Revenue Governmental Funds: | Deficit Balance |
|---|---|
| Community Development Block Grant | $ 84,939 |
| Auto Plaza Improvement District | 75,797 |
| Sportsplex | 4,129 |

## 12) DEFICIT FUND BALANCES - Continued

The deficit of $84,939 in the Community Development Block Grant Fund is the result of expenditures incurred prior to reimbursement from grantors. The deficit will be eliminated through future grant revenues. The Auto Plaza Improvement District deficit of $75,797 will be reduced as the fund pays back the advance from the General Fund.

## 13) PENSION PLAN SUMMARY

The City currently has a total of two pension plans administered by CalPERS and two retirement enhancement plans administered by PARS. The pension plans consist of a miscellaneous agent plan and a safety agent plan (see Note 14 for a full description of the plans). The retirement enhancement plan consists of an EPMC replacement supplemental retirement plan and a supplemental retirement plan for executive staff and City Council (see Note 15 for a full description of the plans). The summary of the pension related liability, deferred inflows of resources and deferred outflows of resources are as follows:

| | Miscellaneous Plan | Safety Plan | EPMC | EXEC | Total |
|---|---|---|---|---|---|
| Deferred Outflows of Resources | $ 1,385,472 | $ 7,999,441 | $ 333,720 | $ 80,949 | $ 9,799,582 |
| Deferred Inflows of Resources | 18,145,728 | 49,395,480 | 50,981 | 46,979 | 67,639,168 |
| Pension Liability/(Asset) | (14,600,850) | (51,121,883) | 1,164,330 | 4,632,908 | (59,925,495) |

## 14) EMPLOYEE RETIREMENT PLANS

### General Information about the Pension Plans

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

**Benefits Provided:** The Plans are agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plans regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the plans' June 30, 2020 Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website.

## 14) EMPLOYEE RETIREMENT PLANS – Continued

The Plans' provisions in effect at June 30, 2022, are summarized as follows:

| | Miscellaneous | | | |
|---|---|---|---|---|
| Hire date | Prior to January 1, 2011 | On or after January 1, 2011 | Prior to January 1, 2013 | On or after January 1, 2013 |
| Benefit formula | 2.0% @ 55 | 2.5% @ 55 | 2.0% @ 60 | 2% @ 62 |
| Benefit vesting schedule | 5 years service | 5 years service | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life | monthly for life | monthly for life |
| Retirement age | 50-67+ | 50-67+ | 50-67+ | 52-67+ |
| Monthly benefits, as a % of eligible compensation | (1) | (1) | (1) | (1) |
| Required employee contribution rates | 0% | 8.00% | 7% | 6.25% |
| Required employer contribution rates | 9.18% + $551,700 | 9.18% | 9.18% | 9.18% |

| | Safety | | |
|---|---|---|---|
| Hire date | Prior to July 1, 2012 | Prior to January 1, 2013 | On or after January 1, 2013 |
| Benefit formula | 3% @ 50 | 3% @ 55 | 2.7% @ 57 |
| Benefit vesting schedule | 5 years service | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life | monthly for life |
| Retirement age | 50 & up | 50-55+ | 50-57+ |
| Monthly benefits, as a % of eligible compensation | (1) | (1) | (1) |
| Required employee contribution rates | 9% | 9% | 12.75% |
| Required employer contribution rates | 21.55% + $653,960 | 21.55% | 21.55% |

(1) - Depending on years of service

*New hires who are already enrolled in CalPERS are eligible for benefits under the Tier II, and other new hires are enrolled in the PEPRA rate plans.

**Employees Covered:** At June 30, 2022 (June 30, 2020 valuation date), the following number of employees were covered by the benefit terms for the Plan:

| | Miscellaneous | Safety |
|---|---|---|
| Inactive employees or beneficiaries currently receiving benefits | 460 | 351 |
| Inactive employees entitled to but not yet receiving benefits | 289 | 71 |
| Active employees | 113 | 160 |
| Total | 862 | 582 |

**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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer-Paid Member Contributions or situations where members are paying a portion of the employer contribution.

## 14) EMPLOYEE RETIREMENT PLANS – Continued

### Net Pension Liability/(Asset)

The City's net pension liability/(asset) for the Plans is measured as the total pension liability, less the pension plans' fiduciary net position. The net pension liability/(asset) 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/(asset) is shown below.

**Actuarial Assumptions:** The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

| | |
|---|---|
| Valuation date | June 30, 2020 |
| Measurement date | June 30, 2021 |
| Actuarial cost method | entry-age normal |
| Actuarial assumptions: | |
| Discount rate | 7.15% |
| Inflation | 2.50% |
| Projected salary increase | (1) |
| Investment rate of return | 7.15% |
| Mortality | (2) |
| Post Retirement Benefit Increase | (3) |

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

(2) Derived using CalPERS' Membership Data for all Funds.

(3) The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter

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 mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this 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.

**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 best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

**14) EMPLOYEE RETIREMENT PLANS – Continued**

| Asset Class | New Strategic Allocation | Real Return Years 1 - 10 (1) | Real Return Years 11+ (2) |
|---|---|---|---|
| Global Equity | 50% | 4.80% | 5.98% |
| Global Fixed Income | 28% | 1.00% | 2.62% |
| Inflation Assets | - | 0.77% | 1.81% |
| Private Equity | 8% | 6.30% | 7.23% |
| Real Assets | 13% | 3.75% | 4.93% |
| Liquidity | 1% | - | -0.92% |

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

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

**Discount Rate** - The discount rate used to measure the total pension liability for PERF C 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.

**Subsequent Events** - On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. 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.

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.

## 14) EMPLOYEE RETIREMENT PLANS – Continued

### Changes in Net Pension Liability

The changes in the Net Pension Liability for the Miscellaneous and Safety Plans are as follows:

| | Miscellaneous | | |
|---|---|---|---|
| | Increase (Decrease) | | |
| | Pension Plan Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at June 30, 2020 (June 30, 2021 reporting date) | $ 162,975,272 | $ 115,273,883 | $ 47,701,389 |
| Changes in the year: | | | |
| Service cost | 1,148,088 | - | 1,148,088 |
| Interest on the total pension liability | 11,357,041 | - | 11,357,041 |
| Differences between expected and actual experience | 605,918 | - | 605,918 |
| Contributions from the employer | - | 41,343,222 | (41,343,222) |
| Contributions from employees | - | 489,857 | (489,857) |
| Net investment income | - | 33,695,359 | (33,695,359) |
| Benefit payments, including refunds | (10,630,997) | (10,630,997) | - |
| Administrative/other expense | - | (115,152) | 115,152 |
| Net changes | 2,480,050 | 64,782,289 | (62,302,239) |
| Balance at June 30, 2021 (June 30, 2022 reporting date) | $ 165,455,322 | $ 180,056,172 | $ (14,600,850) |

| | Safety | | |
|---|---|---|---|
| | Increase (Decrease) | | |
| | Pension Plan Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at June 30, 2020 (June 30, 2021 reporting date) | $ 404,456,518 | $ 255,816,761 | $ 148,639,757 |
| Changes in the year: | | | |
| Service cost | 5,563,564 | - | 5,563,564 |
| Interest on the total pension liability | 28,585,424 | - | 28,585,424 |
| Differences between expected and actual experience | 4,243,730 | - | 4,243,730 |
| Contributions from the employer | - | 149,228,549 | (149,228,549) |
| Contributions from employees | - | 2,010,282 | (2,010,282) |
| Net investment income | - | 87,171,072 | (87,171,072) |
| Benefit payments, including refunds | (23,371,783) | (23,371,783) | - |
| Administrative/other expense | - | (255,545) | 255,545 |
| Net changes | 15,020,935 | 214,782,575 | (199,761,640) |
| Balance at June 30, 2021 (June 30, 2022 reporting date) | $ 419,477,453 | $ 470,599,336 | $ (51,121,883) |

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate:** The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

**14) EMPLOYEE RETIREMENT PLANS – Continued**

| | Miscellaneous | Safety |
|---|---|---|
| 1% Decrease | 6.15% | 6.15% |
| Net Pension Liability/(Asset) | $ 5,151,720 | $ 3,492,002 |
| Current Discount Rate | 7.15% | 7.15% |
| Net Pension Liability/(Asset) | $ (14,600,850) | $ (51,121,883) |
| 1% Increase | 8.15% | 8.15% |
| Net Pension Liability/(Asset) | $ (30,977,525) | $ (96,093,408) |

**Pension Plan Fiduciary Net Position:** Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2022, the City recognized pension expense/(income) of ($2,571,302) for the Miscellaneous Plan and ($3,518,282) for the Safety Plan. At June 30, 2022, the City reported deferred outflows and deferred inflows for the Miscellaneous and Safety Plans from the following sources:

| | Miscellaneous | | Safety | |
|---|---|---|---|---|
| | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Pension contributions subsequent to measurement date | $ 1,212,353 | $ - | $ 4,920,803 | $ - |
| Differences between actual and expected experience | 173,119 | - | 3,078,638 | 850,977 |
| Changes in assumptions | - | - | - | - |
| Net differences between projected and actual earnings on plan investments | - | 18,145,728 | - | 48,544,503 |
| Total | $ 1,385,472 | $ 18,145,728 | $ 7,999,441 | $ 49,395,480 |

The $1,212,353 and $4,920,803 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction/(increase) of the net pension liability/(asset) in the year ended June 30, 2023. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

| Year Ending June 30, | Deferred Outflows/Inflows of Resources, Net | |
|---|---|---|
| | Miscellaneous | Safety |
| 2023 | $ (4,415,234) | $ (11,623,046) |
| 2024 | (4,283,845) | (10,488,390) |
| 2025 | (4,402,172) | (11,334,595) |
| 2026 | (4,871,358) | (12,870,811) |
| 2027 | - | - |
| Thereafter | - | - |

**Payable to the Pension Plan:** The City had no outstanding contributions to the pension plan required for the year ended June 30, 2022.

## 15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS)

### A) General Information about the EPMC Replacement Supplemental Pension Plan

**Plan Description and Benefits Provided**

Effective November 1, 2007, the City established an agent multiple-employer defined benefit plan to supplement the current CalPERS retirement benefits that is to be administered for the City by the Public Agency Retirement System (PARS), a third-party administrator. The plan meets the requirements of a pension trust under California Government Code. Phase II Systems is the PARS Trust Administrator. The plan does not issue separate financial reports.

The EPMC Replacement Plan was established to replace a long-standing benefit for city employees no longer allowed by CalPERS. The plan provides for a benefit in an amount equal to the member's years of service, times the member's final pay, times the CalPERS age factor, times .70% for miscellaneous employees (times .89% for safety employees). At the time of retirement, employees will make an election to receive either a lump sum payment or receive ongoing stipends over their lifetime.

Employees shall be eligible to receive benefits under this plan if he or she meets all of the following requirements under one of the following tiers:

Tier 1

- Full time miscellaneous employees on or after July 1, 2004 but hired prior to July 1, 2011.
- Classified as a department head or city council, employee represented by the Confidential Employees' Association, General Employees' Association, West Covina Maintenance and Crafts Employees' Association, Mid-Management Employees' Association and Non-Sworn Support Employees' Association.
- Has had compensable earnings under CalPERS impacted by CalPERS regulation, thereby causing a reduction in CalPERS benefits.
- At least fifty (50) years of age.
- Has completed at least one year of employment.
- Has terminated employment with the City and concurrently retired under
- CalPERS under a regular service retirement and remains in retired status under CalPERS.
- Has applied for benefits under this plan.

Tier 2

- Full time miscellaneous employees on or after July 1, 2004 but hired prior to July 1, 2011.
- Fire safety employee on or after July 1, 2004 but hired prior to July 1, 2012.
- Police management employee on or after July 1, 2004 but hired prior to December 31, 2012, or an employee hired prior to January 1, 2013 who promotes or transfers to police management position on or after January 1, 2013.

**15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued**

- Not represented by the West Covina Police Officers Association.
- Has had compensable earnings under CalPERS impacted by CalPERS regulation, thereby causing a reduction in CalPERS benefits.
- At least fifty (50) years of age.
- Has completed at least one year of employment
- Has terminated employment with the City and concurrently retired under CalPERS under a regular service retirement, and remains in retired status under CalPERS.
- Has applied for benefits under this plan.

**Contributions** - The City makes all contributions to these plans. Participants do not make any contributions. The actuarially required contribution is determined on the funding policy and most recent measurement available when the contribution for the reporting period was adopted. The City is funding the plan to pay the benefit payments payable each year. The City's contribution for the year ended June 30, 2022 was $51,428.

**Employees Covered**

At June 30, 2021, the valuation date, the following employees were covered by the benefit terms for the plan:

| | EPMC |
|---|---|
| Inactive employees or beneficiaries currently receiving benefits | 47 |
| Active employees | 87 |
| Total | 134 |

**Net Pension Liability**

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

**Actuarial Assumptions** - The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

| | **EPMC** |
|---|---|
| Valuation date | June 30, 2021 |
| Measurement date | June 30, 2021 |
| Actuarial cost method | entry-age normal |
| Actuarial assumptions: | |
| Discount rate | 5.75% at June 30, 2021<br>6.25% at June 30, 2022 |
| Inflation | 2.55% |
| Mortality | CalPERS 2000-2019 Experience Study |
| Mortality Improvement | Mortality projected fully generation with scale MP-2021 |

## 15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued

### Discount Rate

GASB 67 and 68 generally require that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 and 68 will often require that the actuary performs complex projections of future benefit payments and asset values.

The following circumstances were included in the evaluation of sufficiency for the City:

- Annual contributions of 0.7% of payroll (closed group basis) are assumed (beginning with 2015/16).
- Benefit payments are annually withdrawn from the Trust until assets are exhausted and then benefit payments made directly by the City.
- All cash flows are assumed to occur on average halfway through the year.
- The long-term expected rate of return on pension plan investments is 5.75%.
- The actuarial assumptions do not change.
- GASB 67 and 68 specify that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is the actuary's opinion that a depletion date projection is not appropriate. Therefore, the discount rate is based on the projected portion of the Total Pension Liability funded by the Fiduciary Net Position in each future year. For the funded portion, the long-term expected rate of return on pension plan investments (5.75%) was used. For the unfunded portion, the Bond Buyer 20-Bond Go Index as of the June 30, 2021, measurement date (2.16%) was used. The discount rate used (2.16%) represents the single equivalent rate of return, as described under GASB 68 (paragraph 31).

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

The table bellows reflects the long-term expected real rate of return by asset class:

| Asset Class | Target Allocation | Expected Real Rate of Return |
|---|---|---|
| Equity | 58% | 4.56% |
| REIT's | 2% | 4.06% |
| Fixed Income | 35% | 78.00% |
| Cash | 5% | -0.50% |
| Total | 100.00% | |

**15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued**

The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current retirees. Therefore, the discount rate for calculating the total pension liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. The City chose the Bond Buyer General Obligation 20-Bond Index resulting in the use of a 2.16% discount rate (single equivalent rate of return) in calculating the pension liability.

**Changes in the Net Pension Liability**

The changes in the net pension liability for the Plan are as follows:

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at June 30, 2020 (June 30, 2021 reporting date) | $ 1,209,162 | $ 87,925 | $ 1,121,237 |
| Changes in the year: | | | |
| Service cost | 26,943 | - | 26,943 |
| Interest on the total pension liability | 31,913 | - | 31,913 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | 10,382 | - | 10,382 |
| Changes in assumptions | 38,703 | - | 38,703 |
| Contributions from the employer | - | 52,666 | (52,666) |
| Net investment income | - | 18,413 | (18,413) |
| Benefit payments, including refunds | (81,760) | (81,760) | - |
| Administrative/other expense | - | (6,231) | 6,231 |
| Net changes | 26,181 | (16,912) | 43,093 |
| Balance at June 30, 2021 (June 30, 2022 reporting date) | $ 1,235,343 | $ 71,013 | $ 1,164,330 |

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability (asset) of the City for the Plan, calculated using the discount rate for the Plan, as well as what the City's 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:

| | | |
|---|---|---|
| 1% Decrease | | 1.31% |
| Net Pension Liability | $ | 1,312,847 |
| Current Discount Rate | | 2.31% |
| Net Pension Liability | $ | 1,164,330 |
| 1% Increase | | 3.31% |
| Net Pension Liability | $ | 1,042,852 |

**15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued**

**Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2022, the City recognized pension expense of $121,274 for the Plan. At June 30, 2022, the City reported deferred outflows and deferred inflows related to the Plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Pension contributions subsequent to measurement date | $ 51,428 | $ - |
| Differences between actual and expected experience | 74,295 | 4,800 |
| Changes in assumptions | 207,997 | 38,023 |
| Net differences between projected and actual earnings on plan investments | - | 8,158 |
| Total | $ 333,720 | $ 50,981 |

The $51,428 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

| Year Ending June 30, | EPMC |
|---|---|
| 2023 | $ 53,475 |
| 2024 | 49,605 |
| 2025 | 49,107 |
| 2026 | 47,298 |
| 2027 | 31,023 |
| Thereafter | 803 |

**Payable to the Pension Plan:** The City had no outstanding contributions to the pension plan required for the year ended June 30, 2022.

**B) Supplemental Retirement Plan for Executive Staff and City Council Pension Plan**

**Plan Description and Benefits Provided**

Effective November 1, 2007, the City established a agent multiple-employer defined benefit plan to supplement the current CalPERS retirement benefits that is to be administered for the City by with the Public Agency Retirement System (PARS), a third-party administrator. The plan meets the requirements of a pension trust under California Government Code. Phase II Systems is the PARS Trust Administrator. The plan does not issue separate financial reports and is closed to new hires.

This agent multiple-employer defined benefit pension plan is separated into three tiers.

**15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued**

Tier 1 (full-time non-safety Department Head and the City Manager) and Tier 2 (City Council) provides an additional retirement amount to miscellaneous department heads, City Manager and City Council in an amount equal to the amount of $823 per month. This benefit amount increases each year by CPI, up to 2%. In order to be eligible for this benefit, participants must have five years of service with the City and must retire into PERS from the City.

Tier 3 (City Manager) provides an increased retirement benefit to a former City Manager consistent with the terms of his contract. It will convert the retirement formula for all years of prior CalPERS service at non-West Covina agencies to the CalPERS 2.5% @ 55 formula currently in place with the City of West Covina.

**Contributions**

All three tiers are combined for funding purposes in this plan. The City makes all contributions to these plans. Participants do not make any contributions. The actuarially required contribution is determined on a pay as you go funding policy and most recent measurement available when the contribution for the reporting period was adopted. The City is funding the plan to pay the benefit payments payable each year. The City's contribution for the year ended June 30, 2022 was $80,949.

**Employees Covered**

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

| | Supplemental |
|---|---|
| Inactive employees or beneficiaries currently receiving benefits | 11 |
| Active employees | 1 |
| Total | 12 |

**Net Pension Liability**

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

**15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued**

| | Supplemental |
|---|---|
| Valuation date | June 30, 2021 |
| Measurement date | June 30, 2021 |
| Actuarial cost method | entry-age normal |
| Actuarial assumptions: | |
| Discount rate | 2.23% |
| Inflation | 2.50% |
| Salary Increase | 3.00% |
| Benefit Increase | 2.00% |
| Mortality | CalPERS 2000 - 2019 Experience Study |
| Investment Rate of Return | 5.75% |

**Discount Rate**

GASB 67 and 68 generally require that a blended discount rate be used to measure the Total Pension Liability (the Actuarial Accrued Liability calculated using the Individual Entry Age Normal Cost Method). The long-term expected return on plan investments may be used to discount liabilities to the extent that the plan's Fiduciary Net Position (fair market value of assets) is projected to cover benefit payments and administrative expenses. A 20-year high quality (AA/Aa or higher) municipal bond rate must be used for periods where the Fiduciary Net Position is not projected to cover benefit payments and administrative expenses. Determining the discount rate under GASB 67 and 68 will often require that the actuary perform complex projections of future benefit payments and asset values. GASB 67 (paragraph 43) and 68 (paragraph 29) do allow for alternative evaluations of projected solvency, if such evaluation can reliably be made. GASB does not contemplate a specific method for making an alternative evaluation of sufficiency; it is left to professional judgment.

The following circumstances justify an alternative evaluation of sufficiency for the City:

- The City ceased contributions and withdrawals from the Trust. The City will pay benefits directly to retirees until the trust is sufficient, on an expected basis, to pay all remaining benefits.
- All cash flows are assumed to occur on average halfway through the year.
- The long-term expected rate of return on pension plan investments is 5.25%.
- The actuarial assumptions do not change.
- GASB 67 and 68 specify that the projections regarding future solvency assume that plan assets earn the assumed rate of return and there are no future changes in the plan provisions or actuarial methods and assumptions, which means that the projections would not reflect any adverse future experience which might impact the plan's funded position.

Based on these circumstances, it is the actuary's opinion that a depletion date projection is not appropriate. Therefore, the discount rate is based on the projected portion of the Total Pension Liability funded by the Fiduciary Net Position in each future year. For the funded portion, the long-term expected rate of return on pension plan investments (5.75%) was used. For the unfunded portion, the Bond Buyer 20-Bond Go Index as of the June 30, 2021, measurement date, (2.16%) was used. The discount rate used (2.23%) represents the single equivalent rate of return, as described under GASB 68 (paragraph 31).

**15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued**

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation.

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

| Asset Class | Target Allocation | Expected Real Rate of Return |
|---|---|---|
| Equity | 58% | 4.56% |
| REIT's | 2% | 4.06% |
| Fixed Income | 35% | 0.78% |
| Cash | 5% | -0.50% |
| Total | 100.00% | |

The plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current retirees. Therefore, the discount rate for calculating the total pension liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payments, to the extent that the plan's fiduciary net position is not projected to be sufficient. The City chose the Bond Buyer General Obligation 20-Bond Index resulting in the use of a 3.63% discount rate (single equivalent rate of return) in calculating the pension liability.

**Changes in the Net Pension Liability**

The changes in the net pension liability, with a measurement date of June 30, 2021, for the Plan are as follows:

| | Increase (Decrease) | | |
|---|---|---|---|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at June 30, 2020 (June 30, 2021 reporting date) | $ 4,901,327 | $ 461,803 | $ 4,439,524 |
| Changes in the year: | | | |
| Service cost | - | - | - |
| Interest on the total pension liability | 113,650 | - | 113,650 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience | 168,573 | - | 168,573 |
| Changes in assumptions | 81,046 | - | 81,046 |
| Contributions from the employer | - | 79,364 | (79,364) |
| Net investment income | - | 96,424 | (96,424) |
| Benefit payments, including refunds | (171,237) | (171,237) | - |
| Administrative/other expense | - | (5,903) | 5,903 |
| Net changes | 192,032 | (1,352) | 193,384 |
| Balance at June 30, 2021 (June 30, 2022 reporting date) | $ 5,093,359 | $ 460,451 | $ 4,632,908 |

**15) PUBLIC AGENCY RETIREMENT SYSTEM (PARS) - Continued**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability (asset) of the City for the Plan, calculated using the discount rate for the Plan, as well as what the City's 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:

| | | |
|---|---|---|
| 1% Decrease | | 1.23% |
| Net Pension Liability | $ | 5,556,822 |
| Current Discount Rate | | 2.23% |
| Net Pension Liability | $ | 4,632,908 |
| 1% Increase | | 3.23% |
| Net Pension Liability | $ | 3,906,260 |

For the year ended June 30, 2022, the City recognized pension expense of $330,323. At June 30, 2022, the City reported deferred outflows and deferred inflows related to the Plan from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Pension contributions subsequent to measurement date | $ 80,949 | $ - |
| Differences between actual and expected experience | - | - |
| Changes in assumptions | - | - |
| Net differences between projected and actual earnings on plan investments | - | 46,979 |
| Total | $ 80,949 | $ 46,979 |

The $80,949 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows and deferred inflows related to pensions will be recognized as pension expense as follows:

| Year Ending June 30, | Supplemental |
|---|---|
| 2023 | $ (10,904) |
| 2024 | (10,737) |
| 2025 | (11,140) |
| 2026 | (14,198) |
| 2027 | - |
| Thereafter | - |

**Payable to the Pension Plan:** The City had no outstanding contributions to the pension plan required for the year ended June 30, 2022.

## 16) DEFINED CONTRIBUTION RETIREMENT PLAN

During the 1991-1992 fiscal year, the City established the West Covina 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 Nationwide Retirement Solutions. 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, non-persable employees of the City must participate in the plan. During 2012-13, 195 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 and earnings applied to the individual's account through the date of separation, less legally required income tax withholding. Contribution levels into the deferred compensation plan were established by City Council resolution at 0% for the City and 7.5% for non-benefited, non-persable part-time employees.

During the year, total required and actual contributions amounted to $77,581 and covered payroll for the year ended June 30, 2022 totaled $1,034,404. No contributions were made by the City and employees contributed $77,581 (7.72% of current covered payroll). Total plan assets at June 30, 2022 were $880,170. Plan assets are held in trust for the exclusive benefit of participants and their beneficiaries and, therefore, are not included in the financial statements.

## 17) OTHER POST EMPLOYMENT BENEFITS

### General Information About the OPEB Plan

### Plan Descriptions

**Medical -** The City administers a single-employer defined benefit plan which provides healthcare benefits to eligible retirees and their dependents in accordance with various labor agreements. City paid amounts are capped at varying amounts depending on employee's bargaining unit, as follows:

- Police:
  - $1,005 per month for employees hired before July 1, 2012, with five years of sworn service or hired after July 1, 2012, with more than twenty years of sworn service
  - PEMHCA minimum amount ($143 and $149 per month in calendar years 2021 and 2022, respectively) for employees hired after July 1, 2012, with less than twenty years of sworn service
- Fire:
  - $1,005 per month for employees hired before July 1, 2012, with five years of sworn service
  - EMHCA minimum amount ($143 and $149 per month in calendar years 2021 and 2022, respectively) for employees hired after July 1, 2012

**17) OTHER POST EMPLOYMENT BENEFITS - Continued**

- Miscellaneous:
  - PEMHCA minimum amount ($143 and $149 per month in calendar years 2021 and 2022, respectively).

**Life Insurance** - Eligible retirees, in accordance with various labor agreements, receive life insurance benefits from the City as follows:

- $500 Confidential/Exempt, General, Maintenance and Non-Sworn Safety bargaining units
- $10,000 Executive Management, Mid-Management, Police Management (retired after September 1, 2006), Fire Management and Fire bargaining units
- $10,500 Police bargaining unit

**Employees Covered by Benefit Terms** - As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

| | |
|---|---|
| Active Employees | 279 |
| Inactive employees entitled to, but not yet receiving benefits | 175 |
| Retirees or spouses of retirees currently receiving benefits | 261 |
| Total | 715 |

**Contributions** - The contribution requirements of plan members and the City are established and may be amended by City Council. The contribution required to be made under City Council and bargaining unit requirements is based on a pay-as-you-go basis (i.e. as medical insurance premiums become due). For fiscal year ended June 30, 2022, the City contributed $2,410,187 to the plan, including $2,018,187, for current premiums (100% of total premiums), and $392,000 of implied subsidy premiums.

**Total OPEB Liability** - The City's total OPEB liability was measured as of June 30, 2021 and the total OPEB liability determined by an actuarial valuation dated June 30, 2021, based on the following actuarial methods and assumptions:

| | |
|---|---|
| Valuation Date | June 30, 2021 |
| Actuarial Cost Method | Entry Age Actuarial Cost |
| Mortality | CalPERS 2000 - 2019 Experience Study |
| Health Care Trend Rate | Non-Medicare - 6.5% for 2023, 3.75% ultimate |
| | Medicare - 5.65% for 2023, 3.75% ultimate |
| PEMHCA Minimum Increase | 4.0% Annually |
| Inflation Rate | 2.50% |
| Salary Changes | 2.75% |
| Discount Rate | 2.16% at June 30, 2021 |
| | 2.21% at June 30, 2020 |

**Discount Rate** - The discount rate used to measure the total OPEB liability was 2.16% at June 30, 2021.

**17) OTHER POST EMPLOYMENT BENEFITS – Continued**

**Changes in the Total OPEB Liability**

| | Total OPEB Liability (TOL) |
|---|---|
| Balance at June 30, 2021 (2020 Measurement Date) | $ 76,070,626 |
| Changes in the year: | |
| Service cost | 2,306,792 |
| Interest on the total OPEB liability | 1,704,367 |
| Differences between expected and actual experience | (8,698,716) |
| Changes of assumptions | (3,773,434) |
| Benefit payments, including refunds | (2,513,526) |
| Net changes | (10,974,517) |
| Balance at June 30, 2022 (2021 Measurement Date) | $ 65,096,109 |

**Sensitivity of the Total OPEB Liability to changes in the Discount Rate -** The following presents the total OPEB liability of the City if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

| | Discount Rate 1% Lower | Valuation Discount Rate | Discount Rate 1% Higher |
|---|---|---|---|
| Total OPEB liability (asset) | $ 76,114,403 | $ 65,096,109 | $ 56,337,847 |

**Sensitivity of the Total OPEB Liability to changes in the Healthcare Cost Trend Rates** - The following presents the total OPEB liability of the District, as well as what the District's Total OPEB would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

| | 1% Decrease | Current Healthcare Cost Trend Rate | 1% Increase |
|---|---|---|---|
| Total OPEB liability (asset) | $ 61,656,700 | $ 65,096,109 | $ 68,610,897 |

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

The Plan Fiduciary Net Position was $0 at the June 30, 2021 measurement date, as the City is not prefunding with an OPEB trust. The City does not have assets accumulated in a trust that meets the criteria of GASB 75 to pay related benefits.

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. The net difference between projected and actual earnings on OPEB plan investments is amortized using the straight-line method over 5 years, while all other amounts are amortized over the expected average remaining service lifetime (EARSL) of plan participants, which was 5.1 years as of the 2019 valuation date.

## 17) OTHER POST EMPLOYMENT BENEFITS – Continued

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

For the year ended June 30, 2022, the City recognized OPEB expense of $2,741,166. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows | Deferred Inflows |
|---|---|---|
| OPEB Contributions Subsequent to the Measurement Date | $ 2,410,187 | $ - |
| Changes of Assumptions | 9,551,916 | 4,773,331 |
| Net differences between expected and actual experience | - | 7,749,032 |
| Total | $ 11,962,103 | $ 12,522,363 |

The $2,410,187 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

| Year Ending June 30, | |
|---|---|
| 2023 | $ (1,033,944) |
| 2024 | 24,194 |
| 2025 | 267,942 |
| 2026 | (2,228,639) |
| 2027 | - |
| Thereafter | - |

## 18) COMMITMENTS AND CONTINGENCIES

A) In 1989, in order to assist in the expansion of the Fashion Plaza shopping center, the City enacted an ordinance to allow the Redevelopment Agency of the City of West Covina (the predecessor to the West Covina Community Development Commission) to receive the sales tax generated as a result of the expansion project. At the same time, the City enacted an ordinance providing a credit for sales tax payable by the developer in the amount equal to the sales tax due to the redevelopment agency. These sales tax ordinances and related agreements between the City and the Agency essentially transferred the sales tax increment due to the Fashion Plaza expansion project from the City to the Agency.

B) On July 25, 2005, the Board of Directors of the former West Covina Community Development Commission adopted Resolution No. 2005-50. By this resolution, the Board of Directors authorized the Commission to reimburse the City of West Covina over a period of 17 years for the sales tax revenue that had essentially been shifted from the City to the Agency. These budgeted interfund transfers between the primary government of the City of West Covina and the former Community Development Commission will be recorded in the fiscal year that they result in a flow of current financial resources, as required by the measurement focus prescribed for governmental funds. As a result of the dissolution of the Redevelopment Agency, the Department of Finance has deemed this agreement as an unenforceable obligation.

## 19) SUCCESSOR AGENCY DISCLOSURES

The assets and liabilities of the Commission's former non-housing redevelopment activities were transferred to the City in its fiduciary capacity as the Successor Agency to the Redevelopment Agency of the City of West Covina on February 1, 2012, as a result of the dissolution of California redevelopment agencies. These assets and liabilities and any activities related to them are reported in the City's fiduciary private-purpose trust fund financial statements. Disclosures related to these assets and liabilities are as follows:

### Assessment Receivable

In connection with the Commission's issuance of its $51,220,000 1996 Special Tax Refunding Bonds, $32,520,000 in assessments receivable was recorded. The assessment is an annual special tax levied on the Community Facilities District No.1989-1 in an amount sufficient to ensure payment of the debt service on the 1996 Special Tax Refunding Bonds. This special tax supplements sales and property tax increment revenues that also support the debt service on the bonds. The assessments receivable outstanding as of June 30, 2022 was $4,990,000.

### Due from the City of West Covina

As part of the dissolution process, AB1484 required the Successor Agency to have due diligence reviews of both the low and moderate-income housing funds and all other funds to be completed by October 15, 2012, and January 15, 2013, to compute the funds (cash) which were not needed by the Successor Agency to be retained to pay for existing enforceable obligations. The Successor Agency remitted $1,891,166 to the County Auditor-Controller (CAC) on December 19, 2012, for the low and moderate-income housing funds due diligence review.

The due diligence review for all other funds was finalized with the final letter of determination issued by the DOF on April 24, 2013. The DOF determined that the principal and interest payments made by the former Community Development Commission totaling $12,205,531 on various loans from the City of West Covina for the period January 1, 2011, to June 30, 2012, were on loans not made within the first two years of the formation of the former redevelopment agency. The DOF ordered the Successor Agency to remit $11,578,351 to the CAC within five days from the date of the letter.

City management, in consultation with its legal counsel, did not agree with the DOF's decision and filed a lawsuit to contest the decision. The City also did not remit the payments that were disallowed to the CAC. In December 2015, the City entered into a settlement agreement, which requires the City to repay the $11,578,351 over a period of 20 years. See additional details on the long-term payable in Note 8. As the City repays the Successor Agency, the Successor Agency will remit the amounts collected to the CAC. The City reported a long-term liability of $7,525,925 (reported as part of notes payable) in the governmental activities and a receivable of $7,525,925 in the Successor Agency related to the DOF's determination at June 30, 2022.

### Land Held for Resale

Land held for resale is valued at the lower of cost or the sales price per contract with the developer. The land held for resale at June 30, 2022 was comprised of BKK Project in the amount of $54,279.

## 19) SUCCESSOR AGENCY DISCLOSURES – Continued

### Long-Term Liabilities

Changes in long-term liabilities for the Successor Agency are as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| 1996 Special Tax Bonds | $ 8,960,000 | $ - | $ (4,055,000) | $ 4,905,000 | $ 4,905,000 |
| Tax Allocation Bonds: | | | | | |
| Series 2017, Refunding | 8,450,000 | - | (1,615,000) | 6,835,000 | 1,425,000 |
| Premium | 194,673 | - | (14,975) | 179,698 | 14,975 |
| Developer Agreement Payable | 80,253,948 | 8,342,700 | - | 88,596,648 | - |
| Total | $ 97,858,621 | $ 8,342,700 | $ (5,684,975) | $ 100,516,346 | $ 6,344,975 |

1996 Special Tax Bonds

In 1996, the Community Development Commission issued $51,220,000 of Special Tax Refunding Bonds comprised of $9,980,000 of serial bonds and $41,240,000 of term bonds to finance public parking facilities, street and other improvements located in or adjacent to the Community Development Commission Community Facilities District. The serial bonds matured during the fiscal year ended June 30, 2007. The term bonds bear interest at a rate from 5.75% to 6.0% payable semiannually and are due September 1, 2022. The term bonds are not subject to optional redemption; mandatory redemption begins September 1, 2007, then annually thereafter through September 1, 2022. Interest is payable semiannually on March 1 and September 1 of each year. The bonds are secured by and payable from a portion of the revenues derived from an annual special tax to be levied against all taxable real property within the Special Assessment District. In addition, the Commission has pledged certain other incremental revenues generated within the District consisting of property taxes and sales taxes. In addition, the reserve requirement of $5,002,670 was fully funded at June 30, 2022. There was a bond call on March 1, 2016, for $425,000. The outstanding principal balance of the bonds at June 30, 2022 was $4,905,000.

The future debt service requirements for the bonds are as follows:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 4,905,000 | $ 147,150 | $ 5,052,150 |
| Totals | $ 4,905,000 | $ 147,150 | $ 5,052,150 |

**19) SUCCESSOR AGENCY DISCLOSURES – Continued**

2017 Tax Allocation Revenue Refunding Bonds

On February 14, 2017, the Successor Agency issued Tax Allocation Revenue Refunding bonds, Series 2017A (Tax-Exempt) and 2017B (Federally Taxable). These bonds refinanced the 1998 Housing Set-Aside Tax Allocation Bonds Series A & B, the 2001 Housing Set-Aside Tax Allocation Revenue Bonds, the 2002 Tax Allocation Refunding Bonds and the 1999 Taxable Variable Rate Demand Tax Allocation Bonds. The bonds are payable from and secured solely from the Trust Estate, which will consist primarily of principal and interest payments on the Local Obligations to be purchased by the Authority as set forth in the Agency Indenture. The interest on the Series A bonds is payable semiannually on September 1 and March 1 of each year at interest rates ranging from 2% to 5%. The principal of the Series A bonds is due annually throughout 2026, in amounts ranging from $400,000 to $670,000. The interest on the Series B bonds is payable semiannually on September 1 and March 1 of each year at interest rates ranging from 1% to 3.75%. The principal of the Series B bonds is due annually throughout 2032, in amounts ranging from $145,000 to $1,215,000. The required reserve of $1,537,074 at June 30, 2022 was fully funded. The principal balance of outstanding bonds at June 30, 2022 was $6,835,000.

The future debt service requirements for the bonds are as follows:

| Fiscal Year Ending June 30, | Principal | Interest | Total |
|---|---|---|---|
| 2023 | $ 1,425,000 | $ 205,613 | $ 1,630,613 |
| 2024 | 1,255,000 | 160,406 | 1,415,406 |
| 2025 | 1,290,000 | 117,281 | 1,407,281 |
| 2026 | 1,200,000 | 78,007 | 1,278,007 |
| 2027 | 145,000 | 58,409 | 203,409 |
| 2028 | 415,000 | 48,700 | 463,700 |
| 2029 | 425,000 | 33,469 | 458,469 |
| 2030 | 435,000 | 17,344 | 452,344 |
| 2031 | 150,000 | 6,375 | 156,375 |
| 2032 | 95,000 | 1,781 | 96,781 |
| Totals | $ 6,835,000 | $ 727,385 | $ 7,562,385 |

**Developer Agreement Payable**

On June 26, 1989, the Commission entered into an agreement with a developer to share certain future tax revenues generated by the Community Facilities District. Since 1992, the developer's share of revenues totaled $55,372,039, the unpaid balance accrues interest at a rate of 10%. The Commission has made payments to the developer totaling $21,678,037. The balance outstanding at June 30, 2022 was $88,596,648. The Developer Advances are repaid by the Commission only from available funds in the Repayment Fund. The Repayment Fund is funded in any year the total of the Minimum Special, Tax and Agency Contributions exceeds the annual debt service on the Public Financing of the 1996 Special Tax Refunding Bonds. The Agency Contributions terminate once the outstanding principal and accrued interest on these bonds are paid in full.

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## 20) LEASES

***Lease Receivable -*** In prior fiscal years, the City entered into various land lease agreements with third parties to lease pieces of land owned by the City. The initial lease terms ranged from 5 to 30 years. The City currently receives monthly payments from all leases of $42,064. The City recognized $424,909 in lease revenue and $83,299 in interest revenue during the current fiscal year related to the various leases. As of June 30, 2022, the City's receivable for lease payments was $7,257,992. Also, the City has a deferred inflow of resources associated with leases that will be recognized as revenue over the lease terms. As of June 30, 2022, the balance of the deferred inflow of resources was $7,257,992.

## 21) IMPLEMENTATION OF GASB PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued the following Statements, which may affect the City's financial reporting requirements in the future:

*GASB 96 – Subscription-Based Information Technology Arrangements*: The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2023.

# REQUIRED SUPPLEMENTARY INFORMATION

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balances
## Budget and Actual - General Fund
## Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **REVENUES** | | | | |
| Taxes | $ 52,551,900 | $ 63,065,320 | $ 64,247,740 | $ 1,182,420 |
| Licenses and Permits | 1,417,400 | 2,599,197 | 2,780,660 | 181,463 |
| Fines and Forfeitures | 528,000 | 528,000 | 508,463 | (19,537) |
| Investment Income | 458,900 | 458,900 | (1,858,653) | (2,317,553) |
| Rental Income | 1,166,100 | 1,336,090 | 1,241,134 | (94,956) |
| Revenue from Other Agencies | 3,400,800 | 2,396,400 | 2,323,396 | (73,004) |
| Charges for Services | 5,206,600 | 9,035,580 | 9,574,520 | 538,940 |
| Other Revenues | 1,529,500 | 2,158,500 | 2,201,315 | 42,815 |
| Total Revenues | 66,259,200 | 81,577,987 | 81,018,575 | (559,412) |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General Government | 4,152,500 | 6,243,200 | 4,955,642 | 1,287,558 |
| Public Safety | 41,247,600 | 48,795,512 | 48,396,731 | 398,781 |
| Public Works | 4,367,200 | 6,482,570 | 6,188,867 | 293,703 |
| Community Services | 2,455,300 | 2,560,380 | 1,932,175 | 628,205 |
| Community Development | 385,500 | 527,350 | 446,667 | 80,683 |
| Total Expenditures | 52,608,100 | 64,609,012 | 61,920,082 | 2,688,930 |
| Excess (Deficiency) of Revenues over Expenditures | 13,651,100 | 16,968,975 | 19,098,493 | 2,129,518 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers In | 131,100 | 131,100 | 5,816 | (125,284) |
| Transfers Out | (13,782,200) | (20,437,607) | (20,433,506) | 4,101 |
| Total Other Financing Sources (Uses) | (13,651,100) | (20,306,507) | (20,427,690) | (121,183) |
| Net Change in Fund Balances | - | (3,337,532) | (1,329,197) | 2,008,335 |
| Fund Balances, Beginning | 25,488,077 | 25,488,077 | 25,488,077 | - |
| Fund Balances, Ending | $ 25,488,077 | $ 22,150,545 | $ 24,158,880 | $ 2,008,335 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - West Covina Housing Authority Special Revenue Fund
## Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **REVENUES** | | | | |
| Investment Income | $ 42,000 | $ 42,000 | $ 335,320 | $ 293,320 |
| Other Revenues | - | - | 20,100 | 20,100 |
| Total Revenues | 42,000 | 42,000 | 355,420 | 313,420 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Public Safety | 218,600 | 253,600 | 208,843 | 44,757 |
| Community Development | 949,400 | 949,400 | 676,245 | 273,155 |
| Total Expenditures | 1,168,000 | 1,203,000 | 885,088 | 317,912 |
| Excess (Deficiency) of Revenues over Expenditures | (1,126,000) | (1,161,000) | (529,668) | 631,332 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | - | (33,000) | (33,000) | - |
| Total Other Financing Sources (Uses) | - | (33,000) | (33,000) | - |
| Net Change in Fund Balance | (1,126,000) | (1,194,000) | (562,668) | 631,332 |
| Fund Balance, Beginning | 24,008,323 | 24,008,323 | 24,008,323 | - |
| Fund Balance, Ending | $ 22,882,323 | $ 22,814,323 | $ 23,445,655 | $ 631,332 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - State Gas Tax Special Revenue Fund
## Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **REVENUES** | | | | |
| Taxes | $ 2,730,100 | $ 2,730,100 | $ 2,155,426 | $ (574,674) |
| Investment Income | 15,000 | 15,000 | 16,677 | 1,677 |
| Revenue from Other Agencies | 2,113,100 | 2,113,100 | 2,488,293 | 375,193 |
| Charges for Services | - | - | 592 | 592 |
| Total Revenues | 4,858,200 | 4,858,200 | 4,660,988 | (197,212) |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General Government | 3,500 | 3,500 | 3,000 | 500 |
| Public Works | 4,065,500 | 5,154,683 | 4,355,822 | 798,861 |
| Total Expenditures | 4,069,000 | 5,158,183 | 4,358,822 | 799,361 |
| Excess (Deficiency) of Revenues over Expenditures | 789,200 | (299,983) | 302,166 | 602,149 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers In | 567,200 | 567,200 | 567,148 | (52) |
| Transfers Out | (100,000) | (100,000) | (28,146) | 71,854 |
| Total Other Financing Sources (Uses) | 467,200 | 467,200 | 539,002 | 71,802 |
| Net Change in Fund Balance | 1,256,400 | 167,217 | 841,168 | 673,951 |
| Fund Balance, Beginning | 5,725,916 | 5,725,916 | 5,725,916 | - |
| Fund Balance, Ending | $ 6,982,316 | $ 5,893,133 | $ 6,567,084 | $ 673,951 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - ARPA Special Revenue Fund
## Year Ended June 30, 2022

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive |
|---|---|---|---|---|
| | Original | Final | Amounts | (Negative) |
| **REVENUES** | | | | |
| Revenue from Other Agencies | $ 10,000,000 | $ 10,000,000 | $ 9,197,139 | $ (802,861) |
| Total Revenues | 10,000,000 | 10,000,000 | 9,197,139 | (802,861) |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| Public Safety | 466,453 | 466,453 | 466,453 | - |
| Public Works | 19,103,547 | 19,103,547 | 8,724,900 | 10,378,647 |
| Total Expenditures | 19,570,000 | 19,570,000 | 9,191,353 | 10,378,647 |
| Excess (Deficiency) of Revenues over Expenditures | (9,570,000) | (9,570,000) | 5,786 | 9,575,786 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | - | - | (5,786) | (5,786) |
| Total Other Financing Sources (Uses) | - | - | (5,786) | (5,786) |
| Net Change in Fund Balance | (9,570,000) | (9,570,000) | - | 9,570,000 |
| Fund Balance, Beginning | - | - | - | - |
| Fund Balance, Ending | $ (9,570,000) | $ (9,570,000) | $ - | $ 9,570,000 |

## BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for governmental funds. The City's budget ordinance requires that in June of each year the City Manager to the City Council for the fiscal year commencing the following July 1. As modified during public study sessions, the preliminary budget becomes the proposed budget. Following public hearings on the proposed budget, the final annual budget is adopted by the City Council in June of the fiscal year. After adoption of the final budget, transfers of appropriations within the general fund departments may be done by the City Manager. Budget transfers within a department/fund may be done by department heads. Budget modifications between funds and increases or decreases to a fund's overall budget must be approved by the City Council. Numerous properly authorized amendments are made during the fiscal year.

Budgetary control is enhanced by integrating the budget into the general ledger accounts. Encumbrance accounting (e.g. purchase orders) is employed by the City.

# City of West Covina
# Required Supplementary Information
# Year Ended June 30, 2022

### Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years*
### CalPERS Pension Plan - Miscellaneous

| | Measurement Period | | | |
|---|---|---|---|---|
| **Total Pension Liability** | 2021 | 2020 | 2019 | 2018 |
| Service cost | $ 1,148,088 | $ 1,230,251 | $ 1,488,940 | $ 1,598,999 |
| Interest on total pension liability | 11,357,041 | 11,161,901 | 11,031,185 | 10,735,301 |
| Changes in assumptions | - | - | - | (792,110) |
| Differences between expected and actual experience | 605,918 | (956,094) | 1,166,025 | 884,485 |
| Benefit payments, including refunds | (10,630,997) | (9,824,549) | (9,388,384) | (9,225,744) |
| Net change in total pension liability | 2,480,050 | 1,611,509 | 4,297,766 | 3,200,931 |
| Total pension liability - beginning | 162,975,272 | 161,363,763 | 157,065,997 | 153,865,066 |
| Total pension liability - ending (a) | $ 165,455,322 | $ 162,975,272 | $ 161,363,763 | $ 157,065,997 |
| **Plan Fiduciary Net Position** | | | | |
| Contributions - employer | $ 41,343,222 | $ 3,588,307 | $ 3,041,783 | $ 2,610,696 |
| Contributions - employee | 489,857 | 658,924 | 597,814 | 785,970 |
| Net investment income | 33,695,359 | 5,681,537 | 7,327,093 | 9,216,240 |
| Benefit payments | (10,630,997) | (9,824,549) | (9,388,384) | (9,225,744) |
| Net Plan to Plan Resource Movement | - | - | - | (266) |
| Administrative/Other Expense | (115,152) | (162,590) | (80,969) | (172,889) |
| Other Miscellaneous Income/Expense | - | - | - | (328,320) |
| Net change in plan fiduciary net position | 64,782,289 | (58,371) | 1,497,337 | 2,885,687 |
| Plan fiduciary net position - beginning | 115,273,883 | 115,332,254 | 113,834,917 | 110,949,230 |
| Plan fiduciary net position - ending (b) | $ 180,056,172 | $ 115,273,883 | $ 115,332,254 | $ 113,834,917 |
| Net pension liability - ending (a) - (b) | $ (14,600,850) | $ 47,701,389 | $ 46,031,509 | $ 43,231,080 |
| Plan fiduciary net position as a percentage of the total pension liability | 108.82% | 70.73% | 71.47% | 72.48% |
| Covered payroll | $ 6,699,270 | $ 7,843,755 | $ 8,498,816 | $ 12,173,646 |
| Net pension liability as percentage of covered payroll | -217.95% | 608.14% | 541.62% | 355.12% |

**Notes to Schedule of Changes in Net Pension Liability and Related Ratios:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

| Mesaurement Period | | | |
|---|---|---|---|
| 2017 | 2016 | 2015 | 2014 |
| $ 1,568,756 | $ 1,395,164 | $ 1,454,757 | $ 1,653,769 |
| 10,499,411 | 10,423,152 | 10,180,561 | 9,849,865 |
| 8,138,458 | - | (2,336,836) | - |
| (1,086,666) | (568,485) | (134,455) | - |
| (8,527,256) | (8,197,448) | (7,534,397) | (6,835,867) |
| 10,592,703 | 3,052,383 | 1,629,630 | 4,667,767 |
| 143,272,363 | 140,219,980 | 138,590,350 | 133,922,583 |
| $ 153,865,066 | $ 143,272,363 | $ 140,219,980 | $ 138,590,350 |
| | | | |
| $ 2,449,585 | $ 1,871,710 | $ 1,507,469 | $ 1,441,234 |
| 788,064 | 819,011 | 714,712 | 921,495 |
| 11,531,815 | 590,110 | 2,500,142 | 17,189,513 |
| (8,527,256) | (8,197,448) | (7,534,397) | (6,835,867) |
| - | (4,880) | 307 | - |
| (154,821) | (66,948) | (123,626) | - |
| - | - | - | - |
| 6,087,387 | (4,988,445) | (2,935,393) | 12,716,375 |
| 104,861,843 | 109,850,288 | 112,785,681 | 100,069,306 |
| $ 110,949,230 | $ 104,861,843 | $ 109,850,288 | $ 112,785,681 |
| $ 42,915,836 | $ 38,410,520 | $ 30,369,692 | $ 25,804,669 |
| | | | |
| 72.11% | 73.19% | 78.34% | 81.38% |
| $ 14,062,225 | $ 9,349,710 | $ 9,381,292 | $ 10,025,879 |
| | | | |
| 305.19% | 410.82% | 323.73% | 257.38% |

# City of West Covina
# Required Supplementary Information
# Year Ended June 30, 2022

### Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years*
### CalPERS Pension Plan - Safety

| | Measurement Period | | | |
|---|---|---|---|---|
| **Total Pension Liability** | 2021 | 2020 | 2019 | 2018 |
| Service cost | $ 5,563,564 | $ 5,180,535 | $ 5,573,847 | $ 5,300,363 |
| Interest on total pension liability | 28,585,424 | 27,556,923 | 26,959,893 | 26,141,448 |
| Changes in assumptions | - | - | - | (1,644,342) |
| Differences between expected and actual experience | 4,243,730 | (2,269,271) | 706,038 | 2,470,547 |
| Benefit payments, including refunds | (23,371,783) | (22,204,388) | (21,231,071) | (20,444,515) |
| Net change in total pension liability | 15,020,935 | 8,263,799 | 12,008,707 | 11,823,501 |
| Total pension liability - beginning | 404,456,518 | 396,192,719 | 384,184,012 | 372,360,511 |
| Total pension liability - ending (a) | $ 419,477,453 | $ 404,456,518 | $ 396,192,719 | $ 384,184,012 |
| **Plan Fiduciary Net Position** | | | | |
| Contributions - employer | $ 149,228,549 | $ 12,592,111 | $ 11,176,490 | $ 10,515,780 |
| Contributions - employee | 2,010,282 | 1,806,665 | 1,731,882 | 1,830,019 |
| Net investment income | 87,171,072 | 12,466,983 | 15,909,762 | 19,582,552 |
| Benefit payments | (23,371,783) | (22,204,388) | (21,231,071) | (20,444,515) |
| Net Plan to Plan Resource Movement | - | - | - | (568) |
| Administrative/Other Expense | (255,545) | (354,567) | (174,192) | (364,120) |
| Other Miscellaneous Income/Expense | - | - | 568 | (691,471) |
| Net change in plan fiduciary net position | 214,782,575 | 4,306,804 | 7,413,439 | 10,427,677 |
| Plan fiduciary net position - beginning | 255,816,761 | 251,509,957 | 244,096,518 | 233,668,841 |
| Plan fiduciary net position - ending (b) | $ 470,599,336 | $ 255,816,761 | $ 251,509,957 | $ 244,096,518 |
| Net pension liability - ending (a) - (b) | $ (51,121,883) | $ 148,639,757 | $ 144,682,762 | $ 140,087,494 |
| Plan fiduciary net position as a percentage of the total pension liability | 112.19% | 63.25% | 63.48% | 63.54% |
| Covered payroll | $ 17,133,244 | $ 16,447,485 | $ 16,283,859 | $ 14,051,195 |
| Net pension liability as percentage of covered payroll | -298.38% | 903.72% | 888.50% | 996.98% |

**Notes to Schedule of Changes in Net Pension Liability and Related Ratios:**

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies to voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes in Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflected an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

| Measurement Period | | | |
|---|---|---|---|
| 2017 | 2016 | 2015 | 2014 |
| $ 5,376,792 | $ 4,729,431 | $ 4,604,800 | $ 4,824,545 |
| 25,330,388 | 24,899,740 | 24,117,128 | 23,426,151 |
| 21,000,606 | - | (5,858,071) | - |
| (2,764,123) | (145,882) | (1,760,971) | - |
| (19,858,900) | (18,951,025) | (17,865,208) | (17,362,607) |
| 29,084,763 | 10,532,264 | 3,237,678 | 10,888,089 |
| 343,275,748 | 332,743,484 | 329,505,806 | 318,617,717 |
| $ 372,360,511 | $ 343,275,748 | $ 332,743,484 | $ 329,505,806 |
| | | | |
| $ 10,058,079 | $ 8,387,165 | $ 7,339,064 | $ 6,403,118 |
| 1,818,024 | 1,660,160 | 1,628,630 | 2,416,548 |
| 23,916,665 | 1,179,228 | 5,057,426 | 34,775,710 |
| (19,858,900) | (18,951,025) | (17,865,208) | (17,362,607) |
| - | 4,880 | 10,338 | - |
| (321,946) | (137,683) | (254,287) | - |
| - | - | - | - |
| 15,611,922 | (7,857,275) | (4,084,037) | 26,232,769 |
| 218,056,919 | 225,914,194 | 229,998,231 | 203,765,462 |
| $ 233,668,841 | $ 218,056,919 | $ 225,914,194 | $ 229,998,231 |
| $ 138,691,670 | $ 125,218,829 | $ 106,829,290 | $ 99,507,575 |
| | | | |
| 62.75% | 63.52% | 67.89% | 69.80% |
| $ 17,084,933 | $ 17,288,458 | $ 16,517,686 | $ 16,974,682 |
| | | | |
| 811.78% | 724.29% | 646.76% | 586.21% |

# City of West Covina
# Required Supplementary Information
# Year Ended June 30, 2022

### Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years*
### PARS Pension Plan - EPMC

| | Measurement Period | | | |
|---|---|---|---|---|
| **Total Pension Liability** | 2021 | 2020 | 2019 | 2018 |
| Service cost | $ 26,943 | $ 30,564 | $ 29,665 | $ 29,701 |
| Interest on total pension liability | 31,913 | 41,806 | 46,211 | 46,463 |
| Changes in assumptions | 38,703 | 146,898 | 90,640 | 10,475 |
| Differences between expected and actual experience | 10,382 | - | 45,697 | - |
| Benefit payments, including refunds | (81,760) | (103,008) | (80,968) | (56,554) |
| Net change in total pension liability | 26,181 | 116,260 | 131,245 | 30,085 |
| Total pension liability - beginning | 1,209,162 | 1,092,902 | 961,657 | 931,572 |
| Total pension liability - ending (a) | $ 1,235,343 | $ 1,209,162 | $ 1,092,902 | $ 961,657 |
| **Plan Fiduciary Net Position** | | | | |
| Contributions - employer | $ 52,666 | $ 56,957 | $ 62,350 | $ 60,056 |
| Contributions - employee | - | - | - | - |
| Net investment income | 18,413 | 2,908 | 6,567 | 8,234 |
| Benefit payments | (81,760) | (103,008) | (80,968) | (56,554) |
| Net Plan to Plan Resource Movement | - | - | - | - |
| Administrative/Other Expense | (6,231) | (10,788) | (769) | (775) |
| Other Miscellaneous Income/Expense | - | - | - | - |
| Net change in plan fiduciary net position | (16,912) | (53,931) | (12,820) | 10,961 |
| Plan fiduciary net position - beginning | 87,925 | 141,856 | 154,676 | 143,715 |
| Plan fiduciary net position - ending (b) | $ 71,013 | $ 87,925 | $ 141,856 | $ 154,676 |
| Net pension liability - ending (a) - (b) | $ 1,164,330 | $ 1,121,237 | $ 951,046 | $ 806,981 |
| Plan fiduciary net position as a percentage of the total pension liability | 5.75% | 7.27% | 12.98% | 16.08% |
| Covered Employee payroll | $ 7,202,240 | $ 10,222,450 | $ 14,447,921 | $ 15,855,534 |
| Net pension liability as percentage of covered employee payroll | 16.17% | 10.97% | 6.58% | 5.09% |

**Notes to Schedule of Changes in Net Pension Liability and Related Ratios:**

Benefit Changes: None.

Changes in Assumptions: In 2021, the discount rate was updated to 2.31. In 2020, the discount rate was updated to 2.67 percent. In 2019, the discount rate was updated to 3.90% and the mortality improvement scale was updated to Scale MP- 2019. In 2018, the discount rate used to measure the total pension liability was 4.86 percent. In 2017, amounts reported reflect an adjustment of the discount rate from 3.90 percent to 4.98 percent. In 2016, amounts reported reflect an adjustment of the discount rate from 3.50 percent to 3.90 percent. In 2015, amounts reported reflect an adjustment of the discount rate from 4.80 percent to 3.50 percent. In 2014, amounts reported were based on the 4.80 percent discount rate.

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

| Measurement Period | | | |
|---|---|---|---|
| 2017 | 2016 | 2015 | 2014 |
| $ 35,733 | $ 40,000 | $ 36,000 | $ 36,000 |
| 35,268 | 32,000 | 28,000 | 36,000 |
| (85,060) | (37,000) | 200,000 | - |
| 98,508 | - | (72,000) | - |
| (42,877) | (91,000) | (9,000) | (64,000) |
| 41,572 | (56,000) | 183,000 | 8,000 |
| 890,000 | 946,000 | 763,000 | 755,000 |
| $ 931,572 | $ 890,000 | $ 946,000 | $ 763,000 |
| | | | |
| $ 61,019 | $ 56,000 | $ 56,000 | $ 65,000 |
| - | - | - | - |
| 10,029 | (1,000) | 3,000 | 12,000 |
| (42,877) | (91,000) | (9,000) | (64,000) |
| - | - | - | - |
| (9,456) | (1,000) | (7,000) | (3,000) |
| - | - | - | - |
| 18,715 | (37,000) | 43,000 | 10,000 |
| 125,000 | 162,000 | 119,000 | 109,000 |
| $ 143,715 | $ 125,000 | $ 162,000 | $ 119,000 |
| $ 787,857 | $ 765,000 | $ 784,000 | $ 644,000 |
| | | | |
| 15.43% | 14.04% | 17.12% | 15.60% |
| n/a | $ 13,388,000 | n/a | n/a |
| | | | |
| n/a | 5.71% | n/a | n/a |

# City of West Covina
# Required Supplementary Information
# Year Ended June 30, 2022

### Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years*
### PARS Pension Plan - Executive Staff

| | Measurement Period | | | |
|---|---|---|---|---|
| **Total Pension Liability** | 2021 | 2020 | 2019 | 2018 |
| Service cost | $ - | $ 14,068 | $ 11,963 | $ 12,235 |
| Interest on total pension liability | 113,650 | 143,620 | 133,267 | 130,692 |
| Changes in assumptions | 81,046 | 879,137 | 281,983 | (101,877) |
| Differences between expected and actual experience | 168,573 | - | 477,904 | - |
| Benefit payments, including refunds | (171,237) | (155,804) | (152,749) | (139,056) |
| Net change in total pension liability | 192,032 | 881,021 | 752,368 | (98,006) |
| Total pension liability - beginning | 4,901,327 | 4,020,306 | 3,267,938 | 3,365,944 |
| Total pension liability - ending (a) | $ 5,093,359 | $ 4,901,327 | $ 4,020,306 | $ 3,267,938 |
| **Plan Fiduciary Net Position** | | | | |
| Contributions - employer | $ 79,364 | $ 77,814 | $ 78,102 | $ 74,100 |
| Contributions - employee | - | - | - | - |
| Net investment income | 96,424 | 15,031 | 31,817 | 36,931 |
| Benefit payments | (171,237) | (155,804) | (152,749) | (139,056) |
| Net Plan to Plan Resource Movement | - | - | - | - |
| Administrative/Other Expense | (5,903) | (9,475) | (3,109) | (3,379) |
| Other Miscellaneous Income/Expense | - | - | - | - |
| Net change in plan fiduciary net position | (1,352) | (72,434) | (45,939) | (31,404) |
| Plan fiduciary net position - beginning | 461,803 | 534,237 | 580,176 | 611,580 |
| Plan fiduciary net position - ending (b) | $ 460,451 | $ 461,803 | $ 534,237 | $ 580,176 |
| Net pension liability - ending (a) - (b) | $ 4,632,908 | $ 4,439,524 | $ 3,486,069 | $ 2,687,762 |
| Plan fiduciary net position as a percentage of the total pension liability | 9.04% | 9.42% | 13.29% | 17.75% |
| Covered Employee payroll | $ 269,287 | $ 219,555 | $ 179,572 | $ 172,512 |
| Net pension liability as percentage of covered employee payroll | 1720.44% | 2022.06% | 1941.32% | 1558.01% |

**Notes to Schedule of Changes in Net Pension Liability and Related Ratios:**

Benefit Changes: None.

Changes in Assumptions: In 2021, the discount rate was updated to 2.23% and the mortality improvement scale was updated to Scale MP-2021. In 2020, the discount rate was updated to 2.36%. In 2019, the discount rate was updated to 3.63% and the mortality improvement scale was updated to Scale MP-2019. In 2018, the discount rate used to measure the total pension liability was 4.16 percent. In 2017, amounts reported reflect an adjustment of the discount rate from 6.25 percent to 3.95 percent. In 2016, amounts reported reflect an adjustment of the discount rate from 4.70 percent to 6.25 percent. In 2015, amounts reported reflect an adjustment of the discount rate from 5.55 percent to 4.70 percent. In 2014, amounts reported were based on the 5.55 percent discount rate.

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

| Measurement Period | | | |
|---|---|---|---|
| 2017 | 2016 | 2015 | 2014 |
| $ 20,388 | $ 30,000 | $ 116,000 | $ 112,000 |
| 161,327 | 141,000 | 178,000 | 168,000 |
| 803,038 | (455,000) | 346,000 | - |
| (111,492) | - | (643,000) | - |
| (136,317) | (137,000) | (104,000) | (82,000) |
| 736,944 | (421,000) | (107,000) | 198,000 |
| 2,629,000 | 3,050,000 | 3,157,000 | 2,959,000 |
| $ 3,365,944 | $ 2,629,000 | $ 3,050,000 | $ 3,157,000 |
| | | | |
| $ 73,467 | $ 78,000 | $ 78,000 | $ 59,000 |
| - | - | - | - |
| 49,861 | 9,000 | 13,000 | 75,000 |
| (136,317) | (137,000) | (104,000) | (82,000) |
| - | - | - | - |
| (8,431) | (4,000) | (6,000) | (6,000) |
| - | - | - | - |
| (21,420) | (54,000) | (19,000) | 46,000 |
| 633,000 | 687,000 | 706,000 | 660,000 |
| $ 611,580 | $ 633,000 | $ 687,000 | $ 706,000 |
| $ 2,754,364 | $ 1,996,000 | $ 2,363,000 | $ 2,451,000 |
| | | | |
| 18.17% | 24.08% | 22.52% | 22.36% |
| n/a | $ 143,000 | n/a | n/a |
| | | | |
| n/a | 1395.80% | n/a | n/a |

# City of West Covina
# Required Supplementary Information
# Year Ended June 30, 2022

### Schedule of Contributions – Last 10 Years*
### Agent Multiple-employer Plan – Miscellaneous Plan

| Fiscal Year | Contractually Required Contributions | Contributions in Relation to the Actuarially Determined Contributions | Contribution Deficiency/ (Excess) | Covered Payroll | Contributions as a % of Covered Payroll |
|---|---|---|---|---|---|
| 2022 | $ 1,212,353 | $ (1,212,353) | $ - | $ 7,100,111 | 17.08% |
| 2021 | 3,887,907 | (41,343,286) | (37,455,379) | 6,699,270 | 617.13% |
| 2020 | 3,588,349 | (3,588,349) | - | 7,843,755 | 45.75% |
| 2019 | 3,041,539 | (3,041,539) | - | 8,498,816 | 35.79% |
| 2018 | 2,610,696 | (2,610,696) | - | 12,173,646 | 21.45% |
| 2017 | 2,449,585 | (2,449,585) | - | 14,062,225 | 17.42% |
| 2016 | 1,871,710 | (1,871,710) | - | 9,349,710 | 20.02% |
| 2015 | 1,507,469 | (1,507,469) | - | 9,381,292 | 16.07% |

### Schedule of Contributions – Last 10 Years*
### Agent Multiple-employer Plan – Safety Plan

| Fiscal Year | Contractually Required Contributions | Contributions in Relation to the Actuarially Determined Contributions | Contribution Deficiency/ (Excess) | Covered Payroll | Contributions as a % of Covered Payroll |
|---|---|---|---|---|---|
| 2022 | $ 4,920,803 | $ (4,920,803) | $ - | $ 18,840,380 | 26.12% |
| 2021 | 14,008,612 | (149,096,249) | (135,087,637) | 17,133,244 | 81.76% |
| 2020 | 12,592,730 | (12,592,730) | - | 16,447,485 | 76.56% |
| 2019 | 11,174,096 | (11,174,096) | - | 16,289,859 | 68.60% |
| 2018 | 10,515,780 | (10,515,780) | - | 14,051,195 | 74.84% |
| 2017 | 10,058,079 | (10,058,079) | - | 17,084,933 | 58.87% |
| 2016 | 8,387,165 | (8,387,165) | - | 17,288,458 | 48.51% |
| 2015 | 7,339,064 | (7,339,064) | - | 16,517,686 | 44.43% |

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

# City of West Covina
# Required Supplementary Information
# Year Ended June 30, 2022

## Schedule of Plan Contributions
## PARS Pension Plan - EPMC
## Last 10 Years*

| Fiscal Year | Contractually Required Contributions | Contributions in Relation to the Actuarially Determined Contributions | Contribution Deficiency/ (Excess) | Covered Employee Payroll | Contributions as a % of Covered Employee Payroll |
|---|---|---|---|---|---|
| 2022 | $ 173,000 | $ (51,428) | $ 121,572 | $ 6,238,365 | 0.82% |
| 2021 | 173,000 | (52,666) | 120,334 | 7,202,240 | 0.73% |
| 2020 | 134,000 | (56,957) | 77,043 | 10,222,450 | 0.56% |
| 2019 | 134,000 | (62,350) | 71,650 | 14,447,921 | 0.43% |
| 2018 | 104,000 | (60,056) | 43,944 | n/a | n/a |
| 2017 | 105,000 | (66,000) | 39,000 | n/a | n/a |
| 2016 | 105,000 | (59,000) | 46,000 | 13,737,000 | 0.43% |
| 2015 | 82,000 | (56,000) | 26,000 | n/a | n/a |

## Schedule of Plan Contributions
## PARS Pension Plan - Executive Staff
## Last 10 Years*

| Fiscal Year | Contractually Required Contributions | Contributions in Relation to the Actuarially Determined Contributions | Contribution Deficiency/ (Excess) | Covered Employee Payroll | Contributions as a % of Covered Employee Payroll |
|---|---|---|---|---|---|
| 2022 | $ 487,000 | $ (80,949) | $ 406,051 | $ 202,292 | 40.02% |
| 2021 | 488,000 | (79,364) | 408,636 | 269,281 | 29.47% |
| 2020 | 313,000 | (77,814) | 235,186 | 219,555 | 35.44% |
| 2019 | 314,000 | (78,102) | 235,898 | 179,572 | 43.49% |
| 2018 | 278,000 | (74,100) | 203,900 | n/a | n/a |
| 2017 | 279,000 | (73,000) | 206,000 | 96,000 | 76.04% |
| 2016 | 439,000 | (78,000) | 361,000 | n/a | n/a |
| 2015 | 439,000 | (78,000) | 361,000 | n/a | n/a |

* Pension schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

# City of West Covina
# Required Supplementary Information
# Year Ended June 30, 2022

## Schedule of Changes in the Net OPEB Liability and Related Ratios
## for the Measurement Periods Ended June 30
## Last 10 Years*

| | Measurement Period | | | | |
|---|---|---|---|---|---|
| | 2021 | 2020 | 2019 | 2018 | 2017 |
| **Total OPEB Liability** | | | | | |
| Service cost | $ 2,306,792 | $ 1,575,501 | $ 1,545,500 | $ 1,619,250 | $ 1,913,541 |
| Interest on total OPEB liability | 1,704,367 | 2,156,480 | 2,285,257 | 2,158,673 | 1,889,517 |
| Changes in assumptions | (3,773,434) | 13,555,256 | 2,887,380 | (2,524,608) | (7,040,369) |
| Changes in benefits | - | - | - | - | - |
| Differences between expected and actual experience | (8,698,716) | - | (1,738,131) | - | - |
| Benefit payments, including refunds | (2,513,526) | (2,509,638) | (2,384,056) | (2,470,254) | (2,467,893) |
| Net change in total OPEB liability | (10,974,517) | 14,777,599 | 2,595,950 | (1,216,939) | (5,705,204) |
| Total OPEB liability - beginning | 76,070,626 | 61,293,027 | 58,697,077 | 59,914,016 | 65,619,220 |
| Total OPEB liability - ending (a) | $ 65,096,109 | $ 76,070,626 | $ 61,293,027 | $ 58,697,077 | $ 59,914,016 |
| Covered - employee payroll | 33,956,907 | 33,069,467 | 26,672,215 | 28,239,505 | 26,527,000 |
| Total OPEB liability as a percentage of covered-employee payroll | 191.70% | 230.03% | 229.80% | 207.85% | 225.86% |

* OPEB schedules are intended to show information for ten years, additional years' information will be displayed as it becomes available.

# SUPPLEMENTARY INFORMATION

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Citywide Debt Service Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Investment Income | $ 60,000 | $ 74,288 | $ 14,288 |
| Revenue from Other Agencies | 1,389,400 | 1,389,327 | (73) |
| Total Revenues | 1,449,400 | 1,463,615 | 14,215 |
| **EXPENDITURES** | | | |
| Current: | | | |
| General Government | 13,500 | 13,046 | 454 |
| Public Safety | - | - | - |
| Debt Service: | | | |
| Principal | 5,869,381 | 5,869,299 | 82 |
| Interest | 9,063,731 | 9,063,717 | 14 |
| Total Expenditures | 14,946,612 | 14,946,062 | 550 |
| Excess (Deficiency) of Revenues over Expenditures | (13,497,212) | (13,482,447) | 14,765 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | 13,548,812 | 13,530,530 | (18,282) |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | 13,548,812 | 13,530,530 | (18,282) |
| Net Change in Fund Balances | 51,600 | 48,083 | (3,517) |
| Fund Balance, Beginning | 19,899,380 | 19,899,380 | |
| Fund Balance, Ending | $ 19,950,980 | $ 19,947,463 | $ (3,517) |

# OTHER GOVERNMENTAL FUNDS

# City of West Covina
# Other Governmental Funds
# Year Ended June 30, 2022

***Special Revenue Funds***

***Drug Enforcement Rebate***
This fund accounts for the City's portion of revenue received from drug asset seizures. The revenue is used to enhance the police programs.

***Air Quality Improvement***
This fund accounts for the City's portion of motor vehicle registration fees collected under AB 2766. This fee was levied to fund programs to reduce air pollution from mobile sources such as cars, trucks and buses. Money is distributed to the cities based on population, and additional discretionary grants are made based on specific requests.

***Proposition A***
This fund accounts for the 0.5% sales tax collected in Los Angeles County which is used for transportation programs and projects.

***Proposition C***
This fund accounts for gasoline taxes which are restricted for transportation programs and projects.

***Police Donations***
This fund accounts for donations received and expenditures related to various police programs.

***Transportation Development Act***
This fund accounts for regional Transportation Development Act funds received from Los Angeles County which are used for local streets and roads.

***AB939***
This fund accounts for programs to reduce solid waste deposits in local landfills, pursuant to AB939.

***Various Grants***
This fund accounts for various Federal, State of California, and local grants that are restricted to expenditures for specific programs and projects.

***Community Development Block Grant (CDBG)***
This fund accounts for the activities of the Community Development Block Grant received from the U.S. Department of Housing and Urban Development.

***SAFER Grant***
This fund accounts for personnel costs that are reimbursable through the Staffing for Adequate Fire and Emergency Response (SAFER) Grant.

***Inmate Welfare***
This fund accounts for any money, refund, rebate or commission received from a telephone call from inmates while incarcerated to meet the requirements of California Penal Code: Part 3; Title 4; Chapter 1; Section 4025. The monies are to be expended for the benefit, education, and welfare of inmates confined within the jail. Any funds that are not needed for the welfare of the inmates may be expended for the maintenance of the jail facilities.

***Special Revenue Funds - Continued***

***Public Safety Augmentation***
This fund accounts for sales tax revenue legally restricted for public safety. Revenue is used to augment police operations.

***COPS/SLESA***
This fund accounts for revenue from the State restricted for supplementing police operations.

***Park CESF***
This fund is to account for coronavirus emergency supplemental funding received and expenditures in preventing, preparing for, and responding to the event.

***Maintenance District #1***
The City levies special benefit assessments and property taxes upon property within defined districts. Through the Los Angeles County Tax Collector, assessments are placed on the property owner's annual tax bill. These funds are used to maintain and improve the open spaces within the districts by providing landscape maintenance.

***Maintenance District #2***
The City levies special benefit assessments and property taxes upon property within defined districts. Through the Los Angeles County Tax Collector, assessments are placed on the property owner's annual tax bill. These funds are used to maintain and improve the open spaces within the districts by providing landscape maintenance.

***Coastal Sage Shrub***
This community facilities district was formed to provide for the restoration and ongoing maintenance of sensitive environmental habitat within the development area of a former landfill, including habitat for endangered species such as the California gnatcatcher (Polioptila californica).

***Maintenance District #4***
The City levies special benefit assessments and property taxes upon property within defined districts. Through the Los Angeles County Tax Collector, assessments are placed on the property owner's annual tax bill. These funds are used to maintain and improve the open spaces within the districts by providing landscape maintenance.

***Maintenance District #6***
The City levies special benefit assessments and property taxes upon property within defined districts. Through the Los Angeles County Tax Collector, assessments are placed on the property owner's annual tax bill. These funds are used to maintain and improve the open spaces within the districts by providing landscape maintenance.

***Maintenance District #7***
The City levies special benefit assessments and property taxes upon property within defined districts. Through the Los Angeles County Tax Collector, assessments are placed on the property owner's annual tax bill. These funds are used to maintain and improve the open spaces within the districts by providing landscape maintenance.

***Citywide Maintenance District***
Revenue for the fund comes from annual special benefit assessments from property owners who benefit from covered improvements. This fund provides the majority of funding for the City's street lighting system and street tree program.

***Special Revenue Funds - Continued***

***Sewer Maintenance***
This fund supports the City's street sweeping program and maintenance of the City's sewer system. The City also provides services to the City of Covina through this fund.

***Auto Plaza Improvement District***
This fund is an assessment district supported by six of West Covina's automobile dealers to fund the construction, maintenance and operations of a reader board adjacent to Interstate 10.

***General Plan Update***
This fund accounts for the General Plan and Zoning Code Update Surcharge which is designated to be used for future plan updates.

***Measure W***
This fund accounts for the special parcel tax on all property owners in Los Angeles County approved November 2018. This tax raises funds to pay for stormwater projects including the infrastructure and any associated programs to capture, treat and recycle rainwater.

***Charter PEG***
This fund accounts for monies received from the City's cable television franchisee for a one-time litigation settlement and for cable-related capital expenditures.

***Art in Public Places***
This fund accounts for development fees paid in lieu of acquisition and installation of approved artwork in a development with expenditures restricted to acquisition, installation, maintenance and repair of artworks at approved sites.

***West Covina Community Services Foundation***
This fund accounts for activity of the West Covina Community Services Foundation, a 501(c) (3) nonprofit organization.

***Measure R***
This fund accounts for sales tax revenues collected in Los Angeles County to provide transportation related projects and programs.

***Measure M***
Under Measure M, the City receives a portion of a ½ cent sales tax levied in Los Angeles County to provide transportation related projects and programs. The City uses Measure M Funds for certain capital projects or transportation projects such as street rehabilitation and reconstruction, traffic monitoring systems, and congestion management and planning.

***Measure A***
Under Measure A, the City receives a portion of a 1.5 cent per square foot parcel tax levied in Los Angeles County to help fund new parks and maintain existing ones. The City uses Measure A Funds for certain capital projects related to parks, such as rebuilding restrooms, updating park parking lots, and the purchase of new playground equipment.

***Community Corrections***
This fund is a used to account for grant activity from the Board of State and Community Corrections.

***Special Revenue Funds - Continued***

***Measure H***
This funding accounts for funding received and expenditures related to prevent and combat homelessness.

***CASP Training***
This fund accounts for funding received and expenditure incurred to support jailer mental health awareness training programs.

***Sportsplex***
This fund accounts for activity at the West Covina Sportsplex, a recreation facility which amenities include softball fields, a pavilion, playgrounds, and restaurants.

***Capital Projects Funds***

***City Capital Projects***
This fund accounts for all capital expenditures not being accounted for in the capital projects described below or in other fund types.

***Construction Tax***
This fund accounts for monies received from developers based on the construction of dwelling units and used primarily to construct public domain assets.

***Information Technology***
The funds paid into this fund are to be used for information technology capital outlay projects.

***Development Impact Fees***
This fund accounts for fees received from residential developers to help fund the purchase/replacement of vehicles/equipment along with the repairs and improvements of city facilities.

***Park Development***
This fund accounts for park fees received from residential developers to be used for new park construction.

***Future Street Improvements***
This fund accounts for monies paid in-lieu of street rehabilitation improvements.

**City of West Covina**
**Combining Balance Sheet**
**Non-major Governmental Funds**
**June 30, 2022**

| | Special Revenue | | | | |
|---|---|---|---|---|---|
| | Drug Enforcement Rebate | Air Quality Improvement | Proposition A | Proposition C | Police Donations |
| **ASSETS** | | | | | |
| Cash and Investments | $ 6,041,205 | $ 589,462 | $ 3,080,146 | $ 2,314,326 | $ 35,652 |
| Restricted Cash and Investments | - | - | - | - | - |
| Receivables, net: | | | | | |
| Accounts | 23 | - | - | - | 100 |
| Taxes | - | - | - | - | - |
| Other | - | - | - | - | - |
| Due from Other Agencies | - | 34,729 | - | 29,670 | - |
| Prepaid Items | - | - | - | - | - |
| Total Assets | $ 6,041,228 | $ 624,191 | $ 3,080,146 | $ 2,343,996 | $ 35,752 |
| **LIABILITIES** | | | | | |
| Accounts Payable | $ 106,837 | $ - | $ 2,801,650 | $ 333,041 | $ 2,576 |
| Other Accrued Liabilities | 2,178 | - | - | 840 | - |
| Due to Other Funds | - | - | - | - | - |
| Advances from Other Funds | - | - | - | - | - |
| Total Liabilities | 109,015 | - | 2,801,650 | 333,881 | 2,576 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Unavailable Revenue | - | 34,729 | - | 29,670 | - |
| Total Deferred Inflows of Resources | - | 34,729 | - | 29,670 | - |
| **FUND BALANCE (DEFICITS)** | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | 5,932,213 | 589,462 | 278,496 | 1,980,445 | 33,176 |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total Fund Balances (Deficits) | 5,932,213 | 589,462 | 278,496 | 1,980,445 | 33,176 |
| Total Liabilities, Deferred Inflows and Fund Balances (Deficits) | $ 6,041,228 | $ 624,191 | $ 3,080,146 | $ 2,343,996 | $ 35,752 |

| Special Revenue | | | | | | |
|---|---|---|---|---|---|---|
| Transportation Development Act | AB939 | Various Grants | Community Development Block Grant | SAFER Grant | Inmate Welfare | Public Safety Augmentation |
| $ 10 | $ 1,001,032 | $ 1,582,106 | $ 3,835 | $ - | $ 9,989 | $ 535,980 |
| - | - | - | 4,664 | - | - | - |
| - | - | 36,395 | - | - | - | - |
| - | - | - | - | - | - | 174,365 |
| - | 68,718 | - | - | - | - | - |
| - | - | 725,959 | 261,875 | - | - | - |
| - | - | - | - | - | - | - |
| $ 10 | $ 1,069,750 | $ 2,344,460 | $ 270,374 | $ - | $ 9,989 | $ 710,345 |
| $ - | $ 2,301 | $ 433,823 | $ 255,292 | $ - | $ - | $ - |
| - | 500 | 194,380 | 24,627 | - | - | - |
| - | - | 483,755 | - | - | - | - |
| - | - | - | - | - | - | - |
| - | 2,801 | 1,111,958 | 279,919 | - | - | - |
| - | - | 608,647 | 75,394 | - | - | - |
| - | - | 608,647 | 75,394 | - | - | - |
| - | - | - | - | - | - | - |
| 10 | 1,066,949 | 623,855 | - | - | 9,989 | 710,345 |
| - | - | - | - | - | - | - |
| - | - | - | (84,939) | - | - | - |
| 10 | 1,066,949 | 623,855 | (84,939) | - | 9,989 | 710,345 |
| $ 10 | $ 1,069,750 | $ 2,344,460 | $ 270,374 | $ - | $ 9,989 | $ 710,345 |

Continued

**City of West Covina**
**Combining Balance Sheet**
**Non-major Governmental Funds - Continued**
**June 30, 2022**

| | Special Revenue | | | | |
|---|---|---|---|---|---|
| | COPS/SLESA | Park CESF | Maintenance District #1 | Maintenance District #2 | Coastal Sage Shrub |
| **ASSETS** | | | | | |
| Cash and Investments | $ 443,659 | $ - | $ 3,386,215 | $ 871,214 | $ 455,890 |
| Restricted Cash and Investments | - | - | - | - | - |
| Receivables, net: | | | | | |
| Accounts | - | - | - | - | - |
| Taxes | - | - | 50,706 | 19,270 | 1,579 |
| Other | - | - | - | - | - |
| Due from Other Agencies | 105,586 | - | - | - | - |
| Prepaid Items | - | - | - | - | - |
| Total Assets | $ 549,245 | $ - | $ 3,436,921 | $ 890,484 | $ 457,469 |
| **LIABILITIES** | | | | | |
| Accounts Payable | $ 7,137 | $ - | $ 49,689 | $ 6,338 | $ 21,943 |
| Other Accrued Liabilities | 7,576 | - | 5,783 | 442 | - |
| Due to Other Funds | - | - | - | - | - |
| Advances from Other Funds | - | - | - | - | - |
| Total Liabilities | 14,713 | - | 55,472 | 6,780 | 21,943 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Unavailable Revenue | 105,586 | - | - | - | - |
| Total Deferred Inflows of Resources | 105,586 | - | - | - | - |
| **FUND BALANCE (DEFICITS)** | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | 428,946 | - | 3,381,449 | 883,704 | 435,526 |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total Fund Balances (Deficits) | 428,946 | - | 3,381,449 | 883,704 | 435,526 |
| Total Liabilities, Deferred Inflows and Fund Balances (Deficits) | $ 549,245 | $ - | $ 3,436,921 | $ 890,484 | $ 457,469 |

| Special Revenue | | | | | | |
|---|---|---|---|---|---|---|
| Maintenance District #4 | Maintenance District #6 | Maintenance District #7 | Citywide Maintenance District | Sewer Maintenance | Auto Plaza Improvement District | General Plan Update |
| $ 2,353,806 | $ 306,246 | $ 408,040 | $ 1,430,005 | $ 11,270,583 | $ 155,395 | $ 743,183 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 21,370 | 2,600 | 4,246 | 53,275 | 179,744 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| $ 2,375,176 | $ 308,846 | $ 412,286 | $ 1,483,280 | $ 11,450,327 | $ 155,395 | $ 743,183 |
| $ 201,298 | $ 31,650 | $ 25,778 | $ 187,040 | $ 1,710,551 | $ 5,366 | $ - |
| 818 | 193 | 193 | 879 | 159,361 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 225,826 | - |
| 202,116 | 31,843 | 25,971 | 187,919 | 1,869,912 | 231,192 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 2,173,060 | 277,003 | 386,315 | 1,295,361 | 9,580,415 | - | 743,183 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | (75,797) | - |
| 2,173,060 | 277,003 | 386,315 | 1,295,361 | 9,580,415 | (75,797) | 743,183 |
| $ 2,375,176 | $ 308,846 | $ 412,286 | $ 1,483,280 | $ 11,450,327 | $ 155,395 | $ 743,183 |

Continued

**City of West Covina**
**Combining Balance Sheet**
**Non-major Governmental Funds - Continued**
**June 30, 2022**

| | Special Revenue | | | | |
|---|---|---|---|---|---|
| | Measure W | Charter PEG | Art in Public Places | West Covina Community Services Found. | Measure R |
| **ASSETS** | | | | | |
| Cash and Investments | $ 880,191 | $ 12,964 | $ 510,283 | $ 232,488 | $ 4,123,979 |
| Restricted Cash and Investments | - | - | - | - | - |
| Receivables, net: | | | | | |
| Accounts | - | - | - | - | - |
| Taxes | - | - | - | - | - |
| Other | - | - | - | 70,015 | - |
| Due from Other Agencies | 1,353,210 | - | - | - | - |
| Prepaid Items | - | - | - | 11,989 | - |
| Total Assets | $ 2,233,401 | $ 12,964 | $ 510,283 | $ 314,492 | $ 4,123,979 |
| **LIABILITIES** | | | | | |
| Accounts Payable | $ 16,752 | $ - | $ - | $ 20,870 | $ 83,388 |
| Other Accrued Liabilities | - | - | 4,000 | - | 5,600 |
| Due to Other Funds | - | - | - | - | - |
| Advances from Other Funds | - | - | - | - | - |
| Total Liabilities | 16,752 | - | 4,000 | 20,870 | 88,988 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | |
| Unavailable Revenue | 1,353,210 | - | - | 2,952 | - |
| Total Deferred Inflows of Resources | 1,353,210 | - | - | 2,952 | - |
| **FUND BALANCE (DEFICITS)** | | | | | |
| Nonspendable | - | - | - | 11,989 | - |
| Restricted | 863,439 | 12,964 | 506,283 | 278,681 | 4,034,991 |
| Assigned | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total Fund Balances (Deficits) | 863,439 | 12,964 | 506,283 | 290,670 | 4,034,991 |
| Total Liabilities, Deferred Inflows and Fund Balances (Deficits) | $ 2,233,401 | $ 12,964 | $ 510,283 | $ 314,492 | $ 4,123,979 |

| Special Revenue | | | | | | Capital Projects |
|---|---|---|---|---|---|---|
| Measure M | Measure A | Community Corrections | Measure H | CASP Training Fund | Sportsplex | City |
| $ 5,772,416 | $ - | $ 1 | $ - | $ 105,213 | $ 95,586 | $ 7,565,373 |
| - | - | - | - | - | - | 533,544 |
| - | - | - | 41,667 | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | 21,059 | 2,579 | 700 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| $ 5,772,416 | $ - | $ 1 | $ 62,726 | $ 107,792 | $ 96,286 | $ 8,098,917 |
| $ 135,319 | $ - | $ - | $ 20,469 | $ - | $ 88,220 | $ 1,496,940 |
| - | - | - | - | - | 12,195 | - |
| - | - | - | 37,769 | - | - | - |
| - | - | - | - | - | - | - |
| 135,319 | - | - | 58,238 | - | 100,415 | 1,496,940 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 5,637,097 | - | 1 | 4,488 | 107,792 | - | - |
| - | - | - | - | - | - | 6,601,977 |
| - | - | - | - | - | (4,129) | - |
| 5,637,097 | - | 1 | 4,488 | 107,792 | (4,129) | 6,601,977 |
| $ 5,772,416 | $ - | $ 1 | $ 62,726 | $ 107,792 | $ 96,286 | $ 8,098,917 |

Continued

**City of West Covina**
**Combining Balance Sheet**
**Non-major Governmental Funds - Continued**
**June 30, 2022**

| | Capital Projects | | | |
|---|---|---|---|---|
| | Construction Tax | Information Technology | Development Impact Fees | Park Development |
| **ASSETS** | | | | |
| Cash and Investments | $ 253,487 | $ 293,331 | $ 582,732 | $ 7,277,777 |
| Restricted Cash and Investments | - | - | - | - |
| Receivables, net: | | | | |
| Accounts | - | - | - | - |
| Taxes | - | - | - | - |
| Other | - | - | - | - |
| Due from Other Agencies | - | - | - | - |
| Prepaid Items | - | - | - | - |
| Total Assets | $ 253,487 | $ 293,331 | $ 582,732 | $ 7,277,777 |
| **LIABILITIES** | | | | |
| Accounts Payable | $ - | $ 3,230 | $ 30,835 | $ 113,834 |
| Other Accrued Liabilities | - | - | - | - |
| Due to Other Funds | - | - | - | - |
| Advances from Other Funds | - | - | - | - |
| Total Liabilities | - | 3,230 | 30,835 | 113,834 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Unavailable Revenue | - | - | - | - |
| Total Deferred Inflows of Resources | - | - | - | - |
| **FUND BALANCE (DEFICITS)** | | | | |
| Nonspendable | - | - | - | - |
| Restricted | 253,487 | 290,101 | 551,897 | 7,163,943 |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Total Fund Balances (Deficits) | 253,487 | 290,101 | 551,897 | 7,163,943 |
| Total Liabilities, Deferred Inflows and Fund Balances (Deficits) | $ 253,487 | $ 293,331 | $ 582,732 | $ 7,277,777 |

| Capital Projects Future Street Improvements | Total |
|---|---|
| $ 256,814 | $ 64,980,614 |
| - | 538,208 |
| - | 78,185 |
| - | 507,155 |
| - | 163,071 |
| - | 2,511,029 |
| - | 11,989 |
| $ 256,814 | $ 68,790,251 |
| $ - | $ 8,192,167 |
| - | 419,565 |
| - | 521,524 |
| - | 225,826 |
| - | 9,359,082 |
| - | 2,210,188 |
| - | 2,210,188 |
| - | 11,989 |
| 256,814 | 50,771,880 |
| - | 6,601,977 |
| - | (164,865) |
| 256,814 | 57,220,981 |
| $ 256,814 | $ 68,790,251 |

**City of West Covina**
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**
**Non-major Governmental Funds**
**Year Ended June 30, 2022**

| | Special Revenue | | | | |
|---|---|---|---|---|---|
| | Drug Enforcement Rebate | Air Quality Improvement | Proposition A | Proposition C | Police Donations |
| **REVENUES** | | | | | |
| Taxes | $ - | $ - | $ 2,676,794 | $ 2,233,746 | $ - |
| Special Assessments | - | - | - | - | - |
| Investment Income | 15,062 | 1,335 | 5,497 | 5,230 | 92 |
| Rental Income | - | - | - | - | - |
| Revenue from Other Agencies | 1,274,379 | 101,733 | - | 26,451 | - |
| Charges for Services | - | - | - | 19,668 | - |
| Other Revenues | - | - | - | - | 2,950 |
| Total Revenues | 1,289,441 | 103,068 | 2,682,291 | 2,285,095 | 3,042 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| General Government | - | - | 59,570 | - | - |
| Public Safety | 1,115,974 | - | - | - | 5,313 |
| Public Works | - | 1,400 | - | 508,921 | - |
| Community Services | - | - | 2,842,893 | 1,323,353 | - |
| Community Development | - | - | - | 12,882 | - |
| Total Expenditures | 1,115,974 | 1,400 | 2,902,463 | 1,845,156 | 5,313 |
| Excess (Deficiency) of Revenues Over Expenditures | 173,467 | 101,668 | (220,172) | 439,939 | (2,271) |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Transfers In | - | - | - | - | - |
| Transfers Out | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - | - |
| Net Change in Fund Balances | 173,467 | 101,668 | (220,172) | 439,939 | (2,271) |
| Fund Balances - Beginning | 5,758,746 | 487,794 | 498,668 | 1,540,506 | 35,447 |
| Fund Balances - Ending | $ 5,932,213 | $ 589,462 | $ 278,496 | $ 1,980,445 | $ 33,176 |

| Special Revenue | | | | | | |
|---|---|---|---|---|---|---|
| Transportation Development Act | AB939 | Various Grants | Community Development Block Grant | SAFER Grant | Inmate Welfare | Public Safety Augmentation |
| $ - | $ - | $ - | $ - | $ - | $ - | $ 954,154 |
| - | - | - | - | - | - | - |
| - | 2,412 | 3,358 | - | - | 26 | 872 |
| - | - | - | - | - | - | - |
| 60,467 | - | 1,278,667 | 1,978,131 | - | - | - |
| - | - | - | - | - | 525 | - |
| - | 272,291 | 7,119 | 85,213 | - | - | - |
| 60,467 | 274,703 | 1,289,144 | 2,063,344 | - | 551 | 955,026 |
| - | - | - | - | - | - | - |
| - | - | 438,916 | - | - | 1,500 | 613,092 |
| - | 84,681 | 583,156 | - | - | - | - |
| - | - | 836,618 | 2,110,774 | - | - | - |
| - | - | - | 37,509 | - | - | - |
| - | 84,681 | 1,858,690 | 2,148,283 | - | 1,500 | 613,092 |
| 60,467 | 190,022 | (569,546) | (84,939) | - | (949) | 341,934 |
| - | - | 42,380 | - | - | - | - |
| - | - | (31) | - | - | - | - |
| - | - | 42,349 | - | - | - | - |
| 60,467 | 190,022 | (527,197) | (84,939) | - | (949) | 341,934 |
| (60,457) | 876,927 | 1,151,052 | - | - | 10,938 | 368,411 |
| $ 10 | $ 1,066,949 | $ 623,855 | $ (84,939) | $ - | $ 9,989 | $ 710,345 |

Continued

## City of West Covina
## Combining Statement of Revenues, Expenditures and Changes in Fund Balances
## Non-Major Governmental Funds - Continued
## Year Ended June 30, 2022

| | Special Revenue | | | | |
|---|---|---|---|---|---|
| | COPS/SLESA | Park CESF | Maintenance District #1 | Maintenance District #2 | Coastal Sage Shrub |
| **REVENUES** | | | | | |
| Taxes | $ - | $ - | $ 665,829 | $ 230,755 | $ 89,427 |
| Special Assessments | - | - | - | - | - |
| Investment Income | 1,458 | - | 8,007 | 2,033 | 1,095 |
| Rental Income | - | - | - | - | - |
| Revenue from Other Agencies | 260,445 | 34,491 | - | - | - |
| Charges for Services | - | - | - | - | - |
| Other Revenues | - | - | - | - | - |
| Total Revenues | 261,903 | 34,491 | 673,836 | 232,788 | 90,522 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| General Government | - | - | - | - | - |
| Public Safety | 470,433 | 34,491 | - | - | - |
| Public Works | - | - | 249,721 | 92,944 | 60,647 |
| Community Services | - | - | - | - | - |
| Community Development | - | - | - | - | - |
| Total Expenditures | 470,433 | 34,491 | 249,721 | 92,944 | 60,647 |
| Excess (Deficiency) of Revenues Over Expenditures | (208,530) | - | 424,115 | 139,844 | 29,875 |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Transfers In | - | - | - | - | - |
| Transfers Out | - | - | - | (9,000) | - |
| Total Other Financing Sources (Uses) | - | - | - | (9,000) | - |
| Net Change in Fund Balances | (208,530) | - | 424,115 | 130,844 | 29,875 |
| Fund Balances - Beginning | 637,476 | - | 2,957,334 | 752,860 | 405,651 |
| Fund Balances - Ending | $ 428,946 | $ - | $ 3,381,449 | $ 883,704 | $ 435,526 |

| Special Revenue | | | | | | |
|---|---|---|---|---|---|---|
| Maintenance District #4 | Maintenance District #6 | Maintenance District #7 | Citywide Maintenance District | Sewer Maintenance | Auto Plaza Improvement District | General Plan Update |
| $ - | $ - | $ - | $ - | $ 385,213 | $ 99,092 | $ - |
| 1,003,441 | 158,578 | 172,757 | 1,806,500 | 3,899,450 | - | - |
| 5,469 | 672 | 943 | 3,217 | 25,744 | 431 | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | 205,923 |
| - | - | - | - | - | - | - |
| 1,008,910 | 159,250 | 173,700 | 1,809,717 | 4,310,407 | 99,523 | 205,923 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 992,298 | 129,130 | 139,823 | 1,737,499 | 3,612,127 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 65,384 | - |
| 992,298 | 129,130 | 139,823 | 1,737,499 | 3,612,127 | 65,384 | - |
| 16,612 | 30,120 | 33,877 | 72,218 | 698,280 | 34,139 | 205,923 |
| 9,000 | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 9,000 | - | - | - | - | - | - |
| 25,612 | 30,120 | 33,877 | 72,218 | 698,280 | 34,139 | 205,923 |
| 2,147,448 | 246,883 | 352,438 | 1,223,143 | 8,882,135 | (109,936) | 537,260 |
| $ 2,173,060 | $ 277,003 | $ 386,315 | $ 1,295,361 | $ 9,580,415 | $ (75,797) | $ 743,183 |

Continued

**City of West Covina**
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**
**Non-Major Governmental Funds - Continued**
**Year Ended June 30, 2022**

| | Special Revenue | | | | |
|---|---|---|---|---|---|
| | Measure W | Charter PEG | Art in Public Places | West Covina Community Services Found. | Measure R |
| **REVENUES** | | | | | |
| Taxes | $ - | $ - | $ - | $ - | $ 1,664,991 |
| Special Assessments | - | - | - | - | - |
| Investment Income | 2,394 | 51 | 852 | - | 9,710 |
| Rental Income | - | - | - | - | - |
| Revenue from Other Agencies | - | - | - | - | - |
| Charges for Services | - | - | 207,608 | - | 2,286 |
| Other Revenues | - | - | - | 164,404 | - |
| Total Revenues | 2,394 | 51 | 208,460 | 164,404 | 1,676,987 |
| **EXPENDITURES** | | | | | |
| Current: | | | | | |
| General Government | - | 15,830 | - | - | - |
| Public Safety | - | - | - | 5,784 | - |
| Public Works | 269,072 | - | - | - | 594,078 |
| Community Services | - | - | - | 174,307 | 358,439 |
| Community Development | - | - | - | - | - |
| Total Expenditures | 269,072 | 15,830 | - | 180,091 | 952,517 |
| Excess (Deficiency) of Revenues Over Expenditures | (266,678) | (15,779) | 208,460 | (15,687) | 724,470 |
| **OTHER FINANCING SOURCES (USES)** | | | | | |
| Transfers In | - | - | - | - | - |
| Transfers Out | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - | - |
| Net Change in Fund Balances | (266,678) | (15,779) | 208,460 | (15,687) | 724,470 |
| Fund Balances - Beginning | 1,130,117 | 28,743 | 297,823 | 306,357 | 3,310,521 |
| Fund Balances - Ending | $ 863,439 | $ 12,964 | $ 506,283 | $ 290,670 | $ 4,034,991 |

| Special Revenue | | | | | | Capital Projects |
|---|---|---|---|---|---|---|
| Measure M | Measure A | Community Corrections | Measure H | CASP Training Fund | Sportsplex | City |
| $ 1,884,128 | $ - | $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - | - | - |
| 12,884 | - | (14) | - | - | 36 | - |
| - | - | - | - | - | 217,995 | - |
| - | 3,229 | - | 302,826 | 24,333 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 5,851 | - |
| 1,897,012 | 3,229 | (14) | 302,826 | 24,333 | 223,882 | - |
| - | - | - | - | - | - | - |
| - | - | 2,073 | 273,562 | - | - | 7,810,515 |
| - | - | - | - | - | 95,138 | - |
| 308,006 | 3,230 | - | - | - | 887,126 | - |
| - | - | - | - | - | - | - |
| 308,006 | 3,230 | 2,073 | 273,562 | - | 982,264 | 7,810,515 |
| 1,589,006 | (1) | (2,087) | 29,264 | 24,333 | (758,382) | (7,810,515) |
| - | - | - | 33,000 | - | 754,253 | 4,725,000 |
| - | - | - | - | - | - | - |
| - | - | - | 33,000 | - | 754,253 | 4,725,000 |
| 1,589,006 | (1) | (2,087) | 62,264 | 24,333 | (4,129) | (3,085,515) |
| 4,048,091 | 1 | 2,088 | (57,776) | 83,459 | - | 9,687,492 |
| $ 5,637,097 | $ - | $ 1 | $ 4,488 | $ 107,792 | $ (4,129) | $ 6,601,977 |

Continued

## City of West Covina
## Combining Statement of Revenues, Expenditures and Changes in Fund Balances
## Non-Major Governmental Funds - Continued
## Year Ended June 30, 2022

| | Capital Projects | | | |
|---|---|---|---|---|
| | Construction Tax | Information Technology | Development Impact Fees | Park Development |
| **REVENUES** | | | | |
| Taxes | $ 7,319 | $ - | $ - | $ - |
| Special Assessments | - | - | - | - |
| Investment Income | 657 | - | - | 11,611 |
| Rental Income | - | - | - | - |
| Revenue from Other Agencies | - | - | - | - |
| Charges for Services | - | - | - | - |
| Other Revenues | - | 95,586 | 166,580 | 4,093,300 |
| Total Revenues | 7,976 | 95,586 | 166,580 | 4,104,911 |
| **EXPENDITURES** | | | | |
| Current: | | | | |
| General Government | - | - | - | - |
| Public Safety | - | - | - | - |
| Public Works | 14,225 | 20,078 | - | 27,472 |
| Community Services | - | - | 91,889 | 216,938 |
| Community Development | - | - | - | - |
| Total Expenditures | 14,225 | 20,078 | 91,889 | 244,410 |
| Excess (Deficiency) of Revenues Over Expenditures | (6,249) | 75,508 | 74,691 | 3,860,501 |
| **OTHER FINANCING SOURCES (USES)** | | | | |
| Transfers In | - | - | - | - |
| Transfers Out | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - |
| Net Change in Fund Balances | (6,249) | 75,508 | 74,691 | 3,860,501 |
| Fund Balances - Beginning | 259,736 | 214,593 | 477,206 | 3,303,442 |
| Fund Balances - Ending | $ 253,487 | $ 290,101 | $ 551,897 | $ 7,163,943 |

| Capital Projects Future Street Improvements | Total |
|---|---|
| $ - | $ 10,891,448 |
| - | 7,040,726 |
| - | 121,134 |
| - | 217,995 |
| - | 5,345,152 |
| - | 436,010 |
| 25,564 | 4,918,858 |
| 25,564 | 28,971,323 |
| - | 75,400 |
| - | 10,771,653 |
| - | 9,212,410 |
| - | 9,153,573 |
| - | 115,775 |
| - | 29,328,811 |
| 25,564 | (357,488) |
| - | 5,563,633 |
| - | (9,031) |
| - | 5,554,602 |
| 25,564 | 5,197,114 |
| 231,250 | 52,023,867 |
| $ 256,814 | $ 57,220,981 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Drug Enforcement Rebate Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Investment Income | $ - | $ 15,062 | $ 15,062 |
| Revenues from Other Agencies | - | 1,274,379 | 1,274,379 |
| Total Revenues | - | 1,289,441 | 1,289,441 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Safety | 3,067,788 | 1,115,974 | 1,951,814 |
| Total Expenditures | 3,067,788 | 1,115,974 | 1,951,814 |
| Excess (Deficiency) of Revenues over Expenditures | (3,067,788) | 173,467 | 3,241,255 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | (3,067,788) | 173,467 | 3,241,255 |
| Fund Balance, Beginning | 5,758,746 | 5,758,746 | - |
| Fund Balance, Ending | $ 2,690,958 | $ 5,932,213 | $ 3,241,255 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Air Quality Improvement Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Investment Income | $ - | $ 1,335 | $ 1,335 |
| Revenue from Other Agencies | 40,000 | 101,733 | 61,733 |
| Total Revenues | 40,000 | 103,068 | 63,068 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | 362,100 | 1,400 | 360,700 |
| Total Expenditures | 362,100 | 1,400 | 360,700 |
| Excess (Deficiency) of Revenues over Expenditures | (322,100) | 101,668 | 423,768 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | (322,100) | 101,668 | 423,768 |
| Fund Balance, Beginning | 487,794 | 487,794 | - |
| Fund Balance, Ending | $ 165,694 | $ 589,462 | $ 423,768 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Proposition A Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ 2,246,600 | $ 2,676,794 | $ 430,194 |
| Investment Income | - | 5,497 | 5,497 |
| Total Revenues | 2,246,600 | 2,682,291 | 435,691 |
| **EXPENDITURES** | | | |
| Current: | | | |
| General Government | - | 59,570 | (59,570) |
| Community Services | 2,990,470 | 2,842,893 | 147,577 |
| Total Expenditures | 2,990,470 | 2,902,463 | 88,007 |
| Excess (Deficiency) of Revenues over Expenditures | (743,870) | (220,172) | 523,698 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | (743,870) | (220,172) | 523,698 |
| Fund Balance, Beginning | 498,668 | 498,668 | - |
| Fund Balance, Ending | $ (245,202) | $ 278,496 | $ 523,698 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Proposition C Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ 2,190,200 | $ 2,233,746 | $ 43,546 |
| Investment Income | 10,000 | 5,230 | (4,770) |
| Revenue from Other Agencies | 116,000 | 26,451 | (89,549) |
| Charges for Services | 2,400 | 19,668 | 17,268 |
| Total Revenues | 2,318,600 | 2,285,095 | (33,505) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | 677,800 | 508,921 | 168,879 |
| Community Services | 1,600,880 | 1,323,353 | 277,527 |
| Community Development | 11,000 | 12,882 | (1,882) |
| Total Expenditures | 2,289,680 | 1,845,156 | 444,524 |
| Excess (Deficiency) of Revenues over Expenditures | 28,920 | 439,939 | 411,019 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | 28,920 | 439,939 | 411,019 |
| Fund Balance, Beginning | 1,540,506 | 1,540,506 | - |
| Fund Balance, Ending | $ 1,569,426 | $ 1,980,445 | $ 411,019 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Police Donations Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Investment Income | $ 100 | $ 92 | $ (8) |
| Other Revenues | 2,250 | 2,950 | 700 |
| Total Revenues | 2,350 | 3,042 | 692 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Safety | 17,230 | 5,313 | 11,917 |
| Total Expenditures | 17,230 | 5,313 | 11,917 |
| Excess (Deficiency) of Revenues over Expenditures | (14,880) | (2,271) | 12,609 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | (14,880) | (2,271) | 12,609 |
| Fund Balance, Beginning | 35,447 | 35,447 | - |
| Fund Balance, Ending | $ 20,567 | $ 33,176 | $ 12,609 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Transportation Development Act Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Investment Income | $ - | $ - | $ - |
| Revenue from Other Agencies | 77,600 | 60,467 | (17,133) |
| Total Revenues | 77,600 | 60,467 | (17,133) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | 70,000 | - | 70,000 |
| Total Expenditures | 70,000 | - | 70,000 |
| Excess (Deficiency) of Revenues over Expenditures | 7,600 | 60,467 | 52,867 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | 7,600 | 60,467 | 52,867 |
| Fund Balance, Beginning | (60,457) | (60,457) | - |
| Fund Balance, Ending | $ (52,857) | $ 10 | $ 52,867 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - AB 939 Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Investment Income | $ 2,200 | $ 2,412 | $ 212 |
| Other Revenues | 170,000 | 272,291 | 102,291 |
| Total Revenues | 172,200 | 274,703 | 102,503 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | 172,900 | 84,681 | 88,219 |
| Total Expenditures | 172,900 | 84,681 | 88,219 |
| Excess (Deficiency) of Revenues over Expenditures | (700) | 190,022 | 190,722 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | (700) | 190,022 | 190,722 |
| Fund Balance, Beginning | 876,927 | 876,927 | - |
| Fund Balance, Ending | $ 876,227 | $ 1,066,949 | $ 190,722 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Various Grants Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Investment Income | $ 100 | $ 3,358 | $ 3,258 |
| Revenue from Other Agencies | 5,429,532 | 1,278,667 | (4,150,865) |
| Other Revenues | 22,000 | 7,119 | (14,881) |
| Total Revenues | 5,451,632 | 1,289,144 | (4,162,488) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Safety | 608,209 | 438,916 | 169,293 |
| Public Works | 3,927,062 | 583,156 | 3,343,906 |
| Community Services | 1,133,561 | 836,618 | 296,943 |
| Total Expenditures | 5,668,832 | 1,858,690 | 3,810,142 |
| Excess (Deficiency) of Revenues over Expenditures | (217,200) | (569,546) | (352,346) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | 42,380 | 42,380 |
| Transfers Out | (31) | (31) | - |
| Total Other Financing Sources (Uses) | (31) | 42,349 | 42,380 |
| Net Change in Fund Balances | (217,231) | (527,197) | (309,966) |
| Fund Balance, Beginning | 1,151,052 | 1,151,052 | - |
| Fund Balance, Ending | $ 933,821 | $ 623,855 | $ (309,966) |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Community Development Block Grant Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Investment Income | $ - | $ - | $ - |
| Revenues from Other Agencies | 3,273,566 | 1,978,131 | (1,295,435) |
| Other Revenues | 40,000 | 85,213 | 45,213 |
| Total Revenues | 3,313,566 | 2,063,344 | (1,250,222) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Community Services | 3,623,991 | 2,110,774 | 1,513,217 |
| Community Development | 284,030 | 37,509 | 246,521 |
| Total Expenditures | 3,908,021 | 2,148,283 | 1,759,738 |
| Excess (Deficiency) of Revenues over Expenditures | (594,455) | (84,939) | 509,516 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | (594,455) | (84,939) | 509,516 |
| Fund Balance, Beginning | - | - | - |
| Fund Balance, Ending | $ (594,455) | $ (84,939) | $ 509,516 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Inmate Welfare Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Investment Income | $ - | $ 26 | $ 26 |
| Charges for Services | 1,500 | 525 | (975) |
| Total Revenues | 1,500 | 551 | (949) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Safety | 1,500 | 1,500 | - |
| Total Expenditures | 1,500 | 1,500 | - |
| Excess (Deficiency) of Revenues over Expenditures | - | (949) | (949) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | - | (949) | (949) |
| Fund Balance, Beginning | 10,938 | 10,938 | - |
| Fund Balance, Ending | $ 10,938 | $ 9,989 | $ (949) |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Public Safety Augmentation Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ 823,800 | $ 954,154 | $ 130,354 |
| Investment Income | 2,000 | 872 | (1,128) |
| Total Revenues | 825,800 | 955,026 | 129,226 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Safety | 960,000 | 613,092 | 346,908 |
| Total Expenditures | 960,000 | 613,092 | 346,908 |
| Excess (Deficiency) of Revenues over Expenditures | (134,200) | 341,934 | 476,134 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | (134,200) | 341,934 | 476,134 |
| Fund Balance, Beginning | 368,411 | 368,411 | - |
| Fund Balance, Ending | $ 234,211 | $ 710,345 | $ 476,134 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - COPS/SLESA Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Investment Income | $ 1,600 | $ 1,458 | $ (142) |
| Revenue from Other Agencies | 260,000 | 260,445 | 445 |
| Total Revenues | 261,600 | 261,903 | 303 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Safety | 688,921 | 470,433 | 218,488 |
| Total Expenditures | 688,921 | 470,433 | 218,488 |
| Excess (Deficiency) of Revenues over Expenditures | (427,321) | (208,530) | 218,791 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | (427,321) | (208,530) | 218,791 |
| Fund Balance, Beginning | 637,476 | 637,476 | - |
| Fund Balance, Ending | $ 210,155 | $ 428,946 | $ 218,791 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Parks CESF Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Investment Income | $ - | $ - | $ - |
| Revenue from Other Agencies | 35,000 | 34,491 | (509) |
| Total Revenues | 35,000 | 34,491 | (509) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Safety | 35,000 | 34,491 | 509 |
| Total Expenditures | 35,000 | 34,491 | 509 |
| Excess (Deficiency) of Revenues over Expenditures | - | - | - |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | - | - | - |
| Fund Balance, Beginning | - | - | - |
| Fund Balance, Ending | $ - | $ - | $ - |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Maintenance District #1 Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ 639,100 | $ 665,829 | $ 26,729 |
| Investment Income | 11,000 | 8,007 | (2,993) |
| Total Revenues | 650,100 | 673,836 | 23,736 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | 352,788 | 249,721 | 103,067 |
| Total Expenditures | 352,788 | 249,721 | 103,067 |
| Excess (Deficiency) of Revenues over Expenditures | 297,312 | 424,115 | 126,803 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | 297,312 | 424,115 | 126,803 |
| Fund Balance, Beginning | 2,957,334 | 2,957,334 | - |
| Fund Balance, Ending | $ 3,254,646 | $ 3,381,449 | $ 126,803 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Maintenance District #2 Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ 252,000 | $ 230,755 | $ (21,245) |
| Investment Income | 3,000 | 2,033 | (967) |
| Total Revenues | 255,000 | 232,788 | (22,212) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | 192,543 | 92,944 | 99,599 |
| Total Expenditures | 192,543 | 92,944 | 99,599 |
| Excess (Deficiency) of Revenues over Expenditures | 62,457 | 139,844 | 77,387 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | (9,000) | (9,000) | - |
| Total Other Financing Sources (Uses) | (9,000) | (9,000) | - |
| Net Change in Fund Balances | 53,457 | 130,844 | 77,387 |
| Fund Balance, Beginning | 752,860 | 752,860 | - |
| Fund Balance, Ending | $ 806,317 | $ 883,704 | $ 77,387 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Coastal Sage Shrub Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ 110,000 | $ 89,427 | $ (20,573) |
| Investment Income | 1,100 | 1,095 | (5) |
| Total Revenues | 111,100 | 90,522 | (20,578) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | 80,230 | 60,647 | 19,583 |
| Total Expenditures | 80,230 | 60,647 | 19,583 |
| Excess (Deficiency) of Revenues over Expenditures | 30,870 | 29,875 | (995) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | 30,870 | 29,875 | (995) |
| Fund Balance, Beginning | 405,651 | 405,651 | - |
| Fund Balance, Ending | $ 436,521 | $ 435,526 | $ (995) |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Maintenance District #4 Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Special Assessments | $ 1,193,700 | $ 1,003,441 | $ (190,259) |
| Investment Income | 6,500 | 5,469 | (1,031) |
| Total Revenues | 1,200,200 | 1,008,910 | (191,290) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | 1,273,448 | 992,298 | 281,150 |
| Total Expenditures | 1,273,448 | 992,298 | 281,150 |
| Excess (Deficiency) of Revenues over Expenditures | (73,248) | 16,612 | 89,860 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | 9,000 | 9,000 | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | 9,000 | 9,000 | - |
| Net Change in Fund Balances | (64,248) | 25,612 | 89,860 |
| Fund Balance, Beginning | 2,147,448 | 2,147,448 | - |
| Fund Balance, Ending | $ 2,083,200 | $ 2,173,060 | $ 89,860 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Maintenance District #6 Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Special Assessments | $ 183,500 | $ 158,578 | $ (24,922) |
| Investment Income | 1,000 | 672 | (328) |
| Total Revenues | 184,500 | 159,250 | (25,250) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | 194,015 | 129,130 | 64,885 |
| Total Expenditures | 194,015 | 129,130 | 64,885 |
| Excess (Deficiency) of Revenues over Expenditures | (9,515) | 30,120 | 39,635 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | (9,515) | 30,120 | 39,635 |
| Fund Balance, Beginning | 246,883 | 246,883 | - |
| Fund Balance, Ending | $ 237,368 | $ 277,003 | $ 39,635 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Maintenance District #7 Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Special Assessments | $ 204,900 | $ 172,757 | $ (32,143) |
| Investment Income | 1,200 | 943 | (257) |
| Total Revenues | 206,100 | 173,700 | (32,400) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | 189,040 | 139,823 | 49,217 |
| Total Expenditures | 189,040 | 139,823 | 49,217 |
| Excess (Deficiency) of Revenues over Expenditures | 17,060 | 33,877 | 16,817 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | 17,060 | 33,877 | 16,817 |
| Fund Balance, Beginning | 352,438 | 352,438 | - |
| Fund Balance, Ending | $ 369,498 | $ 386,315 | $ 16,817 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Citywide Maintenance District Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Special Assessments | $ 2,050,600 | $ 1,806,500 | $ (244,100) |
| Investment Income | 4,500 | 3,217 | (1,283) |
| Total Revenues | 2,055,100 | 1,809,717 | (245,383) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | 2,414,683 | 1,737,499 | 677,184 |
| Total Expenditures | 2,414,683 | 1,737,499 | 677,184 |
| Excess (Deficiency) of Revenues over Expenditures | (359,583) | 72,218 | 431,801 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | (359,583) | 72,218 | 431,801 |
| Fund Balance, Beginning | 1,223,143 | 1,223,143 | - |
| Fund Balance, Ending | $ 863,560 | $ 1,295,361 | $ 431,801 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Sewer Maintenance Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ 210,000 | $ 385,213 | $ 175,213 |
| Special Assessments | 3,000,000 | 3,899,450 | 899,450 |
| Investment Income | 20,000 | 25,744 | 5,744 |
| Charges for Services | - | - | - |
| Total Revenues | 3,230,000 | 4,310,407 | 1,080,407 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | 6,797,050 | 3,612,127 | 3,184,923 |
| Total Expenditures | 6,797,050 | 3,612,127 | 3,184,923 |
| Excess (Deficiency) of Revenues over Expenditures | (3,567,050) | 698,280 | 4,265,330 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | (100,000) | - | 100,000 |
| Total Other Financing Sources (Uses) | (100,000) | - | 100,000 |
| Net Change in Fund Balances | (3,667,050) | 698,280 | 4,365,330 |
| Fund Balance, Beginning | 8,882,135 | 8,882,135 | - |
| Fund Balance, Ending | $ 5,215,085 | $ 9,580,415 | $ 4,365,330 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Auto Plaza Improvement District Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ 115,700 | $ 99,092 | $ (16,608) |
| Investment Income | 1,000 | 431 | (569) |
| Total Revenues | 116,700 | 99,523 | (17,177) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Community Development | 69,900 | 65,384 | 4,516 |
| Total Expenditures | 69,900 | 65,384 | 4,516 |
| Excess (Deficiency) of Revenues over Expenditures | 46,800 | 34,139 | (12,661) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | 46,800 | 34,139 | (12,661) |
| Fund Balance, Beginning | (109,936) | (109,936) | - |
| Fund Balance, Ending | $ (63,136) | $ (75,797) | $ (12,661) |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Measure W Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ 1,370,000 | $ - | $ (1,370,000) |
| Investment Income | - | 2,394 | 2,394 |
| Total Revenues | 1,370,000 | 2,394 | (1,367,606) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | 1,210,200 | 269,072 | 941,128 |
| Total Expenditures | 1,210,200 | 269,072 | 941,128 |
| Excess (Deficiency) of Revenues over Expenditures | 159,800 | (266,678) | (426,478) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | 159,800 | (266,678) | (426,478) |
| Fund Balance, Beginning | 1,130,117 | 1,130,117 | - |
| Fund Balance, Ending | $ 1,289,917 | $ 863,439 | $ (426,478) |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Charter PEG Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ - | $ - | $ - |
| Investment Income | - | 51 | 51 |
| Total Revenues | - | 51 | 51 |
| **EXPENDITURES** | | | |
| Current: | | | |
| General Government | 15,830 | 15,830 | - |
| Total Expenditures | 15,830 | 15,830 | - |
| Excess (Deficiency) of Revenues over Expenditures | (15,830) | (15,779) | 51 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | (15,830) | (15,779) | 51 |
| Fund Balance, Beginning | 28,743 | 28,743 | - |
| Fund Balance, Ending | $ 12,913 | $ 12,964 | $ 51 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - West Covina Community Svcs. Found. Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Investment Income | $ - | $ - | $ - |
| Other Revenues | 58,313 | 164,404 | 106,091 |
| Total Revenues | 58,313 | 164,404 | 106,091 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Safety | - | 5,784 | (5,784) |
| Community Services | 321,610 | 174,307 | 147,303 |
| Total Expenditures | 321,610 | 180,091 | 141,519 |
| Excess (Deficiency) of Revenues over Expenditures | (263,297) | (15,687) | 247,610 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | (263,297) | (15,687) | 247,610 |
| Fund Balance, Beginning | 306,357 | 306,357 | - |
| Fund Balance, Ending | $ 43,060 | $ 290,670 | $ 247,610 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Measure R Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ 1,337,700 | $ 1,664,991 | $ 327,291 |
| Charges for Services | - | 2,286 | 2,286 |
| Investment Income | 10,000 | 9,710 | (290) |
| Total Revenues | 1,347,700 | 1,676,987 | 329,287 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | 594,300 | 594,078 | 222 |
| Community Services | 1,549,134 | 358,439 | 1,190,695 |
| Total Expenditures | 2,143,434 | 952,517 | 1,190,917 |
| Excess (Deficiency) of Revenues over Expenditures | (795,734) | 724,470 | 1,520,204 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | (795,734) | 724,470 | 1,520,204 |
| Fund Balance, Beginning | 3,310,521 | 3,310,521 | - |
| Fund Balance, Ending | $ 2,514,787 | $ 4,034,991 | $ 1,520,204 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Measure M Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ 1,509,200 | $ 1,884,128 | $ 374,928 |
| Investment Income | 13,000 | 12,884 | (116) |
| Total Revenues | 1,522,200 | 1,897,012 | 374,812 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | - | - | - |
| Community Services | 836,203 | 308,006 | 528,197 |
| Total Expenditures | 836,203 | 308,006 | 528,197 |
| Excess (Deficiency) of Revenues over Expenditures | 685,997 | 1,589,006 | 903,009 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | 685,997 | 1,589,006 | 903,009 |
| Fund Balance, Beginning | 4,048,091 | 4,048,091 | - |
| Fund Balance, Ending | $ 4,734,088 | $ 5,637,097 | $ 903,009 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Measure A Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Investment Income | $ - | $ - | $ - |
| Revenue from Other Agencies | 400,000 | 3,229 | (396,771) |
| Total Revenues | 400,000 | 3,229 | (396,771) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | - | - | - |
| Community Services | 403,230 | 3,230 | 400,000 |
| Total Expenditures | 403,230 | 3,230 | 400,000 |
| Excess (Deficiency) of Revenues over Expenditures | (3,230) | (1) | 3,229 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | (3,230) | (1) | 3,229 |
| Fund Balance, Beginning | 1 | 1 | - |
| Fund Balance, Ending | $ (3,229) | $ - | $ 3,229 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Measure H Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ - | $ - | $ - |
| Revenue from Other Agencies | 237,000 | 302,826 | 65,826 |
| Total Revenues | 237,000 | 302,826 | 65,826 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Safety | 406,027 | 273,562 | 132,465 |
| Community Services | - | - | - |
| Total Expenditures | 406,027 | 273,562 | 132,465 |
| Excess (Deficiency) of Revenues over Expenditures | (169,027) | 29,264 | 198,291 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | 33,000 | 33,000 | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | 33,000 | 33,000 | - |
| Net Change in Fund Balances | (136,027) | 62,264 | 198,291 |
| Fund Balance, Beginning | (57,776) | (57,776) | - |
| Fund Balance, Ending | $ (193,803) | $ 4,488 | $ 198,291 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Sportsplex Special Revenue Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Investment Income | $ - | $ 36 | $ 36 |
| Rental Income | 173,136 | 217,995 | 44,859 |
| Other Revenues | - | 5,851 | 5,851 |
| Total Revenues | 173,136 | 223,882 | 50,746 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | 150,000 | 95,138 | 54,862 |
| Community Services | 1,348,929 | 887,126 | 461,803 |
| Total Expenditures | 1,498,929 | 982,264 | 516,665 |
| Excess (Deficiency) of Revenues over Expenditures | (1,325,793) | (758,382) | 567,411 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | 754,253 | 754,253 | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | 754,253 | 754,253 | - |
| Net Change in Fund Balances | (571,540) | (4,129) | 567,411 |
| Fund Balance, Beginning | - | - | - |
| Fund Balance, Ending | $ (571,540) | $ (4,129) | $ 567,411 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - City Capital Projects Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Investment Income | $ - | $ - | $ - |
| Charges for Services | - | - | - |
| Total Revenues | - | - | - |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Safety | 10,458,800 | 7,810,515 | 2,648,285 |
| Total Expenditures | 10,458,800 | 7,810,515 | 2,648,285 |
| Excess (Deficiency) of Revenues over Expenditures | (10,458,800) | (7,810,515) | 2,648,285 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | 4,725,000 | 4,725,000 | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | 4,725,000 | 4,725,000 | - |
| Net Change in Fund Balances | (5,733,800) | (3,085,515) | 2,648,285 |
| Fund Balance, Beginning | 9,687,492 | 9,687,492 | - |
| Fund Balance, Ending | $ 3,953,692 | $ 6,601,977 | $ 2,648,285 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Construction Tax Capital Projects Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Taxes | $ 70,000 | $ 7,319 | $ (62,681) |
| Investment Income | 1,000 | 657 | (343) |
| Total Revenues | 71,000 | 7,976 | (63,024) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | 20,000 | 14,225 | 5,775 |
| Total Expenditures | 20,000 | 14,225 | 5,775 |
| Excess (Deficiency) of Revenues over Expenditures | 51,000 | (6,249) | (57,249) |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | 51,000 | (6,249) | (57,249) |
| Fund Balance, Beginning | 259,736 | 259,736 | - |
| Fund Balance, Ending | $ 310,736 | $ 253,487 | $ (57,249) |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Information Technology Capital Projects Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Revenue from Other Agencies | $ 280,000 | $ - | $ (280,000) |
| Other Revenues | - | 95,586 | 95,586 |
| Total Revenues | 280,000 | 95,586 | (184,414) |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | 304,086 | 20,078 | 284,008 |
| Total Expenditures | 304,086 | 20,078 | 284,008 |
| Excess (Deficiency) of Revenues over Expenditures | (24,086) | 75,508 | 99,594 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | (24,086) | 75,508 | 99,594 |
| Fund Balance, Beginning | 214,593 | 214,593 | - |
| Fund Balance, Ending | $ 190,507 | $ 290,101 | $ 99,594 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Development Impact Fees Capital Projects Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Investment Income | $ - | $ - | $ - |
| Other Revenues | - | 166,580 | 166,580 |
| Total Revenues | - | 166,580 | 166,580 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Community Services | 103,291 | 91,889 | 11,402 |
| Total Expenditures | 103,291 | 91,889 | 11,402 |
| Excess (Deficiency) of Revenues over Expenditures | (103,291) | 74,691 | 177,982 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | (103,291) | 74,691 | 177,982 |
| Fund Balance, Beginning | 477,206 | 477,206 | - |
| Fund Balance, Ending | $ 373,915 | $ 551,897 | $ 177,982 |

# City of West Covina
## Schedule of Revenues, Expenditures, and Changes in Fund Balance
## Budget and Actual - Park Development Capital Projects Fund
## Year Ended June 30, 2022

| | Final Budget | Actual Amounts | Variance - Positive (Negative) |
|---|---|---|---|
| **REVENUES** | | | |
| Investment Income | $ 13,000 | $ 11,611 | $ (1,389) |
| Other Revenues | 1,971,900 | 4,093,300 | 2,121,400 |
| Total Revenues | 1,984,900 | 4,104,911 | 2,120,011 |
| **EXPENDITURES** | | | |
| Current: | | | |
| Public Works | 82,434 | 27,472 | 54,962 |
| Community Services | 1,005,100 | 216,938 | 788,162 |
| Total Expenditures | 1,087,534 | 244,410 | 843,124 |
| Excess (Deficiency) of Revenues over Expenditures | 897,366 | 3,860,501 | 2,963,135 |
| **OTHER FINANCING SOURCES (USES)** | | | |
| Transfers In | - | - | - |
| Transfers Out | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Net Change in Fund Balances | 897,366 | 3,860,501 | 2,963,135 |
| Fund Balance, Beginning | 3,303,442 | 3,303,442 | - |
| Fund Balance, Ending | $ 4,200,808 | $ 7,163,943 | $ 2,963,135 |

# INTERNAL SERVICE FUNDS

# City of West Covina
# Internal Service Funds
# Year Ended June 30, 2022

## INTERNAL SERVICE FUNDS

The internal service funds are used to account for goods and services provided by one City department to other City departments on a cost reimbursement basis.

***Fleet Management***
This fund provides maintenance on materials and supplies for City vehicles and other gasoline or diesel powered equipment.

***Self-Insurance***
This fund accounts for the use of funds that are charged to departments for the administration and payment of claims under the City's self-insured general liability and workers' compensation programs.

***Retiree Health Savings Plan***
This fund accounts for the set aside lump sum benefits for retiring employees.

***Vehicle Replacement***
This fund provides for replacement of City vehicles.

# City of West Covina
## Combining Statement of Net Position
## Internal Service Funds
## June 30, 2022

| | Fleet Management | Self-Insurance | Retiree Health Savings Plan | Vehicle Replacement | Totals |
|---|---|---|---|---|---|
| **ASSETS** | | | | | |
| Current Assets: | | | | | |
| Cash and Investments | $ 377,359 | $ 14,540,334 | $ 346,235 | $ 48 | $ 15,263,976 |
| Restricted Cash and Investments | - | 424,817 | - | - | 424,817 |
| Accounts Receivable | - | 1,050 | - | - | 1,050 |
| Inventories | 73,202 | - | - | - | 73,202 |
| Total Current Assets | 450,561 | 14,966,201 | 346,235 | 48 | 15,763,045 |
| Noncurrent Assets: | | | | | |
| Capital Assets, Depreciable, Net | 153,480 | - | - | 446,526 | 600,006 |
| Total Noncurrent Assets | 153,480 | - | - | 446,526 | 600,006 |
| Total Assets | 604,041 | 14,966,201 | 346,235 | 446,574 | 16,363,051 |
| **LIABILITIES** | | | | | |
| Current Liabilities: | | | | | |
| Accounts Payable | 139,251 | 51,631 | - | - | 190,882 |
| Other Accrued Liabilities | 1,120 | - | - | - | 1,120 |
| Current Portion of Long-Term Liabilities: | | | | | |
| Claims Payable | - | 3,310,764 | - | - | 3,310,764 |
| Total Current Liabilities | 140,371 | 3,362,395 | - | - | 3,502,766 |
| Noncurrent Liabilities: | | | | | |
| Compensated Absences | 10,182 | - | - | - | 10,182 |
| Claims Payable | - | 9,362,390 | - | - | 9,362,390 |
| Total Noncurrent Liabilities | 10,182 | 9,362,390 | - | - | 9,372,572 |
| Total Liabilities | 150,553 | 12,724,785 | - | - | 12,875,338 |
| **NET POSITION** | | | | | |
| Net Investment in Capital Assets | 153,480 | - | - | 446,526 | 600,006 |
| Unrestricted | 300,008 | 2,241,416 | 346,235 | 48 | 2,887,707 |
| Total Net Position | $ 453,488 | $ 2,241,416 | $ 346,235 | $ 446,574 | $ 3,487,713 |

# City of West Covina
# Combining Statement of Revenues, Expenses, and Changes in Net Position
# Internal Service Funds
# Year Ended June 30, 2022

| | Fleet Management | Self-Insurance | Retiree Health Savings Plan | Vehicle Replacement | Totals |
|---|---|---|---|---|---|
| **OPERATING REVENUES** | | | | | |
| Charges for Services | $ 1,515,130 | $ 4,086,728 | $ - | $ - | $ 5,601,858 |
| Rental Income | 44,398 | - | - | - | 44,398 |
| Other Revenues | 5,257 | 86,388 | - | - | 91,645 |
| Total Operating Revenues | 1,564,785 | 4,173,116 | - | - | 5,737,901 |
| **OPERATING EXPENSES** | | | | | |
| Personnel Services | 87,565 | - | - | - | 87,565 |
| Cost of Sales, Services and Operations | 1,379,969 | 62,372 | - | - | 1,442,341 |
| Depreciation | 1,666 | - | - | 218,252 | 219,918 |
| Insurance and Claims Paid | - | 5,142,016 | - | - | 5,142,016 |
| Total Operating Expenses | 1,469,200 | 5,204,388 | - | 218,252 | 6,891,840 |
| Operating Income (Loss) | 95,585 | (1,031,272) | - | (218,252) | (1,153,939) |
| **NONOPERATING REVENUES (EXPENSES)** | | | | | |
| Interest Income | - | - | 867 | - | 867 |
| Gain/(Loss) on Disposal of Capital Assets | 2,221 | - | - | 16,303 | 18,524 |
| Total Nonoperating Revenues (Expenses) | 2,221 | - | 867 | 16,303 | 19,391 |
| Income (Loss) Before Operating Transfers | 97,806 | (1,031,272) | 867 | (201,949) | (1,134,548) |
| Transfers In | - | 700,000 | - | 142,342 | 842,342 |
| Transfers Out | - | - | - | - | - |
| Change in Net Position | 97,806 | (331,272) | 867 | (59,607) | (292,206) |
| Net Position - Beginning of Year | 355,682 | 2,572,688 | 345,368 | 506,181 | 3,779,919 |
| Net Position - End of Year | $ 453,488 | $ 2,241,416 | $ 346,235 | $ 446,574 | $ 3,487,713 |

# City of West Covina
# Combining Statement of Cash Flows
# Internal Service Funds
# Year Ended June 30, 2022

| | Fleet Management | Self-Insurance | Retiree Health Savings Plan | Vehicle Replacement | Totals |
|---|---|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | | |
| Cash Received from User Departments | $ 1,664,785 | $ 4,173,116 | $ - | $ - | $ 5,837,901 |
| Cash Paid to Suppliers for Goods and Services | (1,367,082) | (5,225,394) | - | - | (6,592,476) |
| Cash Paid to Employees for Services | (78,416) | - | - | - | (78,416) |
| Net Cash from Operating Activities | 219,287 | (1,052,278) | - | - | (832,991) |
| **CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES** | | | | | |
| Cash Paid (to) from Other Funds | - | 700,000 | - | 79,890 | 779,890 |
| Net Cash from Noncapital and Related Financing Activities | - | 700,000 | - | 79,890 | 779,890 |
| **CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES** | | | | | |
| Acquisition and Construction of Capital Assets | (47,277) | - | - | (79,842) | (127,119) |
| Net Cash from Capital and Related Financing Activities | (47,277) | - | - | (79,842) | (127,119) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | | |
| Interest Received | - | - | 867 | - | 867 |
| Net Cash from Investing Activities | - | - | 867 | - | 867 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 172,010 | (352,278) | 867 | 48 | (179,353) |
| Cash and Cash Equivalents, Beginning of the Year | 205,349 | 15,317,429 | 345,368 | - | 15,868,146 |
| Cash and Cash Equivalents, End of the Year | $ 377,359 | $ 14,965,151 | $ 346,235 | $ 48 | $ 15,688,793 |
| **Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities:** | | | | | |
| Operating Income (Loss) | $ 95,585 | $ (1,031,272) | $ - | $ (218,252) | $ (1,153,939) |
| Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities: | | | | | |
| Depreciation | 1,666 | - | - | 218,252 | 219,918 |
| Miscellaneous Income | - | - | - | - | - |
| Changes in Operating Assets and Liabilities: | | | | | |
| (Increase) Decrease in Accounts Receivable | 100,000 | - | - | - | 100,000 |
| (Increase) Decrease in Inventory and Prepaid Items | (33,023) | - | - | - | (33,023) |
| Increase (Decrease) in Accounts Payable | 45,910 | 46,323 | - | - | 92,233 |
| Increase (Decrease) in Accrued Liabilities | (833) | - | - | - | (833) |
| Increase (Decrease) in Compensated Absences Payable | 9,982 | - | - | - | 9,982 |
| Increase (Decrease) in Claims Payable | - | (67,329) | - | - | (67,329) |
| **Net Cash from Operating Activities** | $ 219,287 | $ (1,052,278) | $ - | $ - | $ (832,991) |

# PENSION TRUST FUNDS

# City of West Covina
# Pension Trust Funds
# Year Ended June 30, 2022

## PENSION TRUST FUNDS

Pension Trust Funds are used to account for monies required to be held in trust for the members and beneficiaries of defined benefit pension plans.

***Retirement Enhancement Defined Benefit Pension Trust Fund***
This fund accounts for the assets and activities of the Public Agency Retirement System Enhancement Plan.

***Supplemental Retirement Defined Benefit Pension Trust Fund***
This fund accounts for the assets and activities of the Public Agency Supplemental Retirement Plan.

# City of West Covina
# Combining Statement of Fiduciary Net Position
# Pension Trust Funds
# June 30, 2022

| | Retirement Enhancement Defined Benefit Pension Fund | Supplemental Retired Defined Benefit Pension Fund | Total Pension Trust Funds |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and Investments | $ 72,481 | $ 317,934 | $ 390,415 |
| Total Assets | 72,481 | 317,934 | 390,415 |
| **NET POSITION** | | | |
| Held in Trust for Pension Benefits | $ 72,481 | $ 317,934 | $ 390,415 |

# City of West Covina
## Combining Statement of Changes in Fiduciary Net Position
## Pension Trust Funds
## June 30, 2022

| | Retirement Enhancement Defined Benefit Pension Fund | Supplemental Retired Defined Benefit Pension Fund | Total Pension Trust Funds |
|---|---|---|---|
| **ADDITIONS** | | | |
| Contributions: | | | |
| Employer Contributions | $ 51,428 | $ 80,946 | $ 132,374 |
| Investment Earnings: | | | |
| Interest Income | (8,794) | (44,819) | (53,613) |
| Total Additions | 42,634 | 36,127 | 78,761 |
| **DEDUCTIONS** | | | |
| Administrative Costs | 3,086 | 4,947 | 8,033 |
| Benefit Distributions | 38,080 | 173,697 | 211,777 |
| Total Deductions | 41,166 | 178,644 | 219,810 |
| Net Increase (decrease) in fiduciary net position | 1,468 | (142,517) | (141,049) |
| Net Position, beginning of the year | 71,013 | 460,451 | 531,464 |
| Net Position, end of the year | $ 72,481 | $ 317,934 | $ 390,415 |

# STATISTICAL SECTION

# City of West Covina
# Description of Statistical Section Contents
# June 30, 2022

This part of the City of West Covina's Annual Comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

Contents:


| | Pages |
|---|---|
| Financial Trends these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time | 159 |
| Revenue Capacity these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax | 173 |
| Debt Capacity these schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future | 180 |
| Demographic and Economic Information these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place | 188 |
| Operating Information these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs | 190 |

*CITY OF WEST COVINA*

**Net Position by Component**
**Last Ten Fiscal Years**
**(accrual basis of accounting)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 |
| Governmental activities: | | | | |
| Net investment in capital assets | $164,621,539 | $161,771,546 | $144,215,248 | $148,989,212 |
| Restricted | 46,016,224 | 47,468,277 | 48,793,821 | 56,902,504 |
| Unrestricted | (297,086) | 191,878 | (129,152,694) | (138,162,202) |
| Total governmental activities net pension | $210,340,677 | $209,431,701 | $ 63,856,375 | $ 67,729,514 |
| Business-type activities: | | | | |
| Net investment in capital assets | $ - | $ - | $ - | $ - |
| Restricted | - | - | - | - |
| Unrestricted | (426,769) | 60,922 | 188,045 | (135,676) |
| Total business-type activities net pension | $ (426,769) | $ 60,922 | $ 188,045 | $ (135,676) |
| Primary government: | | | | |
| Net investment in capital assets | $164,621,539 | $161,771,546 | $144,215,248 | $148,989,212 |
| Restricted | 46,016,224 | 47,468,277 | 48,793,821 | 56,902,504 |
| Unrestricted | (723,855) | 252,800 | (128,964,649) | (138,297,878) |
| Total primary government net pension | $209,913,908 | $209,492,623 | $ 64,044,420 | $ 67,593,838 |

Source: City of West Covina Finance Department

**(continued)**

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| $ 153,784,463 | $ 153,940,332 | $ 147,204,908 | $ 140,572,511 | $ 139,507,563 | $ 152,889,130 |
| 50,717,656 | 51,130,936 | 57,782,735 | 65,969,665 | 89,226,135 | 98,381,004 |
| (144,659,629) | (201,951,785) | (207,212,078) | (225,184,697) | (255,200,972) | (240,284,642) |
| $ 59,842,490 | $ 3,119,483 | $ (2,224,435) | $ (18,642,521) | $ (26,467,274) | $ 10,985,492 |
| $ - | $ - | $ - | $ - | $ - | $ - |
| - | - | - | - | - | - |
| (252,336) | (275,010) | (326,385) | (244,119) | 38,329 | 235,307 |
| $ (252,336) | $ (275,010) | $ (326,385) | $ (244,119) | $ 38,329 | $ 235,307 |
| $ 153,784,463 | $ 153,940,332 | $ 147,204,908 | $ 140,572,511 | $ 139,507,563 | $ 152,889,130 |
| 50,717,656 | 51,130,936 | 57,782,735 | 65,969,665 | 89,226,135 | 98,381,004 |
| (144,911,965) | (202,226,795) | (207,538,463) | (225,428,816) | (255,162,643) | (240,049,335) |
| $ 59,590,154 | $ 2,844,473 | $ (2,550,820) | $ (18,886,640) | $ (26,428,945) | $ 11,220,799 |

*CITY OF WEST COVINA*

**Changes in Net Position**
**Last Ten Fiscal Years**
**(accrual basis of accounting)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 |
| Expenses: | | | | |
| Governmental activities: | | | | |
| General government | $ 5,519,153 | $ 7,472,254 | $ 5,676,067 | $ 4,963,302 |
| Public safety | 47,323,516 | 45,443,958 | 49,813,447 | 48,410,511 |
| Public works | 20,372,375 | 21,109,952 | 20,586,770 | 20,259,279 |
| Community services | 6,878,176 | 6,437,040 | 7,035,872 | 7,368,492 |
| Community development | 1,127,924 | 658,082 | 766,886 | 753,721 |
| Interest on long-term debt | 1,652,750 | 1,677,062 | 1,353,156 | 1,572,645 |
| Total governmental activities expenses | 82,873,894 | 82,798,348 | 85,232,198 | 83,327,950 |
| Business-type activities: | | | | |
| Computer enterprise | 1,435,855 | 1,284,419 | 1,427,789 | 1,638,573 |
| Total business-type activities expenses | 1,435,855 | 1,284,419 | 1,427,789 | 1,638,573 |
| Total primary government expenses | 84,309,749 | 84,082,767 | 86,659,987 | 84,966,523 |
| Program revenues: | | | | |
| Governmental activities: | | | | |
| Charges for services: | | | | |
| General government | 548,333 | 486,478 | 885,123 | 400,051 |
| Public safety | 3,018,478 | 3,037,891 | 2,825,831 | 3,170,579 |
| Public works | 7,781,333 | 8,878,122 | 8,278,038 | 8,271,744 |
| Community services | 1,195,612 | 1,180,562 | 1,275,278 | 1,365,482 |
| Community development | 348,112 | 621,352 | 502,621 | 425,013 |
| Operating grants and contributions | 10,344,778 | 11,021,410 | 12,405,742 | 13,317,378 |
| Capital grants and contributions | 597,405 | 4,458,250 | 2,224,864 | 1,004,826 |
| Total governmental activities program revenues | 23,834,051 | 29,684,065 | 28,397,497 | 27,955,073 |
| Business-type activities: | | | | |
| Charges for services: | | | | |
| Computer enterprise | 2,105,421 | 1,873,636 | 1,655,134 | 1,413,114 |
| Total business-type activities program revenues | 2,105,421 | 1,873,636 | 1,655,134 | 1,413,114 |
| Total primary government program revenues | 25,939,472 | 31,557,701 | 30,052,631 | 29,368,187 |

Source: City of West Covina Finance Department

**(continued)**

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| $ 5,775,173 | $ 7,523,129 | $ 7,515,920 | $ 7,781,252 | $ 18,929,254 | $ 3,700,172 |
| 56,169,907 | 67,734,047 | 58,057,784 | 72,653,866 | 62,479,977 | 49,887,239 |
| 21,243,019 | 21,161,586 | 21,625,190 | 23,649,892 | 17,212,496 | 13,508,312 |
| 7,926,410 | 8,926,070 | 9,280,450 | 9,418,860 | 7,675,178 | 12,587,100 |
| 2,190,319 | 1,618,181 | 795,685 | 1,394,131 | 1,568,283 | 1,238,687 |
| 1,575,724 | 1,515,826 | 1,680,335 | 1,874,899 | 8,354,304 | 9,033,455 |
| 94,880,552 | 108,478,839 | 98,955,364 | 116,772,900 | 116,219,492 | 89,954,965 |
| 1,575,066 | 1,305,426 | 1,263,693 | 1,230,639 | 475,672 | 719,911 |
| 1,575,066 | 1,305,426 | 1,263,693 | 1,230,639 | 475,672 | 719,911 |
| 96,455,618 | 109,784,265 | 100,219,057 | 118,003,539 | 116,695,164 | 90,674,876 |
| 546,626 | 814,465 | 829,295 | 369,796 | 312,112 | 617,087 |
| 3,201,495 | 3,610,467 | 3,839,103 | 4,304,075 | 3,718,158 | 4,467,009 |
| 7,714,148 | 8,967,472 | 9,156,370 | 2,034,963 | 4,458,831 | 8,415,913 |
| 1,491,858 | 2,110,943 | 1,903,119 | 2,438,156 | 697,351 | 1,620,427 |
| 416,014 | 264,959 | 465,097 | 6,780,115 | - | - |
| 10,955,031 | 10,285,701 | 12,097,219 | 19,989,920 | 21,764,524 | 29,598,365 |
| 445,980 | 151,966 | 360,872 | 582,023 | 10,621,147 | 17,666,351 |
| 24,771,152 | 26,205,973 | 28,651,075 | 36,499,048 | 41,572,123 | 62,385,152 |
| 1,274,318 | 1,199,162 | 1,099,028 | 1,249,195 | 758,120 | 916,458 |
| 1,274,318 | 1,199,162 | 1,099,028 | 1,249,195 | 758,120 | 916,458 |
| 26,045,470 | 27,405,135 | 29,750,103 | 37,748,243 | 42,330,243 | 63,301,610 |

*CITY OF WEST COVINA*

**Changes in Net Position**
**Last Ten Fiscal Years**
**(accrual basis of accounting)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 |
| Net revenues (expenses): | | | | |
| Governmental activities | $ (58,612,191) | $ (53,114,283) | $ (56,834,701) | $ (55,372,877) |
| Business-type activities | 669,566 | 589,217 | 227,345 | (225,459) |
| net primary government revenues (expenses) | (57,942,625) | (52,525,066) | (56,607,356) | (55,598,336) |
| General revenues and other changes in net position: | | | | |
| Governmental activities: | | | | |
| Taxes: | | | | |
| Property taxes | 20,937,356 | 20,420,020 | 21,156,596 | 22,352,163 |
| Sales tax | 13,307,736 | 14,705,790 | 15,096,101 | 17,228,237 |
| Franchise tax | 3,361,812 | 3,478,532 | 3,635,092 | 3,540,011 |
| Other taxes | 6,265,257 | 7,451,947 | 7,433,106 | 6,485,394 |
| Motor vehicle in lieu, unrestricted | 57,902 | - | - | - |
| Investment income | 185,451 | 695,341 | 660,157 | (566,064) |
| Other general revenues | 7,310,544 | 5,960,967 | 6,999,034 | 4,236,920 |
| Transfers | 101,775 | 101,775 | 101,775 | 101,775 |
| Extraordinary gain (loss) | (19,629,066) | - | - | 9,789,266 |
| Total governmental activities | 31,898,767 | 52,814,372 | 55,081,861 | 63,167,702 |
| Business-type activities: | | | | |
| Investment income | - | - | 1,553 | 3,513 |
| Other revenues | - | - | - | - |
| Transfers | (101,775) | (101,775) | (101,775) | (101,775) |
| Total business-type activities | (101,775) | (101,775) | (100,222) | (98,262) |
| Total primary government | 31,796,992 | 52,712,597 | 54,981,639 | 63,069,440 |
| Changes in net position: | | | | |
| Governmental activities | (26,713,424) | (299,911) | (1,752,840) | 7,794,825 |
| Business-type activities | 568,040 | 487,442 | 127,123 | (323,721) |
| Total primary government change in net position | $ (26,145,384) | $ 187,531 | $ (1,625,717) | $ 7,471,104 |

Source: City of West Covina Finance Department

**(continued)**

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| $ (70,109,400) | $ (82,272,866) | $ (70,304,289) | $ (80,273,852) | $ (74,647,369) | $ (27,569,813) |
| (300,748) | (106,264) | (164,665) | 18,556 | 282,448 | 196,547 |
| (70,410,148) | (82,379,130) | (70,468,954) | (80,255,296) | (74,364,921) | (27,373,266) |
| 23,994,740 | 25,392,860 | 26,365,067 | 27,422,706 | 30,108,110 | 31,348,677 |
| 16,503,563 | 17,449,827 | 17,464,609 | 17,033,647 | 20,858,803 | 23,101,668 |
| 3,698,184 | 4,011,817 | 4,207,765 | 4,445,101 | 4,644,360 | 4,806,348 |
| 6,725,309 | 7,692,437 | 9,158,794 | 5,026,703 | 4,571,270 | 4,721,569 |
| - | - | - | - | - | - |
| 4,452,938 | 559,164 | 2,016,573 | 2,682,794 | 223,485 | (1,082,667) |
| 6,847,642 | 9,256,591 | 5,747,563 | 7,244,815 | 5,520,479 | 2,126,984 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 62,222,376 | 64,362,696 | 64,960,371 | 63,855,766 | 65,926,507 | 65,022,579 |
| 2,070 | 884 | 1,083 | - | - | - |
| 182,018 | 82,706 | 112,207 | 63,710 | - | - |
| - | - | - | - | - | - |
| 184,088 | 83,590 | 113,290 | 63,710 | - | - |
| 62,406,464 | 64,446,286 | 65,073,661 | 63,919,476 | 65,926,507 | 65,022,579 |
| (7,887,024) | (17,910,170) | (5,343,918) | (16,418,086) | (8,720,862) | 37,452,766 |
| (116,660) | (22,674) | (51,375) | 82,266 | 282,448 | 196,547 |
| $ (8,003,684) | $ (17,932,844) | $ (5,395,293) | $ (16,335,820) | $ (8,438,414) | $ 37,649,313 |

*CITY OF WEST COVINA*

**Changes in Net Position**
**Governmental Activities**
**Last Ten Fiscal Years**
**(accrual basis of accounting)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 |
| Expenses: | | | | |
| General government | $ 5,547,949 | $ 7,472,254 | $ 5,676,067 | $ 4,963,302 |
| Public safety | 47,160,347 | 45,443,958 | 49,813,447 | 48,410,511 |
| Public works | 20,465,106 | 21,109,952 | 20,586,770 | 20,259,279 |
| Community services | 6,911,667 | 6,437,040 | 7,035,872 | 7,368,492 |
| Community development | 708,422 | 658,082 | 766,886 | 753,721 |
| Interest on long-term debt | 1,652,751 | 1,677,062 | 1,353,156 | 1,572,645 |
| Total expenses | 82,446,242 | 82,798,348 | 85,232,198 | 83,327,950 |
| Program revenues: | | | | |
| Charges for services: | | | | |
| General government | 548,333 | 486,478 | 885,123 | 400,051 |
| Public safety | 3,018,478 | 3,037,891 | 2,825,831 | 3,170,579 |
| Public works | 7,781,333 | 8,878,122 | 8,278,038 | 8,271,744 |
| Community services | 1,195,612 | 1,180,562 | 1,275,278 | 1,365,482 |
| Community development | 348,112 | 621,352 | 502,621 | 425,013 |
| Operating grants and contributions | 10,344,778 | 11,021,410 | 12,405,742 | 13,317,378 |
| Capital grants and contributions | 597,405 | 4,458,250 | 2,224,864 | 1,004,826 |
| Total program revenues | 23,834,051 | 29,684,065 | 28,397,497 | 27,955,073 |
| Net program revenues (expenses) | (58,612,191) | (53,114,283) | (56,834,701) | (55,372,877) |
| General revenues and other changes in net position: | | | | |
| Taxes: | | | | |
| Property taxes | 20,937,356 | 20,420,020 | 21,156,596 | 22,352,163 |
| Sales tax | 13,307,736 | 14,705,790 | 15,096,101 | 17,228,237 |
| Franchise tax | 3,361,812 | 3,478,532 | 3,635,092 | 3,540,011 |
| Other taxes | 6,265,257 | 7,451,947 | 7,433,106 | 6,485,394 |
| Motor vehicle in lieu, unrestricted | 57,902 | - | - | - |
| Investment income | 185,451 | 695,341 | 660,157 | (566,064) |
| Other general revenues | 7,310,544 | 5,960,967 | 6,999,034 | 4,236,920 |
| Transfers | 101,775 | 101,775 | 101,775 | 101,775 |
| Extraordinary gain (loss) | (19,629,066) | - | - | 9,789,266 |
| Total governmental revenues and other changes | 31,898,767 | 52,814,372 | 55,081,861 | 63,167,702 |
| Changes in net position | $ (26,713,424) | $ (299,911) | $ (1,752,840) | $ 7,794,825 |

Source: City of West Covina Finance Department

**(continued)**

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| $ 5,775,173 | $ 7,523,129 | $ 7,515,920 | $ 7,781,252 | $ 18,929,254 | $ 3,700,172 |
| 56,169,907 | 67,734,047 | 58,057,784 | 72,653,866 | 62,479,977 | 49,887,239 |
| 21,243,019 | 21,161,586 | 21,625,190 | 23,649,892 | 17,212,496 | 13,508,312 |
| 7,926,410 | 8,926,070 | 9,280,450 | 9,418,860 | 7,675,178 | 12,587,100 |
| 2,190,319 | 1,618,181 | 795,685 | 1,394,131 | 1,568,283 | 1,238,687 |
| 1,575,724 | 1,515,826 | 1,680,335 | 1,874,899 | 8,354,304 | 9,033,455 |
| 94,880,552 | 108,478,839 | 98,955,364 | 116,772,900 | 116,219,492 | 89,954,965 |
| 546,626 | 814,465 | 829,295 | 369,796 | 312,112 | 617,087 |
| 3,201,495 | 3,610,467 | 3,839,103 | 4,304,075 | 3,718,158 | 4,467,009 |
| 7,714,148 | 8,967,472 | 9,156,370 | 2,034,963 | 4,458,831 | 8,415,913 |
| 1,491,858 | 2,110,943 | 1,903,119 | 2,438,156 | 697,351 | 1,620,427 |
| 416,014 | 264,959 | 465,097 | 6,780,115 | - | - |
| 10,955,031 | 10,285,701 | 12,097,219 | 19,989,920 | 21,764,524 | 29,598,365 |
| 445,980 | 151,966 | 360,872 | 582,023 | 10,621,147 | 17,666,351 |
| 24,771,152 | 26,205,973 | 28,651,075 | 36,499,048 | 41,572,123 | 62,385,152 |
| (70,109,400) | (82,272,866) | (70,304,289) | (80,273,852) | (74,647,369) | (27,569,813) |
| 23,994,740 | 25,392,860 | 26,365,067 | 27,422,706 | 30,108,110 | 31,348,677 |
| 16,503,563 | 17,449,827 | 17,464,609 | 17,033,647 | 20,858,803 | 23,101,668 |
| 3,698,184 | 4,011,817 | 4,207,765 | 4,445,101 | 4,644,360 | 4,806,348 |
| 6,725,309 | 7,692,437 | 9,158,794 | 5,026,703 | 4,571,270 | 4,721,569 |
| - | - | - | - | - | - |
| 4,452,938 | 559,164 | 2,016,573 | 2,682,794 | 223,485 | (1,082,667) |
| 6,847,642 | 9,256,591 | 5,747,563 | 7,244,815 | 5,520,479 | 2,126,984 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 62,222,376 | 64,362,696 | 64,960,371 | 63,855,766 | 65,926,507 | 65,022,579 |
| $ (7,887,024) | $ (17,910,170) | $ (5,343,918) | $ (16,418,086) | $ (8,720,862) | $ 37,452,766 |

*CITY OF WEST COVINA*

**Changes in Net Position**
**Business-Type Activities**
**Last Ten Fiscal Years**
**(accrual basis of accounting)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 |
| Expenses: | | | | |
| Computer Enterprise | $ 1,435,606 | $ 1,284,419 | $ 1,427,789 | $ 1,638,573 |
| Total expenses | 1,435,606 | 1,284,419 | 1,427,789 | 1,638,573 |
| Program revenues: | | | | |
| Charges for services: | | | | |
| Computer Enterprise | 2,105,421 | 1,873,636 | 1,655,134 | 1,413,114 |
| Total program revenues | 2,105,421 | 1,873,636 | 1,655,134 | 1,413,114 |
| Net revenues (expenses) | 669,815 | 589,217 | 227,345 | (225,459) |
| General revenues and other changes in net position: | | | | |
| Investment income | - | - | 1,553 | 3,513 |
| Other revenues | - | - | - | - |
| Transfers | (101,775) | (101,775) | (101,775) | (101,775) |
| Total general revenues and other changes | (101,775) | (101,775) | (100,222) | (98,262) |
| Changes in net position | $ 568,040 | $ 487,442 | $ 127,123 | $ (323,721) |

Source: City of West Covina Finance Department

**(continued)**

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| $ 1,575,066 | $ 1,305,426 | $ 1,263,693 | $ 1,230,639 | $ 475,672 | $ 719,911 |
| 1,575,066 | 1,305,426 | 1,263,693 | 1,230,639 | 475,672 | 719,911 |
| 1,274,318 | 1,199,162 | 1,099,028 | 1,249,195 | 758,120 | 916,458 |
| 1,274,318 | 1,199,162 | 1,099,028 | 1,249,195 | 758,120.00 | 916,458.00 |
| (300,748) | (106,264) | (164,665) | 18,556 | 282,448.00 | 196,547.00 |
| 2,070 | 884 | 1,083 | - | - | - |
| 182,018 | 82,706 | 112,207 | 63,710 | - | - |
| - | - | - | - | - | - |
| 184,088 | 83,590 | 113,290 | 63,710 | - | - |
| $ (116,660) | $ (22,674) | $ (51,375) | $ 82,266 | $ 282,448 | $ 196,547 |

*CITY OF WEST COVINA*

**Fund Balances of Governmental Funds**
**Last Ten Fiscal Years**
**(modified accrual basis of accounting)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 |
| General Fund: | | | | |
| Nonspendable | $ 6,621,695 | $ 6,595,326 | $ 6,483,924 | $ 7,129,779 |
| Restricted | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | 4,108,967 | 5,687,385 | 20,531,695 | 15,032,610 |
| Total general fund | $ 10,730,662 | $ 12,282,711 | $ 27,015,619 | $ 22,162,389 |
| All other governmental funds: | | | | |
| Nonspendable | $ 6,814,431 | $ 157,500 | $ 151,923 | $ 5,277,203 |
| Restricted | 32,133,653 | 56,225,097 | 59,918,077 | 51,467,448 |
| Assigned | 893,566 | 3,891,565 | 4,930,693 | 5,065,065 |
| Unassigned | (373,264) | (47,867) | (438,708) | (531,412) |
| Total all other governmental funds | $ 39,468,386 | $ 60,226,295 | $ 64,561,985 | $ 61,278,304 |

Source: City of West Covina Finance Department

**(continued)**

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| $ 6,982,268 | $ 9,952,978 | $ 8,976,583 | $ 7,086,958 | $ 4,009,651 | $ 3,380,136 |
| - | - | - | 7,650 | 9,440 | 8,287 |
| - | 320,200 | 320,200 | - | - | - |
| 14,119,078 | 11,979,653 | 9,884,913 | 12,580,716 | 21,468,986 | 20,770,457 |
| $ 21,101,346 | $ 22,252,831 | $ 19,181,696 | $ 19,675,324 | $ 25,488,077 | $ 24,158,880 |
| $ 4,980,450 | $ 110,833 | $ 99,167 | $ 82,420 | $ - | $ 11,989 |
| 45,082,696 | 49,600,866 | 57,840,755 | 64,044,695 | 92,198,163 | 100,732,082 |
| 2,820,665 | 2,004,895 | 1,107,138 | 1,786,815 | 9,687,492 | 6,601,977 |
| (1,100,860) | (710,218) | (692,305) | (1,158,958) | (228,169) | (164,865) |
| $ 51,782,951 | $ 51,006,376 | $ 58,354,755 | $ 64,754,972 | $ 101,657,486 | $ 107,181,183 |

*CITY OF WEST COVINA*

**Changes in Fund Balances of Governmenta**
**Last Ten Fiscal Years**
**(modified accrual basis of accounting)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 |
| Revenues: | | | | |
| Taxes | $ 46,185,045 | $ 48,785,393 | $ 50,918,823 | $ 54,237,649 |
| Special assessments | 5,511,465 | 5,513,535 | 5,595,338 | 5,550,657 |
| Licenses and permits | 1,156,196 | 1,717,153 | 1,419,457 | 1,156,613 |
| Fines and forfeitures | 1,048,819 | 1,036,732 | 959,606 | 796,989 |
| Investment income | 533,388 | 716,472 | 679,844 | (570,132) |
| Rental income | 370,913 | 367,798 | 406,350 | 529,833 |
| Intergovernmental | 9,496,633 | 11,097,551 | 10,769,196 | 11,218,711 |
| Charges for services | 6,124,201 | 6,751,541 | 6,803,615 | 7,731,236 |
| Repayment of notes and loans | 925,235 | 26,148 | - | - |
| Other | 5,105,117 | 6,258,384 | 5,490,327 | 1,487,103 |
| Total revenues | 76,457,012 | 82,270,707 | 83,042,556 | 82,138,659 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 5,205,956 | 7,087,335 | 5,757,334 | 5,103,814 |
| Public safety | 42,688,487 | 43,332,847 | 45,906,138 | 50,962,883 |
| Public works | 16,203,144 | 17,790,042 | 13,724,417 | 15,509,267 |
| Community services | 5,872,485 | 5,399,732 | 5,816,443 | 6,864,180 |
| Community development | 666,255 | 679,007 | 761,896 | 898,714 |
| Debt service: | | | | |
| Principal retirement | 1,773,261 | 1,870,239 | 1,866,947 | 2,027,461 |
| Interest and fiscal charges | 1,659,473 | 1,666,054 | 1,360,370 | 1,574,753 |
| Cost of issuance | - | - | - | - |
| Developer agreement payments | - | - | - | - |
| Total expenditures | 74,069,061 | 77,825,256 | 75,193,545 | 82,941,072 |
| Excess (deficiency) of revenues over (under) expenditures | 2,387,951 | 4,445,451 | 7,849,011 | (802,413) |
| Other financing sources (uses): | | | | |
| Transfers in | 3,639,400 | 3,744,115 | 3,201,793 | 4,831,038 |
| Transfers out | (3,537,625) | (3,642,340) | (3,100,018) | (10,812,296) |
| Acquisition under capital leases | - | - | - | 2,568,446 |
| Issuance of bonds | - | 2,185,000 | - | - |
| Premium of refunding bonds issued | - | - | - | - |
| Payment to refunded bond escrow agent | - | (2,248,061) | - | - |
| Extraordinary gain (loss) | (19,629,066) | - | 11,578,351 | - |
| Total other financing sources (uses) | (19,527,291) | 38,714 | 11,680,126 | (3,412,812) |
| Special Item | | | | |
| Payment towards UAL | - | - | - | - |
| Net change in fund balances | $ (17,139,340) | $ 4,484,165 | $ 19,529,137 | $ (4,215,225) |
| Debt service as a percentage of noncapital expenditures | 5.21% | 5.18% | 4.92% | 4.70% |

Source: City of West Covina Finance Department

**(continued)**

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| $ 55,502,969 | $ 59,255,716 | $ 62,477,442 | $ 62,588,256 | $ 72,496,610 | $ 77,294,614 |
| 5,318,497 | 6,077,861 | 6,347,182 | 6,490,254 | 6,837,731 | 7,040,726 |
| 1,037,389 | 1,089,850 | 1,140,622 | 1,491,744 | 1,528,117 | 2,780,660 |
| 894,618 | 1,290,187 | 1,318,333 | 921,872 | 380,169 | 508,463 |
| 4,448,607 | 551,948 | 2,008,971 | 2,677,045 | (18,511) | (1,311,234) |
| 604,817 | 649,968 | 647,749 | 700,455 | 952,185 | 1,459,129 |
| 10,193,278 | 7,920,178 | 12,581,261 | 15,386,915 | 11,623,792 | 20,743,307 |
| 7,359,139 | 8,681,704 | 7,473,923 | 7,690,819 | 6,376,218 | 10,011,122 |
| - | - | - | - | - | - |
| 2,129,531 | 4,229,895 | 1,142,659 | 3,783,990 | 2,785,758 | 7,140,273 |
| 87,488,845 | 89,747,307 | 95,138,142 | 101,731,350 | 102,962,069 | 125,667,060 |
| | | | | | |
| 6,214,682 | 5,700,461 | 6,828,020 | 6,488,092 | 6,910,013 | 5,047,088 |
| 54,480,972 | 53,087,630 | 58,205,797 | 58,857,571 | 60,290,745 | 59,843,680 |
| 15,328,717 | 17,635,489 | 14,800,936 | 17,262,224 | 15,356,778 | 28,481,999 |
| 10,824,395 | 6,975,178 | 7,290,775 | 7,263,052 | 6,172,738 | 11,085,748 |
| 2,198,881 | 1,182,255 | 1,086,128 | 1,214,558 | 1,568,283 | 1,238,687 |
| 7,931,202 | 1,958,918 | 13,353,918 | 1,833,918 | 2,428,918 | 5,869,299 |
| 1,566,392 | 1,501,956 | 1,691,316 | 1,932,807 | 5,419,621 | 9,063,717 |
| - | - | 389,726 | - | 1,083,165 | - |
| - | - | - | - | - | - |
| 98,545,241 | 88,041,887 | 103,646,616 | 94,852,222 | 99,230,261 | 120,630,218 |
| (11,056,396) | 1,705,420 | (8,508,474) | 6,879,128 | 3,731,808 | 5,036,842 |
| 5,643,232 | 3,902,056 | 149,121 | 1,494,913 | 197,353,567 | 19,667,127 |
| (5,643,232) | (5,232,566) | (9,121) | (1,676,955) | (201,320,249) | (20,509,469) |
| 500,000 | - | - | 196759 | 3,900,000 | - |
| - | - | 24,165,000 | - | 210,697,048 | - |
| - | - | 1,380,718 | - | - | - |
| - | - | (12,900,000) | - | - | - |
| - | - | - | - | - | - |
| 500,000 | (1,330,510) | 12,785,718 | 14,717 | 210,630,366 | (842,342) |
| - | - | - | - | (172,543,016) | - |
| $ (10,556,396) | $ 374,910 | $ 4,277,244 | $ 6,893,845 | $ 41,819,158 | $ 4,194,500 |
| 10.29% | 4.18% | 15.08% | 3.97% | 7.91% | 12.38% |

*CITY OF WEST COVINA*

**Assessed Value and Estimated Actual Value of Taxable Property**
**Last Ten Fiscal Years**
**(in thousands)**

| Fiscal Year Ended June 30 | City | | | | |
|---|---|---|---|---|---|
| | Secured | Non-Unitary | Unsecured | Less: Exemptions | Taxable Assessed Value |
| 2013 | 6,477,468 | - | 10,645 | (93,277) | 6,394,836 |
| 2014 | 6,670,267 | - | 15,080 | (73,615) | 6,611,732 |
| 2015 | 7,116,733 | - | 12,346 | (94,084) | 7,034,995 |
| 2016 | 7,458,200 | - | 14,738 | (95,915) | 7,377,023 |
| 2017 | 7,829,861 | - | 11,212 | (100,253) | 7,740,820 |
| 2018 | 8,229,924 | - | 9,185 | (84,900) | 8,154,209 |
| 2019 | 8,718,033 | - | 10,356 | (101,379) | 8,627,010 |
| 2020 | 9,082,038 | - | 11,724 | (79,629) | 9,014,133 |
| 2021 | 9,458,367 | - | 11,927 | (119,220) | 9,351,074 |
| 2022 | 9,768,205 | - | 11,452 | (111,904) | 9,667,753 |

NOTE:
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 reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price 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.

Source: HdL Coren & Cone, Los Angeles Assessor 2011/2012 - 2020/2021 Combined Tax Rolls

**(continued)**

| Successor Agency (SA) of the former Community Development Commission (CDC) | | | | City and SA | |
|---|---|---|---|---|---|
| Secured | Unsecured | Less: Exemptions | Taxable Assessed Value | Total Taxable Assessed Value | Total Direct Tax Rate |
| 2,429,152 | 160,821 | (152,386) | 2,437,587 | 8,832,423 | 33.456% |
| 2,498,131 | 161,438 | (186,502) | 2,473,067 | 9,084,799 | 14.083% |
| 2,566,170 | 161,710 | (184,907) | 2,542,973 | 9,577,968 | 14.116% |
| 2,795,635 | 162,488 | (189,554) | 2,768,569 | 10,145,592 | 14.138% |
| 3,028,206 | 165,375 | (170,529) | 3,023,052 | 10,763,872 | 14.165% |
| 3,103,316 | 163,326 | (154,330) | 3,112,312 | 11,266,521 | 14.109% |
| 3,305,249 | 167,442 | (168,062) | 3,304,629 | 11,931,639 | 14.221% |
| 3,483,295 | 169,859 | (195,530) | 3,457,624 | 12,471,757 | 14.236% |
| 3,604,156 | 168,578 | (222,612) | 3,550,122 | 12,901,196 | 14.262% |
| 3,688,744 | 167,649 | (209,821) | 3,646,572 | 13,314,325 | 14.280% |

*CITY OF WEST COVINA*

**Direct and Overlapping Property Tax Rates**
**Last Ten Fiscal Years**
**(rate per $100 of assessed value)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 |
| **Basic Levy[1]** | 1.00000 | 1.00000 | 1.00000 | 1.00000 |
| Baldwin Park Unified | 0.16406 | 0.15842 | 0.16519 | 0.16288 |
| Bassett Unified School District | 0.12773 | 0.11632 | 0.11539 | 0.15771 |
| Covina Valley Unified School District | 0.09500 | 0.11472 | 0.11426 | 0.11062 |
| Hacienda-La Puente Unified | 0.06689 | 0.06653 | 0.06432 | 0.06394 |
| Metropolitan Water District | 0.00350 | 0.00350 | 0.00350 | 0.00350 |
| Mt. San Antonio College | 0.02896 | 0.02023 | 0.02129 | 0.02154 |
| Rowland Heights Unified | 0.10053 | 0.12297 | 0.14313 | 0.12426 |
| Rowland Unified | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| Walnut Valley Unified | 0.12554 | 0.11342 | 0.11510 | 0.09285 |
| West Covina Municipal Maint. Dist. | 0.18180 | 0.18310 | 0.18310 | 0.18310 |
| West Covina Unified | 0.04965 | 0.03626 | 0.05412 | 0.04205 |
| **Total Direct & Overlapping[2] Tax Rates** | **1.94365** | **1.93547** | **1.97941** | **1.96245** |
| **City Share of 1% Levy Per Prop 13[3]** | **0.13820** | **0.13820** | **0.13820** | **0.13820** |
| **Redevelopment Rate[4]** | **N/A** | **N/A** | **N/A** | **N/A** |
| **Total Tax Rate[5]** | **0.33456** | **0.14083** | **0.14116** | **0.14138** |

[1] In 1978, California voters passed Proposition 13 which set 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 overlappping 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 figures.

[4] Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(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

[5] Total Direct Rate is the weighted average of all individual direct rates applied to by the government preparing the statistical section information and excludes revenues derived from aircraft taxes. 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 resolved during 2012/13. For the purpose of this report, residual revenue is assumed to be distributed to the City in

Source: Los Angeles County Assessor 2011/12 - 2020/21 Tax Rate Table

**(continued)**

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 |
| 0.10510 | 0.13039 | 0.12402 | 0.13032 | 0.19256 | 0.18029 |
| 0.16781 | 0.17443 | 0.16349 | 0.14196 | 0.14705 | 0.13911 |
| 0.12581 | 0.14205 | 0.13976 | 0.13521 | 0.12658 | 0.12995 |
| 0.06600 | 0.10531 | 0.10706 | 0.08252 | 0.08261 | 0.08511 |
| 0.00350 | 0.00350 | 0.00350 | 0.00350 | 0.00350 | 0.00350 |
| 0.02400 | 0.02371 | 0.02435 | 0.04781 | 0.04459 | 0.04608 |
| 0.12444 | 0.11841 | 0.11861 | 0.10760 | 0.10905 | 0.00000 |
| 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.11128 |
| 0.06601 | 0.07388 | 0.10582 | 0.09538 | 0.09893 | 0.10066 |
| 0.18310 | 0.18310 | 0.18310 | 0.18310 | 0.18480 | 0.18480 |
| 0.04914 | 0.09514 | 0.09795 | 0.08192 | 0.09980 | 0.07968 |
| **1.91492** | **2.04992** | **2.06766** | **2.00932** | **2.08947** | **2.06046** |
| **0.13820** | **0.13820** | **0.13820** | **0.13820** | **0.13820** | **0.13820** |
| **N/A** | **N/A** | **N/A** | **N/A** | **N/A** | **N/A** |
| **0.14165** | **0.14109** | **0.14221** | **0.14236** | **0.14262** | **0.14280** |

**Principal Property Taxpayers**
**Current Year and Nine Years Ago**

| | 2022 | | | 2013 | | |
|---|---|---|---|---|---|---|
| Taxpayer | Taxable Assessed Value | Rank | Percent of Total City Taxable Assessed Value | Taxable Assessed Value | Rank | Percent of Total City Taxable Assessed Value |
| Plaza West Covina LLC | $ 279,285,708 | 1 | 2.10% | $ 208,481,243 | 1 | 2.36% |
| GREF Eastland Center LP | 190,370,987 | 2 | 1.43% | | | |
| Colony at the Lakes | 178,554,874 | 3 | 1.34% | | | |
| 624 South Glendora Avenue Owner LLC | 95,800,000 | 4 | 0.72% | | | |
| Walnut Ridge Apartments LP | 62,580,639 | 5 | 0.47% | 46,522,377 | 5 | 0.53% |
| TPA Nasch LLC | 59,799,944 | 6 | 0.45% | | | |
| Envision WC MB RE LLC | 54,260,256 | 7 | 0.41% | | | |
| Merrill Gardens | 49,035,657 | 8 | 0.37% | | | |
| Citrus Gardens Apartments LP | 47,206,116 | 9 | 0.35% | | | |
| Twelve 31 Partners | 46,478,245 | 10 | 0.35% | | | |
| Cole MT West Covina California LP | | | | 87,727,132 | 2 | 0.99% |
| Hassen Real Estate Partnership | | | | 58,814,373 | 3 | 0.67% |
| Gateway Crescent LLC | | | | 46,800,000 | 4 | 0.53% |
| CP Lafayette PARC LLC | | | | 44,955,888 | 6 | 0.51% |
| Eastland Tower Partnership | | | | 42,603,047 | 7 | 0.48% |
| KW of CV Sunset LLC | | | | 40,107,000 | 8 | 0.45% |
| Legacy Partners Verandas LP | | | | 37,820,154 | 9 | 0.43% |
| Pried XIV Trust | | | | 29,756,545 | 10 | 0.34% |
| Totals | $1,063,372,426 | | 7.99% | $ 643,587,759 | | 7.29% |

Source: HdL Coren & Cone; Los Angeles County Assessor 2012-13 and 2021-22 Combined Tax Rolls and the Non UnitaryTax Roll

*CITY OF WEST COVINA*

**PROPERTY TAX LEVIES AND COLLECTIONS**
**Last Ten Fiscal Years**

| | City | | | | | |
|---|---|---|---|---|---|---|
| Fiscal Year Ended June 30 | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of Levy | | Collections in Subsequent Years | Total Collections to Date | |
| | | Amount | Percent of Levy | | Amount | Percent of Levy |
| 2013 | 9,094,235 | 8,853,013 | 97.35% | (75,056) | 8,777,957 | 96.52% |
| 2014 | 9,119,226 | 9,105,997 | 99.85% | (67,229) | 9,038,768 | 99.12% |
| 2015 | 9,702,185 | 9,491,592 | 97.83% | 34,965 | 9,526,557 | 98.19% |
| 2016 | 10,173,156 | 9,881,520 | 97.13% | 88,647 | 9,970,167 | 98.00% |
| 2017 | 10,671,800 | 10,440,321 | 97.83% | 109,928 | 10,550,250 | 98.86% |
| 2018 | 11,679,354 | 11,040,516 | 94.53% | 267,238 | 11,307,754 | 96.82% |
| 2019 | 12,395,960 | 11,894,401 | 95.95% | 96,641 | 11,991,042 | 96.73% |
| 2020 | 12,607,874 | 11,998,360 | 95.17% | 241,683 | 12,240,043 | 97.08% |
| 2021 | 13,527,500 | 12,917,734 | 95.49% | 91,377 | 13,009,111 | 96.17% |
| 2022 | 13,947,187 | 12,958,850 | 92.91% | 421,937 | 13,380,787 | 95.94% |

Notes:
The amounts presented include City property taxes and Community Development Commission tax increment. This schedule also includes amounts collected by the City and the Community Development Commission that were passed-through to other agencies.

Source: Los Angeles County Auditor Controller's Office - Accounting Division

**(continued)**

| Fiscal Year Ended June 30 | Community Development Commission | | | | | |
|---|---|---|---|---|---|---|
| | Taxes Levied for the Fiscal Year | Collected within the Fiscal Year of Levy | | Collections in Subsequent Years | Total Collections to Date | |
| | | Amount | Percent of Levy | | Amount | Percent of Levy |
| 2013 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2014 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2015 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2016 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2017 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2018 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2019 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2020 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2021 | N/A | N/A | N/A | N/A | N/A | N/A |
| 2022 | N/A | N/A | N/A | N/A | N/A | N/A |

*CITY OF WEST COVINA*

**Ratios of Outstanding Debt by Type**
**Last Ten Fiscal Years**

| | Governmental Activities | | | | Business-Type Activities |
|---|---|---|---|---|---|
| Fiscal Year Ended June 30 | Lease Revenue Bonds | Loans | Capital Lease Obligations | Total Governmental Activities | Total Business-type Activities |
| 2013 | 49,645,000 | 1,658,532 | 957,535 | 52,261,067 | - |
| 2014 | 48,385,000 | 1,512,768 | 773,282 | 50,671,051 | - |
| 2015 | 47,225,000 | 12,941,113 | 216,342 | 60,382,455 | - |
| 2016 | 46,000,000 | 12,208,103 | 2,715,337 | 60,923,440 | - |
| 2017 | 42,570,000 | 10,920,515 | - | 53,490,515 | - |
| 2018 | 41,190,000 | 10,341,597 | - | 51,531,597 | - |
| 2019 | 39,680,000 | 9,762,679 | - | 49,442,679 | - |
| 2020 | 38,425,000 | 9,183,761 | - | 47,608,761 | - |
| 2021 | 241,170,000 | 8,104,843 | 6,602,048 | 255,876,891 | - |
| 2022 | 236,070,000 | 7,525,925 | 6,411,667 | 250,007,592 | - |

Notes:
Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) These ratios are calculated using personal income and population for the prior calendar year.

Source: City of West Covina Finance Department

**(continued)**

| Total Primary Government | Percentage of Personal Income (1) | Debt Per Capita (1) |
|---|---|---|
| 52,261,067 | 1.90% | 487 |
| 50,671,051 | 1.88% | 470 |
| 60,382,455 | 2.28% | 560 |
| 60,923,440 | 2.27% | 565 |
| 53,490,515 | 1.98% | 496 |
| 51,531,597 | 1.88% | 476 |
| 49,442,679 | 1.70% | 457 |
| 47,608,761 | 1.56% | 449 |
| 255,876,891 | 8.06% | 2,423 |
| 250,007,592 | 7.52% | 2,310 |

*CITY OF WEST COVINA*

**Ratio of General Bonded Debt Outstanding**
**Last Ten Fiscal Years**
**(in thousands of dollars, except Per Capita)**

| Fiscal Year Ended June 30 | Lease Revenue Bonds | Total | Percent of Assessed Value(1) | Per Capita |
|---|---|---|---|---|
| 2013 | 49,645 | 49,645 | 0.56% | 463 |
| 2014 | 48,385 | 48,385 | 0.53% | 449 |
| 2015 | 47,225 | 47,225 | 0.49% | 438 |
| 2016 | 46,000 | 46,000 | 0.45% | 426 |
| 2017 | 42,570 | 42,570 | 0.40% | 395 |
| 2018 | 41,190 | 41,190 | 0.37% | 381 |
| 2019 | 39,680 | 39,680 | 0.33% | 367 |
| 2020 | 38,425 | 38,425 | 0.31% | 363 |
| 2021 | 241,170 | 241,170 | 1.87% | 2,284 |
| 2022 | 236,070 | 236,070 | 1.77% | 2,181 |

Notes:
General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

(1) Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

Source: City of West Covina Finance Department and Los Angeles County Assessor's Office

*CITY OF WEST COVINA*

**Direct and Overlapping Debt**
**June 30, 2022**

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable (1) | Estimated Share of Overlapping Debt |
|---|---|---|---|
| **Debt repaid with Property Taxes:** | | | |
| METROPOLITAN WATER DISTRICT | $ 9,835,780 | 0.806 | $ 79,240 |
| MT. SAN ANTONIO CCD DS 2008 SERIES 2013A | 160,803,885 | 12.768 | 20,531,113 |
| MT. SAN ANTONIO CCD DS 2008 SERIES 2013B | 1,620,000 | 12.768 | 206,838 |
| MT. SAN ANTONIO CCD DS 2013 REF SERIES A | 12,320,000 | 12.768 | 1,572,993 |
| MT. SAN ANTONIO CCD DS 2013 REF SERIES B | 14,560,000 | 12.768 | 1,858,991 |
| MT. SAN ANTONIO CCD DS 2008 SERIES 2015C | 3,700,000 | 12.768 | 472,408 |
| MT. SAN ANTONIO CCD DS 2015 REF BONDS | 3,290,000 | 12.768 | 420,061 |
| MT. SAN ANTONIO CCD DS 2018 SERIES 2019A | 265,125,000 | 12.768 | 33,850,621 |
| MT. SAN ANTONIO CCD DS 2020 SERIES A | 59,075,000 | 12.768 | 7,542,576 |
| MT. SAN ANTONIO CCD DS 2008 SERIES 2020D | 120,358,674 | 12.768 | 15,367,151 |
| MT. SAN ANTONIO CCD DS 2008 SERIES 2021E | 289,508,893 | 12.768 | 36,963,907 |
| BALDWIN PARK USD 2002 SERIES 2004 | 4,882,131 | 0.303 | 14,779 |
| BALDWIN PARK USD 2006 SERIES 2013 | 1,989,076 | 0.303 | 6,021 |
| BALDWIN PARK USD 2016 REF BONDS | 57,660,000 | 0.303 | 174,546 |
| BALDWIN PARK USD 2006 SERIES 2019 | 10,895,000 | 0.303 | 32,981 |
| BALDWIN PARK USD 2019 REF BONDS | 32,996,025 | 0.303 | 99,884 |
| BALDWIN PARK USD 2018 SERIES 2020 | 26,800,000 | 0.303 | 81,128 |
| BASSETT USD DS 2006 SER B | 10,185,729 | 0.054 | 5,528 |
| BASSETT USD DS 2014 REF SERIES A | 7,325,000 | 0.054 | 3,975 |
| BASSETT USD DS 2014 REF SERIES B | 4,970,000 | 0.054 | 2,697 |
| BASSETT USD DS 2014 SERIES A | 8,375,000 | 0.054 | 4,545 |
| BASSETT USD DS 2016 REF BONDS | 5,345,000 | 0.054 | 2,901 |
| BASSETT USD DS 2014 SERIES B | 19,530,000 | 0.054 | 10,599 |
| COVINA VALLEY USD DS 2001 SERIES B | 7,226,440 | 31.283 | 2,260,623 |
| COVINA VALLEY USD DS 2012 SERIES A | 3,715,000 | 31.283 | 1,162,151 |
| COVINA VALLEY USD DS 2013 REF BONDS | 4,470,000 | 31.283 | 1,398,335 |
| COVINA VALLEY USD DS 2012 SERIES B | 12,000,000 | 31.283 | 3,753,920 |
| COVINA VALLEY USD DS 2012 SERIES C | 2,130,000 | 31.283 | 666,321 |
| COVINA VALLEY USD DS 2012 SERIES C1 | 15,335,000 | 31.283 | 4,797,197 |
| COVINA VALLEY USD DS 2016 REF BONDS | 28,515,000 | 31.283 | 8,920,252 |
| COVINA VALLEY USD DS 2012 SERIES D | 13,600,000 | 31.283 | 4,254,443 |
| COVINA VALLEY USD DS 2012 SERIES E | 56,580,000 | 31.283 | 17,699,733 |
| COVINA VALLEY USD DS 2019 REF BONDS | 47,850,000 | 31.283 | 14,968,756 |
| HACIENDA-LA PUENTE USD DS 2005 REFUNDING BONDS | 12,725,000 | 1.391 | 176,960 |
| HACIENDA-LA PUENTE USD DS 2007 REFUNDING | 44,590,000 | 1.391 | 620,090 |
| HACIENDA-LA PUENTE USD DS 2016 SERIES 2017A | 57,895,000 | 1.391 | 805,115 |
| ROWLAND HEIGHTS USD DS 2005 REF BONDS | 4,569,606 | 14.542 | 664,511 |
| ROWLAND HEIGHTS USD DS 2006 SERIES D QSCB | 10,575,000 | 14.542 | 1,537,815 |
| ROWLAND HEIGHTS USD DS 2006 SERIES E | 19,830,000 | 14.542 | 2,883,676 |
| ROWLAND HEIGHTS USD DS 2012 SERIES A | 375,000 | 14.542 | 54,532 |
| ROWLAND HEIGHTS USD DS 2013 REF BONDS | 20,030,000 | 14.542 | 2,912,760 |
| ROWLAND HEIGHTS USD DS 2012 SERIES B | 65,999,972 | 14.542 | 9,597,706 |
| ROWLAND HEIGHTS USD DS 2015 REF BONDS | 38,625,000 | 14.542 | 5,616,842 |
| ROWLAND HEIGHTS USD DS 2019 REF BONDS | 10,565,000 | 14.542 | 1,536,361 |
| ROWLAND HEIGHTS USD DS 2020 REF BONDS | 45,110,000 | 14.542 | 6,559,889 |
| WALNUT VALLEY USD DS 2000 SERIES D | 10,067,924 | 0.767 | 77,224 |
| WALNUT VALLEY USD DS 2000 SERIES E | 3,743,269 | 0.767 | 28,712 |
| WALNUT VALLEY USD DS 2007 SERIES B MEAS. S | 9,421,644 | 0.767 | 72,267 |
| WALNUT VALLEY USD DS 2014 REF BONDS SERIES A | 3,260,000 | 0.767 | 25,005 |
| WALNUT VALLEY USD DS 2014 REF BONDS SERIES B | 715,000 | 0.767 | 5,484 |
| WALNUT VALLEY USD DS 2016 REF BONDS | 37,170,000 | 0.767 | 285,105 |
| WALNUT VALLEY USD DS 2016 SERIES A BONDS | 38,440,000 | 0.767 | 294,846 |
| WALNUT VALLEY USD DS 2019 REF BONDS | 25,110,000 | 0.767 | 192,601 |
| WALNUT VALLEY USD DS 2016 SERIES B BONDS | 106,615,000 | 0.767 | 817,769 |
| WEST COVINA USD 2002 REFUNDING SERIES A | 7,110,000 | 95.573 | 6,795,272 |
| WEST COVINA USD DS 2012 REF BONDS | 7,890,000 | 95.573 | 7,540,745 |
| WEST COVINA USD DS 2016 SERIES A | 99,125,000 | 95.573 | 94,737,174 |
| Sub Total Overlapping Debt | | | 323,025,675 |
| City of West Covina Direct Debt - Lease Revenue Bonds | | | 249,274,843 |
| Total Direct and Overlapping Debt | | | $ 572,300,518 |

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Glendora. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and, therefore, responsible for the debt, for each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the County's taxable assessed value that is within the government's boundaries and dividing it by the County's total taxable assessed value.

Source: HdL Coren & Cone, Los Angeles, County Assessor and Auditor Combined 2020-21 Lien Date Tax Rolls

*CITY OF WEST COVINA*

**Legal Debt Margin Information**
**Last Ten Fiscal Years**
**(in thousands of dollars)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | 2013 | 2014 | 2015 | 2016 |
| Assessed valuation | $ 6,394,836 | $ 6,611,732 | $ 7,034,995 | $ 7,377,023 |
| Conversion percentage | 25% | 25% | 25% | 25% |
| Adjusted assessed valuation | 1,598,709 | 1,652,933 | 1,758,749 | 1,844,256 |
| Debt limit percentage | 15% | 15% | 15% | 15% |
| Debt limit | 239,806 | 247,940 | 263,812 | 276,638.36 |
| Total net debt applicable to limitation | - | - | - | - |
| Legal debt margin | $ 239,806 | $ 247,940 | $ 263,812 | $ 276,638 |
| Total debt applicable to the limit as a percentage of debt limit | 0.0% | 0.0% | 0.0% | 0.0% |

The Government Code of the State of California provides for a legal debt margin of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). Although the statutory debt limit has not been amended by the State since this change, the percentages presented in the above computations have been proprtionately modified to 3.75% (25% of 15%) for the purpose of this calculation in order to be consistent with the computational effect of the debt limit at the time of the state's establishment of the limit.

Source: City of West Covina Finance Department
Los Angeles County Tax Assessor's Office

**(continued)**

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| $ 7,740,820 | $ 8,154,209 | $ 8,627,010 | $ 9,014,133 | $ 9,351,074 | $ 9,667,753 |
| 25% | 25% | 25% | 25% | 25% | 25% |
| 1,935,205 | 2,038,552 | 2,156,753 | 2,253,533 | 2,337,769 | 2,416,938 |
| 15% | 15% | 15% | 15% | 15% | 15% |
| 290,280.75 | 305,782.84 | 323,512.88 | 338,029.99 | 350,665.28 | 362,540.74 |
| - | - | - | - | - | - |
| $ 290,281 | $ 305,783 | $ 323,513 | $ 338,030 | $ 350,665 | $ 362,541 |
| 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

*CITY OF WEST COVINA*

**Pledged Revenue Coverage**
**Last Ten Fiscal Years**
**(In thousands of dollars)**

| Fiscal Year Ended June 30 | Lease Revenue Bonds and Certificates of Participation | | | |
|---|---|---|---|---|
| | | Debt Service | | |
| | Revenue | Principal | Interest | Coverage |
| 2013 | 53,006 | 1,605 | 1,272 | 18.42 |
| 2014 | 54,753 | 1,715 | 1,249 | 18.47 |
| 2015 | 57,588 | 1,655 | 891 | 22.62 |
| 2016 | 58,133 | 1,900 | 1,121 | 19.24 |
| 2017 | 64,372 | 4,005 | 1,185 | 12.40 |
| 2018 | 67,196 | 2,005 | 1,306 | 20.29 |
| 2019 | 65,426 | 1,255 | 1,918 | 20.62 |
| 2020 | 70,935 | 1,255 | 1,918 | 22.36 |
| 2021 | 72,992 | 1,350 | 1,859 | 22.75 |
| 2022 | 81,019 | 5,100 | 8,845 | 5.81 |

| Fiscal Year Ended June 30 | Tax Allocation Bonds | | | |
|---|---|---|---|---|
| | | Debt Service | | |
| | Tax Increment | Principal | Interest | Coverage |
| 2013 | 12,152 | 1,305 | 1,030 | 5.20 |
| 2014 | 8,675 | 1,358 | 978 | 3.71 |
| 2015 | 9,260 | 1,420 | 920 | 3.96 |
| 2016 | 15,110 | 1,480 | 853 | 6.48 |
| 2017 | 9,365 | 19,005 | 802 | 0.47 |
| 2018 | 9,040 | 1,480 | 455 | 4.67 |
| 2019 | 11,169 | 1,765 | 406 | 5.14 |
| 2020 | 8,190 | 1,820 | 361 | 3.76 |
| 2021 | 6,775 | 1,865 | 306 | 3.12 |
| 2022 | 5,427 | 1,615 | 253 | 2.91 |

Note: Details regarding the city's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

Source: City of West Covina Finance Department

**(continued)**

| Fiscal Year Ended June 30 | Assessment District Bond | | | | | |
|---|---|---|---|---|---|---|
| | Revenue | Less Operating Expenses | Net Available Revenue | Debt Service | | |
| | | | | Principal | Interest | Coverage |
| 2013 | 5,569 | 1,027 | 4,542 | 1,770 | 2,004 | 1.20 |
| 2014 | 5,740 | 767 | 4,973 | 2,055 | 1,890 | 1.26 |
| 2015 | 3,305 | 1,457 | 1,848 | 2,340 | 1,758 | 0.45 |
| 2016 | 6,911 | 1,429 | 5,482 | 2,940 | 2,124 | 1.08 |
| 2017 | 4,596 | 2,536 | 2,060 | 2,745 | 1,365 | 0.50 |
| 2018 | 4,431 | 2,536 | 1,895 | 3,000 | 1,429 | 0.43 |
| 2019 | 5,304 | 929 | 4,375 | 3,250 | 1,004 | 1.03 |
| 2020 | 3,999 | 3,365 | 634 | 3,495 | 1,120 | 0.14 |
| 2021 | 5,627 | 3,916 | 1,711 | 3,735 | 650 | 0.39 |
| 2022 | 3,879 | 4,347 | (468) | 4,055 | 416 | (0.10) |

**Demographic and Economic Statistics**
**Last Ten Calendar Years**

| Calendar Year | Population | Personal Income (in thousands) | Per Capita Personal Income | Annual Unemployment Rate |
|---|---|---|---|---|
| 2012 | 107,248 | 2,751,555 | 25,656 | 8.2% |
| 2013 | 107,828 | 2,698,504 | 25,026 | 6.7% |
| 2014 | 107,879 | 2,653,176 | 24,594 | 10.1% |
| 2015 | 107,873 | 2,680,000 | 24,844 | 8.2% |
| 2016 | 107,813 | 2,705,736 | 25,096 | 6.4% |
| 2017 | 108,245 | 2,737,892 | 25,293 | 5.2% |
| 2018 | 108,116 | 2,916,516 | 26,975 | 4.6% |
| 2019 | 105,999 | 3,053,619 | 28,807 | 4.4% |
| 2020 | 105,593 | 3,173,022 | 30,050 | 13.1% |
| 2021 | 108,243 | 3,324,204 | 30,710 | 9.2% |

Sources: HdL Coren & Cone, California State Department of Finance, and California Employment

*CITY OF WEST COVINA*

**Principal Employers**
**Current Year and Nine Years Ago**

| | 2022 | | | 2013 | | |
|---|---|---|---|---|---|---|
| Employer | Number of Employees | Rank | Percent of Total Employment | Number of Employees | Rank | Percent of Total Employment |
| Queen of the Valley Campus | 1,464 | 1 | 3.03% | 1,484 | 1 | 2.90% |
| WC Unified School District | 1,398 | 2 | 2.89% | 1,194 | 2 | 2.34% |
| Target Store #T1028 & #T2147 | 455 | 3 | 0.94% | 437 | 3 | 0.86% |
| City of West Covina | 372 | 4 | 0.77% | 397 | 4 | 0.78% |
| Merakey Allos | 335 | 5 | 0.69% | | | |
| Porto's Bakery | 298 | 6 | 0.62% | | | |
| Walmart Store #5954 | 249 | 7 | 0.52% | 301 | 5 | 0.59% |
| Interspace/Concorde Battery Corporation | 231 | 8 | 0.48% | | | |
| The Home Depot | 198 | 9 | 0.41% | | | |
| JC Penney Corp Inc. #1505-7 | 165 | 10 | 0.34% | | | |
| Macy's | | | | 299 | 6 | 0.59% |
| Interspace/Concorde Battery | | | | 252 | 7 | 0.49% |
| SGV Newspaper Group | | | | 225 | 8 | 0.44% |
| East Valley Comm. Health Center | | | | 200 | 9 | 0.39% |
| B.J.'s Restaurant & Brewery | | | | 187 | 10 | 0.37% |
| Totals | 5,165 | | 10.69% | 4,976 | | 9.75% |

Note: "Total Employment" as used above represents the total employment of all employers located within City limits.

Source: Labor Market Info, EDD, State of California
HdL Coren & Cone

*CITY OF WEST COVINA*

**Full-time and Part-time City Employees by Function**
**Last Ten Fiscal Years**

| | Fiscal Year | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Function | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| General government | 31 | 31 | 31 | 32 | 42 | 46 | 36 | 32 | 38 | 48 |
| Public safety | 253 | 244 | 268 | 268 | 282 | 259 | 238 | 237 | 259 | 242 |
| Public works | 64 | 69 | 71 | 71 | 75 | 56 | 44 | - | - | - |
| Public Services | - | - | - | - | - | - | - | 25 | 32 | 41 |
| Community services | 41 | 42 | 41 | 41 | 87 | 64 | 64 | 27 | 22 | 22 |
| Community development | 7 | 2 | 2 | 2 | 1 | 1 | 3 | 12 | 13 | 19 |
| Total | 396 | 389 | 413 | 414 | 487 | 426 | 385 | 333 | 364 | 372 |

Source: City of West Covina Finance Department

*CITY OF WEST COVINA*

**Operating Indicators by Function**
**Last Ten Fiscal Years**

| Function/Program | Fiscal Year 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|
| Public Safety: | | | | |
| Police: | | | | |
| Total arrests | 2,755 | 2,537 | 2,544 | 2,624 |
| Calls for police service (1) | 65,554 | 69,874 | 71,098 | 72,368 |
| Graffiti sites cleaned | 19,910 | 20,014 | 16,156 | N/A |
| Fire: | | | | |
| Emergency responses | 7,871 | 7,990 | 8,555 | 9,494 |
| Fire inspections | 837 | 749 | 717 | 778 |
| Public Services: | | | | |
| Building permits issued | 3,882 | 2,925 | 3,617 | 5,038 |
| Graffiti sites cleaned (2) | N/A | N/A | N/A | 13,964 |
| Community Services: | | | | |
| Recreation class registrations (3) | 6,027 | 6,283 | 6,487 | 7,129 |

Note:
(1) Calls received that generated an incident number but not necessarily a police response.

(2) Due to department restructuring, the responsibility for graffiti abatement was absorbed by the Police Department starting fiscal year 2008-2009 and by Public Works starting fiscal year 2015-2016.
(3) The increase in recreation class registrations in FY18 relates to inclusions of daycare classes.
(4) The decrease in recreation class registrations in FY20 relates to COVID restrictions.

Source: City of West Covina Finance Department

**(continued)**

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| 2,818 | 3,080 | 2,538 | 2,037 | 1,266 | 1,266 |
| 74,898 | 84,850 | 73,713 | 68,605 | 61,353 | 61,353 |
| N/A | N/A | N/A | N/A | N/A | N/A |
| 9,353 | 9,383 | 9,289 | 8,944 | 9,405 | 10,286 |
| 816 | 805 | 1,009 | 920 | 964 | 1,079 |
| 1,547 | 1,399 | 2,938 | 3,022 | 3,701 | 4,941 |
| 6,694 | 2,391 | 3,077 | 3,140 | 2,632 | 4,363 |
| 7,500 | 17,902 | 26,482 | 8,075 | 65 | 3,533 |

**Capital Asset Statistics by Function/Program**
**Last Ten Fiscal Years**

| Function | Fiscal Year 2013 | 2014 | 2015 | 2016 |
|---|---|---|---|---|
| Public Safety: | | | | |
| Police: | | | | |
| Stations | 1 | 1 | 1 | 1 |
| Fire: | | | | |
| Stations | 5 | 5 | 5 | 5 |
| Public works: | | | | |
| Streets (miles) | 231.0 | 231.0 | 231.0 | 240.3 |
| Streetlight poles | 826 | 826 | 826 | 826 |
| Streelight fixtures | 1,109 | 1,109 | 1,109 | 1,109 |
| Traffic signals | 117 | 117 | 114 | 114 |
| Parks and recreation: | | | | |
| Sports Complex | 1 | 1 | 1 | 1 |
| Parks | 16 | 16 | 16 | 16 |
| Community centers | 4 | 4 | 4 | 4 |
| Wastewater: | | | | |
| Sanitary sewers (miles) | 238.9 | 238.9 | 238.9 | 238.9 |
| Storm sewers (miles) | 42.0 | 42.0 | 42.0 | 42.0 |

Source: City of West Covina

**(continued)**

| Fiscal Year | | | | | |
|---|---|---|---|---|---|
| 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 5 | 5 | 5 | 5 | 5 | 5 |
| 240.3 | 240.3 | 240.3 | 240.3 | 240.3 | 240.3 |
| 674 | 674 | 674 | 674 | 674 | 674 |
| 420 | 420 | 420 | 420 | 420 | 420 |
| 97 | 97 | 97 | 97 | 97 | 97 |
| 1 | 1 | 1 | 1 | 1 | 1 |
| 16 | 16 | 16 | 16 | 16 | 16 |
| 4 | 4 | 4 | 4 | 4 | 4 |
| 227.0 | 227.0 | 227.0 | 227.0 | 227.0 | 227.0 |
| 26.0 | 26.0 | 26.0 | 26.0 | 26.0 | 26.0 |

Van Lant & Fankhanel, LLP
Certified Public Accountants

**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

City Council
City of West Covina
West Covina, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the City of West Covina (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, and have issued our report thereon dated December 22, 2022.

**Report on Internal Control Over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did

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Murrieta, CA 92563
909.856.6879

not identify any deficiencies in internal control that we consider to be weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

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

**Purpose of this Report**

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

Van Lant & Fankhanel, LLP

December 22, 2022

Van Lant & Fankhanel, LLP
Certified Public Accountants

December 22, 2022

City Council
City of West Covina
West Covina, CA

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of West Covina for the year ended June 30, 2022. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards,* and Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 13, 2022. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year, except for the implementation of GASB Statement No. 87, *Leases*. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

> Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements as a whole.

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Murrieta, CA 92563
909.856.6879

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life. We evaluated key factors and assumptions used to develop the estimated useful lives in determining that they are reasonable in relation to the financial statements as a whole.

Management's estimate of the net pension and net OPEB liabilities/(assets) are based on actuarial information provided by the California Public Employee Retirement System's (CalPERS) actuarial office, and other sources. We evaluated the key factors and assumptions used to develop these liabilities in determining that the estimated liabilities/(assets) are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the fair value of investments in Note 2 to the financial statements represents amounts susceptible to market fluctuation.

The disclosure of accumulated depreciation in Note 7 to the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

The disclosures for the net OPEB and net pension liabilities/(assets) in Notes 14, 15 and 17 to the financial statements are based on assumptions for discount rates, etc., which could differ from actual experience. The notes disclose the differences in these liabilities/(assets) if different assumptions are used in estimating these liabilities/(assets).

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

*Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The following material misstatements detected as a result of audit procedures were corrected by management:

(1) Adjustments were made to adjust accounts receivable and interest receivable at year-end.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated December 22, 2022.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis and the schedules listed as required supplementary information in the table of contents, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the supplementary information as listed in the table of contents, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory sections, which accompanies the financial statements but is not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restrictions on Use

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

Very truly yours,

Van Lant & Fankhanel, LLP

Attachment No. 4

# Community Financial Report

# 2021 - 2022

This report provides a snapshot of the City's financial information, for Fiscal Year (FY) ending June 30, 2022 presented in a user-friendly format. For additional detail, please see the City's complete Annual Comprehensive Financial Report for fiscal year ending June 30, 2022 available at www.westcovina.org.

# City Overview

## CITY COUNCIL

Dario Castellanos, Mayor
Rosario Diaz, Mayor Pro Tem
Brian Tabatabai
Letty Lopez-Viado
Tony Wu

## ELECTED OFFICIALS

Nickolas S. Lewis, City Clerk
Colleen B. Rozatti, City Treasurer

## CITY MANAGER

David N. Carmany

## EXECUTIVE MANAGEMENT TEAM

Paulina Morales, Assistant City Manager/Community Development Director
Roxanne Lerma, Assistant City Manager/Public Services Director
Thomas P. Duarte, City Attorney
Lisa Sherrick, Assistant City Clerk
Stephanie Sikkema, Finance Director
Vincent Capelle, Fire Chief
Helen Tran, Human Resources Director
Richard Bell, Police Chief

## West Covina

The City of West Covina is located in the San Gabriel Valley, 20 miles east of downtown Los Angeles and 15 miles north of Orange County. Incorporated as a general law city in 1923, the City's 16 square miles flourished with walnut groves and orange groves for many decades.

| Population | Personal Income | Unemployment Rate |
|---|---|---|
| **108K** | **30.7K** | **9.2%** |
| 2021 | 2021 Per Capita | 2021 Annual |

*This report is informational in nature and does not constitute a financial statement as defined by Generally Accepted Accounting Principles. The data presented is taken directly from the audited Annual Comprehensive Financial Report (ACFR) for fiscal year ending June 30, 2022.*

Attachment No. 4

# Statement of Net Position

The City's total (Governmental and Business-type activities) net position increased $37.6 million from the prior year. This is mostly due to a decrease in long-term debt related to the net pension liability of $196.1 million plus an increase in the net pension asset of $65.7 million. In the prior year, there was an issuance of Lease Revenue Bonds. The decrease to debt is offset with a decrease to Deferred Outflows relating to pension and Other Postemployment Benefits liabilities of $185.2 million. Additionally, there is an increase in capital assets of $11.7 million as the City is investing into needed upgrades to the infrastructure.

*The City's net position may serve as a useful indicator of the government's financial position over time.*

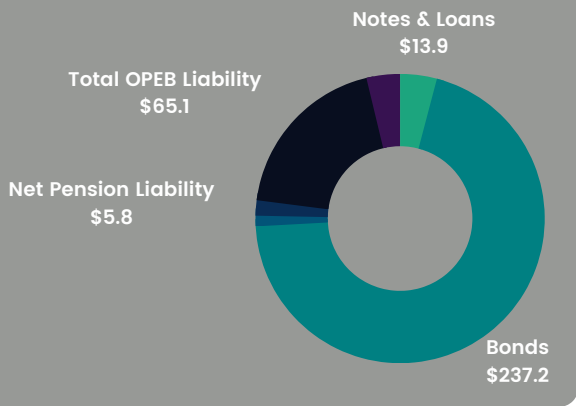
| | 2022 | 2021 |
|---|---|---|
| Assets | $444.71M | $347.34M |
| + Deferred Outflows | $21.86M | $206.94M |
| − Liabilities | $367.83M | $573.93M |
| − Deferred Inflows | $87.42M | $6.77M |
| = Total Net Position | $11.22M | -$26.42M |

**Assets increased by 28% ($97M)**

44% Capital

**Capital Assets make up 44%**

**Liabilities Decreased by over 35% or 206M**

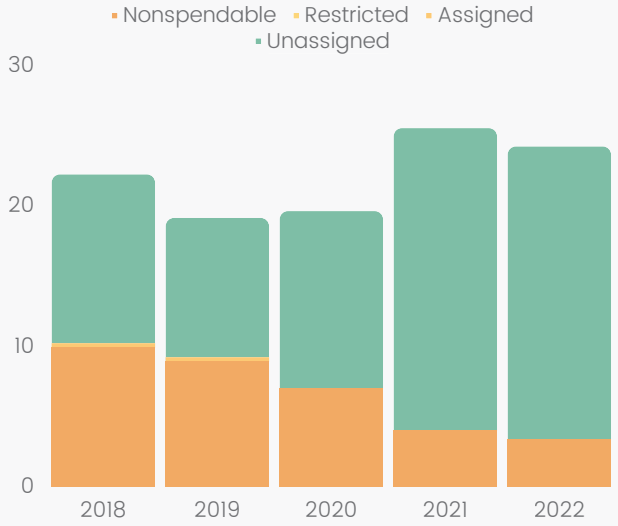



**The City's Net position increased by 142% ($37M) from FY 2020-21**

# General Fund

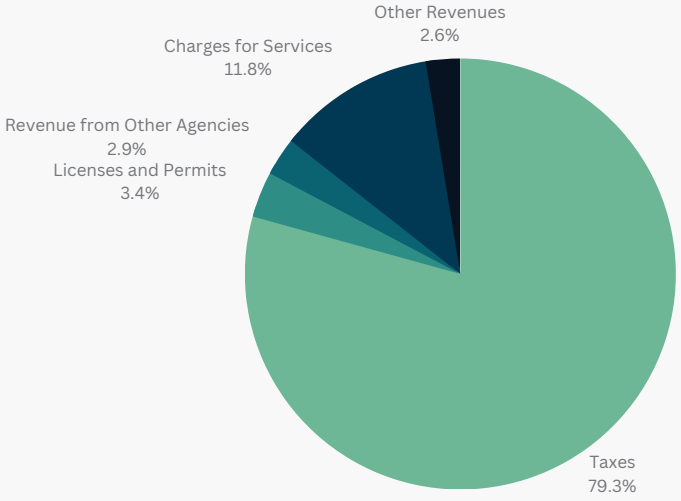
The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was $20.8 million, while total fund balance was $24.2 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 33.5% of total general fund expenditures, while total fund balance represents 39.0% of that same amount. The non-spendable portion of fund balance in the amount of $3.4 million mainly consists of Land Held for Resale in the amount of $3.0 million.

Changes in General Fund Fund Balance by Fiscal Year (Millions)

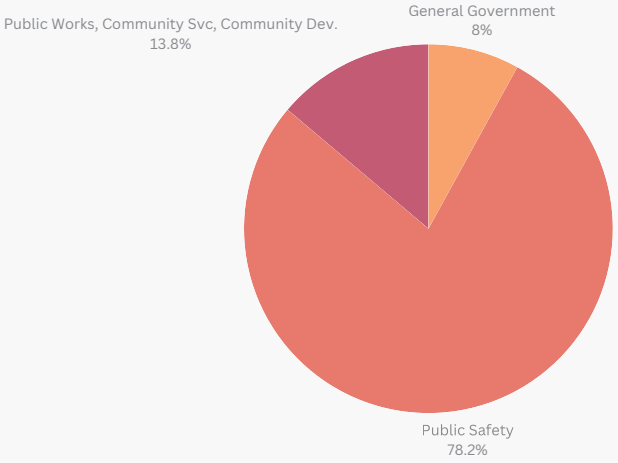



| | |
|---|---|
| Beginning Fund Balance | $25.5M |
| Revenue Less Expenditures | + $19.1M |
| Net Transfers | - $20.4 |
| Ending Fund Balance | = $24.2M |

## Revenue
$81.0 Million




## Expenditures
$61.9 Million



# AGENDA STAFF REPORT

**City of West Covina | Office of the City Manager**

**DATE:** January 17, 2023

**TO:** Mayor and City Council

**FROM:** David Carmany
City Manager

**SUBJECT: CONSIDERATION OF UPGRADE TO MICROWAVE SYSTEM INFRASTRUCTURE**

## RECOMMENDATION:

It is recommended that the City Council:

1. Authorize the City Manager to issue a Purchase Order in the amount of $1,017,589.00 to Microwave Networks Inc. to upgrade the City's microwave infrastructure;
2. Authorize the City Manager to execute any agreements and documents necessary to upgrade the City's microwave infrastructure, in such form as approved by the City Attorney; and
3. Authorize the City Manager to execute any amendments to the Purchase Order or any agreements entered into in connection with the upgrade of the microwave infrastructure, provided that the total cost for the upgrade does not exceed $1,100,000.00.

## BACKGROUND:

The City's current microwave system is a point-to-point microwave data link used to transport TCP/IP network data throughout the City's public safety communications network infrastructure. The microwave system is the key physical means by which all network data is transported throughout the City's network infrastructure. The West Covina Fire Department uses this network infrastructure in Fire Stations 2, 3, 4, and 5, for telephones, computers, and 911 dispatched calls. Other critical City facilities like City Hall, Cameron Park, Senior Center, PalmView Park, Vine Daycare, Sportsplex, Industry Hills and the radio tower on City property adjacent to the former BKK landfill use this IP-based point-to-point microwave network for their telephones and computer connectivity.

The current microwave network equipment is quite antiquated and beyond its normal service life. Purchased and installed in 1990, then modified in the early 2000s, the current equipment is no longer manufactured by vendors and repairs are only on a "best effort" basis. If there are failures with this equipment, it is not guaranteed it will be repaired. Additionally, there is no certainty of when replacement equipment or parts will be available, if at all. This puts the City's public safety communications network in a vulnerable position if there are system failures.

The City's current in-service microwave equipment, Harris Stratex Truepoint 5000, has not been manufactured for over a decade. This equipment has passed its normal service life. Failures of this equipment are becoming more and more frequent. Numerous repair shops across the United States have reported that key parts required to repair the Truepoint 5000 are no longer available. In the City's efforts to find used replacement parts, there is limited availability of used equipment, and what is

available is expensive. All replacement parts are sold "as is" and without extended warranty. As there is no way to repair this equipment, replacement quality and availability are degrading.

Another critical issue is the Harris Stratex Truepoint 5000 data capacity. Currently, the system is operating at its maximum data carrying capacity. This capacity was established 15 years ago. With the increase in cloud-based applications and use of data sharing, the data capacity from 15 years ago is no longer sufficient for the City. In addition, as current City efforts include upgrading both accounting and permitting software systems, ensuring a reliable infrastructure is necessary. The system upgrade will allow the City to address future technology needs for the City's data and communication needs.

Because of these issues, it is highly recommended to replace the City's microwave equipment and upgrade network infrastructure, to maintain reliable data services for public safety communications.

Existing Licensed and Unlicensed Microwave Network Infrastructure Locations:

1. City Hall
2. Industry Hills
3. Radio Tower on city property adjacent to the former BKK landfill
4. Fire Station 2
5. Fire Station 3
6. Fire Station 4
7. Fire Station 5
8. Cameron Park
9. Senior Center
10. Palmview Park
11. Vine Daycare
12. Sportsplex

**DISCUSSION:**

A quote and scope of work (Attachment No. 1) was provided by Microwave Networks Inc. utilizing the NASPO ValuePoint Cooperative Purchasing Master Agreement No. 00318 between the State of Washington and Microwave Networks Inc. which is valid until December 31, 2026. A topography and path engineering report has been completed and provided by the vendor showing all 12 microwave backhaul path calculations are setup to meet or exceed industry standard two-way availability of 99.99% connectivity.

The work required for this project needs to be scalable depending upon the needs of the City and its existing microwave system locations being upgraded to industry standards. Overall, Microwave Networks Inc. has provided the scope of work for this project, including an itemized quote for all the equipment being upgraded at each of the 12 microwave network locations.

A cooperative purchasing agreement with Microwave Networks Inc. has been awarded by the State of Washington for the specified goods and services needed. Pursuant to West Covina Municipal Code (WCMC) section 2-335(f), purchases made through cooperative purchasing agreements or programs are exempt from the City's formal competitive bidding requirements, provided that: (1) the Purchasing Officer determines the purchase is in the best interest of the City; (2) the Purchasing Officer determines the purchase is to the City's economic advantage; and (3) the agreement was competitively awarded using a process that complies with policies, rules, and regulations as approved by the Purchasing Officer. The Purchasing Officer has reviewed the NASPO ValuePoint Cooperative Purchasing Master Agreement and determined that all requirements of WCMC section 2-335(f) have been met.

**LEGAL REVIEW:**

The City Attorney's Office will review and approve any agreements and documents as to form prior to execution.

**Prepared by:** Will Trujillo / IT Manager

## Fiscal Impact

**FISCAL IMPACT:**

The total quote and scope of work provided by Microwave Networks Inc. for the Microwave Upgrade is $1,017,589.00.

This project was included in the Capital Improvement Program (CIP) under the Microwave System Infrastructure project (Project No. 22013), which has an available balance of $1,000,000. Funding for the variance is available from another IT project within the Capital Improvement Program to remove a communication tower (Project No. 22018). Funding for the removal of the communications tower is no longer needed. Therefore, staff proposes reallocating the budget of $100,000 to Project No. 22013 to accommodate the overage and any other associated expenses that may arise with the project. Funding for the Microwave System Infrastructure (Project No. 22013) is proposed as follows:

| Project No. | Fund | Account No. | Current FY2022-23 Budget | Proposed Transfer | Amended FY2022-23 Budget |
|---|---|---|---|---|---|
| 22018 | Fund 179, ARPA Local Fiscal Recovery Funds | 179.80.7003.7900 | 100,000 | -100,000 | 0 |
| 22013 | Fund 179, ARPA Local Fiscal Recovery Funds | 179.80.7003.7900 | 1,000,000 | 100,000 | 1,100,000 |
| | | **Total** | **1,100,000** | **0** | **1,100,000** |

Resolution No. 2022-53 authorizes appropriations to be reallocated from one activity account to another provided there is no change in the scope of service delivery level or increase in the appropriation as approved by the City Council. Since this transfer is within the same fund and is not changing the service delivery level or increasing appropriations, a resolution amending the budget is not necessary. If the purchase is approved, an internal budget transfer will be processed.

## Attachments

Attachment No. 1 - Microwave Networks Quote and Scope of Work

**CITY COUNCIL GOALS & OBJECTIVES:** Protect Public Safety
Enhance City Image and Effectiveness
A Well-Planned Community

# Attachment No. 1

4000 Greenbriar Stafford, TX 77477
Ph.: 281-263-6500; Fx: 281-263-6406
Sales Contact: Itai Farchi
System Engineer: SLR3
Quote: IF20812-50
Date: 11/21/2022
Currency: US Dollars

Customer: City of West Covina - NASPO ValuePoi
Contact: William Trujillo
Location: West Covina, CA
Freight Terms FOB
Validity: 90 Days
Delivery: 90-120 Days ARO w/Freqs
Payment Terms: Per Contract

PRICE AND MATERIAL LIST

| Item | Description | Includes Items | Extended Cost |
|---|---|---|---|
| 1.00 | Radio equipment | Includes items 1.01-1.31 | $403,159 |
| 2.00 | Antenna System | Includes items 2.01-2.43 | $122,410 |
| 3.00 | DC Power System | Includes items 3.01-3.02 | $18,686 |
| 4.00 | Battery System | Includes items 4.01-4.04 | $15,902 |
| 5.00 | HPE Aruba Switches | Includes items 5.01-5.02 | $155,634 |
| 6.00 | SPARCS - SNMP Network Management System | Includes items 6.01-6.06 | $26,936 |
| 7.00 | Spares | Includes items 7.01-7.03 | $48,128 |
| 8.00 | MNI Services | Includes items 8.01-8.07 | $505,743 |
| 9.00 | Bronze LSS | Includes items 8.01-8.03 | $0 |
| 10.00 | Freight | | $33,584 |
| **Sub Total:** | | | **$1,330,182** |
| **One Time Management Concession** | | | **($312,593)** |
| **Grand Total:** | | | **$1,017,589** |

*Notes:*

*All other terms and conditions as per Microwave Networks Inc. (MNI) Standard Terms and Conditions of Trade.*

*Pricing shown is contingent upon purchase of entire quoted bill of materials and services.*

*Additional charges may be applied if a particular component, brand, service, or installation partner is required by the customer.*

*Microwave Networks reserves the right to replace 3rd party products with alternative equipment of similar or superior function and quality.*

*Warranty on all 3rd party products is the original manufacturer's warranty or 1 year.*

*Final antenna type is subject to change based on PCN results.*

*Legacy and EOL equipment availability is limited and requirements for such may be filled by refurbished equipment on a case-by-case basis per customer approval.*

*Quote validity as shown on the quote may change due to factors that are outside of MNIs control such as delays and/or cost increases due to challenges within the global supply chain.*

*MNI will make best effort to keep the original terms but may be forced to update them. Any needed adjustments will be communicated to customer immediately.*

*Change orders are subject to price increase.*

*Scheduled delivery dates are approximate and depend on a number of factors including availability of inventory. MNI will make commercial best efforts to accommodate customer's requested delivery schedule as long as customer provides all information required for MNI to build the order as soon as possible. Customer must take delivery of equipment on the agreed delivery date. If customer; through customer's action, inaction, or other external factors; delays the agreed delivery date, customer agrees to accept title and be invoiced for equipment on the agreed date (i.e. ship in place). Storage and handling fees may apply.*

*Customer is responsible for receiving, inspecting, and taking a detailed inventory of any shipments made against a valid purchase order.*

*Any claims of missing and/or damaged equipment must be submitted to MNI's customer service department within 15 days of receipt of shipment. Failing to contact MNI within 15 days will result in customer's waiver of any right to claim for remedy.*

*Microwave Networks manufactured equipment is covered by 2 years warranty after shipment, per Microwave Networks' Standard Warranty.*

*Installation quote is based on preliminary path information and is subject to change once path and site surveys have been finalized.*

*Installation quote assumes site readiness. De-installation, removal, and disposal of any existing equipment is the responsibility of the customer unless quoted specifically by Microwave Networks Inc.*

*Installation is expected to commence no later than 30 days after delivery of equipment. If installation is delayed by customer for any reason, additional program management and support fees may apply.*

*MNI is proud to support our mission critical customers on a 24/7 basis. As such, this quote is predicated on MNI having access to the worksite 24 hours a day and 7 days a week including holidays. Any restrictions imposed by customer regarding access and/or on-site working hours are subject to additional fees.*

*Warranty on installation workmanship is 1 year from date of customer acceptance.*

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PRICE AND MATERIAL LIST

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Contact: William Trujillo
Location: West Covina, CA
Freight Terms FOB
Validity: 90 Days
Delivery: 90-120 Days ARO w/Freqs
Payment Terms: Per Contract

| Item | Model | Description | Unit Price | 1 BKK | 2 Cameron | 3 City Hall | 4 Fire Station 2 | 5 Fire Station 3 | 6 Fire Station 4 | 7 Fire Station 5 | 8 Industry | 9 PalmView Park | 10 Senior Center | 11 Sports Plex | 12 Vine Daycare | Total Qty | Extended Price |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **1.00** | **Proteus Microwave Radio Terminals** | | | | | | | | | | | | | | | | |
| | *MX Radios* | | | | | | | | | | | | | | | 0 | |
| 1.01 | J11PW3-253G-NN0-EXBL-C | Proteus MX, 11 GHz Gigabit Ethernet Radio, Hot Standby Protected, Split Mount, UHP, Licensed for 253 Mbps in 40 MHz Channel | $23,616 | 3 | | | 1 | 1 | | 1 | | | | | | 6 | $141,696 |
| 1.02 | J11NW3-253G-NN0-EXBL-C | Proteus MX, 11 GHz Gigabit Ethernet Radio, Non Protected, Split Mount, UHP, Licensed for 253 Mbps in 40 MHz Channel | $14,552 | 3 | 2 | 2 | | | 1 | | 3 | | | 1 | | 12 | $174,624 |
| 1.03 | J18NW2-253G-NN0-EXBL-C | Proteus MX, 18 GHz Gigabit Ethernet Radio, Non Protected, High TX Pwr, Split Mount, Licensed for 253 Mbps in 40 MHz Channel | $9,500 | | | | | | 1 | | | | | 1 | | 2 | $19,000 |
| 1.04 | 8209325-52 | 7' x 19" EIA Rack and Mount Radio | $1,049 | 2 | 1 | 1 | | | | | | | | 1 | | 5 | $5,245 |
| 1.05 | 9901925-01 | B-Line, SBVB72K, Ground Bar and Hardware Kit, 72" | $445 | 2 | 1 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 6 | $2,670 |
| 1.06 | 9900653-02 | Fuse Panel, +/-48/24V | $369 | 1 | 1 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 5 | $1,845 |
| | | | | | | | | | | | | | | | | 0 | |
| | *UMX Radios* | | | | | | | | | | | | | | | 0 | |
| 1.07 | WACE-5X-230D-M750 | Proteus UMX 2x2 750Mbps radio, integrated 23 dBi dual polarization antenna | $4,212 | | | | 1 | | | | | | 1 | | | 2 | $8,424 |
| 1.08 | 62-8K-5X-230D-M310-A | Proteus UMX MIMO 5.x GHz 270Mbps radio, integrated 23 dBi dual polarization antenna | $3,857 | 1 | | | | | | | | | | | 1 | 2 | $7,714 |
| 1.09 | 62-8K-5X-00D0-M310-A | Proteus UMX MIMO 5.x GHz 270Mbps radio, external antenna ports | $3,486 | 1 | | | | | | | | 1 | | | | 2 | $6,972 |
| 1.10 | 62-AC-ADV-MK | Advanced Mounting Kit – wall/pole mount, azimuth & elevation | $65 | 2 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 1 | 6 | $390 |
| 1.11 | 62-AC-GPOE-DC-DC | 10-60 VDC input PoE, 10/100/1000Base-T Gigabit interface | $260 | 2 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 1 | 6 | $1,560 |
| 1.12 | 62-AC-GPOE-480V-US | 100-240 VAC to 48 VDC PoE, 10/100/1000Base-T interface (US plug) | $130 | | | | | | | | | | | | | 0 | $0 |
| 1.13 | 9901744-00 | Superior Essex, SUPX-04-001-55, CAT5E Cable, shielded, outdoor use rated, per | $2 | 300 | 0 | 0 | 150 | 0 | 0 | 0 | 0 | 150 | 150 | 0 | 150 | 900 | $1,800 |
| 1.14 | 62-AC-WIP-GUARD | Outdoor data protection device (10/100/1000Base-T) | $260 | 2 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 1 | 6 | $1,560 |
| | | | | | | | | | | | | | | | | 0 | |
| | *Outdoor Enclosure* | | | | | | | | | | | | | | | 0 | |
| 1.15 | OD-62DDC | 62" Outdoor Enclosure | $6,404 | | | | | | 1 | | | | | | | 1 | $6,404 |
| 1.16 | ACP-2000-T20-110 | 2,000 BTU AC unit | $6,096 | | | | | | 1 | | | | | | | 1 | $6,096 |
| 1.17 | ZP-NDCP | Door Louver Cover Plate | $151 | | | | | | 2 | | | | | | | 2 | $302 |
| 1.18 | ZZ-SLD-WIND-LCK | 2 Position Wind Lock | $163 | | | | | | 1 | | | | | | | 1 | $163 |
| 1.19 | OD-INS | 1/2" Enclosure Insulation | $594 | | | | | | 1 | | | | | | | 1 | $594 |
| | | | | | | | | | | | | | | | | 0 | |
| | *Split Indoor Mounting Accessories* | | | | | | | | | | | | | | | 0 | |
| 1.20 | 8708272-11 | ODU Rack Mount Kit, 11 GHz | $702 | 6 | | | | | 1 | 1 | | | | | | 8 | $5,616 |
| 1.21 | 9901992-03 | Alpha Wireless,9316 BR005,RG316/U Coax C | $5 | 54 | 0 | 0 | 0 | 0 | 6 | 12 | 0 | 0 | 0 | 0 | 0 | 72 | $360 |
| 1.22 | 9901992-00 | Amphenol,172180,N-Type Connector | $25 | 9 | 0 | 0 | 0 | 0 | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 12 | $300 |
| 1.23 | 9901992-01 | Amphenol,122148,TNC Connector | $11 | 9 | 0 | 0 | 0 | 0 | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 12 | $132 |
| 1.24 | 8501116-11X1 | Waveguide Extension Kit, 11 GHz, CPR90, E-BEND, TOP ODU | $358 | 2 | | | | | 1 | 1 | | | | | | 4 | $1,432 |
| 1.25 | 8501115-11X2 | Waveguide Extension Kit, 11 GHz, CPR90, HE-BEND, 2ND ODU | $685 | 2 | | | | | | | | | | | | 2 | $1,370 |
| 1.26 | 8501115-11X3 | Waveguide Extension Kit, 11 GHz, CPR90, HE-BEND, 3RD ODU | $1,003 | 2 | | | | | | | | | | | | 2 | $2,006 |
| 1.27 | 8708317-00 | KIT, WG SUPPORT BRACKET, RR1 | $104 | 2 | | | | | 1 | 1 | | | | | | 4 | $416 |
| 1.28 | 8509933-00 | CLAMP, WG, WIDE, WR90 | $34 | 2 | | | | | 1 | 1 | | | | | | 4 | $136 |
| 1.29 | 8509932-00 | CLAMP, WG, NARROW, WR90 | $63 | 4 | | | | | | | | | | | | 4 | $252 |
| 1.30 | 9901777-01 | Flex, 11 GHz, MicroTech, MTPS90FHN36B, 3', UG40B-CPR | $510 | 6 | | | | | 1 | 1 | | | | | | 8 | $4,080 |
| | | | | | | | | | | | | | | | | **Radio Total:** | **$403,159** |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **2.00** | **Antenna System** | | | | | | | | | | | | | | | | |
| | *Antennas + Mounts* | | | | | | | | | | | | | | | | |
| 2.01 | 9901987-03 | Antenna, 18 GHz, 2', Integrated | $1,173 | | | | | | 1 | | | | | 1 | | 2 | $2,346 |
| 2.02 | 9901988-00 | Antenna, 11 GHz, 3', Integrated | $1,418 | | 2 | 1 | | | 1 | | 3 | | | 1 | 0 | 8 | $11,344 |
| 2.03 | 9901989-00 | Antenna, 11 GHz, 4', Integrated | $1,928 | | | 1 | 1 | 1 | | | | | | | | 3 | $5,784 |
| 2.04 | 9999999-TBD | SPD2-5.2 Antenna, 2 ft, 5 GHz | $1,304 | 1 | | | | | | | | 1 | | | | 2 | $2,608 |
| 2.05 | 9901812-04 | Antenna Strut Kit, 2/3 Ft Antenna | $329 | 0 | 2 | 1 | 0 | 0 | 2 | 0 | 3 | 0 | 0 | 2 | 0 | 10 | $3,290 |
| 2.06 | 9901766-02 | Antenna Strut Kit, 4/6 Ft Antenna | $568 | 0 | 0 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 3 | $1,704 |
| 2.07 | 9901723-13 | Pipe Mount, Universal, 4.5" x 63" | $838 | 0 | 2 | 2 | 1 | 1 | 2 | 0 | 3 | 0 | 0 | 2 | 0 | 13 | $10,894 |
| 2.08 | 9901448-00 | Tripod Mount, 4.5 OD x 96", (Requires roof sled) | $1,724 | | 2 | | 1 | 1 | 1 | | | 1 | 1 | 2 | 1 | 10 | $17,240 |
| 2.09 | 9901448-01 | Non-Penetrating Roof Sled for Tripod Mount | $1,773 | 0 | 2 | 0 | 1 | 1 | 1 | 0 | 0 | 1 | 1 | 2 | 1 | 10 | $17,730 |
| 2.10 | 9901448-02 | Rubber Mat, 1/2"x 18"x 48" | $44 | 0 | 12 | 0 | 6 | 6 | 6 | 0 | 0 | 6 | 6 | 12 | 6 | 60 | $2,640 |
| | *11 GHz WG* | | | | | | | | | | | | | | | | |
| 2.11 | 9900941-00 | E105, Elliptical Waveguide, 10.5-11.7 GHz - per foot | $13 | 170 | | | | | | | | | | | | 170 | $2,210 |
| 2.12 | 9901878-00 | C90-105FG, Elliptical Waveguide Connector, E105 | $312 | 2 | | | | | | | | | | | | 2 | $624 |
| 2.13 | 9901878-01 | PW-C090, Pressure Window, E105 | $32 | 1 | | | | | | | | | | | | 1 | $32 |
| 2.14 | 9900942-00 | HOIST1-105L, Hoisting Grip, E105 | $31 | 1 | | | | | | | | | | | | 1 | $31 |
| 2.15 | 9901878-02 | GKIT-60-105, Standard Grounding Kit, E105 | $25 | 3 | | | | | | | | | | | | 3 | $75 |
| 2.16 | 9900945-00 | CLAMP-105, Butterfly Hangers, Kit of 10, E105 | $21 | 5 | | | | | | | | | | | | 5 | $105 |
| 2.17 | 9901878-07 | Angle Adapter, 3/8" tapped hole, Stainless (ten) | $68 | 6 | | | | | | | | | | | | 6 | $408 |
| 2.18 | 9900827-00 | 3/8" x 1" Bolt Hardware Kit (ten per kit) | $12 | 6 | | | | | | | | | | | | 6 | $72 |
| 2.19 | 9901017-00 | 3/8" x 12" Threaded Rod & Hardware (five per kit) | $48 | 2 | | | | | | | | | | | | 2 | $96 |
| 2.20 | 9901118-00 | BOOT4-105, Waveguide Boot Assembly, E105 | $44 | 1 | | | | | | | | | | | | 1 | $44 |
| | *18 GHz WG* | | | | | | | | | | | | | | | | |
| 2.21 | 9900994-00 | Waveguide, EW180, Standard | $19 | | | | | | 175 | | | | | | | 175 | $3,325 |
| 2.22 | DS11805C | Fixed Tuned ConnectorConnector, EW180 | $442 | | | | | | 2 | | | | | | | 2 | $884 |
| 2.23 | DS55000A42 | Pressure Window Assy, WR42 | $120 | | | | | | 1 | | | | | | | 1 | $120 |
| 2.24 | 990135-09 | Hoist Grip, Elliptical WG, EW180 | $24 | | | | | | 1 | | | | | | | 1 | $24 |
| 2.25 | DS2410881 | 2-Hole Ground Kit, EW180 | $45 | | | | | | 3 | | | | | | | 3 | $135 |
| 2.26 | 9900997-00 | Hanger, Butterfly, EW180, Ten per kit | $39 | | | | | | 5 | | | | | | | 5 | $195 |
| 2.27 | 9900843-00 | Angle Adapter, 5/16" tapped hole, for coax, ten per kit | $73 | | | | | | 6 | | | | | | | 6 | $438 |
| 2.28 | 9900845-00 | Hardware Kit for Angle Adapter 9900843-00 - inclds bolts & hardware | $53 | | | | | | 6 | | | | | | | 6 | $318 |
| 2.29 | 9901741-00 | Boot Assy, 4", EW180 Elliptical Waveguide | $91 | | | | | | 2 | | | | | | | 2 | $182 |
| 2.30 | 9901792-00 | Flex Waveguide, 48",UG-595/U,18 & 23GHz | $574 | | | | | | 1 | | | | | | | 1 | $574 |
| | *Dehydrators* | | | | | | | | | | | | | | | | |
| 2.31 | 9901723-25 | Eupen, 0281401, Dehydrator, 48V, ETH/SNMP | $5,567 | 1 | | | | | 1 | 1 | | | | | | 3 | $16,701 |
| 2.32 | 990034-09 | Gas Distribution Manifold (w gauges), 2-port w/ 25' tube per port | $385 | 1 | 0 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 3 | $1,155 |
| | *LDF2-50 Coax* | | | | | | | | | | | | | | | | |
| 2.33 | 9900641-00 | RG8 A/U Cable (LMR-400) -per Foot | $2 | | 500 | 500 | 150 | 150 | 150 | | | | | 300 | | 1750 | $3,500 |
| 2.34 | 9900642-00 | N-type connector , straight, for IDU/ODU cable LMR 400 | $21 | | 8 | 8 | 8 | 8 | 4 | | | | | 8 | | 44 | $924 |
| 2.35 | 9901414-00 | TNC-type connector - LMR 400, Right Angle | $33 | | 2 | 2 | 2 | 2 | 1 | | | | | 2 | | 11 | $363 |
| 2.36 | 9900398-00 | In Line N-Connector Surge Suppressor (indoor, SPU side) | $119 | | 2 | 2 | 2 | 2 | 1 | | | | | 2 | | 11 | $1,309 |
| 2.37 | 9900398-01 | In Line N-Connector Surge Suppressor (outdoor, ODU side) | $115 | | 2 | 2 | 2 | 2 | 1 | | | | | 2 | | 11 | $1,265 |
| 2.38 | 9900832-00 | Commscope, 223158-4, Grounding Kit for 1/4" & 3/8" coaxial cable | $43 | | 6 | 6 | 6 | 6 | 3 | | | | | 6 | | 33 | $1,419 |
| 2.39 | 9900842-00 | Commscope, 312WLCLK Miniature Click-on Hangers for LDF2-50 Foam Heliax Coax Cable (Kit of 10) | $35 | 0 | 17 | 17 | 5 | 5 | 5 | 0 | 0 | 0 | 0 | 10 | 0 | 59 | $2,065 |
| 2.40 | 9900843-00 | Commscope, 252028-10KT-P, Angle Adapters Kits for Miniature Click-on Hangers (Kit of 10) | $73 | 0 | 17 | 17 | 5 | 5 | 5 | 0 | 0 | 0 | 0 | 10 | 0 | 59 | $4,307 |
| 2.41 | 9900845-00 | Commscope, 252028-10KT-P, Double Stack Hardware | $53 | 0 | 17 | 17 | 5 | 5 | 5 | 0 | 0 | 0 | 0 | 10 | 0 | 59 | $3,127 |
| 2.42 | 9900840-00 | Commscope, SEC-638, 4" Cable Boot, 6 3/8"- holes | $77 | | 1 | 1 | 1 | 1 | 1 | | | | | 1 | | 6 | $462 |
| 2.43 | 9900841-00 | Commscope, L2SGRIP, Hoisting Grip for LDF2-50 | $31 | | 2 | 2 | 2 | 2 | 1 | | | | | 2 | | 11 | $341 |
| | | | | | | | | | | | | | | | **Antenna System Total:** | | **$122,410** |

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|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **3.00** | **DC Power System** | | | | | | | | | | | | | | | | |
| 3.01 | 9901822-00 | Eltek, CTOS0201.001, Flatpack S, 2 Rectifier Unit, -48 VDC | $2,261 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | | | 1 | | 8 | $18,088 |
| 3.02 | 9901822-01 | Eltek, 241122.105, FPS, Rectifier, 1000W (Spare) | $598 | | | | | | | | | | | | | 1 | $598 |
| | | | | | | | | | | | | | | | | **DC Power System Total:** | **$18,686** |
| **4.00** | **Battery System** | | | | | | | | | | | | | | | | |
| 4.01 | 9901833-00 | NorthStar, 4xNSB60FT, Battery, 48V, 40AH | $1,542 | | 1 | 1 | 1 | 1 | 1 | 1 | | | | 1 | | 7 | $10,794 |
| 4.02 | 9901833-01 | NorthStar, 4xNSB60FT, Battery, 48V, 60AH | $2,268 | | | | | | | | 1 | | | | | 1 | $2,268 |
| 4.03 | 9901854-03 | RM, 3200-T16230-11, 23" Deep Battery Tray | $355 | | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 0 | 0 | 1 | 0 | 8 | $2,840 |
| | | | | | | | | | | | | | | | | **Battery System Total:** | **$15,902** |
| **5.00** | **HPE Switches** | | | | | | | | | | | | | | | | |
| 5.01 | JL660A | HPE Aruba 6300M - switch - 24 ports | $21,328 | 2 | | 1 | | | | | 1 | | | 1 | | 5 | $106,640 |
| 5.02 | JL659A | HPE Aruba 6300M - switch - 48 ports | $24,497 | | | | | 1 | | 1 | | | | | | 2 | $48,994 |
| | | | | | | | | | | | | | | | | **DC Power System Total:** | **$155,634** |
| **6.00** | **SPARCS SNMP Based Network Management** | | | | | | | | | | | | | | | | |
| 6.01 | 8708270-00 | Kit, SPARCS EMS, Unlimited Remote, 10 Pollers (Software Only) | $17,331 | | | 1 | | | | | | | | | | 1 | $17,331 |
| 6.02 | 9901998-00 | Dell PowerEdge R440 Rack Server + Win Server 2019 | $6,427 | | | 1 | | | | | | | | | | 1 | $6,427 |
| 6.03 | 9901998-01 | 19" Rack Console w/ Cables | $1,348 | | | 1 | | | | | | | | | | 1 | $1,348 |
| 6.04 | DSDELL7220 | Latitude 7220 Rugged Extreme Tablet | $2,890 | | | 2 | | | | | | | | | | 2 | $5,780 |
| 6.05 | 9999-SETUP | MNI assisted set-up | $1,850 | | | 1 | | | | | | | | | | 1 | $1,850 |
| 6.06 | CONCESSION | Management Concession on SPARCS NMS | ($5,800) | | | | | | | | | | | | | 1 | ($5,800) |
| | | | | | | | | | | | | | | | | **NMS Total:** | **$26,936** |
| **7.00** | **Spares** | | | | | | | | | | | | | | | | |
| 7.01 | 638-E11XXXX | 11 GHz Ultra High Power ODU | $7,121 | | | | | | | | | | | | | 4 | $28,484 |
| 7.02 | 636-H18XXXX | 18 GHz High Power ODU | $4,354 | | | | | | | | | | | | | 2 | $8,708 |
| 7.03 | 8209345-18 | Chnl Unit, No Fuse, No µBus, No Data Card, 128 MB | $5,468 | | | | | | | | | | | | | 2 | $10,936 |
| | | | | | | | | | | | | | | | | **Spares Total:** | **$48,128** |
| **8.00** | **Services** | | | | | | | | | | | | | | | | |
| 8.01 | PATH SURVEY | Path and Site Survey | $53,900 | | | | | | | | | | | | | 1 | $53,900 |
| 8.02 | FREQ COORD | Frequency Coordination & FCC Licensing Assistance | $19,000 | | | | | | | | | | | | | 1 | $19,000 |
| 8.03 | FACTINT | Factory Integration & Test | $4,500 | | | | | | | | | | | | | 1 | $4,500 |
| 8.04 | INSTALL | Install, Test & Optimize Equipment Quoted | $371,250 | | | | | | | | | | | | | 1 | $371,250 |
| 8.05 | PROGRAM MGMT | Program Management | $34,080 | | | | | | | | | | | | | 1 | $34,080 |
| 8.06 | FACTSTAG | Customer Witnessed Acceptance Testing in Stafford, TX (including travel and accommodations expenses for two engineers) | $10,300 | | | | | | | | | | | | | 1 | $10,300 |
| 8.07 | TRAINING | Proteus MX Training at Customer Location for up to 10 Students | $12,713 | | | | | | | | | | | | | 1 | $12,713 |
| | | | | | | | | | | | | | | | | **Services Total:** | **$505,743** |

4000 Greenbriar Stafford, TX 77477
Ph.: 281-263-6500; Fx: 281-263-6406
Sales Contact: Itai Farchi
System Engineer: SLR3
Quote: IF20812-50
Date: 11/21/2022
Currency: US Dollars
PRICE AND MATERIAL LIST

Customer: City of West Covina - NASPO ValuePoint Master Agreement Number 00318
Contact: William Trujillo
Location: West Covina, CA
Freight Terms FOB
Validity: 90 Days
Delivery: 90-120 Days ARO w/Freqs
Payment Terms: Per Contract

| Item | Model | Description | Unit Price | 1 BKK | 2 Cameron | 3 City Hall | 4 Fire Station 2 | 5 Fire Station 3 | 6 Fire Station 4 | 7 Fire Station 5 | 8 Industry | 9 PalmView Park | 10 Senior Center | 11 Sports Plex | 12 Vine Daycare | Total Qty | Extended Price |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **9.00** | **BRONZE LSS (Warranty, Network Health Check, Business Day Phone Support 8 AM - 5 PM CST)** | | | | | | | | | | | | | | | | |
| 9.01 | BRONZELSS1 | BRONZE LSS Year 1 | Included | | | | | | | | | | | | | 1 | Included |
| 9.02 | BRONZELSS2 | BRONZE LSS Year 2 | Included | | | | | | | | | | | | | 1 | Included |
| 9.03 | BRONZELSS3 | BRONZE LSS Year 3 | $9,961 | | | | | | | | | | | | | 1 | $9,961 |
| 9.04 | BRONZELSS4 | BRONZE LSS Year 4- Optional | $10,559 | | | | | | | | | | | | | | $0 |
| 9.05 | BRONZELSS5 | BRONZE LSS Year 5- Optional | $11,192 | | | | | | | | | | | | | | $0 |
| 9.06 | CONCESSION | Management Concession on LSS | ($9,961) | | | | | | | | | | | | | 1 | ($9,961) |
| | | | | | | | | | | | | | | | | **Extended Warranty Total:** | **$0** |
| 10.00 | Freight | Freight City of West Covina, CA | $33,584 | | | | | | | | | | | | | 1 | $33,584 |
| **Sub Total:** | | | | | | | | | | | | | | | | | **$1,330,182** |
| **NASPO FEE** | | | | | | | | | | | | | | | | | **Included** |
| **One Time Management Concession** | | | | | | | | | | | | | | | | | **($312,593)** |
| **Grand Total:** | | | | | | | | | | | | | | | | | **$1,017,589** |

*Notes:* *All other terms and conditions as per Microwave Networks Inc. (MNI) Standard Terms and Conditions of Trade.*
*Pricing shown is contingent upon purchase of entire quoted bill of materials and services.*
*Additional charges may be applied if a particular component, brand, service, or installation partner is required by the customer.*
*Microwave Networks reserves the right to replace 3rd party products with alternative equipment of similar or superior function and quality.Microwave Networks reserves the right to replace 3rd party products with alternative equipment of similar or superior function and quality.*
*Warranty on all 3rd party products is the original manufacturer's warranty or 1 year.Warranty on all 3rd party products is the original manufacturer's warranty or 1 year.*
*Final antenna type is subject to change based on PCN results.*
*Legacy and EOL equipment availability is limited and requirements for such may be filled by refurbished equipment on a case-by-case basis per customer approval.*
*Quote validity as shown on the quote may change due to factors that are outside of MNIs control such as delays and/or cost increases due to challenges within the global supply chain.*
*MNI will make best effort to keep the original terms but may be forced to update them. Any needed adjustments will be communicated to customer immediately.*
*Change orders are subject to price increase.*
*Scheduled delivery dates are approximate and depend on a number of factors including availability of inventory. MNI will make commercial best efforts to accommodate customer's requested delivery schedule as long as customer provides all information required for MNI to build the order as soon as possible. Customer must take delivery of equipment on the agreed delivery date. If customer; through customer's action, inaction, or other external factors; delays the agreed delivery date, customer agrees to accept title and be invoiced for equipment on the agreed date (i.e. ship in place). Storage and handling fees may apply.*
*Customer is responsible for receiving, inspecting, and taking a detailed inventory of any shipments made against a valid purchase order.*
*Any claims of missing and/or damaged equipment must be submitted to MNI's customer service department within 15 days of receipt of shipment. Failing to contact MNI within 15 days will result in customer's waiver of any right to claim for remedy.*
*Microwave Networks manufactured equipment is covered by 2 years warranty after shipment, per Microwave Networks' Standard Warranty.*
*Installation quote is based on preliminary path information and is subject to change once path and site surveys have been finalized.*
*Installation quote assumes site readiness. De-installation, removal, and disposal of any existing equipment is the responsibility of the customer unless quoted specifically by Microwave Networks Inc.*
*Installation is expected to commence no later than 30 days after delivery of equipment. If installation is delayed by customer for any reason, additional program management and support fees may apply.*
*MNI is proud to support our mission critical customers on a 24/7 basis. As such, this quote is predicated on MNI having access to the worksite 24 hours a day and 7 days a week including holidays. Any restrictions imposed by customer regarding access and/or on-site working hours are subject to additional fees.*
*Warranty on installation workmanship is 1 year from date of customer acceptance.*

# Scope of Work (SOW): Installation

| | | | |
|---|---|---|---|
| Customer: | ValuePoint Master | Date: | 11/21/2022 |
| Quote #: | IF20812-50 | Revision: | |
| Order #: | TBD | Salesperson: | Itai F. |
| Equipment: | Proteus MX 11 GHz, 18 GHz, UMX | Program Mgr.: | TBD |
| Location: | West Covina, CA | Customer Rep.: | William Trujillo |

***GENERAL REQUIREMENTS:***

This Scope of Work (SOW) details Microwave Networks Incorporated (MNI) and Customer responsibilities and tasks to be performed for the installation and commissioning of of the equipment in the attached list.

Pricing and implementation are based on using a Microwave Networks Incorporated (MNI) selected non union work crew. MNI intends to utilize this crew in all locations and for all tasks. The requirements and tasks listed below are considered standard.

The MNI Program Manager (PM) will act as coordinator between the customer and the MNI Installation Supervisor. All requests or needs with regards to the implementation should be directed to the MNI Program Manager. To avoid confusion, the customer is asked to identify to the MNI Program Manager, in writing, all personnel who may authorize changes and perform site acceptance. This list is to be submitted to MNI prior to the start of installation.

Installation work performed by MNI or its authorized sub-contractors will conform to industry guidelines and will utilize quality materials from selected qualified suppliers. All special requirements are to be submitted in writing to the MNI Program Manager prior to the start of installation.

Unless otherwise stated in this SOW, the Customer will furnish equipment receiving, storage and staging space at the site locations. Customer will provide a staging area and secured room for MNI personnel to store documents, test equipment, and other necessary items required for the installation.

No changes to the Scope of Work (SOW) will be authorized unless agreed upon by the customer project coordinator or authorized representative and the Microwave Networks Program Manager. Changes to the SOW will be documented in writing by MNI. If the change(s) affect the sub-contractor, a request for quotation will be issued. Upon determination of cost and schedule impact, a Project Change Order Authorization (PCOA) detailing the requested changes will be forwarded to the Customer's Project Coordinator or authorized representative for signature. No changes will be performed until customer authorization is obtained.

Additional labor to this SOW will be quoted, per occurrence. Delays, as defined in the contractual terms and conditions, may be billed.

MNI will submit the SOW, which includes the project timeline (sequence of installation tasks with completion dates); to the Customer for approval at least two weeks prior to the scheduled start for installation. The customer is required to sign and return the SOW at least one week prior to the scheduled start date for installation to the MNI Program Manager. Failure to return the approved SOW could cause MNI to delay the start of installation until approval is obtained.

Site work will be performed in a progressive and contiguous manner without work stoppage due to non-MNI related tasks. All additional mobilizations, beyond the initial one, that are not directly caused by MNI, its contractors or MNI delivered equipment, will require a Project Change Authorization (PCOA) generated by the MNI Program Manager and a Customer purchase order prior to the additional mobilizations.

Relocation of existing equipment, unless otherwise specified, will be the responsibility of the customer and is to be completed before installation work commences by MNI or their authorized personnel. Relocation of existing equipment, sites and/or paths is not included in this SOW.

The customer will provide adequate & timely access to all sites.

All superstructure, Main Station Grounding, and required cable rack are assumed to be existing or to be installed by others.

Inspection of the site and verification of the installation design will be performed on initial entry to the site by MNI personnel or MNI's authorized subcontractor for engineering compliance.

General site clean up will be performed by MNI installers, on a daily basis with the trash neatly stacked for removal by the customer or placed in a customer provided receptacle.

System acceptance will be based on the Acceptance Test Procedure (ATP).

Traffic activation of a hop, link or system prior to completion of final testing and system acceptance will constitute **BENEFICIAL USE and ACCEPTANCE** of the affected portion.

***GENERAL ASSUMPTIONS***

Vendor equipment such as MUX, DSX panels and Channel banks will be integrated at the factory. All intra rack wiring will be installed at that time.

The customer will be responsible for all required licensing and permits unless otherwise directed by the terms and conditions of the contract.

All sites are accessible by 2-wheel drive vehicles.

Sites will have adequate space for the new equipment and suitable temperature control and lighting where work is to be performed or materials stored.

Existing towers are sized properly to support the new antenna systems. No tower analysis is included unless specifically detailed in this SOW.

**SPECIFIC REQUIREMENTS:**

| **Function** | **MNI** | **Customer** |
|---|---|---|
| ***ENGINEERING*** | | |
| Perform Transmission and System Engineering. | ☒ | ☐ |
| Furnish building and plot plan drawings and directions to the sites, if available prior to the commencement of Path survey. | ☐ | ☒ |
| Furnish floor plans and office drawings of existing sites, Showing new equipment locations, term block & fuse panel assignments, etc. | ☐ | ☒ |
| Perform Path Survey. | ☒ | ☐ |
| Perform Frequency Coordination and file PCN. | ☒ | ☐ |
| Prepare Frequency Coordination Applications. | ☒ | ☐ |
| Provide T1 channel assignments and dropping requirements at each location. | ☐ | ☐ |
| Furnish one complete set of installation specifications and measurements for the proposed equipment ATP. | ☒ | ☐ |
| ***TRANSPORTATION / STORAGE*** | | |
| Provide transportation for equipment and materials from MNI factory to the final destination. - Freight charges per terms of Purchase Order. | ☒ | ☐ |
| Deliver all proposed equipment to the site locations from the local Customer warehouse and inventory for discrepancies. | ☒ | ☐ |
| ***SITE PREPARATION*** | | |
| Furnish all site improvements (fences, roads, grading, tree removal, etc.). Access roads to all work areas of each site shall be suitable and accessible to concrete trucks, truck-trailers, and all other construction equipment. | ☐ | ☒ |
| Provide suitable openings, channels, or ducts for cables and conductors for routing from floor-to-floor and from room-to-room. | ☐ | ☒ |
| Provide Ground Bar. | ☐ | ☒ |
| Install Ground Bar. | ☐ | ☒ |
| ***TOWERS*** | | |
| Furnish and install all towers. | ☐ | ☒ |
| Determine structural capabilities of all towers and/or antenna mounting structures and perform all Structural modifications required to support, mount and adapt the proposed antennas. | ☐ | ☒ |
| Furnish and install antenna Pipe Mount(s). | ☒ | ☐ |
| Furnish and install antenna Ice Shield(s). | ☐ | ☐ |
| Furnish and install Waveguide Bridge. | ☐ | ☒ |
| Furnish and install Waveguide Messenger. | ☐ | ☒ |

**SPECIFIC REQUIREMENTS:**

| **Function** | **MNI** | **Customer** |
|---|---|---|
| ***ANTENNAS / TRANSMISSION LINE*** | | |
| Install all antenna and transmission line. | ☒ | ☐ |
| Install Wall Feed-Thru's for coax/wave guide Transmission line. | ☐ | ☒ |
| ***POWER & GROUND*** | | |
| Provide AC power and breakers as required. | ☐ | ☒ |
| Provide ready access (within 50 feet (15 meters) of proposed Equipment locations) to a low resistance ground at each location. | ☐ | ☒ |
| Furnish and install adequate AC receptacle within 6 feet (2 meters) of the battery charger rack. | ☐ | ☒ |
| Install batteries and chargers as per quote. | ☒ | ☐ |
| Furnish and install DC Power and Ground wiring to MNI provided racks per specifications. | ☒ | ☐ |
| Label DC breakers / fuses and newly installed wiring. | ☒ | ☐ |
| ***RADIO EQUIPMENT*** | | |
| Install cable and test all radio and auxiliary equipment proposed. | ☒ | ☐ |
| Install DSX panel as a point of demarcation for DS1s. Panel will be installed within 30 feet (10 meters) of the radio. | ☐ | ☐ |
| Furnish and install DS1 cross connections from DSX panel to buyer's Channel Banks. | ☐ | ☐ |
| ***CHANNEL BANKS*** | | |
| Channelization Engineering, develop MUX plan. | ☐ | ☐ |
| Install channel bank equipment. | ☐ | ☐ |
| Furnish jumper wire and install cross connections on the distribution frame to interconnect with the buyer's equipment. | ☐ | ☐ |
| Align multiplex /channel bank. (Options, levels, strapping, frequencies, etc.) | ☐ | ☐ |
| Furnish and install VF wiring from channel banks to D66 blocks. | ☐ | ☐ |
| ***ORDER WIRE AND ALARM*** | | |
| Install and test Order Wire. | ☐ | ☐ |
| Install and test Alarm master, install and test remotes and control wiring from the radio equipment at each site. | ☐ | ☐ |
| Furnish & Install D66 block or similar and connect to the alarm remote, to terminate alarms at each site. | ☐ | ☐ |
| Verify alarm system database is functional. | ☐ | ☐ |

**SPECIFIC REQUIREMENTS:**

| **Function** | **MNI** | **Customer** |
|---|---|---|
| ***TESTING/MISCELLANEOUS*** | | |
| Provide complete set of Test Equipment consisting of; Digital Multi-Meter, BER Test Set (capable of the required data rates used in the system),VT-100 terminal. | ☒ | ☐ |
| Coordinate system test and alignment with the Customer. Such testing will only include acceptability of MNI installed equipment. | ☒ | ☐ |
| Optimize and test system to MNI Acceptance Test Procedure (ATP). | ☒ | ☐ |
| Record test data for inclusion in the "as built" Documentation. | ☒ | ☐ |
| Prepare, submit and file, if applicable, all necessary environmental impact data. | ☐ | ☒ |
| ***DOCUMENTATION*** | | |
| Furnish one complete set of MNI Operation and Maintenance manuals with drawings for each rack. | ☒ | ☐ |
| Provide one complete set of vendor provided Operation and Maintenance literature with drawings for each location. | ☒ | ☐ |
| Sign a project completion notice upon completion of the activities detailed in this Scope of Work. The project completion notice may apply to the project on a per hop or per system basis, as mutually agreed upon by MNI and the Customer. | ☒ | ☒ |
| Prepare and submit a complete documentation package of equipment as installed and accepted (As Builts), to the customer three (3) weeks after system acceptance. | ☒ | ☐ |

**Additional or unusual requirements:**

(e.g. all work performed after hours, must use union personnel, pre-installed staging and testing, 30 day operational testing, etc.)

1) Quote assumes all towers have climbing facilities and waveguide ladders with open slots.
2) Quote assumes any water towers have antenna mounting structures and waveguide ladders.
3) Quote assumes all towers have tie back facilities.
4) Any cranes or lifts required will be billed as a change.
5) Any re-routing or moving of existing equipment will be billed as a change.
6) Any required painting or welding will be provided and completed by others.
7) Assumes there are existing entry ports and grounding system.
8) Assumes all structures passed structural analysis for new antennas.
9) Rack locations to be provided by the end customer.
10) If remobilization is required, additional charges will apply.
11) Quoted prices are based on a ten (10) hour work day seven days per week.

It is agreed that this Scope of Work (SOW) is correct and complete for the responsibilities described above. It is further agreed that this SOW supercedes all previous agreements, proposals and discussions.

Signed: _____ Date: _____
MNI Representative

Signed: _____ Date: _____
Customer Representative

**STANDARD TERMS AND CONDITIONS OF SALE**

**SECTION 1 - GENERAL:** All references to MNI herein shall mean Microwave Networks Incorporated, and all references to Buyer herein shall mean the customer named in a contract, purchase order, quotation, proposal, or other agreement between the parties. All quotations from MNI shall be considered solicitations of offers. All orders placed by Buyer shall be considered offers which shall be deemed accepted upon notice thereof from MNI. Buyer will provide MNI with a complete written authorization or purchase order (with frequencies and all other technical specifications required to manufacture the equipment to completion), containing necessary information, such as site name, type and quantity of radios, requested delivery date and delivery instructions. Notwithstanding any terms or conditions which may be included in Buyer's purchase order or other communication, MNI's acceptance is conditional upon Buyer's assent to the terms and conditions set forth herein or in any other binding contract or agreement between the parties incorporating these terms and conditions. MNI's failure to object to any term or condition contained in Buyer's purchase order or other communication shall not be deemed to be acceptance of such term or condition. In the absence of Buyer's written acceptance of these terms, acceptance of or payment for purchases hereunder shall constitute an acceptance of these terms and conditions. The terms and conditions set forth herein shall be deemed incorporated (as though set forth in full) into any agreement of sale entered into between MNI and Buyer unless otherwise modified in writing. MNI quotations are not firm unless expressly indicated, with a specific period of time during which the quotation will remain firm on the face thereof. MNI reserves the right, without any increase in price, to modify the design and specifications of equipment designed by MNI, provided that the modification does not adversely affect the original performance specifications as specified by MNI or as requested by the Buyer. Buyer shall not assign any interest in the contents of this quotation without the prior written consent of MNI. All orders are subject to prior credit approval. Stenographic, typographic and clerical errors are subject to correction. All headings contained in these terms and conditions are for reference purposes only and shall not in any way affect the meaning or interpretation of these terms and conditions.SECTION 1 - GENERAL**:** All references to MNI herein shall mean Microwave Networks Incorporated, and all references to Buyer herein shall mean the customer named in a contract, purchase order, quotation, proposal, or other agreement between the parties. All quotations from MNI shall be considered solicitations of offers. All orders placed by Buyer shall be considered offers which shall be deemed accepted upon notice thereof from MNI. Buyer will provide MNI with a complete written authorization or purchase order (with frequencies and all other technical specifications required to manufacture the equipment to completion), containing necessary information, such as site name, type

**SECTION 2 - SHIPPING AND HANDLING:** Unless otherwise specified by Buyer and agreed to by MNI in writing, shipping and handling charges (e.g. Air, Parcel Post, Common Carrier) will be included on the applicable invoice as a separately priced item to be paid by the Buyer. Freight charges are subject to frequent change and in consideration of MNI's agreement to hold to the charges stated, Buyer agrees to pay such amount without regard to the actual charges applicable at the time of shipment. It is understood that MNI will not provide the Buyer with any copies of carrier freight bills. All packaging and packing shall be in accordance with sound commercial practice. Special export packaging, packing or crating, as required, will be quoted separately.SECTION 2 - SHIPPING AND HANDLING**:** Unless otherwise specified by Buyer and agreed to by MNI in writing, shipping and handling charges (e.g. Air, Parcel Post, Common Carrier) will be included on the applicable invoice as a separately

**SECTION 3 - DELIVERY AND TITLE:** Unless otherwise specified, all deliveries and risk of loss shall be determined in accordance with the FOB shipping point for domestic shipments and FCA Stafford, Texas for international shipments in accordance with Incoterms 2000. Shipping or delivery dates are best estimates only and subject to change based on MNI commitments at the time Buyer's purchase order is received and accepted. MNI reserves the right to make deliveries in installments, and contracts or other agreements between the parties shall be severable as to such installments. A delay in delivery or default of any installment shall not relieve Buyer of its obligation to accept and pay for remaining deliveries. Claims for shipment shortage or damage shall be deemed waived unless presented to MNI in writing within ten (10) days of delivery of each shipment, and failure to make any claim within ten (10) days after receipt of each product covered hereunder shall constitute an irrevocable acceptance thereof. Title to the products shall pass to Buyer upon receipt of full payment by MNI for such goods, except that in any jurisdiction in which such retention of title is not recognized, MNI shall be deemed to have retained a purchase money security interest and right of possession in the products until Buyer makes full payment. Buyer's rights to enforce such purchase money security interest and its right of possession shall be non-exclusive remedies. Buyer agrees to cooperate as necessary to assist MNI in perfecting such security interest, upon request.SECTION 3 - DELIVERY AND TITLE**:** Unless otherwise specified, all deliveries and risk of loss shall be determined in accordance with the FOB shipping point for domestic shipments and FCA Stafford, Texas for

Service completion dates indicated on quotations are subject to review and revision on the basis of MNI commitments at the time Buyer's order is received and accepted. All service completion dates are subject to credit approval, are approximate until confirmed in writing by MNI, and are based upon receipt of timely, accurate, and complete instructions and information from the Buyer.

**SECTION 4 - ACCESS:** Buyer hereby grants access to MNI to all equipment, sites, premises, and other areas where work is to be performed under these terms and conditions. MNI will make all reasonable efforts to comply with Buyer's standard rules and regulations for access, a copy of which will be furnished to MNI by Buyer upon the submission of any order to be performed under these terms and conditions. Buyer acknowledges that MNI may use non-union personnel to perform work. MNI will make all reasonable efforts to observe Buyer's procedures in cooperation with union personnel; however, Buyer agrees to indemnify and hold MNI harmless from all costs associated with the compliance of union work rules or union activities which may interfere with MNI's performance requirements.SECTION 4 - ACCESS: Buyer hereby grants access to MNI to all equipment, sites, premises, and other areas where work is to be performed under these terms and conditions. MNI will

**SECTION 5 - COMMERCIAL WARRANTY:** MNI manufactured products are warranted to be free from defect in material and workmanship under normal use and service for a period of two (2) years from the date of shipment. In the event of a defect during the warranty period, Buyer will return the defective item to the MNI depot repair facility for repair or replacement. Repair at MNI's option may include the replacement of parts or equipment and all replaced parts or equipment shall be the property of MNI. Parts or equipment replaced during the warranty period are warranted for the remainder of the original applicable warranty period or ninety (90) days, whichever is greater. This express warranty is extended by MNI to the original Buyer for commercial, industrial or governmental use. Such action on the part of MNI shall be the full extent of MNI's liability and Buyer's exclusive remedy for breach of warranty. Expenses of Buyer such as travel expenses are not covered by this warranty.SECTION 5 - COMMERCIAL WARRANTY**:** MNI manufactured products are warranted to be free from defect in material and workmanship under normal use and service for a period of two (2)

This warranty extends only to products manufactured by MNI, and it is expressly conditioned upon the equipment having been installed in accordance with the installation practices accepted by the telecommunications industry, the standard installation and configuration practices recommended by MNI, and the equipment having been maintained in accordance with MNI recommended standard maintenance practices. Vendor products and other equipment not manufactured by MNI are excluded, but carry their own separate limited warranties.

This warranty shall automatically terminate if the product is used in other than its normal and customary manner, has been subject to misuse, accident, neglect, or damage, is improperly disassembled or has improper alterations or repairs, or if nonconforming parts are used in the product, unless done by a service facility authorized by MNI to perform warranty service. The warranty for Network Management Systems (NMS) shall automatically terminate if software is altered, added, or removed from the platform without prior MNI approval. NMS provided by MNI do not include virus protection software and this warranty does not cover damages caused by computer viruses.

MNI warrants the operation of its equipment only with respect to its published specifications and use conditions. This warranty shall not cover any damages caused by Acts of God including, but not limited to, flood, lightning, seismic activity; and events of *Force Majeure*, such as fire, explosion, war, civil disturbance et al.MNI warrants the operation of its equipment only with respect to its published specifications and use conditions. This warranty shall not cover any damages caused by Acts of God including, but not limited to, flood, lightning, seismic activity; and events of *Force Majeure*, such as fire, explosion, war, civil disturbance et al.

THIS MNI WARRANTY IS GIVEN IN LIEU OF ALL OTHER WARRANTIES, EITHER EXPRESSED OR IMPLIED, WHICH ARE SPECIFICALLY EXCLUDED, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

An authorization to return products under this warranty must be obtained from a MNI representative prior to making shipment to MNI's service location, and all returns shall be shipped freight pre-paid.

In the event that MNI provides services only, MNI warrants the performance and specifications of such services but does not warrant that such services performed will fulfill the total system requirement of the Buyer.

**SECTION 6 - PATH ENGINEERING SERVICES WARRANTY**

MNI warrants that the installed radio communication path will conform to Customer's multipath performance reliability objectives when MNI has performed the path survey, recommended the path design, and MNI has implemented such recommendations. This warranty is for a period of 12 months from the date of the survey or one year from the date of installation of the microwave path, whichever expires first. All MNI field activities and path propagation analysis will utilize current hardware, software, engineering practices and judgment with the goal of meeting normal Path Loss, as defined in TIA/EIA Standard RS-252-A. MNI is not responsible for paths that it does not survey, nor for changes in path design beyond those specifically allowed in the path survey report or in writing after the field survey is completed, including but not limited to changes in path design; movement in site locations; buildings or other structures built on-path after date of survey; disturbances of the terrain which may cause blockages or reflections; frequency interferences from 3rd party sources including those caused by Wifi 6E; or change of available antenna mounting space on tower. Any one of these changes will nullify this warranty, and the Customer shall in such case bear the total cost of determining that such change was the cause. MNI will not be responsible for degraded path performance when such degradation is due to such anomalous propagation conditions as: Long-term loss of fade margin due to antenna decoupling misalignment caused by widely-varying k-factor changes; Long-term loss of fade margin due to Atmospheric Boundary Layering ("ABL") causing wave front defocusing (beam spreading), signal entrapment (blackout fading), ducting, and other such occurrences. Excessive rain outage rates beyond the published crane and/or chart data used in the calculation; Degradation resulting from certain types of multipath interference attributed to unidentifiable off-path terrain features or structures; Any other technological or atmospheric condition not foreseeable through the exercise of prudent engineering knowledge and judgment. Additionally, MNI will not be responsible for degraded path performance when Non-MNI radio equipment is installed on a surveyed path; MNI radio equipment is not installed by MNI;Existing antenna and waveguide system is used without test and inspection performed by MNI. MNI designs the microwave path based upon best engineering practices and standards common to the industry, and it selects a transmission configuration based upon the most economical method for meeting the path performance objectives. When path loss or reliability objectives are not achieved, exclusive of anomalous propagation or path changes as described above, then Customer's sole remedy, and MNI' exclusive liability in connection with path engineering, shall be that MNI will provide incremental labor and material to optimize the antenna system beyond what would have been required during initial installation. Where anomalous propagation is suspected in an installed microwave path, MNI will work with the Customer to obtain reasonable evidence that such condition exists. The total retroactive costs for such study shall be the responsibility of the Customer with MNI providing in-office engineering support. The cost of relocating towers, antennas, passive reflectors or other measures required to remedy this type of problem shall solely be the responsibility of the Customer

**SECTION 6 - PATH ENGINEERING SERVICES WARRANTY**

MNI warrants that the installed radio communication path will conform to Customer's multipath performance reliability objectives when MNI has performed the path survey, recommended the path design, and MNI has implemented such recommendations. This warranty is for a period of 12 months from the date of the survey or one year from the date of installation of the microwave path, whichever expires first. All MNI field activities and path propagation analysis will utilize current hardware, software, engineering practices and judgment with the goal of

**SECTION 7 - PATENT AND COPYRIGHT INDEMNIFICATION:** MNI agrees to defend, at its expense, any suits against Buyer based upon a claim that any products furnished directly infringe a United States patent, copyright, or other intellectual property right of third parties. MNI agrees to pay costs and damages finally awarded in any such suit, provided that MNI is notified promptly in writing of the suit and, at MNI's request and at its expense, is given control of said suit and all requested assistance for defense of same. If the use or sale of any products furnished hereunder is enjoined as a result of such a suit, MNI, at its option and at no expense to Buyer, shall obtain for Buyer the right of use or sale for said product(s) or shall substitute an equivalent product reasonably acceptable to Buyer and extend this indemnity thereto, or shall accept the return of product(s) and reimburse Buyer the purchase price thereof, less a charge for reasonable wear and tear. This indemnity does not extend to any suit based upon any infringement or alleged infringement of any patent or copyright by the combination of any products furnished by MNI and other elements, nor does it extend to any products of Buyer's design or formula. The foregoing states the entire liability of MNI for patent, copyright, or other intellectual property infringement.SECTION 7 - PATENT AND COPYRIGHT INDEMNIFICATION: MNI agrees to defend, at its expense, any suits against Buyer based upon a claim that any products furnished directly infringe a United States patent, copyright, or other intellectual property right of third

**SECTION 8 - PAYMENT:** For domestic shipments, MNI's standard terms of sale are net thirty days of invoice date, subject to the approval of MNI. For export shipments, the standard payment terms are irrevocable Letter of Credit (in accordance with MNI Letter of Credit Guidelines) or Cash in Advance (as described below), unless MNI has, prior to its acceptance of Buyer's purchase order, approved in writing other credit arrangements. All payments, whether by Letter of Credit or Cash in Advance, shall be made in U.S. Dollars (US$) by electronic funds transfer. All orders on terms of Cash in Advance require a 25% payment upon placement of the order and the balance shall be paid prior to shipment. Exceptions to the payment terms included herein shall be subject to the prior consideration and written approval of MNI. The Buyer shall make payments in full to MNI at the address stated on the MNI invoice or as otherwise specified in writing by MNI. Overdue payments are subject to a service charge of 1½% per month or the maximum legal rate, whichever is lower. To the extent permitted by applicable law, Buyer agrees to pay any and all costs and disbursements, including reasonable attorney's fees, incurred by MNI in legal proceedings to collect overdue invoices or enforce indebtedness. Buyer agrees that any and all costs or disbursements may be added to the total invoice amount already due at time of placement with an attorney or collection agency. There is a 3% fee for any payments done via credit card.SECTION 8 - PAYMENT: For domestic shipments, MNI's standard terms of sale are net thirty days of invoice date, subject to the approval of MNI. For export shipments, the standard payment terms are irrevocable Letter of Credit (in accordance with MNI Letter of Credit

**SECTION 9 - TAXES:** Except for the amount, if any, of tax stated in a MNI contract, quotation, proposal, or customer purchase order, or other agreement between the parties, MNI sale prices and warranty provisions are exclusive of any amount for federal, state, local, excise, sales, use, property, retailers occupation, in-country, import, VAT or similar taxes or duties. Such prices are also exclusive of all government permit fees, license fees, customs fees and similar fees levied upon delivery of the MNI products and services.

The Buyer shall be liable for all such taxes, duties and fees, regardless of whether or not the same are separately stated by MNI, and the Buyer shall pay the amount thereof to MNI or, in lieu thereof, the Buyer shall provide MNI with a properly executed tax exemption certificate acceptable to the taxing authorities prior to delivery of MNI product. If MNI is required to pay or bear the burden of any excluded tax then the Buyer shall reimburse to MNI the full amount of any such tax payment no later than ten (10) days after receipt of an invoice.

**SECTION 10 - TERMINATION, CHANGES AND DELAYS:** MNI shall not be liable for any delay or failure to perform due to any cause beyond its control, including, but not limited to: events of Acts of God including, but not limited to, flood, lightning, seismic activity; and events of Force Majeure such as fire, explosion, war, civil disturbances, default of any supplier; delays caused by any government or regulatory body, frequency authorization, license grant; government intervention; inability to obtain necessary labor, material, or facilities; interruptions of transportation or utilities and strikes. The delivery schedule shall be considered extended by a period of time reasonably necessary to perform after such event(s). Notwithstanding the preceding sentence, in the event MNI is unable to wholly or partially perform due to any cause beyond its control, MNI may terminate any contract without liability to Buyer. Buyer may cancel any order due to the default of MNI upon thirty (30) days prior written notice and failure to cure by MNI.

Otherwise orders may be terminated, changed or delayed by Buyer only with the specific approval of MNI and shall be subject to termination, change or delay charges which shall include compensation for specific expenses and costs related to commitments already made in connection with the order and a reasonable allowance for the cost of overhead, general and administrative expenses and profit in accordance with MNI's standard accounting practices. Any order canceled after five (5) business days of MNI receiving a purchase order is subject to cancellation charges up to the full amount of the purchase order. Change orders may also necessitate a change in the delivery schedule or service completion date. In the event Buyer causes a delay in contract completion or delivery, MNI shall have the right to submit invoices, due and payable upon receipt, at sales value for progress to date, and Buyer shall pay the invoiced amount and all necessary storage charges and other costs incurred due to such delay.

**SECTION 11 - GOVERNMENT OR IN-COUNTRY LICENSING:** The Buyer is solely responsible for obtaining any licenses or other authorizations required by the FCC, Federal Aviation Administration or any other government regulatory bodies, and for complying with their rules and with the rules and regulations of any other U.S. or foreign regulatory agency, whether federal, state, local or otherwise. Neither MNI, nor any of its employees, will be an agent or representative of the Buyer in such matters or otherwise. MNI may assist in the preparation of the license application by the Buyer; however, MNI's warranty shall not be modified to the detriment of MNI, and MNI shall have no liability to Buyer or any third parties arising out of or relating to MNI rendering technical advice, facilities or service in connection with such assistance.

**SECTION 12 - CONTROLLING LAW:** This document shall be governed by the internal laws of the State of Texas, as applied to contracts. The parties hereby agree that this document shall not be governed by the United Nations Convention on Contracts for the International Sale of Goods. This document is prepared and executed in the English language only and any translation of this document into any other language shall have no effect on effectiveness of or the interpretation of this document.

**SECTION 13 - LIMITATION OF LIABILITY:** MNI's TOTAL LIABILITY IS LIMITED TO THE NET PRICE OF THE PRODUCTS SOLD HEREUNDER, EXCLUDING ANY CHARGES STATED SEPARATELY FROM THE PRODUCT PRICE ON THE INVOICE. BUYER'S SOLE REMEDY FOR LIABILITY OF ANY KIND, INCLUDING NEGLIGENCE, WITH RESPECT TO THE EQUIPMENT AND DOCUMENTATION FURNISHED HEREUNDER IS TO REQUEST MNI, AT MNI's OPTION, TO REFUND THE PURCHASE PRICE, EXCEPT THAT IN THE CASE OF A BREACH OF PRODUCT WARRANTY, THE BUYER'S SOLE REMEDY IS TO RETURN THE PRODUCT TO MNI FOR REPAIR IN ACCORDANCE WITH SECTION 5 OF THESE STANDARD TERMS AND CONDITIONS OF SALE.

NO ACTION SHALL BE BROUGHT FOR ANY BREACH OF THIS CONTRACT MORE THAN ONE YEAR AFTER THE ACCRUAL OF SUCH CAUSE OF ACTION EXCEPT FOR MONEY DUE UPON AN OPEN ACCOUNT. IN NO EVENT SHALL MNI BE LIABLE FOR INCREASED COSTS, LOSS OF PROFITS, LOSS OF GOODWILL, OR ANY INCIDENTAL OR CONSEQUENTIAL DAMAGES FOR ANY REASON.

WITH RESPECT TO SERVICES, MNI LIABILITY FOR ANY PATH SURVEY, SITE SURVEY, FIELD MEASUREMENTS, OR PATH ENGINEERING IS LIMITED TO THE RE-SURVEY, RE-MEASUREMENT, OR RE-ENGINEERING OF THE PATH OR SITE. MNI DOES NOT WARRANTY PROPAGATION OR PATH PERFORMANCE. ALL SURVEYS ARE ACCURATE AS OF THE DATE THE SURVEY WAS CONDUCTED. MNI IS NOT RESPONSIBLE FOR UNCONTROLLED EVENTS, SUCH AS FUTURE BUILDING OBSTRUCTIONS OR MICROWAVE PATHS IN OR NEAR THE SURVEYED PATH OR CONTROLLED SITE, WHICH COULD CAUSE BLOCKAGE OR INTERFERENCE.

**SECTION 14 - WAIVER:** The failure of MNI to insist, in any one or more instances, upon the performance of any of the terms, covenants or conditions herein or to exercise any right hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such term, covenant or condition, or the future exercise of such right, but the obligation of the Buyer with respect to such future performance shall continue in full force and effect.

**SECTION 15 - SUBSURFACE OR STRUCTURAL CONDITIONS:** The prices for any towers included in a MNI proposal are based upon normal soil conditions of E.I.A. standard RS-333-C. Should MNI encounter subsurface, structural and/or latent conditions at the site materially differing from those used in the preparation of the quotation, an equitable adjustment to the price shall be mutually agreed upon prior to installation. The Buyer is responsible for specifying tower hardware requirements. If no requirements are provided by the Buyer, MNI will provide its standard production climbing devices and no representation is made by MNI that such devices will be in compliance with OSHA's Tower Climbing Device Specifications.

**SECTION 16 - US GOVERNMENT ORDERS:** The provision of Executive Order No. 11246 of September 24, 1965, as amended, regarding equal employment opportunity, and the rules and regulations issued pursuant thereto, are incorporated herein by reference. Any other US Government procurement regulations which are required to be included shall be specifically and separately agreed to in writing prior to incorporation into the final agreement of sale.

**SECTION 17 - SPECIAL CONDITIONS OF QUOTATION AND SALE:** Supplementary to the above terms and conditions of sale, circumstances which require quotation of special terms and conditions of sale are available from MNI (Sales and/or Customer Care Departments) relating to the following: (A) Installation services (weather, employees, normal workday, FCC construction permits, realignment of existing equipment coordination, relocation of plant and equipment); (B) Frequency coordination (Buyer provided frequencies, MNI proposed frequency plan) and path survey (Buyer path survey, MNI proposed path survey); (C) MNI provided antenna installations of Buyer (antenna pipe mount, waveguide bridge, indoor waveguide runs, accessibility to building work areas, modification to Buyer's or Owner's premises, existing towers); (D) MNI provided towers (grounding (REA), tower lighting, modification to Buyer's or Owner's premises); (E) MNI provided roof mounted towers (roof reinforcing, transmission line entry, plot terrain, site accessibility, clearing and grading, tower load, future antenna loading); (F) Construction and/or civil work; (G) Dangerous or hazardous work conditions or environment; (H) PCS or PCN relocation services and related engineering services.

**SECTION 18 - PROJECT DISCLAIMERS:**

- Pricing shown is contingent upon purchase of entire quoted bill of materials and services.
- Additional charges may be applied if a particular component, brand, service, or installation partner is required by the customer
- Microwave Networks reserves the right to replace 3rd party products with alternative equipment of similar or superior function and quality
- Warranty on all 3rd party products is the original manufacturer's warranty or 1 year
- Final antenna type is subject to change based on PCN results
- Legacy and EOL equipment availability is limited and requirements for such may be filled by refurbished equipment on a case-by-case basis per customer approval
- Quote is valid for 60 days. Price will be updated and may increase after 60 days
- Change orders are subject to price increase
- Shipments may be held up to 90 days from receipt of PO due to factors outside of MNI's control, after which warehousing and other handling fees may apply
- Customer is responsible for receiving and taking a detailed inventory of any shipments made against a valid purchase order. Any claims of missing and/or damaged equipment must be submitted to MNI's customer service department within 15 days of shipment.
- Microwave Networks manufactured equipment is covered by 2 years warranty after shipment, per Microwave Networks' Standard Warranty

For Proteus UMX:

- Proteus UMX is covered by 1 year warranty after shipment, per Microwave Networks' Standard Warranty.
- With the use of unlicensed spectrum, any spectrum interference or resolution of that interference is not the responsibility of MNI
- Throughput and path performance for shared spectrum frequency bands is not guaranteed
- UMX radio is not recommended for mission critical applications due to inherent limitations with unlicensed spectrum

For Full turnkey or Services Only:

- Installation quote is based on preliminary path information and is subject to change once path and site surveys have been finalized
- Installation quote assumes site readiness. De-installation, removal, and disposal of any existing equipment is the responsibility of the customer unless quoted specifically by Microwave Networks Inc.
- Installation is expected to commence no later than 30 days after shipment of equipment. Installation may be delayed up to 90 days after shipment of equipment due to factors outside of MNI's control, after which additional program management and support fees may apply.
- Warranty on installation workmanship is 1 year from date of customer acceptance.

For Equipment only project or projects where MNI provides only partial installation services (i.e.Broken Turnkey):

- Microwave Networks Inc. designs and implements custom turn-key solutions and strongly recommends all customers take advantage of MNI's full turnkey services. MNI is not responsible for the workmanship of any 3rd parties selected by the customer and cannot be responsible for system turn-up and overall performance of any microwave systems not designed and installed by MNI
- All installation technicians must successfully complete Microwave Networks certification training
- If onsite troubleshooting is required by MNI, additional charges will apply

For Lifecycle support services (Gold and Platinum):

- Advanced replacements limited up to 7% of the MNI equipment purchased and subject to availability
- Interference detection services will provide notification of potential interference caused by Wi-Fi 6E. Further efforts beyond notification to resolve or mitigate the interference are subject to additional charges.
- Early pay discounts are available for multi-year commitments. Please discuss with your regional director.

**SECTION 19 - COMPLETE AGREEMENT:** Buyer acknowledges that Buyer has read and understands these Standard Terms and Conditions of Sale as stated, and agrees to be bound by them and that these are the complete and exclusive statement of the agreement between the parties and supersede all proposals, oral or written, and all other communications between the parties relating to the subject matter. No modification hereof shall be binding upon either party unless such modification is in writing signed by duly authorized representatives of the parties. If any part of the terms and conditions included herein is deemed contrary to, prohibited by or invalid under applicable laws or regulations, such provision shall be deemed omitted to the extent so contrary, prohibited or invalid, but the remainder shall not be invalidated and shall be given effect as far as possible.

# AGENDA STAFF REPORT

**City of West Covina | Office of the City Manager**

**DATE:** January 17, 2023

**TO:** Mayor and City Council

**FROM:** David Carmany
City Manager

**SUBJECT: CONSIDERATION OF A RESOLUTION AMENDING THE FY 2022-2023 BUDGET**

## RECOMMENDATION:

It is recommended that the City Council adopt the following resolution:

> **RESOLUTION NO. 2023-3 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET AMENDMENT FOR THE FISCAL YEAR COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023 (MID-YEAR ADJUSTMENTS)**

## BACKGROUND:

The City Council adopted the Fiscal Year 2022-2023 budget on June 7, 2022 through the adoption of Resolution No. 2022-53. The budget covers the period from July 1, 2022 through June 30, 2023. Amendments must periodically be made to the budget to conform to changed circumstances following its adoption.

## DISCUSSION:

The proposed budget amendment includes the following:

General Fund (Fund 110) - $5,360,000

Per the City's Fund Balance Policy, the City shall maintain a minimum unassigned fund balance of at least 17% of General Fund operating expenditures. At the end of the fiscal year, the annual excess revenue over expenditures in the City's General Fund will be automatically allocated as follows, unless the transfer is overridden by an action of City Council: 25% stays in General Fund Balance reserves, 40% is transferred to the Capital Projects Fund, 10% is transferred to the Vehicle Replacement Fund, and 25% goes to pay down Other Post Employment Benefit (OPEB) liabilities. Based on the ending balance as of June 30, 2022, $2,859,000 (approximately 40% of General Fund Balance) is recommended to be transferred to the Capital Projects Fund (No. 160), $714,000 (approximately 10%) is recommended to be transferred to the Vehicle Replacement Fund (No. 367), and $1,787,000 (approximately 25%) is recommended to be transferred to a new fund (No. 369) to set aside funding for City's OPEB liability. The last $1,787,000 (approximately 25%) is recommended to stay within the General Fund.

The City funds a PARS Pension Plan for former City Managers. The annual maintenance fees for this plan, approximately $84,000, were inadvertently left out of the FY2022-23 budget and proposed to be added. Additionally, no funding was included in the original budget for employee engagement. Employee

engagement programs aim to boost workers' morale, retain talent, and create a bond between workers and the organization. Staff recommends adding $5,000 under Human Resources for these citywide initiatives.

Funding for electricity and miscellaneous maintenance repairs, including the methane alarm system, at the Sportsplex were not included in the original budget. Therefore, staff recommends adding $245,000 to accommodate these and other unanticipated operating expenditures. These increases are proposed to be offset by a decrease in transfers to the CIP fund for a net neutral impact to the General Fund.

Azusa Pedestrian & Signal Improvement Project (Fund 144) - $7,000,000
On December 23, 2022, Rep. Grace F. Napolitano voted to pass H.R. 2617, securing $48.7 million for her congressional district. Included in this bill is a $7,000,000 project for the City of West Covina – Azusa Avenue Pedestrian Handicap Accessibility & Signal Synchronization Improvement Project. Staff proposes increasing revenue and expenditures by this amount to allow staff to begin implementation of the project.

Capital Projects Reconciliation (Funds 160, 173, 170, 175) - $1,680,001
A couple items were included in the Capital Improvement Program but not included in the appropriated totals. Therefore, staff recommends increasing appropriations within these funds as originally intended: Fund 160: Project No. 23021, BKK Detention Basin ($1,000,000) and Fund 175: Project No. 23020 Parks Security Cameras & Lighting ($150,000). Additional funding is also necessary for bathroom improvements at Walmerado Park ($30,000). Funding for this is proposed to be transferred from the Del Norte PDF Fund (No. 170) to the Walmerado-Cameron PDF Fund (No. 173). The original budget included a placeholder for the Sportsplex in the amount of $99,999. Now that actual expenses have been identified for exterior renovations, staff proposes adding $500,001 to the project budget under Fund 160.

Pavement Management ProgramUpdate (Fund 160) - $90,000
In order to receive Federal funding for street rehabilitation projects, it is mandated that every mile of eligible Federal-Aid highways within the City (major arterials) be managed with a Pavement Management Program (PMP). Eligibility for the County of Los Angeles Proposition C funding also requires that a PMP be implemented and updated every three years.The PMP document presents findings and recommendations from a pavement condition survey of City's street network including pavement condition summaries, preservation and repair activities, and projected budgets for those activities. The last comprehensive update of the City's PMP was completed in August 2020. Staff recommends adding $90,000 to update the PMP this fiscal year out of the Capital Projects Fund (No.160).

Sewer Repairs (Fund 189) - $413,000
Emergency sewer repairs were necessary to repair a sunken storm drain manhole and pavement at the intersection of Cortez and Prospero ($50,000). Additional funding ($363,000) is also necessary to complete the Upgrades For 2700 Azusa Sewer Lift Station (Project No. 17022). Funding for these projects is available in the Sewer Maintenance Fund (No. 189).

Year End Roll-Overs (Funds 127, 153, 155, and 220) - $489,360
At the end of FY2021-22 there were fund balances in special revenue funds that are proposed to be appropriated for use in the current fiscal year. These include $84,607 in the COPS/SLESF Fund (No. 155), $10,916 in the Police Donations Fund (No.127), $368,100 in the Public Safety Augmentation Fund (No.153), and $25,737 in the WC Community Services Foundation Fund (No. 220). All of this funding is restricted to Public Safety use and proposed to be used for public safety equipment, training, and programs. Revenue of $54,000 is also proposed to be added based on updated estimates.

Follow-up from First Quarter Budget Amendment (Fund 375) - $490,000
The exhibit for the first quarter budget amendment cut off the Police Enterprise Fund (No. 375) which was included in the staff report and first quarter report. Thus, staff has added it to this budget amendment as an administrative cleanup item.

**LEGAL REVIEW:**

The City Attorney's Office has reviewed the resolution and approved it as to form.

**Prepared by:** Stephanie Sikkema, Finance Director

## Fiscal Impact

**FISCAL IMPACT:**

Excluding transfers out for use of unassigned fund balance (as per the Fund Balance Policy), the net impact of this amendment is zero for the General Fund. The table below provides a summary of the fiscal impact from the proposed adjustments by fund:

| Fund Name (Fund No.) | Proposed Revenue Less Expenditures | Estimated Ending Fund Balance |
|---|---|---|
| General Fund (110) | -5,360,000 | 19,230,049 |
| Capital Projects (160) | 934,999 | 1,806,670 |
| COPS/SLESF (155) | -84,607 | 10,772 |
| Highway Safety Improv. Prog. (144) | 0 | 0 |
| Other Post Emp. Benefits (369) | 1,787,000 | 1,787,000 |
| PDF A - Del Norte (170) | -30,000 | 1,351,285 |
| PDF D Walmerado-Cam. (173) | 0 | 1,487 |
| PDF F - Gal-Wogrov-Cam (175) | -150,000 | 161,511 |
| Police Donations (127) | -10,916 | 21,320 |
| Public Safety Augmentation (153) | -368,100 | 357,809 |
| Sewer Maintenance (189) | -413,000 | 5,697,947 |
| Sportsplex (242) | 0 | 0 |
| Vehicle Replacement (367) | 714,000 | 1,241,499 |
| WC Comm. Svcs Foundation (220) | 28,263 | 1,395 |
| Police Enterprise (375) | (490,000) | 148,555 |

## Attachments

Attachment No. 1 - Resolution No. 2023-3

**CITY COUNCIL GOALS & OBJECTIVES:** Achieve Fiscal Sustainability and Financial Stability

**ATTACHMENT NO. 1**

# RESOLUTION NO. 2023-3

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, ADOPTING A BUDGET AMENDMENT FOR THE FISCAL YEAR COMMENCING JULY 1, 2022 AND ENDING JUNE 30, 2023 (MID-YEAR ADJUSTMENTS)**

**WHEREAS,** on April 19, 2022, the City Manager presented to the City Council a proposed budget for Fiscal Year 2022-23 in compliance with Section 2-151(m) of the West Covina Municipal Code; and

**WHEREAS**, following the initial presentation of the proposed budget for Fiscal Year 2022-23, the City held meetings and community workshops and conducted an online budget survey in order to solicit input from the public regarding the proposed budget; and

**WHEREAS,** on June 7, 2022, the City Council adopted a budget for the 2022-2023 Fiscal Year; and

**WHEREAS**, amendments must periodically be made to the budget to conform to changed circumstances following adoption of the budget.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA DOES RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council hereby approves Budget Amendment No. 2023-013, attached hereto as Exhibit A, for Fiscal Year 2022-23.

**SECTION 2.** The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

**APPROVED AND ADOPTED** this 17th day of January, 2023.

_____
Rosario Diaz
Mayor

**APPROVED AS TO FORM**

_____
Thomas P. Duarte
City Attorney

**ATTEST**

_____
Lisa Sherrick
Assistant City Clerk

I, LISA SHERRICK, Assistant City Clerk of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2023-3 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 17th day of January, 2023, by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Lisa Sherrick
Assistant City Clerk

# Exhibit A

**City of West Covina**
**Fiscal Year 2022-23**
**Budget Amendment No. 2023-013**
**Mid-Year Adjustments**

| Fund Name (No.) | Current Budget | Proposed Amendment | Amended Budget |
|---|---|---|---|
| General Fund (110) | | | |
| Revenue | 80,608,408 | 0 | 80,608,408 |
| Expenditures | 80,177,238 | 5,360,000 | 85,537,238 |
| **Revenue less Expenditures** | **431,170** | **(5,360,000)** | **(4,928,830)** |
| Capital Projects (160) | | | |
| Revenue | 399,000 | 2,525,000 | 2,924,000 |
| Expenditures | 6,129,306 | 1,590,001 | 7,719,307 |
| **Revenue less Expenditures** | **(5,730,306)** | **934,999** | **(4,795,307)** |
| COPS/SLESF (155) | | | |
| Revenue | 271,130 | 0 | 271,130 |
| Expenditures | 604,698 | 84,607 | 689,305 |
| **Revenue less Expenditures** | **(333,568)** | **(84,607)** | **(418,175)** |
| Highway Safety Improvement Program (144) | | | |
| Revenue | 3,184,700 | 7,000,000 | 10,184,700 |
| Expenditures | 3,184,700 | 7,000,000 | 10,184,700 |
| **Revenue less Expenditures** | **0** | **0** | **0** |
| Other Post Emp. Benefits (369) | | | |
| Revenue | 0 | 1,787,000 | 1,787,000 |
| Expenditures | 0 | 0 | 0 |
| **Revenue less Expenditures** | **0** | **1,787,000** | **1,787,000** |
| PDF A - Del Norte (170) | | | |
| Revenue | 0 | 0 | 0 |
| Expenditures | 0 | 30,000 | 30,000 |
| **Revenue less Expenditures** | **0** | **(30,000)** | **(30,000)** |

| Fund Name (No.) | Current Budget | Proposed Amendment | Amended Budget |
|---|---|---|---|
| PDF D Walmerado-Cam. (173) | | | |
| Revenue | 20 | 30,000 | 30,020 |
| Expenditures | 309,218 | 30,000 | 339,218 |
| **Revenue less Expenditures** | **(309,198)** | **0** | **(309,198)** |
| PDF F - Gal-Wogrov-Cam (175) | | | |
| Revenue | 530 | 0 | 530 |
| Expenditures | 0 | 150,000 | 150,000 |
| **Revenue less Expenditures** | **530** | **(150,000)** | **(149,470)** |
| Police Donations (127) | | | |
| Revenue | 60 | 0 | 60 |
| Expenditures | 1,000 | 10,916 | 11,916 |
| **Revenue less Expenditures** | **(940)** | **(10,916)** | **(11,856)** |
| Public Safety Augmentation (153) | | | |
| Revenue | 836,610 | 0 | 836,610 |
| Expenditures | 821,045 | 368,100 | 1,189,145 |
| **Revenue less Expenditures** | **15,565** | **(368,100)** | **(352,535)** |
| Sewer Maintenance (189) | | | |
| Revenue | 3,769,530 | 0 | 3,769,530 |
| Expenditures | 7,238,997 | 413,000 | 7,651,997 |
| **Revenue less Expenditures** | **(3,469,467)** | **(413,000)** | **(3,882,467)** |
| Sportsplex (242) | | | |
| Revenue | 598,413 | 245,000 | 843,413 |
| Expenditures | 598,413 | 245,000 | 843,413 |
| **Revenue less Expenditures** | **0** | **0** | **0** |
| Vehicle Replacement (367) | | | |
| Revenue | 465,000 | 714,000 | 1,179,000 |
| Expenditures | 506,181 | 0 | 506,181 |
| **Revenue less Expenditures** | **(41,181)** | **714,000** | **672,819** |

| Fund Name (No.) | Current Budget | Proposed Amendment | Amended Budget |
|---|---|---|---|
| WC Community Svcs Foundation (220) | | | |
| Revenue | 50,000 | 54,000 | 104,000 |
| Expenditures | 367,537 | 25,737 | 393,274 |
| **Revenue less Expenditures** | **(317,537)** | **28,263** | **(289,274)** |
| Police Enterprise (375) | | | |
| Revenue | 645,080 | 0 | 645,080 |
| Expenditures | 241,831 | 490,000 | 731,831 |
| **Revenue less Expenditures** | **403,249** | **(490,000)** | **(86,751)** |

**AGENDA ITEM NO. 10**

# AGENDA STAFF REPORT

**City of West Covina | Office of the City Manager**

**DATE:** January 17, 2023

**TO:** Mayor and City Council

**FROM:** David Carmany
City Manager

**SUBJECT: CONSIDERATION OF RESOLUTION APPOINTING THE CITY OF WEST COVINA'S PRIMARY REPRESENTATIVE AND ALTERNATE REPRESENTATIVE TO THE BIG INDEPENDENT CITIES EXCESS POOL (BICEP) BOARD OF DIRECTORS**

## RECOMMENDATION:

It is recommended that the City Council adopt the following resolution:

> **RESOLUTION NO. 2023-1 - A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPOINTING A PRIMARY REPRESENTATIVE AND AN ALTERNATE REPRESENTATIVE TO THE BIG INDEPENDENT CITIES EXCESS POOL (BICEP) BOARD OF DIRECTORS**

## BACKGROUND:

The Big Independent Cities Excess Pool (BICEP) Joint Powers Authority was established in 1988, in accordance with the Government Code of the State of California, as a way to "risk-share" insurance coverages by medium-to-large cities. BICEP was formed as a result of the municipal liability insurance crisis of 1985-86, when cities had difficulty purchasing affordable coverage in the traditional insurance marketplace. BICEP is comprised of the cities of Huntington Beach, Oxnard, Santa Ana, West Covina and Ventura.

As a joint powers authority, BICEP is governed by a Board of Directors consisting of one representative from each member agency. The Board of Directors elects its officers annually from member representatives and meetings are held every other month.

## DISCUSSION:

The Joint Powers Agreement for the Big Independent Cities Excess Pool Joint Powers Authority, dated July 1, 2006, requires that each member's City Council appoint one director to the Board of Directors of the Joint Powers Authority.

Although the City's excess coverage pool has changed, effective July 1, 2019, to a new carrier, the City has ongoing obligations under the terms and conditions of the BICEP Joint Powers Agreement with regard to claims submitted prior to July 1, 2019.

With the recent resignation of Helen Tran as the City's Human Resources/Risk Management Director,

the City Manager is recommending that Lisa Handy, Interim Director of HR/Risk Management be appointed to serve on the BICEP Board of Directors as the City's primary representative.

The Joint Powers Agreement also requires that the City Council appoint an alternate director to attend, participate in and vote at any meeting at which the primary representative is absent. The City Manager is recommending that Carmelita Underwood, HR Analyst, be appointed to serve as the alternate representative.

**LEGAL REVIEW:**

The City Attorney's Office has reviewed the resolution and approved it as to form.

**Prepared by:** Carmelita Underwood, HR Analyst

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## Fiscal Impact

**FISCAL IMPACT:**

This is strictly an administrative item, therefore; there is no fiscal impact associated with this action.

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## Attachments

Attachment No. 1 - Resolution No. 2023-1

**CITY COUNCIL GOALS & OBJECTIVES:** Achieve Fiscal Sustainability and Financial Stability

**ATTACHMENT NO. 1**

**RESOLUTION NO. 2023-1**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA, APPOINTING A PRIMARY REPRESENTATIVE AND AN ALTERNATE REPRESENTATIVE TO THE BIG INDEPENDENT CITIES EXCESS POOL (BICEP) BOARD OF DIRECTORS**

**WHEREAS**, the City of West Covina ("City") is a member of the Big Independent Cities Excess Pool ("BICEP"); and

**WHEREAS**, the Joint Powers Agreement for the Big Independent Cities Excess Pool Joint Powers Authority ("BICEP JPA"), dated July 1, 2006, requires that each member's City Council appoint one director and one alternate director to the Board of Directors of the BICEP JPA; and

**WHEREAS**, the City Council desires to appoint a director and an alternate director to the BICEP JPA Board of Directors.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF WEST COVINA, CALIFORNIA DOES HEREBY RESOLVE AS FOLLOWS:**

**SECTION 1.** The City Council hereby appoints Lisa Handy, Interim Director of Human Resources and Risk Management, to serve as the City's primary representative on the Board of Directors of the Big Independent Cities Excess Pool Joint Powers Authority.

**SECTION 2.** The individual designated above by the West Covina City Council as the City's primary representative to the BICEP Board of Directors is hereby confirmed and designated as the City's delegate to the BICEP Board of Directors for all purposes of representing the City's interests and exercising the authority of the City with respect to the coverage and the program and voting on behalf of the City on all matters delegated to the Board of Directors and signing such documents as are contemplated to be approved by the Board of Directors under the Liability Program, Workers' Compensation Program and Liability Memorandum of Coverage Agreements. Such individual shall keep the West Covina City Council informed of such matters on a timely basis.

**SECTION 3.** The City Council hereby appoints Carmelita Underwood, Human Resources Analyst, as the City's alternate representative, who shall have the authority to attend, participate in and vote at any meeting of the Board of Directors when the primary representative is absent.

**SECTION 4.** The City Clerk shall certify to the adoption of this resolution and shall enter the same in the book of original resolutions and it shall become effective immediately.

**APPROVED AND ADOPTED** this 17th day of January, 2023.

Rosario Diaz
Mayor

**APPROVED AS TO FORM**

Thomas P. Duarte
City Attorney

**ATTEST**

Lisa Sherrick
Assistant City Clerk

I, LISA SHERRICK, ASSISTANT CITY CLERK of the City of West Covina, California, do hereby certify that the foregoing Resolution No. 2023-1 was duly adopted by the City Council of the City of West Covina, California, at a regular meeting thereof held on the 17th day of January, 2023, by the following vote of the City Council:

AYES:
NOES:
ABSENT:
ABSTAIN:

Lisa Sherrick
Assistant City Clerk

# AGENDA STAFF REPORT

**City of West Covina | Office of the City Manager**

**DATE:** January 17, 2023

**TO:** Mayor and City Council

**FROM:** David Carmany
City Manager

**SUBJECT:** **West Covina Police Department Detective Bureau Status Update**

**RECOMMENDATION:**
It is recommended that the City Council receive and file this informational report.

**BACKGROUND:**
The Police Department will be presenting an overview of the Detective Bureau's operations and responsibilities.

**DISCUSSION:**
The presentation will cover responsibilities of the West Covina Detective Bureau, including processes for investigation, case management and procession of major crimes in our city.

**OPTIONS:**
It is recommended that the City Council receive and file the detective bureau presentation from the Police Department.

**Prepared by:** Richard Bell, Chief of Police

**Fiscal Impact**

**FISCAL IMPACT:**
This agenda item is to receive and file, therefore; there is no fiscal impact associated with this action.

**Attachments**

Attachment No. 1 - Detective Bureau Presentation

**CITY COUNCIL GOALS & OBJECTIVES:** Protect Public Safety

ATTACHMENT NO. 1

# CITY COUNCIL MEETING

JANUARY 17, 2023

Police Department
Item #11 - Detective Bureau Status Update

# DETECTIVE BUREAU STATUS UPDATE

- Under the umbrella of the Investigative and Support Services Division, our Detective Bureau is a major component of the Department’s commitment to providing essential, Front-Line Law Enforcement Services to our community.

# INVESTIGATIVE DIVISION MAKE UP

Crimes Against Persons | Crimes Against Property | Special Enforcement Team

**Persons Section -** Homicide, Robbery & Kidnapping, Assault & Battery, Sexual Assault, Child & Elder Abuse, Domestic Violence, and Missing Persons.

**Property Section -** Burglary, Theft, Grand Theft Auto, Forgery, Embezzlement, Graffiti/ Vandalism, and miscellaneous sections to include Juvenile Diversion and drug related cases. Also includes the Forensic Identification Unit (FIU).

**Special Enforcement Team -** Responsible for investigating Major Narcotic cases and Drug Trafficking Organizations. The Special Enforcement Team also conducts surveillance and follow up investigations in conjunction with our Detectives.

# UNDER THE DIRECTION OF THE INVESTIGATIVE LIEUTENANT

Persons Sergeant

1 - FIU Supervisor

8 - Detectives

1 - Crime Analyst

1 - Victim’s Advocate

1 - U.S Marshals' Task Force Officer

1 - Social Media/ Public Relations/ Photographer

Property Sergeant

3 - Detectives

1 - T.R.A.P. Task Force Officer

1 - Crime Analyst

1 - Court Liaison CSO

1 - Case Preparation CSO

# PATROL OFFICER VS. DETECTIVE

## PATROL OFFICER

- Preliminary Investigation
- Basic Evidence Collection
- Arrest vs. No Arrest
- Limitations
- No Long-Term Investment
- Various Experience Levels

## DETECTIVE

- Follow-up Investigations (long term and short term)
- Significantly Less Limitations & Very Experienced
- Search Warrants (technology, social media, data collection)
- Interviews and Interrogations
- Surveillance
- Resources (coordinate and collaborate with other organizations)
- Case Preparation and Adjudication (investigating officer, discovery, court expert, witness and victim coordination )
- Extradition
- After Conviction Participation
- Sex and Arson Registrants

# ADDITIONAL RESOURCES

- Internet Crimes Against Children Task Force
- Task Force for Regional Auto Theft
- Crime Analyst
- Victim Advocate
- Records Specialist
- CSOs (witness and officer subpoena coordination)

# CASE DIFFERENCES

- Homicides (71% solved)
- Sex Crimes
- Child Abuse
- Child Pornography
- Robberies (Robbery Series, Assaults, Batteries, Kidnapping)
- Forgery
- Burglary (hot prowls & burglary series)
- Quick solve cases
- Media attention
- Danger to public
- High profile/full resource cases (stranger child abduction, terrorist events, active shooter events)
- Officer Involved Shooting

# FORENSIC IDENTIFICATION UNIT

- Crime Scene processing
- Fingerprint evidence
- Court expert
- Contract Services

# CASELOAD

- 2,316 Inactive/suspended cases
- 1,239 Open cases
- 964 Filed with DA
- 640 Cleared Other reasons
- 325 Victim Refused to Prosecute
- 242 DA Rejects

- 124 Under Review by DA
- 98 Unfounded
- 77 Will not Investigate
- 38 In Custody Other Jurisdiction
- 15 Released per PC 849
- 32 Juvenile Diversion

41% Cleared Cases Rate (last 12 months)

# ASSIGNED ACTIVE CASES

| Case Type | # of Active Cases |
|---|---|
| ICAC | 9 |
| Domestic Violence | 261 |
| Sex Crimes/Child Abuse | 138 |
| Robbery/Assaults | 49 |
| Homicide (includes attempts) | 39 |
| Misc. Property | 173 |
| Fraud | 33 |
| Burglary | 16 |
| Quick Solve/Pending | 524 |
| TRAP/USMS | |

# QUESTIONS